

County Council of Howard County, Maryland

2020 Legislative Session

Legislative Day No. 6

Bill No. 33-2020

Introduced by: Liz Walsh, Deb Jung, and Christiana Rigby

AN ACT prohibiting an increase of rent or mobile home park fees, changes in certain lease or rental agreement terms, and certain actions by landlords and mobile home park owners; <u>providing for exceptions</u>; prohibiting certain notices to tenants and mobile home park residents; requiring certain notices to tenants and mobile home park residents; specifying that the prohibitions and required notices of this Act are operative during and for a specified period after certain proclaimed or declared emergencies; generally relating to landlord-tenant and mobile home park owner – resident relations; and making this Act an Emergency Bill.

Introduced and read first time May 9, 2020. Ordered posted and hearing schedule By order Diane Schwartz Jon Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read 18 for a second time at a public hearing on May . 2020. By order Diane Schwartz Jones, ministrator This Bill was read the third time on May 22, 2020 and Passed _ . Passed with amendments Failed By order Sealed with the County Seal and presented to the County Executive for approval this 22 day of 2020 at 1:45 a.m./p.m. By order Diane Approved/Vetoed by the County Executive 2020

Calvin Ball, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN SMALL CAPITALS indicates additions to existing law; Strike-out indicates material deleted by amendment; <u>Underlining</u> indicates material added by amendment.

1	Section 1. Be It Enacted by the County Council of Howard County, Maryland, that the Howard		
2	County Code is amended as follows:		
3	By adding:		
4	Title 17. Public Protection Services.		
5	Subtitle 12. Miscellaneous.		
6	Section 17.1200. Rent increases during states of emergency -		
7	prohibited.		
8			
9	Title 17. Public Protection Services.		
10	SUBTITLE 12. MISCELLANEOUS.		
11	SECTION 17.1200. RENTAL PROTECTION AND STABILITY ACT.		
12	(A) SCOPE.		
13	(1) This Except as provided in subsection (d) of this section, this Section applies		
14	DURING÷		
15	(i) 1.— a health emergency that the Governor of Maryland proclaims		
16	UNDER TITLE 14, SUBTITLE 3A OF THE PUBLIC SAFETY ARTICLE OF THE MARYLAND CODE;		
17	OR		
18	2. AN EMERGENCY THAT THE GOVERNOR OF MARYLAND PROCLAIMS		
19	UNDER TITLE 14, SUBTITLE 3 OF THE PUBLIC SAFETY ARTICLE OF THE MARYLAND		
20	Code; and		
21	(II) A STATE OF EMERGENCY THAT THE COUNTY EXECUTIVE DECLARES UNDER		
22	SECTION 6.103 OF THE COUNTY CODE.		
23	THE CATASTROPHIC HEALTH EMERGENCY DECLARED BY THE GOVERNOR OF		
24	Maryland on March 5, 2020, as amended or extended by the Governor, under		
25	SECTION 14-3A-02 OF THE PUBLIC SAFETY ARTICLE OF THE MARYLAND CODE.		
26	(2) This Section Applies in the geographic areas identified in the executive		
27	ORDER THAT PROCLAIMS OR DECLARES THE EMERGENCY.		

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(3) THIS SECTION APPLIES TO RENTED HOUSING OF ALL KINDS INCLUDING MOBILE
 HOMES AND MOBILE HOME LOTS AND RENTED COMMERCIAL SPACE OF ALL KINDS.

3 (4) This section shall not apply to a commercial tenant that was in default
4 AT THE TIME THE EMERGENCY WAS DECLARED OR PROCLAIMED.

5 (B) IN GENERAL.

6 DURING THE EMERGENCY, AND FOR A PERIOD OF TIME AFTER THE EMERGENCY EQUAL TO

7 THE DURATION OF THE EMERGENCY BUT NO LONGER THAN THREE MONTHS, A LANDLORD OR

8 MOBILE HOME PARK OWNER SHALL NOT:

- 9 (1) INCREASE THE RENT OR MOBILE HOME PARK FEE;
- 10 (2) UNREASONABLY OR ARBITRARILY DECREASE THE UTILITIES OR OTHER SERVICES TO
- 11 WHICH A TENANT OR MOBILE HOME PARK RESIDENT HAS BEEN ENTITLED;
- 12 (3) TERMINATE A TENANCY, LEASE, OR RENTAL AGREEMENT FOR MONETARY DEFAULTS; OR

13 (4) CHARGE OR OTHERWISE ASSESS A TENANT OR RESIDENT FOR NONPAYMENT OR LATE

14 PAYMENT OF RENT OR A MOBILE HOME PARK FEE; OR

(4) (5) OTHERWISE MATERIALLY ALTER THE TERMS OF SUCH LEASE OR RENTAL AGREEMENT
 TO THE FINANCIAL DETRIMENT OF THE TENANT OR MOBILE HOME PARK RESIDENT.

17 (C) *NOTICE*.

18 (1) DURING THE EMERGENCY, AND FOR A PERIOD OF TIME AFTER THE EMERGENCY
19 EQUAL TO THE DURATION OF THE EMERGENCY BUT NO LONGER THAN THREE MONTHS, A LANDLORD
20 OR MOBILE HOME PARK OWNER SHALL NOT NOTIFY A TENANT OR MOBILE HOME PARK RESIDENT OF
21 ANY CHANGE IN A LEASE OR RENTAL AGREEMENT OR TAKE ANY OTHER ACTION THAT VIOLATES
22 SUBSECTION (B) OF THIS SECTION.

23 (2) A LANDLORD OR MOBILE HOME PARK OWNER MUST INFORM A TENANT OR MOBILE
24 HOME RESIDENT IN WRITING TO DISREGARD ANY SUCH NOTICE OF A MATERIAL CHANGE TO THE
25 LEASE OR RENTAL AGREEMENT IF:

26 (I) THE LANDLORD OR MOBILE HOME PARK OWNER PROVIDED THE NOTICE TO
27 THE TENANT OR MOBILE HOME PARK RESIDENT BEFORE OR DURING THE
28 EMERGENCY; AND

1	(II) THE EFFECTIVE DATE OF THE MATERIAL CHANGE WOULD OCCUR IN		
2	VIOLATION OF SUBSECTION (B) OF THIS SECTION.		
3	(D) PAYMENT PLAN.		
	(1)		
4	<u>(1)</u>		
5	(I) DURING THE EMERGENCY DESCRIBED IN SUBSECTION (A) OF THIS SECTION AND		
6	FOR ONE YEAR THEREAFTER OR, IF LONGER, FOR THE REMAINING TERM OF THE LEASE OR		
7	RENTAL AGREEMENT, A LANDLORD OR MOBILE HOME PARK OWNER MAY ALLOW A RENT		
8	PAYMENT PLAN IF:		
9	1. THE LANDLORD OR OWNER HAS 5 OR MORE RESIDENTIAL UNITS FOR RENT;		
10	OR		
11	2. THE LANDLORD RECEIVE RENTS OR BENEFITS FOR THE USE OR		
12			
10			
13	(II) A TENANT OR MOBILE HOME PARK RESIDENT IS ELIGIBLE TO PARTICIPATE IN		
14	RENT PAYMENT PLAN IF THE TENANT OR RESIDENT HAS NOTIFIED THE LANDLORD OR OWNER		
15	OF AN INABILITY TO PAY ALL OR PART OF THE RENT OR FEE DUE AS A RESULT OF THE		
16	EMERGENCY.		
17	(2)		
18	(I) A RENT PAYMENT PLAN SHALL ALLOW FOR MONTHLY INSTALLMENTS IN LIEU OF		
19	RENT, FEES, OR OTHER PAYMENTS DUE.		
20	(II) PAYMENTS UNDER THE PLAN SHALL BEGIN ON THE DATE THAT THE PARTIES		
21	AGREE TO.		
22			
22	(III) THE TERM OF THE PLAN SHALL BE ONE YEAR OR, AT THE REQUEST OF THE		
23	<u>TENANT OR RESIDENT, A SHORTER TERM.</u>		
24	(IV) A CHARGE, FEE, OR PENALTY MAY NOT BE IMPOSED FOR ENTERING INTO A RENT		
25	PAYMENT PLAN.		

1	(v) A tenant or resident with a rent payment plan may pay an amount		
2	GREATER THAN THE MONTHLY AMOUNT PROVIDED FOR IN THE PLAN.		
3	(VI) A LANDLORD OR OWNER SHALL NOT REQUIRE OR REQUEST A TENANT OR		
4	RESIDENT TO PROVIDE A LUMP SUM PAYMENT IN EXCESS OF THE AMOUNT REQUIRED UNDER		
5	THE PLAN.		
6	(VII) A LANDLORD OR OWNER SHALL NOT REPORT TO A CREDIT BUREAU A		
7	DELINQUENCY OR OTHER DEROGATORY INFORMATION THAT OCCURS BECAUSE OF		
8	ENTERING INTO A RENT PAYMENT PLAN.		
9	(VIII) A LANDLORD OR OWNER SHALL AGREE IN WRITING TO THE TERMS OF THE		
10	RENT PAYMENT PLAN.		
11	(3) With the tenant's or resident's consent, a landlord or owner may use any		
12	SECURITY DEPOSIT, LAST MONTH'S RENT, OR OTHER AMOUNT THAT THE LANDLORD HOLDS ON		
13	BEHALF OF THE TENANT OR RESIDENT TO SATISFY AMOUNTS OWED UNDER A RENT PAYMENT PLAN.		
14	<u>(4)</u>		
15	(I)A LANDLORD OR OWNER SHALL ESTABLISH APPLICATION PROCEDURES FOR		
16	TENANTS OR RESIDENTS TO USE TO APPLY FOR A RENT PAYMENT PLAN.		
17	(II) A LANDLORD OR OWNER SHALL ALLOW AN APPLICATION TO BE MADE ONLINE		
18	OR BY TELEPHONE.		
19	(III) The procedures shall require a tenant or resident to submit		
20	SUPPORTING DOCUMENTATION.		
21	(5) A LANDLORD OR OWNER MAY APPROVE EACH APPLICATION IN WHICH THE APPLICANT:		
22	<u>(I)</u>		
23	1. DEMONSTRATES EVIDENCE OF A FINANCIAL HARDSHIP RESULTING		
24	DIRECTLY OR INDIRECTLY FROM THE CAUSE OF THE EMERGENCY; AND		

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1	2. ESTABLISHES THAT THE APPLICANT WOULD NOT OTHERWISE QUALIFY FOR		
2	RENTING THE UNIT UNDER THE ORIGINAL CRITERIA RELATED TO THE APPLICANT'S		
3	INCOME; AND		
4	(II) AGREES IN WRITING TO MAKE PAYMENTS IN ACCORDANCE WITH THE PAYMENT		
5	PLAN.		
6	<u>(6)</u>		
7	(I) A LANDLORD OR OWNER THAT RECEIVES AN APPLICATION UNDER THIS		
8	SUBSECTION SHALL RETAIN THE APPLICATION, WHETHER APPROVED OR DENIED, FOR AT		
9	<u>least 3 years.</u>		
10	(II) ON REQUEST OF THE OFFICE OF CONSUMER PROTECTION, A LANDLORD OR		
11	OWNER SHALL MAKE AN APPLICATION FOR A RENT PAYMENT PLAN AVAILABLE TO THE		
12	OFFICE.		
13	(7) A PERSON WHOSE APPLICATION FOR A PAYMENT PLAN IS DENIED MAY FILE A		
14	WRITTEN COMPLAINT WITH THE OFFICE OF CONSUMER PROTECTION.		
15	(\oplus) (e) Retaliation prohibited.		
16	A LANDLORD OR MOBILE HOME PARK OWNER MAY NOT ATTEMPT TO HARASS, INTIMIDATE,		
17	THREATEN OR COERCE ANY TENANT OR MOBILE HOME RESIDENT SUBJECT TO THE PROTECTIONS SET		
18	FORTH IN SUBSECTIONS (B) OR (C) OF THIS SECTION.		
19	(E) (F) Office website posting.		
20	THE OFFICE OF CONSUMER PROTECTION MUST POST ON ITS WEBSITE INFORMATION ABOUT		
21	THE REQUIREMENTS OF THIS SECTION, INCLUDING POSTING THE DATES WHEN THE EMERGENCY		
22	BEGINS AND TERMINATES, AND THE DATE THAT IS 3 MONTHS AFTER THE EMERGENCY TERMINATES.		
23	Section 2. And Be It Further Enacted by the County Council of Howard County, Maryland, that		
24	this Act is an emergency bill that is necessary to protect the public health, safety, and		
25	welfare and is effective upon enactment.		

BY THE COUNCIL

This Bill, having been approved by the Executive and returned to the Council, stands enacted on

May 23 Diane Schwartz Jones, Administrate to the County Council

BY THE COUNCIL

This Bill, having been passed by the yeas and nays of two-thirds of the members of the Council notwithstanding the objections of the Executive, stands enacted on ______, 2020.

Diane Schwartz Jones, Administrator to the County Council

BY THE COUNCIL

This Bill, having received neither the approval nor the disapproval of the Executive within ten days of its presentation, stands enacted on ______, 2020.

Diane Schwartz Jones, Administrator to the County Council

BY THE COUNCIL

This Bill, not having been considered on final reading within the time required by Charter, stands failed for want of consideration on ______, 2020.

Diane Schwartz Jones, Administrator to the County Council

BY THE COUNCIL

This Bill, having been disapproved by the Executive and having failed on passage upon consideration by the Council stands failed on ______, 2020.

Diane Schwartz Jones, Administrator to the County Council

BY THE COUNCIL

This Bill, the withdrawal of which received a vote of two-thirds (2/3) of the members of the Council, is withdrawn from further consideration on ______, 2020.

Diane Schwartz Jones, Administrator to the County Council

Amendment 1 to Council Bill No. 33-2020

BY: Christiana Rigby Legislative Day No. 7

Date: May 18, 2020

Amendment No. 1

(This Amendment exclude situations where the tenant was in default before the State of Emergency.)

On the title page, in the purpose paragraph, at the end of the second line after the semicolon, 1

insert "providing for exceptions;".

On page 2, after line 25, insert: 4

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"(4) THIS SECTION SHALL NOT APPLY TO A COMMERCIAL TENANT THAT WAS IN DEFAULT AT THE 5 TIME THE EMERGENCY WAS DECLARED OR PROCLAIMED.". 6

ABOPTED 5/22/2020 FAILED ______ CHEMATURE / Jame K. A. Joner SIGNATURE

Amendment 2 to Council Bill No. 33 2020

BY: Christiana Rigby

Legislative Day No. 7

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Date: May 18, 2020

Amendment No. 2

(This Amendment provides for a payment plan.)

1	On page 2, in line 13, strike "THIS" and substitute "EXCEPT AS PROVIDED IN SUBSECTION (D) OF		
2	THIS SECTION, THIS".		
3			
4	On page 3, before line 24, insert		
5	"(D) PAYMENT PLAN.		
6	<u>(1)</u>		
7	(I) DURING THE EMERGENCY DESCRIBED IN SUBSECTION (A) OF THIS SECTION AND		
8	FOR ONE YEAR THEREAFTER OR, IF LONGER, FOR THE REMAINING TERM OF THE LEASE OR		
9	<u>RENTAL AGREEMENT, A LANDLORD OR MOBILE HOME PARK OWNER MAY ALLOW A RENT</u>		
10	PAYMENT PLAN IF:		
11	1. THE LANDLORD OR OWNER HAS 5 OR MORE RESIDENTIAL UNITS FOR RENT;		
12	OR		
13	2. THE LANDLORD RECEIVE RENTS OR BENEFITS FOR THE USE OR		
14	OCCUPANCY OF A COMMERCIAL UNIT.		
15	(II) A TENANT OR MOBILE HOME PARK RESIDENT IS ELIGIBLE TO PARTICIPATE IN		
16	RENT PAYMENT PLAN IF THE TENANT OR RESIDENT HAS NOTIFIED THE LANDLORD OR OWNER		
17	<u>OF AN INABILITY TO PAY ALL OR PART OF THE RENT OR FEE DUE AS A RESULT OF THE</u>		
18	EMERGENCY.		
19			
20	(2) ADOPTED 5/22/2020		
	1 FAILED		
	(2) 1 AROPTED 5/22/2020 FAILED SIGNATURE A June A Goree		

1	(1) A RENT PAYMENT PLAN SHALL ALLOW FOR MONTHLY INSTALLMENTS IN LIEU OF
2	RENT, FEES, OR OTHER PAYMENTS DUE.
3	(II) PAYMENTS UNDER THE PLAN SHALL BEGIN ON THE DATE THAT THE PARTIES
4	AGREE TO.
5	(III) THE TERM OF THE PLAN SHALL BE ONE YEAR OR, AT THE REQUEST OF THE
6	TENANT OR RESIDENT, A SHORTER TERM.
7	(IV) A CHARGE, FEE, OR PENALTY MAY NOT BE IMPOSED FOR ENTERING INTO A RENT
8	PAYMENT PLAN.
9	(V) A TENANT OR RESIDENT WITH A RENT PAYMENT PLAN MAY PAY AN AMOUNT
10	GREATER THAN THE MONTHLY AMOUNT PROVIDED FOR IN THE PLAN.
11	(VI) A LANDLORD OR OWNER SHALL NOT REQUIRE OR REQUEST A TENANT OR
12	RESIDENT TO PROVIDE A LUMP SUM PAYMENT IN EXCESS OF THE AMOUNT REQUIRED UNDER
13	THE PLAN.
14	(VII) A LANDLORD OR OWNER SHALL NOT REPORT TO A CREDIT BUREAU A
15	DELINQUENCY OR OTHER DEROGATORY INFORMATION THAT OCCURS BECAUSE OF
16	ENTERING INTO A RENT PAYMENT PLAN.
17	(VIII) A LANDLORD OR OWNER SHALL AGREE IN WRITING TO THE TERMS OF THE
18	RENT PAYMENT PLAN.
19	·
20	(3) WITH THE TENANT'S OR RESIDENT'S CONSENT, A LANDLORD OR OWNER MAY USE ANY
21	SECURITY DEPOSIT, LAST MONTH'S RENT, OR OTHER AMOUNT THAT THE LANDLORD HOLDS
22	ON BEHALF OF THE TENANT OR RESIDENT TO SATISFY AMOUNTS OWED UNDER A RENT
23	PAYMENT PLAN.
24	
25	<u>(4)</u>
26	(I)A LANDLORD OR OWNER SHALL ESTABLISH APPLICATION PROCEDURES FOR
27	TENANTS OR RESIDENTS TO USE TO APPLY FOR A RENT PAYMENT PLAN.
28	(II) A LANDLORD OR OWNER SHALL ALLOW AN APPLICATION TO BE MADE ONLINE
29	OR BY TELEPHONE.

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1	(III) THE PROCEDURES SHALL REQUIRE A TENANT OR RESIDENT TO SUBMIT		
2	SUPPORTING DOCUMENTATION.		
3			
4	(5) A LANDLORD OR OWNER MAY APPROVE EACH APPLICATION IN WHICH THE APPLICANT:		
5	(1)		
6	1. DEMONSTRATES EVIDENCE OF A FINANCIAL HARDSHIP RESULTING		
7	DIRECTLY OR INDIRECTLY FROM THE CAUSE OF THE EMERGENCY; AND		
8	2. ESTABLISHES THAT THE APPLICANT WOULD NOT OTHERWISE QUALIFY FOR		
9	RENTING THE UNIT UNDER THE ORIGINAL CRITERIA RELATED TO THE APPLICANT'S		
10	INCOME; AND		
11	(II) AGREES IN WRITING TO MAKE PAYMENTS IN ACCORDANCE WITH THE PAYMENT		
12	PLAN.		
13			
14	<u>(6)</u>		
15	(I) A LANDLORD OR OWNER THAT RECEIVES AN APPLICATION UNDER THIS		
16	SUBSECTION SHALL RETAIN THE APPLICATION, WHETHER APPROVED OR DENIED, FOR AT		
17	LEAST 3 YEARS.		
18	(II) ON REQUEST OF THE OFFICE OF CONSUMER PROTECTION, A LANDLORD OR		
19	OWNER SHALL MAKE AN APPLICATION FOR A RENT PAYMENT PLAN AVAILABLE TO THE		
20	OFFICE.		
21			
22	(7) A PERSON WHOSE APPLICATION FOR A PAYMENT PLAN IS DENIED MAY FILE A		
23	WRITTEN COMPLAINT WITH THE OFFICE OF CONSUMER PROTECTION.".		
24			
25	Also on page 3, in line 24, strike "(D)" and substitute "(E)" and in line 28, strike "(E)" and		
26	substitute "(<u>F)</u> ".		

Amendment 3 to Council Bill No. 33-2020

BY: Christiana Rigby

Legislative Day No. 7

Date: May 18, 2020

Amendment No. 3

(This Amendment limits the Act to the current COVID-19 state of emergency.)

