

erties or any interest therein that is planned, acquired, owned, constructed, reconstructed, rehabilitated or improved for the purpose of providing housing accommodations for persons or families of low and moderate income and such facilities as may be incidental or appurtenant to such accommodations.

(7) (8) "Development cost." The sum total of all costs incurred by the Authority in carrying out all works and undertakings which the Authority deems reasonable and necessary for the construction of a development. These shall include but are not necessarily limited to the costs of all necessary studies, surveys, plans and specifications, architectural, engineering or other special services, acquisition of land and any buildings thereon, site preparation and development, construction, reconstruction, rehabilitation, improvement and the acquisition of such machinery and equipment as may be deemed necessary in connection therewith (other than raw materials, work in process or stock in trade); the necessary expenses incurred in connection with initial occupancy of the development; an allocable portion of the administrative and operating expenses of the Authority; the cost of financing the development, including interest on bonds and notes issued to finance the development from the date thereof to the date when the Authority shall determine that the development be deemed substantially occupied; and the cost of such other items, including any indemnity and surety bonds and premiums on insurance, legal fees, fees and expenses of trustees, depositories and paying agents for bonds and notes issued; and relocation costs, all as the Authority shall deem necessary.

4. MARYLAND HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY

(1) There is hereby created a body politic and corporate to be known as Maryland Housing and Community Development Authority. The Authority is hereby constituted an instrumentality of the State of Maryland, and the exercise by the Authority of the powers conferred by this Article shall be deemed and held to be the performance of an essential governmental function of the State.

(2) The membership of the Authority shall consist of seven directors appointed by the Governor. WITH THE ADVICE AND CONSENT OF THE SENATE. From the seven directors the Governor shall designate the chairman of the Authority who shall serve at the pleasure of the Governor. The Governor may but is not required to appoint as directors such department heads or cabinet officers as he deems appropriate. Contingent upon the establishment of a State department, embracing the areas of housing, community and industrial development, the Governor shall appoint as one of the seven directors for purposes of coordinating the programs of that department and this Authority, the head of such department. Two of the directors first appointed by the Governor shall serve for terms ending one year from January 1st next succeeding their appointment, two shall serve for terms ending two years from such date, and two shall serve for terms ending three years from such date. Their successors shall serve for terms of three years each. Directors shall continue in office until their successors have been appointed and qualified. In the event of a vacancy occurring in the office of a director by death, resignation or otherwise, the Governor shall appoint a successor to serve for the balance of the