

113TH CONGRESS  
1ST SESSION

# H. R. 2424

To authorize the Secretary of Housing and Urban Development to establish a program enabling communities to better leverage resources to address health, economic development, and conservation concerns through needed investments in parks, recreational areas, facilities, and programs, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 18, 2013

Mr. SIRES (for himself, Mr. NADLER, Mr. RANGEL, Ms. CLARKE, Mr. PAYNE, Ms. KAPTUR, Ms. TSONGAS, Mr. GRIJALVA, Mr. FATTAH, Ms. MENG, Mr. TURNER, and Mr. CROWLEY) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committees on Education and the Workforce and Natural Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To authorize the Secretary of Housing and Urban Development to establish a program enabling communities to better leverage resources to address health, economic development, and conservation concerns through needed investments in parks, recreational areas, facilities, and programs, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the  
3 “Community Parks Revitalization Act”.

4 (b) TABLE OF CONTENTS.—The table of contents for  
5 this Act is as follows:

Sec. 1. Short title and table of contents.

TITLE I—COMMUNITY PARKS REVITALIZATION PROGRAM

- Sec. 101. Findings.
- Sec. 102. Purposes.
- Sec. 103. Community parks revitalization program.
- Sec. 104. Requirements for rehabilitation and construction grants.
- Sec. 105. Requirements for innovation and recreation program grants.
- Sec. 106. Local commitments to system recovery and maintenance.
- Sec. 107. Matching of State amounts, State action incentive.
- Sec. 108. Conversion of recreation property.
- Sec. 109. Coordination of program.
- Sec. 110. Reports; recordkeeping; audit and examination.
- Sec. 111. Reports to Congress.
- Sec. 112. Definitions.
- Sec. 113. Regulations.
- Sec. 114. Authorization of appropriations.

TITLE II—SECURED LOANS AND LOAN GUARANTEES FOR PARKS  
AND RECREATION INFRASTRUCTURE DEVELOPMENT

- Sec. 201. Purposes.
- Sec. 202. Authority to provide assistance.
- Sec. 203. Eligible entities.
- Sec. 204. Projects eligible for assistance.
- Sec. 205. Activities eligible for assistance.
- Sec. 206. Applications.
- Sec. 207. Determination of eligibility and project selection.
- Sec. 208. Secured loans and loan guarantees.
- Sec. 209. Program administration.
- Sec. 210. State and local permits.
- Sec. 211. Definitions.
- Sec. 212. Regulations.
- Sec. 213. Funding.
- Sec. 214. Report to Congress.

6 **TITLE I—COMMUNITY PARKS**  
7 **REVITALIZATION PROGRAM**

8 **SEC. 101. FINDINGS.**

9 The Congress finds the following:

1           (1) Currently, over 80 percent of our Nation's  
2 population lives in urban areas.

3           (2) Economic competitiveness, which includes  
4 the ability to create jobs, stimulate growth, attract  
5 businesses, investment, tourism, and a highly skilled  
6 workforce, is closely related to the availability of  
7 fully functional park and recreation systems in  
8 America's metropolitan areas.

9           (3) According to the American Society of Civil  
10 Engineers, parks, beaches, and other recreational fa-  
11 cilities contribute \$730 billion per year to the U.S.  
12 economy, support nearly 6.5 million jobs, and con-  
13 tribute to cleaner air and water and higher property  
14 values.

15           (4) Despite spending on parks at the State and  
16 local level, the acreage of parkland per resident in  
17 urban areas is declining due to rapid increases in  
18 population.

19           (5) A lack of access to public parks and recre-  
20 ation areas and facilities, as well as deteriorating  
21 and unsafe play areas, leads to an increase in phys-  
22 ical inactivity, which in turn contributes to higher  
23 rates of obesity.

24           (6) According to the Centers for Disease Con-  
25 trol and Prevention, over the past 25 years, rates of

1 obesity have more than tripled among adolescents  
2 ages 12 to 19 and doubled among adults ages 20 to  
3 74 and children ages 6 to 11.

4 (7) Obesity and related health problems put a  
5 strain on our Nation's economy, as the annual costs  
6 of medical spending and lost productivity from indi-  
7 viduals in the United States being obese and over-  
8 weight are estimated to be \$147,000,000,000.

9 (8) A study by the Centers for Disease Control  
10 found that the creation of, or enhanced access to,  
11 places for physical activity, such as parks, led to a  
12 25.6 percent increase in the percentage of people ex-  
13 ercising on 3 or more days a week, which improves  
14 the physical and mental health of our citizens.

15 (9) There are nearly 23 million veterans in the  
16 United States. Many have mental and physical dis-  
17 abilities from injuries sustained during their service  
18 in Iraq and Afghanistan.

19 (10) Parks and recreation agencies are pro-  
20 viding vital programs for veterans, with and without  
21 disabilities, and for their families, that provide phys-  
22 ical, mental, and social benefits to improve their  
23 overall quality of life as they transition to civilian  
24 living.

1           (11) According to the Juvenile Justice Bulletin,  
2           without structured, supervised activities in the after-  
3           school hours, youth are at greater risk of being vic-  
4           tims of crime or participating in anti-social behav-  
5           iors between 2:00 p.m. and 6:00 p.m. The peak hour  
6           for juvenile crime is between 3:00 p.m. and 4:00  
7           p.m., the first hour after most students are dis-  
8           missed from school. Urban parks decrease juvenile  
9           delinquency by providing quality after-school pro-  
10          grams during these critical hours.

11          (12) Parks also add to the environmental viabil-  
12          ity of communities. While cities currently spend tens  
13          of billions of dollars on treatment of storm water  
14          runoff and air pollution, studies have shown that  
15          parkland saves cities millions of dollars in storm  
16          water management and air pollution expenses by  
17          capturing precipitation, reducing runoff, and absorb-  
18          ing air pollutants.

19 **SEC. 102. PURPOSES.**

20          The purposes of this title are—

21               (1) to authorize the Secretary of Housing and  
22               Urban Development to establish a program enabling  
23               communities to better leverage resources to address  
24               health, economic development, and conservation con-

1       cerns through needed investments in parks, rec-  
2       reational areas, facilities, and programs;

3           (2) to improve and revitalize urban areas  
4       through economic development;

5           (3) to prevent and improve chronic disease out-  
6       comes, including cardiovascular disease, diabetes, de-  
7       pression, and obesity;

8           (4) to improve recreational areas and facilities  
9       and expand recreation services in urban areas with  
10      a high incidence of crime and help expand recreation  
11      opportunities for at-risk youth;

12          (5) to promote collaboration between local agen-  
13      cies involved in parks and recreation, law enforce-  
14      ment, youth social services, and juvenile justice sys-  
15      tem;

16          (6) to ensure accessibility to therapeutic recre-  
17      ation services and to provide recreation opportunities  
18      for injured or disabled members of the Armed  
19      Forces; and

20          (7) to encourage the use of environmentally re-  
21      sponsible components and sustainable landscape fea-  
22      tures, and promote cost effective solutions to issues  
23      such as storm water management, water conserva-  
24      tion, and air quality.