1 On page 2, strike beginning with the colon in line 13 down through and including line 21 and

2 substitute "<u>THE CATASTROPHIC HEALTH EMERGENCY DECLARED BY THE GOVERNOR OF</u>

3 MARYLAND ON MARCH 5, 2020, AS AMENDED OR EXTENDED BY THE GOVERNOR, UNDER SECTION

4 <u>14-3A-02 OF THE PUBLIC SAFETY ARTICLE OF THE MARYLAND CODE</u>.".

ABOPTED 5 22/2020 FAILED _______ SIGNATURE Diamo formes

Amendment 4 to Council Bill No. 33-2020

BY: Christiana Rigby

Legislative Day No. 7

Date: May 18, 2020

Amendment No. 4

(This Amendment specifies that a landlord or mobile home park owner, during the emergency period, may not propose a modification to a lease or rental agreement that would increase rent or modify a lease or rental agreement unless the tenant or mobile home park resident consents.)

1 On page 3:

- in line 4 before the semicolon, insert "<u>OR PROPOSE A LEASE OR RENTAL AGREEMENT</u> MODIFICATION TO INCREASE THE RENT OR MOBILE HOME PARK FEE";
- in line 7 strike "or";
- after line 7 insert "(4) MODIFY A LEASE OR RENTAL AGREEMENT WITHOUT THE WRITTEN CONSENT OF THE TENANT OR MOBILE HOME PARK RESIDENT; OR";
- in line 8, strike "(4) and substitute "(5)".
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Amendment 5 to Council Bill No. 33-2020

BY: Liz Walsh and Christiana Rigby Legislative Day No. 7

Date: May 18, 2020

Amendment No. 5

(This Amendment prohibits late fees during the emergency.)

1 On page 3, in line 7, strike the final "OR".

2 Also on page 3, after line 7, insert "(4) CHARGE OR OTHERWISE ASSESS A TENANT OR RESIDENT

3 FOR NONPAYMENT OR LATE PAYMENT OF RENT OR A MOBILE HOME PARK FEE; OR".

4 Also on page 3, in line 8, strike "(4)" and substitute "(5)".

INTRODUCED PUBLIC HEARING COUNCIL ACTION EXECUTIVE ACTION	May 4, 2020
EFFECTIVE DATE	

County Council of Howard County, Maryland

2020 Legislative Session

Legislative Day No. 6

Bill No. 33-2020

Introduced by: Liz Walsh, Deb Jung, and Christiana Rigby

AN ACT prohibiting an increase of rent or mobile home park fees, changes in certain lease or rental agreement terms, and certain actions by landlords and mobile home park owners; prohibiting certain notices to tenants and mobile home park residents; requiring certain notices to tenants and mobile home park residents; specifying that the prohibitions and required notices of this Act are operative during and for a specified period after certain proclaimed or declared emergencies; generally relating to landlord-tenant and mobile home park owner – resident relations; and making this Act an Emergency Bill.

Introduced and read first time May 4th, 2020. Ordered posted and hearing scheduled, By order <u>Heave Actually</u> Diane Schwartz Jones, Administrator				
Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on <u>Nov 18th</u> , 2020. By order <u>Diane Schwartz Jones</u> , Administrator				
This Bill was read the third time on May 22m 2020 and Passed, Passed with amendments, Failed By order				
Sealed with the County Seal and presented to the County Executive for approval thisday of, 2020 at a.m./p.m.				
By order Diane Schwartz Jones, Administrator				
Approved/Vetoed by the County Executive, 2020				
Calvin Ball, County Executive				

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN SMALL CAPITALS indicates additions to existing law; Strike-out indicates material deleted by amendment; Underlining indicates material added by amendment.

1	Section 1. Be It Enacted by the County Council of Howard County, Maryland, that the Howard		
2	County Code is amended as follows:		
3	By adding:		
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5	Subtitle 12. Miscellaneous.		
6	Section 17.1200. Rent increases during states of emergency -		
7	prohibited.		
8			
9	Title 17. Public Protection Services.		
10	SUBTITLE 12. MISCELLANEOUS.		
11	SECTION 17.1200. RENTAL PROTECTION AND STABILITY ACT.		
12	(A) SCOPE.		
13	(1) This Section Applies during:		
14	(I) 1. A HEALTH EMERGENCE THAT THE GOVERNOR OF MARYLAND PROCLAIMS		
15	UNDER TITLE 14, SUBTITLE 3A OF THE PUBLIC SAFETY ARTICLE OF THE MARYLAND CODE;		
16	OR		
17	2. AN EMERGENCY THAT THE GOVERNOR OF MARYLAND PROCLAIMS		
18	UNDER TITLE 14, SUPTITLE 3 OF THE PUBLIC SAFETY ARTICLE OF THE MARYLAND		
19	Code; and		
20	(II) A STATE OF EMERGENCY THAT THE COUNTY EXECUTIVE DECLARES UNDER		
21	SECTION 6.103 OF THI COUNTY CODE.		
22	(2) THIS SECTION APPLIES IN THE GEOGRAPHIC AREAS IDENTIFIED IN THE EXECUTIVE		
23	ORDER THAT PROCLAIMS OR DECLARES THE EMERGENCY.		
24	(3) THIS SECTION APPLIES TO RENTED HOUSING OF ALL KINDS INCLUDING MOBILE		
25	HOMES AND MOBIL HOME LOTS AND RENTED COMMERCIAL SPACE OF ALL KINDS.		
26	(B) IN GENERAL.		

DURING THE EMERGENCY, AND FOR A PERIOD OF TIME AFTER THE EMERGENCY EQUAL TO 1 THE DURATION OF THE EMERGENCY BUT NO LONGER THAN THREE MONTHS, A LANDLORD OF 2 3 MOBILE HOME PARK OWNER SHALL NOT: (1) INCREASE THE RENT OR MOBILE HOME PARK FEE; 4 (2) UNREASONABLY OR ARBITRARILY DECREASE THE UTILITIES OR OTHER SERVICES TO 5 WHICH A TENANT OR MOBILE HOME PARK RESIDENT HAS BEEN ENTITLED; 6 (3) TERMINATE A TENANCY, LEASE, OR RENTAL AGREEMENT; OF 7 (4) OTHER WISE MATERIALLY ALTER THE TERMS OF SUCH LEASE OR RENTAL AGREEMENT TO 8 THE FINANCIAL DETRIMENT OF THE TENANT OR MOBILE HOME PARK RESIDENT. 9 10 (C) NOTICE. DURING THE EMERGENCY, AND FOR A PERIOD OF TIME AFTER THE EMERGENCY 11 (1)EQUAL TO THE DURATION OF THE EMERGENCY BUT NO LONGER THAN THREE MONTHS, A LANDLORD 12 OR MOBILE HOME PARK OWNER SHALL NOT NOTIFY A TENANT OR MOBILE HOME PARK RESIDENT OF 13 ANY CHANGE IN A LEASE OR RENTAL AGREEMENT OF TAKE ANY OTHER ACTION THAT VIOLATES 14 SUBSECTION (B) OF THIS SECTION. 15 A LANDLORD OR MOBILE HOME PARK OWNER MUST INFORM A TENANT OR MOBILE 16 (2)HOME RESIDENT IN WRITING TO DISREGARD ANY SUCH NOTICE OF A MATERIAL CHANGE TO THE 17 18 LEASE OR RENTAL AGREEMENT IF: THE LANDLORD OR MOBILE HOME PARK OWNER PROVIDED THE NOTICE TO 19 (I) THE TENANT OR MOBILE HOME PARK RESIDENT BEFORE OR DURING THE 20 EMERGENCY; AND 21 THE EFFECTIVE DATE OF THE MATERIAL CHANGE WOULD OCCUR IN (II)22 VIOLATION OF SUBSECTION (B) OF THIS SECTION. 23 (D) RETALIATION PROH BITED. 24 A LANDLOW OR MOBILE HOME PARK OWNER MAY NOT ATTEMPT TO HARASS, INTIMIDATE, 25 THREATEN OR COERCE ANY TENANT OR MOBILE HOME RESIDENT SUBJECT TO THE PROTECTIONS SET 26 FORTH IN SUBSECTIONS (B) OR (C) OF THIS SECTION. 27

28 (E) OFFICE WEBSITE POSTING.

- 1 THE OFFICE OF CONSUMER PROTECTION MUST POST ON ITS WEBSITE INFORMATION ABOUT
- 2 THE REQUIREMENTS OF THIS SECTION, INCLUDING POSTING THE DATES WHEN THE EMERGENCY
- 3 BEGINS AND TERMINATES, AND THE DATE THAT IS 3 MONTHS AFTER THE EMERGENCY TERMINATES.
- 4 Section 2. And Be It Further Enacted by the County Council of Howard County, Maryland, that
- 5 this Act is an emergency bill that is necessary to protect the public health, safety, and
- 6 *welfare and is effective upon enactment.*

Office of the County Auditor Auditor's Analysis

Council Bill No. 33-2020 Introduced: May 4, 2020 Auditor: Maya Cameron

Fiscal Impact:

There is no fiscal impact of this legislation as the County would not incur expense or increase revenue as a result of the proposed changes to Title 17 - Public Protection Services of the County Code.

Purpose:

The proposed legislation would prohibit a landlord or mobile park owner from the following actions during a declared Health Emergency:

- Increasing rent or fees;
- Decreasing utilities or services;
- Terminating tenancy, lease, or rental agreements; or
- Altering terms of agreements to the financial detriment of the tenant.

These provisions would be in effect for the period of a declared Health Emergency and up to three months after the emergency.

Landlords are required to provide written notification to disregard any material change of the agreement under certain conditions.

In addition, landlords are prohibited from intimidating or threatening the tenant related to stipulations of this legislation.

The Office of Consumer Protection must post on their website the beginning and end dates of the Emergency and the date that is three months after the emergency terminates.

Other Comments:

A State of Emergency¹ was declared on March 5, 2020, by the Governor of Maryland, Larry Hogan.

¹ Source: https://governor.maryland.gov/covid-19-pandemic-orders-and-guidance/

Sayers, Margery

From:	Cyrus Raafat <raafcyr@aol.com></raafcyr@aol.com>
Sent:	Saturday, September 5, 2020 6:55 PM
То:	CouncilMail
Cc:	Jung, Deb
Subject:	CB33-2020

[Note: This email originated from outside of the organization. Please only click on links or attachments if you know the sender.]

6333-2020

Dear Honorable Council Members:

Re: CB33-2020 Moratorium on Rent Increases

We have been in contact with the BRHP, who have facilitated our current tenants who live in our house affected by your Order(above). After submitting a rent increase to our tenants this month, which is sufficiently more than 90 days after Gov. Hogan's Order barring evictions and increases, they have refused to pay the increase citing your Order(above).

Would you be so kind as to provide us with clarification of the dates and the sources that you based your decision on. Also, the tax increases for property has been quite inordinate in recent years, which doesn't bode well. Have you thought about making public services more efficient under these circumstances?

Very sincerely yours,

Cyrus L. Raafat cyrus.raafat.esquire@gmail.com

Sayers, Margery

From: Sent: To: Subject: Attachments: Walsh, Elizabeth Wednesday, July 29, 2020 1:37 PM Jones, Diane; Sayers, Margery FW: CR89-2019 1900204036_Dorsey Overlook MIHU.PDF; CB33

Hey there. Just checking in: I send these kinds of messages to "CouncilMail" purposefully, to get into the official "bill file" for their respective legislation, in this case CR89-2019, below and CR33-2020 before it (and attached below). Can you please confirm that that is happening?



Liz Walsh, Council Member Howard County Council Serving District 1: Ellicott City, Dorsey's Search, Elkridge & Hanover

3430 Court House Drive Ellicott City, MD 21043 410.313.2001

From: Walsh, Elizabeth
Sent: Wednesday, July 29, 2020 1:30 PM
To: CouncilMail <CouncilMail@howardcountymd.gov>
Cc: Glendenning, Craig <cglendenning@howardcountymd.gov>; Kuc, Gary <GKuc@howardcountymd.gov>
Subject: CR89-2019

Colleagues: Attached is the June 17, 2020 agreement I referenced today and in our last work session.

You may recall Director Cimino confirmed in that work session the Administration's intent to (a) transfer to Developer the acre+ valued at \$1.1M for \$10K; (b) award to Developer the \$4.06M that was intended to be the lone subject of my Amendment 9 to the FY21 budget; in addition to (c) the \$1.064M I understand already has been paid Developer pursuant to the attached agreement. Exhibit A to that agreement is the clearest commitment I've seen to what Developer currently is proposing to do with the aggregated properties, the balance of which all already are owned by Developer in fee simple. As rather plainly spelled out in that agreement, the number of moderate income housing units to be provided at Dorsey Overlook would be no more than what is now required under applicable law. As Auditors confirmed as recently as yesterday, DPZ has received no such submission of any "Plan No. SDP-20-074."

You may recall that I proposed moving FY21's intended \$4.06M grant to Developer into contingency to avoid such a large, singular investment potentially running counter to what ultimately is recommended in the forthcoming Housing Master Plan. Notably, in response to Auditor questions last FY20 year as to what was intended for the \$1.064M in fees in lieu anticipated to be collected then, the Administration cited the same reasoning, stating as follows: *"The Alternative Compliance initiative [in the amount of \$1.064M] will be based on Affordable Housing Initiatives that will be identified in the Housing Master Plan, which is planned to be prepared in the upcoming year."*

Last, as Director Cimino advised us in work session, our Code Section 13.402C(e) does explicitly address what lawfully any of these fees-in-lieu may be spent on: "(7) The fee-in-lieu collected by the Department shall be used for the following: (i) The Settlement Downpayment Loan Program; (ii) The Rehabilitation Loan Program; (iii) Grants to other County entities, the Howard County Housing Commission or local non-profits for rental housing subsidies, the purchase and rehabilitation of existing properties for sale or rent to low or moderate income households, **emergency eviction support**, or other housing opportunities for low and moderate income households." At best, these combined \$5M+ in awarded fees are "other housing opportunities." And, if ever there was a time when we should be certain the County can adequately fund "emergency eviction support," it is now. In that vein, I also attach for your convenience the spreadsheet I shared with you immediately before we passed CB33 (the Rental Protection and Stability Act), allowing calculation of how potentially meager the County's current allocation is given that our renting households here number 32K+.

Happy August.



Liz Walsh, Council Member Howard County Council Serving District 1: Ellicott City, Dorsey's Search, Elkridge & Hanover

3430 Court House Drive Ellicott City, MD 21043 410.313.2001

Housing & Community Development

Paymer	nt Cover	Sheet
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Date Submitted:	6/18/2020	
Submitted By:		
Invoice/Account Number:	Dorsey Overlook	
Invoice Date:	6/18/2020	
Vendor:	Dorsey Overlook LLLP	
Description:	MIHU Alternative Compliance	

Kelly Cinino

SAP Doc#	1900204036
X	Request For Payment

General Ledger	Fund	Functional Area	Internal Order Number	Amount	Description
515900 - Other Contractual Services	2010000000 - Community Rer	CSHOMIHU0000000 -MIHU	70000001380 - Housing Initia	1,064,000.00	Dorsey Overlook
			12		
			1.1.1.1		
			E.M.	12	
				1,064,000.00	

SUBMITTED BY:

APPROVED BY:

SAP PROCESSOR:

DATE:

18/20 DATE: 6 DATE:

Project: Dorsey Overlook (Apartments)

When Recorded Return to: Howard County Office of Law 3450 Court House Drive Ellicott City, MD 21043

Howard County, Maryland Rental Housing Development (For Rental Dwelling Units)

MODERATE INCOME HOUSING UNIT AGREEMENT

THIS MODERATE INCOME HOUSING UNIT AGREEMENT (this "Agreement") is made as of the Agreement Date (as herein defined) by and amongst HOWARD COUNTY, MARYLAND, body corporate politic (the "County") and DORSEY OVERLOOK, LLLP, a limited liability limited partnership (the "Owner/Developer").

RECITALS

- A. The Developer is the owner of certain real property, generally known as Dorsey Overlook parcels, that the Developer acquired by five (5) deeds all dated as of January 23, 2019, and recorded among the Land Records of Howard County, Maryland, in Book 18554, Page 1, Book 18554, Page 14, Book 18554, Page 20, Book 18554, Page 27 and Book 18554, Page 34 (collectively, referred to as the "Deeds"), and will be developed as an 82-unit townhouse-style rental community located at 9562 9598 Old Route 108, Ellicott City, Maryland (the "Property").
- B. In accordance with Section 112.1.F of the Howard County Zoning Regulations (the "Zoning Regulations"), residential developments in R-APT (Residential Apartment) zoning district must provide a certain percentage of moderate-income housing units ("MIHUs"). The development of Property will create 82 residential rental units. In accordance with the Zoning Regulations, the Developer is required to designate 15%, or 13 of the units, as MIHUs.
- C. On December 27, 2018, the County agreed to an optional method of MIHU compliance with Beazer Homes. The optional method of compliance allows for the release of 19 unsold MIHUs at Morris Place, and releases Beazer Homes from providing MIHUs on site in the Morris Place for sale development, in exchange for receipt of \$56,000.00 per unit for a total of \$1,064,000. The recorded partial releases of MIHU Agreements and Declarations of Covenants and Restrictions between the County and Beazer Homes were executed on December 27, 2018 and recorded in the Land Records of Howard County on January 22, 2019, in Book 18524, Pages 421 441.
- D. The Developer will accept, \$1,064,000.00 from the County, and 19 MIHUs from the Morris Place Phases I-VI project to the Developer's development, Dorsey Overlook, and subject

them to this Agreement. In accordance with Section 13.402(e)(3) of the Howard County Code (the "Act"), the optional method of compliance requires the Developer to calculate the number of units required in accordance with the multiplier set forth in the Act. For every townhouse required on-site by the Zoning Regulations, the Developer shall provide 1.75 apartment units or 1.5 single family attached units at the off-site location. Using the required calculation, transferring 19 townhouse units from Morris Place Phases I-VI equates to 28 townhouse rental units at Dorsey Overlook.

- E. In order to meet the requirement of the Zoning Regulations, and in compliance with Section 13.402(e) of the Act and the transfer of units from Morris Place, the Developer hereby agrees to lawfully subject the Property to the covenants and restrictions set forth herein that gives the County assurance that the MIHU affordability restrictions on the rental of 41 of the units shall be in effect in perpetuity. The Developer's MIHU requirement of restricting 41 MIHUs on the Property shall be deemed fulfilled upon the Developer's receipt of the \$1,064,000.00, in consideration for accepting 19 MIHUs from Morris Place. The total number of MIHUs is determined by adding the MIHUs transferred in from the optional method of compliance for Morris Place Phases I-VI to the required number of MIHUs in the development as required by the Zoning Regulations.
- F. Pursuant to §13.400 et seq. of the Howard County Code (the "Act"), the developer of a rental housing project in which moderate income housing units are required shall agree to rent a portion of the units in the project to households of moderate income for the period specified in Section 13.405(a) of the Act.
- G. In compliance with the Act, and in order to induce the Developer to provide moderate income housing units in the Development, the Developer and the County agree to the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Developer and the County agree as follows:

1. Definitions.

a) All terms defined in the Act or previously defined in this Agreement are incorporated herein by reference.

b) "Agreement Date" means the last date upon which the parties hereto have executed this Agreement, as indicated by the date below the respective signatures on the signature page.

c) "Department" means the Howard County Department of Housing and Community Development.

2. Number of Moderate Income Housing Units.

a) <u>Minimum Requirement</u>. The Developer acknowledges and agrees that the Zoning Regulations require that at least 15% of the dwellings in each R-APT development shall be Moderate Income Housing Units.

b) <u>Moderate Income Housing Units to be Provided</u>. In accordance with the Zoning Regulations, the Developer agrees to provide moderate income housing units in the Development in the amount set forth on Exhibit "A" attached hereto.

3. Construction Plan.

a) <u>Phasing Requirement</u>. The Developer acknowledges and agrees that, to the extent practicable, taking into account current market conditions, the needs of eligible purchasers, and planning considerations, the Developer shall provide that each phase of the Development shall contain its proportionate share of the total number of moderate income housing units to be provided under this Agreement.

b) <u>Specified Units</u>. The Developer is not required to permanently designate particular units as moderate-income housing units in order to meet this requirement.

4. Maximum Rental Rates. Rates for Rental Units:

a) The Department shall establish maximum rates for rental units, by bedroom size, that are equal to 30% of the monthly income of a household whose annual income does not exceed 60% of the Howard County area median income.

b) The maximum rental rates shall include an allowance for utilities paid by the tenant. The allowance shall be calculated by the Department based upon the average utility costs prevailing for similar sized units in Howard County. If required by the lease, all utility costs, including those in excess of the allowance, shall be paid by the tenant.

5. Rental of Moderate Income Housing Units.

a) Duration of Rental Restrictions. Except as provided in Section 13.405(f) of the Act, the restrictions on the rental of moderate income housing units set forth in this subtitle shall apply to each rental moderate-income housing unit development in perpetuity beginning on the date of initial offering as set forth in Section 13.405(c) of the Act.

b) Application of Rental Restrictions.

