quiring the temporary surrender of a firearm as a condition for entry into any mode of transportation used for rescue or evacuation during a major disaster or emergency, provided that such temporarily surrendered firearm is returned at the completion of such rescue or evacuation.

**(c) Private rights of action**

**(1) In general**

Any individual aggrieved by a violation of this section may seek relief in an action at law, suit in equity, or other proper proceeding for redress against any person who subjects such individual, or causes such individual to be subjected, to the deprivation of any of the rights, privileges, or immunities secured by this section.

**(2) Remedies**

In addition to any existing remedy in law or equity, under any law, an individual aggrieved by the seizure or confiscation of a firearm in violation of this section may bring an action for return of such firearm in the United States district court in the district in which that individual resides or in which such firearm may be found.

**(3) Attorney fees**

In any action or proceeding to enforce this section, the court shall award the prevailing party, other than the United States, a reasonable attorney's fee as part of the costs.

(Pub. L. 93–288, title VII, § 706, as added Pub. L. 109–295, title V, § 557, Oct. 4, 2006, 120 Stat. 1391.)

**§ 5208. Repealed. Pub. L. 112–74, div. D, title III, Dec. 23, 2011, 125 Stat. 963**

Section, Pub. L. 110–161, div. E, title III, Dec. 26, 2007, 121 Stat. 2064, related to Federal Emergency Management Agency monthly Disaster Relief reports.

## CHAPTER 69—COMMUNITY DEVELOPMENT

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**§ 5301. Congressional findings and declaration of purpose**

**(a) Critical social, economic, and environmental problems facing Nation's urban communities**

The Congress finds and declares that the Nation's cities, towns, and smaller urban communities face critical social, economic, and environmental problems arising in significant measure from—

(1) the growth of population in metropolitan and other urban areas, and the concentration of persons of lower income in central cities;

(2) inadequate public and private investment and reinvestment in housing and other physical facilities, and related public and social services, resulting in the growth and persistence of urban slums and blight and the marked deterioration of the quality of the urban environment; and

(3) increasing energy costs which have seriously undermined the quality and overall effectiveness of local community and housing development activities.

**(b) Establishment and maintenance of viable urban communities; systematic and sustained action by Federal, State, and local governments; expansion of and continuity in Federal assistance; increased private investment; streamlining programs and improvement of functioning of agencies; action to address consequences of scarce fuel supplies**

The Congress further finds and declares that the future welfare of the Nation and the well-being of its citizens depend on the establishment and maintenance of viable urban communities as social, economic, and political entities, and require—

(1) systematic and sustained action by Federal, State, and local governments to eliminate blight, to conserve and renew older urban areas, to improve the living environment of low- and moderate-income families, and to develop new centers of population growth and economic activity;

(2) substantial expansion of and greater continuity in the scope and level of Federal assistance, together with increased private investment in support of community development activities;

(3) continuing effort at all levels of government to streamline programs and improve the functioning of agencies responsible for planning, implementing, and evaluating community development efforts; and

(4) concerted action by Federal, State, and local governments to address the economic and social hardships borne by communities as a consequence of scarce fuel supplies.

**(c) Decent housing, suitable living environment, and economic opportunities for persons of low and moderate income; community development activities which may be supported by Federal assistance**

The primary objective of this chapter and of the community development program of each

grantee under this chapter is the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income. Consistent with this primary objective, not less than 70 percent of the aggregate of the Federal assistance provided to States and units of general local government under section 5306 of this title and, if applicable, the funds received as a result of a guarantee or a grant under section 5308 of this title, shall be used for the support of activities that benefit persons of low and moderate income, and the Federal assistance provided in this chapter is for the support of community development activities which are directed toward the following specific objectives—

(1) the elimination of slums and blight and the prevention of blighting influences and the deterioration of property and neighborhood and community facilities of importance to the welfare of the community, principally persons of low and moderate income;

(2) the elimination of conditions which are detrimental to health, safety, and public welfare, through code enforcement, demolition, interim rehabilitation assistance, and related activities;

(3) the conservation and expansion of the Nation's housing stock in order to provide a decent home and a suitable living environment for all persons, but principally those of low and moderate income;

(4) the expansion and improvement of the quantity and quality of community services, principally for persons of low and moderate income, which are essential for sound community development and for the development of viable urban communities;

(5) a more rational utilization of land and other natural resources and the better arrangement of residential, commercial, industrial, recreational, and other needed activity centers;

(6) the reduction of the isolation of income groups within communities and geographical areas and the promotion of an increase in the diversity and vitality of neighborhoods through the spatial deconcentration of housing opportunities for persons of lower income and the revitalization of deteriorating or deteriorated neighborhoods;

(7) the restoration and preservation of properties of special value for historic, architectural, or esthetic reasons;

(8) the alleviation of physical and economic distress through the stimulation of private investment and community revitalization in areas with population outmigration or a stagnating or declining tax base; and

(9) the conservation of the Nation's scarce energy resources, improvement of energy efficiency, and the provision of alternative and renewable energy sources of supply.

It is the intent of Congress that the Federal assistance made available under this chapter not be utilized to reduce substantially the amount of local financial support for community development activities below the level of such support prior to the availability of such assistance.

**(d) Consolidation of complex and overlapping Federal assistance programs into consistent system of Federal aid**

It is also the purpose of this chapter to further the development of a national urban growth policy by consolidating a number of complex and overlapping programs of financial assistance to communities of varying sizes and needs into a consistent system of Federal aid which—

(1) provides assistance on an annual basis, with maximum certainty and minimum delay, upon which communities can rely in their planning;

(2) encourages community development activities which are consistent with comprehensive local and areawide development planning;

(3) furthers achievement of the national housing goal of a decent home and a suitable living environment for every American family; and

(4) fosters the undertaking of housing and community development activities in a coordinated and mutually supportive manner by Federal agencies and programs, as well as by communities.

(Pub. L. 93–383, title I, § 101, Aug. 22, 1974, 88 Stat. 633; Pub. L. 95–128, title I, § 101, Oct. 12, 1977, 91 Stat. 1111; Pub. L. 96–399, title I, § 104(a), Oct. 8, 1980, 94 Stat. 1616; Pub. L. 98–181, title I, § 101(a), Nov. 30, 1983, 97 Stat. 1159; Pub. L. 100–242, title V, § 502(a), (b), Feb. 5, 1988, 101 Stat. 1923; Pub. L. 101–625, title IX, §§ 902(a), 913(a), Nov. 28, 1990, 104 Stat. 4385, 4392; Pub. L. 103–233, title II, § 232(a)(2)(A), Apr. 11, 1994, 108 Stat. 367.)

REFERENCES IN TEXT

This chapter, referred to in subsecs. (c) and (d), was in the original ''this title'', meaning title I of Pub. L. 93–383, Aug. 22, 1974, 88 Stat. 633, which is classified principally to this chapter. For complete classification of title I to the Code, see Tables.

AMENDMENTS

1994—Subsec. (c). Pub. L. 103–233 inserted ''or a grant'' after ''guarantee'' in second sentence.

1990—Subsec. (c). Pub. L. 101–625, § 913(a), inserted ''to States and units of general local government'' after first reference to ''Federal assistance provided'' in second sentence.

Pub. L. 101–625, § 902(a), substituted ''70 percent'' for ''60 percent'' in second sentence.

1988—Subsec. (c). Pub. L. 100–242, § 502(a), substituted ''60'' for ''51''.

Subsec. (c)(6). Pub. L. 100–242, § 502(b), struck out ''to attract persons of higher income'' before semicolon at end.

1983—Subsec. (c). Pub. L. 98–181, § 101(a)(1), inserted ''and of the community development program of each grantee under this chapter'' in provisions preceding par. (1).

Pub. L. 98–181, § 101(a)(2), inserted ''not less than 51 percent of the aggregate of the Federal assistance provided under section 5306 of this title and, if applicable, the funds received as a result of a guarantee under section 5308 of this title, shall be used for the support of activities that benefit persons of low and moderate income, and'' in provisions preceding par. (1).

1980—Subsec. (a)(3). Pub. L. 96–399, § 104(a)(1)–(3), added par. (3).

Subsec. (b)(4). Pub. L. 96–399, § 104(a)(4)–(6), added par. (4).

Subsec. (c)(9). Pub. L. 96–399, § 104(a)(7)–(9), added par. (9).

1977—Subsec. (c)(8). Pub. L. 95–128, § 101(a), added par. (8).

Subsec. (d)(4). Pub. L. 95–128, § 101(b), provided that the development activities be undertaken by Federal agencies and programs as well as by communities.

EFFECTIVE DATE OF 1994 AMENDMENT

Section 209 of title II of Pub. L. 103–233 provided that: ''The amendments made by this title [enacting sections 5321 and 12840 of this title and amending this section and sections 5304, 5305, 5308, 5318, 12704, 12744, 12745, 12750, 12833, 12838, and 12893 of this title] shall apply with respect to any amounts made available to carry out title II of the Cranston-Gonzalez National Affordable Housing Act [42 U.S.C. 12721 et seq.] after the date of the enactment of this Act [Apr. 11, 1994] and any amounts made available to carry out such title before such date of enactment that remain uncommitted on such date. The Secretary shall issue any regulations necessary to carry out the amendments made by this title not later than the expiration of the 45-day period beginning on the date of the enactment of this Act.''

EFFECTIVE DATE OF 1992 AMENDMENT

Pub. L. 102–550, § 2, Oct. 28, 1992, 106 Stat. 3681, provided that: ''The provisions of this Act [see Tables for classification] and the amendments made by this Act shall take effect and shall apply upon the date of the enactment of this Act [Oct. 28, 1992], unless such provisions or amendments specifically provide for effectiveness or applicability upon another date certain.''

EFFECTIVE DATE OF 1990 AMENDMENT

Amendment by section 913(a) of Pub. L. 101–625 applicable to amounts approved in any appropriation Act under section 5303 of this title for fiscal year 1990 and each fiscal year thereafter, see section 913(f) of Pub. L. 101–625, set out as a note under section 5306 of this title.

EFFECTIVE DATE OF 1983 AMENDMENT

Amendment by Pub. L. 98–181 applicable only to funds available for fiscal year 1984 and thereafter, see section 110(b) of Pub. L. 98–181, as amended, set out as a note under section 5316 of this title.

EFFECTIVE DATE OF 1977 AMENDMENT

Section 114 of title I of Pub. L. 95–128 provided that: ''The amendments made by this title [enacting section 5318 of this title, amending this section, sections 1452b, 5302 to 5308, and 5313 of this title, and section 461 of former Title 40, Public Buildings, Property, and Works, and enacting provisions set out as a note under section 5313 of this title] shall become effective October 1, 1977.''

SHORT TITLE OF 2003 AMENDMENT

Pub. L. 108–146, § 1, Dec. 3, 2003, 117 Stat. 1883, provided that: ''This Act [amending section 5305 of this title] may be cited as the 'Tornado Shelters Act'.''

SHORT TITLE OF 1992 AMENDMENT

Pub. L. 102–550, § 1(a), Oct. 28, 1992, 106 Stat. 3672, provided that: ''This Act [see Tables for classification] may be cited as the 'Housing and Community Development Act of 1992'.''

SHORT TITLE OF 1988 AMENDMENT

Section 1(a) of Pub. L. 100–242 provided that: ''This Act [see Tables for classification] may be cited as the 'Housing and Community Development Act of 1987'.''

SHORT TITLE OF 1986 AMENDMENT

Pub. L. 99–272, title III, § 3001(a), Apr. 7, 1986, 100 Stat. 101, provided that: ''This title [amending sections 1437b, 1437g, 1452b, 1483, 1485, 1487, 1490, 1490c, 4026, 4056, 4101, 5302, and 5308 of this title, and sections 1703, 1715h, 1715*l*, 1715z, 1715z–9, 1715z–10, 1715z–14, 1748h–1, 1748h–2, 1749bb, 1749aaa, 1749bbb, and 2811 of Title 12, Banks and Banking, enacting provisions set out as notes under section 5308 of this title, and amending provisions set out as a note under section 1701q of Title 12] may be cited as the 'Housing and Community Development Reconciliation Amendments of 1985'.''

SHORT TITLE OF 1984 AMENDMENT

Pub. L. 98–479, § 1, Oct. 17, 1984, 98 Stat. 2218, provided: ''That this Act [amending sections 1437a, 1437b, 1437d, 1437f, 1437h, 1437*l*, 1437*o*, 1438 to 1440, 1452, 1455, 1456, 1471, 1472, 1480, 1481, 1483, 1485, 1487, 1490, 1490a to 1490c, 1493, 2414, 3337, 3535, 3541, 3936, 3938, 4016, 4017, 4101, 4105, 4124, 4502, 5302, 5304 to 5306, 5308, 5312, 5317, 5318, 5403, 6863, 8004, 8010, and 8107 of this title, sections 1425a, 1457, 1701c, 1701h, 1701q, 1701s, 1701x, 1701z–2, 1701z–13, 1702, 1705, 1706e, 1709, 1713, 1715d, 1715h, 1715*l*, 1715n, 1715y, 1715z, 1715z–1, 1715z–1a, 1715z–5 to 1715z–9, 1717, 1719, 1721, 1723a, 1723g, 1723h, 1732, 1735f–5, 1735f–9, 1749, 1749a, 1749c, 1749aaa, 1749aaa–3, 1749bbb–8, 1749bbb–13, 1749bbb–17, 1750c, 1757, 2706, 2709, 3612, and 3618 of Title 12, Banks and Banking, and sections 1635 and 1715 of Title 15, Commerce and Trade, enacting provisions set out as notes under sections 1472 and 5305 of this title and sections 1715b, 1732 and 3618 of Title 12, and amending provisions set out as notes under sections 602, 5316, and 5318 of this title and section 1701z–6 of Title 12] may be cited as the 'Housing and Community Development Technical Amendments Act of 1984'.''

SHORT TITLE OF 1981 AMENDMENT

Pub. L. 97–35, title III, § 300, Aug. 13, 1981, 95 Stat. 384, provided that: ''This subtitle [subtitle A (§§ 300–371) of title III of Pub. L. 97–35, enacting sections 1437j–1, 1437n, and 4028 of this title and sections 1701z–14, 1735f–9, 1735f–10, 2294a, and 3701 to 3717 of Title 12, Banks and Banking, amending sections 1436a, 1437 to 1437d, 1437f, 1437g, 1437i, 1437j, 1437*l*, 1439, 1452b, 1483, 1485, 1487, 1490a, 1490c, 4017, 4026, 4056, 4081, 4127, 4518, 5302 to 5313, 5316, 5318, 5320, and 8107 of this title and sections 1701s, 1701j–2, 1701q, 1701x, 1701z–1, 1701z–14, 1703, 1706e, 1709–1, 1713, 1715e, 1715h, 1715k, 1715*l*, 1715n, 1715v, 1715y, 1715z, 1715z–1, 1715z–1a, 1715z–1b, 1715z–7, 1715z–9, 1715z–10, 1720, 1721, 1735c, 1748h–1, 1748h–2, 1749bb, 1749aaa, 1749bbb, and 1749bbb–3 of Title 12, repealing sections 8121 to 8124 of this title and section 461 of former Title 40, Public Buildings, Property, and Works, enacting provisions set out as notes under 1436a, 1437a, 1437f, 4028, 5304, 5305, 5306, 5318 of this title and sections 1703, 1720, and 3701 of Title 12, and repealing provisions set out as notes under section 8121 of this title and section 1701s of Title 12] may be cited as the 'Housing and Community Development Amendments of 1981'.''

SHORT TITLE OF 1980 AMENDMENT

Section 1 of Pub. L. 96–399 provided: ''That this Act [enacting sections 1436a, 1436b, 1437*l*, 1437m, 1490j and 5320 of this title, sections 1735f–8 and 2809 to 2811 of Title 12, Banks and Banking, and sections 3601 to 3616 of Title 15, Commerce and Trade, amending this section, sections 1437c, 1437d, 1437f, 1437g, 1437k, 1439, 1441c, 1452b, 1471, 1472, 1480, 1483 to 1487, 1490a, 1490c to 1490e, 3535, 4127, 5302 to 5308, 5316 to 5318, 5401 to 5404, 5406 to 5416, 5419, 5421 to 5423, 5425, 6833, 6835, 8004, 8102, 8105, 8107, and 8124 of this title, sections 86a, 1425a, 1454, 1701q, 1701s, 1701u, 1701z–1, 1701z–11, 1703, 1706e, 1707, 1709, 1709–1, 1713, 1715d, 1715e, 1715h, 1715k, 1715*l* to 1715n, 1715u to 1715w, 1715y to 1715z–1, 1715z–1a, 1715z–5 to 1715z–7, 1715z–9, 1715z–10, 1717, 1720, 1721, 1723e, 1735c, 1735f–7a, 1748h–1, 1748h–2, 1749bb, 1749aaa and 2803 of Title 12 and sections 461 and 484b of former Title 40, Public Buildings, Property and Works, repealing section 2809 of Title 12, enacting provisions set out as notes under sections 1472, 3535, 5302, 5313, 5401, 5424 and 8106 of this title, sections 86a, 1701z–6, 1703, 1715d, 1715z, 1717, 1723a, 1723e and 3305 of Title 12, section 3601 of Title 15, and section 461 of former Title 40, and amending provisions set out as notes under section 5401 of this title and sections 86a, 1701z–6, 1723e, and 1735f–4 of Title 12] may be cited as the 'Housing and Community Development Act of 1980'.''

SHORT TITLE OF 1979 AMENDMENT

Pub. L. 96–153, § 1, Dec. 21, 1979, 93 Stat. 1101, provided: ''That this Act [enacting section 1735f–7 of Title 12, Banks and Banking, section 1719a of Title 15, Commerce and Trade, and section 1437k of this title, amending section 5315 of Title 5, Government Organization and Employees, sections 90, 1426, 1431, 1451, 1452, 1455, 1464, 1701q, 1701s, 1701z–1, 1701z–11, 1703, 1706e, 1709, 1709–1, 1713, 1715e, 1715h, 1715k, 1715*l*, 1715m, 1715v, 1715y, 1715z, 1715z–1, 1715z–1a, 1715z–6, 1715z–7, 1715z–9, 1715z–10, 1717, 1728, 1735c, 1748h–1, 1748h–2, 1749bb, 1749aaa, 1749bbb, 1757, 1787, and 1821 of Title 12, sections 1701, 1702, 1703, 1708, 1709, 1711, 1715, and 1717 of Title 15, section 461 of former Title 40, Public Buildings, Property, and Works, and sections 1437a, 1437c, 1437d, 1437f, 1437g, 1439, 1452b, 1471, 1472, 1474, 1479, 1480, 1483, 1484, 1485, 1486, 1487, 1490a, 1490c, 3533a, 3541, 4026, 4056, 4127, 5302, 5303, 5304, 5306, 5318, 5419, 8107, 8123, 8124, and 8146 of this title, and enacting provisions set out as notes under sections 1701, 1701q, 1701s, 1703, 1709, 1723e, and 1728 of Title 12, section 1701 of Title 15, and sections 1437a, 1437f, and 5304 of this title] may be cited as the 'Housing and Community Development Amendments of 1979'.''

SHORT TITLE OF 1978 AMENDMENT

Pub. L. 95–557, § 1, Oct. 31, 1978, 92 Stat. 2080, provided that: ''This Act [enacting sections 3541, 5319, 8001 to 8010, 8101 to 8107, 8121 to 8124, and 8141 to 8146 of this title and sections 1701z–9 to 1701z–13, 1715z–1a, 1715z–1b, 1735f–6, of Title 12, Banks and Banking, amending sections 1437a, 1437c, 1437e, 1437f, 1437g, 1441c, 1452b, 1476, 1480, 1483 to 1487, 1490a, 1490c, 1490e, 3371, 3535, 4026, 4056, 4127, 4521, 5304, 5305, 5307, 5318 and 5425, of this title, sections 1454, 1701j–2, 1701q, 1701z–1, 1703, 1706e, 1709, 1709–1, 1713, 1715h, 1715*l*, 1715n, 1715y, 1715z, 1715z–1, 1715z–5, 1715z–6, 1715z–9, 1715z–10, 1715z–11, 1715w, 1717, 1720, 1735c, 1748h–1, 1748h–2, 1749bb, 1749aaa, 1749bbb, and 1749bbb–3 of Title 12, section 1702 of Title 15, Commerce and Trade, and sections 461 and 484b of former Title 40, Public Buildings, Property, and Works, and enacting provisions set out as notes under sections 1437c, 1437f, 1441, 1476, 1480, 5313, 8001, 8101, 8121, and 8141 of this title and sections 1454, 1701z–6, 1701z–9, 1709, 1715z–1, and 1723e of Title 12] may be cited as the 'Housing and Community Development Amendments of 1978'.''

SHORT TITLE OF 1977 AMENDMENT

Section 1 of Pub. L. 95–128 provided that: ''This Act [enacting sections 3540 and 5318 of this title and sections 2901 to 2905 of Title 12, Banks and Banking, amending this section, sections 1437c, 1437f, 1437g, 1439, 1452b, 1471, 1472, 1476, 1479, 1483 to 1485, 1487, 1490a, 1490c, 1490h, 3533, 4003, 4013, 4026, 4056, 4103 to 4106, 4127, 4501 to 4503, 4521, 5302 to 5308, 5313, 5403, and 5409 of this title, sections 355, 1430, 1454, 1464, 1701q, 1701x, 1701z–1, 1703, 1706e, 1709, 1709–1, 1715h, 1715k to 1715m, 1715w, 1715y, 1715z, 1715z–1, 1715z–3, 1715z–7, 1715z–9, 1715z–10, 1717, 1723a, 1723e, 1748h–1, 1748h–2, 1749bb, and 1749aaa of Title 12, and section 461 of former Title 40, Public Buildings, Property, and Works, and enacting provisions set out as notes under this section, sections 1421b, 1437d, 1490h, 4501, and 5313 of this title, and sections 1715z–1, 1723e of Title 12] may be cited as the 'Housing and Community Development Act of 1977'.''

SHORT TITLE

Section 1 of Pub. L. 93–383 provided: ''That this Act [enacting this chapter, sections 1701j–2, 1701*l*–1, 1701z–5, 1701z–6, 1706e, 1715z–9 to 1715z–11, and 1735f–3 to 1735f–5 of Title 12, Banks and Banking, section 803a of Title 20, Education, and sections 1437 to 1437j, 1438 to 1440, 1490e to 1490g, 4104a, and 5401 to 5426 of this title, amending sections 5315 and 5316 of Title 5, Government Organization and Employees, sections 24, 371, 1431, 1436, 1454, 1464, 1701q, 1701u, 1701x, 1701z–3, 1703, 1709, 1709–1, 1713, 1715e, 1715h, 1715k to 1715n, 1715v, 1715w, 1715y, 1715z, 1715z–1, 1715z–3, 1715z–6, 1715z–7, 1717, 1718, 1719, 1723a, 1735b, 1748h–1, 1748h–2, 1749bb, 1749aaa, 1749aaa–4, 1749aaa–5, 1757, 1759, 1761b, 1761d, 1763, 1772, 1782, 1786, and 1788 of Title 12, sections 1701 to 1703 of Title 15, Commerce and Trade, sections 801, 802, and 806 of Title 20, section 711 of former Title 31, Money and Finance, sections 460 and 461 of former Title 40, Public Buildings, Property, and Works, sections 1441a, 1441c, 1452b, 1453, 1471, 1472, 1474, 1476 to 1478, 1483, 1485, 1487, 1490, 1490a, 1490c, 1490d, 1586, 3311, 3533, 3604 to 3606, 3631, 4014, 4512, 4514 to 4516, 4519, and 4532 of this title, and sections 1602 and 1602a of former Title 49, Transportation, repealing sections 1411d and 1455a of this title, and enacting provisions set out as notes under this section, sections 1464, 1701q, 1715*l*, 1715z–1, 1716b, and 1723a of Title 12, section 1703 of Title 15, sections 1410, 1421b, 1437, 1437a, 1437f, 3532, and 5401 of this title, and section 1602a of former Title 49] may be cited as the 'Housing and Community Development Act of 1974'.''

ADDITIONAL ASSISTANCE FOR NEIGHBORHOOD STABILIZATION PROGRAM

Pub. L. 111–203, title XIV, § 1497, July 21, 2010, 124 Stat. 2209, provided that:

''(a) IN GENERAL.—Effective October 1, 2010, out of funds in the Treasury not otherwise appropriated, there is hereby made available to the Secretary of Housing and Urban Development $1,000,000,000, and the Secretary of Housing and Urban Development shall use such amounts for assistance to States and units of general local government for the redevelopment of abandoned and foreclosed homes, in accordance with the same provisions applicable under the second undesignated paragraph under the heading 'Community Planning and Development—Community Development Fund' in title XII of division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5; 123 Stat. 217) to amounts made available under such second undesignated paragraph, except as follows:

''(1) Notwithstanding the matter of such second undesignated paragraph that precedes the first proviso, amounts made available by this section shall remain available until expended.

''(2) The 3rd, 4th, 5th, 6th, 7th, and 15th provisos of such second undesignated paragraph shall not apply to amounts made available by this section.

''(3) Amounts made available by this section shall be allocated based on a funding formula for such amounts established by the Secretary in accordance with section 2301(b) of the Housing and Economic Recovery Act of 2008 [Pub. L. 110–289] (42 U.S.C. 5301 note), except that—

''(A) notwithstanding paragraph (2) of such section 2301(b), the formula shall be established not later than 30 days after the date of the enactment of this Act [July 21, 2010];

''(B) notwithstanding such section 2301(b), each State shall receive, at a minimum, not less than 0.5 percent of funds made available under this section;

''(C) the Secretary may establish a minimum grant amount for direct allocations to units of general local government located within a State, which shall not exceed $1,000,000;

''(D) each State and local government receiving grant amounts shall establish procedures to create preferences for the development of affordable rental housing for properties assisted with amounts made available by this section; and

''(E) the Secretary may use not more than 2 percent of the funds made available under this section for technical assistance to grantees.

''(4) Paragraph (1) of section 2301(c) of the Housing and Economic Recovery Act of 2008 shall not apply to amounts made available by this section.

''(5) The fourth proviso from the end of such second undesignated paragraph shall be applied to amounts made available by this section by substituting '2013' for '2012'.

''(6) Notwithstanding section 2301(a) of the Housing and Economic Recovery Act of 2008, the term 'State' means any State, as defined in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302), and the District of Columbia, for pur-

poses of this section and this title [title XIV of Pub. L. 111–203, see Short Title of 2010 Amendment note set out under section 1601 of Title 15, Commerce and Trade], as applied to amounts made available by this section.

''(7)(A) None of the amounts made available by this section shall be distributed to—

''(i) any organization which has been convicted for a violation under Federal law relating to an election for Federal office; or

''(ii) any organization which employs applicable individuals.

''(B) In this paragraph, the term 'applicable individual' means an individual who—

''(i) is—

''(I) employed by the organization in a permanent or temporary capacity;

''(II) contracted or retained by the organization; or

''(III) acting on behalf of, or with the express or apparent authority of, the organization; and

''(ii) has been convicted for a violation under Federal law relating to an election for Federal office.

''(8) An eligible entity receiving a grant under this section shall, to the maximum extent feasible, provide for the hiring of employees who reside in the vicinity, as such term is defined by the Secretary, of projects funded under this section or contract with small businesses that are owned and operated by persons residing in the vicinity of such projects.

''(b) ADDITIONAL AMENDMENTS.—

''(1) SECTION 2301.—Section 2301(f)(3)(A)(ii) of the Housing and Economic Recovery Act of 2008 [Pub. L. 110–289] (42 U.S.C. 5301(f)(3)(A)(ii)) [set out below]—

''(A) [Amended section 2301(f)(3)(A)(ii) of Pub. L. 110–289, set out below]

''(B) shall apply with respect to any unexpended or unobligated balances, including recaptured and reallocated funds made available under this Act [see Tables for classification], section 2301 of the Housing and Economic Recovery Act of 2008 (42 U.S.C. 5301 [note]), and the heading 'Community Planning and Development—Community Development Fund' in title XII of division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5; 123 Stat. 217).

''(2) NOTICE OF FORECLOSURE.—For any amounts made available under this section, under division B, title III of the Housing and Economic Recovery Act of 2008 (42 U.S.C. 5301 [note]), or under the heading 'Community Planning and Development—Community Development Fund' in title XII of division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5; 123 Stat. 217), the date of a notice of foreclosure shall be deemed to be the date on which complete title to a property is transferred to a successor entity or person as a result of an order of a court or pursuant to provisions in a mortgage, deed of trust, or security deed.''

ACQUISITION OF TENANT-OCCUPIED FORECLOSED DWELLING OR RESIDENTIAL REAL PROPERTY

Pub. L. 111–5, div. A, title XII, Feb. 17, 2009, 123 Stat. 218, provided in part: ''That in the case of any acquisition of a foreclosed upon dwelling or residential real property acquired after the date of enactment [probably means the date of enactment of Pub. L. 111–5, Feb. 17, 2009] with any amounts made available under this heading [Community Development Fund] or under division B, title III of the Housing and Economic Recovery Act of 2008 (Public Law 110–289) [set out below], the initial successor in interest in such property pursuant to the foreclosure shall assume such interest subject to: (1) the provision by such successor in interest of a notice to vacate to any bona fide tenant at least 90 days before the effective date of such notice; and (2) the rights of any bona fide tenant, as of the date of such notice of foreclosure: (A) under any bona fide lease entered into before the notice of foreclosure to occupy the premises until the end of the remaining term of the lease, except that a successor in interest may terminate a lease effective on the date of sale of the unit to a purchaser who will occupy the unit as a primary residence, subject to the receipt by the tenant of the 90-day notice under this paragraph; or (B) without a lease or with a lease terminable at will under State law, subject to the receipt by the tenant of the 90-day notice under this paragraph, except that nothing in this paragraph shall affect the requirements for termination of any Federal- or State-subsidized tenancy or of any State or local law that provides longer time periods or other additional protections for tenants: *Provided further*, That, for purposes of this paragraph, a lease or tenancy shall be considered bona fide only if: (1) the mortgagor under the contract is not the tenant; (2) the lease or tenancy was the result of an arms-length transaction; and (3) the lease or tenancy requires the receipt of rent that is not substantially less than fair market rent for the property: *Provided further*, That the recipient of any grant or loan from amounts made available under this heading or, after the date of enactment, under division B, title III of the Housing and Economic Recovery Act of 2008 (Public Law 110–289) may not refuse to lease a dwelling unit in housing assisted with such loan or grant to a holder of a voucher or certificate of eligibility under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) because of the status of the prospective tenant as such a holder: *Provided further*, That in the case of any qualified foreclosed housing for which funds made available under this heading or, after the date of enactment, under division B, title III of the Housing and Economic Recovery Act of 2008 (Public Law 110–289) are used and in which a recipient of assistance under section 8(*o*) of the U.S. Housing Act of 1937 resides at the time of foreclosure, the initial successor in interest shall be subject to the lease and to the housing assistance payments contract for the occupied unit: *Provided further*, That vacating the property prior to sale shall not constitute good cause for termination of the tenancy unless the property is unmarketable while occupied or unless the owner or subsequent purchaser desires the unit for personal or family use: *Provided further*, That if a public housing agency is unable to make payments under the contract to the immediate successor in interest after foreclosures, due to (1) an action or inaction by the successor in interest, including the rejection of payments or the failure of the successor to maintain the unit in compliance with section 8(*o*)(8) of the United States Housing Act of 1937 (42 U.S.C.1437f) or (2) an inability to identify the successor, the agency may use funds that would have been used to pay the rental amount on behalf of the family—(i) to pay for utilities that are the responsibility of the owner under the lease or applicable law, after taking reasonable steps to notify the owner that it intends to make payments to a utility provider in lieu of payments to the owner, except prior notification shall not be required in any case in which the unit will be or has been rendered uninhabitable due to the termination or threat of termination of service, in which case the public housing agency shall notify the owner within a reasonable time after making such payment; or (ii) for the family's reasonable moving costs, including security deposit costs: *Provided further*, That this paragraph shall not preempt any Federal, State or local law that provides more protections for tenants''.

EMERGENCY ASSISTANCE FOR THE REDEVELOPMENT OF ABANDONED AND FORECLOSED HOMES

Pub. L. 111–5, div. A, title XII, Feb. 17, 2009, 123 Stat. 218, provided in part: ''That the recipient of any grant or loan from amounts made available under this heading [Community Development Fund] or, after the date of enactment under division B, title III of the Housing and Economic Recovery Act of 2008 [Pub. L. 110–289, set out below], may not refuse to lease a dwelling unit in housing with such loan or grant to a participant under section 8 of the United States Housing Act of 1937 (42 U.S.C 1437f) because of the status of the prospective tenant as such a participant''.

Pub. L. 110–289, div. B, title III, July 30, 2008, 122 Stat. 2850, as amended by Pub. L. 111–5, div. A, title XII, Feb. 17, 2009, 123 Stat. 218; Pub. L. 111–22, div. A, title I, § 105(a), May 20, 2009, 123 Stat. 1638; Pub. L. 111–203, title XIV, § 1497(b)(1)(A), July 21, 2010, 124 Stat. 2210, provided that:

''SEC. 2301. EMERGENCY ASSISTANCE FOR THE REDEVELOPMENT OF ABANDONED AND FORECLOSED HOMES.

''(a) DIRECT APPROPRIATIONS.—There are appropriated out of any money in the Treasury not otherwise appropriated for the fiscal year 2008, $4,000,000,000, to remain available until expended, for assistance to States and units of general local government (as such terms are defined in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302)) for the redevelopment of abandoned and foreclosed upon homes and residential properties.

''(b) ALLOCATION OF APPROPRIATED AMOUNTS.—

''(1) IN GENERAL.—The amounts appropriated or otherwise made available to States and units of general local government under this section shall be allocated based on a funding formula established by the Secretary of Housing and Urban Development (in this title referred to as the 'Secretary').

''(2) FORMULA TO BE DEVISED SWIFTLY.—The funding formula required under paragraph (1) shall be established not later than 60 days after the date of enactment of this section [July 30, 2008].

''(3) CRITERIA.—The funding formula required under paragraph (1) shall ensure that any amounts appropriated or otherwise made available under this section are allocated to States and units of general local government with the greatest need, as such need is determined in the discretion of the Secretary based on—

''(A) the number and percentage of home foreclosures in each State or unit of general local government;

''(B) the number and percentage of homes financed by a subprime mortgage related loan in each State or unit of general local government; and

''(C) the number and percentage of homes in default or delinquency in each State or unit of general local government.

''(4) DISTRIBUTION.—Amounts appropriated or otherwise made available under this section shall be distributed according to the funding formula established by the Secretary under paragraph (1) not later than 30 days after the establishment of such formula.

''(c) USE OF FUNDS.—

''(1) IN GENERAL.—Any State or unit of general local government that receives amounts pursuant to this section shall, not later than 18 months after the receipt of such amounts, use such amounts to purchase and redevelop abandoned and foreclosed homes and residential properties.

''(2) PRIORITY.—Any State or unit of general local government that receives amounts pursuant to this section shall in distributing such amounts give priority emphasis and consideration to those metropolitan areas, metropolitan cities, urban areas, rural areas, low- and moderate-income areas, and other areas with the greatest need, including those—

''(A) with the greatest percentage of home foreclosures;

''(B) with the highest percentage of homes financed by a subprime mortgage related loan; and

''(C) identified by the State or unit of general local government as likely to face a significant rise in the rate of home foreclosures.

''(3) EXCEPTION FOR CERTAIN STATES.—Each State that has received the minimum allocation of amounts pursuant to the requirement under section 2302 may, to the extent such State has fulfilled the requirements of paragraph (2), distribute any remaining amounts to areas with homeowners at risk of foreclosure or in foreclosure without regard to the percentage of home foreclosures in such areas.

''(4) ELIGIBLE USES.—Amounts made available under this section may be used to—

''(A) establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-seconds, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers;

''(B) purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties;

''(C) establish and operate land banks for homes and residential properties that have been foreclosed upon[;]

''(D) demolish blighted structures; and

''(E) redevelop demolished or vacant properties.

''(d) LIMITATIONS.—

''(1) ON PURCHASES.—Any purchase of a foreclosed upon home or residential property under this section shall be at a discount from the current market appraised value of the home or property, taking into account its current condition, and such discount shall ensure that purchasers are paying below-market value for the home or property.

''(2) REHABILITATION.—Any rehabilitation of a foreclosed-upon home or residential property under this section shall be to the extent necessary to comply with applicable laws, codes, and other requirements relating to housing safety, quality, and habitability, in order to sell, rent, or redevelop such homes and properties. Rehabilitation may include improvements to increase the energy efficiency or conservation of such homes and properties or provide a renewable energy source or sources for such homes and properties.

''(3) SALE OF HOMES.—If an abandoned or foreclosed upon home or residential property is purchased, redeveloped, or otherwise sold to an individual as a primary residence, then such sale shall be in an amount equal to or less than the cost to acquire and redevelop or rehabilitate such home or property up to a decent, safe, and habitable condition.

