

same proportion as Program financing to total project costs. Authorized by the General Assembly in 1975, the Program is funded by State general obligation bonds, general funds, and by repayments of principal and interest on outstanding loans.

The *Multi-Family Bond Program* provides below-market-rate construction and permanent financing using taxable and tax-exempt bonds and notes. To be eligible, developments must set aside a portion of the units for limited-income households.

The *Nonprofit Rehabilitation Program* was formed by the General Assembly in 1986. The Program makes loans to nonprofit organizations and local governments to rehabilitate buildings for rental housing, congregate housing, group homes, shelters, and other housing facilities that serve low-income households.

The *Partnership Rental Housing Program* was authorized by the General Assembly in 1988 as a two-year pilot program to expand the supply of affordable housing for the working poor. The Program was established by statute in 1990 (Chapter 343, Acts of 1990). In a partnership, local governments provide the finished site, including roads, water, sewer, and other infrastructure, while the Division of Development Finance provides construction and permanent financing for rental housing units.

The *Rental Housing Production Program* was created by the legislature in 1986 to stimulate production of rental housing for lower-income households. Funds can be used for capital assistance to cover costs of construction, rehabilitation, or acquisition of rental housing; or for mortgage assistance to reduce the operating costs of rental housing. Local governments must make a contribution to reduce costs or otherwise support developments financed through the Program. Priority is given to developments that serve households at 30 percent or less of area median income. The Program is funded with general funds and repayments of principal and interest on outstanding loans.

The *Shelter I Program* was established in January 1990. It encourages nonprofit organizations, such as churches and community groups, to take the initiative in sponsoring their initial small housing project for low-income families or individuals. The Program supplies technical assistance and preferred interest rate loans from the programs listed above.

The *Transitional Housing and Emergency Shelter Program* provides grants to improve or create transitional housing and emergency shelters which include supportive services for their tenants. Its purpose is to reduce homelessness in the State. New construction, acquisitions, rehabilitation of housing, and purchase of capital equipment are eligible for grants. Grants may be provided to nonprofit organizations (Internal Revenue Code, sec. 501(c)(3)) and local governments. Sponsors must agree to maintain the project as transitional housing or an emergency shelter for a term of 15 years. Local government letters of support are required for all projects.

LOCAL GOVERNMENT INFRASTRUCTURE PROGRAM

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The Local Government Infrastructure Program began as the Local Government Infrastructure Financing Program under the Division of Community Assistance. In 1994, the Program became the Office of Community Assistance and received its present name in 1996.

The Program administers State-funded programs for housing and community development. These include the Maryland Appalachian Housing Fund, and four programs: *Housing Development Assistance, Maryland Housing Capacity Assistance, Neighborhood Housing Services, and HOME Seed Money*. The Office also is responsible for commercial revitalization programs, including the *Maryland Mainstreet Improvement Program, Maryland Mainstreet Designation Program, and State Action Loan Program for Targeted Areas*. In addition, the Office oversees the *Local Government Infrastructure Financing Program, and the Circuit-Rider Town-Manager Program*.

RENTAL SERVICE PROGRAMS

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Under the Community Development Administration, Rental Service Programs provides rental assistance with federal and State funds to low-income families for decent, safe and sanitary housing. Federal rental assistance comes 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). The office monitors compliance with legal mandates of all rental developments financed with Community Development Administration loans and federal Low-Income Housing Tax Credits.

The *Moderate Rehabilitation Program* helps repair or renovate multifamily rental units. Under the Program, the landlord rehabilitates the unit, often with Community Development Administration financing. The Administration, on behalf of the tenants, then commits rent subsidies to the unit for a period of fifteen years. These subsidies are funded by the federal government. The Program is part of the Section 8 Existing Program; however, funding for new projects is not available.

Created by the General Assembly in 1986, the *Rental Allowance Program* was first funded in 1987. For low-income homeless households or those with critical or emergency housing needs, the Program subsidizes rent for short terms. The Program is administered through grants to local governments for monthly payments to eligible households. Funding is provided through State general funds.