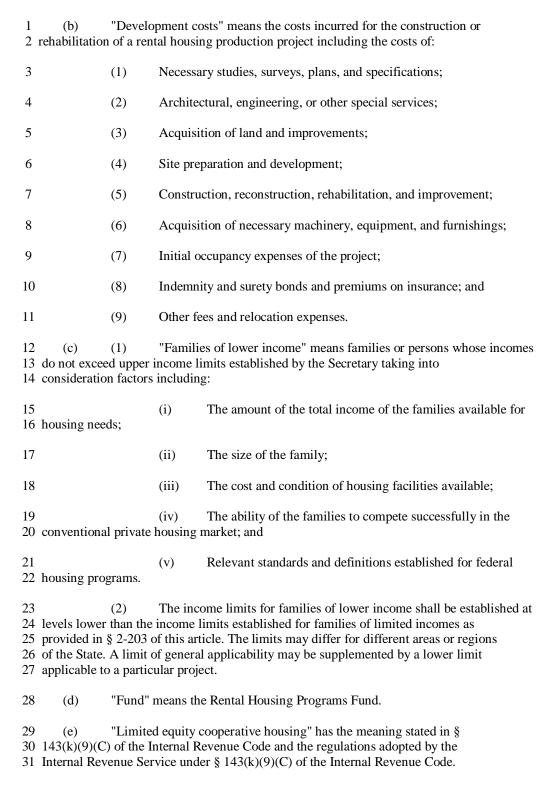
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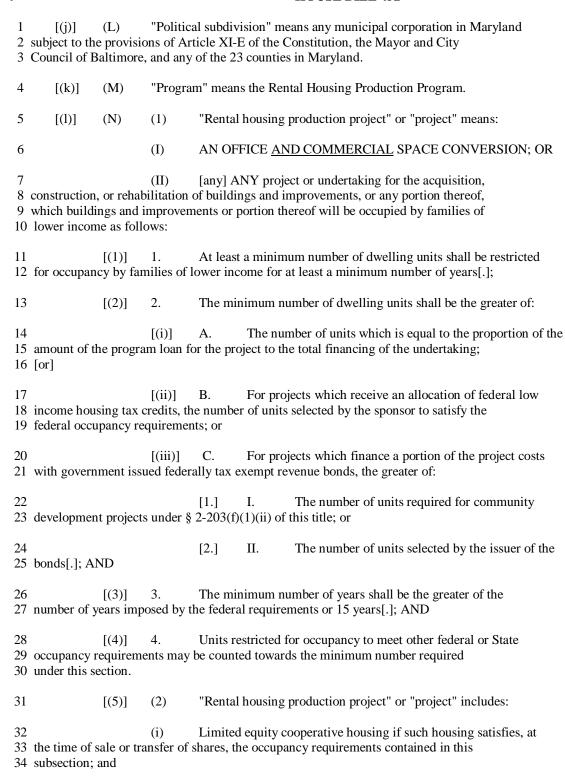
By: Chairman, Appropriations Committee (Departmental - Housing and Community Dev.) Introduced and read first time: February 4, 1998 Assigned to: Appropriations Committee Report: Favorable with amendments House action: Adopted Read second time: March 27, 1998							
1 AN ACT concerning							
Department of Housing and Community Development - Rental Housing Production Program - Office and Commercial Space Conversion							
FOR the purpose of authorizing the Department of Housing and Community Development to provide financial assistance through the Rental Housing Production Program for conversion of office and other commercial space to rental housing; limiting Program income eligibility requirements; requiring that a certain percentage of dwelling units resulting from a conversion of office and commercial space to rental housing be restricted to occupancy by families of lower incomes; providing for certain contingencies; and generally relating to the Rental Housing Production Program and the Department of Housing and Community Development.							
13 BY repealing and reenacting, with amendments, 14 Article 83B - Department of Housing and Community Development 15 Section 2-501, 2-503, and 2-504 16 Annotated Code of Maryland 17 (1995 Replacement Volume and 1997 Supplement)							
SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:							
20 Article 83B - Department of Housing and Community Development							
21 2-501.							
22 (a) In this subtitle the following words have the magnings indicated							