''(e) RULES OF CONSTRUCTION.—

''(1) IN GENERAL.—Except as otherwise provided by this section, amounts appropriated, revenues generated, or amounts otherwise made available to States and units of general local government under this section shall be treated as though such funds were community development block grant funds under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.).

''(2) NO MATCH.—No matching funds shall be required in order for a State or unit of general local government to receive any amounts under this section.

''(f) AUTHORITY TO SPECIFY ALTERNATIVE REQUIREMENTS.—

''(1) IN GENERAL.—In administering any amounts appropriated or otherwise made available under this section, the Secretary may specify alternative requirements to any provision under title I of the Housing and Community Development Act of 1974 [42 U.S.C. 5301 et seq.] (except for those related to fair housing, nondiscrimination, labor standards, and the environment) in accordance with the terms of this section and for the sole purpose of expediting the use of such funds.

''(2) NOTICE.—The Secretary shall provide written notice of its intent to exercise the authority to specify alternative requirements under paragraph (1) to the Committee on Banking, Housing and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives not later than 10 business days before such exercise of authority is to occur.

''(3) LOW AND MODERATE INCOME REQUIREMENT.—

''(A) IN GENERAL.—Notwithstanding the authority of the Secretary under paragraph (1)—

''(i) all of the funds appropriated or otherwise made available under this section shall be used

with respect to individuals and families whose income does not exceed 120 percent of area median income; and

''(ii) not less than 25 percent of the funds appropriated or otherwise made available under this section shall be used to house individuals or families whose incomes do not exceed 50 percent of area median income.

''(B) RECURRENT REQUIREMENT.—The Secretary shall, by rule or order, ensure, to the maximum extent practicable and for the longest feasible term, that the sale, rental, or redevelopment of abandoned and foreclosed upon homes and residential properties under this section remain affordable to individuals or families described in subparagraph (A).

''(g) PERIODIC AUDITS.—In consultation with the Secretary of Housing and Urban Development, the Comptroller General of the United States shall conduct periodic audits to ensure that funds appropriated, made available, or otherwise distributed under this section are being used in a manner consistent with the criteria provided in this section.

''SEC. 2302. NATIONWIDE DISTRIBUTION OF RESOURCES.

''Notwithstanding any other provision of this Act [see Short Title of 2008 Amendment note set out under section 1701 of Title 12] or the amendments made by this Act, each State shall receive not less than 0.5 percent of funds made available under section 2301 (relating to emergency assistance for the redevelopment of abandoned and foreclosed homes).

''SEC. 2303. LIMITATION ON USE OF FUNDS WITH RESPECT TO EMINENT DOMAIN.

''No State or unit of general local government may use any amounts received pursuant to section 2301 to fund any project that seeks to use the power of eminent domain, unless eminent domain is employed only for a public use: *Provided*, That for purposes of this section, public use shall not be construed to include economic development that primarily benefits private entities.

''SEC. 2304. LIMITATION ON DISTRIBUTION OF FUNDS.

''(a) IN GENERAL.—None of the funds made available under this title or title IV [122 Stat. 2854] shall be distributed to—

''(1) an organization which has been indicted for a violation under Federal law relating to an election for Federal office; or

''(2) an organization which employs applicable individuals.

''(b) APPLICABLE INDIVIDUALS DEFINED.—In this section, the term 'applicable individual' means an individual who—

''(1) is—

''(A) employed by the organization in a permanent or temporary capacity;

''(B) contracted or retained by the organization; or

''(C) acting on behalf of, or with the express or apparent authority of, the organization; and

''(2) has been indicted for a violation under Federal law relating to an election for Federal office.

''SEC. 2305. COUNSELING INTERMEDIARIES.

''Notwithstanding any other provision of this Act [see Short Title of 2008 Amendment note set out under section 1701 of Title 12], the amount appropriated under section 2301(a) of this Act shall be $3,920,000,000 and the amount appropriated under section 2401 of this Act [122 Stat. 2854] shall be $180,000,000: *Provided*, That of the amount appropriated under section 2401 of this Act pursuant to this section, not less than 15 percent shall be provided to counseling organizations that target counseling services regarding loss mitigation to minority and low-income homeowners or provide such services in neighborhoods with high concentrations of minority and low-income homeowners: *Provided further*, That of amounts appropriated under such section 2401 $30,000,000 shall be used by the Neighborhood Reinvestment Corporation (referred to in this section as the 'NRC') to make grants to counseling intermediaries approved by the Department of Housing and Urban Development or the NRC to hire attorneys to assist homeowners who have legal issues directly related to the homeowner's foreclosure, delinquency or short sale. Such attorneys shall be capable of assisting homeowners of owner-occupied homes with mortgages in default, in danger of default, or subject to or at risk of foreclosure and who have legal issues that cannot be handled by counselors already employed by such intermediaries: *Provided further*, That of the amounts provided for in the prior provisos the NRC shall give priority consideration to counseling intermediaries and legal organizations that (1) provide legal assistance in the 100 metropolitan statistical areas (as defined by the Director of the Office of Management and Budget) with the highest home foreclosure rates, and (2) have the capacity to begin using the financial assistance within 90 days after receipt of the assistance: *Provided further*, That no funds provided under this Act shall be used to provide, obtain, or arrange on behalf of a homeowner, legal representation involving or for the purposes of civil litigation: *Provided further*, That the NRC, in awarding counseling grants under section 2401 of this Act, may consider, where appropriate, whether the entity has implemented a written plan for providing in-person counseling and for making contact, including personal contact, with defaulted mortgagors, for the purpose of providing counseling or providing information about available counseling.''

[Pub. L. 111–203, § 1497(b)(1)(A), which directed amendment of section 2301(f)(3)(A)(ii) of Pub. L. 110–289, set out above, by striking out ''for the purchase and redevelopment of abandoned and foreclosed upon homes or residential properties that will be used'', was executed by striking out ''for the purchase and redevelopment of abandoned or foreclosed upon homes or residential properties that will be used'' before ''to house'', to reflect the probable intent of Congress.]

[Pub. L. 111–22, div. A, title I, § 105(b), May 20, 2009, 123 Stat. 1638, provided that: ''The amendment made by subsection (a) [amending section 2301 of Pub. L. 110–289, set out above] shall take effect as if enacted on the date of enactment of the Foreclosure Prevention Act of 2008 (Public Law 110–289) [July 30, 2008].'']

INCOME ELIGIBILITY FOR HOME AND CDBG PROGRAMS

Pub. L. 105–276, title V, § 590, Oct. 21, 1998, 112 Stat. 2651, provided that:

''(a) IN GENERAL.—The Secretary of Housing and Urban Development shall, for not less than 10 jurisdictions that are metropolitan cities or urban counties for purposes of title I of the Housing and Community Development Act of 1974 [42 U.S.C. 5301 et seq.], grant exceptions not later than 90 days after the date of the enactment of this Act [Oct. 21, 1998] for such jurisdictions that provide that—

''(1) for purposes of the HOME investment partnerships program under title II of the Cranston-Gonzalez National Affordable Housing Act [42 U.S.C. 12721 et seq.], the limitation based on percentage of median income that is applicable under section 104(10), 214(1)(A), or 215(a)(1)(A) [42 U.S.C. 12704(10), 12744(1)(A), 12745(a)(1)(A)] for any area of the jurisdiction shall be the numerical percentage that is specified in such section; and

''(2) for purposes of the community development block grant program under title I of the Housing and Community Development Act of 1974 [42 U.S.C. 5301 et seq.], the limitation based on percentage of median income that is applicable pursuant to section 102(a)(20) [42 U.S.C. 5302(a)(20)] for any area within the State or unit of general local government shall be the numerical percentage that is specified in subparagraph (A) of such section.

''(b) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act [Oct. 21, 1998].''

FINDINGS AND PURPOSE

Section 2 of Pub. L. 100–242 provided that:

''(a) FINDINGS.—The Congress finds that—

''(1) for the past 50 years, the Federal Government has taken the leading role in enabling the people of the Nation to be the best housed in the world, and recent reductions in Federal assistance have contributed to a deepening housing crisis for low- and moderate-income families;

''(2) the efforts of the Federal Government have included a system of specialized lending institutions, favorable tax policies, construction assistance, mortgage insurance, loan guarantees, secondary markets, and interest and rental subsidies, that have enabled people to rent or buy affordable, decent, safe, and sanitary housing; and

''(3) the tragedy of homelessness in urban and suburban communities across the Nation, involving a record number of people, dramatically demonstrates the lack of affordable residential shelter, and people living on the economic margins of our society (lower income families, the elderly, the working poor, and the deinstitutionalized) have few available alternatives for shelter.

''(b) PURPOSE.—The purpose of this Act [see Short Title of 1988 Amendment note above], therefore, is—

''(1) to reaffirm the principle that decent and affordable shelter is a basic necessity, and the general welfare of the Nation and the health and living standards of its people require the addition of new housing units to remedy a serious shortage of housing units for all Americans, particularly for persons of low and moderate income;

''(2) to make the distribution of direct and indirect housing assistance more equitable by providing Federal assistance for the less affluent people of the Nation;

''(3) to provide needed housing assistance for homeless people and for persons of low and moderate income who lack affordable, decent, safe, and sanitary housing; and

''(4) to reform existing programs to ensure that such assistance is delivered in the most efficient manner possible.''

BUDGET COMPLIANCE

Section 3 of Pub. L. 100–242 provided that:

''(a) IN GENERAL.—This Act and the amendments made by this Act [see Short Title of 1988 Amendment note above] may not be construed to provide for new budget authority, budget outlays, or new entitlement authority, for fiscal year 1988 in excess of the appropriate aggregate levels established by the concurrent resolution on the budget for such fiscal year for the programs authorized by this Act and the amendments made by this Act.

''(b) DEFINITIONS.—For purposes of this section, the terms 'budget authority', 'budget outlays', 'concurrent resolution on the budget', and 'entitlement authority' have the meanings given such terms in section 3 of the Congressional Budget Act of 1974 (2 U.S.C. 622).''

CREDIT LIMITATION

Section 4 of Pub. L. 100–242 provided that: ''Any new credit authority (as defined in section 3 of the Congressional Budget Act of 1974 [2 U.S.C. 622]) which is provided by this Act [see Short Title of 1988 Amendment note above], or by an amendment made by this Act, shall be effective only to such extent or in such amounts as are provided in appropriation Acts.''

LIMITATION ON SPENDING AUTHORITY

Section 5 of Pub. L. 100–242 provided that: ''Any new spending authority (as defined in section 401(c) of the Congressional Budget Act of 1974 [2 U.S.C. 651(c)]) which is provided by this Act, or by an amendment made by this Act [see Short Title of 1988 Amendment note above], shall be effective only to such extent or in such amounts as are provided in appropriation Acts.''

LIMITATION ON WITHHOLDING OR CONDITIONING OF ASSISTANCE

Section 817 of Pub. L. 93–383, as amended by Pub. L. 98–181, title III, § 302(c), Nov. 30, 1983, 97 Stat. 1206, provided that: ''Assistance provided for in this Act [see Short Title note above] the National Housing Act, [12 U.S.C. 1701 et seq.], the United States Housing Act of 1937 [42 U.S.C. 1437 et seq.], the Housing Act of 1949 [42 U.S.C. 1441 et seq.], the Demonstration Cities and Metropolitan Development Act of 1966 [see Short Title note set out under section 3331 of this title], the Housing and Urban Development Acts of 1965, 1968, 1969, and 1970 [see Short Title notes set out under section 1701 of Title 12, Banks and Banking], and section 17 of the United States Housing Act of 1937 [42 U.S.C. 1437*o*] shall not be withheld or made subject to conditions or preference by reason of the tax-exempt status of bonds or other obligations issued or to be issued to provide financing for use in connection with such assistance, except where otherwise expressly provided or authorized by law.''

## § 5302. General provisions

### (a) Definitions

As used in this chapter—

(1) The term ''unit of general local government'' means any city, county, town, township, parish, village, or other general purpose political subdivision of a State; Guam, the Northern Mariana Islands, the Virgin Islands, and American Samoa, or a general purpose political subdivision thereof; a combination of such political subdivisions that, except as provided in section 5306(d)(4) of this title, is recognized by the Secretary; and the District of Columbia. Such term also includes a State or a local public body or agency (as defined in section 4512[1] of this title), community association, or other entity, which is approved by the Secretary for the purpose of providing public facilities or services to a new community as part of a program meeting the eligibility standards of section 4513[1] of this title or title IV of the Housing and Urban Development Act of 1968 [42 U.S.C. 3901 et seq.].

(2) The term ''State'' means any State of the United States, or any instrumentality thereof approved by the Governor; and the Commonwealth of Puerto Rico.

(3) The term ''metropolitan area'' means a standard metropolitan statistical area as established by the Office of Management and Budget.

(4) The term ''metropolitan city'' means (A) a city within a metropolitan area which is the central city of such area, as defined and used by the Office of Management and Budget, or (B) any other city, within a metropolitan area, which has a population of fifty thousand or more. Any city that was classified as a metropolitan city for at least 2 years pursuant to the first sentence of this paragraph shall remain classified as a metropolitan city. Any unit of general local government that becomes eligible to be classified as a metropolitan city, and was not classified as a metropolitan city in the immediately preceding fiscal year, may, upon submission of written notification to the Secretary, defer its classification as a metropolitan city for all purposes under this chapter, if it elects to have its population included

[1] See References in Text note below.

in an urban county under subsection (d) of this section. Notwithstanding the second sentence of this paragraph, a city may elect not to retain its classification as a metropolitan city. Any city classified as a metropolitan city pursuant to this paragraph, and that no longer qualifies as a metropolitan city in a fiscal year beginning after fiscal year 1989, shall retain its classification as a metropolitan city for such fiscal year and the succeeding fiscal year, except that in such succeeding fiscal year (A) the amount of the grant to such city shall be 50 percent of the amount calculated under section 5306(b) of this title; and (B) the remaining 50 percent shall be added to the amount allocated under section 5306(d) of this title to the State in which the city is located and the city shall be eligible in such succeeding fiscal year to receive a distribution from the State allocation under section 5306(d) of this title as increased by this sentence. Any unit of general local government that was classified as a metropolitan city in any fiscal year, may, upon submission of written notification to the Secretary, relinquish such classification for all purposes under this chapter if it elects to have its population included with the population of a county for purposes of qualifying for assistance (for such following fiscal year) under section 5306 of this title as an urban county under paragraph (6)(D). Any metropolitan city that elects to relinquish its classification under the preceding sentence and whose port authority shipped at least 35,000,000 tons of cargo in 1988, of which iron ore made up at least half, shall not receive, in any fiscal year, a total amount of assistance under section 5306 of this title from the urban county recipient that is less than the city would have received if it had not relinquished the classification under the preceding sentence. Notwithstanding any other provision of this paragraph, with respect to any fiscal year beginning after September 30, 2007, the cities of Alton and Granite City, Illinois, shall be considered metropolitan cities for purposes of this chapter.

(5) The term ''city'' means (A) any unit of general local government which is classified as a municipality by the United States Bureau of the Census or (B) any other unit of general local government which is a town or township and which, in the determination of the Secretary, (i) possesses powers and performs functions comparable to these associated with municipalities, (ii) is closely settled, and (iii) contains within its boundaries no incorporated places as defined by the United States Bureau of the Census which have not entered into cooperation agreements with such town or township to undertake or to assist in the undertaking of essential community development and housing assistance activities.

(6)(A) The term ''urban county'' means any county within a metropolitan area which—

(i) is authorized under State law to undertake essential community development and housing assistance activities in its unincorporated areas, if any, which are not units of general local government; and

(ii) either—

(I) has a population of 200,000 or more (excluding the population of metropolitan cities therein) and has a combined population of 100,000 or more (excluding the population of metropolitan cities therein) in such unincorporated areas and in its included units of general local government (and in the case of counties having a combined population of less than 200,000, the areas and units of general local government must include the areas and units of general local government which in the aggregate have the preponderance of the persons of low and moderate income who reside in the county) (a) in which it has authority to undertake essential community development and housing assistance activities and which do not elect to have their population excluded, or (b) with which it has entered into cooperation agreements to undertake or to assist in the undertaking of essential community development and housing assistance activities; or

(II) has a population in excess of 100,000, a population density of at least 5,000 persons per square mile, and contains within its boundaries no incorporated places as defined by the United States Bureau of the Census.

(B) Any county that was classified as an urban county for at least 2 years pursuant to subparagraph (A), (C), or (D) shall remain classified as an urban county, unless it fails to qualify as an urban county pursuant to subparagraph (A) by reason of the election of any unit of general local government included in such county to have its population excluded under clause (ii)(I)(a) of subparagraph (A) or not to renew a cooperation agreement under clause (ii)(I)(b) of such subparagraph.

(C) Notwithstanding the combined population amount set forth in clause (ii) of subparagraph (A), a county shall also qualify as an urban county for purposes of assistance under section 5306 of this title if such county—

(i) complies with all other requirements set forth in the first sentence;

(ii) has, according to the most recent available decennial census data, a combined population between 190,000 and 199,999, inclusive (excluding the population of metropolitan cities therein) in all its unincorporated areas that are not units of general local government and in all units of general local government located within such county;

(iii) had a population growth rate of not less than 15 percent during the most recent 10-year period measured by applicable censuses; and

(iv) has submitted data satisfactory to the Secretary that it has a combined population of not less than 200,000 (excluding the population of metropolitan cities therein) in all its unincorporated areas that are not units of general local government and in all units of general local government located within such county.

(D) Such term also includes a county that—

(i) has a combined population in excess of 175,000, has more than 50 percent of the hous-

ing units of the area unsewered, and has an aquifer that was designated before March 1, 1987, a sole source aquifer by the Environmental Protection Agency;

(ii) has taken steps, which include at least one public referendum, to consolidate substantial public services with an adjoining metropolitan city, and in the opinion of the Secretary, has consolidated these services with the city in an effort that is expected to result in the unification of the two governments within 6 years of February 5, 1988;

(iii) had a population between 180,000 and 200,000 on October 1, 1987, was eligible for assistance under section 5318 of this title in fiscal year 1986, and does not contain any metropolitan cities;

(iv) has entered into a local cooperation agreement with a metropolitan city that received assistance under section 5306 of this title because of such classification, and has elected under paragraph (4) to have its population included with the population of the county for purposes of qualifying as an urban county; except that to qualify as an urban county under this clause (I) the county must have a combined population of not less than 195,000, (II) more than 15 percent of the residents of the county shall be 60 years of age or older (according to the most recent decennial census data), (III) not less than 20 percent of the total personal income in the county shall be from pensions, social security, disability, and other transfer programs, and (IV) not less than 40 percent of the land within the county shall be publicly owned and not subject to property tax levies;

(v)(I) has a population of 175,000 or more (including the population of metropolitan cities therein), (II) before January 1, 1975, was designated by the Secretary of Defense pursuant to section 608 of the Military Construction Authorization Act, 1975 (Public Law 93–552; 88 Stat. 1763), as a Trident Defense Impact Area, and (III) has located therein not less than 1 unit of general local government that was classified as a metropolitan city and (a) for which county each such unit of general local government therein has relinquished its classification as a metropolitan city under the 6th sentence of paragraph (4), or (b) that has entered into cooperative agreements with each metropolitan city therein to undertake or to assist in the undertaking of essential community development and housing assistance activities;

(vi) has entered into a local cooperation agreement with a metropolitan city that received assistance under section 5306 of this title because of such classification, and has elected under paragraph (4) to have its population included with the population of the county for the purposes of qualifying as an urban county, except that to qualify as an urban county under this clause, the county must—

(I) have a combined population of not less than 210,000, excluding any metropolitan city located in the county that is not relinquishing its metropolitan city classification, according to the 1990 decennial census of the Bureau of the Census of the Department of Commerce;

(II) including any metropolitan cities located in the county, have had a decrease in population of 10,061 from 1992 to 1994, according to the estimates of the Bureau of the Census of the Department of Commerce; and

(III) have had a Federal naval installation that was more than 100 years old closed by action of the Base Closure and Realignment Commission appointed for 1993 under the Base Closure and Realignment Act of 1990, directly resulting in a loss of employment by more than 7,000 Federal Government civilian employees and more than 15,000 active duty military personnel, which naval installation was located within one mile of an enterprise community designated by the Secretary pursuant to section 1391 of title 26, which enterprise community has a population of not less than 20,000, according to the 1990 decennial census of the Bureau of the Census of the Department of Commerce[2]

(vii)(I) has consolidated its government with one or more municipal governments, such that within the county boundaries there are no unincorporated areas; (II) has a population of not less than 650,000; (III) for more than 10 years, has been classified as a metropolitan city for purposes of allocating and distributing funds under section 5306 of this title; and (IV) as of October 27, 2000, has over 90 percent of the county's population within the jurisdiction of the consolidated government; or

(viii) notwithstanding any other provision of this section, any county that was classified as an urban county pursuant to subparagraph (A) for fiscal year 1999, at the option of the county, may hereafter remain classified as an urban county for purposes of this Act.

(E) Any county classified as an urban county pursuant to subparagraph (A), (B), or (C) of this paragraph, and that no longer qualifies as an urban county under such subparagraph in a fiscal year beginning after fiscal year 1989, shall retain its classification as an urban county for such fiscal year and the succeeding fiscal year, except that in such succeeding fiscal year (i) the amount of the grant to such an urban county shall be 50 percent of the amount calculated under section 5306(b) of this title; and (ii) the remaining 50 percent shall be added to the amount allocated under section 5306(d) of this title to the State in which the urban county is located and the urban county shall be eligible in such succeeding fiscal year to receive a distribution from the State allocation under section 5306(d) of this title as increased by this sentence.

(7) The term ''nonentitlement area'' means an area which is not a metropolitan city or part of an urban county and does not include Indian tribes.

[2] So in original. Probably should be followed by a semicolon.

(8) The term ''population'' means total resident population based on data compiled by the United States Bureau of the Census and referable to the same point or period in time.

(9) The term ''extent of poverty'' means the number of persons whose incomes are below the poverty level. Poverty levels shall be determined by the Secretary pursuant to criteria provided by the Office of Management and Budget, taking into account and making adjustments, if feasible and appropriate and in the sole discretion of the Secretary, for regional or area variations in income and cost of living, and shall be based on data referable to the same point or period in time.

(10) The term ''extent of housing overcrowding'' means the number of housing units with 1.01 or more persons per room based on data compiled by the United States Bureau of the Census and referable to the same point or period in time.

(11) The term ''age of housing'' means the number of existing housing units constructed in 1939 or earlier based on data compiled by the United States Bureau of the Census and referable to the same point or period in time.

(12) The term ''extent of growth lag'' means the number of persons who would have been residents in a metropolitan city or urban county, in excess of the current population of such metropolitan city or urban county, if such metropolitan city or urban county had had a population growth rate between 1960 and the date of the most recent population count referable to the same point or period in time equal to the population growth rate for such period of all metropolitan cities. Where the boundaries for a metropolitan city or urban county used for the 1980 census have changed as a result of annexation, the current population used to compute extent of growth lag shall be adjusted by multiplying the current population by the ratio of the population based on the 1980 census within the boundaries used for the 1980 census to the population based on the 1980 census within the current boundaries.

(13) The term ''housing stock'' means the number of existing housing units based on data compiled by the United States Bureau of the Census and referable to the same point or period in time.

(14) The term ''adjustment factor'' means the ratio between the age of housing in the metropolitan city or urban county and the predicted age of housing in such city or county.

(15) The term ''predicted age of housing'' means the arithmetic product of the housing stock in the metropolitan city or urban county multiplied times the ratio between the age of housing in all metropolitan areas and the housing stock in all metropolitan areas.

(16) The term ''adjusted age of housing'' means the arithmetic product of the age of housing in the metropolitan city or urban county multiplied times the adjustment factor.

(17) The term ''Indian tribe'' means any Indian tribe, band, group, and nation, including Alaska Indians, Aleuts, and Eskimos, and any Alaskan Native Village, of the United States, which is considered an eligible recipient under the Indian Self-Determination and Education Assistance Act (Public Law 93–638) [25 U.S.C. 450 et seq.] or was considered an eligible recipient under chapter 67 of title 31 prior to the repeal of such chapter.

(18) The term ''Federal grant-in-aid program'' means a program of Federal financial assistance other than loans and other than the assistance provided by this chapter.

(19) The term ''Secretary'' means the Secretary of Housing and Urban Development.

(20)(A) The terms ''persons of low and moderate income'' and ''low- and moderate-income persons'' mean families and individuals whose incomes do not exceed 80 percent of the median income of the area involved, as determined by the Secretary with adjustments for smaller and larger families. The term ''persons of low income'' means families and individuals whose incomes do not exceed 50 percent of the median income of the area involved, as determined by the Secretary with adjustments for smaller and larger families. The term ''persons of moderate income'' means families and individuals whose incomes exceed 50 percent, but do not exceed 80 percent, of the median income of the area involved, as determined by the Secretary with adjustments for smaller and larger families. For purposes of such terms, the area involved shall be determined in the same manner as such area is determined for purposes of assistance under section 1437f of this title.

(B) The Secretary may establish percentages of median income for any area that are higher or lower than the percentages set forth in subparagraph (A), if the Secretary finds such variations to be necessary because of unusually high or low family incomes in such area.

(21) The term ''buildings for the general conduct of government'' means city halls, county administrative buildings, State capitol or office buildings, or other facilities in which the legislative or general administrative affairs of the government are conducted. Such term does not include such facilities as neighborhood service centers or special purpose buildings located in low- and moderate-income areas that house various nonlegislative functions or services provided by government at decentralized locations.

(22) The term ''microenterprise'' means a commercial enterprise that has 5 or fewer employees, 1 or more of whom owns the enterprise.

(23) The term ''small business'' means a business that meets the criteria set forth in section 632(a) of title 15.

(24) The term ''insular area'' means each of Guam, the Northern Mariana Islands, the Virgin Islands, and American Samoa.

**(b) Basis and modification of definitions**

Where appropriate, the definitions in subsection (a) of this section shall be based, with respect to any fiscal year, on the most recent data compiled by the United States Bureau of the Census and the latest published reports of the Office of Management and Budget available ninety days prior to the beginning of such fiscal

year. The Secretary may by regulation change or otherwise modify the meaning of the terms defined in subsection (a) of this section in order to reflect any technical change or modification thereof made subsequent to such date by the United States Bureau of the Census or the Office of Management and Budget.

**(c) Designation of public agencies**

One or more public agencies, including existing local public agencies, may be designated by the chief executive officer of a State or a unit of general local government to undertake activities assisted under this chapter.

**(d) Local governments, inclusion in urban county population**

With respect to program years beginning with the program year for which grants are made available from amounts appropriated for fiscal year 1982 under section 5303 of this title, the population of any unit of general local government which is included in that of an urban county as provided in subparagraph (A)(ii) or (D) of subsection (a)(6) of this section shall be included in the population of such urban county for three program years beginning with the program year in which its population was first so included and shall not otherwise be eligible for a grant under section 5306 of this title as a separate entity, unless the urban county does not receive a grant for any year during such three-year period.

**(e) Exclusion of local governments from urban county population; notification of election**

Any county seeking qualification as an urban county, including any urban county seeking to continue such qualification, shall notify, as provided in this subsection, each unit of general local government, which is included therein and is eligible to elect to have its population excluded from that of an urban county under subsection (a)(6)(A)(ii)(I)(a) of this section, of its opportunity to make such an election. Such notification shall, at a time and in a manner prescribed by the Secretary, be provided so as to provide a reasonable period for response prior to the period for which such qualification is sought. The population of any unit of general local government which is provided such notification and which does not inform, at a time and in a manner prescribed by the Secretary, the county of its election to exclude its population from that of the county shall, if the county qualifies as an urban county, be included in the population of such urban county as provided in subsection (d) of this section.

(Pub. L. 93–383, title I, § 102, Aug. 22, 1974, 88 Stat. 635; Pub. L. 95–128, title I, § 102, Oct. 12, 1977, 91 Stat. 1111; Pub. L. 96–153, title I, § 103(f), Dec. 21, 1979, 93 Stat. 1102; Pub. L. 96–399, title I, §§ 101(a), (b)(1), (c), 111(a), Oct. 8, 1980, 94 Stat. 1614, 1620; Pub. L. 97–35, title III, §§ 309(a)–(c), 310, Aug. 13, 1981, 95 Stat. 396, 397; Pub. L. 97–289, § 5, Oct. 6, 1982, 96 Stat. 1231; Pub. L. 98–181, title I, § 102, Nov. 30, 1983, 97 Stat. 1159; Pub. L. 98–479, title I, § 101(a)(1)–(4), title II, § 203(*l*)(1), Oct. 17, 1984, 98 Stat. 2218, 2219, 2231; Pub. L. 99–120, § 5(a), Oct. 8, 1985, 99 Stat. 504; Pub. L. 99–156, § 5(a), Nov. 15, 1985, 99 Stat. 816; Pub. L. 99–219, § 5(a), Dec. 26, 1985, 99 Stat. 1731; Pub. L. 99–267, § 5(a), Mar. 27, 1986, 100 Stat. 74; Pub. L. 99–272, title III, § 3011(a), title XIV, § 14001(b)(3), Apr. 7, 1986, 100 Stat. 106, 328; Pub. L. 99–289, § 1(b), May 2, 1986, 100 Stat. 412; Pub. L. 99–345, § 1, June 24, 1986, 100 Stat. 673; Pub. L. 99–430, Sept. 30, 1986, 100 Stat. 986; Pub. L. 100–77, title IV, § 442, July 22, 1987, 101 Stat. 509; Pub. L. 100–122, § 1, Sept. 30, 1987, 101 Stat. 793; Pub. L. 100–154, Nov. 5, 1987, 101 Stat. 890; Pub. L. 100–170, Nov. 17, 1987, 101 Stat. 914; Pub. L. 100–179, Dec. 3, 1987, 101 Stat. 1018; Pub. L. 100–200, Dec. 21, 1987, 101 Stat. 1327; Pub. L. 100–202, § 101(f) [title I, § 101], Dec. 22, 1987, 101 Stat. 1329–187, 1329–193; Pub. L. 100–242, title V, § 503, Feb. 5, 1988, 101 Stat. 1923; Pub. L. 100–628, title X, §§ 1081, 1082(a), Nov. 7, 1988, 102 Stat. 3276, 3277; Pub. L. 101–235, title VII, § 702(a), Dec. 15, 1989, 103 Stat. 2056; Pub. L. 101–507, title II, Nov. 5, 1990, 104 Stat. 1370; Pub. L. 101–625, title IX, §§ 903(a)–(c)(2), 904(a), Nov. 28, 1990, 104 Stat. 4385–4387; Pub. L. 102–550, title VIII, §§ 802(a), 803, 807(c)(2), Oct. 28, 1992, 106 Stat. 3845, 3849; Pub. L. 104–204, title II, § 216, Sept. 26, 1996, 110 Stat. 2904; Pub. L. 106–377, § 1(a)(1) [title II, § 217], Oct. 27, 2000, 114 Stat. 1441, 1441A–28; Pub. L. 108–186, title V, § 501(a), (b), Dec. 16, 2003, 117 Stat. 2696; Pub. L. 110–161, div. K, title II, § 232, Dec. 26, 2007, 121 Stat. 2438.)

REFERENCES IN TEXT

This chapter, referred to in subsecs. (a) and (c), was in the original "this title", meaning title I of Pub. L. 93–383, Aug. 22, 1974, 88 Stat. 633, which is classified principally to this chapter. For complete classification of title I to the Code, see Tables.

Sections 4512 and 4513 of this title, referred to in subsec. (a)(1), were repealed by Pub. L. 98–181, title IV, § 474(e), Nov. 30, 1983, 97 Stat. 1239.

The Housing and Urban Development Act of 1968, referred to in subsec. (a)(1), is Pub. L. 90–448, Aug. 1, 1968, 82 Stat. 476. Title IV of the Housing and Urban Development Act of 1968, which was classified principally to chapter 48 (§ 3901 et seq.) of this title, was repealed, with certain exceptions which were omitted from the Code, by Pub. L. 98–181, title IV, § 474(e), Nov. 30, 1983, 97 Stat. 1239. For complete classification of this Act to the Code, see Short Title of 1968 Amendment note set out under section 1701 of Title 12, Banks and Banking, and Tables.

Section 608 of the Military Construction Authorization Act, 1975, referred to in subsec. (a)(6)(D)(v)(II), is not classified to the Code.

The Base Closure and Realignment Act of 1990, referred to in subsec. (a)(6)(D)(vi)(III), probably means the Defense Base Closure and Realignment Act of 1990, which is part A of title XXIX of div. B of Pub. L. 101–510, Nov. 5, 1990, 104 Stat. 1808, and which is set out as a note under section 2687 of Title 10, Armed Forces. For complete classification of this Act to the Code, see Tables.

This Act, referred to in subsec. (a)(6)(D)(viii), is Pub. L. 93–383, Aug. 22, 1974, 88 Stat. 633, known as the Housing and Community Development Act of 1974. For complete classification of this Act to the Code, see Short Title note set out under section 5301 of this title and Tables.

The Indian Self-Determination and Education Assistance Act, referred to in subsec. (a)(17), is Pub. L. 93–638, Jan. 4, 1975, 88 Stat. 2203, which is classified principally to subchapter II (§ 450 et seq.) of chapter 14 of Title 25, Indians. For complete classification of this Act to the Code, see Short Title note set out under section 450 of Title 25 and Tables.

Chapter 67 of title 31, referred to in subsec. (a)(17), was repealed by Pub. L. 99–272, title XIV, § 14001(a)(1), Apr. 7, 1986, 100 Stat. 327.

AMENDMENTS

2007—Subsec. (a)(4). Pub. L. 110–161 inserted at end "Notwithstanding any other provision of this para-

graph, with respect to any fiscal year beginning after September 30, 2007, the cities of Alton and Granite City, Illinois, shall be considered metropolitan cities for purposes of this chapter.''

2003—Subsec. (a)(1). Pub. L. 108–186, § 501(b), in first sentence, inserted ''and'' after ''Secretary;'' and struck out ''; and the Trust Territory of the Pacific Islands'' after ''the District of Columbia''.

Subsec. (a)(24). Pub. L. 108–186, § 501(a), added par. (24).

2000—Subsec. (a)(6)(D)(vii), (viii). Pub. L. 106–377 added cls. (vii) and (viii).

1996—Subsec. (a)(6)(D)(vi). Pub. L. 104–204 added cl. (vi).

1992—Subsec. (a)(1). Pub. L. 102–550, § 802(a), substituted ''that, except as provided in section 5306(d)(4) of this title, is recognized by the Secretary'' for ''recognized by the Secretary''.

Subsec. (a)(6)(D)(v). Pub. L. 102–550, § 803, added cl. (v).

Subsec. (a)(22), (23). Pub. L. 102–550, § 807(c)(2), added pars. (22) and (23).

1990—Subsec. (a)(4). Pub. L. 101–625, § 903(c)(1), inserted at end ''Any unit of general local government that was classified as a metropolitan city in any fiscal year, may, upon submission of written notification to the Secretary, relinquish such classification for all purposes under this chapter if it elects to have its population included with the population of a county for purposes of qualifying for assistance (for such following fiscal year) under section 5306 of this title as an urban county under paragraph (6)(D). Any metropolitan city that elects to relinquish its classification under the preceding sentence and whose port authority shipped at least 35,000,000 tons of cargo in 1988, of which iron ore made up at least half, shall not receive, in any fiscal year, a total amount of assistance under section 5306 of this title from the urban county recipient that is less than the city would have received if it had not relinquished the classification under the preceding sentence.''

Pub. L. 101–625, § 903(a), substituted ''Any city that was classified as a metropolitan city for at least 2 years pursuant to the first sentence of this paragraph shall remain classified as a metropolitan city.'' for ''In order to permit an orderly transition of each city losing its classification as a metropolitan city by reason of a decrease in population or revisions in the designation of metropolitan areas or central cities, any city classified as or deemed by law to be a metropolitan city for purposes of assistance under any section of this chapter for fiscal year 1983 or any subsequent fiscal year shall retain such qualification for purposes of receiving such assistance through September 30, 1989.'', struck out ''for fiscal year 1988 or 1989'' before period at end of fourth sentence, and in last sentence struck out ''the first or second sentence of'' before ''this paragraph'' and ''under such first or second sentence'' after ''qualifies as a metropolitan city''.

Subsec. (a)(6)(B). Pub. L. 101–625, § 903(b), amended subpar. (B) generally. Prior to amendment, subpar. (B) read as follows: ''In order to permit an orderly transition of each county losing its classification as an urban county by reason of a decrease in population, any county classified as or deemed to be an urban county under this paragraph for purposes of receiving assistance under any section of this chapter for fiscal year 1983 or subsequent years shall retain such qualification for purposes of receiving such assistance through September 30, 1989, or for such longer period covered by a cooperation agreement entered into during fiscal year 1984, except that the provisions of this subparagraph shall not apply with respect to any county losing its classification as an urban county by reason of the election of any unit of general local government included in such county to have its population excluded under clause (ii)(I)(a) of subparagraph (A) or to not renew a cooperation agreement under clause (ii)(I)(b) of such subparagraph.''

