

Preamble

WHEREAS, The devastation caused by Hurricane Isabel in September 2003 impacted communities across the State; and

WHEREAS, The cost to date of repairing the property damage exacted by Hurricane Isabel has totaled in the tens of millions of dollars; and

WHEREAS, The temporary housing and home repair funds that are provided by existing State and federal emergency assistance programs, as well as private insurance, are either of limited duration or leave substantial needs unmet for many victims of Hurricane Isabel; and

WHEREAS, While most areas in the State that were hit hard by Hurricane Isabel are now well on their way to recovery, several communities are still struggling; and

WHEREAS, As we enter the coldest part of the winter season, over 300 families remain in temporary housing or are on a waiting list for housing assistance from the Federal Emergency Management Agency (FEMA); and

WHEREAS, The State is compelled to design a program to assist those who need "gap" funding for property damage incurred beyond the limits set by insurance and State, federal, or private market loans and grants for projects to rehabilitate, renovate, or replace primary residences damaged by Hurricane Isabel; and

WHEREAS, As expeditiously as possible, the State needs to develop innovative and effective means to address the unmet housing needs of these Maryland families who have suffered such devastating losses; now, therefore,

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(a) There is a Hurricane Isabel Housing Rehabilitation and Renovation Program within the Department of Housing and Community Development.

(b) (1) The Department shall operate the Program as provided in this Act to benefit the families whose primary residences were damaged by Hurricane Isabel. The Program shall include projects in which the Department provides:

(i) ~~grants~~ low interest loans for ~~second~~ first or subordinate mortgages to rehabilitate or renovate primary residences; ~~or~~

(ii) ~~serves as guarantor of~~ credit enhancement for loans obtained in the private market to rehabilitate ~~or~~, renovate, or replace primary residences, subject to funds being held in reserve for that purpose; or

(iii) financial assistance under a buy-down program that reduces the amount a borrower pays on a loan obtained from the private market or from the Department for a defined period of time.