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1 2	(f) subtitle.	"Loan" 1	means a l	oan of m	oney mad	e by the l	Departm	nent und	der this			
3	(G)	"OFFIC	E AND (OTHER C	COMMER	CIAL SI	PACE" I	MEAN	S BUIL	DING	S:	
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15		(1)	IS REN	OVATEI	FOR RE	ENTAL F	IOUSIN	IG; AN	D			
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	[(h)] legal entity, shareholder		f the net	earnings		inures to	the bene				ier	
24	[(i)]	(K)	"Nonpro	ofit spons	or" means	s a sponso	or who i	s:				
25		(1)	A nonpr	ofit orga	nization; o	or						
26		(2)	A limite	d partner	ship if:							
27 28	organization	; or	(i)	Each of	the genera	al partner	s qualif	ies as a	nonpro	fit		
29 30	nonprofit or	ganizatio	(ii) 1. n;	The lim	ited partn	ership is	a wholl	y owne	d subsic	liary of	f a	
	undertaking incentives, in					in part fo				e purpo	ose of	
34 35	the recipient	of net ca	ash flow o	3. or the resi	A nonproidual sale						or will be	•

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1 2	(ii) Single room occupancy and shared living unit facilities and emergency and temporary shelters.
5	[(m)] (O) "Sponsor" means any political subdivision, person, partnership, joint venture, corporation, nonprofit organization, or other legal entity, including the Department, that applies for a loan under the Rental Housing Production Program established under this subtitle.
7	2-503.
8	The purposes of the Program are to:
9 10	(1) Increase the supply of decent, safe, and sanitary rental housing for occupancy by families of lower income;
	(2) Provide financial assistance for the costs of acquiring, constructing, or rehabilitating rental housing so that it is affordable by families of lower income; [and]
	(3) Stimulate the participation of political subdivisions in providing assistance for the production of affordable rental housing for families of lower income; AND
17 18	(4) REVITALIZE DESIGNATED NEIGHBORHOODS THROUGH OFFICE SPACE CONVERSION.
19	2-504.
20 21	(a) {The} EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, THE Department shall:
22	(1) Manage, supervise, and administer the Program;
23 24	(2) Adopt policies to ensure that rental housing is made available to families of lower income with the assistance of political subdivisions;
25 26	(3) Attach such specific terms to any purchase, sale, or lease of a project or land therefor as may be necessary to carry out the purposes of the Program;
29	(4) Develop procedures for monitoring the occupancy of the rental units produced under the Program by families of lower income to ensure that the rental units receiving financial assistance under the Program are occupied by families of lower income;
31 32	(5) Comply with the requirements of local laws, ordinances, codes, charters, or regulations applicable to any particular project; and
33 34	(6) Adopt rules and regulations to carry out the Program in conformance with statutory requirements.

32 housing.

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1 (b) [Notwithstanding] EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS 2 SECTION AND NOTWITHSTANDING any provision of this subtitle or any other law or 3 regulation, the Department may: 4 Make and participate in making loans to sponsors for any rental 5 housing production project including loans for development costs related to the 6 construction or rehabilitation of a project and loans for the acquisition of completed projects; 8 (2) Own or lease a rental housing production project or the land therefor 9 during the construction or rehabilitation of a project and sell, assign, or transfer the 10 project without public bidding or public sale to a sponsor upon its completion upon 11 such terms and conditions as may be determined to make economically feasible rental 12 housing available for OFFICE SPACE CONVERSION OR TO families of lower income; 13 Own, lease, construct, or rehabilitate a rental housing production 14 project or the land therefor and may at any time following completion of the project 15 transfer the project or land to an eligible sponsor; 16 Limit the return on equity allowed to sponsors or enter into equity 17 participation agreements with sponsors; or 18 Within the limits established for families of lower income, establish (5) 19 income ranges and percentages of each income range to be served by a rental housing 20 production project. 21 SUBSECTIONS (A)(2), (A)(4), AND (B)(5) OF THIS SECTION SHALL NOT APPLY TO OFFICE SPACE CONVERSIONS. 23 (C) AT LEAST 20% OF THE DWELLING UNITS RESULTING FROM EACH OFFICE 24 AND COMMERCIAL SPACE CONVERSION SHALL BE RESTRICTED TO OCCUPANCY BY 25 FAMILIES OF LOWER INCOMES. 26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take 27 effect July 1, 1998, contingent upon the inclusion in the Budget Bill for Fiscal Year 28 1999 of an increase in appropriations to the Rental Housing Production Program 29 above the Fiscal Year 1998 appropriation, provided that in Fiscal Year 1999 and 30 thereafter no part of the appropriation for the Program except any increase above the

31 Fiscal Year 1998 appropriation may be used for conversion of office space to rental