Subsec. (a)(6)(D)(iv). Pub. L. 101–625, § 903(c)(2), added cl. (iv).

Subsec. (a)(12). Pub. L. 101–507 and Pub. L. 101–625, § 904(a), amended par. (12) identically, inserting at end ''Where the boundaries for a metropolitan city or urban county used for the 1980 census have changed as a result of annexation, the current population used to compute extent of growth lag shall be adjusted by multiplying the current population by the ratio of the population based on the 1980 census within the boundaries used for the 1980 census to the population based on the 1980 census within the current boundaries.''

1989—Subsec. (a)(7). Pub. L. 101–235 inserted before period at end ''and does not include Indian tribes''.

1988—Subsec. (a)(4). Pub. L. 100–628, § 1081(a)(1), substituted ''a decrease in population'' for ''the population data of the 1980 decennial census'' and inserted ''or any subsequent fiscal year'' after ''1983'' in second sentence.

Pub. L. 100–628, § 1081(a)(2), directed that subsec. (a)(4) of this section as similarly amended first by Pub. L. 100–202 [see 1987 Amendment note below] and later by section 503(a)(2) of Pub. L. 100–242 [see below] is amended to read as if the amendment by Pub. L. 100–242 had not been enacted.

Pub. L. 100–242, § 503(a)(1), substituted ''September 30, 1989'' for ''March 15, 1988''.

Pub. L. 100–242, § 503(a)(2), made amendment identical to amendment by Pub. L. 100–202. See 1987 Amendment note below.

Pub. L. 100–242, § 503(a)(3), inserted at end ''Any city classified as a metropolitan city pursuant to the first or second sentence of this paragraph, and that no longer qualifies as a metropolitan city under such first or second sentence in a fiscal year beginning after fiscal year 1989, shall retain its classification as a metropolitan city for such fiscal year and the succeeding fiscal year, except that in such succeeding fiscal year (A) the amount of the grant to such city shall be 50 percent of the amount calculated under section 5306(b) of this title; and (B) the remaining 50 percent shall be added to the amount allocated under section 5306(d) of this title to the State in which the city is located and the city shall be eligible in such succeeding fiscal year to receive a distribution from the State allocation under section 5306(d) of this title as increased by this sentence.''

Subsec. (a)(6). Pub. L. 100–628, § 1081(b), substituted a semicolon for last comma in cls. (i) and (ii)(I) of subpar. (A).

Pub. L. 100–242, § 503(b), amended par. (6) generally. Prior to amendment, par. (6) read as follows: ''The term 'urban county' means any county within a metropolitan area which (A) is authorized under State law to undertake essential community development and housing assistance activities in its unincorporated areas, if any, which are not units of general local government, and either (B) has a combined population of two hundred thousand or more (excluding the population of metropolitan cities therein) in such unincorporated areas and in its included units of general local government (i) in which it has authority to undertake essential community development and housing assistance activities and which do not elect to have their population excluded or (ii) with which it has entered into cooperation agreements to undertake or to assist in the undertaking of essential community development and housing assistance activities or (C) has a population in excess of one hundred thousand, a population density of at least five thousand persons per square mile, and contains within its boundaries no incorporated places as defined by the United States Bureau of Census. In order to permit an orderly transition of each county losing its classification as an urban county by reason of a decrease in population, any county classified as or deemed to be an urban county under this paragraph for purposes of receiving assistance under any section of this chapter for fiscal year 1983 or 1984 shall retain such qualification for purposes of receiving such assistance through March 15, 1988, or for such longer period covered by a cooperation agreement entered into during fiscal year 1984, except that the provisions of this sentence shall not apply with respect to any county losing its classification as an urban county by reason of the election of any unit of general local government included in such

county to have its population excluded under clause (B)(i) of the first sentence or to not renew a cooperation agreement under clause (B)(ii) of such sentence. Notwithstanding the combined population amount set forth in clause (B) of the first sentence, a county shall also qualify as an urban county for purposes of assistance under section 5306 of this title if such county (A) complies with all other requirements set forth in the first sentence; (B) has, according to the most recent available decennial census data, a combined population between 190,000 and 199,999, inclusive, (excluding the population of metropolitan cities therein) in all its unincorporated areas that are not units of general local government and in all units of general local government located within such county; (C) had a population growth rate of not less than 15 percent during the most recent 10-year period measured by applicable censuses; and (D) has submitted data satisfactory to the Secretary that it has a combined population of not less than 200,000 (excluding the population of metropolitan cities therein) in all its unincorporated areas that are not units of general local government and in all units of general local government located within such county.''

Subsec. (d). Pub. L. 100–628, §1082(a)(1), substituted ''subparagraph (A)(ii) or (D) of subsection (a)(6)'' for ''subsection (a)(6)(B)''.

Pub. L. 100–242, §503(c), struck out at end ''During any such three-year period, the population of any unit of general local government which is not included in that of the urban county for the first year shall not be eligible for such inclusion in the second or third year, except where the unit of general local government loses the designation of metropolitan city.''

Subsec. (e). Pub. L. 100–628, §1082(a)(2), substituted ''subsection (a)(6)(A)(ii)(I)(a)'' for ''subsection (a)(6)(B)(i)''.

1987—Subsec. (a)(4). Pub. L. 100–202 inserted third sentence and struck out former third sentence which read as follows: ''Any unit of general local government that becomes eligible to be classified as a metropolitan city for fiscal year 1984 or 1985 may, upon submission of written notification to the Secretary, defer its classification as a metropolitan city for all purposes under this chapter for fiscal years 1984, 1985, and 1986 if such unit of general local government elects to have its population included in an urban county under subsection (d) of this section.''

Pub. L. 100–200 substituted ''March 15, 1988'' for ''December 16, 1987''.

Pub. L. 100–179 substituted ''December 16, 1987'' for ''December 2, 1987''.

Pub. L. 100–170 substituted ''December 2, 1987'' for ''November 15, 1987''.

Pub. L. 100–154 substituted ''November 15, 1987'' for ''October 31, 1987''.

Pub. L. 100–122 substituted ''October 31, 1987'' for ''September 30, 1987''.

Subsec. (a)(6). Pub. L. 100–200 substituted ''March 15, 1988'' for ''December 16, 1987''.

Pub. L. 100–179 substituted ''December 16, 1987'' for ''December 2, 1987''.

Pub. L. 100–170 substituted ''December 2, 1987'' for ''November 15, 1987''.

Pub. L. 100–154 substituted ''November 15, 1987'' for ''October 31, 1987''.

Pub. L. 100–122 substituted ''October 31, 1987'' for ''September 30, 1987''.

Pub. L. 100–77 inserted ''or 1984''.

1986—Subsec. (a)(4), (6). Pub. L. 99–430 substituted ''September 30, 1987'' for ''September 30, 1986''.

Pub. L. 99–345 substituted ''September 30, 1986'' for ''June 6, 1986''.

Pub. L. 99–289 substituted ''June 6, 1986'' for ''April 30, 1986''.

Pub. L. 99–272, §3011(a), directed amendment of pars. (4) and (6) identical to Pub. L. 99–216 substituting ''March 17, 1986'' for ''December 15, 1985''.

Pub. L. 99–267 substituted ''April 30, 1986'' for ''March 17, 1986''.

Subsec. (a)(17). Pub. L. 99–272, §14001(b)(3), substituted ''or was considered an eligible recipient under chapter 67 of title 31 prior to the repeal of such chapter'' for ''or under chapter 67 of title 31''.

1985—Subsec. (a)(4). Pub. L. 99–219, §5(a)(1), substituted ''March 17, 1986'' for ''December 15, 1985''.

Pub. L. 99–156, §5(a)(1), substituted ''December 15, 1985'' for ''November 14, 1985''.

Pub. L. 99–120, §5(a)(1), substituted ''through November 14, 1985'' for ''for fiscal years 1984 and 1985''.

Subsec. (a)(6). Pub. L. 99–219, §5(a)(2), substituted ''March 17, 1986'' for ''December 15, 1985''.

Pub. L. 99–156, §5(a)(2), substituted ''December 15, 1985'' for ''November 14, 1985''.

Pub. L. 99–120, §5(a)(2), substituted ''through November 14, 1985'' for ''for fiscal years 1984 and 1985''.

1984—Subsec. (a)(4). Pub. L. 98–479, §101(a)(1), in last sentence, struck out ''while its population is included in an urban county for such fiscal year'' after ''fiscal year 1984 or 1985'', and substituted ''elects'' for ''continues'' and ''an'' for ''such'' before ''urban county''.

Subsec. (a)(6). Pub. L. 98–479, §101(a)(2), inserted '', except that the provisions of this sentence shall not apply with respect to any county losing its classification as an urban county by reason of the election of any unit of general local government included in such county to have its population excluded under clause (B)(i) of the first sentence or to not renew a cooperation agreement under clause (B)(ii) of such sentence'' at end of second sentence, '', (excluding the population of metropolitan cities therein) in all its unincorporated areas that are not units of general local government and in all units of general local government located within such county'' at end of cl. (B) in last sentence, and ''(excluding the population of metropolitan cities therein) in all its unincorporated areas that are not units of general local government and in all units of general local government located within such county'' at end of cl. (D) in last sentence.

Subsec. (a)(17). Pub. L. 98–479, §203(*l*)(1), substituted ''chapter 67 of title 31'' for ''the State and Local Fiscal Assistance Act of 1972 (Public Law 92–512)''.

Subsec. (a)(20). Pub. L. 98–479, §101(a)(3), in amending par. (20) generally, designated existing provisions as subpar. (A) and substituted ''mean families and individuals whose incomes do not exceed 80 percent of the median income of the area involved, as determined by the Secretary with adjustments for smaller and larger families'' for ''have the meaning given the term 'lower income families' in section 1437a(b)(2) of this title'', substituted ''whose incomes do not exceed 50 percent of the median income of the area involved, as determined by the Secretary with adjustments for smaller and larger families'' for ''has the meaning given the term 'very low-income families' in such section'', inserted ''The term 'persons of moderate income' means families and individuals whose incomes exceed 50 percent, but do not exceed 80 percent, of the median income of the area involved, as determined by the Secretary with adjustments for smaller and larger families'', and added subpar. (B).

Subsec. (a)(21). Pub. L. 98–479, §101(a)(4), substituted ''capitol'' for ''capital'', and added a comma after ''or office buildings''.

1983—Subsec. (a)(3). Pub. L. 98–181, §102(d), substituted ''Office of Management and Budget'' for ''Department of Commerce''.

Subsec. (a)(4). Pub. L. 98–181, §102(d), substituted ''Office of Management and Budget'' for ''Department of Commerce''.

Pub. L. 98–181, §102(a), substituted provision authorizing retention of classification as metropolitan cities through fiscal year 1985 of any cities classified as deemed to be such for purposes of assistance for fiscal year 1983 for provision that any city which had been classified as a metropolitan city under this paragraph because the population of such city exceeded fifty thousand would be so classified until the decennial census indicated that the population of such city was less than fifty thousand or until September 30, 1983, whichever

was later, and inserted provision permitting any units of general local government which become eligible to be classified as metropolitan cities for fiscal years 1984 and 1985 while their population is included in an urban county for such fiscal year to defer such classification through fiscal year 1986 if such unit of general local government continues to have its population included in such urban county under subsec. (d) of this section.

Subsec. (a)(6). Pub. L. 98–181, § 102(b), substituted provision permitting retention of classification as urban counties through fiscal year 1985 of any counties classified or deemed to be such for purposes of assistance under this chapter for fiscal year 1983, and allowing a county to qualify as an urban county upon meeting certain conditions despite failing to meet the requirements of cl. (B) of the first sentence for provision that any urban county qualifying as such in fiscal year 1981 which did not meet the population requirements of cl. (B) of the first sentence would be considered to meet such requirements through Sept. 30, 1983, and would not be subject to subsec. (d) of this section through such date.

Subsec. (a)(9). Pub. L. 98–181, § 102(d), substituted ''Office of Management and Budget'' for ''Department of Commerce''.

Subsec. (a)(20), (21). Pub. L. 98–181, § 102(c), added pars. (20) and (21).

Subsec. (b). Pub. L. 98–181, § 102(d), substituted ''Office of Management and Budget'' for ''Department of Commerce'' in two places.

Pub. L. 98–181, § 102(e), struck out provisions that no data from the 1980 Decennial Census, except those relating to population and poverty, would be taken into account for purposes of sections 5306 and 5318 of this title and that no revision to the criteria for establishing a metropolitan area or defining a central city of such an area published after January 1, 1983, would be taken into account for purposes of this chapter, except that any area or city which would newly qualify as a metropolitan area or central city of such an area by reason of such revision would be so qualified.

Subsec. (d). Pub. L. 98–181, § 102(f), inserted exception where the unit of general local government loses the designation of metropolitan city.

1982—Subsec. (a)(4). Pub. L. 97–289, § 5(1), (2), substituted ''under this paragraph because the population of such city exceeded fifty thousand shall'' for ''under clause (B) of this paragraph shall continue to'', and substituted ''1983'' for ''1982''.

Subsec. (a)(6). Pub. L. 97–289, § 5(3)(A)–(C), substituted ''before October 1, 1983,'' for ''for fiscal year 1982'' after ''population of which'', ''through September 30, 1983,'' for ''for fiscal year 1982'' after ''requirements of such clause'', and ''through such date'' for ''that fiscal year''.

1981—Subsec. (a). Pub. L. 97–35, §§ 309(a), 310, in par. (4) inserted applicability of Sept. 30, 1982, date to provisions, in par. (6) inserted provisions relating to urban county qualifying in fiscal year 1981, added par. (7), struck out pars. (18) and (19), which defined ''program period'' and ''Community Development Program'', respectively, and redesignated former pars. (7) to (17) and (20) as (8) to (18) and (19), respectively.

Subsec. (c). Pub. L. 97–35, § 309(b), substituted ''activities assisted under this chapter'' for ''a Community Development Program in whole or in part''.

Subsec. (d). Pub. L. 97–35, § 309(c), substituted provisions relating to nonreceipt of a grant, for provisions relating to disapproval or withdrawal of an application, and struck out ''(a)(1)'' after ''5303''.

1980—Subsec. (a)(3), (4), (8). Pub. L. 96–399, § 111(a), substituted ''Department of Commerce'' for ''Office of Management and Budget'' wherever appearing.

Subsec. (b). Pub. L. 96–399, §§ 101(a), 111(a), inserted provisions relating to prohibition of use, in fiscal years 1981 to 1983, of data from the 1980 Decennial Census, except those relating to population and poverty, for purposes of section 5318 and 5306, and prohibition on revision to criteria for establishment of a metropolitan area or definition of a central city, except for those newly qualifying, and substituted ''Department of Commerce'' for ''Office of Management and Budget'', wherever appearing.

Subsec. (d). Pub. L. 96–399, § 101(b)(1), substituted provisions relating to inclusion of the population of any unit of general local government in the population of such urban county for three program years, such unit to be ineligible for a grant under section 5306 as a separate entity, and prohibiting eligibility for second and third years if not included for the first year, for provisions relating to notification of units of general local government of their opportunity to exclude their populations from such urban county, and inclusion in such urban county unless exclusion is elected by notification.

Subsec. (e). Pub. L. 96–399, § 101(c), added subsec. (e).

1979—Subsec. (a)(1). Pub. L. 96–153, inserted reference to Northern Mariana Islands in definition of unit of general local government.

1977—Subsec. (a)(1). Pub. L. 95–128, § 102(a)(1), excluded from term ''unit of general local government'' Indian tribes, bands, groups, and nations, including Alaska Indians, Aleuts, and Eskimos of the United States.

Subsec. (a)(4). Pub. L. 95–128, § 102(a)(2), clarified term ''metropolitan city'' to continue the classification of any city classified as a metropolitan city under cl. (B) as such city until the decennial census indicates the population of such city is less than fifty thousand.

Subsec. (a)(5). Pub. L. 95–128, § 102(a)(3), limited the meaning of ''city'' to a town or township without any incorporated places within its boundaries which have entered into cooperation agreements with such town or township to undertake or to assist in the undertaking of essential community development and housing assistance activities.

Subsec. (a)(6). Pub. L. 95–128, § 102(a)(4), inserted ''either'' before ''(B)'' and added cl. (C).

Subsec. (a)(10) to (20). Pub. L. 95–128, § 102(a)(5), (6), added pars. (10) to (16) and redesignated former pars. (10) to (13) as (17) to (20).

Subsec. (d). Pub. L. 95–128, § 102(b), added subsec. (d).

EFFECTIVE DATE OF 1990 AMENDMENTS

Section 903(c)(3) of Pub. L. 101–625 provided that: ''The amendments made by this subsection [amending this section] shall apply with respect to assistance under title I of the Housing and Community Development Act of 1974 [this chapter] for fiscal year 1991 and any fiscal year thereafter.''

Section 904(b) of Pub. L. 101–625 provided that: ''The amendment made by subsection (a) [amending this section] shall apply to the first allocation of assistance under section 106 [section 5306 of this title] that is made after the date of the enactment of this Act [Nov. 28, 1990] and to each allocation thereafter.''

Title II of Pub. L. 101–507, 104 Stat. 1370, provided in part that: ''The amendment made by this paragraph [amending this section] shall apply to the first allocation of assistance under section 106 [section 5306 of this title] that is made after the date of the enactment of this Act [Nov. 5, 1990] and to each allocation thereafter.''

EFFECTIVE DATE OF 1989 AMENDMENT

Amendment by Pub. L. 101–235 applicable to amounts approved in any appropriation Act under section 5303 of this title for fiscal year 1990 and each fiscal year thereafter, see section 702(e) of Pub. L. 101–235, as amended, set out as a note under section 5306 of this title.

EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by section 14001(b)(3) of Pub. L. 99–272 effective Oct. 18, 1986, see section 14001(e) of Pub. L. 99–272.

EFFECTIVE DATE OF 1983 AMENDMENT

Amendment by Pub. L. 98–181 applicable only to funds available for fiscal year 1984 and thereafter, see section 110(b) of Pub. L. 98–181, as amended, set out as a note under section 5316 of this title.

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97–35 effective Oct. 1, 1981, see section 371 of Pub. L. 97–35, set out as an Effective Date note under section 3701 of Title 12, Banks and Banking.

EFFECTIVE DATE OF 1980 AMENDMENT

Section 101(b)(2) of Pub. L. 96–399 provided that: ''The amendment made by paragraph (1) [amending this section] shall take effect on October 1, 1981.''

EFFECTIVE DATE OF 1977 AMENDMENT

Amendment by Pub. L. 95–128 effective Oct. 1, 1977, see section 114 of Pub. L. 95–128, set out as a note under section 5301 of this title.

REGULATIONS

Pub. L. 108–186, title V, § 501(g), Dec. 16, 2003, 117 Stat. 2698, provided that: ''The Secretary of Housing and Urban Development shall issue regulations to carry out the amendments made by this section [amending this section and sections 5304, 5306, and 5307 of this title], which shall take effect not later than the expiration of the 90-day period beginning on the date of the enactment of this Act [Dec. 16, 2003].''

## § 5303. Grants to States, units of general local government and Indian tribes; authorizations

The Secretary is authorized to make grants to States, units of general local government, and Indian tribes to carry out activities in accordance with the provisions of this chapter. For purposes of assistance under section 5306 of this title, there are authorized to be appropriated $4,000,000,000 for fiscal year 1993 and $4,168,000,000 for fiscal year 1994. Sums authorized pursuant to this section shall remain available until expended.

(Pub. L. 93–383, title I, § 103, Aug. 22, 1974, 88 Stat. 637; Pub. L. 94–375, § 15(a), Aug. 3, 1976, 90 Stat. 1076; Pub. L. 95–128, title I, § 103, Oct. 12, 1977, 91 Stat. 1113; Pub. L. 96–153, title I, § 103(a), (b), Dec. 21, 1979, 93 Stat. 1101, 1102; Pub. L. 96–399, title I, §§ 106, 111(b), Oct. 8, 1980, 94 Stat. 1618, 1621; Pub. L. 97–35, title III, § 301, Aug. 13, 1981, 95 Stat. 384; Pub. L. 98–181, title I, § 103, Nov. 30, 1983, 97 Stat. 1161; Pub. L. 100–242, title V, § 501(a), Feb. 5, 1988, 101 Stat. 1922; Pub. L. 101–625, title IX, § 901(a), Nov. 28, 1990, 104 Stat. 4384; Pub. L. 102–550, title VIII, § 801(a), Oct. 28, 1992, 106 Stat. 3843.)

REFERENCES IN TEXT

This chapter, referred to in text, was in the original ''this title'', meaning title I of Pub. L. 93–383, Aug. 22, 1974, 88 Stat. 633, which is classified principally to this chapter. For complete classification of title I to the Code, see Tables.

AMENDMENTS

1992—Pub. L. 102–550 substituted provisions authorizing appropriations of $4,000,000,000 for fiscal year 1993 and $4,168,000,000 for fiscal year 1994 for provisions authorizing appropriations of $3,137,000,000 for fiscal year 1991 and $3,272,000,000 for fiscal year 1992, and struck out provisions requiring Secretary to make available, to extent approved in appropriation Acts (1) not less than $3,000,000 in each of fiscal years 1991 and 1992 for assistance to economically disadvantaged and minority students participating in community development work study programs and enrolled in full-time programs in community and economic development, community planning, or community management, (2) not less than $6,500,000 for each of fiscal years 1991 and 1992 for historically black colleges, (3) not less than $7,000,000 for each of fiscal years 1991 and 1992 for Guam, the Virgin Islands, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, and (4) not less than $500,000 in fiscal year 1991 to demonstrate feasibility of database system and computer mapping tool for compliance, programming, and evaluation of community development block grants.

1990—Pub. L. 101–625 substituted provisions authorizing appropriations for purposes of assistance under section 5306 of this title of $3,137,000,000 for fiscal year 1991 and $3,272,000,000 for fiscal year 1992, along with provisions mandating certain minimum allotments of such appropriations as specified in pars. (1) to (4) for provisions authorizing appropriations for the purposes of assistance under sections 5306 and 5307 of this title of $3,000,000,000 for fiscal year 1988, and $3,000,000,000 for fiscal year 1989.

1988—Pub. L. 100–242 amended second sentence generally, substituting ''$3,000,000,000 for fiscal year 1988, and $3,000,000,000 for fiscal year 1989'' for ''not to exceed $3,468,000,000 for each of the fiscal years 1984, 1985, and 1986''.

1983—Pub. L. 98–181 substituted provisions authorizing appropriations for purposes of assistance under sections 5306 and 5307 of this title of not to exceed $3,468,000,000 for each of fiscal years 1984, 1985, and 1986 for provision which had authorized appropriations of not to exceed $4,166,000,000 for each of fiscal years 1982 and 1983.

1981—Pub. L. 97–35 completely restructured and revised provisions and substituted provisions relating to authorization of appropriations for fiscal years 1982 and 1983 to carry out activities under this chapter, for provisions relating to authorization of appropriations for fiscal years 1981 and 1982 to finance Community Development Programs, additional authorizations, supplemental assistance, and availability of funds.

1980—Subsec. (a)(1). Pub. L. 96–399, § 106(a), substituted provisions authorizing appropriations not to exceed $3,810,000,000, $3,960,000,000, and $4,110,000,000 for fiscal years 1981, 1982 and 1983, respectively, for provisions authorizing appropriations not to exceed $3,500,000,000, $3,650,000,000, and $3,800,000,000 for fiscal years 1978, 1979, and 1980, respectively.

Subsec. (a)(2). Pub. L. 96–399, § 106(b), substituted ''$275,000,000 for the fiscal year 1981 shall be added to the amount available for allocation under section 5306(c) of this title'' for ''$50,000,000 for each of the fiscal years 1975 and 1976, $200,000,000 for the fiscal year 1977 (not more than 50 per centum of which amount may be used under section 5306(d)(1) of this title), $350,000,000 for the fiscal year 1978 (of which not more than $175,000,000 may be used under such section), $265,000,000 for the fiscal year 1979 (of which not more than $25,000,000 may be used under such section), and $275,000,000 for the fiscal year 1980 (none of which may be used under such section) shall be added to the amount available for allocation under section 5306(d) of this title''.

Subsec. (c). Pub. L. 96–399, § 106(c), substituted ''amounts aggregating not to exceed $1,475,000,000 for fiscal years prior to the fiscal year 1981, and an additional amount not to exceed $675,000,000 for each of the fiscal years 1981, 1982, and 1983.'' for ''a sum not to exceed $400,000,000 for each of the fiscal years 1978 and 1979, and not to exceed $675,000,000 for the fiscal year 1980, except that no funds shall be made available for such purpose (1) for fiscal year 1978 unless the amount appropriated under subsections (a) and (b) of this section for fiscal year 1978 is at least $3,600,000,000; (2) for fiscal year 1979 unless the amount appropriated under subsections (a) and (b) of this section for fiscal year 1979 is at least $3,750,000,000; or (3) for fiscal year 1980 unless the amount appropriated under subsections (a) and (b) of this section for fiscal year 1980 is at least $3,900,000,000''.

Subsec. (e). Pub. L. 96–399, § 111(b), struck out subsec. (e) which related to submission to Congress of timely requests for additional appropriations for fiscal years 1978 through 1980.

1979—Subsec. (a)(2). Pub. L. 96–153, § 103(b), increased authorization of appropriation from $250,000,000 to $275,000,000 for fiscal year 1980.

Subsec. (c). Pub. L. 96–153, § 103(a), increased authorization of appropriation for fiscal year 1980 from $400,000,000 to $675,000,000.

1977—Subsec. (a)(1). Pub. L. 95–128, § 103(a), (b), authorized: grants to Indian tribes, appropriation authorizations for fiscal years 1978 through 1980, and unappropriated funds to be appropriated for any succeeding fiscal year; and deleted provisions which: prescribed $8,400,000,000 as the limitation on amount of obligations incurred, authorized appropriation of $2,500,000,000 for fiscal year 1975, increased to $5,450,000,000 and $8,400,000,000 for fiscal years 1976 and 1977 for liquidation of obligations, and made available for liquidation of contracts entered into hereunder appropriations for grants under title VII of the Housing Act of 1961 and sections 3102 and 3103 of this title, and supplemental grants under title I of the Demonstration Cities and Metropolitan Development Act of 1966, not otherwise obligated prior to Jan. 1, 1975.

Subsec. (a)(2). Pub. L. 95–128, § 103(c), inserted use of additional money authorization provisions for fiscal years 1978 through 1980.

Subsec. (b). Pub. L. 95–128, § 103(d), authorized appropriations for fiscal years 1978 through 1980, substituted ''for the financial settlement and, to the extent feasible, the completion of projects and programs assisted under the categorical programs terminated in section 5316(a) of this title, primarily urban renewal projects assisted under the Housing Act of 1949, to units of general local government which require supplemental assistance which cannot be provided'' for ''to units of general local government having urgent community development needs which cannot be met'' and inserted provision respecting requirement of prior appropriation of a minimum amount.

Subsecs. (c) to (e). Pub. L. 95–128, § 103(e), added subsec. (c) and redesignated existing subsecs. (c) and (d) as (d) and (e), respectively.

1976—Subsec. (a)(2). Pub. L. 94–375 inserted '', and $200,000,000 for the fiscal year 1977, not more than 50 per centum of which amount may be used under section 5306(d)(1) of this title,'' after ''1976''.

EFFECTIVE DATE OF 1983 AMENDMENT

Amendment by Pub. L. 98–181 applicable only to funds available for fiscal year 1984 and thereafter, see section 110(b) of Pub. L. 98–181, as amended, set out as a note under section 5316 of this title.

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97–35 effective Oct. 1, 1981, see section 371 of Pub. L. 97–35, set out as an Effective Date note under section 3701 of Title 12, Banks and Banking.

EFFECTIVE DATE OF 1977 AMENDMENT

Amendment by Pub. L. 95–128 effective Oct. 1, 1977, see section 114 of Pub. L. 95–128, set out as a note under section 5301 of this title.

## § 5304. Statement of activities and review

### (a) Statement of objectives and projected use of funds by grantee prerequisite to receipt of grant; publication of proposals by grantees; notice and comment; citizen participation plan

(1) Prior to the receipt in any fiscal year of a grant under section 5306(b) of this title by any metropolitan city or urban county, under section 5306(d) of this title by any State, under section 5306(d)(2)(B) of this title by any unit of general local government, or under section 5306(a)(3) of this title by any insular area, the grantee shall have prepared a final statement of community development objectives and projected use of funds and shall have provided the Secretary with the certifications required in subsection (b) of this section and, where appropriate, subsection (c) of this section. In the case of metropolitan cities and urban counties receiving grants pursuant to section 5306(b) of this title, units of general local government receiving grants pursuant to section 5306(d)(2)(B) of this title, and insular areas receiving grants pursuant to section 5306(a)(3) of this title, the statement of projected use of funds shall consist of proposed community development activities. In the case of States receiving grants pursuant to section 5306(d) of this title, the statement of projected use of funds shall consist of the method by which the States will distribute funds to units of general local government.

(2) In order to permit public examination and appraisal of such statements, to enhance the public accountability of grantees, and to facilitate coordination of activities with different levels of government, the grantee shall in a timely manner—

(A) furnish citizens or, as appropriate, units of general local government information concerning the amount of funds available for proposed community development and housing activities and the range of activities that may be undertaken, including the estimated amount proposed to be used for activities that will benefit persons of low and moderate income and the plans of the grantee for minimizing displacement of persons as a result of activities assisted with such funds and to assist persons actually displaced as a result of such activities;

(B) publish a proposed statement in such manner to afford affected citizens or, as appropriate, units of general local government an opportunity to examine its content and to submit comments on the proposed statement and on the community development performance of the grantee;

(C) hold one or more public hearings to obtain the views of citizens on community development and housing needs;

(D) provide citizens or, as appropriate, units of general local government with reasonable access to records regarding the past use of funds received under section 5306 of this title by the grantee; and

(E) provide citizens or, as appropriate, units of general local government with reasonable notice of, and opportunity to comment on, any substantial change proposed to be made in the use of funds received under section 5306 of this title from one eligible activity to another or in the method of distribution of such funds.

In preparing the final statement, the grantee shall consider any such comments and views and may, if deemed appropriate by the grantee, modify the proposed statement. The final statement shall be made available to the public, and a copy shall be furnished to the Secretary together with the certifications required under subsection (b) of this section and, where appropriate, subsection (c) of this section. Any final statement of activities may be modified or amended from time to time by the grantee in accordance with the same procedures required in

this paragraph for the preparation and submission of such statement.

(3) A grant under section 5306 of this title may be made only if the grantee certifies that it is following a detailed citizen participation plan which—

(A) provides for and encourages citizen participation, with particular emphasis on participation by persons of low and moderate income who are residents of slum and blight areas and of areas in which section 106 [42 U.S.C. 5306] funds are proposed to be used, and in the case of a grantee described in section 5306(a) of this title, provides for participation of residents in low and moderate income neighborhoods as defined by the local jurisdiction;

(B) provides citizens with reasonable and timely access to local meetings, information, and records relating to the grantee's proposed use of funds, as required by regulations of the Secretary, and relating to the actual use of funds under this chapter;

(C) provides for technical assistance to groups representative of persons of low and moderate income that request such assistance in developing proposals with the level and type of assistance to be determined by the grantee;

(D) provides for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at least the development of needs, the review of proposed activities, and review of program performance, which hearings shall be held after adequate notice, at times and locations convenient to potential or actual beneficiaries, and with accommodation for the handicapped;

(E) provides for a timely written answer to written complaints and grievances, within 15 working days where practicable; and

(F) identifies how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate.

This paragraph may not be construed to restrict the responsibility or authority of the grantee for the development and execution of its community development program.

**(b) Certification of enumerated criteria by grantee to Secretary**

Any grant under section 5306 of this title shall be made only if the grantee certifies to the satisfaction of the Secretary that—

(1) the grantee is in full compliance with the requirements of subsection (a)(2)(A), (B), and (C) of this section and has made the final statement available to the public;

(2) the grant will be conducted and administered in conformity with the Civil Rights Act of 1964 [42 U.S.C. 2000a et seq.] and the Fair Housing Act [42 U.S.C. 3601 et seq.], and the grantee will affirmatively further fair housing;

(3) the projected use of funds has been developed so as to give maximum feasible priority to activities which will benefit low- and moderate-income families or aid in the prevention or elimination of slums or blight, and the projected use of funds may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs, except that (A) the aggregate use of funds received under section 5306 of this title and, if applicable, as a result of a guarantee or a grant under section 5308 of this title, during a period specified by the grantee of not more than 3 years, shall principally benefit persons of low and moderate income in a manner that ensures that not less than 70 percent of such funds are used for activities that benefit such persons during such period; and (B) a grantee that borders on the Great Lakes and that experiences significant adverse financial and physical effects due to lakefront erosion or flooding may include in the projected use of funds activities that are clearly designed to alleviate the threat posed, and rectify the damage caused, by such erosion or flooding if such activities will principally benefit persons of low and moderate income and the grantee certifies that such activities are necessary to meet other needs having a particular urgency;

(4) it has developed a community development plan pursuant to subsection (m) of this section, for the period specified by the grantee under paragraph (3), that identifies community development needs and specifies both short- and long-term community development objectives that have been developed in accordance with the primary objective and requirements of this chapter;

(5) the grantee will not attempt to recover any capital costs of public improvements assisted in whole or part under section 5306 of this title or with amounts resulting from a guarantee under section 5308 of this title by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless (A) funds received under section 5306 of this title are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this chapter; or (B) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, the grantee certifies to the Secretary that it lacks sufficient funds received under section 5306 of this title to comply with the requirements of subparagraph (A); and

(6) the grantee will comply with the other provisions of this chapter and with other applicable laws.

**(c) Special certifications required for certain grants**

A grant may be made under section 5306(b) of this title only if the unit of general local government certifies that it is following—

(1) a current housing affordability strategy which has been approved by the Secretary in accordance with section 12705 of this title, or

(2) a housing assistance plan which was approved by the Secretary during the 180-day period beginning on November 28, 1990, or during such longer period as may be prescribed by the Secretary in any case for good cause.

**(d) Residential antidisplacement and relocation assistance plan; certification of adherence; contents**

(1) A grant under section 5306 or 5318 of this title may be made only if the grantee certifies that it is following a residential antidisplacement and relocation assistance plan. A grantee receiving a grant under section 5306(a) of this title or section 5318 of this title shall so certify to the Secretary. A unit of general local government receiving amounts from a State under section 5306(d) of this title shall so certify to the State, and a unit of general local government receiving amounts from the Secretary under section 5306(d) of this title shall so certify to the Secretary.

(2) The residential antidisplacement and relocation assistance plan shall in connection with a development project assisted under section 5306 or 5318 of this title—

(A) in the event of such displacement, provide that—

(i) governmental agencies or private developers shall provide within the same community comparable replacement dwellings for the same number of occupants as could have been housed in the occupied and vacant occupiable low and moderate income dwelling units demolished or converted to a use other than for housing for low and moderate income persons, and provide that such replacement housing may include existing housing assisted with project based assistance provided under section 1437f of this title;

(ii) such comparable replacement dwellings shall be designed to remain affordable to persons of low and moderate income for 10 years from the time of initial occupancy;

(iii) relocation benefits shall be provided for all low or moderate income persons who occupied housing demolished or converted to a use other than for low or moderate income housing, including reimbursement for actual and reasonable moving expenses, security deposits, credit checks, and other moving-related expenses, including any interim living costs; and in the case of displaced persons of low and moderate income, provide either—

(I) compensation sufficient to ensure that, for a 5-year period, the displaced families shall not bear, after relocation, a ratio of shelter costs to income that exceeds 30 percent; or

(II) if elected by a family, a lump-sum payment equal to the capitalized value of the benefits available under subclause (I) to permit the household to secure participation in a housing cooperative or mutual housing association; and

(iv) persons displaced shall be relocated into comparable replacement housing that is—

(I) decent, safe, and sanitary;

(II) adequate in size to accommodate the occupants;

(III) functionally equivalent; and

(IV) in an area not subject to unreasonably adverse environmental conditions;

(B) provide that persons displaced shall have the right to elect, as an alternative to the benefits under this subsection, to receive benefits under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601 et seq.) if such persons determine that it is in their best interest to do so; and

(C) provide that where a claim for assistance under subparagraph (A)(iv) is denied by a grantee, the claimant may appeal to the Secretary in the case of a grant under section 5306 or 5318 of this title or to the appropriate State official in the case of a grant under section 5306(d) of this title, and that the decision of the Secretary or the State official shall be final unless a court determines the decision was arbitrary and capricious.

(3) Paragraphs (2)(A)(i) and (2)(A)(ii) shall not apply in any case in which the Secretary finds, on the basis of objective data, that there is available in the area an adequate supply of habitable affordable housing for low and moderate income persons. A determination under this paragraph is final and nonreviewable.

