

DRAFT Letter in opposition to HB 315 – Rent Control

The Honorable Maggie McIntosh, Chair
House Environmental Matters Committee
251 House Office Building
6 Bladen St., Annapolis, MD 21401

February 18, 2013

RE: HB 315 – Rent Control

Dear Chair McIntosh:

The White Flint Partnership, consisting of Federal Realty, Gables, JBG, Lerner Enterprises, Saul Centers, Inc. and the Tower Companies partnered with the neighboring community, Maryland National Park and Planning and Montgomery County in redefining the White Flint Sector from a suburban environment into a vibrant urban transit oriented community.

Early this year, the efforts of The White Flint Partnership were recognized in Annapolis when the Maryland Sustainable Growth Commission presented the White Flint Sector Plan with its 2012 Smart Growth Communities award. Implementation includes a special taxing district to pay for new transportation infrastructure, a new mixed-use zone, and several innovative development applications. Each development plan looks to remake aging shopping centers into mixed-use communities with public amenities, a new grid of streets, urban plazas, open spaces, and parks.

The White Flint Sector Plan will place more than 9,800 new residential units in high rise and mid-rise buildings. Great care has been taken to insure that the new residential developments provide a mix of rental apartments and condominiums; in addition 12.5% of the residential units are reserved as affordable units to insure that the diverse needs of the County's families can be addressed. The economic benefit to the County and the State is estimated to exceed eight billion dollars over the next 20 years.

HB 315, were it to pass, undermines the delicate balance that has only been achieved after years of negotiating and planning, and will force us to revise what is economically viable within the Sector Plan, setting back plans on a much-needed and acclaimed Vision.

Montgomery County has a long history of tenant advocacy. Montgomery County tried, and abandoned, rent controls in the 1980s. The County currently requires apartment owners to register and adhere to voluntary rent guidelines, recognizing that rents do

increase for a myriad of reasons, beyond pass-through increases in taxes and utilities and the cost of capital improvements.

The White Flint Partnership members have, over the years, encountered rent control situations; in each case, limiting rent increases has placed the properties at risk as the property-owners sought to maintain the upkeep and the quality of life associated with each property.

HB 315 causes great concern, as it restricts a rental housing provider when renewing a lease. The “just cause” inadvertently creates a life tenancy for the renter and makes it much more difficult for a multi-family owner to remove a problem tenant. HB 351 fails to recognize that we, as rental housing owners have no economic reason to remove paying tenants who abide by the rules, and that, in fact, our policy is to cultivate long-term, responsible tenants in our communities.

The last provision of HB 315 also ignores tenant reality - on occasion, tenant actions do contribute to damage inside and outside of the rental unit. Requiring tenants to carry tenant insurance is the optimum (and best) practice in multifamily housing as it keeps other tenants and the housing provider from suffering losses that are directly attributable to a tenant’s actions – being named in the policy is the only way that the housing provider can be assured it will receive notification if the tenant is about to let the policy lapse, and knows how to ensure that a tenant’s claim will include related damages that occurred elsewhere in the property.

For these reasons, The White Flint Partnership strongly urges that HB 315 be given an unfavorable report.

Sincerely,

cc:

Delegate Alfred C. Carr, Jr.
Delegate Barbara A. Frush
Delegate James W. Gilchrist
Delegate Anne Healey
Delegate Marvin E. Holmes, Jr.
Delegate Doyle L. Niemann
Delegate Shane Robinson