

# SENATE BILL 5

C8, O2

9lr0383

(PRE-FILED)

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By: **Senator Harrington**

Requested: July 1, 2008

Introduced and read first time: January 14, 2009

Assigned to: Education, Health, and Environmental Affairs

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 19, 2009

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## CHAPTER \_\_\_\_\_

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~~ a certain individual under certain circumstances; altering  
7 the number of years for which the owner of an assisted project is required to  
8 offer an extended lease to a designated household that includes ~~an individual~~  
9 ~~who is at least a certain age~~ a certain individual under certain circumstances;  
10 making stylistic changes; providing for the application of this Act; and generally  
11 relating to extended leases for ~~seniors~~ certain individuals in assisted housing.

12 BY repealing and reenacting, without amendments,  
13 Article – Housing and Community Development  
14 Section 7-101(j), 7-102(a), and 7-213  
15 Annotated Code of Maryland  
16 (2006 Volume and 2008 Supplement)

17 BY repealing and reenacting, with amendments,  
18 Article – Housing and Community Development  
19 Section 7-214  
20 Annotated Code of Maryland  
21 (2006 Volume and 2008 Supplement)

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### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

3 **Article – Housing and Community Development**

4 7–101.

5 (j) “Protected action” means a sale, conveyance, transfer, prepayment,  
6 termination, failure to renew, or expiration under § 7–102(a) of this title.

7 7–102.

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

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

12 (i) insured under § 221(d)(3) of the National Housing Act, 12  
13 U.S.C. § 1715l(d)(3), and assisted under § 101 of the Housing and Urban Development  
14 Act of 1965, 12 U.S.C. § 1701s, or under § 8 of the United States Housing Act of 1937,  
15 42 U.S.C. § 1437f;

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

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

21 (iv) insured or assisted under § 515 of the Housing Act of 1949,  
22 42 U.S.C. § 1485; or

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

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

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

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

1 7-213.

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

3 (1) an individual who has been a member of the household for at least  
4 12 months before the notice of intent is given and who:

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

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

9 (2) a minor.

10 7-214.

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

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

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

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

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

29 (II) **FOR A DESIGNATED HOUSEHOLD THAT INCLUDES AN**  
30 **INDIVIDUAL DESCRIBED UNDER ~~§ 7-213(1)(i)~~ § 7-213(1) OF THIS SUBTITLE, AN**  
31 **OWNER MAY NOT TAKE A PROTECTED ACTION THAT AFFECTS A UNIT IN AN**  
32 **ASSISTED PROJECT OCCUPIED BY THE DESIGNATED HOUSEHOLD WITHOUT**  
33 **OFFERING TO THE DESIGNATED HOUSEHOLD AN EXTENDED LEASE FOR AT**

1 **LEAST 5 YEARS BEGINNING ON THE DAY OF THE GIVING OF THE NOTICE OF**  
2 **INTENT.**

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

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

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

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

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed  
15 prospectively to apply only to an owner who takes title to an assisted project on or  
16 after the effective date of this Act.

17 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take  
18 effect October 1, 2009.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.