

**SUBSTITUTE NO. 1 TO ORD 25-016**

**AN ORDINANCE TO AMEND CHAPTER 34 OF THE CITY CODE TO PROVIDE  
FOR RESIDENTIAL RENT STABILIZATION**

**Rev. 1  
#0029**

**Sponsor:**

**Council  
Member  
Darby**

**WHEREAS**, more than half of Wilmington residents rent their primary residence and do not have protection from high rental prices and abrupt, exorbitant rent increases; and

**WHEREAS**, the prevailing rent levels in the City have a detrimental effect on the health, safety, and welfare of a substantial number of City residents, particularly persons in low and moderate income households, and persons on fixed incomes; and

**WHEREAS**, rental prices have risen much faster than wages of many City residents, making it difficult for them to afford basic needs as they must spend a majority of their monthly income on rent alone; and

**WHEREAS**, except for mobile homes, the State of Delaware's Landlord-Tenant Code does not impose rent ceilings or any limitations on residential rent increases, thereby enabling landlords in the City to demand rent that is above fair market value and to raise rent by any amount and for any reason; and

**WHEREAS**, numerous jurisdictions throughout the Country have implemented rent stabilization policies designed to protect renters; and

**WHEREAS**, City Council believes that the passage of this Ordinance is necessary to address the serious threats to the public health, safety, and welfare caused by exorbitant rent increases, including housing insecurity, inequitable rent burden, displacement, and homelessness.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF WILMINGTON  
HEREBY ORDAINS:**

**SECTION 1.** A new division, Division 7, is hereby added to Chapter 34 (“Housing Code”), Article II (“Administration and Enforcement”) by adding the following underlined language to read as follows:

**DIVISION 7. – RESIDENTIAL RENT STABILIZATION**

**Sec. 34-197. – Purpose. Establishment of base rent.**

- (a) Purpose. The rent stabilization measures established by this ordinance are intended as a temporary and immediate response to the ongoing shortage of affordable housing in the City of Wilmington. These provisions are enacted to prevent displacement, rent gouging, and housing instability while the City takes long-term actions to expand its supply of affordable housing.
- (b) Subject to the rent ceiling provisions herein, all rents for residential property established between landlords and tenants as of the effective date of the ordinance from which this division is derived, and any subsequent permitted increase to rent, shall represent the base rent from which allowable rent increases are calculated.

**Sec. 34-198. – Allowable rent increases.**

At the expiration of a lease or periodic tenancy, no landlord of any dwelling subject to the provisions of this chapter may demand, charge, or accept from any tenant a percentage increase in rent in excess of the 12-month average percentage change in the Consumer Price Index for all Urban Consumers, Philadelphia-Camden-Wilmington (All Items), as most recently published by the Bureau of Labor Statistics of the U.S. Department of Labor, or in excess of 3% of the most recent base rent, whichever is lower.

**Sec. 34-199. – Exemptions.**

This chapter shall not apply to:

- (a) Public housing dwelling units and units owned by or receiving state or federal government subsidies.
- (b) Properties with three or fewer residential dwelling units in which one of the dwelling units is the owner’s primary residence.
- (c) Units in hotels, motels, or other facilities occupied by transient guests.

- (d) Housing accommodations in a nonprofit hospital, religious facility, extended care facility, or licensed residential care facility for the elderly.
- (e) Single co-operative units.
- (f) Housing provided for students by a school, college, or similar institution which owns or controls that housing.
- (g) Any dwelling unit being rented for the first time to a new tenant for the initial rent charge only. Any subsequent rental increases, however, shall be subject to the provisions of this chapter.
- (h) New buildings finished after the passage of this Ordinance for the first ten (10) years of existence.

**Sec. 34-200. – Miscellaneous Provisions.**

- (a) *Notification of Rental Increase.* Any landlord seeking an increase in rent shall notify the tenant in accordance with the State of Delaware's Landlord-Tenant Code, which requires a minimum of 60 days' written notice prior to the expiration of the rental agreement to modified.
- (b) *Frequency.* No landlord shall demand, charge, or accept from a tenant a rent increase more than once in a 12-month period, including tenants on month-to-month leases.
- (c) *Property Maintenance.* Landlords subject to this chapter shall be obligated to maintain the same standards of service, maintenance, furniture, fixtures, equipment, appliances and conveniences in or on the premises as were provided or required by the original lease.
- (d) *Utilities.* During a tenant's occupancy of a unit in which the landlord provides utilities to the units of the building, the landlord shall be prohibited from installing a separate apartment unit meter and otherwise separately billing or charging for any utility service previously provided by the landlord as part of rent, including, but not limited to, heat, water, trash and sewerage.
- (e) *Vacancy.* This chapter's limitation on rent increases shall apply regardless of change in occupancy in a dwelling unit except as otherwise allowed under section 34-199 of this chapter.
- (f) *Unauthorized Increase.* Any rent increase not in compliance with the provisions of this chapter is void, of no force and effect, and shall be refunded or credited to the tenant.

- (g) Prohibition of waiver. Any lease provision which waives or purports to waive any right, benefit or entitlement created in this chapter shall be deemed void and of no lawful force or effect.