**(e) Submission of performance and evaluation report by grantee to Secretary; contents; availability for citizen comment; annual review and audit by Secretary of program implementation; adjustments in amount of annual grants**

Each grantee shall submit to the Secretary, at a time determined by the Secretary, a performance and evaluation report concerning the use of funds made available under section 5306 of this title, together with an assessment by the grantee of the relationship of such use to the objectives identified in the grantee's statement under subsection (a) of this section and to the requirements of subsection (b)(3) of this section. Such report shall also be made available to the citizens in each grantee's jurisdiction in sufficient time to permit such citizens to comment on such report prior to its submission, and in such manner and at such times as the grantee may determine. The grantee's report shall indicate its programmatic accomplishments, the nature of and reasons for changes in the grantee's program objectives, indications of how the grantee would change its programs as a result of its experiences, and an evaluation of the extent to which its funds were used for activities that benefited low- and moderate-income persons. The report shall include a summary of any comments received by the grantee from citizens in its jurisdiction respecting its program. The Secretary shall encourage and assist national associations of grantees eligible under section 5306(d)(2)(B) of this title, national associations of States, and national associations of units of general local government in nonentitlement areas to develop and recommend to the Secretary, within one year after November 30, 1983,

uniform recordkeeping, performance reporting, and evaluation reporting, and auditing requirements for such grantees, States, and units of general local government, respectively. Based on the Secretary's approval of these recommendations, the Secretary shall establish such requirements for use by such grantees, States, and units of general local government. The Secretary shall, at least on an annual basis, make such reviews and audits as may be necessary or appropriate to determine—

(1) in the case of grants made under subsection (a)(3), (b), or (d)(2)(B) of section 5306 of this title, whether the grantee has carried out its activities and, where applicable, its housing assistance plan in a timely manner, whether the grantee has carried out those activities and its certifications in accordance with the requirements and the primary objectives of this chapter and with other applicable laws, and whether the grantee has a continuing capacity to carry out those activities in a timely manner; and

(2) in the case of grants to States made under section 5306(d) of this title, whether the State has distributed funds to units of general local government in a timely manner and in conformance to the method of distribution described in its statement, whether the State has carried out its certifications in compliance with the requirements of this chapter and other applicable laws, and whether the State has made such reviews and audits of the units of general local government as may be necessary or appropriate to determine whether they have satisfied the applicable performance criteria described in paragraph (1) of this subsection.

The Secretary may make appropriate adjustments in the amount of the annual grants in accordance with the Secretary's findings under this subsection. With respect to assistance made available to units of general local government under section 5306(d) of this title, the Secretary may adjust, reduce, or withdraw such assistance, or take other action as appropriate in accordance with the Secretary's reviews and audits under this subsection, except that funds already expended on eligible activities under this chapter shall not be recaptured or deducted from future assistance to such units of general local government.

**(f) Audit of grantees by Government Accountability Office; access to books, accounts, records, etc., by representatives of Government Accountability Office**

Insofar as they relate to funds provided under this chapter, the financial transactions of recipients of such funds may be audited by the Government Accountability Office under such rules and regulations as may be prescribed by the Comptroller General of the United States. The representatives of the Government Accountability Office shall have access to all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by such recipients pertaining to such financial transactions and necessary to facilitate the audit.

**(g) Environmental protection measures applicable for release of funds to applicants for projects; issuance of regulations by Secretary subsequent to consultation with Council on Environmental Quality; request and certification to Secretary for approval of release of funds; form, contents and effect of certification**

(1) In order to assure that the policies of the National Environmental Policy Act of 1969 [42 U.S.C. 4321 et seq.] and other provisions of law which further the purposes of such Act (as specified in regulations issued by the Secretary) are most effectively implemented in connection with the expenditure of funds under this chapter, and to assure to the public undiminished protection of the environment, the Secretary, in lieu of the environmental protection procedures otherwise applicable, may under regulations provide for the release of funds for particular projects to recipients of assistance under this chapter who assume all of the responsibilities for environmental review, decisionmaking, and action pursuant to such Act, and such other provisions of law as the regulations of the Secretary specify, that would apply to the Secretary were he to undertake such projects as Federal projects. The Secretary shall issue regulations to carry out this subsection only after consultation with the Council on Environmental Quality.

(2) The Secretary shall approve the release of funds for projects subject to the procedures authorized by this subsection only if, at least fifteen days prior to such approval and prior to any commitment of funds to such projects other than for purposes authorized by section 5305(a)(12) of this title or for environmental studies, the recipient of assistance under this chapter has submitted to the Secretary a request for such release accompanied by a certification which meets the requirements of paragraph (3). The Secretary's approval of any such certification shall be deemed to satisfy his responsibilities under the National Environmental Policy Act of 1969 [42 U.S.C. 4321 et seq.] and such other provisions of law as the regulations of the Secretary specify insofar as those responsibilities relate to the releases of funds for projects to be carried out pursuant thereto which are covered by such certification.

(3) A certification under the procedures authorized by this subsection shall—

(A) be in a form acceptable to the Secretary,

(B) be executed by the chief executive officer or other officer of the recipient of assistance under this chapter qualified under regulations of the Secretary,

(C) specify that the recipient of assistance under this chapter has fully carried out its responsibilities as described under paragraph (1) of this subsection, and

(D) specify that the certifying officer (i) consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 [42 U.S.C. 4321 et seq.] and each provision of law specified in regulations issued by the Secretary insofar as the provisions of such Act or other such provision of law apply pursuant to paragraph (1) of this subsection, and (ii) is authorized and consents

on behalf of the recipient of assistance under this chapter and himself to accept the jurisdiction of the Federal courts for the purpose of enforcement of his responsibilities as such an official.

(4) In the case of grants made to States pursuant to section 5306(d) of this title, the State shall perform those actions of the Secretary described in paragraph (2) and the performance of such actions shall be deemed to satisfy the Secretary's responsibilities referred to in the second sentence of such paragraph.

**(h) Payments; revolving loan fund: establishment in private financial institution for rehabilitation activities; standards for payments: criteria**

(1) Units of general local government receiving assistance under this chapter may receive funds, in one payment, in an amount not to exceed the total amount designated in the grant (or, in the case of a unit of general local government receiving a distribution from a State pursuant to section 5306(d) of this title, not to exceed the total amount of such distribution) for use in establishing a revolving loan fund which is to be established in a private financial institution and which is to be used to finance rehabilitation activities assisted under this chapter. Rehabilitation activities authorized under this section shall begin within 45 days after receipt of such payment and substantial disbursements from such fund must begin within 180 days after receipt of such payment.

(2) The Secretary shall establish standards for such cash payments which will insure that the deposits result in appropriate benefits in support of the recipient's rehabilitation program. These standards shall be designed to assure that the benefits to be derived from the local program include, at a minimum, one or more of the following elements, or such other criteria as determined by the Secretary—

(A) leverage of community development block grant funds so that participating financial institutions commit private funds for loans in the rehabilitation program in amounts substantially in excess of deposit of community development funds;

(B) commitment of private funds for rehabilitation loans at below-market interest rates or with repayment periods lengthened or at higher risk than would normally be taken;

(C) provision of administrative services in support of the rehabilitation program by the participating lending institutions; and

(D) interest earned on such cash deposits shall be used in a manner which supports the community rehabilitation program.

**(i) Metropolitan city as part of urban county**

In any case in which a metropolitan city is located, in whole or in part, within an urban county, the Secretary may, upon the joint request of such city and county, approve the inclusion of the metropolitan city as part of the urban county for purposes of submitting a statement under subsection (a) of this section and carrying out activities under this chapter.

**(j) Retention of program income; condition of distribution**

Notwithstanding any other provision of law, any unit of general local government may retain any program income that is realized from any grant made by the Secretary, or any amount distributed by a State, under section 5306 of this title if (1) such income was realized after the initial disbursement of the funds received by such unit of general local government under such section; and (2) such unit of general local government has agreed that it will utilize the program income for eligible community development activities in accordance with the provisions of this chapter; except that the Secretary may, by regulation, exclude from consideration as program income any amounts determined to be so small that compliance with this subsection creates an unreasonable administrative burden on the unit of general local government. A State may require as a condition of any amount distributed by such State under section 5306(d) of this title that a unit of general local government shall pay to such State any such income to be used by such State to fund additional eligible community development activities, except that such State shall waive such condition to the extent such income is applied to continue the activity from which such income was derived.

**(k) Provision of benefits to displaced persons**

Each grantee shall provide for reasonable benefits to any person involuntarily and permanently displaced as a result of the use of assistance received under this chapter to acquire or substantially rehabilitate property.

***(l)* Protection of individuals engaging in nonviolent civil rights demonstrations**

No funds authorized to be appropriated under section 5303 of this title may be obligated or expended to any unit of general local government that—

(1) fails to adopt and enforce a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; or

(2) fails to adopt and enforce a policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstration within its jurisdiction.

**(m) Community development plans**

**(1) In general**

Prior to the receipt in any fiscal year of a grant from the Secretary under subsection (a)(2),(b), (d)(1), or (d)(2)(B) of section 5306 of this title, each recipient shall have prepared and submitted in accordance with this subsection and in such standardized form as the Secretary shall, by regulation, prescribe a description of its priority nonhousing community development needs eligible for assistance under this chapter.

**(2) Local governments**

In the case of a recipient that is a unit of general local government other than an insular area—

(A) prior to the submission required by paragraph (1), the recipient shall, to the extent practicable, notify adjacent units of general local government and solicit the views of citizens on priority nonhousing community development needs; and

(B) the description required under paragraph (1) shall be submitted to the Secretary, the State, and any other unit of general local government within which the recipient is located, in such standardized form as the Secretary shall, by regulation, prescribe.

**(3) States**

In the case of a recipient that is a State, the description required by paragraph (1)—

(A) shall include only the needs within the State that affect more than one unit of general local government and involve activities typically funded by such States under this chapter; and

(B) shall be submitted to the Secretary in such standard form as the Secretary, by regulation, shall prescribe.

**(4) Effect of submission**

A submission under this subsection shall not be binding with respect to the use or distribution of amounts received under section 5306 of this title.

(Pub. L. 93–383, title I, § 104, Aug. 22, 1974, 88 Stat. 638; Pub. L. 95–128, title I, §§ 104, 110(a), Oct. 12, 1977, 91 Stat. 1114, 1125; Pub. L. 95–557, title I, § 103(a)–(d), Oct. 31, 1978, 92 Stat. 2083; Pub. L. 96–153, title I, §§ 103(c), (g), 109(a), Dec. 21, 1979, 93 Stat. 1102, 1105; Pub. L. 96–399, title I, §§ 101(d), 104(b), 105(a), 109, 111(c), Oct. 8, 1980, 94 Stat. 1615, 1616, 1618, 1619, 1621; Pub. L. 97–35, title III, §§ 302(b), (c)(1), (d)–(f), 309(d), Aug. 13, 1981, 95 Stat. 384, 386, 387, 396; Pub. L. 98–181, title I, §§ 101(b), 104, Nov. 30, 1983, 97 Stat. 1159, 1161; Pub. L. 98–479, title I, § 101(a)(5)–(7), Oct. 17, 1984, 98 Stat. 2219; Pub. L. 100–242, title V, §§ 502(c), 505–509(a), Feb. 5, 1988, 101 Stat. 1923, 1926, 1927; Pub. L. 100–628, title X, § 1083, Nov. 7, 1988, 102 Stat. 3277; Pub. L. 101–625, title IX, §§ 902(b), 905, 906, 922, Nov. 28, 1990, 104 Stat. 4385, 4387, 4402; Pub. L. 102–550, title VIII, §§ 804, 808, 812, Oct. 28, 1992, 106 Stat. 3845, 3850; Pub. L. 103–233, title II, § 232(a)(2)(B), Apr. 11, 1994, 108 Stat. 367; Pub. L. 108–186, title V, § 501(c), Dec. 16, 2003, 117 Stat. 2697; Pub. L. 108–271, § 8(b), July 7, 2004, 118 Stat. 814.)

REFERENCES IN TEXT

This chapter, referred to in text, was in the original ''this title'', meaning title I of Pub. L. 93–383, Aug. 22, 1974, 88 Stat. 633, which is classified principally to this chapter. For complete classification of title I to the Code, see Tables.

The Civil Rights Act of 1964, referred to in subsec. (b)(2), is Pub. L. 88–352, July 2, 1964, 78 Stat. 241, which is classified principally to subchapters II to IX (§ 2000a et seq.) of chapter 21 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 2000a of this title and Tables.

The Fair Housing Act, referred to in subsec. (b)(2), is title VIII of Pub. L. 90–284, Apr. 11, 1968, 82 Stat. 81, which is classified principally to subchapter I (§ 3601 et seq.) of chapter 45 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 3601 of this title and Tables.

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, referred to in subsec. (d)(2)(B), is Pub. L. 91–646, Jan. 2, 1971, 84 Stat. 1894, which is classified principally to chapter 61 (§ 4601 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 4601 of this title and Tables.

The National Environmental Policy Act of 1969, referred to in subsec. (g)(1), (2), (3)(D), is Pub. L. 91–190, Jan. 1, 1970, 83 Stat. 852, which is classified generally to chapter 55 (§ 4321 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 4321 of this title and Tables.

AMENDMENTS

2004—Subsec. (f). Pub. L. 108–271 substituted ''Government Accountability Office'' for ''General Accounting Office'' in two places.

2003—Subsec. (a)(1). Pub. L. 108–186, § 501(c)(1), in first sentence, struck out ''or'' after ''State,'' and inserted ''or under section 5306(a)(3) of this title by any insular area,'' after ''government,'', and, in second sentence, substituted a comma for ''and in the case of'' before ''units'' and inserted ''and insular areas receiving grants pursuant to section 5306(a)(3) of this title,'' after ''section 5306(d)(2)(B) of this title,''.

Subsec. (e)(1). Pub. L. 108–186, § 501(c)(2), substituted ''subsection (a)(3), (b), or (d)(2)(B) of section 5306 of this title'' for ''section 5306(b) or section 5306(d)(2)(B) of this title''.

Subsec. (m)(1). Pub. L. 108–186, § 501(c)(3)(A), inserted ''(a)(2),'' after ''under subsection''.

Subsec. (m)(2). Pub. L. 108–186, § 501(c)(3)(B), substituted ''government other than an insular area'' for ''government'' in introductory provisions.

1994—Subsec. (b)(3)(A). Pub. L. 103–233 inserted ''or a grant'' after ''guarantee''.

1992—Subsec. (b)(2). Pub. L. 102–550, § 808, substituted ''the Civil Rights Act of 1964 and the Fair Housing Act'' for ''Public Law 88–352 and Public Law 90–284''.

Subsec. (b)(4). Pub. L. 102–550, § 812(b), inserted ''pursuant to subsection (m) of this section'' after ''plan'' and struck out ''and housing'' before ''needs and''.

Subsec. (j). Pub. L. 102–550, § 804, in first sentence, struck out ''while the unit of general local government is participating in a community development program under this chapter'' after ''has agreed that'' and inserted before period at end ''; except that the Secretary may, by regulation, exclude from consideration as program income any amounts determined to be so small that compliance with this subsection creates an unreasonable administrative burden on the unit of general local government''.

Subsecs. (*l*), (m). Pub. L. 102–550, § 812(a), redesignated subsec. (*l*), relating to community development plans, as (m) and amended it generally, substituting present provisions for provisions requiring recipients to have submitted a description of its nonhousing community development needs and strategies for meeting those needs, providing for special requirements for such plans where the recipient was a State or a unit of general local government, and providing that a submission of a plan would not be binding with respect to the use or distribution of amounts received under section 5306 of this title.

1990—Subsec. (b)(3). Pub. L. 101–625, § 902(b), substituted ''70 percent'' for ''60 percent''.

Subsec. (c). Pub. L. 101–625, § 905, amended subsec. (c) generally, substituting present provisions for provisions authorizing grants under section 5306(b) of this title only if the unit of local government certified that it followed a current housing assistance plan approved by the Secretary which (1) accurately surveyed the condition of the housing stock in the community, (2) specified a realistic annual goal for the number of dwelling units or persons of low and moderate income to be assisted, (3) indicated the general locations of proposed low and moderate income housing, and (4) specified activities that would be undertaken annually to minimize displacement and preserve or expand the avail-

ability of low and moderate income housing, and which required the establishment of dates and manner for the submission of housing assistance plans.

Subsec. (*l*). Pub. L. 101–625, § 922, added subsec. (*l*) relating to community development plans.

Pub. L. 101–625, § 906, added subsec. (*l*) relating to protection of individuals engaging in nonviolent civil rights demonstrations.

1988—Subsec. (a)(1). Pub. L. 100–242, § 505, struck out at end ''In all cases, beginning in fiscal year 1984, the statement required in this subsection shall include a description of the use of funds made available under section 5306 of this title in fiscal year 1982 and thereafter (or, beginning in fiscal year 1985, such use since preparation of the last statement prepared pursuant to this subsection) together with an assessment of the relationship of such use to the community development objectives identified in the statement prepared pursuant to this subsection for such previous fiscal years and to the requirements of subsection (b)(3) of this section.''

Subsec. (a)(3). Pub. L. 100–242, § 508, added par. (3).

Subsec. (b)(3). Pub. L. 100–242, § 506, designated provision after ''except that'' as cl. (A) and added cl. (B).

Pub. L. 100–242, § 502(c), substituted ''60'' for ''51''.

Subsec. (c)(1)(A), (B). Pub. L. 100–242, § 507(b)(1), substituted ''persons of low and moderate income'' for ''lower income persons'' wherever appearing.

Subsec. (c)(1)(C). Pub. L. 100–242, § 507(b), substituted ''persons of low and moderate income'' for ''lower income persons'' and ''low-income persons''.

Subsec. (c)(1)(D). Pub. L. 100–242, § 507(a), added subpar. (D).

Subsec. (d). Pub. L. 100–242, § 509(a)(2), added subsec. (d). Former subsec. (d) redesignated (e).

Subsec. (d)(1). Pub. L. 100–628, § 1083(a), amended third sentence generally. Prior to amendment, third sentence read as follows: ''A grantee receiving a grant under section 5306(d) of this title shall so certify to the State''.

Subsec. (d)(2)(A)(iii)(II). Pub. L. 100–628, § 1083(b), inserted ''and'' after ''mutual housing association;''.

Subsecs. (e) to (k). Pub. L. 100–242, § 509(a)(1), redesignated subsecs. (d) to (j) as (e) to (k), respectively.

1984—Subsec. (a)(2)(E). Pub. L. 98–479, § 101(a)(5), inserted ''or in the method of distribution of such funds''.

Subsec. (b)(5)(B). Pub. L. 98–479, § 101(a)(6), substituted ''moderate'' for ''low and moderate income who are not persons of very low'' before ''income, the grantee certifies''.

Subsec. (d). Pub. L. 98–479, § 101(a)(7), struck out the comma between ''which'' and ''its funds'' in third sentence, and inserted ''general'' before ''local'' after ''and units of'' in fifth sentence, and before ''local'' in sixth sentence.

1983—Subsec. (a)(1). Pub. L. 98–181, § 104(a), inserted sentence at end that the statement must include a description of the use of funds made available under section 5306 of this title in fiscal year 1982 and thereafter (or, beginning with fiscal year 1985, such use since preparation of the last statement under this subsection) together with an assessment of the relationship of such use to the community development objectives identified in the statement prepared pursuant to this subsection for previous fiscal years and to the requirements of subsec. (b)(3) of this section.

Subsec. (a)(2). Pub. L. 98–181, § 104(b)(1), in provisions preceding subpar. (A) substituted ''shall in a timely manner'' for ''shall''.

Pub. L. 98–181, § 104(b)(6), inserted at end ''Any final statement of activities may be modified or amended from time to time by the grantee in accordance with the same procedures required in this paragraph for the preparation and submission of such statement.''

Subsec. (a)(2)(A). Pub. L. 98–181, § 104(b)(2), substituted ''citizens or, as appropriate, units of general local government'' for ''citizens'', and inserted '', including the estimated amount proposed to be used for activities that will benefit persons of low and moderate income and the plans of the grantee for minimizing displacement of persons as a result of activities assisted with such funds and to assist persons actually displaced as a result of such activities''.

Subsec. (a)(2)(D), (E). Pub. L. 98–181, § 104(b)(3)–(5), added subpars. (D) and (E).

Subsec. (b)(2). Pub. L. 98–181, § 104(c)(1), inserted requirement that the grantee affirmatively further fair housing.

Subsec. (b)(3). Pub. L. 98–181, § 101(b), inserted provision that the aggregate use of funds received under section 5306 of this title and, if applicable, as a result of a guarantee under section 5308 of this title, during a period specified by the grantee of not more than 3 years, shall principally benefit persons of low and moderate income in a manner that ensures that not less than 51 percent of such funds are used for activities that benefit such persons during such period.

Subsec. (b)(4) to (6). Pub. L. 98–181, § 104(c)(2)–(4), added pars. (4) and (5) and redesignated former par. (4) as (6).

Subsec. (c)(1)(A). Pub. L. 98–181, § 104(d), inserted ''(including the number of vacant and abandoned dwelling units)''.

Subsec. (d). Pub. L. 98–181, § 104(e), in provisions preceding par. (1), substituted ''performance and evaluation report'' for ''performance report''; substituted ''subsection (a) of this section and to the requirements of subsection (b)(3) of this section'' for ''subsection (a) of this section''; and inserted provision requiring that the report be made available for citizen comment prior to submission, that the report summarize such comments and indicate programmatic accomplishments, changes in programs and objectives, and an evaluation of the extent to which funds were used to benefit low- and moderate-income persons, and requiring the Secretary to establish uniform recordkeeping, performance and evaluation reporting, and requirements for grantees, States, and local governments, based on the Secretary's approval of recommendations made by such grantees and State and local governments.

Subsec. (g)(1). Pub. L. 98–181, § 104(f), inserted ''and substantial disbursements from such fund must begin within 180 days after receipt of such payment''.

Subsecs. (i), (j). Pub. L. 98–181, § 104(g), added subsecs. (i) and (j).

1981—Subsec. (a). Pub. L. 97–35, § 302(b), substituted provisions relating to statement of objectives and projected use of funds by grantee, publication of proposals by grantees, and procedures applicable for provisions relating to contents and statements required in application.

Subsec. (b). Pub. L. 97–35, § 302(b), substituted provisions relating to certifications of enumerated criteria by grantee to Secretary for provisions relating to additional requirements for application, certifications to Secretary, and waiver of required program contents.

Subsec. (c). Pub. L. 97–35, § 302(b), substituted provisions relating to certifications by the unit of general local government respecting enumerated grants for provisions relating to approval of applications.

Subsec. (d). Pub. L. 97–35, § 302(c)(1), substituted provisions relating to performance and assessment reports by grantee to the Secretary concerning use of funds under section 5306 of this title, and reviews, audits and adjustments by the Secretary, for provisions relating to performance and assessment reports by grantee to the Secretary concerning activities carried out under this chapter, and reviews, audits, and adjustments by Secretary.

Subsec. (e). Pub. L. 97–35, § 302(d), redesignated subsec. (g) as (e). Former subsec. (e), which related to review and comment on application by areawide agency under procedures established by President, was struck out.

Subsec. (f). Pub. L. 97–35, § 302(d), (e), redesignated subsec. (h) as (f), in par. (1) substituted ''recipients of assistance under this chapter'' for ''applicants'', in par. (2) ''recipient of assistance under this chapter'' for ''applicant'' and ''the releases of funds'' for ''the applications and releases of funds'' and in par. (3)(B) to (D)

''recipient of assistance under this chapter'' for ''applicant'', and added par. (4). Former subsec. (f), which related to approval date of application and adjustment of grant subsequent to approval of application, was struck out.

Subsec. (g). Pub. L. 97–35, § 302(d), (f), redesignated subsec. (i) as (g), in par. (1) substituted provision relating to units of general local government as recipients for provision relating to recipients of funds and in par. (2) struck out provision relating to review and approval of agreements. Former subsec. (g) redesignated (e).

Subsec. (h). Pub. L. 97–35, §§ 302(d), 309(d), redesignated subsec. (j) as (h) and substituted provisions relating to submission of a statement and carrying out activities for provisions relating to program planning, meeting application requirements, and program implementation. Former subsec. (h) redesignated (f).

Subsecs. (i), (j). Pub. L. 97–35, § 302(d), redesignated subsecs. (i) and (j) as (g) and (h), respectively.

1980—Subsec. (a). Pub. L. 96–399, § 104(b), inserted provision following par. (6) relating to discretionary inclusion in program summary comparable information with respect to applicant's energy conservation and renewable energy resource needs and objectives.

Subsec. (a)(2). Pub. L. 96–399, § 105(a), in cl. (B) substituted ''activities, and objectives, including activities'' for ''including activities'', struck out ''and objectives'' after ''moderate-income persons'', and in cl. (C) inserted provisions respecting activities on the involuntary displacement of low- and moderate-income persons.

Subsec. (c). Pub. L. 96–399, § 111(c)(1), substituted ''5306(b)'' for ''5306(a)''.

Subsec. (d). Pub. L. 96–399, §§ 109, 111(c)(2), substituted ''Each'' for ''Prior to the beginning of fiscal year 1977 and each fiscal year thereafter, each'', inserted provision relating to the annual submission of the performance report, prior to the beginning of each fiscal year, and less frequently for a grantee receiving a grant not funding a comprehensive development program, inserted provisions respecting determinations by the Secretary in the case of a grant for which a report is submitted less frequently than annually in accordance with the second sentence of this paragraph, and substituted ''5306(c)'' for ''5306(d)(2)'' and ''5306(e)'' for ''5306(f)(1)(B)''.

Subsec. (e). Pub. L. 96–399, § 111(c)(2), substituted ''5306(c)'' for ''5306(d)(2)'' and ''5306(e)'' for ''5306(f)(1)(B)''.

Subsec. (j). Pub. L. 96–399, § 101(d), added subsec. (j).

1979—Subsec. (a)(4)(A). Pub. L. 96–153, § 109(a), inserted reference to impact of conversion of rental housing to condominium or cooperative ownership on housing needs.

Subsec. (b)(3). Pub. L. 96–153, § 103(c), struck out cl. (A) and redesignated cls. (B) and (C) as (A) and (B), respectively.

Subsec. (h)(1). Pub. L. 96–153, § 103(g)(1), substituted ''Act of 1969 and other provisions of law which further the purposes of such Act (as specified in regulations issued by the Secretary) are most'' for ''Act of 1969 are most'', and ''such Act, and such other provisions of law as the regulations of the Secretary specify that would apply'' for ''such Act that would apply''.

Subsec. (h)(2). Pub. L. 96–153, § 103(g)(2), substituted ''National Environmental Policy Act of 1969 and such other provisions of law as the regulations of the Secretary specify'' for ''National Environmental Policy Act''.

Subsec. (h)(3)(D). Pub. L. 96–153, § 103(g)(3), substituted ''Act of 1969 and each provision of law specified in regulations issued by the Secretary insofar as the provisions of such Act or other provision of law'' for ''Act of 1969 insofar as the provisions of such Act'' in cl. (i).

1978—Subsec. (a)(3)(C). Pub. L. 95–557, § 103(c), inserted ''as a result of existing or projected employment opportunities in the community (and those elderly persons residing in or expected to reside in the community), or as estimated in a community accepted State or regional housing opportunity plan approved by the Secretary'' after ''expected to reside in the community''.

Subsec. (a)(4)(A). Pub. L. 95–557, § 103(a), (c), inserted ''owners of homes requiring rehabilitation assistance'' after ''large families'' and inserted ''as a result of existing or projected employment opportunities in the community (and those elderly persons residing in or expected to reside in the community), or as estimated in a community accepted State or regional housing opportunity plan approved by the Secretary'' after ''expected to reside in the community''.

Subsec. (a)(4)(B)(i). Pub. L. 95–557, § 103(b), inserted ''including existing rental and owner occupied dwelling units to be upgraded and thereby preserved'' after ''existing dwelling units''.

Subsec. (c). Pub. L. 95–557, § 103(d), inserted provisions relating to approval or disapproval of any application on the basis that such application addresses any one of the primary purposes described in par. (3) to a greater or lesser extent than any other, unless such purpose is plainly inappropriate, in which case the application may be disapproved.

1977—Subsec. (a). Pub. L. 95–128, § 110(a), inserted reference to section 5318 of this title.

Subsec. (a)(1). Pub. L. 95–128, § 104(a)(1), inserted ''and housing'' before ''needs''.

Subsec. (a)(2)(B). Pub. L. 95–128, § 104(a)(2), included provision activities designed to revitalize neighborhoods for benefit of low- and moderate-income persons.

Subsec. (a)(3). Pub. L. 95–128, § 104(a)(3), inserted subpar. (B) requirement for a program designed to insure fully opportunity for participation by, and benefits to, the handicapped and added subpar. (C).

Subsec. (a)(4). Pub. L. 95–128, § 104(a)(4), inserted subpar. (A) provision for identification of housing stock in a deteriorated condition; inserted in subpar. (B) ''lower-income'' before ''persons'' and added cl. (iii); and inserted subpar. (C)(i) provision respecting reclamation of housing stock where feasible through use of a broad range of techniques for housing restoration by local government, the private sector, or community organizations, including provision of a reasonable opportunity for tenants displaced as a result of such activities to relocate in their immediate neighborhood.

Subsec. (a)(6). Pub. L. 95–128, § 104(a)(5), added cl. (A), redesignated former cls. (A) and (B) as (B) and (C), and redesignated former cl. (C) as (D) and substituted ''with an opportunity to submit comments concerning the community development performance of the applicant; but nothing in this paragraph'' for ''an adequate opportunity to participate in the development of the application; but no part of this paragraph''.

Subsec. (b)(2). Pub. L. 95–128, § 104(b), substituted in first sentence ''low- and moderate-income'' for ''low- or moderate-income'' and in second sentence after ''urgency'' the clause ''because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available'' for ''as specifically described in the application''.

Subsec. (b)(3). Pub. L. 95–128, § 104(c), added cl. (B), struck out former cl. ''(B) the application relates to the first community development activity to be carried out by such locality with assistance under this chapter'', redesignated cl. (D) as (C) and struck out former cl. ''(C) the assistance requested is for a single development activity under this chapter of a type eligible for assistance under title VII of the Housing Act of 1961 or title VII of the Housing and Urban Development Act of 1965''.

Subsec. (c)(3). Pub. L. 95–128, § 104(d), inserted '', with specific regard to the primary purposes of principally benefiting persons of low- and moderate-income or aiding in the prevention or elimination of slums or blight or meeting other community development needs having a particular urgency,'' before ''or other applicable law''.

Subsec. (d). Pub. L. 95–128, § 104(e), inserted requirement for inclusion of citizen comments in the performance reports and Secretary's consideration of the com-

ments and inserted provision for adjustment of grants under section 5306(d)(2) and (f)(1)(B) of this title without recapture of expended funds or deduction from future grants.

Subsec. (e). Pub. L. 95–128, § 104(f), inserted provisions respecting State participation in selection process for funding the grants.

Subsec. (i). Pub. L. 95–128, § 104(g), added subsec. (i).

EFFECTIVE DATE OF 1994 AMENDMENT

Amendment by Pub. L. 103–233 applicable with respect to any amounts made available to carry out subchapter II (§ 12721 et seq.) of chapter 130 of this title after Apr. 11, 1994, and any amounts made available to carry out that subchapter before that date that remain uncommitted on that date, with Secretary to issue any regulations necessary to carry out such amendment not later than end of 45-day period beginning on that date, see section 209 of Pub. L. 103–233, set out as a note under section 5301 of this title.

EFFECTIVE DATE OF 1988 AMENDMENT

Section 509(b) of Pub. L. 100–242 provided that: ''The amendment made by subsection (a) [amending this section] shall take effect on October 1, 1988.''

EFFECTIVE DATE OF 1983 AMENDMENT

Amendment by Pub. L. 98–181 applicable only to funds available for fiscal year 1984 and thereafter, see section 110(b) of Pub. L. 98–181, as amended, set out as a note under section 5316 of this title.

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by sections 302(b), (d)–(f) and 309(d) of Pub. L. 97–35 effective Oct. 1, 1981, see section 371 of Pub. L. 97–35, set out as an Effective Date note under section 3701 of Title 12, Banks and Banking.

Section 302(c)(2) of Pub. L. 97–35 provided that: ''The amendment made by paragraph (1) [amending this section] shall take effect on October 1, 1982.''

EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by Pub. L. 95–557 effective Oct. 1, 1978, see section 104 of Pub. L. 95–557, set out as a note under section 1709 of Title 12, Banks and Banking.

EFFECTIVE DATE OF 1977 AMENDMENT

Amendment by Pub. L. 95–128 effective Oct. 1, 1977, see section 114 of Pub. L. 95–128, set out as a note under section 5301 of this title.

COMPUTERIZED DATABASE OF COMMUNITY DEVELOPMENT NEEDS

Section 852 of Pub. L. 102–550 provided that:

''(a) ESTABLISHMENT OF DEMONSTRATION PROGRAM.—Not later than the expiration of the 1-year period beginning on the date appropriations for the purposes of this section are made available, the Secretary of Housing and Urban Development (hereafter in this section referred to as the 'Secretary') shall establish and implement a demonstration program to determine the feasibility of assisting States and units of general local government to develop methods, utilizing contemporary computer technology, to—

''(1) monitor, inventory, and maintain current listings of the community development needs of the States and units of general local government; and

''(2) coordinate strategies within States (especially among various units of general local government) for meeting such needs.

''(b) INTEGRATED DATABASE SYSTEM AND COMPUTER MAPPING TOOL.—

''(1) DEVELOPMENT AND PURPOSES.—In carrying out the program under this section, the Secretary shall provide for the development of an integrated database system and computer mapping tool designed to efficiently (A) collect, store, process, and retrieve information relating to priority nonhousing community development needs within States, and (B) coordinate strategies for meeting such needs. The integrated database system and computer mapping tool shall be designed in a manner to coordinate and facilitate the preparation of community development plans under section 104(m)(1) of the Housing and Community Development Act of 1974 [42 U.S.C. 5304(m)(1)] and to process any information necessary for such plans.

''(2) AVAILABILITY TO STATES.—The Secretary shall make the integrated database system and computer mapping tool developed pursuant to this subsection available to States without charge.

''(3) COORDINATION WITH EXISTING TECHNOLOGY.—The Secretary shall, to the extent practicable, utilize existing technologies and coordinate such activities with existing data systems to prevent duplication.

''(c) TECHNICAL ASSISTANCE.—Under the program under this section, the Secretary shall provide consultation and advice to States and units of general local government regarding the capabilities and advantages of the integrated database system and computer mapping tool developed pursuant to subsection (b) and assistance in installing and using the database system and mapping tool.

''(d) GRANTS.—

''(1) AUTHORITY AND PURPOSE.—The Secretary shall, to the extent amounts are made available under appropriation Acts pursuant to subsection (g), make grants to States for capital costs relating to installation and use of the integrated database system and computer mapping tool developed pursuant to subsection (b).

''(2) LIMITATIONS.—The Secretary may not make more than one grant under this subsection to any single State. The Secretary may not make a grant under this subsection to any single State in an amount exceeding $1,000,000.

''(3) APPLICATION AND SELECTION.—The Secretary shall provide for the form and manner of applications for grants under this subsection. The Secretary shall establish criteria for the selection of States which have submitted applications to receive grants under this section and shall select recipients according to such criteria, which shall give priority to States having, on a long-term basis (as determined by the Secretary), levels of unemployment above the national average level.

''(e) STATE COORDINATION OF LOCAL NEEDS.—Each State that receives a grant under subsection (d) shall annually submit to the Secretary a report containing a summary of the priority nonhousing community development needs within the State.

''(f) REPORTS BY SECRETARY.—The Secretary shall annually submit to the Committees on Banking, Finance and Urban Affairs [now Committee on Financial Services] of the House of Representatives and Banking, Housing, and Urban Affairs of the Senate, a report containing a summary of the information submitted for the year by States pursuant to subsection (e), which shall describe the priority nonhousing community development needs within such States.

''(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each of the fiscal years 1993 and 1994, $10,000,000 to carry out the program established under this section.''

AUTHORITY TO PROVIDE LUMP-SUM PAYMENTS TO REVOLVING LOAN FUNDS

Section 909 of Pub. L. 101–625 provided that:

''(a) IN GENERAL.—Notwithstanding any other provision of law, units of general local government receiving assistance under title I of the Housing and Community Development Act of 1974 [42 U.S.C. 5301 et seq.] may receive funds in one payment for use in establishing or supplementing revolving loan funds in the manner provided under section 104(h) of such Act (42 U.S.C. 5304(h)).

''(b) APPLICABILITY.—This section shall apply to funds approved in appropriations Acts for use under title I of

the Housing and Community Development Act of 1974 for fiscal year 1992 and any fiscal year thereafter.''

REVOLVING LOAN FUNDS

Pub. L. 102–139, title II, Oct. 28, 1991, 105 Stat. 752, provided: ''That after September 30, 1991, notwithstanding section 909 of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101–625) [set out above], no funds provided or heretofore provided in this or any other appropriations Act shall be used to establish or supplement a revolving fund under section 104(h) of the Housing and Community Development Act of 1974 [42 U.S.C. 5304(h)], as amended.''

