Regular Meeting

Agenda Item #	2
Meeting Date	February 10, 2016
Prepared By	Sara Anne Daines HCD Director
Approved By	Suzanne R. Ludlow City Manager

Discussion Item	First Reading of Ordinance Amending City Code Chapter 16.6.090 Fees
Background	The Council is asked to consider an ordinance amending the Landlord Tenant Relations Code, providing for minor modifications of the language regarding the assessment of fees to tenants for services and amenities previously included in the rent for the rental unit or provided to current or prior tenants at no cost. As noted during the February 3, worksession, the amendment is intended to clarify when a fee may be assessed to a tenant, address the assessment of extermination fees and to consolidate specific fees such as pet fees and replacement key fees into the Administrative Regulations. The second reading of the proposed amendment is scheduled for February 24, 2016.
Policy	To provide diverse and affordable housing options for community residents.
Fiscal Impact	N/A
Attachments	Ordinance amending the T*akoma Park Code*, Title 6, Housing, to prevent landlords from charging abusive fees
Recommendation	To approve the first reading of the proposed amendment.
Special Consideration	

Introduced by:

First Reading: Feb. 10, 2016
Second Reading:
Effective Date:

CITY OF TAKOMA PARK, MARYLAND

ORDINANCE 2016-

AMENDING THE *TAKOMA PARK CODE*, TITLE 6, HOUSING, TO PREVENT LANDLORDS FROM CHARGING ABUSIVE FEES

WHEREAS, the City of Takoma Park regulates residential rents to ensure an economically diverse community; and

WHEREAS, the City allows landlords to charge fees to tenants to allow landlords to recover their actual costs and encourage landlords to provided beneficial amenities to tenants; and

WHEREAS, some landlords have abused the fee system to circumvent rent stabilization.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND:

SECTION 1. Title 6, Housing, of the *Takoma Park Code* is amended as follows:

Chapter 6.16
Landlord-Tenant Relations

6.16.090 Fees—General provision, permitted fees, optional fees, prohibited fees.

A. General Provisions—Restrictions and Disclosure Requirements.

1. The provisions of this section apply to all fees assessed to a tenant ~~in addition to the monthly rental charge~~.

2. Lawful fees shall not be considered a part of the monthly rental charge for the rental unit.

3. Fees shall not be charged for services and amenities previously included in the rent for the rental unit or provided to current or prior tenants at no cost.

4. Fees shall not be charged for improvements to the rental unit or rental facility or for additional operating expenses incurred by the landlord.

5. Extermination Fees.

a. Multifamily facilities. Fees for routine and emergency extermination services are prohibited at all units in multifamily buildings.

b. Single family facilities. Landlords may only charge tenants of single-family rental facilities for extermination services for infestations caused by the tenant. The charge must not exceed the actual cost of the extermination services incurred by the landlord.

6. Fees may be assessed to the tenant for optional services and amenities such as furnishings, garage parking, off-street parking, Internet access, storage, and pets. Tenants shall have the right to refuse optional services and amenities ~~and services~~.

a. Prior to the provision of any optional service or amenity by the landlord and the assessment of any fee to the tenant, the tenant must provide written confirmation that they understand that they have the right to decline the optional service or amenity and that they voluntarily accept the optional service or amenity.

b. Fees for optional services and amenities shall not be assessed to tenants who have refused said services and amenities or provided the landlord with written notice of their intent to discontinue such service or amenity.

c. Tenants may terminate access to accepted services or amenities by giving a one-month written notice to the landlord.

d. Landlords may terminate a tenant's access to optional services or amenities by giving a one-month written notice to the tenant prior to the termination date.

7~~6~~. Fees shall be assessed on a uniform basis throughout a rental facility and shall not exceed maximum fees established by administrative regulations.

8~~7~~. Fees shall be disclosed by the landlord prior to the commencement of the tenant's tenancy. Landlords may increase fees by giving two months' written notice to the tenant prior to the expiration of the tenant's lease term, or, for month-to-month tenants, by giving two months' written notice.

B. Permitted ~~Fees – Leasing Fees, Late Fees and Short-Term Lease~~ Fees.

1. No fees may be charged unless authorized by this section or administrative regulation.

2. Leasing Fees. Leasing fees shall include, but not be limited to: application fees, key fees, document preparation fees, brokerage fees, and credit check fees.

3~~2~~. Late Fees. Late fees shall not be charged if the rent is received within 10 calendar days of the rent due date. A late fee shall not exceed 5% of the amount of rent due for the rental period.

4~~3~~. Short-Term Lease Fees. A short-term lease fee may be assessed to a tenant who has requested an initial lease of less than 12 months in accordance with the provisions set forth in Section 6.16.070(A), Initial Leases.

a. A short-term lease fee shall not be assessed to a tenant when the landlord has offered the tenant an initial lease term of less than 12 months.

b. Short-term lease fees shall not be assessed beyond the initial term of the lease.

c. Landlords shall not charge a fee for month-to-month tenancies.

~~C. Optional Fees – Pet Fees, Air Conditioning Fees.~~

~~1. Pet Fees. A pet fee may be assessed to the tenant upon the initial occupancy of the rental unit or in the event a pet is obtained following the commencement of the tenancy, when the pet begins to reside in the unit. Nothing in this section shall be construed as requiring landlords to allow pets.~~

~~2. Air Conditioning Fees.~~

~~a. The landlord may assess a fee for the rental of an individual window air conditioning unit or units, for the installation or removal of the air conditioning units, and for additional utility consumption. The tenant shall have the option of providing an air conditioning unit upon written approval of the landlord. Such approval shall not be withheld if the tenant provided unit is equivalent in size, configuration and energy efficiency standards to the unit offered for rent by the landlord.~~

~~b. Fees for additional utility consumption and use of landlord-provided air conditioning units shall only be assessed during the months of May through September.~~

~~D. Prohibited Fees – Extermination Services. Fees for routine and emergency extermination services are prohibited at all multifamily rental facilities.~~

SECTION 2. This Ordinance will be effective immediately.

ADOPTED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND, THIS _____ DAY OF _____ 2016, BY ROLL-CALL VOTE AS FOLLOWS:

AYE:

NAY:

ABSENT:

ABSTAIN: