

(5) Comply with the requirements of local laws, ordinances, codes, charters, or regulations applicable to any particular project; and

(6) Adopt rules and regulations to carry out the Program in conformance with statutory requirements.

(b) ~~{Notwithstanding} EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION AND NOTWITHSTANDING~~ any provision of this subtitle or any other law or regulation, the Department may:

(1) Make and participate in making loans to sponsors for any rental housing production project including loans for development costs related to the construction or rehabilitation of a project and loans for the acquisition of completed projects;

(2) Own or lease a rental housing production project or the land therefor during the construction or rehabilitation of a project and sell, assign, or transfer the project without public bidding or public sale to a sponsor upon its completion upon such terms and conditions as may be determined to make economically feasible rental housing available for ~~OFFICE SPACE CONVERSION OR TO~~ families of lower income OR FROM OFFICE AND OTHER COMMERCIAL SPACE CONVERSIONS;

(3) Own, lease, construct, or rehabilitate a rental housing production project or the land therefor and may at any time following completion of the project transfer the project or land to an eligible sponsor;

(4) Limit the return on equity allowed to sponsors or enter into equity participation agreements with sponsors; or

(5) Within the limits established for families of lower income, establish income ranges and percentages of each income range to be served by a rental housing production project.

~~(C) SUBSECTIONS (A)(2), (A)(4), AND (B)(5) OF THIS SECTION SHALL NOT APPLY TO OFFICE SPACE CONVERSIONS.~~

~~(C) AT LEAST 20% OF THE DWELLING UNITS RESULTING FROM EACH OFFICE AND COMMERCIAL SPACE CONVERSION SHALL BE RESTRICTED TO OCCUPANCY BY FAMILIES OF LOWER INCOMES.~~

(C) SUBSECTIONS (A)(2) AND (4) AND (B)(5) OF THIS SECTION DO NOT APPLY TO OFFICE SPACE CONVERSION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1998, contingent upon the inclusion in the Budget Bill for Fiscal Year 1999 of an increase in appropriations to the Rental Housing Production Program above the Fiscal Year 1998 appropriation, provided that in Fiscal Year 1999 and thereafter no part of the appropriation for the Program except any increase above the Fiscal Year 1998 appropriation may be used for conversion of office space to rental housing.

Approved May 21, 1998.