



## **Q & A – Rent Stabilization Ordinance**

### **Summary**

The City of South Portland recently amended Chapter 12 (Housing) of the Code of Ordinances to provide greater protections for renters in the City.

The amendments include the following policies:

1. Limit annual rent increases to 10% when the rental unit is one of 16 or more units under common or affiliated ownership, with various exemptions (The rent cap does not apply to owners of 15 or fewer units).
2. Require that all landlords provide additional written notice to tenants disclosing the existence of the ordinance.
3. Extend the notice period to increase rent from 75 days to 90 days, and provide tenants 30 days to respond to a proposed new rental agreement.

Additionally, the ordinance continues to require that landlords provide an educational disclosure form written by the City to new tenants. That form is available for download on the City website.

### **Frequently Asked Questions**

1. Is rent now capped at no more than a 10% increase per year?

Answer: It depends on how many rental units are under the common or affiliated ownership of the landlord. The City has exempted most rental units owned by small proprietors from the cap on annual rent increases. The ordinance primarily focuses on larger rental properties where a decision to significantly increase rent could have an outsized effect on the housing market potentially leading to widespread displacement.

2. Which rental units are exempt from the annual 10% rent cap?

Answer: The City has exempted the following categories of rental units from the annual rent cap:

- a. Any units whose owners and affiliates own less than 16 units
- b. Any units built after May 27, 2023
- c. Affordable units, (*i.e.*, housing units where rent is controlled, limited, or set by a federal, state, or local governmental agency, including those accepting Housing Choice Vouchers (Section 8)), so long as they remain in compliance with those programs
- d. There are additional exemptions related to dormitories, institutions, single-family residences, etc. Please refer to Section 12-503 of the ordinance.

3. Will the City of South Portland enforce the annual rent cap when there is a violation?

Answer: If there is a violation of the rent cap, the ordinance provides the tenant an affirmative defense in a forcible entry and detainer (FED) or other action brought by the Landlord to evict the tenant. In other words, it is self-enforcing, but the City will monitor compliance with the ordinance and retains the right to take action in the event of egregious and/or intentional violations of or non-compliance with the ordinance.

4. When does this ordinance take effect?

Answer: The applicability date of the rent stabilization ordinance is May 27, 2023. The requirement to provide 90 days advance written notice of a rent increase became effective on January 1, 2023.

5. Where can I find the notice requirements and Disclosure Form required by the City?

Answer: The City maintains a page on the City's website with all of the information related to this ordinance, including required Disclosure Form and notice language in a document titled "*Rights and Responsibilities of Tenants and Landlords*". A link to the webpage can be found in the footer of this document.