Similar provisions were contained in the following prior appropriation acts:

Pub. L. 101–507, title II, Nov. 5, 1990, 104 Stat. 1365.

Pub. L. 101–144, title II, Nov. 9, 1989, 103 Stat. 850.

REPORT TO CONGRESS CONCERNING CONVERSION OF RENTAL HOUSING TO CONDOMINIUM OR COOPERATIVE OWNERSHIP

Section 109(b) of Pub. L. 96–153 directed Secretary of Housing and Urban Development, not later than six months after Dec. 12, 1979, to submit a report to Congress concerning conversion of rental housing to condominium or cooperative ownership, which report was to include an estimate of number of such conversions which have occurred since 1970, a projection of number of such conversions estimated to occur during period 1980 through 1985, an assessment of impact that such conversions have had or are likely to have on availability of housing to lower income persons, an assessment of extent to which such conversions are concentrated in certain areas or types of areas of country, and an assessment of factors contributing to increase in such conversions, and which report was also to include recommendations concerning alternative means to minimize the adverse impact that such conversions may have on lower income persons.

FLOODPLAIN MANAGEMENT

For provisions relating to reduction of risk of flood loss, minimization of impact of floods on human safety, health and welfare, and management of floodplains, see Ex. Ord. No. 11988, May 24, 1977, 42 F.R. 26951, set out as a note under section 4321 of this title.

PROTECTION OF WETLANDS

For provisions relating to protection of wetlands, see Ex. Ord. No. 11990, May 24, 1977, 42 F.R. 26961, set out as a note under section 4321 of this title.

## § 5305. Activities eligible for assistance

### (a) Enumeration of eligible activities

Activities assisted under this chapter may include only—

(1) the acquisition of real property (including air rights, water rights, and other interests therein) which is (A) blighted, deteriorated, deteriorating, undeveloped, or inappropriately developed from the standpoint of sound community development and growth; (B) appropriate for rehabilitation or conservation activities; (C) appropriate for the preservation or restoration of historic sites, the beautification of urban land, the conservation of open spaces, natural resources, and scenic areas, the provision of recreational opportunities, or the guidance of urban development; (D) to be used for the provision of public works, facilities, and improvements eligible for assistance under this chapter; or (E) to be used for other public purposes;

(2) the acquisition, construction, reconstruction, or installation (including design features and improvements with respect to such construction, reconstruction, or installation that promote energy efficiency) of public works, facilities (except for buildings for the general conduct of government), and site or other improvements;

(3) code enforcement in deteriorated or deteriorating areas in which such enforcement, together with public or private improvements or services to be provided, may be expected to arrest the decline of the area;

(4) clearance, demolition, removal, reconstruction, and rehabilitation (including rehabilitation which promotes energy efficiency) of buildings and improvements (including interim assistance, and financing public or private acquisition for reconstruction or rehabilitation, and reconstruction or rehabilitation, of privately owned properties, and including the renovation of closed school buildings);

(5) special projects directed to the removal of material and architectural barriers which restrict the mobility and accessibility of elderly and handicapped persons;

(6) payments to housing owners for losses of rental income incurred in holding for temporary periods housing units to be utilized for the relocation of individuals and families displaced by activities under this chapter;

(7) disposition (through sale, lease, donation, or otherwise) of any real property acquired pursuant to this chapter or its retention for public purposes;

(8) provision of public services, including but not limited to those concerned with employment, crime prevention, child care, health, drug abuse, education, energy conservation, welfare or recreation needs, if such services have not been provided by the unit of general local government (through funds raised by such unit, or received by such unit from the State in which it is located) during any part of the twelve-month period immediately preceding the date of submission of the statement with respect to which funds are to be made available under this chapter, and which are to be used for such services, unless the Secretary finds that the discontinuation of such services was the result of events not within the control of the unit of general local government, except that not more than 15 per centum of the amount of any assistance to a unit of general local government (or in the case of nonentitled communities not more than 15 per centum statewide) under this chapter including program income may be used for activities under this paragraph unless such unit of general local government used more than 15 percent of the assistance received under this chapter for fiscal year 1982 or fiscal year 1983 for such activities (excluding any assistance received pursuant to Public Law 98–8), in which case such unit of general local government may use not more than the percentage or amount of such assistance used for such activities for such fiscal year, whichever method of calculation yields the higher amount, except that of any amount of assistance under this chapter (including program income) in each of fiscal years 1993 through 2003 to the City of Los Angeles and County of Los Angeles, each such

unit of general government may use not more than 25 percent in each such fiscal year for activities under this paragraph, and except that of any amount of assistance under this chapter (including program income) in each of fiscal years 1999, 2000, and 2001, to the City of Miami, such city may use not more than 25 percent in each fiscal year for activities under this paragraph;

(9) payment of the non-Federal share required in connection with a Federal grant-in-aid program undertaken as part of activities assisted under this chapter;

(10) payment of the cost of completing a project funded under title I of the Housing Act of 1949 [42 U.S.C. 1450 et seq.];

(11) relocation payments and assistance for displaced individuals, families, businesses, organizations, and farm operations, when determined by the grantee to be appropriate;

(12) activities necessary (A) to develop a comprehensive community development plan, and (B) to develop a policy-planning-management capacity so that the recipient of assistance under this chapter may more rationally and effectively (i) determine its needs, (ii) set long-term goals and short-term objectives, (iii) devise programs and activities to meet these goals and objectives, (iv) evaluate the progress of such programs in accomplishing these goals and objectives, and (v) carry out management, coordination, and monitoring of activities necessary for effective planning implementation;

(13) payment of reasonable administrative costs related to establishing and administering federally approved enterprise zones and payment of reasonable administrative costs and carrying charges related to (A) administering the HOME program under title II of the Cranston-Gonzalez National Affordable Housing Act [42 U.S.C. 12721 et seq.]; and (B) the planning and execution of community development and housing activities, including the provision of information and resources to residents of areas in which community development and housing activities are to be concentrated with respect to the planning and execution of such activities, and including the carrying out of activities as described in section 701(e) of the Housing Act of 1954[1] on August 12, 1981;

(14) provision of assistance including loans (both interim and long-term) and grants for activities which are carried out by public or private nonprofit entities, including (A) acquisition of real property; (B) acquisition, construction, reconstruction, rehabilitation, or installation of (i) public facilities (except for buildings for the general conduct of government), site improvements, and utilities, and (ii) commercial or industrial buildings or structures and other commercial or industrial real property improvements; and (C) planning;

(15) assistance to neighborhood-based nonprofit organizations, local development corporations, nonprofit organizations serving the development needs of the communities in non-entitlement areas, or entities organized under section 681(d)[1] of title 15 to carry out a neighborhood revitalization or community economic development or energy conservation project in furtherance of the objectives of section 5301(c) of this title, and assistance to neighborhood-based nonprofit organizations, or other private or public nonprofit organizations, for the purpose of assisting, as part of neighborhood revitalization or other community development, the development of shared housing opportunities (other than by construction of new facilities) in which elderly families (as defined in section 1437a(b)(3) of this title) benefit as a result of living in a dwelling in which the facilities are shared with others in a manner that effectively and efficiently meets the housing needs of the residents and thereby reduces their cost of housing;

(16) activities necessary to the development of energy use strategies related to a recipient's development goals, to assure that those goals are achieved with maximum energy efficiency, including items such as—

(A) an analysis of the manner in, and the extent to, which energy conservation objectives will be integrated into local government operations, purchasing and service delivery, capital improvements budgeting, waste management, district heating and cooling, land use planning and zoning, and traffic control, parking, and public transportation functions; and

(B) a statement of the actions the recipient will take to foster energy conservation and the use of renewable energy resources in the private sector, including the enactment and enforcement of local codes and ordinances to encourage or mandate energy conservation or use of renewable energy resources, financial and other assistance to be provided (principally for the benefit of low- and moderate-income persons) to make energy conserving improvements to residential structures, and any other proposed energy conservation activities;

(17) provision of assistance to private, for-profit entities, when the assistance is appropriate to carry out an economic development project (that shall minimize, to the extent practicable, displacement of existing businesses and jobs in neighborhoods) that—

(A) creates or retains jobs for low- and moderate-income persons;

(B) prevents or eliminates slums and blight;

(C) meets urgent needs;

(D) creates or retains businesses owned by community residents;

(E) assists businesses that provide goods or services needed by, and affordable to, low- and moderate-income residents; or

(F) provides technical assistance to promote any of the activities under subparagraphs (A) through (E);

(18) the rehabilitation or development of housing assisted under section 1437*o*[2] of this title;

(19) provision of technical assistance to public or nonprofit entities to increase the capac-

[1] See References in Text note below.

[2] See References in Text note below.

ity of such entities to carry out eligible neighborhood revitalization or economic development activities, which assistance shall not be considered a planning cost as defined in paragraph (12) or administrative cost as defined in paragraph (13);

(20) housing services, such as housing counseling in connection with tenant-based rental assistance and affordable housing projects assisted under title II of the Cranston-Gonzalez National Affordable Housing Act [42 U.S.C. 12721 et seq.], energy auditing, preparation of work specifications, loan processing, inspections, tenant selection, management of tenant-based rental assistance, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in housing activities assisted under title II of the Cranston-Gonzalez National Affordable Housing Act;

(21) provision of assistance by recipients under this chapter to institutions of higher education having a demonstrated capacity to carry out eligible activities under this subsection for carrying out such activities;

(22) provision of assistance to public and private organizations, agencies, and other entities (including nonprofit and for-profit entities) to enable such entities to facilitate economic development by—

(A) providing credit (including providing direct loans and loan guarantees, establishing revolving loan funds, and facilitating peer lending programs) for the establishment, stabilization, and expansion of microenterprises;

(B) providing technical assistance, advice, and business support services (including assistance, advice, and support relating to developing business plans, securing funding, conducting marketing, and otherwise engaging in microenterprise activities) to owners of microenterprises and persons developing microenterprises; and

(C) providing general support (such as peer support programs and counseling) to owners of microenterprises and persons developing microenterprises;

(23) activities necessary to make essential repairs and to pay operating expenses necessary to maintain the habitability of housing units acquired through tax foreclosure proceedings in order to prevent abandonment and deterioration of such housing in primarily low- and moderate-income neighborhoods;

(24)[3] the construction or improvement of tornado-safe shelters for residents of manufactured housing, and the provision of assistance (including loans and grants) to nonprofit and for-profit entities (including owners of manufactured housing parks) for such construction or improvement, except that—

(A) a shelter assisted with amounts provided pursuant to this paragraph may be located only in a neighborhood (including a manufactured housing park) that—

(i) contains not less than 20 manufactured housing units that are within such proximity to the shelter that the shelter is available to the residents of such units in the event of a tornado;

(ii) consists predominantly of persons of low and moderate income; and

(iii) is located within a State in which a tornado has occurred during the fiscal year for which the amounts to be used under this paragraph were made available or any of the 3 preceding fiscal years, as determined by the Secretary after consultation with the Administrator of the Federal Emergency Management Agency;

(B) such a shelter shall comply with standards for construction and safety as the Secretary, after consultation with the Administrator of the Federal Emergency Management Agency, shall provide to ensure protection from tornadoes;

(C) such a shelter shall be of a size sufficient to accommodate, at a single time, all occupants of manufactured housing units located within the neighborhood in which the shelter is located; and

(D) amounts may not be used for a shelter as provided under this paragraph unless there is located, within the neighborhood in which the shelter is located (or, in the case of a shelter located in a manufactured housing park, within 1,500 feet of such park), a warning siren that is operated in accordance with such local, regional, or national disaster warning programs or systems as the Secretary, after consultation with the Administrator of the Federal Emergency Management Agency, considers appropriate to ensure adequate notice of occupants of manufactured housing located in such neighborhood or park of a tornado; and

(24)[3] provision of direct assistance to facilitate and expand homeownership among persons of low and moderate income (except that such assistance shall not be considered a public service for purposes of paragraph (8)) by using such assistance to—

(A) subsidize interest rates and mortgage principal amounts for low- and moderate-income homebuyers;

(B) finance the acquisition by low- and moderate-income homebuyers of housing that is occupied by the homebuyers;

(C) acquire guarantees for mortgage financing obtained by low- and moderate-income homebuyers from private lenders (except that amounts received under this chapter may not be used under this subparagraph to directly guarantee such mortgage financing and grantees under this chapter may not directly provide such guarantees);

(D) provide up to 50 percent of any downpayment required from low- or moderate-income homebuyer; or

(E) pay reasonable closing costs (normally associated with the purchase of a home) incurred by a low- or moderate-income homebuyer; and

(25) lead-based paint hazard evaluation and reduction, as defined in section 4851b of this title.

[3] So in original. Two pars. (24) have been enacted.

**(b) Reimbursement of Secretary for administrative services connected with rehabilitation of properties**

Upon the request of the recipient of assistance under this chapter, the Secretary may agree to perform administrative services on a reimbursable basis on behalf of such recipient in connection with loans or grants for the rehabilitation of properties as authorized under subsection (a)(4) of this section.

**(c) Activities benefiting persons of low and moderate income**

(1) In any case in which an assisted activity described in paragraph (14) or (17) of subsection (a) of this section is identified as principally benefiting persons of low and moderate income, such activity shall—

(A) be carried out in a neighborhood consisting predominately of persons of low and moderate income and provide services for such persons; or

(B) involve facilities designed for use predominately by persons of low and moderate income; or

(C) involve employment of persons, a majority of whom are persons of low and moderate income.

(2)(A) In any case in which an assisted activity described in subsection (a) of this section is designed to serve an area generally and is clearly designed to meet identified needs of persons of low and moderate income in such area, such activity shall be considered to principally benefit persons of low and moderate income if (i) not less than 51 percent of the residents of such area are persons of low and moderate income; (ii) in any metropolitan city or urban county, the area served by such activity is within the highest quartile of all areas within the jurisdiction of such city or county in terms of the degree of concentration of persons of low and moderate income; or (iii) the assistance for such activity is limited to paying assessments (including any charge made as a condition of obtaining access) levied against properties owned and occupied by persons of low and moderate income to recover the capital cost for a public improvement.

(B) The requirements of subparagraph (A) do not prevent the use of assistance under this chapter for the development, establishment, and operation for not to exceed 2 years after its establishment of a uniform emergency telephone number system if the Secretary determines that—

(i) such system will contribute substantially to the safety of the residents of the area served by such system;

(ii) not less than 51 percent of the use of the system will be by persons of low and moderate income; and

(iii) other Federal funds received by the grantee are not available for the development, establishment, and operation of such system due to the insufficiency of the amount of such funds, the restrictions on the use of such funds, or the prior commitment of such funds for other purposes by the grantee.

The percentage of the cost of the development, establishment, and operation of such a system that may be paid from assistance under this chapter and that is considered to benefit low and moderate income persons is the percentage of the population to be served that is made up of persons of low and moderate income.

(3) Any assisted activity under this chapter that involves the acquisition or rehabilitation of property to provide housing shall be considered to benefit persons of low and moderate income only to the extent such housing will, upon completion, be occupied by such persons.

(4) For the purposes of subsection (c)(1)(C) of this section—

(A) if an employee resides in, or the assisted activity through which he or she is employed, is located in a census tract that meets the Federal enterprise zone eligibility criteria, the employee shall be presumed to be a person of low- or moderate-income; or

(B) if an employee resides in a census tract where not less than 70 percent of the residents have incomes at or below 80 percent of the area median, the employee shall be presumed to be a person of low or moderate income.

**(d) Training program**

The Secretary shall implement, using funds recaptured pursuant to section 5318(*o*) of this title, an on-going education and training program for officers and employees of the Department, especially officers and employees of area and other field offices of the Department, who are responsible for monitoring and administering activities pursuant to paragraphs (14), (15), and (17) of subsection (a) of this section for the purpose of ensuring that (A) such personnel possess a thorough understanding of such activities; and (B) regulations and guidelines are implemented in a consistent fashion.

**(e) Guidelines for evaluating and selecting economic development projects**

**(1) Establishment**

The Secretary shall establish, by regulation, guidelines to assist grant recipients under this chapter to evaluate and select activities described in subsection (a)(14), (15), and (17) of this section for assistance with grant amounts. The Secretary shall not base a determination of eligibility of the use of funds under this chapter for such assistance solely on the basis that the recipient fails to achieve one or more of the guidelines' objectives as stated in paragraph (2).

**(2) Project costs and financial requirements**

The guidelines established under this subsection shall include the following objectives:

(A) The project costs of such activities are reasonable.

(B) To the extent practicable, reasonable financial support has been committed for such activities from non-Federal sources prior to disbursement of Federal funds.

(C) To the extent practicable, any grant amounts to be provided for such activities do not substantially reduce the amount of non-Federal financial support for the activity.

(D) Such activities are financially feasible.

(E) To the extent practicable, such activities provide not more than a reasonable return on investment to the owner.

(F) To the extent practicable, grant amounts used for the costs of such activities are disbursed on a pro rata basis with amounts from other sources.

**(3) Public benefit**

The guidelines established under this subsection shall provide that the public benefit provided by the activity is appropriate relative to the amount of assistance provided with grant amounts under this chapter.

**(f) Assistance to for-profit entities**

In any case in which an activity described in paragraph (17) of subsection (a) of this section is provided assistance such assistance shall not be limited to activities for which no other forms of assistance are available or could not be accomplished but for that assistance.

**(g) Microenterprise and small business program requirements**

In developing program requirements and providing assistance pursuant to paragraph (17) of subsection (a) of this section to a microenterprise or small business, the Secretary shall—

(1) take into account the special needs and limitations arising from the size of the entity; and

(2) not consider training, technical assistance, or other support services costs provided to small businesses or microenterprises or to grantees and subgrantees to develop the capacity to provide such assistance, as a planning cost pursuant to subsection (a)(12) of this section or an administrative cost pursuant to subsection (a)(13) of this section.

**(h) Prohibition on use of assistance for employment relocation activities**

Notwithstanding any other provision of law, no amount from a grant under section 5306 of this title made in fiscal year 1999 or any succeeding fiscal year may be used to assist directly in the relocation of any industrial or commercial plant, facility, or operation, from 1 area to another area, if the relocation is likely to result in a significant loss of employment in the labor market area from which the relocation occurs.

(Pub. L. 93–383, title I, § 105, Aug. 22, 1974, 88 Stat. 641; Pub. L. 94–375, § 15(b), Aug. 3, 1976, 90 Stat. 1076; Pub. L. 95–128, title I, § 105, Oct. 12, 1977, 91 Stat. 1116; Pub. L. 95–557, title I, § 103(e), Oct. 31, 1978, 92 Stat. 2084; Pub. L. 96–399, title I, § 104(c)–(e), Oct. 8, 1980, 94 Stat. 1616–1618; Pub. L. 97–35, title III, §§ 303(a), 309(e)–(g), Aug. 13, 1981, 95 Stat. 387, 396; Pub. L. 98–181, title I, § 105(a), (b)(1), (c)–(e), title III, § 302(a), Nov. 30, 1983, 97 Stat. 1163, 1164, 1206; Pub. L. 98–479, title I, § 101(a)(8), (9)(A), Oct. 17, 1984, 98 Stat. 2219; Pub. L. 100–242, title V, §§ 504, 510, 511, Feb. 5, 1988, 101 Stat. 1925, 1929; Pub. L. 100–404, title I, Aug. 19, 1988, 102 Stat. 1019; Pub. L. 101–625, title IX, §§ 907, 908, Nov. 28, 1990, 104 Stat. 4387, 4389; Pub. L. 102–550, title VIII, §§ 805, 806(a), (b), (c), 807(a), (b)(3), (c)(1), (d)–(f), 809, title X, § 1012(f), Oct. 28, 1992, 106 Stat. 3846, 3847, 3849, 3850, 3905; Pub. L. 103–195, § 2(a), Dec. 14, 1993, 107 Stat. 2297; Pub. L. 103–233, title II, § 207, Apr. 11, 1994, 108 Stat. 365; Pub. L. 104–134, title I, § 101(e) [title II, § 225], Apr. 26, 1996, 110 Stat. 1321–257, 1321–291; renumbered title I, Pub. L. 104–140, § 1(a), May 2, 1996, 110 Stat. 1327; Pub. L. 104–204, title II, § 220, Sept. 26, 1996, 110 Stat. 2906; Pub. L. 105–276, title II, §§ 218, 232, title V, §§ 588, 596(a), Oct. 21, 1998, 112 Stat. 2487, 2492, 2651, 2659; Pub. L. 106–377, § 1(a)(1) [title II, § 224], Oct. 27, 2000, 114 Stat. 1441, 1441A–30; Pub. L. 107–116, title VI, § 631, Jan. 10, 2002, 115 Stat. 2227; Pub. L. 108–146, § 2, Dec. 3, 2003, 117 Stat. 1883; Pub. L. 109–295, title VI, § 612(c), Oct. 4, 2006, 120 Stat. 1410.)

REFERENCES IN TEXT

This chapter, referred to in subsecs. (a), (b), (c)(2), (3), and (e)(1), (3), was in the original ''this title'', meaning title I of Pub. L. 93–383, Aug. 22, 1974, 88 Stat. 633, which is classified principally to this chapter. For complete classification of title I to the Code, see Tables.

Public Law 98–8, referred to in subsec. (a)(8), is Pub. L. 98–8, Mar. 24, 1983, 97 Stat. 13. Provisions of that Act relating to assistance under this chapter are not classified to the Code. For complete classification of this Act to the Code, see Tables.

The Housing Act of 1949, referred to in subsec. (a)(10), is act July 15, 1949, ch. 338, 63 Stat. 413. Title I of the Housing Act of 1949 was classified generally to subchapter II (§ 1450 et seq.) of chapter 8A of this title, and was omitted from the Code pursuant to section 5316 of this title which terminated authority to make grants and loans under such title I after Jan. 1, 1975. For complete classification of this Act to the Code, see Short Title note set out under section 1441 of this title and Tables.

The Cranston-Gonzalez National Affordable Housing Act, referred to in subsec. (a)(13)(A), (20), is Pub. L. 101–625, Nov. 28, 1990, 104 Stat. 4079. Title II of the Act, known as the HOME Investment Partnerships Act, is classified principally to subchapter II (§ 12721 et seq.) of chapter 130 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 12701 of this title and Tables.

Section 701(e) of the Housing Act of 1954, referred to in subsec. (a)(13)(B), is section 701(e) of act Aug. 2, 1954, ch. 649, 68 Stat. 640, which was classified to section 461(e) of former Title 40, Public Buildings, Property, and Works, and was repealed by Pub. L. 97–35, title III, § 313(b), Aug. 13, 1981, 95 Stat. 398.

Section 681(d) of title 15, referred to in subsec. (a)(15), was repealed by Pub. L. 104–208, div. D, title II, § 208(b)(3)(A), Sept. 30, 1996, 110 Stat. 3009–742.

Section 1437*o* of this title, referred to in subsec. (a)(18), was repealed by Pub. L. 101–625, title II, § 289(b), Nov. 28, 1990, 104 Stat. 4128.

CODIFICATION

In subsec. (a)(13), ''August 12, 1981'' substituted for ''the date prior to the date of enactment of the Housing and Community Development Amendments of 1981''.

AMENDMENTS

2003—Subsec. (a)(22). Pub. L. 108–146, § 2(1), which directed amendment of par. (22) by striking out ''and'' at end, could not be executed because that word had been previously stricken.

Subsec. (a)(23). Pub. L. 108–146, § 2(2), which directed amendment of par. (23) by substituting a semicolon for period at end, could not be executed because par. (23) did not have a period at end.

Subsec. (a)(24). Pub. L. 108–146, § 2(2), added par. (24) relating to tornado-safe shelters.

2002—Subsec. (a)(8). Pub. L. 107–116 substituted ''through 2003'' for ''through 2001''.

2000—Subsec. (a)(8). Pub. L. 106–377 substituted ''1993 through 2001 to the City of Los Angeles'' for ''1993 through 2000 to the City of Los Angeles''.

1998—Subsec. (a)(8). Pub. L. 105–276, § 596(a), which directed the substitution of ''2000'' for ''1998'', was executed by substituting ''2000'' for ''1999'', to reflect the probable intent of Congress and the amendment by Pub. L. 105–276, § 218, see below.

Pub. L. 105–276, § 232, substituted ''each of fiscal years 1999, 2000, and 2001, to the City of Miami, such city may use not more than 25 percent in each fiscal year for activities under this paragraph;'' for ''fiscal year 1994 to the City of Pittsburgh, Pennsylvania, such city may use not more than 20 percent in each such fiscal year for activities under this paragraph;''.

Pub. L. 105–276, § 218, substituted ''1999'' for ''1998''.

Subsec. (h). Pub. L. 105–276, § 588, added subsec. (h).

1996—Subsec. (a)(4). Pub. L. 104–134, § 101[(e)] [title II, § 225(1)], inserted ''reconstruction,'' after ''removal,'' and substituted ''acquisition for reconstruction or rehabilitation, and reconstruction or rehabilitation'' for ''acquisition for rehabilitation, and rehabilitation''.

Subsec. (a)(8). Pub. L. 104–204 substituted ''through 1998'' for ''through 1997''.

Subsec. (a)(13). Pub. L. 104–134, § 101(e) [title II, § 225(2)], struck out ''and'' at end.

Subsec. (a)(19). Pub. L. 104–134, § 101(e) [title II, § 225(3), (6)], redesignated par. (20) as (19) and struck out former par. (19) which read as follows: ''provision of assistance to facilitate substantial reconstruction of housing owned and occupied by low and moderate income persons (A) where the need for the reconstruction was not determinable until after rehabilitation under this section had already commenced, or (B) where the reconstruction is part of a neighborhood rehabilitation effort and the grantee (i) determines the housing is not suitable for rehabilitation, and (ii) demonstrates to the satisfaction of the Secretary that the cost of substantial reconstruction is significantly less than the cost of new construction and less than the fair market value of the property after substantial reconstruction;''.

Subsec. (a)(20). Pub. L. 104–134, § 101(e) [title II, § 225(6)], redesignated par. (21) relating to housing services as (20). Former par. (20) redesignated (19).

Subsec. (a)(21). Pub. L. 104–134, § 101(e) [title II, § 225(6)], redesignated par. (22) as (21). Former par. (21), relating to housing services, redesignated (20). Another former par. (21), relating to lead-based paint hazard evaluation and reduction, redesignated (25).

Subsec. (a)(22). Pub. L. 104–134, § 101(e) [title II, § 225(6)], redesignated par. (23) as (22). Former par. (22) redesignated (21).

Subsec. (a)(23). Pub. L. 104–134, § 101(e) [title II, § 225(4), (6)], redesignated par. (24) as (23) and struck out ''and'' at end. Former par. (23) redesignated (22).

Subsec. (a)(24). Pub. L. 104–134, § 101(e) [title II, § 225(5), (6)], redesignated par. (25) as (24) and substituted ''; and'' for period at end. Former par. (24) redesignated (23).

Subsec. (a)(25). Pub. L. 104–134, § 101(e) [title II, § 225(7)], redesignated par. (21) relating to lead-based paint hazard evaluation and reduction as (25). Former par. (25) redesignated (24).

1994—Subsec. (a)(13). Pub. L. 103–233, § 207(a), inserted cl. (A) and designated provisions after cl. (A) as cl. (B).

Subsec. (a)(21). Pub. L. 103–233, § 207(b), inserted ''in connection with tenant-based rental assistance and affordable housing projects assisted under title II of the Cranston-Gonzalez National Affordable Housing Act'' after ''housing counseling'' and substituted ''assisted under title II of the Cranston-Gonzalez National Affordable Housing Act'' for ''authorized under this section, or under title II of the Cranston-Gonzalez National Affordable Housing Act, except that activities under this paragraph shall be subject to any limitation on administrative expenses imposed by any law''.

1993—Subsec. (a)(8). Pub. L. 103–195 struck out ''and'' after ''higher amount,'' and inserted before semicolon at end '', and except that of any amount of assistance under this chapter (including program income) in fiscal year 1994 to the City of Pittsburgh, Pennsylvania, such city may use not more than 20 percent in each such fiscal year for activities under this paragraph''.

1992—Subsec. (a)(3). Pub. L. 102–550, § 807(e), substituted ''public or private improvements or'' for ''public improvements and''.

Subsec. (a)(8). Pub. L. 102–550, § 807(a)(1), inserted before semicolon at end '', and except that of any amount of assistance under this chapter (including program income) in each of fiscal years 1993 through 1997 to the City of Los Angeles and County of Los Angeles, each such unit of general government may use not more than 25 percent in each such fiscal year for activities under this paragraph''.

Subsec. (a)(13). Pub. L. 102–550, § 809, inserted ''payment of reasonable administrative costs related to establishing and administering federally approved enterprise zones and'' after ''(13)''.

Subsec. (a)(14). Pub. L. 102–550, § 807(d), inserted ''provision of assistance including loans (both interim and long-term) and grants for'' before ''activities''.

Subsec. (a)(15). Pub. L. 102–550, § 807(f), inserted ''nonprofit organizations serving the development needs of the communities in nonentitlement areas,'' after ''corporations,''.

Subsec. (a)(20). Pub. L. 102–550, § 807(a)(2)–(4), added par. (20) and redesignated former par. (20) as (25).

Subsec. (a)(21). Pub. L. 102–550, § 1012(f), added par. (21) relating to lead-based paint hazard evaluation and reduction.

Pub. L. 102–550, § 807(a)(2)–(4), added par. (21) relating to housing services.

Subsec. (a)(22). Pub. L. 102–550, § 807(a)(2)–(4), added par. (22).

Subsec. (a)(23) to (25). Pub. L. 102–550, § 807(b)(3), amended directory language of Pub. L. 101–625, § 907(b)(2). See 1990 Amendment note below.

Pub. L. 102–550, § 807(a)(2)–(4), added pars. (23) and (24) and redesignated former par. (20) as (25).

Subsec. (c)(4). Pub. L. 102–550, § 806(e), added par. (4).

Subsec. (d). Pub. L. 102–550, § 805, added subsec. (d).

Subsec. (e). Pub. L. 102–550, § 806(a), added subsec. (e).

Subsec. (f). Pub. L. 102–550, § 806(b), added subsec. (f).

Subsec. (g). Pub. L. 102–550, § 807(c)(1), added subsec. (g).

1990—Subsec. (a)(8). Pub. L. 101–625, § 908, inserted ''(or in the case of nonentitled communities not more than 15 per centum statewide)'' after ''assistance to a unit of general local government'' and ''including program income'' before ''may be used for activities''.

Subsec. (a)(17). Pub. L. 101–625, § 907(a), amended par. (17) generally. Prior to amendment, par. (17) read as follows: ''provision of assistance to private, for-profit entities, when the assistance is necessary or appropriate to carry out an economic development project;''.

Subsec. (a)(20). Pub. L. 101–625, § 907(b)(1), added par. (20).

Subsec. (a)(23) to (25). Pub. L. 101–625, § 907(b)(2), as amended by Pub. L. 102–550, § 807(b)(3), directed the amendment of subsec. (a) by inserting ''and'' at end of par. (23), substituting a period for ''; and'' at end of par. (24), and striking out par. (25). This amendment was not executed pursuant to Pub. L. 104–204 which provided that subsec. (a)(25) shall continue to be effective and the termination and conforming provisions of section 907(b)(2) of Pub. L. 101–625 shall not be effective. See Effective Date of 1990 Amendments note below.

1988—Subsec. (a)(15). Pub. L. 100–242, § 504(a), substituted ''assistance'' for ''grants'' in two places.

Subsec. (a)(16). Pub. L. 100–242, § 504(b), amended par. (16) generally, revising and restating as subpars. (A) and (B) provisions of former subpars. (A) to (I).

Subsec. (a)(19). Pub. L. 100–242, § 510, added par. (19).

Subsec. (c)(2). Pub. L. 100–242, § 511, designated existing provision as subpar. (A), redesignated subpars. (A) and (B) as cls. (i) and (ii), respectively, and added subpar. (B).

Subsec. (c)(2)(A)(iii). Pub. L. 100–404 added cl. (iii).

1984—Subsec. (a)(8). Pub. L. 98–479, § 101(a)(8)(A), inserted ''fiscal year 1982 or''.

Subsec. (a)(15). Pub. L. 98–479, § 101(a)(8)(B), substituted ''and'' for ''including'' before ''grants to neighborhood-based nonprofit organizations''.

Subsec. (c)(2)(B). Pub. L. 98–479, § 101(a)(9)(A), substituted ''in any metropolitan city or urban county, the area served by such activity is within the highest quartile of all areas within the jurisdiction of such city or county in terms of the degree of concentration of

persons of low and moderate income'' for ''in any jurisdiction having no areas meeting the requirements of subparagraph (A), the area served by such activity has a larger proportion of persons of low and moderate income than not less than 75 percent of the other areas in the jurisdiction of the recipient''.

1983—Subsec. (a)(2). Pub. L. 98–181, § 105(a), amended par. (2) generally, inserting exception for buildings for the general conduct of government, and striking out provisions which enumerated types of public works, facilities, and site or other improvements, including neighborhood facilities, centers for the handicapped, senior centers, historic properties, etc.

Subsec. (a)(8). Pub. L. 98–181, § 105(b)(1), substituted ''not more than 15 per centum'' for ''not more than 10 per centum'' and inserted at the end thereof ''unless such unit of general local government used more than 15 percent of the assistance received under this chapter for fiscal year 1983 for such activities (excluding any assistance received pursuant to Public Law 98–8), in which case such unit of general local government may use not more than the percentage or amount of such assistance used for such activities for such fiscal year, whichever method of calculation yields the higher amount''.

Subsec. (a)(14). Pub. L. 98–181, § 105(c), substituted ''public facilities (except for buildings for the general conduct of government)'' for ''public facilities''.

Subsec. (a)(15). Pub. L. 98–181, § 105(d), inserted provision for assistance for shared housing facilities for elderly families, as defined in section 1437a(b)(3) of this title.

Subsec. (a)(18). Pub. L. 98–181, § 302(a), added par. (18).

Subsec. (c). Pub. L. 98–181, § 105(e), added subsec. (c).

1981—Subsec. (a). Pub. L. 97–35, § 309(f)(1), in provisions preceding par. (1) substituted provisions relating to activities eligible for assistance for provisions relating to activities of a Community Development Program eligible for assistance.

Subsec. (a)(6). Pub. L. 97–35, § 309(f)(2), struck out ''program'' after ''displaced by''.

Subsec. (a)(8). Pub. L. 97–35, § 303(a)(1), added new par. (8) which generally revised and restructured provisions relating to provision of public services if such services have not been provided by the relevant unit of local government or State in which such unit is located, and limited amount of assistance under this paragraph to not more than 10 per centum of the amount of any assistance to a unit of general local government under this chapter.

Subsec. (a)(9). Pub. L. 97–35, § 309(f)(3), substituted ''activities assisted under this chapter'' for ''Community Development Program''.

Subsec. (a)(11). Pub. L. 97–35, § 309(f)(4), struck out ''to the community development program'' after ''appropriate''.

Subsec. (a)(13). Pub. L. 97–35, § 303(a)(2), inserted reference to the carrying out of activities as described in section 701(e) of the Housing Act of 1954 on Aug. 12, 1981.

Subsec. (a)(14). Pub. L. 97–35, § 309(f)(5), substituted ''which are carried out by public or private non-profit entities'' for ''(as specifically described in the application submitted pursuant to section 5304 of this title) which are carried out by public or private non-profit entities when such activities are necessary or appropriate to meeting the needs and objectives of the community development plan described in section 5304(a)(1) of this title''.

Subsec. (a)(15). Pub. L. 97–35, § 309(f)(6), struck out ''(as specifically described in the application submitted pursuant to section 5304 of this title)'' after ''conservation project''.

Subsec. (a)(17). Pub. L. 97–35, § 303(a)(5), added par. (17).

Subsec. (b). Pub. L. 97–35, § 309(g), substituted ''assistance'' for ''a grant''.

1980—Subsec. (a)(2). Pub. L. 96–399, § 104(c)(1), inserted provisions respecting design features and improvements, power generation and distribution facilities, park, etc., facilities, and recycling and conversion facilities.

Subsec. (a)(4). Pub. L. 96–399, § 104(c)(2), (d), inserted provisions respecting rehabilitation which promotes energy efficiency and the renovation of closed school buildings.

Subsec. (a)(8). Pub. L. 96–399, § 104(c)(3), inserted reference to energy conservation.

Subsec. (a)(14). Pub. L. 96–399, § 104(c)(5), (e)(1), inserted provision respecting the application pursuant to section 5304 of this title.

Subsec. (a)(15). Pub. L. 96–399, § 104(c)(4), (5), (e)(2), inserted provisions respecting energy conservation, and the application submitted pursuant to section 5304 of this title.

Subsec. (a)(16). Pub. L. 96–399, § 104(c)(5), added par. (16).

1978—Subsec. (a)(11). Pub. L. 95–557 inserted ''displaced'' after ''payments and assistance for'' and substituted ''when determined by the grantee to be appropriate to the community development program'' for ''displaced by activities assisted under this chapter''.