(i) The owner of any rental development subject to this subtitle shall ensure

that the number of moderate income housing units required under the approved final plan or site development plan are rented or available for rent as moderately-priced dwelling units to holders of a certificate of eligibility under Section 13.406 of the Act.

(i) The owner is not required to permanently designate particular units as moderate income housing units in order to meet this requirement.

6. Rental During Priority Period.

a) A moderate-income housing unit offered for rent must first be offered for a 60-day priority period to a holder of a certificate of eligibility or to a designee. During the priority period, the moderate-income housing unit shall be offered at a rent not to exceed the rent established for the unit under Section 13.403 of the Act.

b) (i) Before offering a moderate-income housing unit for rent, the owner must notify the Department of the proposed offering and the proposed date on which the priority period will begin.

(ii) The notice must set forth the number of units offered, the location of each unit, the unit type, bedroom size and floor area of each unit, a description of the amenities offered in each unit and the rental rate.

(ii) The owner shall also provide a vicinity map of the offering, a copy of the approved subdivision or site development plan, and such other information as the Department finds necessary.

(iv) If the Department determines that the notice is incomplete, the Department shall notify the owner within 5 business days of receipt of the notice. The owner shall submit a complete notice before the priority period may begin.

c) The owner shall make a good faith effort to enter into a lease with a holder of a certificate of eligibility within the priority period.

7. Annual Submissions. The sponsor shall submit to the department:

(a) Annually, or at any time requested by the department, evidence of the annual incomes of all households of low or moderate income; and

(b) Such other information relating to the project or the loan as the department may specify.

8. <u>Substitution of Moderate Income Units</u>. If the sponsor rents a unit to a household of moderate income, and during the household's occupancy of the unit the household's annual income

exceeds the income limits for a household of moderate income, the sponsor shall rent the next available unit to a household of moderate income as necessary to meet the rental requirements of the Act.

9. <u>Department's Right to Inspect</u>. The sponsor shall permit the department or any of its employees or agents to inspect the project and to audit the owner's records at any reasonable time.

10. <u>The Developer's Representations and Warranties</u>. The Developer represents and warrants that:

(a) <u>Authority</u>. The Developer has full power and authority to enter into this Agreement and to perform its obligations hereunder.

(b) <u>Litigation</u>. There are no suits, actions, hearings, violations, investigations, or other proceedings pending against the Developer before any court or governmental agency in any way relating to the Development.

(c) <u>Bankruptcy</u>. The Developer is not the subject of any bankruptcy or insolvency proceedings at law or in equity or otherwise.

(d) <u>Compliance with Laws</u>. The Developer has complied with all laws and regulations applicable to the Development.

11. Remedies.

Violation of this Agreement may be enjoined, restrained or otherwise remedied by appropriate legal or equitable proceedings. Proceedings restraining violation of this Agreement may be brought at any time that such violation appears reasonably likely to occur. In the event of proceedings brought by Howard County to enforce or restrain any violation of this Agreement, or to determine the rights or duties of any person under this Agreement, Howard County, if it prevails in such proceedings, may recover reasonable attorneys' fees to be fixed by the court, in addition to court costs and any other relief awarded by the court in such proceedings.

12. Intentionally Omitted

13. <u>Amendment</u>. This Agreement may not be amended without the written agreement of the parties.

14. <u>No Waiver</u>. Failure of any party to require performance by another of any of the terms of this Agreement shall not affect the party's right to enforce such term. Waiver of any term hereof shall not constitute waiver of any other term or breach hereof.

15. <u>Successors and Assigns</u>. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the respective parties.

5

16. <u>Headings</u>. The headings of this Agreement are for reference only and shall not be deemed to limit or define the meaning hereof.

17. <u>Counterparts</u>. This Agreement may be executed in counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same instrument.

18. Time of the Essence. Time is of the essence in this Agreement.

19. <u>Notices</u>. All notices and other communications required under this Agreement shall be in writing and delivered or mailed, by registered or certified mail, postage prepaid and return receipt requested, to the parties at the following addresses:

(a) Communications to the County shall be mailed to:

Howard County Department of Housing & Community Development 9820 Patuxent Woods Drive – Suite 224 Columbia, Maryland 21046

With a copy to the County Solicitor at the following address:

County Solicitor 3450 Court House Drive Ellicott City, Maryland 21043

(b) Communications to the Developer shall be mailed to the address identified on Exhibit "A" attached hereto.

20. <u>Conflicts of Interest</u>. The persons signing on behalf of the Developer certify that they understand the provisions of Section 901(a) of the Howard County Charter and Section 22.204 of the Howard County Code dealing with conflicts of interest.

21. <u>Governing Law</u>. This Agreement shall be construed in accordance with the laws of the State of Maryland.

22. <u>Entire Agreement</u>. This Agreement constitutes the entire understanding and agreement of the parties as to the matters contained herein. All previous agreements, understandings, promises, and representations, whether written or oral, relating to this transaction, are superseded by this Agreement.

(SIGNATURES BEGIN ON NEXT PAGE)

IN WITNESS WHEREOF, the Developer and the County, by their duly appointed representatives, have executed, sealed, and delivered this Agreement as of the Agreement Date.

WITNESS/ATTEST: By: Jeffrey 6 Date: ATTEST: By:_ Calvin Ball R. Robbins JUN Conni 020

Chief Administrative Officer

OWNER: DORSEY OVERLOOK LIMITED LIABILITY LIMITEDPARTNERSHIP BY: DORSEY JK HCC, LLC, General Partner

Managing Member 120 18

HOWARD COUNTY, MARYLAND

County Executive JUN 1 7 2020 Date:

Approved by Department of Housing and Community Development:

Approved for Form and Legal Sufficiency this $\frac{1672}{12}$ day of , 2020:

Gary W. Kuc, County Solicitor

Reviewing Attorney:

Constance A. Tucker, Principal Counsel

Kelly a. Cinuno By: Kelly A. Cimino, Director

Exhibit A: Construction Plan for Moderate Income Rental Housing Units

EXHIBIT A Construction Plan for Moderate Income Rental Housing Units

I. Developer Information:

Owner/Developer:	Dorsey Overlook, LLLP
Developer's Address:	5670B Furnace Avenue Elkridge, MD 21075

II. <u>Development Information:</u>

Name of Development:	Dorsey Overlook
Location of Development:	9562 – 9598 Old Route 108 Ellicott City, MD 21042
Plan No.:	SDP-20-074
Total dwelling units:	82 dwelling units

III. Moderate Income Rental Housing Units:

Total moderate-income rental housing units: 41

Percentage of total dwelling units: 50.0%

MIHU Apartments:

A mix of 2 and 3 bedroom units

.

Development: Dorsey Overlook

When Recorded Return to: Howard County Office of Law 3450 Court House Drive Ellicott City, MD 21043

Howard County, Maryland Moderate Income Housing (Rental Units)

MODERATE INCOME HOUSING UNIT DECLARATION OF COVENANTS AND RESTRICTIONS

THIS MODERATE INCOME HOUSING UNIT DECLARATION OF COVENANTS AND RESTRICTIONS (this "Declaration") is made as of the Declaration Date (as herein defined) by DORSEY OVERLOOK, LLLP (the "Declarant"), having an address of 5670B Furnace Avenue, Elkridge, MD, for the benefit of HOWARD COUNTY, MARYLAND, a body corporate and politic (the "County").

RECITALS

A. The Declarant is the owner of certain real property, generally known as Dorsey Overlook parcels, that the Declarant acquired by five (5) deeds, all dated as of January 23, 2019, and recorded among the Land Records of Howard County, Maryland, in Book 18554, Page 1, Book 18554, Page 14, Book 18554, Page 20, Book 18554, Page 27 and Book 18554, Page 34 (collectively, referred to as the "Deeds"), and will be developed as an 82 townhouse-style rental unit community located at 9562 – 9598 Old Route 108, Ellicott City, Maryland (the "Property").

B. In accordance with Section 112.1.F of the Howard County Zoning Regulations (the "Zoning Regulations"), residential developments in R-APT (Residential Apartment) zoning district must provide a certain percentage of moderate-income housing units ("MIHUs"). The development of Property will create 82 residential rental units. In accordance with the Zoning Regulations, the Declarant is required to designate 15%, or 13 of the units, as MIHUs.

C. On December 27, 2018, the County agreed to an optional method of MIHU compliance with Beazer Homes. The optional method of compliance allows for the release of 19 unsold MIHUs at Morris Place, and releases Beazer Homes from providing MIHUs on site in the Morris Place for sale development, in exchange for receipt of \$56,000.00 per unit for a total of \$1,064,000. The recorded partial releases of MIHU Agreements and Declarations of Covenants and Restrictions between the County and Beazer Homes were executed on December 27, 2018, and recorded in the Land Records of Howard County on January 22, 2019, in Book 18524, Pages 421 - 441.

D. The Declarant will accept \$1,064,000.00 from the County, and 19 MIHUs from the Morris Place Phases I-VI project to the Declarant's development, Dorsey Overlook, and subject them to this Declaration of Covenants and Restrictions. In accordance with Section 13.402(e)(3)

of the Howard County Code (the "Act"), the optional method of compliance requires the Declarant to calculate the number of units required in accordance with the multiplier set forth in the Act. For every townhouse required on-site by the Zoning Regulations, the Declarant shall provide 1.75 apartment units or 1.5 single family attached units at the off-site location. Using the required calculation, transferring 19 townhouse units from Morris Place Phases I-VI equates to 28 townhouse rental units at Dorsey Overlook.

E. In order to meet the requirement of the Zoning Regulations, and in compliance with Section 13.402(e) of the Act and the transfer of units from Morris Place, the Declarant hereby agrees to lawfully subject the Property to the covenants and restrictions set forth herein that gives the County assurance that the MIHU affordability restrictions on the rental of 41 of the units shall be in effect in perpetuity. The Declarant's MIHU requirement of restricting 41 MIHUs on the Property shall be deemed fulfilled upon the Declarant's receipt of the \$1,064,000.00, in consideration for accepting 19 MIHUs from Morris Place. The total number of MIHUs is determined by adding the MIHUs transferred in from the optional method of compliance for Morris Place Phases I-VI to the required number of MIHUs in the development as required by the Zoning Regulations.

F. The parties hereto acknowledge and agree that the recitals are incorporated in and made a part of this Agreement.

NOW THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Declarant declares as follows:

I. DEFINITIONS.

- 1.1. The following words have the meanings indicated:
 - a) "Act" means Section 13.400 *et seq.* of the Howard County Code, entitled "Moderate Income Housing Units," as amended from time to time.
 - b) "County" means Howard County, Maryland.
 - c) "Department" means the Department of Housing and Community Development.
 - d) "County Executive" means the county executive of Howard County, Maryland.
 - e) "Declarant" includes the successors and assigns of the Declarant.
 - f) "Declaration Date" means the date upon which the Declarant has executed this Declaration, as indicated by the date below the Declarant's signature on signature page.
 - g) "MIHUs" means the townhouse-style units within the Development which shall be rented to occupants as moderate-income housing units.

h) "Restrictive Covenants" means the covenants and restrictions contained in this Declaration.

II. GENERAL RESTRICTIONS

2.1. <u>Covenants Running with the Land</u>. Declarant declares that the Property shall be owned, leased or otherwise conveyed, transferred, developed, rehabilitated, improved, built upon, occupied or otherwise used subject to the covenants and restrictions set forth herein. The Restrictive Covenants shall run with the Property and every part of it for all purposes and shall be binding upon Declarant and its successors and assigns, including but not limited to, fee simple owners, tenants, licensees, occupants and their successors and assigns with respect to the Property and shall inure to the benefit of Declarant and Howard County and their respective successors and assigns.

2.2. Termination and Modification.

a. This Declaration, or any provision of it, or any of the Restrictive Covenants, may be terminated, extended, modified, or amended in whole or in part if the County Executive determines in writing that:

(1) the Declaration, or any provision of it, or any of the Restrictive Covenants are inconsistent with the Act; and

(2) the application of the Declaration, provision, or Restrictive Covenant to any MIHU Property would be contrary to the public interest.

b. Any termination, extension, modification or amendment shall be in writing and shall be effective only after approval by the County Executive and recordation among the Land Records of Howard County, Maryland.

2.3. <u>Legal Action upon Violation</u>. Violation of these Restrictive Covenants may be enjoined, restrained or otherwise remedied by appropriate legal or equitable proceedings. Proceedings restraining violation of these Restrictive Covenants may be brought at any time that such violation appears reasonably likely to occur. In the event of proceedings brought by Howard County to enforce or restrain any of these Restrictive Covenants, or to determine the rights or duties of any person under this Declaration, Howard County, if it prevails in such proceedings, may recover reasonable attorneys' fees to be fixed by the court, in addition to court costs and any other relief awarded by the court in such proceedings.

2.4. <u>Grantee's Covenants.</u> Each grantee accepting a deed, lease or other instrument conveying any interest in a MIHU Property, whether or not it incorporates or refers to this Declaration, covenants for itself, and its heirs, successors and assigns to observe, perform and be bound by the Restrictive Covenants and, unless otherwise specifically permitted by the County, to incorporate them by reference in any instrument of conveyance.

3.1 HUD Provisions.

......

The Declarant intends to obtain a mortgage loan to be insured by the Secretary of the United States Department of Housing and Urban Development ("HUD"). For so long as HUD insures or holds a loan secured by the Property, the following additional provisions shall apply:

(a) In the event of any conflict between any provision contained elsewhere in this Declaration and any provision contained in these HUD Provisions, the provisions contained in these HUD Provisions shall govern and be controlling in all respects as set forth more fully herein.

(b) The following terms shall have the following definitions:

"Code" means the Internal Revenue Code of 1986, as amended.

"HUD" means the United States Department of Housing and Urban Development.

"HUD Regulatory Agreement" means the Regulatory Agreement between the Declarant and HUD with respect to the Property, as the same may be supplemented, amended or modified from time to time.

"Lender" means the lender providing construction/permanent financing secured by the Security Instrument, defined below, and its successors and assigns.

"Mortgage Loan" means the mortgage loan made by Lender to the Borrower pursuant to the Mortgage Loan Documents with respect to the Project.

"Mortgage Loan Documents" means the Security Instrument, the HUD Regulatory Agreement and all other documents required by HUD or Lender in connection with the Mortgage Loan.

"National Housing Act" means the National Housing Act of 1934, as amended.

"Program Obligations" has the meaning set forth in the Security Instrument.

"Residual Receipts" has the meaning specified in the HUD Regulatory Agreement.

"Security Instrument" means the mortgage or deed of trust from Borrower in favor of Lender, as the same may be supplemented, amended or modified.

"Surplus Cash" has the meaning specified in the HUD Regulatory Agreement.

(c) Notwithstanding anything in this Declaration to the contrary, the provisions hereof are expressly subordinate to (i) the Mortgage Loan Documents, including without limitation, the Security Instrument, and (ii) Program Obligations (the Mortgage Loan Documents and Program Obligations are collectively referred to herein as the "HUD Requirements").
Borrower covenants that it will not take or permit any action that would result in a violation of the Code, HUD Requirements or this Declaration. In the event of any conflict between the provisions of this Declaration and the provisions of the HUD Requirements, HUD shall be and remains entitled to enforce the HUD Requirements. Notwithstanding the foregoing, nothing herein limits the County's ability to enforce the terms of this Declaration, provided such terms do not conflict with statutory provisions of the National Housing Act or the regulations related thereto. The Borrower represents and warrants that to the best of its knowledge this Declaration imposes no terms or requirements that conflict with the National Housing Act and related regulations.

(d) Borrower and the County acknowledge that Borrower's failure to comply with the covenants provided in this Declaration do not and shall not serve as a basis for default under the HUD Requirements, unless a default also arises under the HUD Requirements.

(e) In enforcing this Declaration, the County will not file any claim against the Project, the Mortgage Loan proceeds, any reserve or deposit required by HUD in connection with the Security Instrument or HUD Regulatory Agreement, or the rents or other income from the property other than a claim against:

- i. Available surplus cash, if the Borrower is a for-profit entity;
- ii. Available distributions of surplus cash and residual receipts authorized for release by HUD, if the Borrower is a limited distribution entity; or
- iii. Available residual receipts authorized by HUD, if the Borrower is a non-profit entity.

(f) For so long as the Mortgage Loan is outstanding, Borrower and County shall not further amend this Declaration, with the exception of clerical errors or administrative correction of non-substantive matters, without HUD's prior written consent.

(g) Subject to the HUD Regulatory Agreement, the County may require the Borrower to indemnify and hold the County harmless from all loss, cost, damage and expense arising from any claim or proceeding instituted against the County relating to the subordination and covenants set forth in this Declaration, provided, however, that Borrower's obligation to indemnify and hold the County harmless shall be limited to available surplus cash and/or residual receipts of the Borrower.

(SIGNATURES BEGIN ON THE NEXT PAGE)

IN WITNESS WHEREOF, the Declarant has signed and delivered this Moderate Income Housing Unit Declaration of Covenants and Restrictions as of the Declaration Date.

WITNESS/ATTEST:

DECLARANT: DORSEY OVERLOOK, LLLP BY: DORSEY, JK HCC, LLC, General Partner

(SEAL) By: Jeffrey, Manager

STATE OF MARYLAND; COUNTY OF : TO WIT: HINH L

I HEREBY CERTIFY that on this 12th day of June, 2020 , 2020 before me, the subscriber, a Notary Public of the State of Maryland, in and for the County/City aforesaid, personally appeared Jeffrey C. Kirby, who acknowledged himself to be the Manager of Dorsey JK HCC, LLC, the general partner of Dorsey Overlook, LLLP, Declarant and he acknowledged the same to be the act of the general partner on behalf of the said Declarant, for the purposes stated therein.

IN WITNESS WHEREOF, I have set my hand and Notarial Seal, the day and year first written. above written.

DiDona chelle ANVES COT Notary Public 9/2/202/ My Commission Expires:

I, the undersigned, hereby certify that I am an attorney admitted to practice before the Court of Appeals of Maryland, and this Declaration was prepared by me or under my supervision.

Constance A. Tucker

<u>EXHIBIT A</u>

LEGAL DESCRIPTION OF PROPERTY

9562 Old Route108

FIRSTLY: BEING KNOWN AND DESIGNATED as Lots Nos. 26, 27 and 28, as shown on a plat known as "COLUMBIA WOODLANDS", dated June, 1933, which said plat is recorded among the Land Records of Howard County, Maryland in Plat Book H. S. K. No. 1, folio 71.

SECONDLY: BEING KNOWN AND DESIGNATED as Lots Nos. 29 and 30, as shown on a plat known as "COLUMBIA WOODLANDS", dated June, 1933, which said plat is recorded among the Land Records of Howard County, Maryland in Plat Book H.S.K. No. 1, folio 71.

SAVING AND EXCEPTING THEREFROM all that parcel of land containing 6.40 square feet of land, more or less, as more particularly described in a Deed dated September 16, 1975, and recorded among the aforesaid Land Records in Liber No. 737, folio 167, by and between Randolph Young and Virginia Young, his wife, Grantors, and Gordon Reese Williams, Grantee.

The five lots above and the improvements thereon being known as <u>9562 OLD ROUTE 108</u>, <u>ELLICOTT CITY, MD 21042</u>. District 02, Account Number 254212.

SUBJECT HOWEVER TO, an Agreement dated December 16, 1975 by and between Randolph Young and Virginia Young, his wife, and Stanley E. Allen, Sr. and Marjorie C. Allen, his wife, recorded in Liber No. 737, folio 176, concerning the right of the Allen's to enter the property conveyed herein for the purpose of repairing and maintaining the improvements on the adjoining Lot 25, which lies on the western side of the property conveyed herein.

9566 Old Route108

PARCEL I:

BEGINNING FOR THE SAME at an iron pipe found on the northerly corner of Lot 25 and 26 as shown on a plat of subdivision entitled "Columbia Woodlands" and recorded among the Land Records of Howard County, Maryland in Plat Book H.S.K. No. 1 at Plat No. 71, thence leaving said point and running with the division line between the aforesaid Lot 25 and 26, as now surveyed and in the datum of said plat: (1) South 05° 11' 00" East 274.96 feet to an iron pipe found on the northerly right of way line of Maryland Route 108 (Clarksville Pike) as shown on Maryland State Roads Commission Plat No. 14577 thence with said northerly line, and with the southerly line of Lot 25 and a part of Lot 24 as established by said State Roads Commission plat, (2) North 84° 49' 00" West 37.50 feet to

an iron pipe set, distant 12.50 feet from the westerly end of the aforesaid Lot 24, thence leaving said line and crossing Lot 24, (3) North 05° 11' 00" West 278.48 feet from the westerly end thereof, thence with the northerly line of the aforesaid Lot 24 and 25, (4) South 89° 49' 20" East 37.66 feet to the place of beginning, containing 10,376 square feet or 0.238 of an acre of land.

