



Mayor and Council

Work Session – Chapter 18 Code Update,
Rental Facilities and Landlord-Tenant
Relations

February 23, 2026



Outline

- Requested Feedback
- Background
- Follow-up Research
- New Policies
- Programmatic Actions & Future Code Amendments
- Next Steps
- Requested Feedback



Requested Feedback

Do you agree with staff's recommendations for:

1. Background Check Restrictions
2. Relocation Assistance
3. Penalties
4. Programmatic Actions & Future Code Amendments



Background



Background

- Housing is one of five focus areas.
- Fall 2024: Three work sessions on the city's housing strategies. Comprehensively updating Chapter 18 was approved as a strategy by the Mayor and Council.
- June 2025: Work session on data reporting and transparency.
- November 2025: Work session on rental licensing inspections.
- December 2025: Work session on existing code and new policies.



Background

Goals for the Landlord-Tenant Code Rewrite

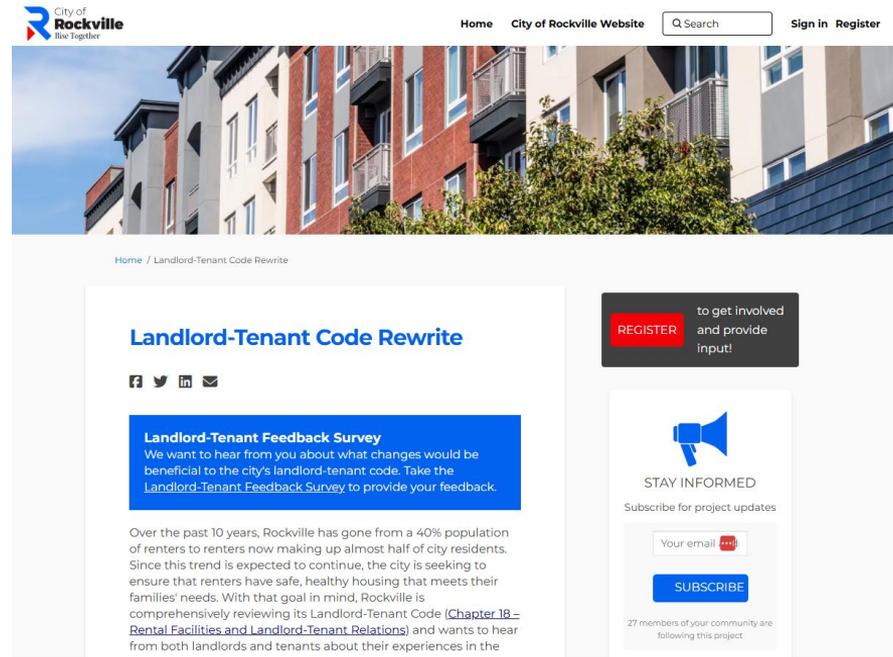
- Provide clarity on existing code elements.
- Consider alignment with surrounding jurisdictions' codes and ensure alignment with state of Maryland law.
- Improve housing stability and opportunities for tenant agency.
- Require greater transparency for tenants.
- Review local and national best practices.
- Better connect data collection and city goals.



Background

Public Engagement

- Hosted two virtual input meetings – one with landlords, one with tenants
- Published Engage Rockville webpage with project information, survey, comment form, and question portal
- Received input and met with stakeholders



Screenshot of Engage Rockville Webpage



Background

Public Feedback – Tenant Concerns

- Rising rents and desire for rent stabilization
- New fees
- Discrepancies between the city and county protections
- Lack of information regarding landlord and property
- Desire for a relocation assistance policy
- Neglected or untimely maintenance
- Protection against retaliation
- Lack of an air conditioning requirement



Background

Public Feedback – Landlord Concerns

- Increasing costs (taxes, fees, HOA payments)
- Length and difficulty of eviction proceedings
- Difficulty of rental license application process
- Responsiveness of city staff and lack of clear points of contact
- Keeping up with and adhering to code requirements
- Confusion around Voluntary Rent Guidelines



Follow-up Research



Follow-up Research

Fee Restrictions

- No studies on the effect of fee caps locally or nationally
- Similar downsides to rent caps
- Potential unintended consequence: short-term rent adjustments to compensate for lost fee revenue



Follow-up Research

Two-Year Lease Terms

- Recommendation for landlords to *offer* a two-year lease term
- Current code language allows for landlords with “reasonable cause” to not provide an initial lease term of one-year
- No studies on the effects of two-year versus one-year leases
- Over half of Rockville renters have been in the same home for more than one year
- Longer lease terms can pose benefits and risks to both landlords and tenants



