

(3) the political subdivision or housing authority is to have an ownership interest in the partnership project or in the rental units financed by the Program and sold to the political subdivision or housing authority or to a partnership that includes the political subdivision or housing authority;

(4) the political subdivision or housing authority directly or indirectly manages the partnership project;

(5) the rental units financed by the Program are to be occupied on completion of the acquisition, construction, reconstruction, renovation, or rehabilitation by households of lower income;

(6) the households of lower income occupying the partnership project or the part financed by the Program are required to contribute services to enhance or maintain the partnership project or the community in a way that the political subdivision or housing authority accepts; AND

(7) it is reasonable to anticipate that:

(i) more State subsidies will not be needed for long-term occupancy by households of lower income; and

(ii) rental income, including any contribution to allow for more affordable rents under § 4-1208(d) of this subtitle, will be enough to pay the operating costs of the partnership project and to build an adequate reserve for the long-term maintenance and renovation of the partnership project[; and

(8) for the second and each succeeding partnership project that a political subdivision or housing authority undertakes, the percentage of the local contribution to the partnership project exceeds the percentage of the local contribution to the immediately preceding partnership project, unless the Secretary determines that the political subdivision or housing authority:

(i) currently is making substantial commitments to affordable housing; or

(ii) is at taxing capacity and lacks discretionary surplus money].

(b) The rental units financed by the Program may include, as among those that must be occupied by households of lower income, rental units restricted for occupancy to meet other federal or State occupancy requirements.

(C) THE DEPARTMENT MAY APPROVE THE USE OF PARTNERSHIP RENTAL HOUSING FUNDS FOR A UNIT OF PARTNERSHIP RENTAL HOUSING THAT IS NOT OWNED IN WHOLE OR IN PART BY A POLITICAL SUBDIVISION OR HOUSING AUTHORITY IF:

(1) THE UNIT WILL BE OCCUPIED BY A HOUSEHOLD OF LOWER INCOME THAT INCLUDES ONE OR MORE INDIVIDUALS WITH DISABILITIES OR SPECIAL NEEDS; AND