PARCEL II:

BEGINNING FOR THE SAME at a point on the subdivision line between Lot 26 and Lot 25 as shown on a plat of subdivision entitled "Columbia Woodlands" and recorded among the Land Records of Howard County, Maryland in Plat Book H.S.K. 1, at Folio 71, said point being distant 208.17 feet from an iron pipe found at the northerly or rear common corner of the aforesaid Lot 26 and 25, thence leaving said point and running with a part of said line, as now surveyed, and in the datum of said plat: (1) North 05° 11' 00" West 14.35 feet to point; thence leaving said line and crossing the lands of Randolph Young and Wife, (2) North 88° 23' 05" East 0.89 feet to a point; and (3) South 01° 36' 55" East 14.33 feet to the place of beginning, containing 6.40 square feet of land.

TOGETHER with rights contained in Agreement dated September 16, 1975 by and between Randolph Young and Virginia Young, his wife, and Stanley E. Allen, Sr. and Marjorie C. Allen, his wife, as recorded September 18, 1975 among the aforesaid Lan Records in Liber 737, folio 176.

9570 Old Route108

BEING KNOWN AND DESIGNATED as Lot No. 23 and Western one-half of Lot No. 24, as shown on a Plat of "COLUMBIA WOODLANDS", recorded among the Land Records of Howard County, Maryland in Plat Book H.S.K. No. 1, folio 71. The improvements thereon being known as No. <u>9570 OLD ROUTE 108, ELLICOTT CITY, MARYLAND 21042</u>.

9580 Old Route108

BEING known and designated as lots Nos. Nineteen (19), Twenty (20), Twenty-one (21), and Twenty-two (22), as laid out and shown on the Plat of "COLUMBIA WOODLANDS", dated June, 1933, and which Plat is filed among the Land Records of Howard County, Maryland in Plat Book H.S.K. No. 1, folio 71.

9584 Old Route108

BEING known and designated as Lots Nos. Sixteen (16), Seventeen (17), and Eighteen (18) as laid out and designated on the Plat of "COLUMBIA WOODLANDS", dated June, 1933, which said Plat is recorded in the Office of the Clerk for Circuit Court for Howard County in Plat Book H.S.K. No. 1, folio 71.

9590 Old Route108

First Tract: Lots numbered Thirteen (13), Fourteen (14), and Fifteen (15), as laid out and designated on a plat of "Columbia Woodlands", which plat is dated June, 1933, and recorded among the Land Records of Howard County, Maryland in Liber H.S.K. No. 1, folio 71.

SAVING AND EXCEPTING THEREFROM all that part of said lots which by deed recorded among the Land Records of Howard County on November 27th, 1956 in Liber M.W.B. 290, folio 579, was granted and conveyed by James G. O'Donnell, et al, to the State of Maryland, to the use of the State Roads Commission of Maryland.

<u>Second Tract</u>: All that land lying between the northern and southern boundaries of a section marked "RESERVED" on the aforesaid plat of "Columbia Woodlands", which lies between an extension of the division line between Lots Nos. 12 and 13 on the aforesaid plat and an extension of the division line between Lots 15 and 16 on the aforesaid plat.

9598 Old Route108

All of those lots or parcels of ground situate, lying and being in the Second Election District of Howard County, Maryland, in Columbia Woodlands, and identified as Lots B, 12, and all of that land lying between the northern and southern boundaries of a section marked "RESERVED" on a Plat of Columbia Woodlands recorded among the Plat Records of Howard County in Plat Book HSK 1, folio 71, which lies between an extension of the division line between lots "A" and "B" on the aforesaid plat and an extension of the division line between lots 12 and 13 on the aforesaid plats, all of which is shown on the said Plat of Columbia Woodlands recorded in Plat Book HSK 1, folio 71.

SAVING AND EXCEPTING THEREFROM, HOWEVER, all of that piece or parcel of land which by deed dated November 26, 1955, and recorded among the Land Records of Howard County, Maryland, in Liber No. 275, folio 241, was granted and conveyed by Norman W. Eckles and Mildred L. Eckles, his wife, to the State of Maryland.

From:	Walsh, Elizabeth		
Sent:	Monday, May 18, 2020 5:55 PM		
То:	CouncilMail		
Cc:	Glendenning, Craig; Dvorak, Nicole		
Subject:	CB33		
Attachments:	RentalAssistanceDistributionCalc.xlsx; 2020.05.14 Percentage of Owner Occupied		
	Housing Units.pdf		

Hello, my Colleagues: I'm going to use some part of this break to make one last pitch to you about why I think we should pass CB33 tonight, as amended.

Here's where I am on amendments:

- Mendment 1, excluding from protection commercial tenants in default before the State of Emergency
- Mendment 2, adding payment plan provisions
- Mendment 5, prohibiting late fees assessment during the State of Emergency

I explained to Christiana already why I wouldn't probably support Amendment 3 (limiting this bill to just this State of Emergency): we could very possibly be in another State of Emergency for something similar, maybe even due to COVID19 if there is a second wave the latter half of this year or into calendar year 2021, and I'd rather this construct already be in place.

And I've since looked at Amendment 4 (prohibiting landlords from modifying leases without tenant consent), which I also won't support tonight, as I worry allowing it might contribute to the very power imbalance I'm seeking to address.

If one or both of these is your deal-maker, though, please let me know and let's make the deal (one-on-one).

Otherwise, here goes:

- Renters comprise a quarter of all County households (per that 2018 Rental Survey, p. v, that I can't stop citing: <u>https://drive.google.com/file/d/1Rne8OA4QgGOdbxqjDrdgotoSz5gZ06H6/view</u>). If you wanted to map concentration of where those might be Kelly Cimino did just that in her 5-year plan we just approved as CR54, here: <u>https://apps.howardcountymd.gov/olis/PrintSummary.aspx?LegislationID=12454</u>. I've excerpted and attached the two pages).
- 2. I've heard suggestion—from newspaper accounts, mostly—that the rental assistance package announced by Executive Ball solves the whole problem, rendering this bill unnecessary. That all depends on how big the problem is, doesn't it. The attached spreadsheet shows just how fast that announced \$1.6M—at most, I'm assuming wrongly that all of CARES will go to rental assistance—will go. If just 10% of our 32,358 rental households apply and qualify, we can extend them a mere \$485 each. That doesn't cover anyone's one-month rent. Let alone two or three months' rent now past due.
- 3. We heard today that the local real estate market isn't seeing many defaults on the mortgage side because of the various forbearance programs in place for property owners; they're being taken advantage of. If you're a commercial landlord, you qualify for State and federal programming to reimburse your business loss, too. But there's nothing comparable in place (yet) for tenants. This bill isn't saying cancel or defer rent (like the forbearance programs do for those with mortgages), it's just holding the line for renters until things start to settle. That is, someone's rental financing obligations can't get more onerous than they already may be in the midst of a global pandemic.

4. David: Don't read this: Baltimore City, Montgomery County and Washington, DC already have passed similar legislation.

That's it! So easy! See you tonight!

Current County Rental Assistance, as of May 8Disaster Relief\$ 300,000MIHU\$ 500,000CARES\$ 770,000\$ 1,570,000

23,000 Persons filed unemployment in Howard County, as of May 7

.

32,358 Rental househo	lds in multi-family housi	ng, as of, Decem	ber 2018 Rental Survey, p.v	
Let's say	10% need help.	That's	3,236 who would get	\$ 485 each.
	20%		6,472	\$ 243
	30%		9,707	\$ 162
	40%		12,943	\$ 121
	50%		16,179	\$ 97



Percentage of Owner Occupied Housing Units



From:	joel hurewitz <joelhurewitz@gmail.com></joelhurewitz@gmail.com>	
Sent:	Thursday, May 21, 2020 1:40 PM	
То:	CouncilMail; Ball, Calvin	
Cc:	RealEstate; Kuc, Gary	
Subject:	CB33-2020 Lease Increase Prohibition Appears to Apply to Howard County	

[Note: This email originated from outside of the organization. Please only click on links or attachments if you know the sender.]

(313.2020

Dear County Executive Ball and the Members of the County Council,

In his letter regarding CB33-2020 Stuart Sagal wrote: "The Bill also fails to distinguish between previously negotiated Lease provisions and between "small" and "large" landlords and tenants. An individual landlord could have an existing Lease with Walmart, which, by its terms, provides for a rental increase during the applicable period of time encompassed by the Bill. Was it really your tenant to prevent that Lease provision from taking effect?"

To the extent that the bill does apply to lease increases in multi-year leases, it would appear that this provision would be applicable to the many leases involving Howard County, either as a landlord as with the Long Reach Village Center, or as a tenant. This includes three of the most recent leases approved by the Council including CB54-2019, CB56-2019, and CB4-2020. The yearly lease schedules are shown below.

It seems that an amendment is needed to clarify this issue and limit its applicability to commercial leases in general and those of Howard County in particular.

Sincerely,

Joel Hurewitz

CB54-2019 Delta-Greenwood, LLC, a Maryland limited liability company, for 28,511 square feet of space at 8869 Greenwood Place, Savage, Maryland, to be used by the Department of Public Works, Bureau of Utilities

Period	Base Rent per square foot	Monthly Installment of Annual Rent Based on 28,511 square feet	Annual Rent Based on 28,511 square feet
Commencement Date to End Year 1	\$6.45 per square foot	\$15,324.66	\$183,895.95
Year 2	\$6.61 per square foot	\$15,707.78	\$188,493.35
Year 3	\$6.78 per square foot	\$16,100.47	\$193,205.68
Year 4	\$6.95 per square foot	\$16,502.99	\$198,035.82
Year 5	\$7.12 per square foot \$7.30 per	\$16,915.56	\$202,986.72
Year 6	square foot \$7.48 per	\$17,338.45	\$208,061.39
Year 7	square foot \$7.67 per	\$17,771.91	\$213,262.92
Year 8	square foot	\$18,216.21	\$218,594.50
Year 9	\$7.86 per square foot	\$18,671.61	\$224,059.36
Year 10	\$8.06 per square foot	\$19,138.40	\$229,660.84

CB56-2019 Third Amendment for the lease of space

3. Basic Rent: For the Extension Term, Basic Rent payable by Tenant under the Lease, as amended, shall be as follows:

PERIOD	RATE/R.S.F.	MONTHLY BASIC RENT	ANNUAL BASIC RENT
03/01/2020 - 02/28/2021	\$14.33	\$6,692.11	\$80,305.32
03/01/2021 - 02/28/2022	\$14.76	\$6,892.87	\$82,714.44

CB4-2020 Micros Systems, Inc.32,028 square feet of space at 7031 Columbia Gateway Drive

Period	Base Rent per square foot	Monthly Installment of Annual Rent Based on 32,028 square feet	Annual Rent Based on 32,028 square feet
Year 1 (subject to abatement per Section 3(b))	\$24.00 per square foot	\$64,056.00	\$384,336.00 (indicates only 6 months of payment because of abatement)
Year 2	\$24.60 per square foot	\$65,657.40	\$787,888.80
Year 3	\$25.22 per square foot	\$67,298.84	\$807,586.02
Year 4	\$25.85 per square foot	\$68,981.31	\$827,775.67
Year 5	\$26.49 per square foot	\$70,705.84	\$848,470.06
Year 6	\$27.15 per square foot	\$72,473.48	\$869,681.81
Year 7	\$27.83 per square foot	\$74,285.32	\$891,423.86
Year 8	\$28.53 per square foot	\$76,142.45	\$913,709.46
Year 9	\$29.24 per square foot	\$78,046.02	\$936,552.19
Year 10	\$29.97 per square foot	\$79,997.17	\$959,966.00

From: Sent: To: Subject: Attachments: Jung, Deb Tuesday, June 2, 2020 1:35 PM Sayers, Margery FW: CB 33-20 - Retroactivity is Unconstitutional RMI Memo.pdf (333.2020

Deb Jung Council Chair, District 4 3430 Court House Drive Ellicott City, MD 21043 410-313-2001

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From: Aaron Greenfield <agreenfield@mmhaonline.org>
Sent: Tuesday, May 19, 2020 12:53 PM
To: Yungmann, David <dyungmann@howardcountymd.gov>; Jung, Deb <djung@howardcountymd.gov>; lwalsh@howardcountymd.gov; Jones, Opel <ojones@howardcountymd.gov>; Rigby, Christiana
<crigby@howardcountymd.gov>
Cc: Adam Skolnik <askolnik@mmhaonline.org>; Jessie Keller <jkeller@mmhaonline.org>
Subject: CB 33-20 - Retroactivity is Unconstitutional

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Hello Chairwoman Jung and Members of the Council,

I understand that the Council will go into a closed session this afternoon to discuss CB 33-2020, the rent relief bill. In part, I assume this is to discuss the retroactivity with the Office of Law, which we are against. In preparation for this meeting, we wanted to make sure that you have the attached memo (based upon the recent Baltimore City legislation) and brief summary of case law below demonstrating that retroactivity would impair vested rights.

- 1. The right to receive rent is a <u>vested property right</u> under the Maryland Declaration of Rights- <u>Muskin v</u> <u>SDAT</u> 422 MD 544 (2011)
- 2. The MD Constitution's standard regarding the validity of retroactive civil legislation is <u>whether vested</u> rights are impaired by the legislation <u>Dua v Comcast</u> 370 MD 604 (2002)
- 3. Retroactive civil statutes abrogating or impairing vested property rights (including contractual rights) violate the Maryland Constitution-<u>Dua</u>
- 4. Per <u>Muskin</u> the right to receive rent and the reversionary interest in rented property are inseparable and together are one vested property right.

- 5. Raising rent <u>after notice of and the agreement of the tenant to the increase</u> becomes a part of the contract which is part and parcel of the landlord's vested property right.
- 6. Thus any statute that retroactively impairs or abrogates the already agreed to rent increase contract unconstitutionally impairs the LL's vested property right.

Please let me know if you have any questions.

Thanks,

Aaron

MEMORANDUM

DATE: May 7, 2020 TO: Kathy Howard FROM: Davy Prevas RE: Retrospective challenge to Mayor and City Council Bill 20-0526

Issue

Whether Section 8-4(D)(2) of the proposed amendment to Mayor and City Council Bill 20-0526 violates a constitutional protection against *ex post facto* legislation.

Brief Answer

The City Solicitor is incorrect in her finding that Section 8-4(D)(2) of Proposed Mayor and City Council Bill 20-0526 would not be unconstitutional *ex post facto* legislation. Here, the Solicitor relies on *Block v. Hirsh*, a United States Supreme Court case utilizing a rational basis analysis, to defend the bill. Because the Maryland Constitution is more protective then the federal constitution against legislation that retrospectively abrogates vested rights, *Block* should be treated merely as potentially persuasive authority. Maryland law requires an inquiry on whether a retrospectively-applied statute is found to abrogate vested rights or takes property without just compensation, not whether the statute has a rational basis. A court would draw authority instead from other Maryland cases interpreting the Maryland Declaration of Rights and Constitution to inquire on whether the law abrogates any vested rights. Under *Muskin v. State Dept. of Assessments*, the Court of Appeals held that the contractual right to receive ground rent is a vested right under Maryland law. It would likely follow that the contractual right to receive rent is a vested right under Maryland law as well, and that no legislation can retrospectively affect that right.

Facts

The Baltimore City Council has introduced City Council Bill 20-0526 – Baltimore City COVID-19 Renter Relief Act. The bill would add language to Subtitle 8 (Rent Increases) of Article 13 (Housing and Urban Renewal) of the City Code. Under Section 8-4(D)(2) of the bill, any rental increases already agreed to or enacted before March 5, 2020 would be outlawed.¹

¹ Section 8-4(D)(2) of the bill states that a landlord must inform a tenant to disregard any notice of rental fee increase if: (1) the landlord provided the notice to the tenant prior to an emergency; and (2) the effective date of the increase would occur on or after the date the emergency began. The bill defines emergency as "the catastrophic health emergency declared by the Governor of Maryland on March 5, 2020." The City Solicitor's office has additionally recommended the addition of a maximum fine of \$1,000 for violating Section 8-5 of Article 13 of the City Code.

On May 6, 2020, the Baltimore City Solicitor's office offered an opinion that the Section 8-4(D)(2) is a constitutional exercise of a State's rights during an emergency, and does not violate any bar on retrospective legislation.

Analysis

Article 24 of the Maryland Declaration of Rights provides: "[N]o man ought to be taken or imprisoned or disseized of his freehold, liberties or privilege, . . . or, in any manner, destroyed, or deprived of his life, liberty or property, but by the judgment of his peers, or by the Law of the land."² Maryland Constitution, Article III, §40, provides:

The General Assembly shall enact no Law authorizing private property to be taken for public use, without just compensation... being first paid or tendered to the party entitled to such compensation.³

These provisions "have been shown, through a long line of Maryland cases, to prohibit the retrospective reach of statutes that would result in the taking of vested property rights. Muskin v. State Dep't of Assessments & Taxation, 422 Md. 544, 556 (2011).

The Solicitor's office relies on *Block v. Hirsh*, a 1921 Supreme Court case to assert that a landlord's right to charge rent can be modified in an emergency. In *Block v. Hirsh*, a landlord argued that a Washington D.C. emergency statute allowing tenants to remain in their rental property beyond the expiration of the term of their lease so long as rent payments were continued was an unconstitutional taking of his property rights. The Court found that the statute's provisions were necessary to address housing issues resulting from a public emergency. The Court held that the statute was not unconstitutional because its requirements had a reasonable relation to the relief sought.

In Dua v. Comcast Cable of Maryland, the Court of Appeals of Maryland rejected the application of the rational basis test as the state constitutional standard of determining validity of a retroactive statute under Articles 19 and 24 of the Maryland Declaration of Rights and Article III, § 40, of the Maryland Constitution. The Court wrote: "The state constitutional standard for determining the validity of retroactive civil legislation is whether vested rights are impaired and *not* whether the state has a rational basis." 370 Md. 604, 623. The Court also stated that "[B]ecause of the numerous opinions by this Court dealing with the constitutionality of retroactive civil statutes, principles of stare decisis dictate the result . . . Thus in applying Article 24 of the Declaration of Rights and Article III, § 40, of the Maryland Constitution to the present cases, there is little reason to rely on non-binding out-of-state authority." *Id.* Given the holding in *Dua*, it is unlikely that a court would put any weight on the holding of *Block* as it applies to the

² Article 24 of the Declaration of Rights expresses the same concept as 'due process of law in the Fourteenth Amendment" to the Constitution. *Ellis v. McKenzie*, 457 Md. 323, 333 (2018).

³ Maryland Constitution, Article III, §40, expresses the same concepts as the Taking Clause of the Fifth Amendment and the Due Process Clause of the Fourteenth Amendment. *Ellis v. McKenzie*, 457 Md. 323, 333 (2018).

Maryland's retroactive statute laws. The correct test would instead be whether the retrospective law *abrogate vested rights*.

A "vested right" is "something more than a mere expectation based on the anticipated continuance of the existing law; it must have become a title, legal or equitable, to the present or future enjoyment of a property." *Muskin v. State Dept. of Assessments and Taxation*, 422 Md. 544, 560. Contractual and property interests existing before the enactment of a statute, including reversionary interests in land and contractual rental interests have been found to be vested rights under Maryland law. *Muskin v. State Dep't of Assessments & Taxation*, 422 Md. 544, 560 (2011) (holding that "There can be no reasonable doubt that the reversionary interest to real property and the contractual right to receive ground rent are vested rights under Maryland law."); *Harvey v. Sines*, 228 Md. App. 283, 137 (finding that a vested right includes that which is regarded as a property right under state property law); Dua v. *Comcast Cable of Maryland*, 370 Md. 604, 629 (2002) (holding " retrospective statutes abrogating vested property rights (including contractual rights) violate the Maryland Constitution."). Following precedent, the right to receive rental payments on an existing lease would be a vested property right so long as an agreement is already made.⁴

Here, Section 8-4(D)(2) of Proposed Mayor and City Council Bill 20-0526 would retroactively bar rental increases that a landlord has already undertaken since the state emergency order took effect on March 5, 2020. ⁵ The bill requires that a landlord rescind any notice of rental fee increase if the increase notice was sent before effective emergency date and would take effect after the effective emergency date. This would undue already settled lease terms. Notices of rental increase are typically sent out to tenants 90 to 30 days before the expiration of the original lease term.⁶ Tenants must also agree in writing to the rental increase. This is done either through the signing of a new lease form or through an acknowledgement to go along with an initial lease containing a rent increase clause. Once an acknowledgement is signed, a new lease is formed for that term. The new rental amount is thus vested in the new lease. Any interference with the agreement would be a violation of the landlords vested property and contractual right.

⁴ The holding in *Muskin* did not address whether the right to receive ground rent payments and the reversionary interest in a ground lease were vested separately. The court wrote that "[a contractual right to receive ground rent payments and the reversionary interest to re-enter the property in the event of a default] cannot be separated one from the other; together they are the essence of this unique property interest and as such, vested rights analysis must consider them together." 422 Md. 544, 559-556 (2011).