1 **SEC. 103. COMMUNITY PARKS REVITALIZATION PROGRAM.**

2 (a) IN GENERAL.—The Secretary of Housing and  
3 Urban Development shall carry out a community parks  
4 revitalization program under this title under which the  
5 Secretary shall, from amounts appropriated pursuant to  
6 section 114, award the following grants on a competitive  
7 basis:

8 (1) REHABILITATION AND CONSTRUCTION  
9 GRANTS.—The Secretary shall make rehabilitation  
10 and construction capital grants in accordance with  
11 the criteria established pursuant to section 104(a) to  
12 eligible local governments for the purpose of—

13 (A) rebuilding, remodeling, expanding, in-  
14 tegrating, or developing existing or building new  
15 recreational areas and facilities, including im-  
16 provements in park landscapes, infrastructure,  
17 buildings, and support facilities; and

18 (B) the provision of lighting, emergency  
19 phones, or other capital improvements to im-  
20 prove the security of urban parks, but not in-  
21 cluding routine maintenance and upkeep activi-  
22 ties.

23 (2) INNOVATION AND RECREATION PROGRAM  
24 GRANTS.—The Secretary shall make innovation and  
25 recreation program grants in accordance with the  
26 criteria established pursuant to section 105(a) to eli-

1       gible local governments to cover costs of personnel,  
2       facilities, equipment, supplies, or services designed  
3       to demonstrate innovative and cost effective ways to  
4       augment park and recreation opportunities, or sup-  
5       port new or existing programs, that increase access  
6       to recreation opportunities for returning veterans  
7       and active duty military and their families or provide  
8       constructive alternatives for youth at risk for engag-  
9       ing in criminal behavior.

10               (3) RECOVERY ACTION PROGRAM GRANTS.—

11       The Secretary shall make recovery action program  
12       grants to eligible local governments for planning and  
13       development of local park and recreation recovery  
14       action programs required under section 106, includ-  
15       ing for resource and needs assessment, coordination,  
16       citizen involvement and planning, and program de-  
17       velopment activities to encourage public definition of  
18       goals and develop priorities and strategies for overall  
19       recreation system recovery.

20               (b) ELIGIBILITY.—

21               (1) IN GENERAL.—For the purposes of this  
22       title, any local government located within a standard  
23       metropolitan statistical area, as determined in ac-  
24       cordance with the most recent decennial Census,

1 shall be eligible to apply for and receive grant  
2 awards pursuant to subsection (a).

3 (2) PARTIAL ELIGIBILITY WAIVER.—

4 (A) DESIGNATION.—The Secretary may  
5 designate local governments not located within  
6 standard metropolitan statistical areas, as de-  
7 termined in accordance with the most recent de-  
8 cennial Census, as eligible to receive grant  
9 awards pursuant to subsection (a).

10 (B) LIMITATION ON AMOUNTS.—The ag-  
11 gregate amount of grants made to eligible local  
12 governments that receive such status pursuant  
13 to subparagraph (A) of this paragraph shall not  
14 exceed 15 percent of the total amounts appro-  
15 priated pursuant to this title for all grants  
16 under subsection (a).

17 (c) MATCHING REQUIREMENT.—

18 (1) IN GENERAL.—The Secretary shall ensure  
19 that each eligible local government that receives a  
20 grant pursuant to subsection (a) shall supplement,  
21 in accordance with this subsection, the amount re-  
22 ceived under such grant with an amount that is not  
23 less than  $\frac{3}{7}$  of such grant amount; except that, in  
24 the case of grants under subsection (a)(3), the Sec-  
25 retary shall ensure that each eligible local govern-

1       ment shall supplement the amount received under  
2       such grant with amount that is not less than such  
3       grant amount.

4           (2) USE.—Supplemental amounts made avail-  
5       able in accordance with paragraph (1) shall be used  
6       only for projects and activities for which grant  
7       amounts are eligible to be used.

8           (3) SOURCES FOR SUPPLEMENTAL FUNDS.—

9           (A) LIMITATION ON FEDERAL FUNDS.—  
10       Supplemental funds required by paragraph (1)  
11       may not include any amounts made available  
12       from a Federal grant program, other than—

13           (i) the community development block  
14       grant program under title I of the Housing  
15       and Community Development Act of 1974  
16       (42 U.S.C. 5301 et seq.);

17           (ii) any Federal program for general  
18       revenue sharing with local governments; or

19           (iii) any Federal program that pro-  
20       vides block grants to States and localities  
21       to develop, promote, implement, and man-  
22       age energy efficiency and conservation  
23       projects and programs designed to reduce  
24       fossil fuel emissions, reduce energy use,

1 improve energy efficiency, and create and  
2 retain jobs.

3 (B) STATE AND PRIVATE AMOUNTS.—The  
4 Secretary may require that a portion of the  
5 supplemental funds required by paragraph (1)  
6 come from the State or private sources.

7 (C) NON-FEDERAL FUNDS.—Supplemental  
8 funds required by paragraph (1) may include—

9 (i) general or specific purpose State or  
10 local revenues;

11 (ii) State categorical grants;

12 (iii) special appropriations under  
13 State law;

14 (iv) donations of land, building, or  
15 building materials;

16 (v) in-kind construction, technical,  
17 and planning services; and

18 (vi) any combination of funds de-  
19 scribed in this subparagraph.

20 (d) TRANSFER.—At the discretion of an eligible local  
21 government receiving a rehabilitation and construction  
22 grant under subsection (a)(1) or an innovation and recre-  
23 ation program grant under subsection (a)(2), and if con-  
24 sistent with the approved application for such grant, the  
25 a grant may be transferred in whole or in part to private

1 nonprofit agencies, provided that assisted recreational  
2 areas and facilities owned or managed by such private  
3 nonprofit agencies offer recreation opportunities to the  
4 general population within the jurisdictional boundaries of  
5 the local government.

6       (e) PAYMENTS.—Grant payments may be made only  
7 for rehabilitation and construction or innovation and  
8 recreation projects and programs approved by the Sec-  
9 retary. In the case of rehabilitation and construction and  
10 innovation projects, such payments may be made periodi-  
11 cally consistent with the rate of progress toward the satis-  
12 factory completion of a project, except that the Secretary  
13 may, when appropriate, make advance payments on ap-  
14 proved rehabilitation and construction and innovation  
15 projects in an amount not to exceed 20 percent of the total  
16 project cost.

17       (f) MODIFICATION OF PROJECT.—The Secretary may  
18 authorize modification of an approved rehabilitation and  
19 construction or innovation project only when a grantee has  
20 adequately demonstrated that such modification is nec-  
21 essary because of circumstances not foreseeable at the  
22 time such project was proposed.

