

amount of private financing which the project can support without impairing the feasibility of the project and, if residential, of providing affordable housing to limited-income tenants.

(c) The Maryland Housing Rehabilitation Program is created. Except as otherwise specifically provided, the provisions of this subsection shall not apply to [migratory housing facilities] SPECIAL loans.

(1) The Department shall operate the program, and make rehabilitation loans from the fund under the provisions of this section.

(2) The Department shall allocate and at least annually reallocate the PORTION OF THE fund NOT APPROPRIATED FOR THE MAKING OF SPECIAL LOANS, among the counties, to ensure that all areas of Maryland are served, taking into account (i) the number of families of limited incomes in the county, (ii) the need for rehabilitation of buildings in the county, (iii) the extent of the capability of the county to administer a rehabilitation program, and (iv) any other criteria the Department deems relevant to ensure fair and equitable distribution of funds among the counties. In making its allocations, the Department may initially allocate on a countywide basis, and then make suballocations among participating political subdivisions within the counties. In making its allocations, the Department may allocate up to 25 percent of the total moneys available in the fund to a reserve. The Department may, from time to time, reallocate the moneys held in reserve.

(3) Each political subdivision certified by the Department as capable of administering a rehabilitation program may originate and administer loans made by the Department from the allocation or suballocation to the political subdivision, in accordance with regulations promulgated by the Department. The Department shall, by regulation, establish criteria for determining capability which shall include the size, training and experience of the professional staff responsible for the administration of a program and the capabilities of the staff for determining local rehabilitation needs, for establishing rehabilitation programs, for evaluating applications for rehabilitation loans, and for monitoring the loans and the rehabilitation work done under these loans. If the Department determines that a political subdivision is not capable or does not desire to administer a rehabilitation program, the Department may originate and administer loans from the allocation or suballocation to that political subdivision.

(4) The Department may assist in training employees of political subdivisions to help achieve and increase their capability to administer rehabilitation programs in accordance with the criteria determined by the Department. The Department may provide technical assistance and advice to the political