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

Introduced and read first time: February 2, 1996

Assigned to: Economic Matters

Committee Report: Favorable

House action: Adopted

Read second time: March 19, 1996

CHAPTER ____

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:

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

2 2-1102.

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

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

9 2-1106.

10 The Department shall approve applications for proposed projects onlyif:

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

14 (2) The local government either:

15 (i) Contributes from nonstate sources the land for the partnership
16 rental housing; or

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

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

22 (4) The local government directly or indirectly manages the operation of the
23 project;

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

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

34 (7) It is reasonable to anticipate that:

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

37 (ii) Rental income, including any contribution to allow for more
38 affordable rents that is made under § 2-1107(b) of this subtitle, will be sufficient to pay

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1 all operating costs of the project as well as build up a reserve account in an amount
2 adequate for the long-term maintenance and renovation of the project; and

3 (8) For each partnership project subsequent to the first project undertaken
4 by a local government, the amount of the local contribution on a percentage basis to the
5 project is greater than the local contribution on a percentage basis to the immediately
6 preceding partnership project undertaken by the local government, unless the Secretary
7 determines that the local government:

8 (i) Currently is making substantial commitments to affordable
9 housing; or

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

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