1 **SEC. 104. REQUIREMENTS FOR REHABILITATION AND CON-**  
2 **STRUCTION GRANTS.**

3 (a) PRIORITY CRITERIA.—The Secretary shall estab-  
4 lish priority criteria for the selection and approval of  
5 projects to be funded by a rehabilitation and construction  
6 grant made pursuant to section 103(a)(1), which shall in-  
7 clude whether and the extent to which the project would—

8 (1) serve a community with a high population  
9 density;

10 (2) address demonstrated deficiencies in the  
11 condition of existing recreational areas and facilities  
12 in the project neighborhood;

13 (3) address demonstrated deficiencies in access  
14 to neighborhood recreation opportunities, particu-  
15 larly for minority and low- and moderate-income  
16 residents, veterans or active duty military families,  
17 and residents with physical or mental disabilities;

18 (4) serve a community with a higher than aver-  
19 age number of unemployed people as a percentage of  
20 the civilian labor force of the project neighborhood;

21 (5) include public participation in determining  
22 rehabilitation or development needs and the extent  
23 to which a project supports or complements target  
24 activities undertaken as part of a local government's  
25 overall community development and urban revitaliza-  
26 tion program;

1           (6) provide employment opportunities for mi-  
2           norities, youth, and low- and moderate-income resi-  
3           dents in the project neighborhood;

4           (7) provide for participation of neighborhood,  
5           nonprofit, or tenant organizations in the proposed  
6           rehabilitation and construction activity or in subse-  
7           quent maintenance, staffing, or supervision of rec-  
8           reational areas and facilities;

9           (8) demonstrate State, local, and private sup-  
10          port for the project, as evidenced by commitments of  
11          non-Federal resources to project construction or op-  
12          eration;

13          (9) build recreational areas and facilities in  
14          areas that are located within one-half of a mile of  
15          public housing or a school and do not currently have  
16          indoor or outdoor facilities;

17          (10) create, maintain, or revitalize playgrounds  
18          or active play areas for children;

19          (11) connect children to the outdoors for phys-  
20          ical activity and access to nature;

21          (12) promote physical activity for individuals  
22          and the community at large;

23          (13) work collaboratively with local govern-  
24          ments, colleges, and universities, and other institu-  
25          tions to track the longitudinal rates of chronic dis-

1       eases in the community such as cardiovascular dis-  
2       ease, diabetes, depression, and obesity;

3           (14) use environmentally beneficial components  
4       such as sustainable landscape features and upcycled  
5       and recycled materials;

6           (15) provide environmental benefits to urban  
7       areas, by including—

8           (A) updating lighting;

9           (B) planting trees;

10          (C) increasing the urban forestry canopy;

11          (D) improving stormwater management;

12          (E) increasing green infrastructure;

13          (F) employing water conservation meas-  
14       ures; or

15          (G) adding green spaces;

16       (16) connect to public transportation;

17       (17) apply the LEED Green Building Guide-  
18       lines of the U.S. Green Building Council or other  
19       sustainability benchmarks that incorporate energy  
20       efficiency components, such as energy efficient light-  
21       ing and heating ventilation and air conditioning  
22       (HVAC) systems and apply the SITES sustainable  
23       landscape guidelines of the Sustainable Sites Initia-  
24       tive;



1           (1) promotes the unique integration of recre-  
2           ation with other community services, such as trans-  
3           portation, public housing and public safety, either to  
4           expand or update current services or to link pro-  
5           grams within the social service structure of a neigh-  
6           borhood or between neighborhoods;

7           (2) utilizes new management and cost-saving or  
8           service-efficient approaches for improving the deliv-  
9           ery of recreation services;

10          (3) serves communities with a high population  
11          of active military families or veterans;

12          (4) ensures accessibility to therapeutic recre-  
13          ation services and provides recreation opportunities  
14          for injured or disabled members of the Armed  
15          Forces;

16          (5) employs veterans or youth, or uses youth  
17          volunteers;

18          (6) enhances or expands youth development in  
19          neighborhoods and communities by engaging youth  
20          in environmental stewardship, conservation, and  
21          service projects;

22          (7) targets youth that are at the greatest risk  
23          of becoming involved in violence and crime;



1 paragraph (1) or (2) of section 103(a), the eligible  
2 local government applying for the grant shall submit  
3 to the Secretary a local park and recreation recovery  
4 action program that—

5 (A) provides evidence of its commitment to  
6 ongoing planning, rehabilitation, service, oper-  
7 ation, and maintenance programs for its park  
8 and recreation systems; and

9 (B) maximizes coordination of all commu-  
10 nity resources, including other federally sup-  
11 ported urban development and recreation pro-  
12 grams.

13 (2) INTERIM PRELIMINARY PROGRAMS.—The  
14 Secretary shall provide, by regulation, that during  
15 an initial interim period the requirement under para-  
16 graph (1) for an eligible local government to submit  
17 a local park and recreation recover action program  
18 may be satisfied by submission of a preliminary ac-  
19 tion program to be carried out by the eligible local  
20 government that defines objectives, priorities, and  
21 implementation strategies for overall system recovery  
22 and maintenance and commit such local government  
23 to a scheduled program development process.

24 (3) 5-YEAR ACTION PROGRAM.—After the expi-  
25 ration of the interim period under paragraph (2),

1 each eligible local government that applies for a  
2 grant under paragraph (1) or (2) of section 103(a)  
3 shall, as a condition of eligibility for such grant, sub-  
4 mit to the Secretary a 5-year park and recreation re-  
5 covery action program that demonstrates—

6 (A) identification of recovery objectives,  
7 priorities, and implementation strategies;

8 (B) adequate planning for rehabilitation of  
9 specific recreational areas and facilities, includ-  
10 ing projections of the cost of proposed projects;

11 (C) capacity and commitment to ensure  
12 that facilities provided or improved under this  
13 title shall thereafter continue to be adequately  
14 maintained, protected, staffed, and supervised;

15 (D) intention to maintain total local public  
16 outlays for park and recreation purposes at lev-  
17 els at least equal to those in the year preceding  
18 that in which grant assistance is sought, except  
19 in any case where a reduction in park and  
20 recreation outlays is proportionate to a reduc-  
21 tion in overall spending by the applicant; and

22 (E) the relationship of the park and recre-  
23 ation recovery action program to overall com-  
24 munity development and urban revitalization ef-  
25 forts.

1           (4) CONTINUING PLANNING PROCESS.—The  
2 Secretary may, in such cases as the Secretary con-  
3 siders appropriate, encourage local governments to  
4 meet recovery action program requirements under  
5 this section through a continuing planning process  
6 that includes periodic improvements and updates in  
7 recovery action program submissions to eliminate  
8 identified gaps in program information and policy  
9 development.

10          (b) SPECIAL CONSIDERATIONS.—Each local park and  
11 recreation recovery action program required by this sec-  
12 tion shall address, at a minimum, the following special  
13 considerations:

14           (1) Rehabilitation of existing recreational areas  
15 and facilities, including—

16                   (A) general systemwide renovation;

17                   (B) special rehabilitation requirements for  
18 recreational areas and facilities in areas of high  
19 population concentration and economic distress;  
20 and

21                   (C) restoration of outstanding or unique  
22 structures, landscaping, or similar features in  
23 parks of historical or architectural significance.

24           (2) Local commitments to innovative and cost-  
25 effective programs and projects at the neighborhood

1 level to augment recovery of park and recreation sys-  
2 tems, including—

3 (A) recycling of abandoned schools and  
4 other public buildings for recreation purposes;

5 (B) multiple use of operating educational  
6 and other public buildings;

7 (C) purchase of recreation services on a  
8 contractual basis;

9 (D) use of mobile facilities and rec-  
10 reational, cultural, and educational programs or  
11 other innovative approaches to improving access  
12 for neighborhood residents;

13 (E) integration of the recovery action pro-  
14 gram with federally assisted projects to maxi-  
15 mize recreation opportunities through conver-  
16 sion of abandoned railroad and highway rights-  
17 of-way, waterfront, and other redevelopment ef-  
18 forts and such other federally assisted projects,  
19 as appropriate;

20 (F) conversion to recreational use of street  
21 space, derelict land, and other public lands not  
22 now designated for neighborhood recreational  
23 use; and

24 (G) use of various forms of compensated  
25 and uncompensated land regulation, tax induce-

1           ments, or other means to encourage the private  
2           sector to provide neighborhood park and recre-  
3           ation facilities and programs.

