

BILL OF RIGHTS & LEASING SUPPORT

Geography Assigned: Countywide

A commercial tenant's bill of rights and other leasing support programs can help independent retailers who often do not have the legal expertise, language skills, or time to ensure their longevity in rented space. Tools to support small independent retailers who rent commercial space might also include a model or master lease, legal and mediation services for independent retailers, and new requirements for increased transparency in common area maintenance fees.

Recommendation 1: Leverage the Office of Landlord-Tenant Affairs

Montgomery County's Office of Landlord-Tenant Affairs in the Department of Housing and Community Affairs produced a Landlord-Tenant Handbook to outline residential tenants' responsibilities and rights. No similar product exists in the county for commercial tenants. The same department can potentially produce a similar product in conjunction

with the partner organizations identified through the memorandum of understanding for the Diverse Retail Liaisons.

Recommendation 2: Consider requiring specific commercial lease provisions

Independent retailers do not often proactively know which legal protections need to be in the lease. The terms that impact diverse retailers' preservation (e.g., required options to renew and kick out periods) should be prioritized for inclusion.

Required commercial lease provisions could generate negative externalities and further study should be conducted to ensure these externalities do not exceed the anticipated benefits. With more tenant protections in place, commercial real estate may lose value to account for longer terms and uniform or controlled rent escalations, among others. Due to these uncertainties, this recommendation might take a longer time to implement than others.