

*Whereas*, the County Council of Montgomery County, Maryland is committed by law to the enforcement of housing and building codes; and

*Whereas*, the County Council believes an effective codes enforcement program must consider human needs in its implementation; and

*Whereas*, the County Council of Montgomery County, Maryland wishes to encourage the retention of home ownership by families of low income in the County; and

*Whereas*, the County Council believes it to be in the public interest to retain a population with a full range of income levels to meet the economic needs of the County; and

*Whereas*, the County Council believes that the establishment of a fund which has as its objective the making of low-interest direct construction loans to homeowners of low income whose homes cannot be rehabilitated to meet applicable County Code requirements would be of substantial benefit in encouraging the retention of home ownership by low income homeowners; and

*Whereas*, it is the intention of the County Council that such a loan fund provide a supplement and not a substitute to the other means available for financing home construction.

*Now, therefore, be it enacted by the County Council for Montgomery County, Maryland, that—*

*Section 1.* Chapter 2 of the Montgomery County Code 1965, as amended titled "Administration," is hereby amended by adding a new Section 128C, titled "Homeowners' Construction Loan Fund," to read as follows:

The County Council is hereby empowered and authorized by resolution to establish and thereafter to maintain a special fund to be known as the "Homeowners' Construction Loan Fund" for the purpose of making direct construction loans to homeowners of low income whose present homes cannot be rehabilitated to conform with applicable County Code requirements to finance construction of new homes, including prefabricated homes, provided such loans are not available on comparable terms and conditions from other sources. The Council shall prescribe from time to time such terms, conditions, rules and regulations as it shall deem appropriate for the making of such loans and the administration of the Fund, including the right to contract with private organizations for the administration of said Fund. Provided, however, that the loans available under this Fund shall be limited to those individuals whose income and net worth preclude home construction financing through normal banking or other financial channels. In determining the availability to the property owner of adequate commercial financing, the following shall be taken into consideration:

- a. The present condition and value of the property.
- b. Real estate owned by the borrower that would be a source of funds either by sale or a commercial loan.
- c. Total net income of the borrower and members of his family. No loan shall be made to any property owner where the resources of a. and b. above are adequate for obtaining financing of the home construction from other sources.