4           (c) PUBLICATION OF REQUIREMENTS.—The Sec-  
5           retary shall establish and publish in the Federal Register  
6           requirements for preparation, submission, and updating of  
7           local park and recreation recovery action programs re-  
8           quired under this section.

9           (d) INNOVATION AND RECREATION PROGRAM  
10          GRANTS FOR AT-RISK YOUTH.—To be eligible to receive  
11          an innovation and recreation program grant under section  
12          103(a)(2) to be used to provide recreation opportunities  
13          or programs for at-risk youth, an eligible local government  
14          shall—

15                 (1) include in its 5-year park and recreation re-  
16          covery action program required under subsection  
17          (a)(3) the goal of—

18                         (A) utilizing new ideas, concepts, and ap-  
19                         proaches aimed at improving facility design, op-  
20                         erations, or programming in the delivery of  
21                         recreation services;

22                         (B) increased access of therapeutic or  
23                         other recreation services to veterans and mili-  
24                         tary families; or

1 (C) reducing crime and juvenile delin-  
2 quency; and

3 (2) provide a description of—

4 (A) implementation strategies to achieve  
5 such goals; and

6 (B) how the local government is coordi-  
7 nating its recreation programs with other com-  
8 munity development or service agencies.

9 **SEC. 107. MATCHING OF STATE AMOUNTS, STATE ACTION**  
10 **INCENTIVE.**

11 (a) INCREASE IN GRANT AMOUNTS.—The Secretary  
12 may increase Federal rehabilitation and construction, in-  
13 novation, and at-risk youth recreation grants authorized  
14 in section 103(a) by providing an additional match equal  
15 to the total match provided by a State of up to 15 percent  
16 of total project or program costs, except that in no event  
17 may—

18 (1) such additional grant amount exceed 15  
19 percent of the total project or program cost; or

20 (2) the aggregate amount of the grant and the  
21 additional grant amounts under this subsection ex-  
22 ceed 85 percent of total project or program cost.

23 (b) STATE ACTION INCENTIVE.—The Secretary shall  
24 further encourage the States to assist in assuring that  
25 local recovery plans and programs are adequately imple-

1 mented by cooperating with the Department of Housing  
2 and Urban Development in monitoring local park and  
3 recreation recovery action programs and in assuring con-  
4 sistency of such plans and programs, where appropriate,  
5 with State recreation policies as set forth in statewide  
6 comprehensive outdoor recreation plans.

7 **SEC. 108. CONVERSION OF RECREATION PROPERTY.**

8 (a) NO CONVERSION WITHOUT APPROVAL.—No  
9 property improved or developed with assistance under a  
10 grant under this title may be converted for uses other than  
11 for public recreation, without the approval of the Sec-  
12 retary.

13 (b) STANDARD FOR APPROVAL.—The Secretary may  
14 approve such conversion only—

15 (1) if the Secretary determines the conversion  
16 to be consistent with the current local park and  
17 recreation recovery action program for the local gov-  
18 ernment that improved or developed the property;  
19 and

20 (2) subject to such conditions as the Secretary  
21 determines necessary to ensure the provision of ade-  
22 quate recreation properties and opportunities of rea-  
23 sonably equivalent location and usefulness.

24 **SEC. 109. COORDINATION OF PROGRAM.**

25 The Secretary shall—

1           (1) coordinate the community parks revitaliza-  
2           tion program for grants under this title with other  
3           Federal departments and agencies and with State  
4           agencies that administer programs and policies af-  
5           fecting urban areas such as the White House Office  
6           of Urban Policy and departments that administer  
7           programs and policies affecting climate change,  
8           green jobs, housing, urban development, natural re-  
9           sources management, employment, transportation,  
10          community services, and voluntary action;

11          (2) encourage maximum coordination of the  
12          program between appropriate State agencies and  
13          local government applicants; and

14          (3) require that local government applicants in-  
15          clude provisions for participation of community and  
16          neighborhood residents, including youth, and for  
17          public-private coordination in recovery action pro-  
18          gram planning and project selection.

19 **SEC. 110. REPORTS; RECORDKEEPING; AUDIT AND EXAM-**  
20 **INATION.**

21          (a) **REPORTS.**—Each recipient of assistance under  
22          this title shall submit to the Secretary, for each fiscal year  
23          such assistance is received, an annual report detailing the  
24          projects and programs undertaken with such assistance,  
25          the number of jobs created by such assistance, and any

1 other information the Secretary determines appropriate  
2 based on the priority criteria established by the Secretary  
3 under sections 105 and 106.

4 (b) RECORDKEEPING.—Each recipient of assistance  
5 under this title shall keep such records as the Secretary  
6 shall prescribe, including records that fully disclose the  
7 amount and disposition of project or program under-  
8 takings in connection with which assistance under this  
9 title is given or used, and the amount and nature of that  
10 portion of the cost of the project or program undertaking  
11 supplied by other sources, and such other records as will  
12 facilitate an effective audit.

13 (c) AUDIT AND EXAMINATION.—The Secretary and  
14 the Comptroller General of the United States, or their  
15 duly authorized representatives, shall have access, for the  
16 purpose of audit and examination, to any books, docu-  
17 ments, papers, and records of a recipient of assistance  
18 under this title that are pertinent to such assistance.

19 **SEC. 111. REPORTS TO CONGRESS.**

20 (a) INTERIM REPORT.—Not later than 5 years after  
21 the date of enactment of this Act, the Secretary shall sub-  
22 mit to the Congress an interim report containing such  
23 findings and recommendations as the Secretary deter-  
24 mines appropriate with respect to the community parks  
25 revitalization program established pursuant to this title.

1 (b) FINAL REPORT.—Not later than 10 years after  
2 the date of enactment of this Act, the Secretary shall sub-  
3 mit to Congress a report describing the overall impact of  
4 the community parks revitalization program established  
5 pursuant to this title.

6 **SEC. 112. DEFINITIONS.**

7 In this title, the following definitions shall apply:

8 (1) The term “eligible local government” means  
9 a local government that, pursuant to section 103(b),  
10 is eligible for a grant under section 103(a).

11 (2) The term “insular areas” means Guam, the  
12 Virgin Islands, American Samoa, and the Northern  
13 Mariana Islands.

14 (3) The term “local government” means any  
15 city, county, town, township, parish, village, or any  
16 local or regional special district, such as a park dis-  
17 trict, conservation district, or park authority.

18 (4) The term “maintenance” means all com-  
19 monly accepted practices necessary to keep rec-  
20 reational areas and facilities operating in a state of  
21 good repair and to protect such areas and facilities  
22 from deterioration resulting from normal wear and  
23 tear.

24 (5) The term “private nonprofit agency” means  
25 a community-based, non-profit organization, cor-

1       poration, or association organized for purposes of  
2       providing recreation, conservation, and educational  
3       services directly to urban residents on either a  
4       neighborhood or community-wide basis through vol-  
5       untary donations, voluntary labor, or public or pri-  
6       vate grants.

7               (6) The term “recreational areas and facilities”  
8       means indoor or outdoor parks, buildings, sites, or  
9       other facilities that are dedicated to recreation pur-  
10      poses and administered by public or private non-  
11      profit agencies to serve the recreation needs of com-  
12      munity residents, with emphasis on public facilities  
13      readily accessible to residential neighborhoods, in-  
14      cluding multiple-use community centers that have  
15      recreation as a primary purpose, but not including  
16      major sports arenas, exhibition areas, and con-  
17      ference halls used primarily for commercial sports,  
18      spectator, or display activities.