**Sec. 34-201. – Reasonable Return On Investment.**

- (a) All landlords shall be entitled to a reasonable return on investment based on the factors herein. The department of land use and planning shall establish a process by which landlords can request exceptions to a limitation on rent increases based on the right to a reasonable return on investment. Rationale for deviations from the limitation on rent increases must take into account the following factors:
- (1) Increases or decreases in property taxes.
  - (2) Increases in insurance premiums.
  - (3) Unavoidable increases or any decreases in maintenance and operating expenses.
  - (4) The cost of planned or completed capital improvements to the rental unit (as distinguished from ordinary repair, replacement and maintenance) where such capital improvements are necessary to bring the property into compliance or maintain compliance with applicable local code requirements affecting health and safety, and where such capital improvement costs are properly amortized over the life of the improvement.
  - (5) Increases or decreases in the number of tenants occupying the rental unit, living space, furniture, furnishings, equipment, or other housing services provided.
  - (6) Substantial deterioration of the rental unit other than as a result of normal wear and tear.
- (b) It is the intent of this chapter that exceptions to limitation on rent increases be made only when the landlord demonstrates that such adjustments are necessary to provide the landlord with a fair return on investment.
- (c) No exception to the limitation on rent increases shall be granted for any dwelling unit where the landlord has failed to bring the unit into compliance with the implied warranty of habitability.
- (d) No exception to the limitation on rent increases shall be granted for any dwelling unit where the landlord has not owned the dwelling unit for at least one year.

**Sec. 34-202. –Administration, enforcement, and penalties.**

- (a) Administration. The department of licenses and inspections shall adopt rent stabilization guidelines and forms for the implementation and administration of this chapter. The guidelines shall be reviewed and updated as needed by city council. The department shall create educational material for tenants.
- (b) Violations and penalties. Violations of the requirements in this chapter shall be subject to the penalties set forth in City Code section 34-37. In addition, the city solicitor shall be authorized to enforce the provisions of this chapter by civil action and any other proceeding or method permitted by law or equity. Further, a landlord may lose his, her, or their ability to procure a rental business license for violations of this section.
- (c) Private right of action. Any tenant aggrieved by a landlord's noncompliance with this chapter may seek relief in any court of competent jurisdiction to the extent permitted by law. In such circumstances, however, the city is not a proper party nor shall a private citizen or any party bring legal action against the city for non-enforcement of this chapter.

**Sec. 34-203 – Sunset Provision.**

- (a) Sunset Provision. This ordinance shall remain in effect until such time as the City Council, upon recommendation by the Housing Stability Subcommittee, determines that sufficient affordable housing stock exists to meet the needs of low- to moderate-income residents.

**Sec. 34-204 – Housing Stability Subcommittee.**

- (a) Creation. There is hereby created a Housing Stability Subcommittee under the Community Development & Urban Planning Committee, with its members appointed by the President of City Council. The Subcommittee shall consist of:
  - a. Two (2) members of City Council
  - b. One (1) representative from the Department of Real Estate and Housing
  - c. One (1) representative from the City Planning Department
  - d. Two (2) community-based housing advocates
  - e. One (1) tenant representative
  - f. One (1) affordable housing developer
  - g. One (1) landlord representative
- (b) Duties of the Subcommittee. The Housing Stability Subcommittee shall:

- a. Monitor the implementation and effectiveness of rent stabilization policies;
- b. Collect and review data on housing costs, development, displacement, and affordability, and tenant protections;
- c. Recommend long-term affordable housing strategies;
- d. Provide quarterly reports to the City Council;
- e. Provide a recommendation on whether to sunset, extend, or amend rent stabilization provisions within four (4) years of enactment.

**Sec. 34-204. - Severability.**

If any of the parts or provisions of this section or the application thereof to any person or circumstance is held invalid or unconstitutional by a decision of a court of competent jurisdiction, the remainder of this section, including the application of such part or provisions to persons or circumstances other than those to which it is held invalid, shall not be affected thereby and shall continue in full force and effect. To this end, the provisions of this section are severable.

**SECTION 2.** This Ordinance shall become effective immediately upon its date of passage by the City Council and approval by the Mayor.

First Reading.....April 17, 2025  
 Second Reading.....April 17, 2025  
 Third Reading.....

Passed by City Council,

\_\_\_\_\_  
 President of City Council

ATTEST: \_\_\_\_\_  
 City Clerk

Approved this \_\_\_\_ day of \_\_\_\_\_, 2025.

---

Mayor

**SYNOPSIS:** This Ordinance amends Chapter 34 of the City Code by establishing residential rent stabilization policies. For non-exempt residential dwelling units, the authorized rent ceilings for rental units shall be determined by the current base payment standards established by the New Castle County Housing Authority. In addition, and subject to the rent ceiling provisions, the maximum percentage increase to rent in any 12-month period shall be the lesser of (a) three percent (3%) or (b) the 12-month average percentage change in the Consumer Price Index for all Urban Consumers, Philadelphia-Camden-Wilmington (All Items), as most recently published by the Bureau of Labor Statistics of the U.S. Department of Labor.

**FISCAL IMPACT:** The passage of this Ordinance is expected to have minimal to no fiscal impact.