COMMUNITY DEVELOPMENT ADMINISTRATION

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The Community Development Administration (CDA) was created in 1970 within the Department of Economic and Community Development (Chapter 527, Acts of 1970). In 1987, the Administration became part of the Department of Housing and Community Development (Senate Bill no. 699). The Administration's mandate is to increase the supply of housing for families of limited income, and for the elderly and the handicapped, as well as to foster sound community development and stimulate the construction industry statewide. Programs are funded by the sale of tax-exempt revenue bonds, construction loan notes, State general obligation bonds, general funds, and by federal housing subsidies.

Projects proposed for financial assistance must be consistent with local priorities and complement and supplement local community development programs and initiatives. Projects must meet eligibility criteria and financing requirements (Code 1957, Art. 41B, secs. 2–203 through 2–208).

MARYLAND HOME FINANCING PROGRAM

The Maryland Home Financing Program (MHFP) was authorized by the General Assembly in 1972 and first funded with the sale of State general obligation bonds in 1973. This direct-loan program expands home ownership opportunities for low-income Marylanders. By virtue of its funding source—general obligation bonds and appropriations, and a revolving fund from prior loans under the Program—it differs from the other single-family programs. Outreach agents make the Program accessible in each region of the State. Loans have been made in every county and the City of Baltimore (Code 1957, Art. 41B, secs. 2–401 through 2–409; Code Financial Institutions Article, sec. 13–310).

The Home Ownership Development Program (HDP) was first funded in 1979. It is the only single-family program geared to stimulate new housing construction. HDP is funded through the sale of tax-exempt revenue bonds. Funds are designated for newly constructed homes in approved subdivisions.

Using the guidelines of the Mortgage Subsidy Bond Tax Act of 1980, the Administration sets maximum income limits for participants in the Home Ownership Development Program. Sales price limits are also set by the Administration. They are based on both affordability within the income limits and the interest rate for the revenue bonds. Loans are given on a first-come, first-serve basis.

Established in 1980, the *Mortgage Purchase Program (MPP)* was implemented in response to dwindling mortgage funds available through private lending institutions and rising mortgage rates. The MPP makes mortgage loans through participating lending institutions. In this program, the Administration purchases loans made by lending institutions to eligible low- and moderate-income persons.

Both newly constructed and existing homes are eligible under the Mortgage Purchase Program. MPP is designed primarily for first-time home buyers. Applications for loans are made to a participating mortgage lender.

Federal law designates certain low-income areas as target areas for which 20 percent of the funds from bond issues must be set aside. In these areas, purchase price limits are slightly higher and buyers are not required to be first-time home buyers.

The Mortgage Purchase Program is funded by the sale of tax-exempt revenue bonds. Both the acquisition cost and income limits are set by the Administration using federal tax law guidelines. Acquisition costs vary by region.

MARYLAND HOUSING REHABILITATION PROGRAM

The Maryland Housing Rehabilitation Program (MHRP) is designed to preserve the State's stock of existing housing by making direct, low-interest loans available to limited-income homeowners for use in repair and renovation. MHRP also makes direct loans available to the owners of apartment buildings of up to twenty units and commercial properties. Under the requirements of the Program, recipients of loans for the renovation of rental properties must make at least two-thirds of the units available to low-income tenants. Authorized by the General Assembly in 1975, MHRP is funded by State general obligation bonds and by repayments of principal and interest on outstanding loans.