19              (7) The term “Secretary” means the Secretary  
20      of Housing and Urban Development.

21              (8) The term “State” means any State of the  
22      United States (or any instrumentality of a State ap-  
23      proved by the Governor), the District of Columbia,  
24      and the Commonwealth of Puerto Rico.

1 **SEC. 113. REGULATIONS.**

2 (a) REGULATIONS.—Not later than 180 days after  
3 the date of the enactment of this Act, the Secretary shall  
4 promulgate regulations establishing the community parks  
5 revitalization program under this title to provide the  
6 grants authorized in section 103(a), in accordance with  
7 this title.

8 (b) REQUIREMENTS.—The regulations required  
9 under this section shall include—

10 (1) the criteria necessary to carry out sections  
11 104, 105, and 106;

12 (2) requirements regarding the form of, and  
13 elements to be included in, applications by eligible  
14 local governments for grants under this title, re-  
15 quirements for and detailed instructions on the proc-  
16 ess for submitting such applications, and deadlines  
17 for such applications;

18 (3) criteria pursuant to sections 104(a) and  
19 105(a) for priority in selection and approval by the  
20 Secretary of projects or programs to receive grant  
21 funds;

22 (4) guidelines regarding whether an applicant  
23 may modify a pending application and the process  
24 for modifying pending applications, and guidelines  
25 for submitting a request for modification of a project

1 awarded grant funding under this title after such an  
2 award has been made; and

3 (5) penalties that will be assessed on local gov-  
4 ernments awarded a grant under this title for failure  
5 to comply with the reporting and recordkeeping re-  
6 quirements under section 110, which shall provide  
7 penalties up to and including rescission of grant  
8 amounts for repetitive violations.

9 **SEC. 114. AUTHORIZATION OF APPROPRIATIONS.**

10 (a) IN GENERAL.—There are authorized to be appro-  
11 priated such sums as may be necessary to carry out this  
12 title for each of fiscal years 2013 through 2022.

13 (b) LIMITATION ON INNOVATION AND RECREATION  
14 PROGRAM GRANTS.—Not more than 10 percent of any  
15 amounts appropriated pursuant to subsection (a) of this  
16 section in any fiscal year may be used for grants under  
17 section 103(a)(2).

18 (c) LIMITATION ON RECOVERY ACTION PROGRAM  
19 GRANTS.—Not more than 3 percent of any amounts ap-  
20 propriated pursuant to subsection (a) of this section in  
21 any fiscal year may be used for grants under section  
22 103(a)(3).

23 (d) GRANTS FOR INSULAR AREAS.—Notwithstanding  
24 any other provision of this title, the Secretary may use  
25 not more than 2 percent of any amounts appropriated pur-

1 suant to subsection (a) in any fiscal year may to provide  
2 rehabilitation and construction grants under section  
3 103(a)(1), innovation and recreation program grants  
4 under section 103(a)(2), and recovery action program  
5 grants under section 103(a)(3) to be used in the insular  
6 areas. Any such grants shall not be subject to sections  
7 103(c) and 107(a) (relating to matching amounts), and  
8 may only be subject to such conditions, reports, plans, and  
9 agreements, if any, as determined by the Secretary.

10 **TITLE II—SECURED LOANS AND**  
11 **LOAN GUARANTEES FOR**  
12 **PARKS AND RECREATION IN-**  
13 **FRASTRUCTURE DEVELOP-**  
14 **MENT**

15 **SEC. 201. PURPOSES.**

16 The purposes of this title are—

17 (1) to promote increased development of parks  
18 and recreation infrastructure by establishing addi-  
19 tional opportunities for financing parks and recre-  
20 ation projects;

21 (2) to attract new investment capital to infra-  
22 structure projects that are capable of generating rev-  
23 enue streams through user fees or other dedicated  
24 funding sources;

1           (3) to complement existing Federal funding  
2 sources and address budgetary constraints on the  
3 National Park Service; and

4           (4) to leverage private investment in parks and  
5 recreation infrastructure.

6 **SEC. 202. AUTHORITY TO PROVIDE ASSISTANCE.**

7           The Secretary of Housing and Urban Development  
8 may provide financial assistance under section 208 to eli-  
9 gible entities to carry out parks and infrastructure  
10 projects selected for such assistance pursuant to section  
11 207.

12 **SEC. 203. ELIGIBLE ENTITIES.**

13           Financial assistance under section 208 may be pro-  
14 vided only to the following entities:

15           (1) A corporation.

16           (2) A partnership.

17           (3) A joint venture.

18           (4) A trust.

19           (5) A Federal, State, or local governmental en-  
20 tity, agency, or special purpose park and recreation  
21 district.

22           (6) A State infrastructure financing authority.

1 **SEC. 204. PROJECTS ELIGIBLE FOR ASSISTANCE.**

2 Financial assistance may be provided under section  
3 208, subject to section 207, only for the following types  
4 of projects:

5 (1) A project for the development of indoor or  
6 outdoor parks, buildings, sites, or other facilities  
7 that are dedicated to recreation purposes and ad-  
8 ministered by public or private nonprofit agencies to  
9 serve the recreation needs of community residents,  
10 including multiple-use community centers that have  
11 recreation as a primary purpose, but not including  
12 major sports arenas, exhibition areas, and con-  
13 ference halls used primarily for commercial sports,  
14 spectator, or display activities.

15 (2) A project for the construction, planning,  
16 and design of on-road and off-road trail facilities for  
17 pedestrians, bicyclists, and other nonmotorized  
18 forms of transportation, including sidewalks, bicycle  
19 infrastructure, pedestrian and bicycle signals, traffic  
20 calming techniques, lighting and other safety-related  
21 infrastructure, and transportation projects to  
22 achieve compliance with the Americans with Disabil-  
23 ities Act of 1990 (42 U.S.C. 12101 et seq.).

24 (3) A project for the construction, planning,  
25 and design of infrastructure-related projects and  
26 systems that will provide safe routes for non-drivers,

1 including children, older adults, and individuals with  
2 disabilities to access daily needs.

3 (4) A project for the conversion and use of  
4 abandoned railroad corridors for trails for pedes-  
5 trians, bicyclists, or other nonmotorized transpor-  
6 tation users.

7 (5) A project for the construction of turnouts,  
8 overlooks, and viewing areas.

9 **SEC. 205. ACTIVITIES ELIGIBLE FOR ASSISTANCE.**

10 Amounts from a loan made or guaranteed under sec-  
11 tion 208 provided for an eligible project may be used for  
12 costs of carrying out such project, including costs of—

13 (1) development-phase activities, including plan-  
14 ning, feasibility analysis, revenue forecasting, envi-  
15 ronmental review, permitting, preliminary engineer-  
16 ing and design work, and other preconstruction ac-  
17 tivities;

18 (2) construction, reconstruction, rehabilitation,  
19 preservation, and replacement activities;

20 (3) the acquisition of real property (including  
21 water rights, land relating to the project, and im-  
22 provements to land), environmental mitigation, con-  
23 struction contingencies, and acquisition of equip-  
24 ment;

1           (4) capitalized interest necessary to meet mar-  
2           ket requirements, reasonably required reserve funds,  
3           capital issuance expenses, and other carrying costs  
4           during construction; and

5           (5) refinancing interim construction funding,  
6           long-term project obligations, or a secured loan or  
7           loan guarantee made under this title.