⁵ The Solicitor's Office concedes that the City Council intends that Section 8-4(D)(2) law be retroactive.

⁶ There are no state regulations on a notice period for a residential rent increases and the notice period is usually spelled out in the original lease. However, Baltimore City Code, Housing and Urban Renewal, Article 13, § 8-3, presumes a notice of rent increase to be received by tenant no more than 60 days before expiration of the lease, unless the lease requires a longer notice period, but not more than 90 days. A typical rental increase notice would be agreed upon and signed up to three months before the increase takes place.

Conclusion

The retrospective nature of Section 8-4(D)(2) would violate the vested rights of a landlord under the precedent of Maryland law. Unlike federal standards under the 5th and 14th amendments, Maryland analysis does not require inquire into the reasonableness of the legislative intent. The only standard to consider is whether the retrospective law violates a person's vested rights. Vested rights include a person's existing rights in property or under a contract. A lease agreement contains both property and contractual interests making it a vested right. A law retrospectively abolishing a right under a lease agreement is thus unconstitutional under Maryland Law. Already existing rental increase agreements cannot be abolished under Maryland Law without compensation.

From: Sent: To: Subject: Attachments: Jung, Deb Monday, June 1, 2020 12:32 PM Sayers, Margery FW: Bill No. 33-2020 - Rental Protection and Stability Act BOMA Letter_Howard County Council.pdf

Deb Jung Council Chair, District 4 3430 Court House Drive Ellicott City, MD 21043 410-313-2001

Sign up for my newsletter here.



From: Jennifer Thornton <jthornton@stringfellowgroup.net>
Sent: Tuesday, May 12, 2020 6:23 PM
To: Walsh, Elizabeth <ewalsh@howardcountymd.gov>; Rigby, Christiana <crigby@howardcountymd.gov>; Jung, Deb
<djung@howardcountymd.gov>
Cc: Ball, Calvin B <cbball@howardcountymd.gov>; Jones, Opel <ojones@howardcountymd.gov>; Yungmann, David
<dyungmann@howardcountymd.gov>
Subject: Bill No. 33-2020 - Rental Protection and Stability Act

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Dear Councilpersons Walsh, Jung and Rigby,

Please see the attached letter, sent on behalf of the Building Owners and Managers Association of Greater Baltimore (BOMA). Feel free to contact me directly with any questions or comments.

Sincerely,

Jennifer Thornton



Jennifer Thornton Executive Director Building Owners and Managers Association of Greater Baltimore, Inc. 2331 Rock Spring Road, Forest Hill, MD 21050 (NEW ADDRESS) P: 443-966-3855 ext. 1151 | F: 443-640-1031 jthornton@bomabaltimore.org www.bomabaltimore.org Follow us on: Facebook | LinkedIn | Twitter Proud Member of the BOMA Middle Atlantic (MAC) Region



2331 Rock Spring Road Forest Hill, MD 21050 info@bomabaltimore.org 443.966.3851

May 12, 2020

VIA ELECTRONIC MAIL

The Honorable Liz Walsh (<u>ewalsh@howardcountymd.gov</u>) The Honorable Christina Rigby (<u>crigby@howardcountymd.gov</u>) The Honorable Deb Jung (<u>djung@howardcountymd.gov</u>)

RE: Bill No. 33-2020 Rental Protection and Stability Act Section 17.1200 – Rent Increases During States of Emergency – Prohibited

Dear Councilpersons Walsh, Jung and Rigby,

My name is Kevin J. Bauer. I am a resident of Ellicott City, and in my professional capacity as a commercial property manager, I also serve as a Director of the Building Owners and Managers Association of Greater Baltimore (BOMA Baltimore) as well as Chair of the Legislative Committee for that organization.

BOMA is an international association of commercial property owners, developers and managers. BOMA Baltimore members own and manage a substantial majority of commercial and industrial properties throughout Central Maryland, including Howard County.

BOMA is sensitive to the desire of public officials throughout local governments in Maryland to assist their citizens during the COVID-19 crisis, including assistance for individuals who are struggling to pay rent.

You may be aware of legislation similar to bill number 33-2020 in nearby jurisdictions such as Anne Arundel County and also Baltimore City. In considering such legislation, these local governments have drawn a distinction between residential rental property and commercial rental property. We respectfully request that the Howard County Council understand that distinction and limit the application of Bill 33-2020 to residential leases only. It is our understanding that both Anne Arundel County and Baltimore City have taken this step.

Commercial leases are more varied in their terms than are residential leases, and they reflect the widely differing interests and resources of commercial tenants generally. BOMA Baltimore members are working every day with tenants to address the effect of Covid-19 on a case-bycase basis. Let me assure you that it is in the mutual interest of commercial tenants and their landlords to maintain their relationships, and preserve the ability of tenants to remain in possession of their rented premises. This is our collective goal.

Bill 33-2020 as drafted treats residential and commercial leases identically. In commercial real estate, one size does not fit all. Both tenants and landlords must be flexible and understanding

to achieve a mutually acceptable resolution of the problem. Such resolutions are different in each case. For these reasons, BOMA Baltimore strongly believes that Bill 33-2020 should apply only to residential leases.

In particular, we believe the phrase "AND RENTED COMMERICAL SPACE OF ALL KINDS," found on page 2, line 25 of the subject legislation, should be removed from the scope of this bill. Furthermore, the language of the bill should clarify its application to residential leases only. Doing so would preserve the fundamental intended benefit of the legislation.

Accordingly, BOMA Baltimore requests that commercial leases be stricken from the application of the bill, by removal of the language above, and that the bill be otherwise clarified to apply only to residential leases.

Very truly yours,

Kevin J. Bauer Director and Legislative Committee Chair

cc: The Honorable Opel Jones (<u>ojones@howardcountymd.gov</u>) The Honorable David Youngmann (<u>dyungmann@howardcountymd.gov</u>) Jennifer Thornton, Executive Director, BOMA (<u>jthornton@stringfellowgroup.net</u>)

From: Sent: To: Subject: Jung, Deb Monday, June 1, 2020 11:18 AM Sayers, Margery FW: CB33-2020

From: shawn mcdonald <<u>shawnrmcdonald@hotmail.com</u>>
Sent: Saturday, May 9, 2020 10:39 AM
To: Walsh, Elizabeth <<u>ewalsh@howardcountymd.gov</u>>; Rigby, Christiana <<u>crigby@howardcountymd.gov</u>>;
djung@howardcontymd.gov
Subject: CB33-2020

[Note: This email originated from outside of the organization. Please only click on links or attachments if you know the sender.]

Council Members,

Thank you for introducing CB33-2020. I would ask that you consider adding language to the bill making this retroactive to the beginning of the health emergency as all residents of Howard County who had lease end-term dates/renewals during the first two months of the pandemic should be afforded the same protection (and stress relief).

Sincerely, Shawn McDonald

10000 Town Center Ave Apt 428 Columbia, MD 21044

633-2020

LAW OFFICES

HOWATT COUNCY COUNCY COUNTY COUNCY

SAGAL, FILBERT, QUASNEY & BETTEN, P.A.

600 WASHINGTON AVENUE, SUITE 300 TOWSON, MARYLAND 21204

> Telephone: 410-823-1881 Fax: 410-823-8032

HOWARD CASSIN (1951 – 2005)

May 1, 2020

<u>VIA FIRST CLASS MAIL</u> <u>VIA EMAIL: lizwalsh@howardcountymd.gov, debjung@howardcountymd.gov,</u> <u>christinarigby@howardcountymd.gov</u>

Honorable Liz Walsh Honorable Deb Jung Honorable Christina Rigby George Howard Building 3430 Court House Drive Ellicott City, Maryland 21043

RE: Bill No. 33-2020

Dear Council Persons Walsh, Jung & Rigby:

The undersigned represents a number of property management companies who manage multi-family, residential and commercial real estate in Howard County, Maryland. My law practice has concentrated, for more than 30 years, in the area of "Landlord/Tenant" law. I have recently had the opportunity to read the above referenced Bill. My concerns relate to likely unintended consequences relating to portions of the Bill.

The proposed Bill "applies to rented housing of all kinds including mobile homes and mobile home lots and rented commercial space of all kinds".

The Bill applies during the period of time encompassed by the health emergency as declared by Governor Hogan "and for a period of time after the emergency equal to the duration of the emergency but no longer than three months". During such timeframe, a landlord or mobile home park owner may not "terminate a tenancy, Lease, or Rental Agreement" and "shall not notify a tenant or mobile home park resident of any change in a Lease or Rental Agreement". Furthermore, the Bill requires that:

A landlord or mobile home park owner must inform a tenant or mobile home resident in writing to disregard any such notice of a material change to the lease or rental agreement if:

STUART L. SAGAL ALVIN J. FILBERT, JR DANIEL W. QUASNEY ALAN BETTEN KIMBERLY A. MANUELIDES RICK M. GRAMS⁴ CHRISTOPHER L. MERRILL

*Admitted in MD and PA

Letter May 1, 2020 Page 2

(1) The landlord or mobile home park owner provided the notice to the tenant or mobile home park resident before or during the emergency...

My concerns fall under three categories:

1. **Residential Leases and Mobile Home Parks** – The Bill proports to allow a tenant, but not a landlord to terminate a tenancy, lease or rental agreement (collectively "Lease"), which Lease by its own terms, previously agreed upon, may terminate during the applicable time period. The Bill could unconstitutionally impact Leases that were previously entered into between the parties.

The Bill further does not address the potential need of a residential landlord to terminate a Lease "for cause". For example, within the past two weeks, our firm has been referred the following matters:

- a. A tenant's child went into a clothes closet within their apartment and set a bath towel on fire.
- b. Two college students rented a townhome within which to reside and a single vehicle garage behind the townhome. The single vehicle garage is part of a row of similar garages. The two college students have allowed four of their friends to move into the garage where they installed carpeting on the floor and set up a gas heater and cooking facilities. The Garage Lease specifically prohibits its use for residential purposes.
- c. A tenant in a luxury high rise apartment building maintains that the pandemic is a "conspiracy" and is upset because of the landlord's decision to discontinue providing free coffee and tea in the building's common area (so as to discourage the gathering of tenants) and claims this is how the "3rd Reich" began. When this tenant then began leaving trash in the hallway and was asked to remove a doormat that he keeps putting in the hallway, the tenant purchased a crossbow and attached the receipt for the purchase of the crossbow to our client's Lease Violation Letter, along with the box in which the crossbow was purchased, in front of his apartment door. The landlord's personnel have interpreted these actions as an implicit threat to their safety. These actions were reported to the Police who deemed the matter to be a "civil" dispute between a landlord and tenant. Copies of relevant online postings and photographs are attached hereto.

Letter May 1, 2020 Page 3

2. **Commercial Leases-** With commercial tenancies, the Bill prohibits a landlord from terminating the Lease of a commercial tenant who, in default of their Lease, fails to carry fire insurance on the landlord's building. The Bill also fails to distinguish between previously negotiated Lease provisions and between "small" and "large" landlords and tenants. An individual landlord could have an existing Lease with Walmart, which, by its terms, provides for a rental increase during the applicable period of time encompassed by the Bill. Was it really your tenant to prevent that Lease provision from taking effect?

In addition, what would happen if a landlord had entered into a long-term Lease with a new tenant, but cannot convey possession of the leased premises due to the Bill, the new tenant might cancel the Lease, leaving the with empty space and/or sue the landlord.

3. Conflict with State Law- The proposed local Bill, not only prohibits evictions during the current "health emergency", but also for a period of time after the emergency not to exceed three months. State Law, under Sections 8-401, 8-402 and 8-402.1 of the Real Property Article allow for evictions for non-payment of rent, for tenants who hold over beyond the expiration of their Lease and for tenants who commit a substantial breach of Lease. When there is a conflict between local and state law, state law prevails.

It is my hope that you will consider the concerns raised herein and either withdraw your bill or amend same to address these issues.

Very Truly Yours Stuart I. Sagal



188 people reached >



OO 4

Most Relevant 🗸



The management of this building is so concerned about coronavirus that they have become STINGY WITH THE TEA

So the economy popped just after I signed a lease and now I am their subordinate

This is exactly how it happened in Germany

2h Like Reply Message

JUST MOVED IN A FEW WEEKS AGO AND AFTER BEING PROMISED BY LEASING THAT THE AMENITIES HAVE BEEN CLOSED FOR 48 HOURS NOW THE MANAGEMENT OF THIS BUILDING SEEM TO THINK I AM THERE EMPLOYEE AND CAM BE GROUNDED BY THEM

I HAVEN'T EVEN LEVED HERE MONTH AND THE WALLS ARE ALREADY CLOSING IN ON ME

TALKING WITH MANAGEMENT IS LIKE PLEADING WITH THE FUCKING 3rd REICH

DON'T EVER CONTEMPLATE LEASING HERE

I HAVE ALREADY CONTACTED THE CITY AND A LAWYER

BALTIMORE IS ONLY OUTDONE IN ITS LEVEL OF CORRUPTION BY WASHINGTON DC

AND I HAVE NEVER FELT SO SPOOKED SCARED OR VIOLATED

THEY HAVE BEEN MONITORING MY ONLINE

From:	Pat Dudley <patd.newvision@gmail.com></patd.newvision@gmail.com>
Sent:	Monday, May 18, 2020 12:46 PM
То:	CouncilMail
Subject:	RE: Rent Increase Proclamation

[Note: This email originated from outside of the organization. Please only click on links or attachments if you know the sender.]

Hello,

I have seen information on the internet about Montgomery ceasing Landlords from rental increases for the next 12 months. I have also seen some news on Howard County doing the same. Will the council be meeting soon to decide whether this will happen or not? As a renter of a home in Howard County and as a small business owner being affected by Covid-19, this would be helpful to all concerned.

Kind regards,

Pat Dudley, LCPC-S, NCC Psychotherapist New Vision Counseling, LLC 7360 Grace Drive Columbia, MD 21044 410-200-9825 patd.newvision@gmail.com www.newvision-counseling.net



TO: Howard County Council

FROM: Maryland Multi-Housing Association

SUBJECT: Bill No. 33-2020

DATE: May 18, 2020

POSITION: Favorable with Amendments

This testimony is offered on behalf of Maryland Multi-Housing Association (MMHA). We are a professional trade association established in 1996, whose members consists of owners and managers of more than 210,000 rental housing homes in over 870 apartment communities. Our members house over 556,000 residents of the State of Maryland and we have 250 associate member companies who supply goods and services to the multi-housing industry. Lastly, MMHA members manage 93 apartment communities with over 22,300 units in Howard County.

Council Bill 33-2020 prohibits residential and commercial housing providers from increasing rents, unreasonably or arbitrarily decreasing promised services like electricity or water, terminating an existing lease, or making any other material changes to existing lease terms that are detrimental to residents during any Governor-declared emergency and up to three months thereafter. Similar protections apply to mobile home park residents.

MMHA supports the goal of this legislation and fully understands that COVID-19 is not just compromising public health; it also threatens the financial viability of individuals and businesses, including renters and housing providers. This is an extremely difficult time. We recognize that renters are not immune from facing these unprecedented challenges. We appreciate the sponsors' efforts to protect residents who may have lost jobs, faced health and childcare challenges, and are struggling to make ends meet.

Like everyone else, residential housing providers have changed their operations to accommodate the consequences of this pandemic. Whether it is voluntarily creating payment plans, waiving late fees, sharing government and community resources with residents, or not raising rents, MMHA members are engaging with residents to ensure that they and the communities we serve are safe and secure.

As indicated in the attached, MMHA has three suggested amendments to ensure that our necessary operations are maintained.

• Similar to Anne Arundel County legislation and the recently passed Montgomery County ordinance (B18-20E - Landlord-Tenant Relations - Rent Stabilization During Emergencies), we ask for an ability to increase rent by no more than 3%.



- In the event of a breach of lease caused by resident who compromises health or safety, we believe a residential housing provider should be able to terminate the lease. Residential housing providers unfortunately confront residents who cause intentional fires and destruction, commit domestic abuse and conduct other criminal behavior. An amendment that allows termination of the lease in these instances would ensure the safety of all the residents in the community.
- MMHA urges the Council to make this legislation prospective to avoid complications with leases that have already renewed since the Emergency Order from the Governor on March 5, 2020. It is common practice for management companies to send lease renewal offers out 90 days in advance, so reversing formerly agreed upon increases for many residents may be strenuous on members who are working with reduced staffing. The right to receive rent is a <u>vested property right</u> under the Maryland Declaration of Rights (See <u>Muskin v SDAT</u> 422 MD 544 (2011)). The Maryland Constitution's standard regarding the validity of retroactive civil legislation is <u>whether vested rights are impaired by the legislation</u> (See <u>Dua v Comcast</u> 370 MD 604 (2002)). Under <u>Dua</u>, retroactively applying this statute would in fact abrogate or impair vested property rights (including contractual rights) and violate the Maryland Constitution.

For these reasons, we respectfully request support Bill No. 33-2020 with the amendments.

For more information, please contact Aaron Greenfield at 410.446.1992



Amendments Bill No. 33-2020

Amendment No. 1 On page 3, line 4, following "FEE" insert "BY MORE THAN 3%"

Amendment No. 2

On page 3, line 7, following "AGREEMENT" insert "UNLESS THERE IS A BREACH OF LEASE CAUSED BY A HEALTH OR SAFETY RISK"

Amendment No. 3

On page 4, add line 7 and insert "Section 3. And Be It Further Enacted by the County Council of Howard County, Maryland, that this Act applies prospectively."

From: Sent: To: Subject: Richard B. Talkin <rbtoffice@aol.com> Sunday, May 17, 2020 1:10 PM CouncilMail Council Bill 33-2020

[Note: This email originated from outside of the organization. Please only click on links or attachments if you know the sender.]

Councilmembers:

Thank you for the opportunity to comment on Council Bill 33-2020,

With respect to commercial properties, I suggest that an amendment be added that the prohibition on the right to terminate a commercial tenancy, lease or rental agreement shall not apply if defaults under the agreement (including non-payment of rent) occurred at least 30 days prior to the declaration or proclamation of the state of emergency or emergency.

In addition, the three month period after the emergency seems excessive as to commercial properties. Commercial lenders have generally been giving three months of relief during the Covid 19 situation, but commercial property owners need to continue paying for utilities, cleaning, maintenance and other costs even during this three month period and, of course, the three months after. The inability to act with respect to a defaulting tenant for a six month period could be extremely harmful and detrimental in many ways.

I would be pleased to discuss this with you.

Thank you for your consideration.

Richard B. Talkin 5100 Dorsey Hall Drive Ellicott City, MD 21042-7870 (410) 964-0300 (410) 964-2008 Fax

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 Main
 410-715-1437

 Fax
 410-715-1489

 Web
 www.hcar.org

May 15, 2020

The Honorable Deb Jung, Chairperson Howard County Council George Howard Building 3430 Court House Drive Ellicott City, MD 21043

RE: CB 33-2020, Rental Protection and Stability Act

Chairperson Jung and Members of the Council,

On behalf of the Howard County Association of REALTORS[®] (HCAR), an organization representing over 2,000 real estate professionals, we write to offer the following revisions to CB 33, creating a prohibition on rental terminations and rent increases during a state of emergency.

First, we ask that Howard County follow the lead of other localities in applying this bill to the current COVID emergency only, as proposed under Amendment 3. Many of our smaller landlords and property managers have expressed concerns about its extension to future state or local emergency declarations because of the uncertainty it introduces into the residential leasing process. It is our fear that rental housing providers will not be willing to take this financial risk and remove their properties from the market altogether. That will result in fewer housing options and higher rents for County residents.

Second, we believe that relief of this kind should be targeted to those who truly require assistance due to job loss or severe reductions in income. According to the National Multifamily Housing Council, approximately 80% of renters were able to make their rental payments this month. Every renter able to meet their lease obligations provides landlords with additional resources to assist other tenants who cannot. An across the board rental freeze could reduce their flexibility to provide rental relief to those who need it most.

Finally, we must note that rent increases are often not arbitrary, but rather cover increasing costs faced by the property owner themselves. This can include increased property taxes, insurance costs or dues and assessments for condominium and homeowner's associations. Contrary to widespread belief, many landlords do not realize large profit margins from their rental properties; in fact, some smaller landlords rent their properties to break even or even at a loss in certain circumstances.

8600 Snowden River Parkway, Ste. 104 Columbia, MD 21045



Main410-715-1437Fax410-715-1489Webwww.hcar.org

We would encourage the Council to examine ways to provide relief not just to renters, but also to rental owners who are facing their own financial burdens and may be unable to find relief under the current framework of federal and state programming.

HCAR's property manager members and rental property owners have reported a strong desire to work with their tenants to make it through this state of emergency, whether through rent relief, payment plans, extensions of expiring leases, and more. Both they and tenant-focused organizations recognize that the provision of rental housing is a partnership between owners and renters. If one fails, so too does the other.

