



Committee: Economic and Community Development Committee
Baltimore City Council

Date: March 26, 2024

Bill: 23-0357 Strengthening Renter’s Safety Act

These comments are offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose membership consists of owners and managers of more than 210,000 rental housing homes statewide. In Baltimore City alone, MMHA represents 68 companies with 227 apartment communities and 38,120 dwelling units. Our members house over 667,000 residents of the State of Maryland. MMHA membership also includes more than 207 associate members that supply goods and services to the multi-housing industry. More information is available at <https://www.mmhaonline.org/>.

Council Bill 23-0357, the Strengthening Renter’s Safety Act, creates a new rental licensing and inspection program for housing providers which maintain “priority dwellings.” “Priority dwellings” are defined as more than 20 dwelling units that have unabated code violations, excessive 311 calls and other characteristics. Additionally, the bill amends rental license requirements, fees, and inspection requirement. Lastly, it establishes a task force that is mandated to submit an annual report. MMHA appreciates the intent of the legislation which is to target housing providers who have failed to remedy longstanding health and habitability concerns and provide the Department of Housing and Community Development (DHCD) with increased tools in enforcing the rental license law.

Priority Dwellings: A priority dwelling could include those that have a certain number of 311 calls relating to health and habitability. Depending on the nature of the calls, it is possible that a recent statewide law would prohibit the City Council from considering these communications as a penalizing factor. Chapter 769/House Bill 215 of 2023 and Section 14-126 of the Real Property Article makes clear that the Governing Body of a County or a Municipality is precluded from enacting an ordinance that penalizes a housing provider for the summoning (by the owner or the resident) law enforcement or emergency services to a residential property.

Resident Damages: This bill fails to address damages caused by residents without the explicit knowledge of the housing provider. Properties endure regular wear-and-tear through the life cycle of a lease. Often times, however, residents cause new damage or exacerbate existing damage. As the bill reads, there is no way for a housing provider to report damages that were caused exclusively by the resident, nor is there an extension of time allowed to remedy such

damage. The bill also allows residents to request an anonymous inspection. With such a system in place, the resident has the ability to purposefully cause damage without the housing provider's knowledge. This creates barriers to resolving legitimate issues that may be present in the unit. While damage caused by a resident will remain the responsibility of the housing provider, MMHA recommends that the legislation specifically ensure that an owner or operator have "actual knowledge" of the unabated code violations before it is deemed a "priority dwelling".

Priority Inspection Requirements: An additional inspection process is a resource-intensive process. MMHA is concerned that the City's existing administrative capabilities will not be able to support this influx of additional inspections. Baltimore City has a finite number of inspectors, and expanding the residential inspection scheme will only lead to further delays in the process. Although there is an option for a third-party inspection, housing providers will incur additional costs on inspections. The City may not have the capacity to add another inspection process without overburdening its already strained resources and potentially impeding the overall functionality of the current residential licensing process.

License Fee: Simply put, the fee prescribed for this bill is exorbitant and assumes that the revenue will be allocated for increased inspections by DHCD. At \$100 per dwelling unit and \$75 per rooming unit, the fee is substantially higher than the regular fee of \$35 for dwelling units. By raising this fee, housing providers are compelled to pass the cost on to residents- dramatically increasing rent. These fees will have a burdensome ripple effect in a state that already has a shortage of affordable units.

Lack of Housing Provider Input: The Rental Licensing and Inspection Task Force (Task Force) is comprised of 10 members. Of those 10 members, 5 of them are either tenants or tenant representatives. Only one is a housing provider, with various restrictions on who can serve on the board, MMHA is deeply concerned about the lack of adequate representation within the current work group. Effective representation is essential for ensuring that the diverse needs, perspectives, and concerns of housing providers are properly addressed. A lack of housing providers on the task force will not accurately reflect the challenges faced by our members. The Council should reconsider the make-up of the work group to ensure the report produced by the work group are comprehensive and well informed.

MMHA is proud of the housing options MMHA members offer in Baltimore City. We recognize that not all housing providers are professionals and recognize the importance of quickly addressing health and hazards while communicating with residents. Council Bill 23-0357 is a laudable attempt to target housing providers who are failing to provide the habitability their residents deserve and expect.

In the Council's deliberations on the legislation, MMHA requests that it consider the following:

- The 311 call issue and whether Chapter 769 of 2023 impacts this measure.

- DHCD must ensure that housing providers have actual knowledge of the hazard or habitability issue prior to being deemed a “priority dwelling.”
- DHCD must commit to timely handling inspections of “priority dwellings” or allow the housing provider to engage a third party
- The per unit fees must be reduced and MMHA requests assurance that the revenue from the increased fees are directly allocated to hiring additional DHCD inspectors. And, if a housing provider is required to hire a third party inspector, the per unit fee should be reduced.
- The Task Force must have balance. If there are 5 tenant representatives, then there should be 5 housing provider representatives. Any imbalance will hinder the effectiveness of this ordinance.