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**By: Chairman, Economic Matters Committee (Departmental - Housing and Community Dev.)**

Introduced and read first time: February 2, 1996

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Department of Housing and Community Development - Partnership Rental Housing**  
3 **Program**

4 FOR the purpose of allowing rental housing units with occupancy restrictions established  
5 under other federal or State programs to be counted toward the number of units  
6 which are required to be occupied by households of lower income under the  
7 Partnership Rental Housing Program; and generally relating to the Partnership  
8 Rental Housing Program and the Department of Housing and Community  
9 Development.

10 BY repealing and reenacting, without amendments,  
11 Article 83B - Department of Housing and Community Development  
12 Section 2-1102(a)  
13 Annotated Code of Maryland  
14 (1995 Replacement Volume)

15 BY repealing and reenacting, with amendments,  
16 Article 83B - Department of Housing and Community Development  
17 Section 2-1102(f) and 2-1106  
18 Annotated Code of Maryland  
19 (1995 Replacement Volume)

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

22 **Article 83B - Department of Housing and Community Development**

23 2-1102.

24 (a) In this subtitle the following words have the meanings indicated.

25 (f) "Partnership project" means any undertaking for the acquisition,  
26 construction, reconstruction, renovation, or rehabilitation of buildings and improvements,  
27 or any portion thereof financed by the Program[, which buildings and improvements, or  
28 portion thereof financed by the Program, will be occupied entirely by households of lower  
29 income, except for units which may be occupied by management personnel].

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1 2-1106.

2 The Department shall approve applications for proposed projects onlyif:

3 (1) The application is authorized by the local government's chief elected  
4 official, or if none, by the governing body of the county or municipality in which the  
5 project is located;

6 (2) The local government either:

7 (i) Contributes from nonstate sources the land for the partnership  
8 rental housing; or

9 (ii) Funds the portion of the acquisition cost of the property that is  
10 attributable to the value of the land;

11 (3) The local government will have an ownership interest in theproject or in  
12 the units financed by the Program and sold to the local government or partnership that  
13 includes a local government;

14 (4) The local government directly or indirectly manages the operation of the  
15 project;

16 (5) The rental units financed by the Program will be occupied upon  
17 completion of the acquisition, construction, reconstruction, renovation, or rehabilitation  
18 by households of lower income, PROVIDED UNITS RESTRICTED FOR OCCUPANCY TO  
19 MEET OTHER FEDERAL OR STATE OCCUPANCY REQUIREMENTS MAY BE COUNTED  
20 TOWARD THE NUMBER OF UNITS REQUIRED TO BE OCCUPIED BY HOUSEHOLDS OF  
21 LOWER INCOME;

22 (6) The households of lower income occupying the project or portion  
23 thereof financed by the Program are required to contribute services to enhance or  
24 maintain the project or community in a manner deemed acceptable to the local  
25 government;

26 (7) It is reasonable to anticipate that:

27 (i) Additional State subsidies will not be required for long-term  
28 occupancy by households of lower income; and

29 (ii) Rental income, including any contribution to allow for more  
30 affordable rents that is made under § 2-1107(b) of this subtitle, will be sufficient to pay  
31 all operating costs of the project as well as build up a reserve account in an amount  
32 adequate for the long-term maintenance and renovation of the project; and

33 (8) For each partnership project subsequent to the first project undertaken  
34 by a local government, the amount of the local contribution on a percentage basis to the  
35 project is greater than the local contribution on a percentage basis tothe immediately  
36 preceding partnership project undertaken by the local government, unless the Secretary  
37 determines that the local government:

38 (i) Currently is making substantial commitments to affordable  
39 housing; or

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1 (ii) Is at taxing capacity and does not have discretionary surplus funds.

2 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
3 October 1, 1996.