We hope that these revisions to CB 33 enable both tenants and landlords to weather this state of emergency and to preserve rental housing options in Howard County moving forward.

Sincerely,

Lisa Wissel President, Howard County Association of REALTORS®


From: Sent: To: Subject: Walsh, Elizabeth Monday, May 18, 2020 1:22 PM Pat Dudley; CouncilMail RE: Rent Increase Proclamation

Hi Pat! Great timing! The Council votes on this bill tonight. And although here in Howard County the protections would extend only to three months beyond the State of Emergency, its sponsors are optimistic that the relief—in combination with residential rent relief and/or State and federal business assistance—will provide a significant additional measure of support to our constituents. If you are in favor of this bill, may I ask you please to write us back—this same email address (councilmail@howardcountymd.gov) –and let us know that you support CB33 (The Rental Protection and Stability Act). It would help to know which of us represents you, too. (You can find that out here: https://data.howardcountymd.gov/DataExplorer/Search.aspx?Application=CouncilMember.)

A full summary of the bill is here: <u>https://apps.howardcountymd.gov/olis/PrintSummary.aspx?LegislationID=12504</u>.

Thank you for your note!



Liz Walsh, Council Member Howard County Council Serving District 1: Ellicott City, Dorsey's Search, Elkridge & Hanover

3430 Court House Drive Ellicott City, MD 21043 410.313.2001

From: Pat Dudley <patd.newvision@gmail.com>
Sent: Monday, May 18, 2020 12:46 PM
To: CouncilMail <CouncilMail@howardcountymd.gov>
Subject: RE: Rent Increase Proclamation

[Note: This email originated from outside of the organization. Please only click on links or attachments if you know the sender.]

Hello,

I have seen information on the internet about Montgomery ceasing Landlords from rental increases for the next 12 months. I have also seen some news on Howard County doing the same. Will the council be meeting soon to decide whether this will happen or not? As a renter of a home in Howard County and as a small business owner being affected by Covid-19, this would be helpful to all concerned.

Kind regards,

Pat Dudley, LCPC-S, NCC Psychotherapist New Vision Counseling, LLC 7360 Grace Drive Columbia, MD 21044 410-200-9825 patd.newvision@gmail.com www.newvision-counseling.net

From: Sent: To: Subject: Attachments: Jung, Deb Tuesday, May 19, 2020 1:55 PM Sayers, Margery FW: CB 33-20 - Retroactivity is Unconstitutional RMI Memo.pdf

From: Aaron Greenfield <agreenfield@mmhaonline.org>

Sent: Tuesday, May 19, 2020 12:53 PM

To: Yungmann, David <dyungmann@howardcountymd.gov>; Jung, Deb <djung@howardcountymd.gov>; lwalsh@howardcountymd.gov; Jones, Opel <ojones@howardcountymd.gov>; Rigby, Christiana <crigby@howardcountymd.gov>

Cc: Adam Skolnik <askolnik@mmhaonline.org>; Jessie Keller <jkeller@mmhaonline.org> **Subject:** CB 33-20 - Retroactivity is Unconstitutional

[Note: This email originated from outside of the organization. Please only click on links or attachments if you know the sender.]

Hello Chairwoman Jung and Members of the Council,

I understand that the Council will go into a closed session this afternoon to discuss CB 33-2020, the rent relief bill. In part, I assume this is to discuss the retroactivity with the Office of Law, which we are against. In preparation for this meeting, we wanted to make sure that you have the attached memo (based upon the recent Baltimore City legislation) and brief summary of case law below demonstrating that retroactivity would impair vested rights.

- 1. The right to receive rent is a <u>vested property right</u> under the Maryland Declaration of Rights-<u>Muskin v</u> <u>SDAT</u> 422 MD 544 (2011)
- 2. The MD Constitution's standard regarding the validity of retroactive civil legislation is <u>whether vested</u> <u>rights are impaired by the legislation</u> <u>Dua v Comcast</u> 370 MD 604 (2002)
- 3. Retroactive civil statutes abrogating or impairing vested property rights (including contractual rights) violate the Maryland Constitution-<u>Dua</u>
- 4. Per <u>Muskin</u> the right to receive rent and the reversionary interest in rented property are inseparable and together are one vested property right.
- 5. Raising rent <u>after notice of and the agreement of the tenant to the increase</u> becomes a part of the contract which is part and parcel of the landlord's vested property right.
- 6. Thus any statute that retroactively impairs or abrogates the already agreed to rent increase contract unconstitutionally impairs the LL's vested property right.

Please let me know if you have any questions.

Thanks,

Aaron

MEMORANDUM

DATE: May 7, 2020 TO: Kathy Howard FROM: Davy Prevas RE: Retrospective challenge to Mayor and City Council Bill 20-0526

Issue

Whether Section 8-4(D)(2) of the proposed amendment to Mayor and City Council Bill 20-0526 violates a constitutional protection against *ex post facto* legislation.

Brief Answer

The City Solicitor is incorrect in her finding that Section 8-4(D)(2) of Proposed Mayor and City Council Bill 20-0526 would not be unconstitutional *ex post facto* legislation. Here, the Solicitor relies on *Block v. Hirsh*, a United States Supreme Court case utilizing a rational basis analysis, to defend the bill. Because the Maryland Constitution is more protective then the federal constitution against legislation that retrospectively abrogates vested rights, *Block* should be treated merely as potentially persuasive authority. Maryland law requires an inquiry on whether a retrospectively-applied statute is found to abrogate vested rights or takes property without just compensation, not whether the statute has a rational basis. A court would draw authority instead from other Maryland cases interpreting the Maryland Declaration of Rights and Constitution to inquire on whether the law abrogates any vested rights. Under *Muskin v. State Dept. of Assessments*, the Court of Appeals held that the contractual right to receive ground rent is a vested right under Maryland law. It would likely follow that the contractual right to receive rent is a vested right under Maryland law as well, and that no legislation can retrospectively affect that right.

Facts

The Baltimore City Council has introduced City Council Bill 20-0526 – Baltimore City COVID-19 Renter Relief Act. The bill would add language to Subtitle 8 (Rent Increases) of Article 13 (Housing and Urban Renewal) of the City Code. Under Section 8-4(D)(2) of the bill, any rental increases already agreed to or enacted before March 5, 2020 would be outlawed.¹

¹ Section 8-4(D)(2) of the bill states that a landlord must inform a tenant to disregard any notice of rental fee increase if: (1) the landlord provided the notice to the tenant prior to an emergency; and (2) the effective date of the increase would occur on or after the date the emergency began. The bill defines emergency as "the catastrophic health emergency declared by the Governor of Maryland on March 5, 2020." The City Solicitor's office has additionally recommended the addition of a maximum fine of \$1,000 for violating Section 8-5 of Article 13 of the City Code.

On May 6, 2020, the Baltimore City Solicitor's office offered an opinion that the Section 8-4(D)(2) is a constitutional exercise of a State's rights during an emergency, and does not violate any bar on retrospective legislation.

Analysis

Article 24 of the Maryland Declaration of Rights provides: "[N]o man ought to be taken or imprisoned or disseized of his freehold, liberties or privilege, . . . or, in any manner, destroyed, or deprived of his life, liberty or property, but by the judgment of his peers, or by the Law of the land."² Maryland Constitution, Article III, §40, provides:

The General Assembly shall enact no Law authorizing private property to be taken for public use, without just compensation... being first paid or tendered to the party entitled to such compensation.³

These provisions "have been shown, through a long line of Maryland cases, to prohibit the retrospective reach of statutes that would result in the taking of vested property rights. Muskin v. State Dep't of Assessments & Taxation, 422 Md. 544, 556 (2011).

The Solicitor's office relies on *Block v. Hirsh*, a 1921 Supreme Court case to assert that a landlord's right to charge rent can be modified in an emergency. In *Block v. Hirsh*, a landlord argued that a Washington D.C. emergency statute allowing tenants to remain in their rental property beyond the expiration of the term of their lease so long as rent payments were continued was an unconstitutional taking of his property rights. The Court found that the statute's provisions were necessary to address housing issues resulting from a public emergency. The Court held that the statute was not unconstitutional because its requirements had a reasonable relation to the relief sought.

In Dua v. Comcast Cable of Maryland, the Court of Appeals of Maryland rejected the application of the rational basis test as the state constitutional standard of determining validity of a retroactive statute under Articles 19 and 24 of the Maryland Declaration of Rights and Article III, § 40, of the Maryland Constitution. The Court wrote: "The state constitutional standard for determining the validity of retroactive civil legislation is whether vested rights are impaired and *not* whether the state has a rational basis." 370 Md. 604, 623. The Court also stated that "[B]ecause of the numerous opinions by this Court dealing with the constitutionality of retroactive civil statutes, principles of stare decisis dictate the result . . . Thus in applying Article 24 of the Declaration of Rights and Article III, § 40, of the Maryland Constitution to the present cases, there is little reason to rely on non-binding out-of-state authority." *Id.* Given the holding in *Dua*, it is unlikely that a court would put any weight on the holding of *Block* as it applies to the

² Article 24 of the Declaration of Rights expresses the same concept as 'due process of law in the Fourteenth Amendment" to the Constitution. *Ellis v. McKenzie*, 457 Md. 323, 333 (2018).

³ Maryland Constitution, Article III, §40, expresses the same concepts as the Taking Clause of the Fifth Amendment and the Due Process Clause of the Fourteenth Amendment. *Ellis v. McKenzie*, 457 Md. 323, 333 (2018).

Maryland's retroactive statute laws. The correct test would instead be whether the retrospective law *abrogate vested rights*.

A "vested right" is "something more than a mere expectation based on the anticipated continuance of the existing law; it must have become a title, legal or equitable, to the present or future enjoyment of a property." *Muskin v. State Dept. of Assessments and Taxation*, 422 Md. 544, 560. Contractual and property interests existing before the enactment of a statute, including reversionary interests in land and contractual rental interests have been found to be vested rights under Maryland law. *Muskin v. State Dep't of Assessments & Taxation*, 422 Md. 544, 560 (2011) (holding that "There can be no reasonable doubt that the reversionary interest to real property and the contractual right to receive ground rent are vested rights under Maryland law."); *Harvey v. Sines*, 228 Md. App. 283, 137 (finding that a vested right includes that which is regarded as a property right under state property law); Dua v. *Comcast Cable of Maryland*, 370 Md. 604, 629 (2002) (holding " retrospective statutes abrogating vested property rights (including contractual rights) violate the Maryland Constitution."). Following precedent, the right to receive rental payments on an existing lease would be a vested property right so long as an agreement is already made.⁴

Here, Section 8-4(D)(2) of Proposed Mayor and City Council Bill 20-0526 would retroactively bar rental increases that a landlord has already undertaken since the state emergency order took effect on March 5, 2020.⁵ The bill requires that a landlord rescind any notice of rental fee increase if the increase notice was sent before effective emergency date and would take effect after the effective emergency date. This would undue already settled lease terms. Notices of rental increase are typically sent out to tenants 90 to 30 days before the expiration of the original lease term.⁶ Tenants must also agree in writing to the rental increase. This is done either through the signing of a new lease form or through an acknowledgement to go along with an initial lease containing a rent increase clause. Once an acknowledgement is signed, a new lease is formed for that term. The new rental amount is thus vested in the new lease. Any interference with the agreement would be a violation of the landlords vested property and contractual right.

⁴ The holding in *Muskin* did not address whether the right to receive ground rent payments and the reversionary interest in a ground lease were vested separately. The court wrote that "[a contractual right to receive ground rent payments and the reversionary interest to re-enter the property in the event of a default] cannot be separated one from the other; together they are the essence of this unique property interest and as such, vested rights analysis must consider them together." 422 Md. 544, 559-556 (2011).

⁵ The Solicitor's Office concedes that the City Council intends that Section 8-4(D)(2) law be retroactive.

⁶ There are no state regulations on a notice period for a residential rent increases and the notice period is usually spelled out in the original lease. However, Baltimore City Code, Housing and Urban Renewal, Article 13, § 8-3, presumes a notice of rent increase to be received by tenant no more than 60 days before expiration of the lease, unless the lease requires a longer notice period, but not more than 90 days. A typical rental increase notice would be agreed upon and signed up to three months before the increase takes place.

Conclusion

The retrospective nature of Section 8-4(D)(2) would violate the vested rights of a landlord under the precedent of Maryland law. Unlike federal standards under the 5th and 14th amendments, Maryland analysis does not require inquire into the reasonableness of the legislative intent. The only standard to consider is whether the retrospective law violates a person's vested rights. Vested rights include a person's existing rights in property or under a contract. A lease agreement contains both property and contractual interests making it a vested right. A law retrospectively abolishing a right under a lease agreement is thus unconstitutional under Maryland Law. Already existing rental increase agreements cannot be abolished under Maryland Law without compensation.

From:	Jung, Deb Tuesday, May 19, 2020 1:54 PM
Sent: To:	Sayers, Margery
Subject:	FW: Letter of support for CB33-2020, on behalf of Bita Dayhoff, Community Action
	Council of Howard County
Attachments:	CB33-2020 letter of support.pdf

From: Blades, Stephanie <sblades@cac-hc.org>
Sent: Tuesday, May 19, 2020 1:18 PM
To: Walsh, Elizabeth <ewalsh@howardcountymd.gov>; Jung, Deb <djung@howardcountymd.gov>; Rigby, Christiana
<crigby@howardcountymd.gov>
Cc: Dayhoff, Bita (bdayhoff@cac-hc.org) <bdayhoff@cac-hc.org>
Subject: Letter of support for CB33-2020, on behalf of Bita Dayhoff, Community Action Council of Howard County

Hello Councilmembers Walsh, Jung and Rigby,

I'm sending the attached letter of support for CB33-2020 your way on behalf of Bita Dayhoff, President at the Community Action Council of Howard County.

Please let us know if you have any questions and thank you for the support on behalf of so many Howard County families in need of assistance.

Stephanie Blades

Executive Assistant Community Action Council of Howard County, MD, Inc. 9820 Patuxent Woods Drive Columbia, MD 21046 410-313-6473 (ph) 410-313-6479 (fax) Visit our website <u>here></u> Find us on Facebook <u>here></u> Find us on Twitter (@HoCoCAC) <u>here></u>

COVID-19 RESPONSE

www.cac-hc.org



The Community Action Council is committed to supporting our community at all times, particularly when families are facing economic challenges.

> Reach out to us if you are in need of support with Food, Energy, & Housing Costs

Together, we are stronger. Learn how YOU can help.

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Bita Dayhoff, President

May 19, 2020

Ms. Elizabeth Walsh, Council Member Howard County Council George Howard Building 3430 Court House Drive Ellicott City, MD 21043

Re: CB 33-2020

Dear Ms. Walsh,

Thank you for taking the lead in anticipating and taking measures to mitigate the hardship that so many Howard County residents and families will face if rents and housing costs rise or their tenancies are terminated through eviction for failure to pay rent once the moratorium on evictions terminates. The Community Action Council of Howard County (CAC) has been working tirelessly to provide stability to low-income individuals and families during this time of crisis and recognizes that these residents' needs will only be exacerbated if their rent burdens increase or they become homeless upon eviction. Therefore, CAC supports the Emergency Council Bill 33-2020 (CB 33-2020) prohibition on rent increases and tenancy terminations (evictions) during a safe-harbor period of up to three (3) months.

We appreciate your consideration for and efforts on behalf of all of Howard County's residents whose limited financial resources put them at greater risk of homelessness during this pandemic. CB33-2020 will help these individuals and families maintain housing stability in the immediate future while they search for and work towards long-term, sustainable housing solutions. CAC looks forward to working with the County Council and Administration on such longer-term solutions and is available to discuss future bills and programs to that effect.

Thank you.

Respectfully,

Bita Dayhoff, President

Cc: Deb Jung and Christiana Mercer-Rigby, Co-sponsors CB 33-2020

410-313-6440 (phone) 410-313-6479 (fax)

From:Cee C <kimbrownci@gmail.com>Sent:Monday, May 18, 2020 7:47 PMTo:Walsh, ElizabethCc:CouncilMailSubject:Re: Question about Howard County RentalAttachments:image003.png

[Note: This email originated from outside of the organization. Please only click on links or attachments if you know the sender.]

Yes I will support this bill!

On Mon, May 18, 2020, 7:24 PM Walsh, Elizabeth <<u>ewalsh@howardcountymd.gov</u>> wrote:

Hello there! We are voting on the bill tonight. I am hopeful it will pass, but not certain. Were it to pass, the restriction in Howard County would bar any increases in rent during the State of Emergency and some period of time thereafter. May I assume that you would support what is before us as CB33? Also, do you mind please sharing with us, whether you're in an apartment complex or renting a house? And in what general neighborhood?

Thank you so much for your timely note!

×

From: Cee C <<u>kimbrownci@gmail.com</u>>
Sent: Monday, May 18, 2020 5:03 PM
To: CouncilMail <<u>CouncilMail@howardcountymd.gov</u>>
Subject: Question about Howard County Rental

[Note: This email originated from outside of the organization. Please only click on links or attachments if you know the sender.]

Hello,

I am inquiring about the Howard County stability Act.

I got a rent increase of about 6%. Let me know what I can do. Also, correct me if I'm wrong but aren't people suppose to not increase your rent during this time? And if they do, no more than 2.5%? Please let me know asap because this take effect for me June 1 2020.

From: Sent: To: Subject: Cee C <kimbrownci@gmail.com> Monday, May 18, 2020 7:34 PM CouncilMail Rental Protection Stability Act

[Note: This email originated from outside of the organization. Please only click on links or attachments if you know the sender.]

Hello,

I sent a previous email, but I would like to provide some back story.

I am currently renting from an MIHU rental property in Howard County Md. At the end of March a rent increase of almost 6% was left at my door (in the middle of the night). I was told that I had a few days to provide a serious amount of documentation by April 1, 2020 to requalify WITH a rent increase. Long story short this rent increase is alot and couldn't have came at a tougher time. I'm not here to complain, I realize I'm not the only one struggling, but with the stability act what are my options?

Can Howard County do something about the 6% increase? As in decrease it to maybe 3%. I know Montgomery County is implementing something similar where rent can't be increase no more than 2.5%.

I spoke to an MIHU representative and they said and I quote "That cap is for general renting not a reduced program". So low income people get rental increases at a higher rate? I didnt understand.

I live in Elkridge Md in an apartment complex.

From:Cee C <kimbrownci@gmail.com>Sent:Monday, May 18, 2020 7:32 PMTo:Walsh, ElizabethCc:CouncilMailSubject:Re: Question about Howard County RentalAttachments:image003.png

[Note: This email originated from outside of the organization. Please only click on links or attachments if you know the sender.]

Was in the process of writing another email. I will shortly.

On Mon, May 18, 2020, 7:24 PM Walsh, Elizabeth <<u>ewalsh@howardcountymd.gov</u>> wrote:

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Sent: Monday, May 18, 2020 5:03 PM
To: CouncilMail <<u>CouncilMail@howardcountymd.gov</u>>
Subject: Question about Howard County Rental

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From: Sent: To: Subject: Walsh, Elizabeth Monday, May 18, 2020 7:25 PM Cee C; CouncilMail RE: Question about Howard County Rental

Hello there! We are voting on the bill tonight. I am hopeful it will pass, but not certain. Were it to pass, the restriction in Howard County would bar any increases in rent during the State of Emergency and some period of time thereafter. May I assume that you would support what is before us as CB33? Also, do you mind please sharing with us, whether you're in an apartment complex or renting a house? And in what general neighborhood?

Thank you so much for your timely note!



Liz Walsh, Council Member Howard County Council Serving District 1: Ellicott City, Dorsey's Search, Elkridge & Hanover

3430 Court House Drive Ellicott City, MD 21043 410.313.2001

From: Cee C <kimbrownci@gmail.com>
Sent: Monday, May 18, 2020 5:03 PM
To: CouncilMail <CouncilMail@howardcountymd.gov>
Subject: Question about Howard County Rental

[Note: This email originated from outside of the organization. Please only click on links or attachments if you know the sender.]

Hello,

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From:	Walsh, Elizabeth
Sent:	Monday, May 18, 2020 5:55 PM
То:	CouncilMail
Cc:	Glendenning, Craig; Dvorak, Nicole
Subject:	CB33
Attachments:	RentalAssistanceDistributionCalc.xlsx; 2020.05.14 Percentage of Owner Occupied Housing Units.pdf

Hello, my Colleagues: I'm going to use some part of this break to make one last pitch to you about why I think we should pass CB33 tonight, as amended.

Here's where I am on amendments:

- Mendment 1, excluding from protection commercial tenants in default before the State of Emergency
- Mendment 2, adding payment plan provisions
- Mendment 5, prohibiting late fees assessment during the State of Emergency

I explained to Christiana already why I wouldn't probably support Amendment 3 (limiting this bill to just this State of Emergency): we could very possibly be in another State of Emergency for something similar, maybe even due to COVID19 if there is a second wave the latter half of this year or into calendar year 2021, and I'd rather this construct already be in place.

