

**Testimony of Norman P. Leventhal
on Behalf of The Grand Residents Association**

Before the Committee on Judicial Proceedings – SB504

Maryland Senate

March 7, 2023

Good Afternoon. I want to thank Chairman Smith, Vice Chair Waldstreicher and the other Committee Members for giving our Association the opportunity to present testimony in support of Senator Muse’s legislative proposal as presented in SB504.

Last year, I — along with my wife Ilene — became renters again after more than 50 years of home ownership in Montgomery County. In addition, in moving to the Grand Apartments, we switched Legislative districts from D15 to D16. After just two months at The Grand, I realized it was not so “grand” after all; in fact, it was left in a state of serious neglect by its current owners, Brookfield Properties. As a result of the terrible condition of the building, I helped form The Grand Residents Association (**TGRA**), whose 60+ members promptly elected a Board of Directors (listed below in Attachment A) and appointed various officers. In my capacity as President and Chairman I am tasked (along with my colleagues on the Board) with improving the lives of the more than 1,000 voting residents of the Grand by assisting the state of Maryland and Montgomery County to enact laws and ordinances of benefit to Renters as well as their respective landlord owners. It is clear to me — as I know it is clear to many others — that the subject of SB504 (and its House counterpart, HB684) is one such measure.

As a practicing lawyer for more than 53 years, I cannot imagine a provision that cries out for passage as much as the “just cause” bill which is the subject of this hearing. In fact, it is a tenet of basic contract law that every agreement (including residential leases) are infused with the construct that “good faith” of all parties is

subsumed within its text. I personally find the right of our landlord (Brookfield, as well as all other landlords across the state) to terminate any lease “for no reason or any reason” to be the very antithesis of good faith, unconscionable and therefore unenforceable as against public policy.

In this regard, I do have one comment respecting the text of the proposed legislation itself: Section (II), lines 4-26, lists examples of what “just cause” could encompass but, other than explicitly stating that an “unjustified or inexcusable non-payment of rent” would be one such example (which, by the way, is already included within subsection 1- “breach of the lease”), I cannot imagine any other action that would constitute “just cause” and, thus, urge that the Title of Section (II) be changed from “Just Cause” *May Include;*” to simply state that: “Just Cause Means:”

When in July of last year, my wife and I became renters again for the first time in many years, I realized that neither MD nor Montgomery County was the “progressive” locale we had long thought it to be. When presented with a rental agreement I had no opportunity to challenge nor amend, I was appalled at the blatant favoritism shown landlords over their less well-financed and supported tenants. In fact, the unconscionable lease I — and more than 500 others at our new Apartment building (The Grand) have been forced to sign (see Attachment B) — led me to form a new Association by which the residents might be able to get the owners (Brookfield Properties) to finally fix the failing infrastructure and bring the building back to its Class I status; and, longer term, address the many inequities in the lease agreement. For example, the 19-page single spaced lease insisted upon by Brookfield – delivered electronically by DocuSign offers no ability to comment upon, let alone suggest changes in the lease – and contains some 35 paragraphs detailing the obligations and responsibilities of Tenants but only one directed at Landlords (which basically states the obvious, that they must comply with

the law). Even in the case of *mold*, the onus is on Tenants, not Landlords, to identify, control, report on, and address the problem.

Don't get me wrong, I am a firm believer in Capitalism and a free market, but the lease agreement we and others were required to sign, is so one-sided as to be unconscionable and, hence, void as against public policy. This is not the place to point out the many inequities faced by more than 35% of the Maryland electorate, save one: the need for "just cause" legislation (the key to it all). As it stands, MD law allows — and encourages — landlords to include in their leases provisions permitting them to terminate, or reject renewal of, leases **for any reason or no reason.** No one has explained to me why Landlords need such a provision; the only reason I can think of is that "it provides an opportunity to intimidate or punish" tenants who dare to raise questions about management or the level of rent increases. And, believe me when I tell you that in organizing and, finally, implementing "the Grand Residents Association (TGRA)," many of our Members have voiced just such fears of retribution by the Landlord.

Although I there will no doubt be other issues that we will want to engage on in coming months and years, the most critically important one is to **have the State of Maryland take its heavy hand off the "scales of unfairness" and permit its various local jurisdictions the ability to include a "just cause" provision in all residential apartment leases in the State.**

Thank you for the opportunity to have our voice heard on this critical issue.

.....

Attachment A to N. Leventhal Testimony SB504

Members of the Board of Directors of the Grand Residents Association:

Norman P. Leventhal, Chairman & President
Yvonne Bass, Vice President
Ellen Loeb, Secretary
Ron Schlesinger, Treasurer
Toby Gottesman, Member
Nancy Lemos, Member
Mary Bazargan, Member
Linda Berger, Member

Attachment B to N. Leventhal Testimony SB504

Email from Norm Leventhal to Stephen St. Pierre
The Grand Manager
June 7, 2022

“Steve:

I appreciate the complete response. Thank you.

We have some issues, however, namely:

...

> The Lease (Section 1) gives the Landlord the unfettered right to terminate the lease for any reason or no reason. I am sure you are used to such draconian language, but we are not. In my view, the Landlord certainly may terminate the lease for breach by the tenant or other lawful or legitimate reason (e..g, such as a

decision to switch from rentals to purchased condos on a building wide basis).

But the language in the current lease is not what we were told would be included.

We have some modified language which we believe fully protects the Landlord as well as gives us some recognition that we will be able to stay at the Grand for many years:

1. TERM.

The term of this lease shall begin on the Commencement Date...**Upon the Expiration Date, provided that Resident is not in material Breach of this Lease Agreement or any rules, policies or regulations of The Grand, Landlord shall renew the Lease by delivering written notice to Resident at least 90 days prior to the Expiration Date.** If Resident wishes to terminate the tenancy,

Landlord shall have the right to terminate the tenancy in the event that Resident is in material breach of this Lease Agreement or any rules, policies or regulations of the Grand, by delivering written notice to Resident at least 60 day prior to the Expiration Date. **Resident acknowledges that Landlord has no obligation to offer Resident a renewal in such circumstances and may terminate the tenancy and demand return of the Premises without cause or concern.”**

....

My wife and I hope you can see the benefits of the minor changes suggested.”

We never heard back from Mr. St.Pierre but, nevertheless proceeded to sign the lease having no other realistic option.