8   **SEC. 206. APPLICATIONS.**

9           (a) IN GENERAL.—The Secretary shall provide for el-  
10          igible entities to submit applications for selection of eligi-  
11          ble projects to receive financial assistance under section  
12          208, at such time, in such manner, and containing such  
13          information as the Secretary may require.

14          (b) COMBINED PROJECTS.—The Secretary shall pro-  
15          vide that in the case only of an eligible entity described  
16          in section 203(6), such an entity may submit a single ap-  
17          plication for a combination of projects, each of which is  
18          an eligible project under paragraphs (1) through (5) of  
19          section 205.

20   **SEC. 207. DETERMINATION OF ELIGIBILITY AND PROJECT**  
21                                   **SELECTION.**

22          (a) SELECTION OF PROJECTS.—Using the selection  
23          criteria under subsection (c) of this section, the Secretary  
24          shall select, from applications submitted pursuant to sec-  
25          tion 206, eligible projects that meet the criteria under sub-

1 section (b) of this section for financial assistance under  
2 section 208.

3 (b) PROJECT REQUIREMENTS.—An eligible project  
4 may not be selected to receive financial assistance under  
5 section 208 unless the Secretary determines that the  
6 project meets all of the following criteria:

7 (1) CREDITWORTHINESS.—

8 (A) IN GENERAL.—Subject to subpara-  
9 graph (B), the project shall be creditworthy, as  
10 determined by the Secretary as applicable, to  
11 shall ensure that any financing for the project  
12 has appropriate security features, such as a  
13 rate covenant, to ensure repayment.

14 (B) PRELIMINARY RATING OPINION LET-  
15 TER.—The Secretary shall require the applicant  
16 for each project to provide, as part of the appli-  
17 cation for the project under section 206, a pre-  
18 liminary rating opinion letter from at least one  
19 rating agency indicating that the senior project  
20 obligations of the project (which may be the  
21 Federal credit instrument) have the potential to  
22 achieve an investment-grade rating.

23 (C) SPECIAL RULE FOR CERTAIN COM-  
24 BINED PROJECTS.—The Secretary shall develop  
25 a credit evaluation process for a Federal credit

1 instrument provided to a State infrastructure  
2 financing authority for a project described in  
3 section 206(b), which may include requiring the  
4 provision of a preliminary rating opinion letter  
5 from at least one rating agency.

6 (2) ELIGIBLE PROJECT COSTS.—The costs of  
7 the eligible project shall be reasonably anticipated to  
8 be not less than \$20,000,000.

9 (3) DEDICATED REVENUE SOURCES.—The Fed-  
10 eral credit instrument for the project shall be repay-  
11 able, in whole or in part, from dedicated revenue  
12 sources that also secure the project obligations.

13 (4) PUBLIC SPONSORSHIP OF PRIVATE ENTI-  
14 TIES.—In the case of a project carried out by an en-  
15 tity that is not a State or local government or an  
16 agency or instrumentality of a State or local govern-  
17 ment, the project shall be publicly sponsored.

18 (c) SELECTION CRITERIA.—

19 (1) ESTABLISHMENT.—The Secretary shall es-  
20 tablish criteria for the selection of projects that meet  
21 the eligibility requirements of subsection (b). Such  
22 criteria shall be designed to ensure a diversity of  
23 project types and geographical locations, and shall  
24 include the following:

1           (A) The extent to which the project is  
2           statewide or regionally significant, with respect  
3           to the generation of increased recreational op-  
4           portunities.

5           (B) The extent to which assistance under  
6           this title would foster innovative public-private  
7           partnerships and attract private debt or equity  
8           investment.

9           (C) The likelihood that assistance under  
10          this title would enable the project to proceed at  
11          an earlier date than the project would otherwise  
12          be able to proceed.

13          (D) The extent to which the project uses  
14          new or innovative approaches.

15          (E) The amount of budget authority re-  
16          quired to fund the Federal credit instrument  
17          for the project made available under this title.

18          (F) The extent to which the project helps  
19          maintain or protect the environment.

20          (G) The extent to which assistance under  
21          this section reduces the contribution of Federal  
22          grant assistance to the project.

23          (2) SPECIAL RULE FOR CERTAIN COMBINED  
24          PROJECTS.—For a project described in section  
25          206(b), the Secretary shall only consider the criteria

1 described in subparagraphs (B) through (G) of para-  
2 graph (1).

3 (d) FEDERAL REQUIREMENTS.—Nothing in this sec-  
4 tion may be construed to alter, affect, or annul the appli-  
5 cability of any other Federal laws or regulations.

6 **SEC. 208. SECURED LOANS AND LOAN GUARANTEES.**

7 (a) AUTHORITY.—The Secretary may enter into  
8 agreements with eligible entities to make, and may make,  
9 secured loans to such entities as provided under this sec-  
10 tion for eligible projects selected under section 207 for fi-  
11 nancial assistance under this section.

12 (b) USE.—

13 (1) IN GENERAL.—The proceeds of a secured  
14 loan under this section shall be used only—

15 (A) to finance eligible project costs of an  
16 eligible project selected under section 207;

17 (B) subject to paragraph (2) of this sub-  
18 section, to refinance interim construction fi-  
19 nancing of eligible project costs of an eligible  
20 project selected under section 207; or

21 (C) to refinance long-term project obliga-  
22 tions or Federal credit instruments, if such refi-  
23 nancing provides additional funding capacity for  
24 the completion, enhancement, or expansion of a  
25 project that—

1 (i) is selected under section 207; or  
2 (ii) was originally financed, in whole  
3 or in part, with amounts provided other  
4 than under this title, if the project other-  
5 wise meets the requirements of section  
6 207.

7 (2) LIMITATION ON REFINANCING OF INTERIM  
8 CONSTRUCTION FINANCING.—The proceeds of a se-  
9 cured loan under this section made for an eligible  
10 project may not be used for the purpose under para-  
11 graph (1)(B) after the expiration of the 12-month  
12 period beginning upon the date of substantial com-  
13 pletion of the project.

14 (c) RISK ASSESSMENT.—Before entering into an  
15 agreement under this subsection for a secured loan, the  
16 Secretary, in consultation with the Director of the Office  
17 of Management and Budget and each rating agency pro-  
18 viding a preliminary rating opinion letter under section  
19 207(b)(1)(B), shall determine an appropriate capital re-  
20 serve subsidy amount for the secured loan, taking into ac-  
21 count each such preliminary rating opinion letter.

22 (d) INVESTMENT-GRADE RATING REQUIREMENT FOR  
23 SENIOR OBLIGATIONS.—The execution of a secured loan  
24 under this section shall be contingent on receipt by the

1 senior obligations of the project of an investment-grade  
2 rating.

3 (e) TERMS AND LIMITATIONS.—

4 (1) MAXIMUM AMOUNT.—The amount of a se-  
5 cured loan under this section shall not exceed the  
6 lesser of—

7 (A) an amount equal to 49 percent of the  
8 reasonably anticipated eligible project costs; or

9 (B) if the secured loan does not receive an  
10 investment-grade rating, the amount of the sen-  
11 ior project obligations of the project.

