



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

September 15, 2015

MEMORANDUM

TO: Robert J. Williams, Jr.
Council Administrator

William M. Hunt
Deputy Council Administrator

THRU: David H. Van Dyke *DHV*
County Auditor

FROM: Inez N. Claggett *INC*
Legislative Auditor

RE: Fiscal Impact Statement
CB-59-2015 Privately Managed, Age Restricted, Publically Invested Senior Leases

Pursuant to your request, we have reviewed CB-59-2015 to estimate its fiscal impact on Prince George's County, Maryland.

CB-59-2015 amends Subtitle 13 of the Prince George's County Code to regulate the leasing of rental housing for seniors, at least sixty-two (62) years of age, residing in privately managed, age restricted, publically invested housing by establishing a Senior Tenant Rental Leases Program (the "Program").

Under the Program, on or after June 1, 2016, senior tenants residing in privately managed market rate rental housing facilities must be provided a lease, or renewal lease, with a minimum lease term of twenty-four months, unless the senior tenant agrees otherwise, in compliance with Sections 13-161 through 13-163 of the County Code. County managed rental housing and rental facilities that have not received public investments (i.e. Payment in Lieu of Taxes Agreement, Low Income Housing Tax Credit, etc.) are not subject to the provisions of this proposed Bill, if enacted.

The proposed Bill also requires these leases to remain without fee or rent increase for the entire lease term. Increases in rent may only be instituted at the beginning, or at the renewal of a senior lease. Landlords must provide written notice to all tenants about the Senior Tenant Rental Lease Program upon entering into a new or renewal lease, and must keep a record of all seniors using the twenty-four (24) month lease option. All waivers of the twenty-four month lease option must be either indicated on the lease, or a written waiver form must be completed. Senior tenants shall disclose their age and preferred lease period on the associated lease indicating a waiver, or on the

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associated waiver form. Documents related to a waiver of the lease period must be maintained by the Landlord for three years.

The Proposed Bill requires the Department of Permitting, Inspections and Enforcement (DPIE) to provide written notice to Owners, Managers and Landlords of rental housing about the Senior Tenant Rental Lease Program as part of the annual license renewal process. The cost of notification should be less than \$1,000, if notices are to be sent via first class mail, according to DPIE staff. Should the County require notices to be sent via certified mail, the cost would double to \$2,000.

Enactment of CB-59-2015 would have a minimal fiscal impact on the Department of Permitting, Inspections and Enforcement's budget of approximately \$0 to \$2,000, depending on the method by which notices are sent to those subject to the terms and conditions under the proposed Bill.

If you require additional information, or have questions about this fiscal impact statement, please call me.