

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(1) The Board of Public Works may borrow money and incur indebtedness on behalf of the State of Maryland through a State loan to be known as the Partnership Rental Housing Program Loan of 1989 in the total principal amount of \$5,000,000. This loan shall be evidenced by the issuance, sale, and delivery of State general obligation bonds authorized by a resolution of the Board of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

(2) The bonds to evidence this loan or installments of this loan may be sold as a single issue, or may be consolidated and sold as part of a single issue of bonds under § 8-122 of the State Finance and Procurement Article.

(3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and first shall be applied to the payment of the expenses of issuing, selling, and delivering the bonds, unless funds for this purpose are otherwise provided, and then shall be credited and maintained on the books of the Comptroller, together with all (i) interest earned and net gains realized from the investment and reinvestment thereof and (ii) repayments of loans financial assistance made with the proceeds of the bonds, and expended, in accordance with Article 83B, §§ 2-201 through 2-208 upon approval by the Board of Public Works, for the following public purposes, including any applicable architects' and engineers' fees: to be used by the Department of Housing and Community Development to finance the development costs of acquisition, new construction, reconstruction, substantial rehabilitation and renovation of rental housing under the Partnership Rental Housing Program, a rental housing demonstration program in accordance with Article 83B, § 2-204(5) established pursuant to Article 83B, § 2-204(5), to be held and used in accordance with Article 83B, § 2-201 through 2-208 and COMAR .05.05.05.

(a) The Secretary of Housing and Community Development is authorized and directed to adopt rules and regulations to carry out the intent of this Act.

(b) The following terms have the meanings indicated:

(1) "Development costs" means the costs incurred for the acquisition, new construction, reconstruction, renovation, or rehabilitation of partnership rental housing, excluding the cost of the land and including the costs of:

(i) necessary studies, surveys, tests, plans, and specifications;