12 (2) PAYMENT.—A secured loan under this sec-  
13 tion—

14 (A) shall be payable, in whole or in part,  
15 from State or local taxes, user fees, or other  
16 dedicated revenue sources that also secure the  
17 senior project obligations of the relevant  
18 project;

19 (B) shall include a rate covenant, coverage  
20 requirement, or similar security feature sup-  
21 porting the project obligations; and

22 (C) may have a lien on revenues described  
23 in subparagraph (A), subject to any lien secur-  
24 ing project obligations.

1           (3) INTEREST RATE.—The interest rate on a  
2 secured loan under this section shall be—

3           (A) not less than the yield on United  
4 States Treasury securities of a similar maturity  
5 to the maturity of the secured loan on the date  
6 of execution of the loan agreement; and

7           (B) fixed for the term of the loan.

8           (4) MATURITY DATE.—

9           (A) IN GENERAL.—Except as provided in  
10 subparagraph (B), the final maturity date of a  
11 secured loan under this section for an eligible  
12 project shall be not later than 35 years after  
13 the date of substantial completion of the  
14 project.

15           (B) SPECIAL RULE FOR STATE INFRA-  
16 STRUCTURE FINANCING AUTHORITIES.—The  
17 final maturity date of a secured loan under this  
18 section made to a State infrastructure financing  
19 authority shall be not later than 35 years after  
20 the date on which loan amounts are first dis-  
21 bursed.

22           (5) NONSUBORDINATION.—A secured loan  
23 under this section shall not be subordinated to the  
24 claims of any holder of project obligations in the

1 event of bankruptcy, insolvency, or liquidation of the  
2 obligor.

3 (6) FEES.—The Secretary may establish fees in  
4 connection with a secured loan under this section, in  
5 amounts sufficient to cover all or a portion of the  
6 costs to the Federal Government of secured loans  
7 under this section.

8 (7) USE OF PROCEEDS FOR PAYMENT OF NON-  
9 FEDERAL SHARE.—The proceeds of a secured loan  
10 under this section may be used to pay any non-Fed-  
11 eral share required with respect to other funding ob-  
12 tained for project costs, but only if such secured  
13 loan is repaid using non-Federal funds.

14 (8) MAXIMUM FEDERAL INVOLVEMENT.—For  
15 any project for which assistance is provided under  
16 this title, the total amount of Federal assistance  
17 from all sources, including this title, shall not exceed  
18 80 percent of the total project cost.

19 (9) OTHERS.—A secured loan provided for a  
20 project under this section shall be subject to such  
21 other terms and conditions, and contain such cov-  
22 enants, representations, warranties, and require-  
23 ments (including requirements for audits), as the  
24 Secretary determines to be appropriate.

25 (f) REPAYMENT.—

1           (1) SCHEDULE.—The Secretary shall establish  
2           a repayment schedule for each secured loan provided  
3           under this section, based on the projected cash flow  
4           from project revenues and other repayment sources.

5           (2) COMMENCEMENT.—

6           (A) IN GENERAL.—Except as provided in  
7           subparagraph (B), scheduled loan repayments  
8           of principal or interest on a secured loan under  
9           this section for an eligible project shall com-  
10          mence not later than 5 years after the date of  
11          substantial completion of the project.

12          (B) SPECIAL RULE FOR STATE INFRA-  
13          STRUCTURE FINANCING AUTHORITIES.—Sched-  
14          uled loan repayments of principal or interest on  
15          a secured loan made under this section to a  
16          State infrastructure financing authority shall  
17          commence not later than 5 years after the date  
18          on which amounts are first disbursed.

19          (3) DEFERRED PAYMENTS.—

20          (A) AUTHORIZATION.—If, at any time  
21          after the date of substantial completion of a  
22          project for which a secured loan is provided  
23          under this section, the project is unable to gen-  
24          erate sufficient revenues to pay the scheduled  
25          loan repayments of principal and interest on the

1 loan, the Secretary may, subject to subpara-  
2 graph (C), allow the obligor to add unpaid prin-  
3 cipal and interest to the outstanding balance of  
4 the secured loan.

5 (B) INTEREST.—Any payment deferred  
6 pursuant to subparagraph (A) shall—

7 (i) continue to accrue interest in ac-  
8 cordance with subsection (e)(3) until fully  
9 repaid; and

10 (ii) be amortized over the remaining  
11 term of the secured loan.

12 (C) CRITERIA.—Any payment deferral pur-  
13 suant to subparagraph (A) shall be contingent  
14 on the project meeting—

15 (i) standards for reasonable assurance  
16 of repayment, as the Secretary shall estab-  
17 lish; and

18 (ii) such other criteria as the Sec-  
19 retary may establish.

20 (4) PREPAYMENT.—

21 (A) USE OF EXCESS REVENUES.—Any ex-  
22 cess revenues from an eligible project that re-  
23 main after satisfying scheduled debt service re-  
24 quirements on the project obligations and se-  
25 cured loan and all deposit requirements under

1 the terms of any trust agreement, bond resolu-  
2 tion, or similar agreement securing project obli-  
3 gations may be applied annually to prepay a se-  
4 cured loan under this section without penalty.

5 (B) USE OF PROCEEDS OF REFI-  
6 NANCING.—A secured loan under this section  
7 may be prepaid at any time, without penalty,  
8 from the proceeds of refinancing from non-Fed-  
9 eral funding sources.

10 (g) SALE OF SECURED LOANS.—

11 (1) IN GENERAL.—Subject to paragraph (2), if  
12 the Secretary determines that the sale or reoffering  
13 of a secured loan under this section for an eligible  
14 project can be made on favorable terms, the Sec-  
15 retary may sell the loan to another entity or reoffer  
16 the loan into the capital markets as soon as prac-  
17 ticable after the date of substantial completion of a  
18 project and after providing notice to the obligor.

19 (2) CONSENT OF OBLIGOR.—In making a sale  
20 or reoffering under paragraph (1), the Secretary  
21 may not change the original terms and conditions of  
22 the secured loan without the written consent of the  
23 obligor.

24 (h) LOAN GUARANTEES.—

1           (1) IN GENERAL.—In lieu of making a secured  
2 loan under this section for an eligible project, the  
3 Secretary may provide a loan guarantee for a project  
4 obligation for the project funded by a qualified lender  
5 (as such term is defined in section 211), but only  
6 if the Secretary determines that the cost as such  
7 term is defined in section 502 of the Federal Credit  
8 Reform Act of 1990 (2 U.S.C. 661a) of the loan  
9 guarantee is substantially the same as or less than  
10 that of making a secured loan.

11           (2) TERMS.—The terms of a loan guarantee  
12 provided under this subsection shall be consistent  
13 with the terms established in this section for a se-  
14 cured loan, except that the interest rate on the guar-  
15 anteed loan and any prepayment features shall be  
16 negotiated between the obligor and the qualified  
17 lender, subject to the consent of the Secretary.

18 **SEC. 209. PROGRAM ADMINISTRATION.**

19           (a) REQUIREMENT.—The Secretary shall establish a  
20 uniform system to service the Federal credit instruments  
21 made available under this title.

22           (b) FEES.—

23           (1) IN GENERAL.—The Secretary may collect  
24 and spend fees, to the extent provided in advance in  
25 appropriations Acts, in amounts sufficient to cover—

1 (A) the costs of services obtained pursuant  
2 to subsection (d); and

3 (B) all or a portion of the costs to the  
4 Federal Government of servicing the Federal  
5 credit instruments provided under this title.

6 (c) SERVICER.—

7 (1) IN GENERAL.—The Secretary may appoint  
8 a financial entity to assist the Secretary in servicing  
9 Federal credit instruments provided under this title.