And I've since looked at Amendment 4 (prohibiting landlords from modifying leases without tenant consent), which I also won't support tonight, as I worry allowing it might contribute to the very power imbalance I'm seeking to address.

If one or both of these is your deal-maker, though, please let me know and let's make the deal (one-on-one).

Otherwise, here goes:

- Renters comprise a quarter of all County households (per that 2018 Rental Survey, p. v, that I can't stop citing: <u>https://drive.google.com/file/d/1Rne8OA4QgGOdbxqjDrdgotoSz5gZ06H6/view</u>). If you wanted to map concentration of where those might be Kelly Cimino did just that in her 5-year plan we just approved as CR54, here: <u>https://apps.howardcountymd.gov/olis/PrintSummary.aspx?LegislationID=12454</u>. I've excerpted and attached the two pages).
- 2. I've heard suggestion—from newspaper accounts, mostly—that the rental assistance package announced by Executive Ball solves the whole problem, rendering this bill unnecessary. That all depends on how big the problem is, doesn't it. The attached spreadsheet shows just how fast that announced \$1.6M—at most, I'm assuming wrongly that all of CARES will go to rental assistance—will go. If just 10% of our 32,358 rental households apply and qualify, we can extend them a mere \$485 each. That doesn't cover anyone's one-month rent. Let alone two or three months' rent now past due.
- 3. We heard today that the local real estate market isn't seeing many defaults on the mortgage side because of the various forbearance programs in place for property owners; they're being taken advantage of. If you're a commercial landlord, you qualify for State and federal programming to reimburse your business loss, too. But there's nothing comparable in place (yet) for tenants. This bill isn't saying cancel or defer rent (like the forbearance programs do for those with mortgages), it's just holding the line for renters until things start to settle. That is, someone's rental financing obligations can't get more onerous than they already may be in the midst of a global pandemic.

4. David: Don't read this: Baltimore City, Montgomery County and Washington, DC already have passed similar legislation.

That's it! So easy! See you tonight!

Current County Rental Assistance, as of May 8

 Disaster Relief
 \$ 300,000

 MIHU
 \$ 500,000

 CARES
 \$ 770,000
 \$ 1,570,000

23,000 Persons filed unemployment in Howard County, as of May 7

32,358 Rental households in multi-family housing, as of, December 2018 Rental Survey, p.v

Let's say	10% need help. That's	3,236 who would get	\$ 485 each.
	20%	6,472	\$ 243
	30%	9,707	\$ 162
	40%	12,943	\$ 121
	50%	16,179	\$ 97







May 18, 2020

Re: LETTER OF CONCERN RE. CB33-2020 - Rental Payments during State of Emergency

Dear Chairwoman Jung and Members of the Howard County Council:

The Howard County Chapter of the Maryland Building Industry Association (MBIA) writes concerning Council Bill 33-2020, which would prohibit landlords from increasing rent payment amounts or otherwise materially changing residential lease terms during a Governor-issued State of Emergency and for three months thereafter. Our industry understands that we are living in stressful, unprecedented times and many members of our community are facing financial challenges. We do not oppose the intent of this bill; however, we do have several concerns which we believe could be addressed with amendments.

First, this measure applies to any state of emergency beyond the current crisis. We do not know what the future will hold; future emergencies may not necessitate rental assistance. Further, neighboring jurisdictions that are implementing similar legislative assistance are limiting the scope of their bills to this COVID-19 State of Emergency. We encourage the Council to do the same.

Second, we echo the Howard County Housing Commission's suggestion that this bill apply to renters to who demonstrate financial hardship due to pandemic-related health or economic issues. Many landlords and property management companies are individuals or small businesses who rely on rental payments for their own financial security. Increases are often necessary to keep up with rising economic costs, and tenants who can afford increases should be enabled to do so.

Third, the current bill prohibits termination of a lease. This is unfairly broad. Maryland law provides landlords with several causes of action for eviction besides failure to pay rent. Landlords should still be permitted to initiate legal action against tenants who pose a threat to the health or safety of the landlord or other tenants. Such a provision is unrelated to rent and in the best interests of the landlord and other tenants and community members.

Finally, MBIA supports the Maryland Multi-Housing Association's amendment that would make this bill prospective, rather than retrospective, to avoid complications with existing leases or leases that have renewed since the Governor's March Emergency Order. Reversing formerly agreed-upon increases for many residents would be confusing and possibly burdensome for landlords.

We believe these suggested amendments would lead to a more balanced approach that would lend assistance to those who need it most during these challenging times. MBIA would proudly support a bill that included amendments addressing these concerns. Thank you for your attention to this issue and your continued support of the local home building industry.

If you have any questions about these comments and would like to discuss MBIA's position further, please do not hesitate to contact me at <u>abailey@marylandbuilders.org</u> or (202) 815-4445.

Best regards,

Angelica Bailey, Esq., Vice President of Government Affairs

Cc: Councilman Opel Jones Councilmember Christiana Mercer Rigby Councilman David Yungmann County Executive Calvin Ball Sameer Sidh, Chief of Staff to the County Executive Councilmember Elizabeth Walsh

From:joel hurewitz <joelhurewitz@gmail.com>Sent:Monday, May 18, 2020 4:35 PMTo:CouncilMailCc:Kuc, GarySubject:CB33-2020 TestimonyAttachments:Hurewitz - CB33-2020 Conflicts with Charter.pdf

[Note: This email originated from outside of the organization. Please only click on links or attachments if you know the sender.]

Dear Council,

Attached please find "CB33-2020 - RENTAL PROTECTION AND STABILITY ACT IS FLAWED AND CONFLICTS WITH THE CHARTER, CONSTITUTION AND STATE LAW"

Joel Hurewitz

CB33-2020 - RENTAL PROTECTION AND STABILITY ACT IS FLAWED AND CONFLICTS WITH THE CHARTER, CONSTITUTION AND STATE LAW

Testimony of Joel Hurewitz May 18, 2020

CB33-2020 is well-intended, but poorly drafted legislation. Short-term protection in the pandemic emergency is appropriate. However, long-term application to an emergency that might last many months or even years is very problematic. In addition, it is not clear why the protections afforded many tenants in the CARES Act are not sufficient. As Peter Engel stated in his letter on CB33-2020: "property owners are subject to numerous local, state, and federal restrictions on the operation of housing. Some of these restrictions come from the sources used to buy or develop the property. Other new requirements are in the CARES Act. CB 33-2020 should be amended to ensure that such existing requirements take precedence in the event of conflicts." The conflicts alluded to by Engel also appear to include the Howard County Charter and even the Maryland Constitution.

Ambiguous Drafting Could be Interpreted to Apply to Short-Term and Event Rental Agreements

The clause on Page 2, Line 25 states that the section applies to "rented commercial space of all kinds." Furthermore, Page 3, Line 7 prohibits the termination of a "lease or rental agreement." Taken together these clauses could be interpreted to apply not only to hotels and storage facilities, but to event and meeting rentals at hotels or village and neighborhood centers, churches, volunteer fire departments, Recreation and Parks facilities, restaurants, bowling alleys, miniature golf or pools and would prohibit their termination during an emergency. This is particularly paradoxical because it is in fact the health emergency and the social distancing rules which are requiring the cancellation of events including those at Recreation and Parks facilities and the many canceled weddings at Belmont. An amendment is needed to make it clear that the bill does not apply to short-term rentals or to "rental agreements" for event or meeting spaces.

The Howard County Charter Prohibits Emergency Legislation from Creating a Vested Right or Interest

Section 209(d) of the Howard County Charter provides in part that emergency bills "shall not include any measure creating or abolishing any office; changing the compensation, term, or duty of any officer; granting any franchise or special privilege; or **creating any vested right or interest**." (emphasis added). There appear to be scenarios where a vested right or interest is created in the tenant who is either on a month-to-month lease or for a lease which expires during the emergency.

Surprisingly, there do not appear to be court cases in Maryland interpreting similar emergency legislation clauses in other county charters, State law, or the Maryland Constitution. (There are even few cases interpreting provisions in other states. See *Matthews v. Bailey, Governor*, 131 S.W.2d 425 (Ark. 1939) <u>https://casetext.com/</u> <u>case/matthews-v-bailey-governor-1</u>). However, the Maryland Court of Appeals has stated that

The definition of "vested rights" is more tricky.

A most natural definition of the term "vested" is "accrued" or, as dictionaries put it, "completed and consummated." But in that sense, any claim or interest which has come into being and been perfected as "a right" would have to be said to be vested....

* * * *

... It is impossible to discover the precise meaning of the term through which all of the decisions can be consistently explained. Most of the numerous attempts at definition are essentially circuitous in nature, as in the pronouncement that "a vested right, as that term is used in relation to constitutional guarantees, implies an interest which it is proper for the state to recognize and protect, and of which the individual may not be deprived arbitrarily without injustice." Thus "vested right" means simply a right which under particular circumstances will be protected from legislative interference. Another definition notes that a vested right is an immediate right of present enjoyment or a present fixed right of future enjoyment. 2 *id*. §§ 41.05, 41.06, at 369-70, 379 (footnotes omitted). *See Washington Nat'l Arena Ltd. Partnership v. Treasurer*, 287 Md. 38, 46 n. 4, 410 A.2d 1060, 1065 n. 4 ("[I]t has long been recognized that the term `vested right' is conclusory—a right is vested when it has been so far perfected that it cannot be taken away by statute.") (quoting <u>Hochman</u>, *The Supreme Court and the Constitutionality of Retroactive Legislation*, 73 Harv. L.Rev. 692, 696 (1960)), *cert. denied*, 449 U.S. 834, 101 S.Ct. 106, 66 L.Ed.2d 40 (1980).

Langston v. Riffe, 754 A. 2d 389, (2000). CB33-2020 appears to create a fixed lease term for the duration of the emergency plus an additional three months. Thus, a tenant with a month-to-month or expired lease would by operation of law be given what amounts to an option to renew and would be entitled to a fixed lease or a "vested right" to occupy the premises. As the Courts have stated, this "is an immediate right of present enjoyment or a present fixed right of future enjoyment."

The difficulty in interpreting whether there is a vested right for the tenant is complicated because the landlord also has a vested right to repossess the property. The Court of Appeals has stated that "Maryland's Declaration of Rights and Constitution prohibit the retrospective reach of statutes that would have the effect of abrogating vested rights" *Muskin v. Assessments*, 30 A. 3d 962, (2011) (citing_*Dua v. Comcast Cable of Md. Inc.*, 370 Md. 604, 630 n. 9, 805 A.2d 1061, 1076 n. 9 (2002)).

The Muskin Court continued

Our holding in Dua applies completely to the questions presented in the present case. We said there that

[i]t has been firmly settled by this Court's opinions that the Constitution of Maryland prohibits legislation which retroactively abrogates vested rights. No matter how "rational" under particular circumstances, the State is constitutionally precluded from abolishing a vested property right or taking of a person's property and giving it to someone else.

Id. To determine whether Chapter 290 is constitutional under Maryland law, we evaluate whether the statute purports to apply retrospectively and abrogates a vested right or takes property without just compensation. If a retrospectively-applied statute is found to abrogate vested rights or takes property without just compensation, it is irrelevant whether the reason for enacting the statute, its goals, or its regulatory scheme is "rational."I*d.* (stating that the relevant standard for determining whether a retrospective statute is constitutional is "whether the vested rights are impaired and *not* whether the statute has a rational basis." (emphasis in original)).

The Muskin Court dealt with legislation for ground rent leases considered the meaning of "vested rights:"

B. Vested Rights.

A ground rent lease creates a bundle of vested rights for the ground rent owner, a contractual right to receive ground rent payments and the reversionary interest to re-enter the property in the event of a default or if the leaseholder fails to renew. These two rights cannot be separated one from the other; together they are the essence of this unique property interest, and as such, vested rights analysis must consider them together. As pointed out by the SDAT, there is no Maryland case on point that has held that the rights created under a ground lease are vested rights. Courts have struggled with the difficulty of determining a precise definition of vested rights.

A vested right is "something more than a *mere expectation* based on the anticipated continuance of the existing law; *it must have become a title*, legal or equitable, to the present or future enjoyment of a property...." *Allstate Ins. Co. v. Kim*, 376 Md. 276, 298, 829 A.2d 611, 623 (2003) (citing *Godfrey v. State*, 84 Wash.2d 959, 963, 530 P.2d 630, 632 (Wash.1975)(emphasis in the original)). The ground rent owner has a legal title that is vested and a firm expectation for the future enjoyment of ground rent payments. The right to re-enter the property or eject the leaseholder secure the ground rent owner's future enjoyment of ground rental income. In *Dua*, we said that vested rights include "that which is regarded as a property right under Maryland property law." 370 Md. at 631, 805 A.2d at 1077. There can be no reasonable doubt that the reversionary interest to real property and the contractual right to receive ground rent are vested rights under Maryland law. *Heritage Realty*, 252 Md. at 11, 248 A.2d at 904 (recognizing the importance of the reversionary interest, stating that "[t]he owner [of the reversionary interest] is entitled to receive fair market value on condemnation"). As such, our holding in *Dua*, that retrospective statutes may not abrogate vested property rights, leads us to the conclusion that the extinguishment and transfer provisions of Chapter 290 are unconstitutional.

Muskin. Note again how the Court stated that "Courts have struggled with the difficulty of determining a precise definition of vested rights."

Similar to the right to re-enter with a ground rent, a landlord with a regular lease has a vested right to repossess the property at the termination of the lease. Maryland law provides that a landlord may give the tenant a Notice to Quit:

(b) Notice to quit. --

(1)(i)Where any tenancy is for any definite term or at will, and the landlord shall desire to repossess the property after the expiration of the term for which it was leased and shall give notice in writing one month before the expiration of the term or determination of the will to the tenant or to the person actually in possession of the property to remove from the property at the end of the term, and if the tenant or person in actual possession shall refuse to comply, the landlord may make complaint in writing to the District Court of the county where the property is located.

Md Real Property Code Ann § 8-402. By forcing the landlord to renew the lease would appear to deprive the landlord retrospectively of the statutorily vested right to repossess the property from the tenant.

§ 8-402 of the Real Property Code Preempts CB33-2020

In addition, it would appear that § 8-402 preempts CB33 to the extent that it would limit the ability of a landlord to send a notice to quit and prohibit a landlord from repossessing the property. "A local ordinance is preempted by conflict when it prohibits an activity which is intended to be permitted by state law." *East Star v. Queen Anne's Co*, 38 A. 3d 524 (Court of Special Appeals 2012). Preemption is also particularly evident where there are specific provisions applicable only to Baltimore City and Montgomery County. See § 8-402 (3)(ii) and (iii). Tangentially related is what happens where the owner is unable or even does not want to renew its Howard County residential rental license? The bill cannot be drafted to force a landlord to allow a tenant to remain in possession after the expiration of a lease or rental agreement.

Amendment 1 – Exception for Commercial Tenants in Default at Time of the Emergency But Not For Residential Tenants

The exception for tenants in default at the time of the emergency is declared only applies to commercial tenants. Thus, does the bill give an incentive to residential tenants who were already in default or encourage those not in default to go into default and remain in possession of the leased property for months or even years?

Amendment 3 – Bill Should Only Apply to the Current Pandemic Emergency

Had it been in effect for the Ellicott City flooding, CB33 would have applied to the Flood State of Emergency. It could potentially also apply to an emergency caused by fire, tornado, snowstorm or civil unrest. The bill makes no allowance for terminating a lease or rental agreement when the facility is inaccessible or has been destroyed in the emergency. Nor does the bill have an exception for a property which becomes uninhabitable during the pandemic due to storm damage or fire. To give rental relief when there is an emergency from a tornado or flooding for just a few days does not necessarily have a nexus to rentals especially throughout the whole County. As stated in Engel's letter, the bill should only apply to the current pandemic emergency.

Emergencies unrelated to the pandemic would not necessarily affect the ability of tenants to pay their rent. Governor Hogan placed Maryland under a opioid state of emergency in 2017. <u>https://governor.maryland.gov/wp-content/uploads/2018/12/Executive-Order-01012018.30.pdf</u> <u>https://wtop.com/maryland/2020/01/maryland-seess-slight-decline-in-opioid-overdose-deaths-state-tackles-crisis-with-new-plan/</u> In no way has this emergency affected most individuals financial situation and generally has become background noise as society and government continued to function until the COVID-19 state of emergency. More importantly, while Governor Hogan first declared the COVID-19 state of emergency on March 5, 2020 there was no practical effect on Maryland society until the Governor's Order of March 12, 2020 Prohibiting Large Gatherings and Events and Closing Senior Centers. <u>https://governor.maryland.gov/wp-content/uploads/2020/03/Prohibiting-Large-Gatherings.pdf</u> Therefore, it seems likely that an underlying state of emergency for the pandemic now in its third month will last throughout the remainder of 2020 and into 2021. If the emergency lasts for more than a year, it could prohibit rent increases or terminations well into or even beyond 2021. Thus, there is an incentive for tenants to just not pay and await the landlord's lawsuit for damages.

While Amendment 3 makes it clear that it only applies to the COVID-19 emergency, it also addresses a technicality that the Governor's proclamation are for 30 days subject to renewal. See § 14-3A-02 (c)(2) and (3). It also clears up an interpretation of whether it is necessary for the emergency to be declared by both the Governor and County Executive. However, by not striking lines 22 and 23 there is an unclear reference to County Executive Orders without the antecedent provision.

Amendment 5 – Prohibiting Late Fees Might Be Unconstitutional Retrospective Legislation

Amendment 5 which prohibits late fees in existing leases and rental agreements would appear to deprive the landlords of their vested rights retrospectively as discussed above.

Conclusion

CB33-2020 needs to be amended and stripped-down to only those elements which afford protections to tenants. The ambiguous application to event and meetings rental agreements needs to be clarified. Those elements which are in conflict with the Charter, State law, or the Maryland Constitution need to be stricken.

From: Sent: To: Subject: Pat Dudley <patd.newvision@gmail.com> Monday, May 18, 2020 2:55 PM CouncilMail RE: Support for CB33-2020

[Note: This email originated from outside of the organization. Please only click on links or attachments if you know the sender.]

Hello Ms. Jung,

I am in support of the bill listed above in my email. As a renter of a home in Howard County and a small business owner providing Psychotherapy to patients this bill supports my efforts to remain housed without a rental increase during this pandemic. I opened my practice right before the state shut down. As you might imagine, it has been a struggle to manage bills. I do realize I am in the type of business that will pick up due to the current situation. I am concerned about the long-term impact of financial recovery during this time and beyond. I am also concerned about the long-term mental health impact on many individuals locally, and at the state level. I have found that "normal" people are struggling; adding financial pressures may be the tipping point for many families.

Additionally, my other concern is the added financial burden of a rental increase for the residents of Howard County many who are unemployed, underemployed, or those of lower socioeconomic status. This bill should extend beyond 3 months and should be in line with Montgomery County. In fact, there really should be a statewide initiative regarding rent stability without increases for at least the next year.

Again, I am in support of the proclamation, and I am hopeful that the council will take into consideration individuals renting in Howard County. Should you have any questions, please feel free to contact me.

Kind regards,

Pat Dudley, LCPC-S, NCC Psychotherapist New Vision Counseling, LLC 7360 Grace Drive Columbia, MD 21044 410-200-9825 patd.newvision@gmail.com www.newvision-counseling.net LAW OFFICES

한번에는 같이 안전하는 것이 생산물. 같이 안전하는 것이 생산물.

SAGAL, FILBERT, QUASNEY & BETTEN, P.A.

600 WASHINGTON AVENUE, SUITE 300 TOWSON, MARYLAND 21204

> Telephone: 410-823-1881 Fax: 410-823-8032

HOWARD CASSIN (1951 - 2005)

f.le

May 1, 2020

VIA FIRST CLASS MAIL VIA EMAIL: lizwalsh@howardcountymd.gov, debjung@howardcountymd.gov, christinarigby@howardcountymd.gov

Honorable Liz Walsh Honorable Deb Jung Honorable Christina Rigby George Howard Building 3430 Court House Drive Ellicott City, Maryland 21043

RE: Bill No. 33-2020

Dear Council Persons Walsh, Jung & Rigby:

The undersigned represents a number of property management companies who manage multi-family, residential and commercial real estate in Howard County, Maryland. My law practice has concentrated, for more than 30 years, in the area of "Landlord/Tenant" law. I have recently had the opportunity to read the above referenced Bill. My concerns relate to likely unintended consequences relating to portions of the Bill.

The proposed Bill "applies to rented housing of all kinds including mobile homes and mobile home lots and rented commercial space of all kinds".