1977—Subsec. (a). Pub. L. 95–128, § 105(a), inserted in introductory text description of activities covered including the words ''These activities''.

Subsec. (a)(4). Pub. L. 95–128, § 105(b), substituted ''(including interim assistance, and financing public or private acquisition for rehabilitation, and rehabilitation, of privately owned properties)'' for ''(including interim assistance and financing rehabilitation of privately owned properties when incidental to other activities)''.

Subsec. (a)(8). Pub. L. 95–128, § 105(c), struck out from cl. (A) ''economic development,'' before ''crime prevention'' and authorized the program to provide public services only if such services have not been provided by the unit of general local government during any part of the twelve-month period preceding the date of application submission for funds to be made available under this chapter, and to be utilized for such services, unless the Secretary finds that the discontinuation of such services was the result of events not within the control of the applicant.

Subsec. (a)(14), (15). Pub. L. 95–128, § 105(d), added pars. (14) and (15).

1976—Subsec. (a)(2). Pub. L. 94–375 inserted ''centers for the handicapped,'' after ''neighborhood facilities,''.

CHANGE OF NAME

''Administrator of the Federal Emergency Management Agency'' substituted for ''Director of the Federal Emergency Management Agency'' in subsec. (a)(24)(A)(iii), (B), (D) on authority of section 612(c) of Pub. L. 109–295, set out as a note under section 313 of Title 6, Domestic Security. Any reference to the Administrator of the Federal Emergency Management Agency in title VI of Pub. L. 109–295 or an amendment by title VI to be considered to refer and apply to the Director of the Federal Emergency Management Agency until Mar. 31, 2007, see section 612(f)(2) of Pub. L. 109–295, set out as a note under section 313 of Title 6.

EFFECTIVE DATE OF 2002 AMENDMENT

Amendment by Pub. L. 107–116 effective Sept. 30, 2001, see section 603 of Pub. L. 107–116, set out as a note under section 1715n of Title 12, Banks and Banking.

EFFECTIVE DATE OF 1998 AMENDMENT

Amendment by title V of Pub. L. 105–276 effective and applicable beginning upon Oct. 1, 1999, except as otherwise provided, with provision that Secretary may implement amendment before such date, except to extent that such amendment provides otherwise, and with savings provision, see section 503 of Pub. L. 105–276, set out as a note under section 1437 of this title.

Pub. L. 105–276, title V, § 596(b), Oct. 21, 1998, 112 Stat. 2659, provided that: ''The amendment made by this section [amending this section] is made on, and shall apply beginning upon, the date of the enactment of this Act [Oct. 21, 1998].''

EFFECTIVE DATE OF 1994 AMENDMENT

Amendment by Pub. L. 103–233 applicable with respect to any amounts made available to carry out subchapter II (§ 12721 et seq.) of chapter 130 of this title after Apr. 11, 1994, and any amounts made available to carry out that subchapter before that date that remain uncommitted on that date, with Secretary to issue any regulations necessary to carry out such amendment not later than end of 45-day period beginning on that date, see section 209 of Pub. L. 103–233, set out as a note under section 5301 of this title.

EFFECTIVE DATE OF 1990 AMENDMENTS

Title II of Pub. L. 104–204, Sept. 26, 1996, 110 Stat. 2882, 2887, provided in part: ''That for fiscal year 1997 and thereafter, section 105(a)(25) of such Act [section 105(a)(25) [now (24)] of Pub. L. 93–383, classified to subsec. (a)(24) of this section], shall continue to be effective and the termination and conforming provisions of section 907(b)(2) of the Cranston-Gonzalez National Affordable Housing Act [Pub. L. 101–625, set out below] shall not be effective''.

Section 101(e) [title II] of Pub. L. 104–134, Apr. 26, 1996, 110 Stat. 1321–257, 1321–265, 1321–272, provided in part: ''That section 105(a)(25) of such Act [section 105(a)(25) [now (24)] of Pub. L. 93–383, classified to subsec. (a)(24) of this section], as added by section 907(b)(1) of the Cranston-Gonzalez National Affordable Housing Act [Pub. L. 101–625], shall continue to be effective after September 30, 1995, notwithstanding section 907(b)(2) of such Act [set out below]''.

Pub. L. 104–120, § 3(a), Mar. 28, 1996, 110 Stat. 835, provided that: ''Notwithstanding the amendments made by section 907(b)(2) of the Cranston-Gonzalez National Affordable Housing Act [Pub. L. 101–625, set out below], section 105(a)(25) of the Housing and Community Development Act of 1974 [subsec. (a)(25) [now (24)] of this section], as in existence on September 30, 1995, shall apply to the use of assistance made available under title I of the Housing and Community Development Act of 1974 [42 U.S.C. 5301 et seq.] during fiscal year 1996.''

Amendment by section 907(b)(2) of Pub. L. 101–625, as amended by Pub. L. 102–550, title VIII, § 807(b)(1), (2), Oct. 28, 1992, 106 Stat. 3849, effective ''October 1, 1994 (or October 1, 1995, if the Secretary determines that such later date is necessary to continue to provide homeownership assistance until homeownership assistance is available under title II of the Cranston-Gonzalez National Affordable Housing Act [42 U.S.C. 12721 et seq.])''. [Date extended by Secretary to Oct. 1, 1995, see 59 F.R. 49954, Sept. 30, 1994.]

EFFECTIVE DATE OF 1984 AMENDMENT

Section 101(a)(9)(B) of Pub. L. 98–479 provided that: ''The amendment made by subparagraph (A) [amending this section] shall take effect upon the enactment of this Act [Oct. 17, 1984] and shall be implemented through an interim instruction issued by the Secretary of Housing and Urban Development. Not later than June 1, 1985, the Secretary of Housing and Urban Development shall issue a final regulation regarding the provisions of such amendment.''

EFFECTIVE DATE OF 1983 AMENDMENT

Amendment by Pub. L. 98–181 applicable only to funds available for fiscal year 1984 and thereafter, see section 110(b) of Pub. L. 98–181, as amended, set out as a note under section 5316 of this title.

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97–35 effective Oct. 1, 1981, see section 371 of Pub. L. 97–35, set out as an Effective Date note under section 3701 of Title 12, Banks and Banking.

EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by Pub. L. 95–557 effective Oct. 1, 1978, see section 104 of Pub. L. 95–557, set out as a note under section 1709 of Title 12, Banks and Banking.

EFFECTIVE DATE OF 1977 AMENDMENT

Amendment by Pub. L. 95–128 effective Oct. 1, 1977, see section 114 of Pub. L. 95–128, set out as a note under section 5301 of this title.

NON-FEDERAL COST SHARING OF ARMY CORPS OF ENGINEERS PROJECTS

Pub. L. 105–276, title II, Oct. 21, 1998, 112 Stat. 2478, provided in part that: ''For any fiscal year, of the amounts made available as emergency funds under the heading 'Community Development Block Grants Fund' and notwithstanding any other provision of law, not more than $250,000 may be used for the non-Federal cost-share of any project funded by the Secretary of the Army through the Corps of Engineers.''

BROWNFIELDS PROJECTS AS ELIGIBLE CDBG ACTIVITY

Pub. L. 105–276, title II, § 205, Oct. 21, 1998, 112 Stat. 2484, provided that: ''For fiscal years 1998, 1999, and all fiscal years thereafter, States and entitlement communities may use funds allocated under the community development block grants program under title I of the Housing and Community Development Act of 1974 [42 U.S.C. 5301 et seq.] for environmental cleanup and economic development activities related to Brownfields projects in conjunction with the appropriate environmental regulatory agencies, as if such activities were eligible under section 105(a) of such Act [42 U.S.C. 5305(a)].''

Similar provisions were contained in the following prior appropriation act:

Pub. L. 105–65, title II, § 209, Oct. 27, 1997, 111 Stat. 1366.

GAO STUDY OF USE OF GRANTS FOR ECONOMIC DEVELOPMENT PROJECTS

Section 806(c) of Pub. L. 102–550 directed Comptroller General to conduct a study of use of grant amounts under this chapter for activities described in paragraphs (14), (15), and (17) of subsec. (a) of this section, including an evaluation of whether the activities for which such amounts are being used under such paragraphs further the goals and objectives of such program, as established in section 5301 of this title, and directed Comptroller General to submit a report to Congress regarding the findings of the study and recommendations not later than the expiration of the 18-month period beginning on Oct. 28, 1992.

ENHANCING JOB QUALITY; REPORT TO CONGRESS

Section 806(d) of Pub. L. 102–550 directed Comptroller General, not later than 1 year after Oct. 28, 1992, to submit to Congress a report on types and quality of jobs created or retained through assistance provided pursuant to this chapter and the extent to which projects and activities assisted under this chapter enhance the upward mobility and future earning capacity of low- and moderate-income persons who are benefited by such projects and activities.

REPORT TO CONGRESS ON EFFECTIVENESS OF ASSISTANCE IN PROMOTING DEVELOPMENT OF MICROENTERPRISES

Section 807(c)(4) of Pub. L. 102–550 directed Secretary, not later than 18 months after Oct. 28, 1992, to submit to Congress a report on effectiveness of assistance provided through this chapter in promoting development of microenterprises, including a review of any statutory or regulatory provision that impedes development of microenterprises.

COMMUNITY INVESTMENT CORPORATION DEMONSTRATION

Section 853 of Pub. L. 102–550 provided for establishment of a demonstration program to develop ways to improve access to capital for initiatives which would benefit specific targeted geographic areas and to test new models for bringing credit and investment capital to low-income persons in targeted geographic areas,

using depository institution holding companies and eligible local nonprofit organizations selected by Secretary of Housing and Urban Development to provide capital assistance, grants, and training under direction of an advisory board. Funds for the program were authorized for fiscal years 1993 and 1994 to remain available until expended.

WAIVER OF LIMITATION ON AMOUNT OF FUNDS WHICH MAY BE USED IN FISCAL YEARS 1982, 1983, AND 1984 FOR PUBLIC SERVICE ACTIVITIES

Section 303(b) of Pub. L. 97–35, as amended Pub. L. 98–181, title I, § 105(b)(2), Nov. 30, 1983, 97 Stat. 1164, authorized Secretary, in fiscal years 1982 and 1983, to waive the limitation on amount of funds which could be used for public services activities under subsec. (a)(8) of this section, in the case of a unit of general local government which, during fiscal year 1981, allocated more than 10 per centum of funds received under this chapter for such activities.

### § 5306. Allocation and distribution of funds

#### (a) Amounts allocated to Indian tribes, discretionary fund, and metropolitan cities and urban counties; limitations on amount of annual grants

(1) For each fiscal year, of the amount approved in appropriation Acts under section 5303 of this title for grants for such fiscal year (excluding the amounts provided for use in accordance with section 5307 of this title), the Secretary shall reserve for grants to Indian tribes 1 percent of the amount appropriated under such section. The Secretary shall provide for distribution of amounts under this paragraph to Indian tribes on the basis of a competition conducted pursuant to specific criteria for the selection of Indian tribes to receive such amounts. The criteria shall be contained in a regulation promulgated by the Secretary after notice and public comment. Notwithstanding any other provision of this Act, such grants to Indian tribes shall not be subject to the requirements of section 5304 of this title, except subsections (f), (g), and (k) of such section.

(2) For each fiscal year, of the amount approved in appropriation Acts under section 5303 of this title for grants for such fiscal year (excluding the amounts provided for use in accordance with section 5307 of this title), the Secretary shall reserve for grants to insular areas $7,000,000. The Secretary shall provide for distribution of amounts under this paragraph to insular areas on the basis of the ratio of the population of each insular area to the population of all insular areas. In determining the distribution of amounts to insular areas, the Secretary may also include other statistical criteria as data become available from the Bureau of the Census, but only if such criteria are contained in a regulation promulgated by the Secretary after notice and public comment.

(3) After reserving such amounts for Indian tribes under paragraph (1) and after reserving such amounts for insular areas under paragraph (2), the Secretary shall allocate amounts provided for use under section 5307 of this title.

(4) Of the amount remaining after allocations pursuant to paragraphs (1), (2), and (3), 70 percent shall be allocated by the Secretary to metropolitan cities and urban counties. Except as otherwise specifically authorized, each metropolitan city and urban county shall be entitled to an annual grant from such allocation in an amount not exceeding its basic amount computed pursuant to paragraph (1) or (2) of subsection (b) of this section.

#### (b) Computation of amount allocated to metropolitan cities and urban counties

(1) The Secretary shall determine the amount to be allocated to each metropolitan city which shall be the greater of an amount that bears the same ratio to the allocation for all metropolitan areas as either—

(A) the average of the ratios between—

(i) the population of that city and the population of all metropolitan areas;

(ii) the extent of poverty in that city and the extent of poverty in all metropolitan areas; and

(iii) the extent of housing overcrowding in that city and the extent of housing overcrowding in all metropolitan areas; or

(B) the average of the ratios between—

(i) the extent of growth lag in that city and the extent of growth lag in all metropolitan cities;

(ii) the extent of poverty in that city and the extent of poverty in all metropolitan areas; and

(iii) the age of housing in that city and the age of housing in all metropolitan areas.

(2) The Secretary shall determine the amount to be allocated to each urban county, which shall be the greater of an amount that bears the same ratio to the allocation for all metropolitan areas as either—

(A) the average of the ratios between—

(i) the population of that urban county and the population of all metropolitan areas;

(ii) the extent of poverty in that urban county and the extent of poverty in all metropolitan areas; and

(iii) the extent of housing overcrowding in that urban county and the extent of housing overcrowding in all metropolitan areas; or

(B) the average of the ratios between—

(i) the extent of growth lag in that urban county and the extent of growth lag in all metropolitan cities and urban counties;

(ii) the extent of poverty in that urban county and the extent of poverty in all metropolitan areas; and

(iii) the age of housing in that urban county and the age of housing in all metropolitan areas.

(3) In determining the average of ratios under paragraphs (1)(A) and (2)(A), the ratio involving the extent of poverty shall be counted twice, and each of the other ratios shall be counted once; and in determining the average of ratios under paragraphs (1)(B) and (2)(B), the ratio involving the extent of growth lag shall be counted once, the ratio involving the extent of poverty shall be counted one and one-half times, and the ratio involving the age of housing shall be counted two and one-half times.

(4) In computing amounts or exclusions under this section with respect to any urban county, there shall be excluded units of general local government located in the county the popu-

lations of which are not counted in determining the eligibility of the urban county to receive a grant under this subsection, except that there shall be included any independent city (as defined by the Bureau of the Census) which—

(A) is not part of any county;

(B) is not eligible for a grant pursuant to subsection (b)(1) of this section;

(C) is contiguous to the urban county;

(D) has entered into cooperation agreements with the urban county which provide that the urban county is to undertake or to assist in the undertaking of essential community development and housing assistance activities with respect to such independent city; and

(E) is not included as a part of any other unit of general local government for purposes of this section.

Any independent city which is included in any fiscal year for purposes of computing amounts pursuant to the preceding sentence shall not be eligible to receive assistance under subsection (d) of this section with respect to such fiscal year.

(5) In computing amounts under this section with respect to any urban county, there shall be included all of the area of any unit of local government which is part of, but is not located entirely within the boundaries of, such urban county if the part of such unit of local government which is within the boundaries of such urban county would otherwise be included in computing the amount for such urban county under this section, and if the part of such unit of local government which is not within the boundaries of such urban county is not included as a part of any other unit of local government for the purpose of this section. Any amount received by such urban county under this section may be used with respect to the part of such unit of local government which is outside the boundaries of such urban county.

(6)(A) Where data are available, the amount determined under paragraph (1) for a metropolitan city that has been formed by the consolidation of one or more metropolitan cities with an urban county shall be equal to the sum of the amounts that would have been determined under paragraph (1) for the metropolitan city or cities and the balance of the consolidated government, if such consolidation had not occurred. This paragraph shall apply only to any consolidation that—

(i) included all metropolitan cities that received grants under this section for the fiscal year preceding such consolidation and that were located within the urban county;

(ii) included the entire urban county that received a grant under this section for the fiscal year preceding such consolidation; and

(iii) took place on or after January 1, 1983.

(B) The population growth rate of all metropolitan cities referred to in section 5302(a)(12) of this title shall be based on the population of (i) metropolitan cities other than consolidated governments the grant for which is determined under this paragraph; and (ii) cities that were metropolitan cities before their incorporation into consolidated governments. For purposes of calculating the entitlement share for the balance of the consolidated government under this paragraph, the entire balance shall be considered to have been an urban county.

**(c) Reallocation of undistributed funds within same metropolitan area as original allocation; amount and calculation of reallocation grant; disaster relief**

(1) Except as provided in paragraphs (2) and (4), any amounts allocated to a metropolitan city or an urban county pursuant to the preceding provisions of this section which are not received by the city or county for a fiscal year because of failure to meet the requirements of subsection (a), (b), (c), or (d) of section 5304 of this title, or which become available as a result of actions under section 5304(e) or 5311 of this title, shall be reallocated in the succeeding fiscal year to the other metropolitan cities and urban counties in the same metropolitan area which certify to the satisfaction of the Secretary that they would be adversely affected by the loss of such amounts from the metropolitan area. The amount of the share of funds reallocated under this paragraph for any metropolitan city or urban county shall bear the same ratio to the total of such reallocated funds in the metropolitan area as the amount of funds awarded to the city or county for the fiscal year in which the reallocated funds become available bears to the total amount of funds awarded to all metropolitan cities and urban counties in the same metropolitan area for that fiscal year, except that—

(A) in determining the amounts awarded to cities or counties for purposes of calculating shares pursuant to this sentence, there shall be excluded from the award of any city or county any amounts which become available as a result of actions against such city or county under section 5311 of this title;

(B) in reallocating amounts resulting from an action under section 5304(e) of this title or section 5311 of this title, a city or county against whom any such action was taken in a fiscal year shall be excluded from a calculation of share for purposes of reallocating, in the succeeding year, the amounts becoming available as a result of such action; and

(C) in no event may the share of reallocated funds for any metropolitan city or urban county exceed 25 per centum of the amount awarded to the city or county under subsection (b) of this section for the fiscal year in which the reallocated funds under this paragraph become available.

Any amounts allocated under subsection (b) of this section which become available for reallocation and for which no metropolitan city or urban county qualifies under this paragraph shall be added to amounts available for allocation under such subsection (b) of this section in the succeeding fiscal year.

(2) Notwithstanding any other provision of this chapter, the Secretary shall make grants from amounts authorized for use under subsection (b) of this section by the Department of Housing and Urban Development—Independent Agencies Appropriation Act, 1981, in accordance with the provisions of this chapter which governed grants with respect to such amounts, as such provisions existed prior to October 1, 1981,

except that any such amounts which are not obligated before January 1, 1982, shall be reallocated in accordance with paragraph (1).

(3) Notwithstanding the provisions of paragraph (1), the Secretary may upon request transfer responsibility to any metropolitan city for the administration of any amounts received, but not obligated, by the urban county in which such city is located if (A) such city was an included unit of general local government in such county prior to the qualification of such city as a metropolitan city; (B) such amounts were designated and received by such county for use in such city prior to the qualification of such city as a metropolitan city; and (C) such city and county agree to such transfer of responsibility for the administration of such amounts.

(4)(A) Notwithstanding paragraph (1), in the event of a major disaster declared by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act [42 U.S.C. 5121 et seq.], the Secretary shall make available, to metropolitan cities and urban counties located or partially located in the areas affected by the disaster, any amounts that become available as a result of actions under section 5304(e) or 5311 of this title.

(B) In using any amounts that become available as a result of actions under section 5304(e) or 5311 of this title, the Secretary shall give priority to providing emergency assistance under this paragraph.

(C) The Secretary may provide assistance to any metropolitan city or urban county under this paragraph only to the extent necessary to meet emergency community development needs, as the Secretary shall determine (subject to subparagraph (D)), of the city or county resulting from the disaster that are not met with amounts otherwise provided under this chapter, the Robert T. Stafford Disaster Relief and Emergency Assistance Act [42 U.S.C. 5121 et seq.], and other sources of assistance.

(D) Amounts provided to metropolitan cities and urban counties under this paragraph may be used only for eligible activities under section 5305 of this title, and in implementing this section, the Secretary shall evaluate the natural hazards to which any permanent replacement housing is exposed and shall take appropriate action to mitigate such hazards.

(E) The Secretary shall provide for applications (or amended applications and statements under section 5304 of this title) for assistance under this paragraph.

(F) A metropolitan city or urban county eligible for assistance under this paragraph may receive such assistance only in each of the fiscal years ending during the 3-year period beginning on the date of the declaration of the disaster by the President.

(G) This paragraph may not be construed to require the Secretary to reserve any amounts that become available as a result of actions under section 5304(e) or 5311 of this title for assistance under this paragraph if, when such amounts are to be reallocated under paragraph (1), no metropolitan city or urban county qualifies for assistance under this paragraph.

**(d) Allocation among States for nonentitlement areas; amount and calculation of grants; distributions by State or Secretary; certain distributions made pursuant to prior provisions; certifications required by Governor enumerated; responsibility for administration and administrative expenses; reallocation; certifications required of units of general local government in nonentitlement areas; applicability of this chapter and other law**

(1) Of the amount approved in an appropriation Act under section 5303 of this title that remains after allocations pursuant to paragraphs (1), (2), and (3) of subsection (a) of this section, 30 per centum shall be allocated among the States for use in nonentitlement areas. The allocation for each State shall be the greater of an amount that bears the same ratio to the allocation for such areas of all States available under this subparagraph as either—

(A) the average of the ratios between—

(i) the population of the nonentitlement areas in that State and the population of the nonentitlement areas of all States;

(ii) the extent of poverty in the nonentitlement areas in that State and the extent of poverty in the nonentitlement areas of all States; and

(iii) the extent of housing overcrowding in the nonentitlement areas in that State and the extent of housing overcrowding in the nonentitlement areas of all States; or

(B) the average of the ratios between—

(i) the age of housing in the nonentitlement areas in that State and the age of housing in the nonentitlement areas of all States;

(ii) the extent of poverty in the nonentitlement areas in that States and the extent of poverty in the nonentitlement areas of all States; and

(iii) the population of the nonentitlement areas in that State and the population of the nonentitlement areas of all States.

In determining the average of the ratios under subparagraph (A) the ratio involving the extent of poverty shall be counted twice and each of the other ratios shall be counted once; and in determining the average of the ratios under subparagraph (B), the ratio involving the age of housing shall be counted two and one-half times, the ratio involving the extent of poverty shall be counted one and one-half times, and the ratio involving population shall be counted once. The Secretary shall, in order to compensate for the discrepancy between the total of the amounts to be allocated under this paragraph and the total of the amounts available under such paragraph, make a pro rata reduction of each amount allocated to the nonentitlement areas in each State under such paragraph so that the nonentitlement areas in each State will receive an amount which represents the same percentage of the total amount available under such paragraph as the percentage which the nonentitlement areas of the same State would have received under such paragraph if the total amount available under such paragraph had equaled the total amount which was allocated under such paragraph.

(2)(A) Amounts allocated under paragraph (1) shall be distributed to units of general local government located in nonentitlement areas of the State to carry out activities in accordance with the provisions of this chapter—

(i) by a State that has elected, in such manner and at such time as the Secretary shall prescribe, to distribute such amounts, consistent with the statement submitted under section 5304(a) of this title; or

(ii) by the Secretary, in any case described in subparagraph (B), for use by units of general local government in accordance with paragraph (3)(B).

Any election to distribute funds made after the close of fiscal year 1984 is permanent and final. Notwithstanding any provision of this chapter, the Secretary shall make grants from amounts authorized for use in nonentitlement areas by the Department of Housing and Urban Development—Independent Agencies Appropriation Act, 1981, in accordance with the provisions of this chapter which governed grants with respect to such amounts, as such provisions existed prior to October 1, 1981. Any amounts under the preceding sentence (except amounts for which preapplications have been approved by the Secretary prior to October 1, 1981, and which have been obligated by January 1, 1982) which are or become available for obligation after fiscal year 1981 shall be available for distribution in the State in which the grants from such amounts were made, by the State or by the Secretary, whichever is distributing the State allocation in the fiscal year in which such amounts are or become available.

(B) The Secretary shall distribute amounts allocated under paragraph (1) if the State has not elected to distribute such amounts.

(C) To receive and distribute amounts allocated under paragraph (1), the State must certify that it, with respect to units of general local government in nonentitlement areas—

(i) engages or will engage in planning for community development activities;

(ii) provides or will provide technical assistance to units of general local government in connection with community development programs;

(iii) will not refuse to distribute such amounts to any unit of general local government on the basis of the particular eligible activity selected by such unit of general local government to meet its community development needs, except that this clause may not be considered to prevent a State from establishing priorities in distributing such amounts on the basis of the activities selected; and

(iv) has consulted with local elected officials from among units of general local government located in nonentitlement areas of that State in determining the method of distribution of funds required by subparagraph (A).

(D) To receive and distribute amounts allocated under paragraph (1), the State shall certify that each unit of general local government to be distributed funds will be required to identify its community development and housing needs, including the needs of low and moderate income persons, and the activities to be undertaken to meet such needs.

(3)(A) If the State receives and distributes such amounts, it shall be responsible for the administration of funds so distributed. The State shall pay from its own resources all administrative expenses incurred by the State in carrying out its responsibilities under this chapter or section 1437*o*(e)(1)[1] of this title, except that from the amounts received for distribution in nonentitlement areas, the State may deduct an amount to cover such expenses and its administrative expenses under section 1706e[1] of title 12 not to exceed the sum of $100,000 plus 50 percent of any such expenses under this chapter in excess of $100,000. Amounts deducted in excess of $100,000 shall not, subject to paragraph (6), exceed 3 percent of the amount so received.

(B) If the Secretary distributes such amounts, the distribution shall be made in accordance with determinations of the Secretary pursuant to statements submitted and the other requirements of section 5304 of this title (other than subsection (c)) and in accordance with regulations and procedures prescribed by the Secretary.

(C) Any amounts allocated for use in a State under paragraph (1) that are not received by the State for any fiscal year because of failure to meet the requirements of subsection (a), (b), or (d) of section 5304 of this title or to make the certifications required in subparagraphs (C) and (D) of paragraph (2), or that become available as a result of actions against the State under section 5304(e) or 5311 of this title, shall be added to amounts allocated to all States under paragraph (1) for the succeeding fiscal year.

(D) Any amounts allocated for use in a State under paragraph (1) that become available as a result of actions under section 5304(e) or 5311 of this title against units of general local government in nonentitlement areas of the State or as a result of the closeout of a grant made by the Secretary under this section in nonentitlement areas of the State shall be added to amounts allocated to the State under paragraph (1) for the fiscal year in which the amounts become so available.

(4) Any combination of units of general local governments may not be required to obtain recognition by the Secretary pursuant to section 5302(a)(1) of this title to be treated as a single unit of general local government for purposes of this subsection.

(5) From the amounts received under paragraph (1) for distribution in nonentitlement areas, the State may deduct an amount, subject to paragraph (6), not to exceed 3 percent of the amount so received, to provide technical assistance to local governments and nonprofit program recipients.

(6) Of the amounts received under paragraph (1), the State may deduct not more than an aggregate total of 3 percent of such amounts for—

(A) administrative expenses under paragraph (3)(A); and

(B) technical assistance under paragraph (5).

(7) No amount may be distributed by any State or the Secretary under this subsection to any unit of general local government located in

[1] See References in Text note below.

a nonentitlement area unless such unit of general local government certifies that—

(A) it will minimize displacement of persons as a result of activities assisted with such amounts;

(B) its program will be conducted and administered in conformity with the Civil Rights Act of 1964 [42 U.S.C. 2000a et seq.] and the Fair Housing Act [42 U.S.C. 3601 et seq.], and that it will affirmatively further fair housing;

(C) it will provide for opportunities for citizen participation, hearings, and access to information with respect to its community development program that are comparable to those required of grantees under section 5304(a)(2) of this title; and

(D) it will not attempt to recover any capital costs of public improvements assisted in whole or part under this section or with amounts resulting from a guarantee under section 5308 of this title by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless (i) funds received under this section are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this chapter; or (ii) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, the grantee certifies to the Secretary or such State, as the case may be, that it lacks sufficient funds received under this section to comply with the requirements of clause (i).

(8) Any activities conducted with amounts received by a unit of general local government under this subsection shall be subject to the applicable provisions of this chapter and other Federal law in the same manner and to the same extent as activities conducted with amounts received by a unit of general local government under subsection (a) of this section.

**(e) Qualification or submission dates, and finality and conclusiveness of computations and determinations**

The Secretary may fix such qualification or submission dates as he determines are necessary to permit the computations and determinations required by this section to be made in a timely manner, and all such computations and determinations shall be final and conclusive.

**(f) Pro rata adjustment of entitlement amounts**

If the total amount available for distribution in any fiscal year to metropolitan cities and urban counties under this section is insufficient to provide the amounts to which metropolitan cities and urban counties would be entitled under subsection (b) of this section, and funds are not otherwise appropriated to meet the deficiency, the Secretary shall meet the deficiency through a pro rata reduction of all amounts determined under subsection (b) of this section. If the total amount available for distribution in any fiscal year to metropolitan cities and urban counties under this section exceeds the amounts to which metropolitan cities and urban counties would be entitled under subsection (b) of this section, the Secretary shall distribute the excess through a pro rata increase of all amounts determined under subsection (b) of this section.

(Pub. L. 93–383, title I, § 106, Aug. 22, 1974, 88 Stat. 642; Pub. L. 95–128, title I, § 106, Oct. 12, 1977, 91 Stat. 1117; Pub. L. 96–153, title I, § 103(d), (e), Dec. 21, 1979, 93 Stat. 1102; Pub. L. 96–399, title I, §§ 102, 103, 111(d)–(g), 112, Oct. 8, 1980, 94 Stat. 1615, 1621, 1622; Pub. L. 97–35, title III, §§ 304, 309(h), Aug. 13, 1981, 95 Stat. 388, 396; Pub. L. 98–181, title I, § 106, Nov. 30, 1983, 97 Stat. 1164; Pub. L. 98–479, title I, § 101(a)(10)–(12), Oct. 17, 1984, 98 Stat. 2219, 2220; Pub. L. 100–242, title V, §§ 512, 513, 517(b)(1), Feb. 5, 1988, 101 Stat. 1930, 1936; Pub. L. 100–628, title X, § 1082(b), (c), Nov. 7, 1988, 102 Stat. 3277; Pub. L. 101–235, title VII, § 702(b), Dec. 15, 1989, 103 Stat. 2056; Pub. L. 101–625, title IX, §§ 913(b), 933, Nov. 28, 1990, 104 Stat. 4392, 4403; Pub. L. 102–550, title VIII, §§ 802(b), 808, 811, title XII, § 1204(i), Oct. 28, 1992, 106 Stat. 3845, 3850, 3940; Pub. L. 108–186, title V, § 501(d), (e), Dec. 16, 2003, 117 Stat. 2697; Pub. L. 108–199, div. G, title IV, § 423, Jan. 23, 2004, 118 Stat. 416.)

REFERENCES IN TEXT

This Act, referred to in subsec. (a)(1), is Pub. L. 93–383, Aug. 22, 1974, 88 Stat. 633, known as the Housing and Community Development Act of 1974. For complete classification of this Act to the Code, see Short Title note set out under section 5301 of this title and Tables.

This chapter, referred to in subsecs. (c)(2), (4)(C) and (d)(2)(A), (3)(A), (7)(D)(i), (8), was in the original ''this title'', meaning title I of Pub. L. 93–383, Aug. 22, 1974, 88 Stat. 633, which is classified principally to this chapter. For complete classification of title I to the Code, see Tables.

The Department of Housing and Urban Development—Related Agencies Appropriation Act, 1981, referred to in subsecs. (c)(2) and (d)(2)(A), is Pub. L. 96–526, Dec. 15, 1980, 94 Stat. 3044. For complete classification of this Act to the Code, see Tables.

The Robert T. Stafford Disaster Relief and Emergency Assistance Act, referred to in subsec. (c)(4)(A), (C), is Pub. L. 93–288, May 22, 1974, 88 Stat. 143, which is classified principally to chapter 68 (§ 5121 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 5121 of this title and Tables.

This subparagraph, referred to in subsec. (d)(1), probably should be a reference to this paragraph, meaning par. (1) of subsec. (d) of this section.

Section 1437*o* of this title and section 1706e of title 12, referred to in subsec. (d)(3)(A), was repealed by Pub. L. 101–625, title II, § 289(b), Nov. 28, 1990, 104 Stat. 4128.

The Civil Rights Act of 1964, referred to in subsec. (d)(7)(B), is Pub. L. 88–352, July 2, 1964, 78 Stat. 241, which is classified principally to subchapters II to IX (§ 2000a et seq.) of chapter 21 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 2000a of this title and Tables.

The Fair Housing Act, referred to in subsec. (d)(7)(B), is title VIII of Pub. L. 90–284, Apr. 11, 1968, 82 Stat. 81, which is classified principally to subchapter I (§ 3601 et seq.) of chapter 45 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 3601 of this title and Tables.

CODIFICATION

In subsecs. (c)(2) and (d)(2)(A), ''October 1, 1981'' substituted for ''the effective date of the Housing and Community Development Amendments of 1981'' meaning the effective date of subtitle A of title III of Pub. L. 97–35, Aug. 13, 1981, 95 Stat. 384, which was generally effective Oct. 1, 1981. See Effective Date of 1981 Amendment note below.

AMENDMENTS

2004—Subsec. (d)(3)(A). Pub. L. 108–199, § 423(1), substituted ''shall not, subject to paragraph (6), exceed 3 percent'' for ''shall not exceed 2 percent''.

Subsec. (d)(5). Pub. L. 108–199, § 423(3), redesignated par. (5), relating to prohibition of distributions to units of general local government without certifications, as (7).

Pub. L. 108–199, § 423(2), substituted ''subject to paragraph (6), not to exceed 3 percent'' for ''not to exceed 1 percent'' in par. (5), relating to State deductions for technical assistance.

Subsec. (d)(6). Pub. L. 108–199, § 423(4), added par. (6). Former par. (6) redesignated (8).

Subsec. (d)(7), (8). Pub. L. 108–199, § 423(3), redesignated pars. (5), relating to prohibition of distributions to units of general local government without certifications, and (6) as pars. (7) and (8), respectively.

2003—Subsec. (a)(1). Pub. L. 108–186, § 501(d)(1), in first sentence, substituted ''appropriation Acts'' for ''an appropriation Act'' and ''for such fiscal year'' for ''in any year''.

Subsec. (a)(2). Pub. L. 108–186, § 501(d)(5), added par. (2). Former par. (2) redesignated (3).

Pub. L. 108–186, § 501(d)(2), inserted ''under paragraph (1) and after reserving such amounts for insular areas under paragraph (2)'' after ''tribes''.

Subsec. (a)(3). Pub. L. 108–186, § 501(d)(4), redesignated par. (2) as (3). Former par. (3) redesignated (4).

Pub. L. 108–186, § 501(d)(3), substituted ''paragraphs (1), (2), and (3)'' for ''paragraphs (1) and (2)''.

Subsec. (a)(4). Pub. L. 108–186, § 501(d)(4), redesignated par. (3) as (4).

Subsec. (d)(1). Pub. L. 108–186, § 501(e), substituted ''paragraphs (1), (2), and (3)'' for ''paragraphs (1) and (2)'' in first sentence.

1992—Subsec. (d)(1). Pub. L. 102–550, § 1204(i), in first sentence, substituted ''that remains after allocations pursuant to paragraphs (1) and (2) of subsection (a) of this section'' for ''for grants in any year (excluding the amounts provided for use in accordance with subsection (a)(1) and (2) of this section)''.

Subsec. (d)(4). Pub. L. 102–550, § 802(b), added par. (4).

Subsec. (d)(5). Pub. L. 102–550, § 811, added par. (5) relating to State deductions for technical assistance.

Subsec. (d)(5)(B). Pub. L. 102–550, § 808, substituted ''the Civil Rights Act of 1964 and the Fair Housing Act'' for ''Public Law 88–352 and Public Law 90–284''.

1990—Subsec. (a). Pub. L. 101–625, § 913(b)(1)(B), added subsec. (a) and struck out former subsec. (a) which read as follows: ''Of the amount approved in an appropriation Act under section 5303 of this title for grants in any year (excluding the amounts provided for use in accordance with section 5307 of this title and section 5318 of this title), 70 per centum shall be allocated by the Secretary to metropolitan cities and urban counties and Indian tribes. Except as otherwise specifically authorized, each metropolitan city and urban county shall be entitled to an annual grant from such allocation in an amount not exceeding its basic amount computed pursuant to paragraph (1) or (2) of subsection (b) of this section Indian tribes shall receive grants from such allocation pursuant to subsection (b)(7) of this section.''

Subsec. (b)(1), (2). Pub. L. 101–625, § 913(b)(2), substituted ''The'' for ''After taking into account the set-aside for Indian tribes under paragraph (7), the'' in introductory provisions of pars. (1) and (2).