10 (2) DUTIES.—A servicer appointed under para-  
11 graph (1) shall act as the agent for the Secretary.

12 (3) FEE.—A servicer appointed under para-  
13 graph (1) shall receive a servicing fee, subject to ap-  
14 proval by the Secretary.

15 (d) ASSISTANCE FROM EXPERTS.—The Secretary  
16 may retain the services, including counsel, of organizations  
17 and entities with expertise in the field of municipal and  
18 project finance to assist in the underwriting and servicing  
19 of Federal credit instruments provided under this title.

20 **SEC. 210. STATE AND LOCAL PERMITS.**

21 The provision of financial assistance under section  
22 208 for an eligible project shall not—

23 (1) relieve any recipient of such assistance of  
24 any obligation to obtain any required State or local  
25 permit or approval with respect to the project;

1           (2) limit the right of any unit of State or local  
2 government to approve or regulate any rate of re-  
3 turn on private equity invested in the project; or

4           (3) otherwise supersede any State or local law  
5 or regulation applicable to the construction or oper-  
6 ation of the project.

7 **SEC. 211. DEFINITIONS.**

8 In this title, the following definitions shall apply:

9           (1) **COMMERCIAL SPORTS.**—The term “commer-  
10 cial sport” means a sports enterprise of which prof-  
11 it-making forms a major part.

12           (2) **ELIGIBLE ENTITY.**—The term “eligible enti-  
13 ty” means an entity eligible pursuant to section 203  
14 to receive financial assistance under section 208.

15           (3) **ELIGIBLE PROJECT.**—The term “eligible  
16 project” means a project for which financial assist-  
17 ance under section 208 may be provided, pursuant  
18 to section 204.

19           (4) **ELIGIBLE PROJECT COSTS.**—The term “eli-  
20 gible project costs” means, with respect to an eligi-  
21 ble project, any costs of the project eligible under  
22 section 205 to be paid with amounts from a loan  
23 made or guaranteed pursuant to section 208.

24           (5) **FEDERAL CREDIT INSTRUMENT.**—The term  
25 “Federal credit instrument” means a secured loan

1 made, or loan guarantee provided, under section  
2 208.

3 (6) INVESTMENT-GRADE RATING.—The term  
4 “investment-grade rating” means, with respect to  
5 project obligations, a rating of BBB minus, Baa3,  
6 bbb minus, BBB (low), or higher as assigned by a  
7 rating agency.

8 (7) LOAN GUARANTEE.—The term “loan guar-  
9 antee” means any guarantee or other pledge by the  
10 Secretary to pay all or part of the principal of, and  
11 interest on, a loan or other debt obligation.

12 (8) OBLIGOR.—The term “obligor” means—

13 (A) with respect to a Federal credit instru-  
14 ment that is a secured loan under section 208,  
15 the eligible entity that is primarily liable for  
16 payment of the principal of, or interest on, the  
17 loan; and

18 (B) with respect to a Federal credit instru-  
19 ment that is a loan guarantee under section  
20 208(h), the eligible entity that is primarily lia-  
21 ble for payment of the loan or other debt obli-  
22 gation repayment of which is guaranteed pursu-  
23 ant to such section.

24 (9) PROJECT OBLIGATION.—The term “project  
25 obligation” means, with respect to an eligible

1 project, any note, bond, debenture, or other debt ob-  
2 ligation issued by an obligor in connection with the  
3 financing of the project. Such term does not include  
4 a Federal credit instrument.

5 (10) QUALIFIED LENDER.—

6 (A) IN GENERAL.—The term “qualified  
7 lender” means any non-Federal qualified insti-  
8 tutional buyer, as such term is defined in sec-  
9 tion 230.144A(a) of title 17, Code of Federal  
10 Regulations (or any successor regulation),  
11 known as Rule 144A(a) of the Securities and  
12 Exchange Commission and issued under the Se-  
13 curities Act of 1933 (15 U.S.C. 77a et seq.).

14 (B) INCLUSIONS.—Such term includes—

15 (i) a qualified retirement plan (as de-  
16 fined in section 4974(c) of the Internal  
17 Revenue Code of 1986) that is a qualified  
18 institutional buyer; and

19 (ii) a governmental plan (as defined in  
20 section 414(d) of the Internal Revenue  
21 Code of 1986) that is a qualified institu-  
22 tional buyer.

23 (11) RATING AGENCY.—The term “rating agen-  
24 cy” means a credit rating agency registered with the  
25 Securities and Exchange Commission as a nationally

1 recognized statistical rating organization (as defined  
2 in section 3(a) of the Securities Exchange Act of  
3 1934 (15 U.S.C. 78c(a))).

4 (12) SECRETARY.—The term “Secretary”  
5 means the Secretary of Housing and Urban Develop-  
6 ment.

7 (13) SECURED LOAN.—The term “secured  
8 loan” means a direct loan or other debt obligation  
9 issued by an obligor and funded by the Secretary  
10 pursuant to section 208.

11 (14) STATE.—The term “State” means a State,  
12 the District of Columbia, the Commonwealth of  
13 Puerto Rico, and any other territory or possession of  
14 the United States.

15 (15) STATE INFRASTRUCTURE FINANCING AU-  
16 THORITY.—The term “State infrastructure financing  
17 authority” means the State entity established or des-  
18 ignated by the Governor of a State to receive assist-  
19 ance under this title.

20 (16) SUBSIDY AMOUNT.—The term “subsidy  
21 amount” means, with respect to a Federal credit in-  
22 strument, the amount of budget authority sufficient  
23 to cover the estimated long-term cost to the Federal  
24 Government of the Federal credit instrument, as cal-  
25 culated on a net present value basis, excluding ad-

1       ministrative costs and any incidental effects on gov-  
2       ernmental receipts or outlays in accordance with the  
3       Federal Credit Reform Act of 1990 (2 U.S.C. 661  
4       et seq.).

5               (17) SUBSTANTIAL COMPLETION.—The term  
6       “substantial completion” means, with respect to a  
7       project, the earliest date on which a project is con-  
8       sidered capable of performing the functions for  
9       which the project is designed.

10 **SEC. 212. REGULATIONS.**

11       The Secretary may issue such regulations as the Sec-  
12       retary considers appropriate to carry out this title.

13 **SEC. 213. FUNDING.**

14       From amounts made available for Federal purposes  
15       under section 5 of the Land and Water Conservation Fund  
16       Act of 1965 (16 U.S.C. 460l–7), there is authorized to  
17       be appropriated to the Secretary to carry out this title  
18       \$50,000,000 for each of fiscal years 2014 through 2018,  
19       to remain available until expended, of which in each such  
20       fiscal year—

21               (1) the Secretary may use for the administra-  
22       tion of this title, including program administration  
23       under section 209, not more than \$2,200,000; and

24               (2) the remainder shall be available for costs  
25       (as such term is defined in section 502 of the Fed-

1       eral Credit Reform Act of 1990 (2 U.S.C. 661a)) of  
2       loans and loan guarantees under section 208.

3 **SEC. 214. REPORT TO CONGRESS.**

4       Not later than 2 years after the date of enactment  
5 of this Act, and every 2 years thereafter, the Secretary  
6 shall submit to the Congress a report summarizing the fi-  
7 nancial performance of the projects that are receiving, or  
8 have received, assistance under this title, including a rec-  
9 ommendation as to whether the objectives of this title are  
10 being met.

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