

# Memo

To: City Council

CC: Tracey Nicholson, City Administrator  
Ron Brooks, City Treasurer  
Holly Simmons, City Planner

From: Jim Chandler, Assistant City Administrator

Date: April 17, 2023

Re: Enterprise Community Partners - Rent Stabilization Ordinance Technical Analysis

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The purpose of this cover memorandum is to provide the Mayor and City Council with a summary of requested services to be performed by Enterprise Community Partners.

In May 2021, the City Council unanimously adopted the City's 'Housing Action Plan' a 10-year roadmap of policies, programs and actions intended to enable the preservation and creation of affordable housing opportunities within the City of Hyattsville. The Plan was developed with Enterprise Community Partners (ECP) and prioritized four (4) major areas for enabling affordable housing:

1. Creation of an Affordable Housing Fund;
2. Using public land for developing affordable housing units;
3. Rent control;
4. Tenant rights.

In January 2023, Staff met with Enterprise Community Partners (ECP) to discuss the City's proposed Rent Stabilization Ordinance to discuss the ability of ECP to model the ordinance and provide the City with projected outcomes and recommendations for modifications, prior to drafting and adoption of the ordinance.

On April 3, 2023, the City Council approved HCC-324-FY23, approving the City Attorney to prepare an ordinance on regulating the annual rate of increase in rental prices in the City of Hyattsville. The direction from Council:

- Authorize and require the City Administrator to set and publish a maximum allowable annual rent increase (MAARI). The MAARI shall be the maximum annual allowable percentage increase in price per unit for non-exempt rental properties within the City of Hyattsville.

- The MAARI shall be equal to the annual percentage increase in the Washington-Arlington-Alexandria, DC-VA-MD-WV Consumer Price Index for All Urban Consumers (CPI-U) , from November to November of the two most recent calendar years, rounded to the nearest whole number, and shall be effective for a twelve-month period beginning January 1.
- Exemptions  
The following classes of rental properties and rental agreements shall be exempt from the limit imposed through the MAARI.:
  - Rental properties less than 15 years old;
  - Buildings with 2 or fewer units;
  - Owner-occupied where the tenants share a kitchen or bathroom with the owner;
  - Short-term leasing agreements. (Defined as leases for 30 days or less, published via short term leasing platform such as AirBnb)
  - Extensions of leases beyond 120 days will make the unit subject to the Rent Allowance clauses prescribed;
  - Federally regulated rental units for which rates are negotiated between the federal government and property owners.
  - Accessory apartments and dwelling units.

Based upon the adoption of the direction of action adopted by City Council, the Staff consulted with the City Attorney's office and concurred that the City would benefit from an assessment and modeling of the proposed Rent Stabilization ordinance. The scope of work and deliverables will include the following:

- Modeling projected outcomes of policy language;
- Stakeholder engagement;
- Develop operational model;
- Develop performance metrics and timeline review;
- Develop final report and presentation.

The work will be completed in 12-weeks, at a total cost not to exceed \$40,000 and will provide City Staff, the City Attorney's Office and City Council with due diligence necessary to move forward in a prudent manner. Funding for this activity is included in the FY2024 CED budget request.