Subsec. (b)(7). Pub. L. 101–625, § 913(b)(1)(A), struck out par. (7), which read as follows:

''(A) For each fiscal year, the Secretary shall reserve for grants to Indian tribes, from amounts approved in appropriation Acts under section 5303 of this title for grants for the year under subsection (a) of this section, not more than 1 percent of the amounts appropriated under such section.

''(B) The Secretary shall provide for distribution of amounts under this paragraph to Indian tribes on the basis of a competition conducted pursuant to specific criteria for the selection of Indian tribes to receive such amounts. The criteria shall be contained in a regulation promulgated by the Secretary after notice and public comment.''

Subsec. (c)(1). Pub. L. 101–625, § 933(1), substituted ''paragraphs (2) and (4)'' for ''paragraph (2)'' in introductory provisions.

Subsec. (c)(4). Pub. L. 101–625, § 933(2), added par. (4).

Subsec. (d)(1). Pub. L. 101–625, § 913(b)(3), substituted ''subsection (a)(1) and (2) of this section'' for ''section 5307 of this title and section 5318 of this title'' in introductory provisions.

1989—Subsec. (a). Pub. L. 101–235, § 702(b)(1), inserted ''and Indian tribes'' after ''urban counties'' in first sentence and inserted ''Indian tribes shall receive grants from such allocation pursuant to subsection (b)(7) of this section'' before period at end of second sentence.

Subsec. (b)(1). Pub. L. 101–235, § 702(b)(2), substituted ''After taking into account the set-aside for Indian tribes under paragraph (7), the'' for ''The''.

Subsec. (b)(2). Pub. L. 101–235, § 702(b)(3), substituted ''After taking into account the set-aside for Indian tribes under paragraph (7), the'' for ''The''.

Subsec. (b)(7). Pub. L. 101–235, § 702(b)(4), added par. (7).

Subsec. (d)(4). Pub. L. 101–235, § 702(b)(5), struck out par. (4) which excluded Indian tribes in computing amounts under par. (1).

1988—Subsec. (c)(1). Pub. L. 100–628, § 1082(b), substituted ''subsection (a), (b), (c), or (d) of section 5304'' for ''section 5304(a), (b), or (c)'' in introductory provisions and substituted ''section 5304(e)'' for ''section 5304(d)'' in introductory provisions and in subpar. (B).

Subsec. (d)(2)(C). Pub. L. 100–242, § 512(1), substituted ''the State must certify that it'' for ''the Governor must certify that the State''.

Subsec. (d)(2)(D). Pub. L. 100–242, § 512(2), substituted ''the State'' for ''the Governor of each State''.

Subsec. (d)(3)(A). Pub. L. 100–242, § 517(b)(1), inserted ''its administrative expenses under section 1706e of title 12'' after first reference to ''such expenses'', and ''under this chapter'' after second reference to ''such expenses''.

Pub. L. 100–242, § 513, substituted ''$100,000'' for ''$102,000'' after ''the sum of''.

Subsec. (d)(3)(C). Pub. L. 100–628, § 1082(c), substituted ''subsection (a), (b), or (d) of section 5304'' for ''subsection (a) or (b) of section 5304'' and ''section 5304(e)'' for ''section 5304(d)''.

Subsec. (d)(3)(D). Pub. L. 100–628, § 1082(c)(2), substituted ''section 5304(e)'' for ''section 5304(d)''.

1984—Subsec. (d)(2)(A). Pub. L. 98–479, § 101(a)(10)(A), substituted ''the State'' for ''a State that has elected, in such manner and at such time as the Secretary shall prescribe'' in provisions preceding cl. (i).

Subsec. (d)(2)(A)(i). Pub. L. 98–479, § 101(a)(10)(B), substituted ''a State that has elected, in such manner and at such time as the Secretary shall prescribe, to distribute such amounts'' for ''the State''.

Subsec. (d)(3)(A). Pub. L. 98–479, § 101(a)(11)(A), inserted ''or section 1437*o*(e)(1) of this title''.

Subsec. (d)(3)(C). Pub. L. 98–479, § 101(a)(11)(B), inserted ''or to make the certifications required in subparagraphs (C) and (D) of paragraph (2)''.

Subsec. (d)(5)(D)(ii). Pub. L. 98–479, § 101(a)(12), substituted ''moderate'' for ''low and moderate income who are not persons of very low'' before ''income, the grantee certifies''.

1983—Subsec. (b)(6). Pub. L. 98–181, § 106(a), added par. (6).

Subsec. (c)(1)(B). Pub. L. 98–181, § 106(b), substituted ''a city or county against whom any such action was taken in a fiscal year shall be excluded from a calculation of share for purposes of reallocating in the succeeding year,'' for ''the city or county against whom any such action was taken shall be excluded from the calculation of shares for purposes of reallocating''.

Subsec. (c)(3). Pub. L. 98–181, § 106(c), added par. (3).

Subsec. (d)(2)(A). Pub. L. 98–181, § 106(d)(1), substituted ''a State that has elected, in such manner and

at such time as the Secretary shall prescribe'' for ''the State'' in provisions preceding cl. (i), and inserted, following cl. (ii), ''Any election to distribute funds made after the close of fiscal year 1984 is permanent and final.''

Subsec. (d)(2)(B). Pub. L. 98–181, § 106(d)(2), substituted provisions requiring the Secretary to distribute amounts allocated under par. (1) if the State has not elected to distribute such amounts, for provisions which required the Secretary to distribute such amounts where the State had elected, in such manner and before such time as prescribed by the Secretary, not to distribute such amounts, or the State had failed to submit the certifications described in subpar. (C).

Subsec. (d)(2)(C)(iii). Pub. L. 98–181, § 106(e), amended cl. (iii) generally, substituting provisions requiring certification by the Governor that the State will not refuse to distribute funds to any local government unit on the basis of the particular activity selected to meet its community development needs, except that a State may establish priorities in distributing such amounts, for provisions requiring the Governor to certify that the State would provide funds for community development activities in an amount of at least 10 per centum of the amounts allocated for use in the State pursuant to par. (1).

Subsec. (d)(2)(D). Pub. L. 98–181, § 106(f), added subpar. (D).

Subsec. (d)(3)(A). Pub. L. 98–181, § 106(g), substituted provisions that the State may deduct an amount to cover such expenses not to exceed the sum of $102,000 plus 50 percent of any such expenses in excess of $100,000, and that the amounts deducted in excess of $100,000 shall not exceed 2 percent of the amount so received, for provisions that the State could deduct an amount not to exceed 50 per centum of the costs incurred by the State in carrying out such responsibilities, and that amounts so deducted could not exceed 2 per centum of the amount so received.

Subsec. (d)(3)(C), (D). Pub. L. 98–181, § 106(h), amended subpar. (C) generally, substituting provisions requiring that amounts which are to be reallocated because of failure to meet requirements of section 5304(a), (b) of this title or because of action under section 5304(d) or 5311 of this title be added to amounts allocated to all States for the succeeding fiscal year for provisions that amounts reallocated because of action under section 5304(d) or section 5311 of this title were to be added to amounts available for distribution in the State in the same fiscal year, in the case of actions against units of general local government, or to amounts available for distribution in the succeeding fiscal year, in the case of action against the State, and struck out provision for distribution of such funds by either the State or the Secretary and adding subpar. (D).

Subsec. (d)(5), (6). Pub. L. 98–181, § 106(i), added pars. (5) and (6).

Subsec. (f). Pub. L. 98–181, § 106(j), amended subsec. (f) generally, substituting provisions for pro rata reduction of all amounts determined under subsec. (b) in the event of a deficiency for provisions for reduction of all basic grant entitlement funds provided pursuant to this section in the event of a deficiency, and inserted provision for distribution of excess amounts.

1981—Subsec. (a). Pub. L. 97–35, § 304(a), substituted provisions relating to amounts allocated to metropolitan areas and urban counties and limitations on amount of annual grants for provisions relating to amounts allocated to metropolitan areas, annual grants for metropolitan cities and urban counties, and limitations.

Subsec. (b)(4). Pub. L. 97–35, § 309(h), substituted provision respecting assistance under subsec. (d) of this section for provision respecting grants under subsec. (c) or (e) of this section.

Subsec. (c). Pub. L. 97–35, § 304(b), (c), redesignated subsec. (d) as (c) and substituted provisions relating to reallocation of undistributed funds within same metropolitan area as original allocation, for provisions relating to reallocation of amounts allocated to metropolitan cities, urban counties, and metropolitan areas for use by States, metropolitan cities, etc. Former subsec. (c), which related to additional allocations of amount allocated to metropolitan areas and added amounts for grants for metropolitan cities, urban counties, specified units of general local government, and States, was struck out.

Subsec. (d). Pub. L. 97–35, § 304(b), (d), (e), redesignated subsec. (e) as (d) and substituted provisions relating to allocation among nonentitlement areas, amount and calculation of grants, distributions, certifications, etc., for provisions relating to amounts allocated to units of general local government of metropolitan areas and States, calculations, multiyear commitments, annual grants, reallocation of amounts to nonmetropolitan areas of other States, and review by Secretary. Former subsec. (d) redesignated (c).

Subsec. (e). Pub. L. 97–35, § 304(b), redesignated subsec. (f) as (e). Former subsec. (e) redesignated (d).

Subsecs. (f), (g). Pub. L. 97–35, § 304(b), (f), redesignated subsec. (g) as (f) and substituted ''all basic grant entitlement amounts'' for ''(1) all basic grant entitlement amounts, and (2) funds available under subsection (c) of this section (including amounts provided for use under section 5303(a)(2) of this title) and subsection (e) of this section''. Former subsec. (f) redesignated (e).

1980—Subsec. (a). Pub. L. 96–399, § 111(e), substituted ''subsection (d) of this section'' for ''subsections (c) and (e) of this section'', struck out ''aggregate'' after ''allocation in an'', ''the greater of'' after ''not exceeding'', and ''or its hold-harmless amount computed pursuant to subsection (g) of this section'' after ''subsection (b) of this section''.

Subsec. (b)(4). Pub. L. 96–399, § 103, substituted ''the populations of which are not counted in determining the eligibility of the urban county to receive a grant under this subsection, except that there shall be included any independent city (as defined by the Bureau of the Census) which—'' for ''(A) which are entitled to hold-harmless grants pursuant to subsection (h) of this section, or (B) the populations of which are not counted in determining the eligibility of the urban county to receive a grant under this subsection'', and added subpars. (A) to (E) and provision following subpar. (E).

Subsec. (c). Pub. L. 96–399, § 111(d), (f), redesignated former subsec. (d) as (c) and struck out in par. (1) ''allocated by the Secretary, first, for grants to metropolitan cities, urban counties, and other units of general local government within metropolitan areas to meet their hold-harmless needs as determined under subsections (g) and (h), and second, in accordance with the provisions of paragraph (2)'' after ''section 5303(a)(2) of this title'', struck out ''(2) Any portion of such amounts which remains after applying the provision of paragraph (1) shall be'' before ''utilized by the Secretary'', redesignated former par. (3) as (2) and in par. (2) as so redesignated, substituted ''paragraph (1)'' for ''paragraph (2)'' wherever appearing, struck out ''In determining whether to make such a commitment to a unit of general local government, the Secretary shall give special consideration to those communities presently carrying out comprehensive community development programs which are subject to the provisions of subsection (h)(2), before making new commitments.'' after ''availability of appropriations.'', and substituted ''and Indian tribes'' for ''Indian tribes, and units of general local government which are entitled to hold-harmless grants pursuant to subsection (h) of this section''. Former subsec. (c), relating to adjustment of amounts for metropolitan cities and urban counties, was struck out.

Subsec. (d). Pub. L. 96–399, §§ 111(d), 112, redesignated former subsec. (e) as (d) and inserted provisions relating to preferences for units of general local government in the same metropolitan area. Former subsec. (d) redesignated (c).

Subsec. (e). Pub. L. 96–399, § 111(d), (g), redesignated former subsec. (f) as (e) and in par. (1) struck out ''allocated by the Secretary—(A) first, for grants to units of general local government outside of metropolitan areas

to meet their hold-harmless needs as determined under subsection (h) of this section; and (B) second, any portion of such amount which remains after applying the provisions of subparagraph (A) shall be'' after ''20 per centum shall be'', redesignated former cls. (1)(B)(i) and (ii) as (1)(A) and (B), respectively, redesignated former subcls. (1)(B)(i)(I) to (III) and (1)(B)(ii)(I) to (III) as (1)(A)(i) to (iii) and (1)(B)(i) to (iii), respectively, substituted ''subparagraph (A)'' for ''clause (i) of subparagraph (B)'' and ''subparagraph (B)'' for ''clause (ii) of subparagraph (B)'', substituted ''allocated under this paragraph'' for ''allocated under subparagraph (B)'', substituted ''such paragraph'' for ''such subparagraph'' wherever appearing, in par. (2) struck out ''In determining whether to make such a commitment to a unit of general local government, the Secretary shall give special consideration to those communities presently carrying out comprehensive community development programs, which are subject to the provisions of subsection (h)(2) of this section, before making new commitments.'' after ''availability of appropriations.'', substituted ''paragraph (1)'' for ''paragraph (1)(B)'' wherever appearing, struck out ''units of general local government which are entitled to hold-harmless grants pursuant to subsection (h) of this section and'' after ''shall be excluded'', and in par. (3) substituted ''paragraph (1)'' for ''paragraph (1)(B)''. Former subsec. (e) was redesignated as (d).

Subsec. (f). Pub. L. 96–399, §111(d), redesignated subsec. (k) as (f). Former subsec. (f) redesignated (e).

Subsec. (g). Pub. L. 96–399, §§102, 111(d), redesignated subsec. (m) as (g) and substituted ''any fiscal year'' for ''fiscal year 1978, fiscal year 1979, or fiscal year 1980'', struck out ''and hold-harmless'' after ''all basic grant'' in two places, and substituted ''subsection (c)'' for ''subsection (d)(2)'' and ''subsection (e)'' for ''subsection (f)(1)(B)''. Former subsec. (g), relating to hold-harmless amounts for metropolitan cities and urban counties, was struck out.

Subsec. (h). Pub. L. 96–399, §111(d), struck out subsec. (h) which related to hold-harmless grants to units of general local government not metropolitan cities or urban counties.

Subsec. (i). Pub. L. 96–399, §111(d), struck out subsec. (i) which related to percentages excluded from data in computation of hold-harmless grants for units of general local government.

Subsec. (j). Pub. L. 96–399, §111(d), struck out subsec. (j) which related to waiver of eligibility by units of general local government for hold-harmless grants.

Subsec. (k). Pub. L. 96–399, §111(d), redesignated subsec. (k) as (f).

Subsec. (*l*). Pub. L. 96–399, §111(d), struck out subsec. (*l*) which related to reports to Congress with respect to adequacy and effectiveness of formula for allocation of funds.

Subsec. (m). Pub. L. 96–399, §111(d), redesignated subsec. (m) as (g).

1979—Subsec. (b)(5). Pub. L. 96–153, §103(e), added par. (5).

Subsec. (m). Pub. L. 96–153, §103(d), inserted reference to fiscal year 1980.

1977—Subsec. (a). Pub. L. 95–128, §106(a), substituted in second sentence reference to pars. ''(1) or (2)'' for pars. ''(2) or (3)'' of subsec. (b) of this section.

Subsec. (b)(1). Pub. L. 95–128, §106(b), added par. (1), and struck out former par. (1) provisions stating that ''The Secretary shall determine the amount to be allocated to all metropolitan cities which shall be an amount that bears the same ratio to the allocation for all metropolitan areas as the average of the ratios between—

''(A) the population of all metropolitan cities and the population of all metropolitan areas;

''(B) the extent of poverty in all metropolitan cities and the extent of poverty in all metropolitan areas; and

''(C) the extent of housing overcrowding in all metropolitan cities and the extent of housing overcrowding in all metropolitan areas.'', now incorporated in this paragraph.

Subsec. (b)(2). Pub. L. 95–128, §106(b), added par. (2) and struck out former par. (2) provisions declaring that ''From the amount allocated to all metropolitan cities the Secretary shall determine for each metropolitan city a basic grant amount which shall equal an amount that bears the same ratio to the allocation for all metropolitan cities as the average of the ratios between—

''(A) the population of that city and the population of all metropolitan cities;

''(B) the extent of poverty in that city and the extent of poverty in all metropolitan cities; and

''(C) the extent of housing overcrowding in that city and the extent of housing overcrowding in all metropolitan cities.'', now incorporated in subsec. (b)(1) of this section.

Subsec. (b)(3). Pub. L. 95–128, §106(b), added par. (3) and struck out former par. (3) provisions for determination of basic grant amount of each urban county, now covered in subsec. (b)(2) of this section and formerly providing that ''The Secretary shall determine the basic grant amount of each urban county by—

''(A) calculating the total amount that would have been allocated to metropolitan cities and urban counties together under paragraph (1) of this subsection if data pertaining to the population, extent of poverty, and extent of housing overcrowding in all urban counties were included in the numerator of each of the fractions described in such paragraph; and

''(B) determining for each county the amount which bears the same ratio to the total amount calculated under subparagraph (A) of this paragraph as the average of the ratios between—

''(i) the population of that urban county and the population of all metropolitan cities and urban counties;

''(ii) the extent of poverty in that urban county and the extent of poverty in all metropolitan cities and urban counties; and

''(iii) the extent of housing overcrowding in that urban county and the extent of housing overcrowding in all metropolitan cities and urban counties.''

Subsec. (b)(4), (5). Pub. L. 95–128, §106(b), (c), struck out par. ''(4) In determining the average of ratios under paragraphs (1), (2), and (3), the ratio involving the extent of poverty shall be counted twice.'', now incorporated in par. (3), redesignated par. (5) as (4), and substituted ''are entitled to'' for ''receive''.

Subsec. (c). Pub. L. 95–128, §106(d), in first sentence, substituted ''With respect to funds approved for distribution to a metropolitan city or urban county under this section during fiscal years 1975, 1976, and 1977'' for ''During the first three years for which funds are approved for distribution to a metropolitan city or urban county under this section'' and inserted ''only for such funds approved for distribution in fiscal years 1975, 1976, and 1977'' after ''adjusted''.

Subsec. (d). Pub. L. 95–128, §106(e), incorporated existing introductory text and provisions of former par. (1) in provisions now designated par. (1); added par. (2), incorporating provisions of former par. (2) respecting additional allocations by the Secretary ''for grants to units of general local government (other than metropolitan cities and urban counties) and States for use in metropolitan areas, allocating for each such metropolitan area an amount which bears the same ratio to the allocation for all metropolitan areas available under this paragraph as the average of the ratios between—

''(A) the population of that metropolitan area and the population of all metropolitan areas,

''(B) the extent of poverty in that metropolitan area and the extent of poverty in all metropolitan areas, and

''(C) the extent of housing overcrowding in that metropolitan area and the extent of housing overcrowding in all metropolitan areas.'' and declaring that ''In determining the average of ratios under paragraph (2), the ratio involving the extent of poverty shall be counted twice''; struck out end clause providing that ''in computing amounts under such paragraph there shall be excluded any metropolitan

cities, urban counties, and units of general local government which receive hold–harmless grants pursuant to subsection (h) of this section'', now constituting last sentence of par. (3); and added par. (3) provisions.

Subsec. (e). Pub. L. 95–128, § 106(f), in first sentence, substituted ''within a reasonable time'' for ''during such program period'' and struck out ''during the same period'' after ''shall be reallocated''.

Subsec. (f)(1). Pub. L. 95–128, § 106(g)(1), inserted in subpar. (B) ''any portion of such amount which remains after applying the provisions of subparagraph (A) shall be utilized by the Secretary'' after ''second,'' and ''the greater of'' before ''an amount''; reenacted existing provisions in cl. (i); added cl. (ii); inserted provision respecting determination of average of ratios under cl. (ii) of subpar. (B) and provision for pro rata reduction, to compensate for the discrepancy between the total of the amounts to be allocated under subpar. (B) and the total of the amounts available under such subparagraph, of each amount allocated to the nonmetropolitan areas in each State under such subparagraph; and struck out end clause providing that in computing amounts under such subpar. (B) there shall be excluded units of general local government which receive hold–harmless grants pursuant to subsec. (h) of this section, now constituting end sentence of subsec. (f)(2) of this section.

Subsec. (f)(2). Pub. L. 95–128, § 106(g)(1), (2), added par. (2) and redesignated former par. (2) as (3).

Subsec. (f)(3). Pub. L. 95–128, § 106(g)(2)–(4), redesignated former par. (2) as (3), substituted ''within a reasonable time'' for ''during such period'', and struck out ''during the same period'' after ''as soon as practicable''.

Subsec. (g)(2). Pub. L. 95–128, § 106(h), substituted reference to ''subsection (b)(1)(A) or (B), or (2)(A) or (B) of this section'' for ''subsection (b)(2) or (3) of this section'' and inserted in cls. (i) and (ii) '', as computed under subsection (b)(1)(A) or (B), or (2)(A) or (B) of this section,'' before ''shall''.

Subsec. (i). Pub. L. 95–128, § 106(i), struck out ''population, poverty, and housing overcrowding'' before ''data'' and substituted ''are entitled to'' for ''receive'' and reference to subsec. (b)(4) for (b)(5) of this section.

Subsec. (j). Pub. L. 95–128, § 106(j), substituted ''by such date as the Secretary shall determine'' for ''not later than thirty days prior to the beginning of any program period'' and reference to subsec. (b)(4) for (b)(5) of this section and inserted ''for a hold–harmless grant for a single year'' after ''eligibility''.

Subsec. (*l*). Pub. L. 95–128, § 106(k), substituted provisions for submission of a report to Congress not later than Sept. 30, 1978, respecting adequacy of funds allocation formula and defining ''impaction'' for prior requirement of a report to Congress not later than Mar. 31, 1977, setting forth recommendations to further purposes and policies of this chapter, for modifying or expanding the provisions of this section relating to the method of funding and the allocation of funds and the determination of basic grant entitlement, and for application of the provisions in the further distribution of funds under this chapter and the conduct of a study by the Secretary respecting manner of distributing funds under this chapter in accordance with community development needs, objectives, and capacities, measured to the maximum extent feasible by objective standards.

Subsec. (m). Pub. L. 95–128, § 106(*l*), added subsec. (m).

EFFECTIVE DATE OF 1990 AMENDMENT

Section 913(f) of Pub. L. 101–625 provided that:

''(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section [amending this section and sections 5301 and 5307 of this title] shall apply to amounts approved in any appropriation Act under section 103 of the Housing and Community Development Act of 1974 [section 5303 of this title] for fiscal year 1990 and each fiscal year thereafter.

''(2) GRANTS IN FISCAL YEAR 1990.—The Secretary of Housing and Urban Development may make grants to Indian tribes pursuant to the amendments made by this section with any amounts approved in any appropriation Act under section 103 for fiscal year 1990 for grants to Indian tribes, and the first sentence of section 106(a)(1) of the Housing and Community Development Act of 1974 [subsec. (a)(1) of this section] (as amended by this Act) shall not apply to such grants.''

EFFECTIVE DATE OF 1989 AMENDMENT

Section 702(e) of Pub. L. 101–235, as amended by Pub. L. 101–625, title IX, § 913(e), Nov. 28, 1990, 104 Stat. 4393, provided that: ''The amendments made by this section [amending this section and section 5302 of this title] shall apply to amounts approved in any appropriation Act under section 103 of the Housing and Community Development Act of 1974 [section 5303 of this title] for fiscal year 1990 and each fiscal year thereafter.''

EFFECTIVE DATE OF 1983 AMENDMENT

Amendment by Pub. L. 98–181 applicable only to funds available for fiscal year 1984 and thereafter, see section 110(b) of Pub. L. 98–181, as amended, set out as a note under section 5316 of this title.

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97–35 effective Oct. 1, 1981, see section 371 of Pub. L. 97–35, set out as an Effective Date note under section 3701 of Title 12, Banks and Banking.

EFFECTIVE DATE OF 1977 AMENDMENT

Amendment by Pub. L. 95–128 effective Oct. 1, 1977, see section 114 of Pub. L. 95–128, set out as a note under section 5301 of this title.

REGULATIONS

Section 702(d) of Pub. L. 101–235 provided that: ''The Secretary shall issue any regulations necessary to carry out this section and the amendments made by this section [amending this section and section 5302 of this title and enacting provisions set out as notes above] in a manner and by such time to provide for the effectiveness of such regulations with respect to amounts appropriated for fiscal year 1991 under section 103 of the Housing and Community Development Act of 1974 [section 5303 of this title].''

TRANSITIONAL PROVISIONS

Section 307 of Pub. L. 97–35 provided that:

''(a) Any amounts appropriated for any fiscal year before fiscal year 1982 in a Department of Housing and Urban Development—Independent Agencies Appropriation Act or a Supplemental Appropriation Act under the head 'COMMUNITY DEVELOPMENT GRANTS' which are or become available for obligation on or after October 1, 1981, shall remain available as provided by law, and shall be used in accordance with the following:

''(1) funds authorized for use under section 106(b) [subsec. (b) of this section] of the Housing and Community Development Act of 1974 ('such Act') before October 1, 1981, shall be available for use as provided by section 106(c) of such Act as amended by this Act [subsec. (c) of this section];

''(2) funds authorized for use under section 107 of such Act [section 5307 of this title] before October 1, 1981, shall be available for use as provided by section 107(a) of such Act as amended by this Act [section 5307(a) of this title]; and

''(3) funds authorized for use under section 106(c) or (e) of such Act [subsec. (c) or (e) of this section] before October 1, 1981, shall be available for use as provided by section 106(d)(2)(A) of such Act as amended by this Act [subsec. (d)(2)(A) of this section].

''(b) Any grant or loan which, prior to the effective date of any provision of this part [see Effective Date note set out under section 3701 of Title 12, Banks and Banking], was obligated and governed by any authority amended by any provision of this part [Pub. L. 97–35, title III, §§ 301–315, Aug. 13, 1981, 95 Stat. 384–398] shall

continue to be governed by the provisions of such authority as they existed immediately before such effective date.''

CDBG ASSISTANCE FOR UNITED STATES-MEXICO BORDER REGION

Pub. L. 104–134, title I, § 101(e) [title II], Apr. 26, 1996, 110 Stat. 1321–257, 1321–272; renumbered title I, Pub. L. 104–140, § 1(a), May 2, 1996, 110 Stat. 1327, provided in part: ''That section 916 of the Cranston-Gonzalez National Affordable Housing Act [set out below] shall apply with respect to fiscal year 1996, notwithstanding section 916(f) of that Act.''

Section 916 of Pub. L. 101–625, as amended by Pub. L. 102–550, title VIII, § 810, Oct. 28, 1992, 106 Stat. 3850; Pub. L. 104–204, title II, Sept. 26, 1996, 110 Stat. 2887, provided that:

''(a) SET-ASIDE FOR COLONIAS.—The States of Arizona, California, New Mexico, and Texas shall each make available, for activities designed to meet the needs of the residents of colonias in the State relating to water, sewage, and housing, the following percentage of the amount allocated for the State under section 106(d) of the Housing and Community Development Act of 1974 (42 U.S.C. 5306(d)):

''(1) FIRST FISCAL YEAR.—For the first fiscal year to which this section applies, 10 percent.

''(2) SUCCEEDING FISCAL YEARS.—For each of the succeeding fiscal years to which this section applies, a percentage (not to exceed 10 percent) that is determined by the Secretary of Housing and Urban Development to be appropriate after consultation with representatives of the interests of the residents of colonias.

''(b) ELIGIBLE ACTIVITIES.—Assistance distributed pursuant to this section may be used only to carry out the following activities:

''(1) PLANNING.—Payment of the cost of planning community development (including water and sewage facilities) and housing activities, including the cost of—

''(A) the provision of information and technical assistance to residents of the area in which the activities are to be concentrated and to appropriate nonprofit organizations and public agencies acting on behalf of the residents; and

''(B) preliminary surveys and analyses of market needs, preliminary site engineering and architectural services, site options, applications, mortgage commitments, legal services, and obtaining construction loans.

''(2) ASSESSMENTS FOR PUBLIC IMPROVEMENTS.—The payment of assessments (including any charge made as a condition of obtaining access) levied against properties owned and occupied by persons of low and moderate income to recover the capital cost for a public improvement.

''(3) OTHER IMPROVEMENTS.—Other activities eligible under section 105 of the Housing and Community Development Act of 1974 [42 U.S.C. 5305] designed to meet the needs of residents of colonias.

''(c) DISTRIBUTION OF ASSISTANCE.—Assistance shall be made available pursuant to this section in accordance with a distribution plan that gives priority to colonias having the greatest need for such assistance.

''(d) APPLICABLE LAW.—Except to the extent inconsistent with this section, assistance provided pursuant to this section shall be subject to the provisions of title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.).

''(e) DEFINITIONS.—For purposes of this section:

''(1) COLONIA.—The term 'colonia' means any identifiable community that—

''(A) is in the State of Arizona, California, New Mexico, or Texas;

''(B) is in the United States-Mexico border region;

''(C) is determined to be a colonia on the basis of objective criteria, including lack of potable water supply, lack of adequate sewage systems, and lack of decent, safe, and sanitary housing; and

''(D) was in existence as a colonia before the date of the enactment of the Cranston-Gonzalez National Affordable Housing Act [Nov. 28, 1990].

''(2) NONPROFIT ORGANIZATION.—The term 'nonprofit organization' means an organization described in section 501(c) of the Internal Revenue Code of 1986 [26 U.S.C. 501(c)] and exempt from taxation under section 501(a) of such Code.

''(3) PERSONS OF LOW AND MODERATE INCOME.—The term 'persons of low and moderate income' has the meaning given the term in section 102(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)).

''(4) UNITED STATES-MEXICO BORDER REGION.—The term 'United States-Mexico border region' means the area of the United States within 150 miles of the border between the United States and Mexico, except that the term does not include any standard metropolitan statistical area that has a population exceeding 1,000,000.''

OFFICE OF INDIAN AND ALASKA NATIVE PROGRAMS

Section 702(c) of Pub. L. 101–235, which required Secretary of Housing and Urban Development to administer grants to Indian tribes under this chapter through the Office of Indian and Alaska Native Programs of the Department of Housing and Urban Development, was repealed by Pub. L. 101–625, title IX, § 913(d), Nov. 28, 1990, 104 Stat. 4393.

## § 5307. Special purpose grants

### (a) Set-aside

#### (1) In general

For each fiscal year (except as otherwise provided in this paragraph), of the total amount provided in appropriation Acts under section 5303 of this title for the fiscal year, $60,000,000 shall be set aside for grants under subsection (b) of this section for such year for the following purposes:

(A) $6,500,000 shall be available for grants under subsection (b)(3)[1] of this section;

(B) $6,000,000 shall be available for grants under subsection (b)(5)[1] of this section;

(C) $6,000,000 shall be available in fiscal year 1993 for grants under subsection (b)(7)[1] of this section;

(D) $3,000,000 shall be available for grants under subsection (c) of this section;

(E) such sums as may be necessary shall be available for grants under paragraphs (2), (4), and (6)[1] of subsection (b) of this section;

(F) $2,000,000 shall be available in fiscal year 1993 for a grant to the City of Bridgeport, Connecticut, subject to the approval of sufficient amounts in an appropriation Act and to binding commitments made by the City of Bridgeport and the State of Connecticut that the city and State, respectively, will supplement such amount with $2,000,000 of additional funds; and

(G) $7,500,000 shall be available to carry out the Community Outreach Partnership Act of 1992.

#### (2) Treatment of grants

Any grants made under this section shall be in addition to any other grants that may be made under this chapter to the same entities for the same purposes.

[1] See References in Text note below.

**(b) Permissible uses of funds**

From amounts set aside under subsection (a) of this section, the Secretary is authorized to make grants—

(1) to States and units of general local government for the purpose of allocating amounts to any such State or unit of general local government that is determined by the Secretary to have received insufficient amounts under section 5306 of this title as a result of a miscalculation of its share of funds under such section;

(2) to historically Black colleges;

(3) to States, units of general local government, Indian tribes, or areawide planning organizations for the purpose of providing technical assistance in planning, developing, and administering assistance under this chapter and section 1706e[1] of title 12; to groups designated by such governmental units to assist them in carrying out assistance under this chapter; to qualified groups for the purpose of assisting more than one such governmental unit to carry out assistance under this chapter; the Secretary may also provide technical assistance, directly or through contracts, to such governmental units and groups; for purposes of this paragraph the term ''technical assistance'' means the facilitating of skills and knowledge in planning, developing, and administering activities under this chapter in entities that may need but do not possess such skills and knowledge, and includes assessing programs and activities under this chapter; except that any recipient of a grant under this paragraph that provides technical assistance pursuant to this paragraph shall provide for the notification of the availability of such assistance and shall have specific criteria for selection of recipients of such assistance that are published and publicly available;

(4) to States and units of general local government and institutions of higher education having a demonstrated capacity to carry out eligible activities under this chapter, except that the Secretary may make a grant under this paragraph only to a State or unit of general local government that jointly, with an institution of higher education, has prepared and submitted to the Secretary an application for such grant, as the Secretary shall by regulation require;

(5) to units of general local government in nonentitlement areas for planning community adjustments and economic diversification activities, which may include any eligible activities under section 5305 of this title, required—

(A) by the proposed or actual establishment, realignment, or closure of a military installation,

(B) by the cancellation or termination of a Department of Defense contract or the failure to proceed with an approved major weapon system program, or

(C) by a publicly announced planned major reduction in Department of Defense spending that would directly and adversely affect a unit of general local government and will result in the loss of 1,000 or more full-time Department of Defense and contractor employee positions over a 5-year period in the unit of general local government and the surrounding area, or

if the Secretary (in consultation with the Secretary of Defense) determines that an action described in subparagraph (A), (B), or (C) is likely to have a direct and significant adverse consequence on the unit of general local government; and

(6) for the purposes of rebuilding and revitalizing distressed areas of the Los Angeles metropolitan area.

**(c) Assistance to economically disadvantaged and minority students participating in community development work study programs**

Of the amount set aside for use under subsection (b) of this section in any fiscal year, the Secretary shall,[2] make grants to institutions of higher education, either directly or through areawide planning organizations or States, for the purpose of providing assistance to economically disadvantaged and minority students who participate in community development work study programs and are enrolled in full-time graduate or undergraduate programs in community and economic development, community planning, or community management.

**(d) Continued availability of unused funds**

Amounts set aside for use under subsection (b) of this section in any fiscal year but not used in that year shall remain available for use in subsequent fiscal years in accordance with the provisions of that subsection.

**(e) Satisfactory assurances required, special assurances required of Indian tribes**

(1) Except as provided in paragraph (2), no grant may be made under this section or section 5318 of this title and no assistance may be made available under section 1437*o*[3] of this title unless the grantee provides satisfactory assurances that its program will be conducted and administered in conformity with the Civil Rights Act of 1964 [42 U.S.C. 2000a et seq.] and the Fair Housing Act [42 U.S.C. 3601 et seq.].

(2) No grant may be made to an Indian tribe under this section, section 5306(a)(1) of this title, or section 5318 of this title unless the applicant provides satisfactory assurances that its program will be conducted and administered in conformity with title II of Public Law 90–284 [25 U.S.C. 1301 et seq.]. The Secretary may waive, in connection with grants to Indian tribes, the provisions of section 5309 of this title and section 5310 of this title.

(3) The Secretary may accept a certification from the grantee or applicant that it has complied with the requirements of paragraph (1) or (2), as appropriate.

**(f) Criteria for selection of recipients**

Any grant made under this section shall be made pursuant to criteria for selection of recipients of such grants that the Secretary shall by regulation establish and which the Secretary shall publish together with any notification of availability of amounts under this section.

(Pub. L. 93–383, title I, § 107, Aug. 22, 1974, 88 Stat. 647; Pub. L. 94–375, § 15(c), Aug. 3, 1976, 90

[2] So in original. The comma probably should not appear.

[3] See References in Text note below.

Stat. 1076; Pub. L. 95–128, title I, § 107, Oct. 12, 1977, 91 Stat. 1123; Pub. L. 95–557, title I, § 103(f), Oct. 31, 1978, 92 Stat. 2084; Pub. L. 96–399, title I, §§ 107, 117(b), Oct. 8, 1980, 94 Stat. 1618, 1624; Pub. L. 97–35, title III, § 305, Aug. 13, 1981, 95 Stat. 391; Pub. L. 98–181, title I, § 107, title III, § 302(b), Nov. 30, 1983, 97 Stat. 1167, 1206; Pub. L. 100–242, title V, §§ 501(b), 517(b)(2), 522(b), Feb. 5, 1988, 101 Stat. 1922, 1936, 1939; Pub. L. 101–235, title I, § 105(a)–(c), (e), Dec. 15, 1989, 103 Stat. 1998, 1999; Pub. L. 101–625, title IX, §§ 901(c), 913(c), Nov. 28, 1990, 104 Stat. 4385, 4393; Pub. L. 102–550, title VIII, §§ 801(c)(1), (2), (4), 808, Oct. 28, 1992, 106 Stat. 3843–3845, 3850; Pub. L. 106–569, title I, § 102(f), Dec. 27, 2000, 114 Stat. 2947; Pub. L. 108–186, title V, § 501(f), Dec. 16, 2003, 117 Stat. 2697.)

