

## Legislation Text

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**File #:** 210138, **Version:** 0

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Amending Chapter 9-800 of The Philadelphia Code, entitled "Landlord and Tenant," to address matters related to the landlord and tenant relationship during the novel coronavirus of 2019 pandemic, including providing for alternative methods for tenants to meet their obligation to make security deposits; all under certain terms and conditions.

WHEREAS, upfront costs associated with moving into residential rental properties have increased and continued to burden residential tenants, many of whom are already cost-burdened and contribute in excess of 30% of their monthly income to housing-related expenses; and

WHEREAS, requiring that tenants have choices regarding how they provide security deposits to landlords - with rental security insurance and installment payments being an alternative to traditional upfront lump sum payments - will provide relief to individuals and families entering into those rental agreements, while ensuring landlords are reasonably protected against damages and unpaid rent; therefore

*THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:*

SECTION 1. Chapter 9-800 of The Philadelphia Code is hereby amended to read as follows:

### CHAPTER 9-800 LANDLORD AND TENANT

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§ 9-802. Definitions.

\* \* \*

(4) \*\*\*

(5) *Security Deposit.* Any money or other form of security given by a tenant to a landlord to be held by the landlord on behalf of the tenant by virtue of a residential lease, including as a deposit for potential damages, advance rent, or pets, but not inclusive of rent, nonrefundable fees or other considerations not to be returned to the tenant under the terms of the residential lease, reimbursement of services or utilities provided to the tenant, or those placed to secure the availability of the rental unit more than 60 days prior to the commencement of the rental period.

(6) *Unfair Rental Practice.* \*\*\*

\* \* \*

§ 9-809. COVID-19 Emergency Housing Protections.

\* \* \*

(9) *Security Deposit Alternatives.* During the COVID-19 inclusive emergency period, if a landlord who owns and/or controls more than ten residential units within the City of Philadelphia and requires a security deposit of more than sixty percent of the monthly rent charged for a rental unit, the landlord shall include in any prospective lease or lease renewal for such unit an offer to accept one of the following options in lieu of the required security deposit:

(a) *Rental security insurance that satisfies the following criteria:*

(.1) *The insurance provider is an approved carrier licensed by, and in good standing with the Pennsylvania Department of Insurance;*

(.2) *The insurance provider, policy, and coverage amount must be approved by the landlord as an acceptable option in lieu of the required security deposit;*

(.3) *The coverage is effective upon the payment of the first premium and remains effective for the entire lease term;*

(.4) *The insurance must permit the payment of premiums on a monthly basis unless the tenant selects or agrees to a different payment schedule;*

(.5) *The coverage provided per claim is no less than the amount the landlord requires for security deposits; and*

(.6) *A tenant who chooses this option in lieu of a security deposit may not be required to provide additional security or insurance coverage per claim in an amount greater than the amount required for security deposits; or*

(b) *Payment of the security deposit over a series of no less than three (3) equal monthly installment payments, which installments shall be due on the same day as the monthly rent payment and which may be paid together with the monthly rent payment in a single transaction, absent separate agreement by the landlord and the tenant.*

(c) *A tenant is in violation of rental agreement if the tenant:*

(.1) *does not make payment of required insurance premiums;*

(.2) *fails to renew the security deposit insurance; or*

(.3) *fails to pay the balance of any security deposit.*

(d) *Nothing in this subsection may be construed to limit a landlord's ability to require standard credit, income or other qualifications upon application for a new rental agreement.*

(e) *Sunset Provision.* The provisions of this subsection shall expire one year after the expiration of the Proclamation of Disaster Emergency of the Governor of Pennsylvania related to the COVID-19 pandemic.

*(10) Defenses. \*\*\**

*~~(10)~~ (11) Severability. \*\*\**

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SECTION 2. This Ordinance shall be effective thirty days after adoption.