

bonds and notes. To be eligible, developments must set aside a portion of the units for limited-income households.

Section 8 Housing Assistance: RHP administers Section 8 contracts for 74 developments representing over 6,770 units of rental housing assisted through Section 8 New Construction Programs. Tenants living in these units pay 30 percent of their monthly income in rent, with the difference between the tenant's share and the fair-market rent being subsidized by the U.S. Department of Housing and Urban Development. These developments were previously financed through Rental Housing Programs.

Federal Subsidy Programs. The Community Development Administration administers federal funds that subsidize rental housing under the Section 8 Existing Program and the Moderate Rehabilitation Program. These funds are provided to the State through the U.S. Department of Housing and Urban Development under the Federal Housing Act of 1937 (42 USC 1437, as amended).

Under the Section 8 Existing Program, participating landlords make rental housing, which meets occupancy standards, available to low-income families. To qualify, total family income must be 50 percent or less of the median income for the area in which the housing is located. As an administering local agency, the Community Development Administration accepts and reviews applications from prospective tenants for participation in the program. Families that qualify are issued Certificates of Family Participation.

Owners who agree to rent to these families sign a contract with the Community Development Administration or the administering local agency that guarantees payments to the owner as long as the housing and lease adhere to federal standards. Through the Community Development Administration, the U.S. Department of Housing and Urban Development subsidizes that part of the rent that exceeds 30 percent of the family's total income. Individual applicants must find their own housing. In this way, families may select neighborhoods that best suit their needs.

Other than the elderly, disabled, or handicapped, the only single persons automatically eligible for the Section 8 Existing Program are those displaced from their previous housing by governmental actions, or those who are the remaining member of a tenant family.

The Regional Planning Council administers the Section 8 Existing Program in Anne Arundel, Baltimore, Carroll, Harford and Howard counties, and in Annapolis and Baltimore City.

The Moderate Rehabilitation Program is designed to help improve existing multi-family rental units that need repair or renovation. It is part of the Section 8 Existing Program. Under the Moderate Rehabilitation Program, the private landlord rehabilitates the unit, often with Community Development Administration financing, and then the Administration, on behalf of the tenants, commits rent subsidies to the unit for a period of fifteen years. These rent subsidies are funded by the federal government.

The Rental Rehabilitation Program is directed at rental housing in need of repair. The program encourages owners of such housing to renovate the structures. In addition, it provides owners with funds to aid in the rehabilitation of rental housing. This is accomplished by providing the owner with half the cost of rehabilitating each unit, or \$5,000, whichever is less. The program also provides federal housing subsidies to families unable to pay market rate rents on renovated housing or helps them find alternate housing.

ELDERLY RENTAL HOUSING PROGRAM

Created by the legislature in 1984, the Elderly Rental Housing Program provides below-market-rate or deferred payment loans to developers who agree to construct or rehabilitate rental housing for occupancy by low-income elderly households. Priority is given to developments that serve the lowest income households.

DIVISION OF HOUSING INSURANCE

MARYLAND HOUSING FUND

Roger W. Windsor, *Director*

45 Calvert St.
Annapolis 21401

Telephone: 974-2875

The Maryland Housing Fund was established in 1971 (Chapter 669, Acts of 1971). Its primary objectives are to assist State citizens of all income levels to become homeowners through a program of mortgage insurance for the construction of multiple units and single-family housing, and to stimulate the flow of private investment capital into the State for this purpose.