The Bill applies during the period of time encompassed by the health emergency as declared by Governor Hogan "and for a period of time after the emergency equal to the duration of the emergency but no longer than three months". During such timeframe, a landlord or mobile home park owner may not "terminate a tenancy, Lease, or Rental Agreement" and "shall not notify a tenant or mobile home park resident of any change in a Lease or Rental Agreement". Furthermore, the Bill requires that:

A landlord or mobile home park owner must inform a tenant or mobile home resident in writing to disregard any such notice of a material change to the lease or rental agreement if:

STUART L. SAGAL ALVIN J. FILBERT, JR DANIEL W. QUASNEY ALAN BETTEN KIMBERLY A. MANUELIDES RICK M. GRAMS^A CHRISTOPHER L. MERRILL

*Admitted in MD and PA

. •••

Letter May 1, 2020 Page 2

(1) The landlord or mobile home park owner provided the notice to the tenant or mobile home park resident before or during the emergency...

My concerns fall under three categories:

 Residential Leases and Mobile Home Parks – The Bill proports to allow a tenant, but not a landlord to terminate a tenancy, lease or rental agreement (collectively "Lease"), which Lease by its own terms, previously agreed upon, may terminate during the applicable time period. The Bill could unconstitutionally impact Leases that were previously entered into between the parties.

The Bill further does not address the potential need of a residential landlord to terminate a Lease "for cause". For example, within the past two weeks, our firm has been referred the following matters:

- a. A tenant's child went into a clothes closet within their apartment and set a bath towel on fire.
- b. Two college students rented a townhome within which to reside and a single vehicle garage behind the townhome. The single vehicle garage is part of a row of similar garages. The two college students have allowed four of their friends to move into the garage where they installed carpeting on the floor and set up a gas heater and cooking facilities. The Garage Lease specifically prohibits its use for residential purposes.
- c. A tenant in a luxury high rise apartment building maintains that the pandemic is a "conspiracy" and is upset because of the landlord's decision to discontinue providing free coffee and tea in the building's common area (so as to discourage the gathering of tenants) and claims this is how the "3rd Reich" began. When this tenant then began leaving trash in the hallway and was asked to remove a doormat that he keeps putting in the hallway, the tenant purchased a crossbow and attached the receipt for the purchase of the crossbow to our client's Lease Violation Letter, along with the box in which the crossbow was purchased, in front of his apartment door. The landlord's personnel have interpreted these actions as an implicit threat to their safety. These actions were reported to the Police who deemed the matter to be a "civil" dispute between a landlord and tenant. Copies of relevant online postings and photographs are attached hereto.

Letter May 1, 2020 Page 3

2. **Commercial Leases-** With commercial tenancies, the Bill prohibits a landlord from terminating the Lease of a commercial tenant who, in default of their Lease, fails to carry fire insurance on the landlord's building. The Bill also fails to distinguish between previously negotiated Lease provisions and between "small" and "large" landlords and tenants. An individual landlord could have an existing Lease with Walmart, which, by its terms, provides for a rental increase during the applicable period of time encompassed by the Bill. Was it really your tenant to prevent that Lease provision from taking effect?

In addition, what would happen if a landlord had entered into a long-term Lease with a new tenant, but cannot convey possession of the leased premises due to the Bill, the new tenant might cancel the Lease, leaving the with empty space and/or sue the landlord.

3. Conflict with State Law- The proposed local Bill, not only prohibits evictions during the current "health emergency", but also for a period of time after the emergency not to exceed three months. State Law, under Sections 8-401, 8-402 and 8-402.1 of the Real Property Article allow for evictions for non-payment of rent, for tenants who hold over beyond the expiration of their Lease and for tenants who commit a substantial breach of Lease. When there is a conflict between local and state law, state law prevails.

It is my hope that you will consider the concerns raised herein and either withdraw your bill or amend same to address these issues.

Very Truly Yours Stuart I. Sagal



188 people reached >



004

Most Relevant ~



The management of this building is so concerned about coronavirus that they have become STINGY WITH THE TEA

So the economy popped just after I signed a lease and now I am their subordinate

This is exactly how it happened in Germany

2h Like Reply Message

JUST MOVED IN A FEW WEEKS AGO AND AFTER BEING PROMISED BY LEASING THAT THE AMENITIES HAVE BEEN CLOSED FOR 48 HOURS NOW THE MANAGEMENT OF THIS BUILDING SEEM TO THINK I AM THERE EMPLOYEE AND CAM BE GROUNDED BY THEM

I HAVEN'T EVEN LEVED HERE MONTH AND THE WALLS ARE ALREADY CLOSING IN ON ME

TALKING WITH MANAGEMENT IS LIKE PLEADING WITH THE FUCKING 3rd REICH

DON'T EVER CONTEMPLATE LEASING HERE

I HAVE ALREADY CONTACTED THE CITY AND A LAWYER

BALTIMORE IS ONLY OUTDONE IN ITS LEVEL OF CORRUPTION BY WASHINGTON DC

AND I HAVE NEVER FELT SO SPOOKED SCARED OR VIOLATED

THEY HAVE BEEN MONITORING MY ONLINE



From: Sent: To: Subject: Attachments: Jones, Diane Monday, May 4, 2020 5:28 PM Sayers, Margery; Respass, Charity FW: CB 33-2020 CB 33-2020 Letter 2020-05-04.pdf

Testimony on CB33.

From: Peter Engel <pengel@househoward.org>
Sent: Monday, May 4, 2020 4:55 PM
To: Jung, Deb <djung@howardcountymd.gov>; Walsh, Elizabeth <ewalsh@howardcountymd.gov>; Rigby, Christiana
<crigby@howardcountymd.gov>
Cc: Jones, Diane <dijones@howardcountymd.gov>
Subject: CB 33-2020

[Note: This email originated from outside of the organization. Please only click on links or attachments if you know the sender.]

Please accept this letter from the Housing Commission regarding CB 33-2020. Thank you all very much for your efforts on behalf of renters in Howard County. I would be happy to discuss these comments or the bill more generally.

Peter Engel



Quality. Inclusive. Affordable.

May 5, 2020

Ms. Deb Jung, Chairperson Ms. Elizabeth Walsh, Vice Chairperson Ms. Christiana Rigby, Council Member Howard County Council George Howard Building 3430 Court House Drive Ellicott City, MD 21043

Re: CB 33-2020

Dear Chairperson Jung and Council Members Walsh and Rigby:

I am writing on behalf of the Howard County Housing Commission in connection with Council Bill 33-2020. The Commission very much appreciates the bill's intent to assist renters during this unprecedented public health emergency and we thank you for the opportunity to present this letter.

The County is experiencing health and economic issues that have not been seen in our time. The pace of unemployment both nationally and locally has never been experienced and the depth of job losses rivals the great depression. Nationally, over 30 million new unemployment claims have been filed since March 14th. In the week prior to March 14th, Howard County had 60 new unemployment claims. Since March 14th, Howard County has seen 18,479 new claims or an average of 2,640 new claims per week. While a number of ameliorative measures have been taken, there is clearly more to be done in order to assist Howard County residents in weathering the crisis.

While we don't yet know what May rental collections will be, the unemployment numbers alone are a cause of real concern. The federal CARES Act does provide increased unemployment benefits, however, it appears that to date, that funding has not been provided to many households. And it remains to be seen whether the unemployment assistance will be adequate in breadth or depth to allow families to pay their full rent. Many renters in Howard County were stretching to pay housing costs prior to the pandemic, with 47% being "rent burdened," according to census data from 2013 to 2017.
The Commission believes that the best approach to helping renters who may be experiencing hardships due to the pandemic is a robust rental assistance program. Without rental assistance, tenants will build up balances that they will have trouble paying even after they go back to work. Without rental assistance property owners will not collect the rent that is used to pay staff, utilities, County taxes, and the debt on the property. Without rental assistance, banks will foreclose on properties, creating chaos in the system and reducing future lending for badly needed housing. The County is developing a plan for rental assistance that could provide some relief and the Commission is part of several groups that are lobbying at the State level for a well-funded program. Others are working at the national level to include \$100 billion of rental assistance funding in a proposed "next" federal coronavirus package.

CB 33-2020 is seeking to protect renters from rent increases that they cannot afford. While the Commission applauds the intent of the bill, we believe that there are areas that need to be clarified and amended so as to make it more effective.

First, the bill should not apply to all renters, but rather to renters who can demonstrate financial hardship due to pandemic related health or economic issues. While there are unlikely to be substantial increases in rents in the near future given market conditions, we think that prohibiting rent increases for those who can pay will create an unintended benefit. While no one likes to have their rent raised, increases are often necessary for owners to keep up with rising utility costs, County property taxes, and other expenses.

Second, the bill applies to emergencies beyond the current crisis. While it may be that some emergencies do call for measures such as those in CB 33-2020, others may not. We believe that the bill should apply only to the current situation.

Third, section (B)(3) of the bill, which prohibits the termination of a lease, is too broad and lasts too long. We think that in lieu of this provision, the bill should require the renewal of expiring leases unless there is cause for termination. Currently, eviction actions are not being heard by the Courts so that in the event of a termination, tenants can remain in place, however there are many situations that call for termination. Tenants who create life/safety hazards or who can pay the rent but simply choose not do so should be terminated. Additionally, the prohibition should be lifted within 45 days of the end of the state of emergency. Termination is an unfortunate, but necessary part of running any property and the three-month period is simply too long.

Finally, the Commission and many other property owners are subject to numerous local, state, and federal restrictions on the operation of housing. Some of these restrictions come from the sources used to buy or develop the property. Other new requirements are in the CARES Act. CB 33-2020 should be amended to ensure that such existing requirements take precedence in the event of conflicts.

Thank you again for your interest in assisting renters and rental housing during the COVID-19 pandemic. It is likely that the economic impact of the virus will last for an extended period, and government action is necessary. We look forward to working with you on this and other legislation regarding housing affordability as we move ahead.

Sincerely,

4 Peter Engel

Executive Director

cc: Diane Jones, Administrator, Howard County Council

Sayers, Margery

From:M M <matthewmolyett@gmail.com>Sent:Saturday, April 25, 2020 7:44 PMTo:Walsh, ElizabethCc:CouncilMailSubject:Emergency legislation: renter support √

[Note: This email originated from outside of the organization. Please only click on links or attachments if you know the sender.]

Council member Walsh,

Good job looking out for rental tenants. From my experience, those renting property don't always look out for the best interests of their tenants. I'm glad you and the Council are protecting our neighbors who are not covered by mortgage protection.

Council, please pass these protection measures.

Thank you,

Matthew Molyett 443-598-2441

Sayers, Margery

To:

Cc:

Walsh, Elizabeth From: Friday, April 24, 2020 12:50 PM Sent: Cynthia; CouncilMail Dvorak, Nicole RE: Rent increases for Howard County Subject:

We are! Inspired by that Montgomery County bill, just yesterday Council Chair Deb Jung and I pre-filed CB-33 which will do the same thing here! If you know of particular instances where landlords have attempted to increase rents or otherwise change lease terms during this State of Emergency, would you please share them with us? On the other hand, if you know of landlords that are doing their best to help their tenants through this, we'd like to hear about them, too.

Here's a summary of the Howard County bill, with a link to CB-33 itself:

https://apps.howardcountymd.gov/olis/PrintSummary.aspx?LegislationID=12504. You can send in your note of support to this same address if you support it, and please let others know it's there to help them!

Thank you so much for your perfectly timed note, Ms. Fogg!



Liz Walsh, Council Member Howard County Council Serving District 1: Ellicott City, Dorsey's Search, Elkridge & Hanover

3430 Court House Drive Ellicott City, MD 21043 410.313.2001

From: Cynthia <cfogg75@yahoo.com> Sent: Friday, April 24, 2020 12:19 PM To: CouncilMail <CouncilMail@howardcountymd.gov> Subject: Rent increases for Howard County

[Note: This email originated from outside of the organization. Please only click on links or attachments if you know the sender.]

Good morning,

Wanted to know if the council is doing something similar to Montgomery County rent freeze doing this Pandemic. Also what is being done to stop landlords for increasing our rent at all during this pandemic where most of us are unemployed and having hardships. Please get back to me ASAP. Seems like MOCO is on the right track and hopefully we can be as well.

Thank you. Cynthia Fogg 10945 Price Manor Way Laurel, Md 20723

Sent from Yahoo Mail for iPhone

Amendment 1 to Council Bill No. 33-2020

BY: Christiana Rigby

Legislative Day No. 7

Date: May 18, 2020

Amendment No. 1

(This Amendment exclude situations where the tenant was in default before the State of *Emergency.*)

1	On the title page, in the purpose paragraph, at the end of the second line after the semicolon,
2	insert "providing for exceptions;".
3	
4	On page 2, after line 25, insert:
5	"(4) THIS SECTION SHALL NOT APPLY TO A COMMERCIAL TENANT THAT WAS IN DEFAULT AT THE
6	TIME THE EMERGENCY WAS DECLARED OR PROCLAIMED.".
7	
8	



Amendment 2 to Council Bill No. 33 2020

BY: Christiana Rigby

Legislative Day No. 7

Date: May 18, 2020

Amendment No. 2

(This Amendment provides for a payment plan.)

1	On page 2, in line 13, strike "THIS" and substitute "EXCEPT AS PROVIDED IN SUBSECTION (D) OF
2	THIS SECTION, THIS".
3	
4	On page 3, before line 24, insert
5	"(D) PAYMENT PLAN.
6	<u>(1)</u>
7	(I) DURING THE EMERGENCY DESCRIBED IN SUBSECTION (A) OF THIS SECTION AND
8	FOR ONE YEAR THEREAFTER OR, IF LONGER, FOR THE REMAINING TERM OF THE LEASE OR
9	RENTAL AGREEMENT, A LANDLORD OR MOBILE HOME PARK OWNER MAY ALLOW A RENT
10	PAYMENT PLAN IF:
11	1. THE LANDLORD OR OWNER HAS 5 OR MORE RESIDENTIAL UNITS FOR RENT;
12	OR
13	2. THE LANDLORD RECEIVE RENTS OR BENEFITS FOR THE USE OR
14	OCCUPANCY OF A COMMERCIAL UNIT.
15	(II) A TENANT OR MOBILE HOME PARK RESIDENT IS ELIGIBLE TO PARTICIPATE IN
16	RENT PAYMENT PLAN IF THE TENANT OR RESIDENT HAS NOTIFIED THE LANDLORD OR OWNER
17	OF AN INABILITY TO PAY ALL OR PART OF THE RENT OR FEE DUE AS A RESULT OF THE
18	EMERGENCY.
19	
20	(2)

1	(I) A RENT PAYMENT PLAN SHALL ALLOW FOR MONTHLY INSTALLMENTS IN LIEU OF
2	RENT, FEES, OR OTHER PAYMENTS DUE.
3	(II) PAYMENTS UNDER THE PLAN SHALL BEGIN ON THE DATE THAT THE PARTIES
4	AGREE TO.
5	(III) THE TERM OF THE PLAN SHALL BE ONE YEAR OR, AT THE REQUEST OF THE
6	TENANT OR RESIDENT, A SHORTER TERM.
7	(IV) A CHARGE, FEE, OR PENALTY MAY NOT BE IMPOSED FOR ENTERING INTO A RENT
8	PAYMENT PLAN.
9	(V) A TENANT OR RESIDENT WITH A RENT PAYMENT PLAN MAY PAY AN AMOUNT
10	GREATER THAN THE MONTHLY AMOUNT PROVIDED FOR IN THE PLAN.
11	(VI) A LANDLORD OR OWNER SHALL NOT REQUIRE OR REQUEST A TENANT OR
12	RESIDENT TO PROVIDE A LUMP SUM PAYMENT IN EXCESS OF THE AMOUNT REQUIRED UNDER
13	THE PLAN.
14	(VII) A LANDLORD OR OWNER SHALL NOT REPORT TO A CREDIT BUREAU A
15	DELINQUENCY OR OTHER DEROGATORY INFORMATION THAT OCCURS BECAUSE OF
16	ENTERING INTO A RENT PAYMENT PLAN.
17	(VIII) A LANDLORD OR OWNER SHALL AGREE IN WRITING TO THE TERMS OF THE
18	RENT PAYMENT PLAN.
19	
20	(3) WITH THE TENANT'S OR RESIDENT'S CONSENT, A LANDLORD OR OWNER MAY USE ANY
21	SECURITY DEPOSIT, LAST MONTH'S RENT, OR OTHER AMOUNT THAT THE LANDLORD HOLDS
22	ON BEHALF OF THE TENANT OR RESIDENT TO SATISFY AMOUNTS OWED UNDER A RENT
23	PAYMENT PLAN.
24	
25	<u>(4)</u>
26	(I)A LANDLORD OR OWNER SHALL ESTABLISH APPLICATION PROCEDURES FOR
27	TENANTS OR RESIDENTS TO USE TO APPLY FOR A RENT PAYMENT PLAN.
28	(II) A LANDLORD OR OWNER SHALL ALLOW AN APPLICATION TO BE MADE ONLINE
29	OR BY TELEPHONE.

1	(III) The procedures shall require a tenant or resident to submit
2	SUPPORTING DOCUMENTATION.
3	
4	(5) A LANDLORD OR OWNER MAY APPROVE EACH APPLICATION IN WHICH THE APPLICANT:
5	<u>(I)</u>
6	1. DEMONSTRATES EVIDENCE OF A FINANCIAL HARDSHIP RESULTING
7	DIRECTLY OR INDIRECTLY FROM THE CAUSE OF THE EMERGENCY; AND
8	2. ESTABLISHES THAT THE APPLICANT WOULD NOT OTHERWISE QUALIFY FOR
9	RENTING THE UNIT UNDER THE ORIGINAL CRITERIA RELATED TO THE APPLICANT'S
10	INCOME; AND
11	(II) AGREES IN WRITING TO MAKE PAYMENTS IN ACCORDANCE WITH THE PAYMENT
12	PLAN.
13	
14	<u>(6)</u>
15	(I) A LANDLORD OR OWNER THAT RECEIVES AN APPLICATION UNDER THIS
16	SUBSECTION SHALL RETAIN THE APPLICATION, WHETHER APPROVED OR DENIED, FOR AT
17	LEAST 3 YEARS.
18	(II) ON REQUEST OF THE OFFICE OF CONSUMER PROTECTION, A LANDLORD OR
19	OWNER SHALL MAKE AN APPLICATION FOR A RENT PAYMENT PLAN AVAILABLE TO THE
20	OFFICE.
21	
22	(7) A PERSON WHOSE APPLICATION FOR A PAYMENT PLAN IS DENIED MAY FILE A
23	WRITTEN COMPLAINT WITH THE OFFICE OF CONSUMER PROTECTION.".
24	
25	Also on page 3, in line 24, strike "(D)" and substitute "(E)" and in line 28, strike "(E)" and
26	substitute "(<u>F)</u> ".

and a

Amendment 3 to Council Bill No. 33-2020

BY: Christiana Rigby

Legislative Day No. 7

Date: May 18, 2020

Amendment No. 3

(This Amendment limits the Act to the current COVID-19 state of emergency.)

- 1 On page 2, strike beginning with the colon in line 13 down through and including line 21 and
- 2 substitute "<u>THE CATASTROPHIC HEALTH EMERGENCY DECLARED BY THE GOVERNOR OF</u>
- 3 MARYLAND ON MARCH 5, 2020, AS AMENDED OR EXTENDED BY THE GOVERNOR, UNDER SECTION
- 4 <u>14-3A-02 OF THE PUBLIC SAFETY ARTICLE OF THE MARYLAND CODE</u>.".



Amendment 4 to Council Bill No. 33-2020

BY: Christiana Rigby

Legislative Day No. 7

Date: May 18, 2020

Amendment No. 4

(This Amendment specifies that a landlord or mobile home park owner, during the emergency period, may not propose a modification to a lease or rental agreement that would increase rent or modify a lease or rental agreement unless the tenant or mobile home park resident consents.)

1 On page 3:

•	in line 4 before the semicolon, insert " <u>OR PROPOSE A LEASE OR RENTAL AGREEMENT</u>
	MODIFICATION TO INCREASE THE RENT OR MOBILE HOME PARK FEE";

- in line 7 strike "or";
- after line 7 insert "(<u>4</u>) MODIFY A LEASE OR RENTAL AGREEMENT WITHOUT THE WRITTEN CONSENT OF THE TENANT OR MOBILE HOME PARK RESIDENT; OR";
 - in line 8, strike "(4)" and substitute "(5)".
- 8

2 3

4

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Amendment 5 to Council Bill No. 33-2020

BY: Liz Walsh and Christiana Rigby Legislative Day No. 7

Date: May 18, 2020

Amendment No. 5

(This Amendment prohibits late fees during the emergency.)

- 1 On page 3, in line 7, strike the final "OR".
- 2 Also on page 3, after line 7, insert "(4) CHARGE OR OTHERWISE ASSESS A TENANT OR RESIDENT
- 3 FOR NONPAYMENT OR LATE PAYMENT OF RENT OR A MOBILE HOME PARK FEE; OR".
- 4 Also on page 3, in line 8, strike "(4)" and substitute "(5)".