Follow-up Research

Eviction Assistance

City either currently offers, is working to enhance, or is exploring all key strategies:

1. Emergency rental assistance
2. Security deposit assistance
3. Access to legal counsel
4. Investments in affordable housing
5. Investments in preventative programs



New Policies



New Policies

Background Check Restrictions

Background

- Tool for landlords to protect against risky tenants but can end up being overly punitive for prospective tenants with criminal or eviction records
- Can lead to decisions based on historic and systemic inequities rather representing of a person's current capacity to be a good tenant
- Clean slate policies have become increasingly popular

Recommendation

- Align with Montgomery County's Housing Justice Act, including Ban the Box and anti-discrimination components
- Prohibit landlords from asking about eviction history on rental applications
- Confirm compliance as a part of the rental license renewal process



New Policies

Eviction Filing

Background

- Increased frequency of tenants with large rental arrears (>\$10k) that cannot be cleared with public/non-profit funds
- Tenants must have an active court summons or judgement to receive assistance from both Rockville and Montgomery County
- Potential for bad faith landlords to abuse this system by waiting to file for eviction until balance is too large to clear
- Mandatory evictions are not

Recommendation

- None at this time



New Policies

Relocation Assistance

Background

- Can be required in situations where landlord is found to be responsible for tenant's displacement, whether temporary or permanent
- Local case studies from Montgomery County, Takoma Park, D.C., and Arlington and Fairfax Counties
- National case studies from Minneapolis, Portland, Seattle, and California

Recommendation

- Establish temporary and permanent relocation assistance requirements



New Policies

Temporary Relocation Assistance Recommendations

Required when:

- When the city has deemed that a rental housing unit cannot be occupied.

Assistance required:

- 30 days or less: tenant may be temporarily placed in a safe and sanitary hotel/motel, receive per diem money for temporary housing and expenses, or alternate comparable housing
- 31 days or more: tenant receives per diem money or alternate comparable housing, plus all reasonable moving and storage costs.



New Policies

Temporary Relocation Assistance Recommendations

- Comparable housing must be similar in location and have a similar number of bedrooms, accessibility, and pet allowance (if tenant has pets)
- Per diem payments would be set by annual Mayor and Council resolution
- Landlord may require tenant to use renters insurance but is responsible for costs required by code but not covered by renters insurance
- Tenant would remain responsible for rent during displacement period but not for fees for amenities/services they are unable to use or access
- Once unit is safe to inhabit, tenant would have first right to return



New Policies

Permanent Relocation Assistance Recommendations

Required when:

- Rental license is suspended or revoked;
- City deems unit uninhabitable and cannot be made habitable;
- Tenant relinquishes tenancy in unpermitted rental housing that cannot or will not be permitted;
- Tenant relinquishes tenancy following temporary displacement of at least six months; or
- Unit will be demolished, redeveloped, substantially renovated, or changed in use, requiring a tenant household earning less than 50% of the area median income to move.



New Policies

Permanent Relocation Assistance Recommendations

Payment would include:

- A full refund of security deposit with accumulated interest;
- Pro rata rent for the remainder of the month;
- The cash equivalent of three-month median market rate rent for a similar-sized apartment;
- All actual reasonable moving costs; and
- If applicable, an additional sum for households where one tenant is over 62 years of age, handicapped, disabled, or a legally dependent child.

Example: \$2,000/month apartment with a five-year tenancy that must vacate in middle of month would receive an estimated \$9,782.

Tenants would have first right to return should the property operate as rental housing in the future.



Penalties

Background

- Penalties can be municipal infractions, license penalties, or legal action
- Current maximum fine for violation of Chapter 18 is \$100, which is out of alignment with Maryland maximums and regional counterparts

Recommendation

- Amend the fee resolution to allow for a range of fees up to \$5,000, with varying fees depending on the violation



Programmatic
Actions &
Future Code
Amendments



Programmatic Actions & Future Code Amendments

1. Increase landlord and tenant education.
2. Support tenant outreach and organizing.
3. Continue and expand support for tenants facing eviction.
4. Consider amendments to other chapters of city code.
 - Tenant Opportunity to Purchase
 - Cooling requirements
 - Protections for commercial landlords and tenants
 - Consumer protections for senior living facilities



Next Steps & Requested Feedback



Next Steps

1. Staff draft new code based on Mayor and Council feedback
2. Additional outreach and engagement for stakeholder/community feedback on staff draft
3. Consider adoption on May 18, 2026



Requested Feedback

Do you agree with staff's recommendations for:

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