

(9) The Secretary shall establish criteria to ensure the maximum use of any available private financing. If a portion of rehabilitation is to be financed by a private lending institution, the Department shall require that the sponsor utilize the maximum 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.

(10) Loans made by the Maryland Housing Rehabilitation Program shall be at a rate of interest that is, as long as the State complies with any applicable federal treasury regulations governing the borrowing of moneys by the State, at least sufficient to cover:

- (i) All administrative and other expenses of the Program; and
- (ii) Reasonably expected losses due to defaults on loans.

2-305.

(c) To qualify for a nonprofit rehabilitation loan, a nonprofit sponsor:

(1) Must be the owner of or be acting on behalf of the owner of the building to be rehabilitated;

(2) Must use the proceeds of the loan for a rehabilitation project for a building which:

(i) Will provide dwelling units or residential facilities for occupancy by families of limited income IN ACCORDANCE WITH THE REQUIREMENTS OF § 2-303(H)(7) OF THIS SUBTITLE; and

(ii) May provide:

1. In a minor portion of the building's space for nonresidential uses that may not be directly related to the residential facilities, but which offer goods or services for the benefit of limited income or otherwise disadvantaged persons; or

2. For limited use of the building's residential or nonresidential space, on a periodic or temporary basis, for activities that will enhance the financial viability of the project without adversely affecting the project's use as residential facilities for families of limited income; and

(3) Must demonstrate the capability to manage the rehabilitated project and pay back the loan.

2-313.

[(g) The Department shall report to the Governor and, subject to § 2-1312 of the State Government Article, to the General Assembly before January 1 of each year the financial status of the Program and a summary of its operations for the preceding fiscal year.]