

SENATE BILL 5

C8, O2

9lr0383

(PRE-FILED)

By: **Senator Harrington**

Requested: July 1, 2008

Introduced and read first time: January 14, 2009

Assigned to: Education, Health, and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2 **Assisted Housing – Protected Actions – Extended Leases for Seniors**

3 FOR the purpose of repealing a certain exception to a certain prohibition on an owner
4 of an assisted project from taking a protected action without offering an
5 extended lease to a designated household that includes an individual who is at
6 least a certain age under certain circumstances; altering the number of years
7 for which the owner of an assisted project is required to offer an extended lease
8 to a designated household that includes an individual who is at least a certain
9 age under certain circumstances; making stylistic changes; and generally
10 relating to extended leases for seniors in assisted housing.

11 BY repealing and reenacting, without amendments,
12 Article – Housing and Community Development
13 Section 7–101(j), 7–102(a), and 7–213
14 Annotated Code of Maryland
15 (2006 Volume and 2008 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – Housing and Community Development
18 Section 7–214
19 Annotated Code of Maryland
20 (2006 Volume and 2008 Supplement)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
22 MARYLAND, That the Laws of Maryland read as follows:

23 **Article – Housing and Community Development**

24 7–101.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (j) "Protected action" means a sale, conveyance, transfer, prepayment,
2 termination, failure to renew, or expiration under § 7–102(a) of this title.

3 7–102.

4 (a) Each owner of an assisted project is subject to this title if the owner takes
5 or intends to take any of the following protected actions:

6 (1) the prepayment in full before the maturity date of mortgage
7 financing that is:

8 (i) insured under § 221(d)(3) of the National Housing Act, 12
9 U.S.C. § 1715l(d)(3), and assisted under § 101 of the Housing and Urban Development
10 Act of 1965, 12 U.S.C. § 1701s, or under § 8 of the United States Housing Act of 1937,
11 42 U.S.C. § 1437f;

12 (ii) insured under § 221(d)(3) of the National Housing Act, 12
13 U.S.C. § 1715l(d)(3), and bears interest at a rate determined under § 221(d)(5) of the
14 National Housing Act;

15 (iii) insured or assisted under § 202 or § 236(a) or (b) of the
16 National Housing Act, 12 U.S.C. § 1701q or 12 U.S.C. § 1715z–1(a) or (b);

17 (iv) insured or assisted under § 515 of the Housing Act of 1949,
18 42 U.S.C. § 1485; or

19 (v) held by the United States Department of Housing and
20 Urban Development and insured or assisted, or formerly insured or assisted, under a
21 program authorized by a statute referred to in item (1) of this subsection;

22 (2) the termination before expiration of or failure to exercise any
23 stated renewal option under an agreement providing for project–based § 8 rental
24 assistance for any units in an assisted project;

25 (3) the expiration, including a failure to extend after the expiration, of
26 an agreement providing for project–based § 8 rental assistance to any units in an
27 assisted project; or

28 (4) the sale or conveyance of an assisted project by the owner in
29 conjunction with, or within 1 year after the effective date of, any of the events
30 described in item (1), (2), or (3) of this subsection.

31 7–213.

32 An assisted household is a designated household if it includes:

33 (1) an individual who has been a member of the household for at least
34 12 months before the notice of intent is given and who:

1 (i) is at least 62 years old on the day that the notice of intent is
2 given; or

3 (ii) qualifies as a person with disabilities under § 3(b)(3) of the
4 United States Housing Act of 1937, 42 U.S.C. § 1437f; or

5 (2) a minor.

6 7–214.

7 (a) (1) This subsection applies if a protected action affects a unit occupied
8 by a designated household that:

9 (i) is current in its rent and has not violated any other material
10 term of the lease;

11 (ii) within 60 days after the giving of the notice of intent,
12 provides the owner with written notice showing that the household qualifies as a
13 designated household and stating that the household is applying for an extended lease
14 under this section; and

15 (iii) executes the extended lease form delivered in accordance
16 with § 7–216(a)(2) of this subtitle and returns it to the owner within 60 days after the
17 giving of the notice of intent.

18 (2) (I) **[Except] FOR A DESIGNATED HOUSEHOLD THAT DOES**
19 **NOT INCLUDE AN INDIVIDUAL DESCRIBED UNDER § 7–213(1)(I) OF THIS**
20 **SUBTITLE, EXCEPT** for a protected action under § 7–102(a)(3) of this title, an owner
21 may not take a protected action that affects a unit in an assisted project occupied by
22 [a] **THE** designated household without offering to the designated household an
23 extended lease for at least 3 years beginning on the day of the giving of the notice of
24 intent.

25 (II) **FOR A DESIGNATED HOUSEHOLD THAT INCLUDES AN**
26 **INDIVIDUAL DESCRIBED UNDER § 7–213(1)(I) OF THIS SUBTITLE, AN OWNER**
27 **MAY NOT TAKE A PROTECTED ACTION THAT AFFECTS A UNIT IN AN ASSISTED**
28 **PROJECT OCCUPIED BY THE DESIGNATED HOUSEHOLD WITHOUT OFFERING TO**
29 **THE DESIGNATED HOUSEHOLD AN EXTENDED LEASE FOR AT LEAST 5 YEARS**
30 **BEGINNING ON THE DAY OF THE GIVING OF THE NOTICE OF INTENT.**

31 (b) (1) The owner shall set aside at least 20% of the assisted units in an
32 assisted project for designated households to receive extended leases under this
33 subtitle.

1 (2) If the number of assisted units occupied by designated households
2 that meet the standards of subsection (a) of this section exceeds 20% of the assisted
3 units, the owner shall allocate the available units:

4 (i) first to designated households with an individual described
5 under § 7-213(1) of this subtitle with priority based on length of continuous residence;
6 and

7 (ii) then to designated households that do not contain such an
8 individual but include a minor, based on length of continuous residence.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 October 1, 2009.