

**Department of Legislative Services**  
Maryland General Assembly  
2002 Session

**FISCAL NOTE**  
**Revised**

House Bill 446

(Delegate Rosenberg, *et al.*)

Economic Matters

Education, Health, and Environmental Affairs

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**Rental Housing Production Program - Office or Other Commercial Space**

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This bill alters the definition of “office and other commercial space” as it applies to the State Rental Housing Production Program to include any building that was last used as office or other commercial space and repeals the requirement that a building has to be built primarily for use as office or other commercial space.

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**Fiscal Summary**

**State Effect:** None. The bill may increase the number of applications for loans, but will not increase program expenditures.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** Office and other commercial space, as it applies to the Rental Housing Production Program, refers to buildings that are:

- constructed more than 30 years before an application is submitted to the Department of Housing and Community Development (DHCD) to finance the conversion of the building to rental housing units;
- consisting of two or more floors at or above ground level; and

- built for the primary purpose of being used for office or other commercial space and was last used as office or other commercial space.

**Background:** The Rental Housing Production Program was authorized by the General Assembly in 1986 to stimulate production of rental housing for lower income households. Funds can be used for capital assistance to cover the costs of constructing, rehabilitating, or acquiring rental housing or for mortgage assistance. The program is supported by general funds and repayments of principal and interest on outstanding loans.

The legislature created the Office and Commercial Space Conversion Program as a three-year pilot project funded within the Rental Housing PAYGO program in 1998 (Chapter 691). The Governor's fiscal 2003 allowance contains no additional funds for the office space conversion project. Until November 2000, the \$6 million that had been appropriated to the project (from fiscal 1999 to 2001) had not been used. At the time, DHCD approved one loan for \$1.5 million for a building in Baltimore City.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Housing and Community Development,  
Department of Legislative Services

**Fiscal Note History:** First Reader - February 1, 2002  
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