

NEWS RELEASE ON LEGISLATION CREATING  
A STATE HOUSING DEVELOPMENT AUTHORITY

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Governor Agnew will submit to the Maryland Legislature this week legislation to create a State Housing Development Authority to increase the construction and rehabilitation of low and moderate income housing.

*The legislation provides for grants, mortgage loans and loan insurance for public and private concerns willing to undertake such ventures. The Authority would be empowered to issue tax-exempt, interest-bearing bonds to finance its operations.*

Under the terms of the bill, the Authority would establish priorities for housing needs and designate areas of the State where assistance is most needed.

The legislation specifies that in the determination of such priorities "highest ranking shall be given to those projects which will most aid those persons of low and moderate income who are to be, or have been, forced to relocate by reason of public projects or the action of a public agency."

This feature, differing from similar legislation in other states, emphasizes the need for accommodating persons displaced by highway or urban renewal projects.

The Authority would consist of the State Treasurer, State Planning Director, and five other members appointed by the Governor from persons who are knowledgeable in the housing development fields.

The Authority would be empowered to make loans, accept gifts and Federal grants, invest funds and collect fees and charges from those who have borrowed under the provisions of the Act.

An initial bond issue of \$10 million is authorized by the bill.

Governor Agnew said the legislation is urgently needed "not only to relieve the impaction and slums of Maryland's urban areas, but to aid the elderly and even the moderate income family whose standard of living is threatened by the inflationary spiral."

The legislation offers incentives for local governments to initiate or expand their public housing efforts. Direct loans may be given any county, municipality or Baltimore City, or any local housing authority, under terms of the bill.