REFERENCES IN TEXT

Paragraphs (2), (3), (4), (6), and (7) of subsection (b) of this section, referred to in subsec. (a)(1)(A) to (C) and (E), were redesignated as paragraphs (1), (2), (3), (5), and (6), respectively, of subsection (b) by Pub. L. 108–186, title V, § 501(f)(2)(B), Dec. 16, 2003, 117 Stat. 2697.

The Community Outreach Partnership Act of 1992, referred to in subsec. (a)(1)(G), is section 851 of Pub. L. 102–550, which is set out below.

This chapter, referred to in subsecs. (a)(2) and (b)(3), (4), was in the original ''this title'', meaning title I of Pub. L. 93–383, Aug. 22, 1974, 88 Stat. 633, which is classified principally to this chapter. For complete classification of title I to the Code, see Tables.

Section 1706e of title 12, referred to in subsec. (b)(3), was repealed by Pub. L. 101–625, title II, § 289(b), Nov. 28, 1990, 104 Stat. 4128.

Section 1437*o* of this title, referred to in subsec. (e)(1), was repealed by Pub. L. 101–625, title II, § 289(b), Nov. 28, 1990, 104 Stat. 4128.

The Civil Rights Act of 1964, referred to in subsec. (e)(1), is Pub. L. 88–352, July 2, 1964, 78 Stat. 241, which is classified principally to subchapters II to IX (§ 2000a et seq.) of chapter 21 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 2000a of this title and Tables.

The Fair Housing Act, referred to in subsec. (e)(1), is title VIII of Pub. L. 90–284, Apr. 11, 1968, 82 Stat. 81, which is classified principally to subchapter I (§ 3601 et seq.) of chapter 45 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 3601 of this title and Tables.

Public Law 90–284, referred to in subsec. (e)(2), is Pub. L. 90–284, Apr. 11, 1968, 82 Stat. 73, known as the Civil Rights Act of 1968. Title II of Pub. L. 90–284 is classified generally to subchapter I (§ 1301 et seq.) of chapter 15 of Title 25, Indians. For complete classification of this Act to the Code, see Short Title note set out under section 3601 of this title and Tables.

AMENDMENTS

2003—Subsec. (a)(1). Pub. L. 108–186, § 501(f)(1), redesignated subpars. (B) to (H) as (A) to (G), respectively, and struck out former subpar. (A) which read as follows: ''$7,000,000 shall be available for grants under subsection (b)(1) of this section;''.

Subsec. (b). Pub. L. 108–186, § 501(f)(2), redesignated pars. (2) to (7) as (1) to (6), respectively, and struck out former par. (1) which read as follows: ''in Guam, the Virgin Islands, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands;''.

2000—Subsec. (a)(1)(G). Pub. L. 106–569, § 102(f)(1), inserted ''and'' after semicolon at end.

Subsec. (a)(1)(H), (I). Pub. L. 106–569, § 102(f)(2), (3), redesignated subpar. (I) as (H) and struck out former subpar. (H) which read as follows: ''$15,000,000 shall be available for grants under the Removal of Regulatory Barriers to Affordable Housing Act of 1992; and''.

1992—Subsec. (a). Pub. L. 102–550, § 801(c)(1), added heading and subsec. (a) and struck out former subsec. (a) which read as follows: ''Of the total amount provided in appropriation Acts under section 5303 of this title for fiscal years 1988 and 1989, $60,000,000 may be set aside in each year for grants under subsection (b) of this section. Grants under this section are in addition to any other grants which may be made under this chapter to the same entities for the same purposes.''

Subsec. (b)(5) to (7). Pub. L. 102–550, § 801(c)(2), added pars. (5) to (7).

Subsec. (c). Pub. L. 102–550, § 801(c)(4), substituted ''make'' for ''to the extent approved in appropriation Acts, make available not less than $3,000,000 in the form of''.

Subsec. (e)(1). Pub. L. 102–550, § 808, substituted ''the Civil Rights Act of 1964 and the Fair Housing Act'' for ''Public Law 88–352 and Public Law 90–284''.

1990—Subsec. (a). Pub. L. 101–625, § 901(c), directed the amendment of subsec. (a), which did not contain designated pars., by adding par. (3) and redesignating former pars. (3) and (4) as (4) and (5), respectively.

Subsec. (e)(2). Pub. L. 101–625, § 913(c), inserted '', section 5306(a)(1) of this title,'' after ''this section''.

1989—Pub. L. 101–235, § 105(e), substituted ''Special purpose grants'' for ''Discretionary fund'' in section catchline.

Subsec. (a). Pub. L. 101–235, § 105(a), struck out ''in a special discretionary fund'' after ''in each year'' and struck out at end ''Of the amount set aside for grants under subsection (b) of this section for fiscal year 1988, $5,000,000 shall be made available by the Secretary for purposes of grants under subsection (b)(1) of this section for the Park Central New Community Project.''

Subsec. (b)(1). Pub. L. 101–235, § 105(b)(1), (3), redesignated former par. (2) as (1) and struck out former par. (1) which read as follows: ''in behalf of new communities assisted under title VII of the Housing and Urban Development Act of 1970 or title IV of the Housing and Urban Development Act of 1968 or in behalf of new community projects assisted under title X of the National Housing Act which meet the eligibility standards set forth in title VII of the Housing and Urban Development Act of 1970 and which were the subject of an application or preapplication under such title prior to January 14, 1975;''.

Subsec. (b)(2). Pub. L. 101–235, § 105(b)(3), redesignated par. (5) as (2). Former par. (2) redesignated (1).

Subsec. (b)(3). Pub. L. 101–235, § 105(b)(1), (4), added par. (3) and struck out former par. (3) which related to grants to Indian tribes.

Subsec. (b)(4). Pub. L. 101–235, § 105(b)(5), struck out ''and to States and units of general local government for implementing special projects otherwise authorized under this chapter; and'' after ''to carry out assistance under this chapter;'', and substituted ''for purposes of this paragraph the term 'technical assistance' means the facilitating of skills and knowledge in planning, developing, and administering activities under this chapter in entities that may need but do not possess such skills and knowledge, and includes assessing programs and activities under this chapter; except that any recipient of a grant under this paragraph that provides technical assistance pursuant to this paragraph shall provide for the notification of the availability of such assistance and shall have specific criteria for selection of recipients of such assistance that are published and publicly available.'' for ''and'' after ''such governmental units and groups;''.

Subsec. (b)(5). Pub. L. 101–235, § 105(b)(3), redesignated par. (5) as (2).

Subsec. (f). Pub. L. 101–235, § 105(c), added subsec. (f).

1988—Subsec. (a). Pub. L. 100–242, § 522(b), inserted sentence at end making $5,000,000 of grant moneys available for the Park Central New Community Project.

Pub. L. 100–242, § 501(b)(1), amended first sentence generally. Prior to amendment, first sentence read as follows: ''Of the total amount approved in appropriation Acts under section 5303 of this title for each of the fiscal years 1984, 1985, and 1986, not more than $68,200,000 for each such fiscal year may be set aside in a special

discretionary fund for grants under subsection (b) of this section.''

Subsec. (b)(4). Pub. L. 100–242, § 517(b)(2), inserted ''and section 1706e of title 12'' before first semicolon.

Subsecs. (c) to (e). Pub. L. 100–242, § 501(b)(2), added subsec. (c) and redesignated former subsecs. (c) and (d) as (d) and (e), respectively.

1983—Subsec. (a). Pub. L. 98–181, § 107(a), substituted provisions permitting not more than $68,200,000 for each of fiscal years 1984, 1985, and 1986 to be set aside in a special discretionary fund for grants under subsection (b) of this section, for provisions permitting not more than $60,000,000 to be set aside for each of fiscal years 1982 and 1983 in such a fund.

Subsec. (b)(4). Pub. L. 98–181, § 107(b), amended par. (4) generally, inserting provisions authorizing the Secretary to provide assistance to groups designated by certain enumerated governmental units to assist in carrying out this chapter, to qualified groups for the purpose of assisting more than one such governmental unit and to provide technical assistance, directly or through contracts, to such governmental units and groups.

Subsec. (b)(5). Pub. L. 98–181, § 107(c), added par. (5).

Subsec. (d)(1). Pub. L. 98–181, § 302(b)(1), inserted provisions relating to section 1437*o* of this title, and substituted ''grantee'' for ''applicant''.

Subsec. (d)(3). Pub. L. 98–181, § 302(b)(2), inserted ''grantee or'' before ''applicant''.

1981—Subsec. (a). Pub. L. 97–35 substituted provisions relating to authorization of appropriations under section 5303 of this title for fiscal years 1982 and 1983, and supplemental nature of grants, for provisions relating to authorization of appropriations under section 5303(a)(1) of this title for fiscal years 1981 to 1983, and purposes for expenditures from fund.

Subsec. (b). Pub. L. 97–35 substituted provisions relating to permissible uses of funds for provisions relating to limitations on amounts reserved for emergency disaster needs.

Subsec. (c). Pub. L. 97–35 substituted provisions relating to amounts set aside for use under subsec. (b) of this section for provisions relating to amounts set aside and reserved in the special fund under subsec. (b) of this section.

Subsec. (d). Pub. L. 97–35 substituted provisions relating to assurances required for provisions relating to Indian tribal eligibility for grant as dependent upon conformity of program with prescribed constitutional rights and habeas corpus.

1980—Subsec. (a). Pub. L. 96–399, § 107, substituted ''approved in appropriation Acts under section 5303(a)(1) of this title for each of the fiscal years 1981, 1982, and 1983, not more than $104,000,000 for fiscal year 1981, not more than $104,000,000 for fiscal year 1982, and not more than $107,000,000 for fiscal year 1983 may'' for ''of authority to enter into contracts approved in appropriation Acts under section 5303(a)(1) of this title for each of the fiscal years 1975, 1976, 1977, 1978, 1979, and 1980, an amount equal to 3 per centum thereof shall''.

Subsec. (d). Pub. L. 96–399, § 117(b), inserted ''under this chapter'' after ''Indian tribe''.

1978—Subsec. (a)(8). Pub. L. 95–557 substituted ''The Secretary may also provide, directly or through contracts, technical assistance under this paragraph to such governmental units, or to a group designated by such a governmental unit for the purpose of assisting that governmental unit to carry out its Community Development Program'' for ''The Secretary may also provide such technical assistance under this paragraph directly or through contracts''.

1977—Subsec. (a). Pub. L. 95–128, § 107(1), (2), extended provisions to fiscal years 1978 through 1980 and increased rate to 3 from 2 per centum.

Subsec. (a)(5). Pub. L. 95–128, § 107(3), provided for grants to Indian tribes.

Subsec. (a)(7), (8). Pub. L. 95–128, § 107(4), added pars. (7) and (8).

Subsec. (b). Pub. L. 95–128, § 107(5), substituted ''15 per centum'' for ''one-fourth''.

Subsec. (d). Pub. L. 95–128, § 107(6), added subsec. (d).

1976—Subsec. (a)(1). Pub. L. 94–375 included new community projects assisted under title X of the National Housing Act as within the authority of the Secretary to make grants from the special discretionary fund.

EFFECTIVE DATE OF 1990 AMENDMENT

Amendment by section 913(c) of Pub. L. 101–625 applicable to amounts approved in any appropriation Act under section 5303 of this title for fiscal year 1990 and each fiscal year thereafter, see section 913(f) of Pub. L. 101–625, set out as a note under section 5306 of this title.

EFFECTIVE DATE OF 1989 AMENDMENT

Section 105(d) of Pub. L. 101–235 provided that:

''(1) IN GENERAL.—Except as provided in this paragraph and paragraph (2), the amendments made by this section [amending this section] shall apply with respect to any grants made under section 107 of the Housing and Community Development Act of 1974 [this section] on or after the date of the enactment of this Act [Dec. 15, 1989], except a grant made under the third sentence of section 107(a) of [the] Housing and Community Development Act of 1974, as such sentence existed immediately before such date, and grants for specific activities (referred to in House Report Number 101–297) pursuant to the amount appropriated for use under section 107 by the enactment of the bill, H.R. 2916, of the One Hundred First Congress [Pub. L. 101–144, Nov. 9, 1989, 103 Stat. 850].

''(2) PRIOR GRANTS.—Any grant made under section 107 of the Housing and Community Development Act of 1974 [this section] before the date of the enactment of this Act [Dec. 15, 1989] or pursuant to a grant award notification made before such date shall be governed by the provisions of such section as it existed immediately before the date of the enactment of this Act.''

EFFECTIVE DATE OF 1983 AMENDMENT

Amendment by Pub. L. 98–181 applicable only to funds available for fiscal year 1984 and thereafter, see section 110(b) of Pub. L. 98–181, as amended, set out as a note under section 5316 of this title.

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97–35 effective Oct. 1, 1981, see section 371 of Pub. L. 97–35, set out as an Effective Date note under section 3701 of Title 12, Banks and Banking.

EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by Pub. L. 95–557 effective Oct. 1, 1978, see section 104 of Pub. L. 95–557, set out as a note under section 1709 of Title 12, Banks and Banking.

EFFECTIVE DATE OF 1977 AMENDMENT

Amendment by Pub. L. 95–128 effective Oct. 1, 1977, see section 114 of Pub. L. 95–128, set out as a note under section 5301 of this title.

REGULATIONS

Pub. L. 102–550, title VIII, § 801(c)(3), Oct. 28, 1992, 106 Stat. 3844, provided that, not later than the expiration of the 60-day period beginning on Oct. 28, 1992, the Secretary of Housing and Urban Development was to issue proposed regulations to carry out subsec. (b)(6) of this section and to issue final regulations to carry out subsec. (b)(6) not later than the expiration of the 120-day period beginning on Oct. 28, 1992.

COMMUNITY OUTREACH PARTNERSHIP

Section 851 of Pub. L. 102–550 directed Secretary to carry out a 5-year demonstration program to determine feasibility of facilitating partnerships between institutions of higher education and communities to solve urban problems through research, outreach, and exchange of information, established program of grants to public and private nonprofit institutions of higher education to assist in establishing or carrying out such

activities and to establish and operate Community Outreach Partnership Centers which were to focus on problems associated with housing, economic development, neighborhood revitalization, infrastructure, health care, job training, education, crime prevention, planning, community organizing, and other areas deemed appropriate by the Secretary, further provided for establishment of national advisory council to assist Secretary in these areas and a national clearinghouse to disseminate information resulting from these activities, and further provided for appropriations for the demonstration program as well as for an annual report to Congress by the Secretary.

### § 5308. Guarantee and commitment to guarantee loans for acquisition of property

#### (a) Authority of Secretary; issuance of obligations by eligible public entities or designated public agencies; form, denomination, maturity, and conditions of notes or other obligations; percentage allocation requirements

The Secretary is authorized, upon such terms and conditions as the Secretary may prescribe, to guarantee and make commitments to guarantee, only to such extent or in such amounts as provided in appropriation Acts, the notes or other obligations issued by eligible public entities, or by public agencies designated by such eligible public entities, for the purposes of financing (1) acquisition of real property or the rehabilitation of real property owned by the eligible public entity (including such related expenses as the Secretary may permit by regulation); (2) housing rehabilitation; (3) economic development activities permitted under paragraphs (14), (15), and (17) of section 5305(a) of this title; (4) construction of housing by nonprofit organizations for homeownership under section 1437*o*(d)[1] of this title or title VI of the Housing and Community Development Act of 1987; (5) the acquisition, construction, reconstruction, or installation of public facilities (except for buildings for the general conduct of government); or (6) in the case of colonias (as such term is defined in section 916 of the Cranston-Gonzalez National Affordable Housing Act), public works and site or other improvements. A guarantee under this section may be used to assist a grantee in obtaining financing only if the grantee has made efforts to obtain such financing without the use of such guarantee and cannot complete such financing consistent with the timely execution of the program plans without such guarantee. Notes or other obligations guaranteed pursuant to this section shall be in such form and denominations, have such maturities, and be subject to such conditions as may be prescribed by regulations issued by the Secretary. The Secretary may not deny a guarantee under this section on the basis of the proposed repayment period for the note or other obligation, unless the period is more than 20 years or the Secretary determines that the period causes the guarantee to constitute an unacceptable financial risk. Notwithstanding any other provision of law and subject only to the absence of qualified applicants or proposed activities and to the authority provided in this section, to the extent approved or provided in appropriation Acts, the Secretary shall enter into commitments to guarantee notes and obligations under this section with an aggregate principal amount of $2,000,000,000 for fiscal year 1993 and $2,000,000,000 for fiscal year 1994. Of the amount approved in any appropriation Act for guarantees under this section in any fiscal year, the Secretary shall allocate 70 percent for guarantees for metropolitan cities, urban counties, and Indian tribes and 30 percent for guarantees for units of general local government in nonentitlement areas. The Secretary may waive the percentage requirements of the preceding sentence in any fiscal year only to the extent that there is an absence of qualified applicants or proposed activities from metropolitan cities, urban counties, and Indian tribes or units of general local government in nonentitlement areas.

#### (b) Prerequisites

No guarantee or commitment to guarantee shall be made with respect to any note or other obligation if the issuer's total outstanding notes or obligations guaranteed under this section (excluding any amount defeased under the contract entered into under subsection (d)(1)(A) of this section) would thereby exceed an amount equal to 5 times the amount of the grant approval for the issuer pursuant to section 5306 or 5307 of this title.

#### (c) Payment of principal, interest and costs

Notwithstanding any other provision of this chapter, grants allocated to an issuer pursuant to this chapter (including program income derived therefrom) are authorized for use in the payment of principal and interest due (including such servicing, underwriting, or other costs as may be specified in regulations of the Secretary) on the notes or other obligations guaranteed pursuant to this section.

#### (d) Repayment contract; security; pledge by State

(1) To assure the repayment of notes or other obligations and charges incurred under this section and as a condition for receiving such guarantees, the Secretary shall require the issuer to—

(A) enter into a contract, in a form acceptable to the Secretary, for repayment of notes or other obligations guaranteed hereunder;

(B) pledge any grant for which the issuer may become eligible under this chapter; and

(C) furnish, at the discretion of the Secretary, such other security as may be deemed appropriate by the Secretary in making such guarantees, including increments in local tax receipts generated by the activities assisted under this chapter or dispositions proceeds from the sale of land or rehabilitated property.

(2) To assist in assuring the repayment of notes or other obligations and charges incurred under this section, a State shall pledge any grant for which the State may become eligible under this chapter as security for notes or other obligations and charges issued under this section by any unit of general local government in a nonentitlement area in the State.

#### (e) Pledged grants for repayments

The Secretary is authorized, notwithstanding any other provision of this chapter, to apply

[1] See References in Text note below.

grants pledged pursuant to paragraphs (1)(B) and (2) of subsection (d) of this section to any repayments due the United States as a result of such guarantees.

**(f) Full faith and credit of United States pledged for payment; conclusiveness and validity of guarantee**

The full faith and credit of the United States is pledged to the payment of all guarantees made under this section. Any such guarantee made by the Secretary shall be conclusive evidence of the eligibility of the obligations for such guarantee with respect to principal and interest, and the validity of any such guarantee so made shall be incontestable in the hands of a holder of the guaranteed obligations.

**(g) Issuance of obligations by Secretary to Secretary of the Treasury to satisfy authorized guarantee obligations; establishment of maturities and rates of interest and purchase of obligations by Secretary of the Treasury**

The Secretary may issue obligations to the Secretary of the Treasury in an amount outstanding at any one time sufficient to enable the Secretary to carry out his obligations under guarantees authorized by this section. The obligations issued under this subsection shall have such maturities and bear such rate or rates of interest as shall be determined by the Secretary of the Treasury. The Secretary of the Treasury is authorized and directed to purchase any obligations of the Secretary issued under this section, and for such purposes is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under chapter 31 of title 31, and the purposes for which such securities may be issued under such chapter are extended to include the purchases of the Secretary's obligations hereunder.

**(h) Federal taxation of guaranteed obligations; grants to borrowing entity or agency of taxable obligations for net interest costs, etc.; limitation on amount of grant; assistance to issuer in hardship cases**

Obligations guaranteed under this section shall be subject to Federal taxation as provided in subsection (j) of this section. The Secretary is authorized to make, and to contract to make, grants, in such amounts as may be approved in appropriations Acts, to or on behalf of the issuing eligible public entity or public agency to cover not to exceed 30 per centum of the net interest cost (including such servicing, underwriting, or other costs as may be specified in regulations of the Secretary) to the borrowing entity or agency of such obligations. The Secretary may also, to the extent approved in appropriation Acts, assist the issuer of a note or other obligation guaranteed under this section in the payment of all or a portion of the principal and interest amount due under the note or other obligation, if the Secretary determines that the issuer is unable to pay the amount because of circumstances of extreme hardship beyond the control of the issuer.

**(i) Omitted**

**(j) Inclusion within gross income for purpose of chapter 1 of title 26 of interest paid on taxable obligations**

With respect to any obligation issued by a[2] eligible public entity or designated agency which is guaranteed pursuant to this section, the interest paid on such obligation shall be included in gross income for the purpose of chapter 1 of title 26.

**(k) Outstanding obligations; limitation; monitoring use of guarantees under this section**

(1) The total amount of outstanding obligations guaranteed on a cumulative basis by the Secretary pursuant to subsection (a) of this section shall not at any time exceed $4,500,000,000 or such higher amount as may be authorized to be appropriated for sections 5306 and 5307 of this title for any fiscal year.

(2) The Secretary shall monitor the use of guarantees under this section by eligible public entities. If the Secretary finds that 50 percent of the aggregate guarantee authority has been committed, the Secretary may—

(A) impose limitations on the amount of guarantees any one entity may receive in any fiscal year of $35,000,000 for units of general local government receiving grants under section 5306(b) of this title and $7,000,000 for units of general local government receiving grants under section 5306(d) of this title; or

(B) request the enactment of legislation increasing the aggregate limitation on guarantees under this section.

**(*l*) Purchase of guaranteed obligations by Federal Financing Bank**

Notes or other obligations guaranteed under this section may not be purchased by the Federal Financing Bank.

**(m) Limitation on imposition of fee or charge**

No fee or charge may be imposed by the Secretary or any other Federal agency on or with respect to a guarantee made by the Secretary under this section after February 5, 1988.

**(n) State assistance in submission of applications**

Any State that has elected under section 5306(d)(2)(A) of this title to distribute funds to units of general local government in nonentitlement areas may assist such units in the submission of applications for guarantees under this section.

**(*o*) "Eligible public entity" defined**

For purposes of this section, the term ''eligible public entity'' means any unit of general local government, including units of general local government in nonentitlement areas.

**(p) Training and information activities relating to home guarantee program**

(1) The Secretary, in cooperation with eligible public entities, shall carry out training and information activities with respect to the guarantee program under this section. Such activities shall commence not later than 1 year after November 28, 1990.[3]

[2] So in original. Probably should be ''an''.

[3] See Codification note below.

(2) The Secretary may use amounts set aside under section 5307 of this title to carry out this subsection.

**(q) Economic development grants**

**(1) Authorization**

The Secretary may make grants in connection with notes or other obligations guaranteed under this section to eligible public entities for the purpose of enhancing the security of loans guaranteed under this section or improving the viability of projects financed with loans guaranteed under this section.

**(2) Eligible activities**

Assistance under this subsection may be used only for the purposes of and in conjunction with projects and activities assisted under subsection (a) of this section.

**(3) Applications**

Applications for assistance under this subsection may be submitted only by eligible public entities, and shall be in the form and in accordance with the procedures established by the Secretary. Eligible public entities may apply for grants only in conjunction with requests for guarantees under subsection (a) of this section.

**(4) Selection criteria**

The Secretary shall establish criteria for awarding assistance under this subsection. Such criteria shall include—

(A) the extent of need for such assistance;

(B) the level of distress in the community to be served and in the jurisdiction applying for assistance;

(C) the quality of the plan proposed and the capacity or potential capacity of the applicant to successfully carry out the plan; and

(D) such other factors as the Secretary determines to be appropriate.

**(r) Guarantee of obligations backed by loans**

**(1) Authority**

The Secretary may, upon such terms and conditions as the Secretary considers appropriate, guarantee the timely payment of the principal of and interest on such trust certificates or other obligations as may—

(A) be offered by the Secretary or by any other offeror approved for purposes of this subsection by the Secretary; and

(B) be based on and backed by a trust or pool composed of notes or other obligations guaranteed or eligible for guarantee by the Secretary under this section.

**(2) Full faith and credit**

To the same extent as provided in subsection (f) of this section, the full faith and credit of the United States is pledged to the payment of all amounts that may be required to be paid under any guarantee made by the Secretary under this subsection.

**(3) Subrogation**

If the Secretary pays a claim under a guarantee made under this section, the Secretary shall be subrogated for all the rights of the holder of the guaranteed certificate or obligation with respect to such certificate or obligation.

**(4) Effect of laws**

No State or local law, and no Federal law, shall preclude or limit the exercise by the Secretary of—

(A) the power to contract with respect to public offerings and other sales of notes, trust certificates, and other obligations guaranteed under this section upon such terms and conditions as the Secretary deems appropriate;

(B) the right to enforce any such contract by any means deemed appropriate by the Secretary; and

(C) any ownership rights of the Secretary, as applicable, in notes, certificates, or other obligations guaranteed under this section, or constituting the trust or pool against which trust certificates, or other obligations guaranteed under this section, are offered.

(Pub. L. 93–383, title I, § 108, Aug. 22, 1974, 88 Stat. 647; Pub. L. 95–128, title I, § 108, Oct. 12, 1977, 91 Stat. 1123; Pub. L. 96–399, title I, § 108, Oct. 8, 1980, 94 Stat. 1619; Pub. L. 97–35, title III, § 309(i), Aug. 13, 1981, 95 Stat. 397; Pub. L. 98–181, title I, § 108, Nov. 30, 1983, 97 Stat. 1168; Pub. L. 98–479, title II, §§ 203(*l*)(2), 204(k)(1), Oct. 17, 1984, 98 Stat. 2231, 2233; Pub. L. 99–272, title III, § 3002(a), Apr. 7, 1986, 100 Stat. 102; Pub. L. 100–242, title V, § 514, Feb. 5, 1988, 101 Stat. 1930; Pub. L. 101–625, title IX, §§ 901(b), 910(b)–(g), Nov. 28, 1990, 104 Stat. 4385, 4389–4391; Pub. L. 102–550, title VIII, § 801(b), Oct. 28, 1992, 106 Stat. 3843; Pub. L. 103–233, title II, §§ 231, 232(a)(1), 233, Apr. 11, 1994, 108 Stat. 366, 368; Pub. L. 104–120, § 3(b), Mar. 28, 1996, 110 Stat. 835.)

REFERENCES IN TEXT

Section 1437*o* of this title, referred to in subsec. (a)(4), was repealed by Pub. L. 101–625, title II, § 289(b), Nov. 28, 1990, 104 Stat. 4128.

Title VI of the Housing Community Development Act of 1987, referred to in subsec. (a)(4), is title VI of Pub. L. 100–242, Feb. 5, 1988, 101 Stat. 1951, which was set out as a note under section 1715*l* of Title 12, Banks and Banking, and was repealed by Pub. L. 101–625, title II, § 289(b), Nov. 28, 1990, 104 Stat. 4128.

Section 916 of the Cranston-Gonzalez National Affordable Housing Act, referred to in subsec. (a)(6), is section 916 of Pub. L. 101–625, which is set out as a note under section 5306 of this title.

This chapter, referred to in subsecs. (c) to (e), was in the original ''this title'', meaning title I of Pub. L. 93–383, Aug. 22, 1974, 88 Stat. 633, which is classified principally to this chapter. For complete classification of title I to the Code, see Tables.

CODIFICATION

Subsec. (i) of this section amended section 711(22) of former Title 31, Money and Finance. Subsec. (i) was originally enacted as subsec. (f) of this section, and was redesignated as subsec. (i) by Pub. L. 95–128, § 108(2).

November 28, 1990, referred to in subsec. (p)(1), was in the original ''the date of the enactment of the Housing and Community Development Act of 1990'', and was translated as meaning the date of enactment of the Cranston-Gonzalez National Affordable Housing Act, Pub. L. 101–625, which enacted subsec. (p) of this section, to reflect the probable intent of Congress and because no ''Housing and Community Development Act of 1990'' has been enacted.

AMENDMENTS

1996—Subsec. (k)(1). Pub. L. 104–120 substituted ''$4,500,000,000'' for ''$3,500,000,000''.

1994—Subsec. (a). Pub. L. 103–233, § 231, added cls. (5) and (6).

Subsec. (q). Pub. L. 103–233, § 232(a)(1), added subsec. (q).

Subsec. (r). Pub. L. 103–233, § 233, added subsec. (r).

1992—Subsec. (a). Pub. L. 102–550 amended fifth sentence generally. Prior to amendment, fifth sentence read as follows: ''Notwithstanding any other provision of law and subject only to the absence of qualified applicants or proposed activities and to the authority provided in this section, to the extent approved or provided in appropriation Acts, the Secretary shall enter into commitments to guarantee notes and obligations under this section with an aggregate principal amount of $300,000,000 during fiscal year 1991 and $300,000,000 during fiscal year 1992.''

1990—Subsec. (a). Pub. L. 101–625, § 910(e)(1), inserted at end ''Of the amount approved in any appropriation Act for guarantees under this section in any fiscal year, the Secretary shall allocate 70 percent for guarantees for metropolitan cities, urban counties, and Indian tribes and 30 percent for guarantees for units of general local government in nonentitlement areas. The Secretary may waive the percentage requirements of the preceding sentence in any fiscal year only to the extent that there is an absence of qualified applicants or proposed activities from metropolitan cities, urban counties, and Indian tribes or units of general local government in nonentitlement areas.''

Pub. L. 101–625, § 910(c), inserted ''The Secretary may not deny a guarantee under this section on the basis of the proposed repayment period for the note or other obligation, unless the period is more than 20 years or the Secretary determines that the period causes the guarantee to constitute an unacceptable financial risk.''

Pub. L. 101–625, § 910(b)(2), substituted a semicolon for ''; or'' before ''(3)'' and added cl. (4).

Pub. L. 101–625, § 910(b)(1)(A), substituted ''eligible public entity'' and ''eligible public entities'' for ''unit of general local government'' and ''units of general local government'', respectively, wherever appearing.

Pub. L. 101–625, § 901(b), amended last sentence generally. Prior to amendment, last sentence read as follows: ''Notwithstanding any other provision of law and subject only to the absence of qualified applicants or proposed activities, to the authority provided in this section, and to any funding limitation approved in appropriation Acts, the Secretary shall enter into commitments to guarantee notes and obligations under this section with an aggregate principal amount of $150,000,000 during fiscal year 1988, and $153,000,000 during fiscal year 1989.''

Subsec. (b). Pub. L. 101–625, § 910(d), inserted ''(excluding any amount defeased under the contract entered into under subsection (d)(1)(A) of this section)'' after ''this section'', substituted ''5'' for ''three'', and inserted reference to section 5307 of this title.

Subsec. (d). Pub. L. 101–625, § 910(b)(4)(A), designated existing provisions as par. (1), redesignated former pars. (1) to (3) as subpars. (A) to (C), respectively, and added par. (2).

Subsec. (e). Pub. L. 101–625, § 910(b)(4)(B), substituted ''paragraphs (1)(B) and (2) of subsection (d)'' for ''subsection (d)(2)''.

Subsec. (h). Pub. L. 101–625, § 910(f), inserted at end ''The Secretary may also, to the extent approved in appropriation Acts, assist the issuer of a note or other obligation guaranteed under this section in the payment of all or a portion of the principal and interest amount due under the note or other obligation, if the Secretary determines that the issuer is unable to pay the amount because of circumstances of extreme hardship beyond the control of the issuer.''

Pub. L. 101–625, § 910(b)(1), substituted ''entity or agency'' for ''unit or agency'' and ''eligible public entity'' for ''unit of general local government''.

Subsec. (j). Pub. L. 101–625, § 910(b)(1)(A), substituted ''eligible public entity'' for ''unit of general local government''.

Subsec. (k). Pub. L. 101–625, § 910(e)(2), designated existing provisions as par. (1) and added par. (2).

Subsec. (n). Pub. L. 101–625, § 910(b)(3), added subsec. (n).

Subsec. (*o*). Pub. L. 101–625, § 910(b)(5), added subsec. (*o*).

Subsec. (p). Pub. L. 101–625, § 910(g), added subsec. (p).

1988—Subsec. (a). Pub. L. 100–242, § 514(c), in first sentence inserted cl. (1) designation and added cls. (2) and (3).

Pub. L. 100–242, § 514(a), in last sentence struck out ''during fiscal year 1984'' after ''commitment'' and substituted ''$150,000,000 during fiscal year 1988, and $153,000,000 during fiscal year 1989'' for ''$225,000,000''.

Subsec. (m). Pub. L. 100–242, § 514(b), added subsec. (m).

1986—Subsec. (*l*). Pub. L. 99–272 added subsec. (*l*).

1984—Subsec. (g). Pub. L. 98–479, § 203(*l*)(2), substituted ''chapter 31 of title 31'' for ''the Second Liberty Bond Act, as now or hereafter in force'' and ''such chapter'' for ''such Act''.

Subsec. (h). Pub. L. 98–479, § 204(k)(1), substituted ''subsection (j)'' for ''subsection (g)''.

1983—Subsec. (a). Pub. L. 98–181 inserted provision that a guarantee under this section may be used to assist a grantee in obtaining financing only if the grantee has made efforts to obtain such financing without the use of such guarantee and cannot complete such financing consistent with the timely execution of the program plans without such guarantee, and substituted provisions requiring the Secretary to enter into commitments during fiscal year 1984 to guarantee notes and obligations under this section with an aggregate principal amount of $225,000,000, notwithstanding any other provision of law and subject only to the absence of qualified applicants or proposed activities, for provisions prohibiting the Secretary from entering into commitments during fiscal year 1981 to guarantee under this section notes and other obligations with an aggregate principal amount in excess of $300,000,000.

1981—Subsec. (d)(2). Pub. L. 97–35 struck out ''approved or'' after ''grant''.

1980—Subsec. (a). Pub. L. 96–399, § 108(1), (2), inserted provision respecting amounts as provided in appropriation Acts, and provision relating to limitation of $300,000,000 the amount the Secretary is authorized to guarantee during fiscal year 1981.

Subsec. (j). Pub. L. 96–399, § 108(3), struck out ''Notwithstanding any other provision of this section'' before ''The total amount''.

1977—Subsec. (a). Pub. L. 95–128, § 108(1), (3), reenacted substantially existing provisions and struck out ''or assembly'' after ''acquisition of'', included rehabilitation of real property owned by the unit of general local government, inserted provision respecting form, denominations, maturities, and conditions of notes or other obligations to be guaranteed, and struck out after parenthetical text ''to serve or be used in carrying out activities which are eligible for assistance under section 5305 of this title and are identified in the application under section 5304 of this title, and with respect to which grants have been or are to be made under section 5303 of this title, but no such guarantee shall be issued in behalf of any agency designed to benefit, in or by the flotation of any issue, a private individual or corporation''.

Subsec. (b). Pub. L. 95–128, § 108(1), (3), added subsec. (b) and struck out prior provisions respecting: reservation and withholding of prescribed amount for purpose of paying guaranteed obligations, subject to being increased because of any unanticipated, major reduction in estimated disposition proceeds; pledge of full faith and credit of unit of general local government to the Secretary for repayment of any amount required to be paid by the United States pursuant to any guarantee; and pledge of repayment of proceeds of grants in event of failure of repayment as hereinbefore provided.

Subsecs. (c) to (e). Pub. L. 95–128, § 108(3), added subsecs. (c) to (e). Former subsecs. (c) to (e) redesignated (f) to (h).

Subsecs. (f), (g). Pub. L. 95–128, § 108(2), redesignated former subsecs. (c) and (d) as (f) and (g).

Subsec. (h). Pub. L. 95–128, § 108(2), (4), (5), redesignated former subsec. (e) as (h) and substituted in first sentence ''subsection (j)'' for ''subsection (g)''; substituted in first sentence ''shall'' for ''may, at the option of the issuing unit of general local government or designated agency,''; and in second sentence ''The Secretary is authorized to make, and to contract to make, grants, in such amounts as may be approved in appropriations Acts,'' for ''In the event that taxable obligations are issued and guaranteed, the Secretary is authorized to make, and to contract to make, grants''.

Subsec. (j). Pub. L. 95–128, § 108(2), (6), redesignated former subsec. (g) as (j) and substituted ''is guaranteed pursuant to'' for ''such unit or agency has elected to issue as a taxable obligation pursuant to subsection (e) of''.

Subsec. (k). Pub. L. 95–128, § 108(7), added subsec. (k).

EFFECTIVE DATE OF 1996 AMENDMENT

Amendment by Pub. L. 104–120 to be construed to have become effective Oct. 1, 1995, see section 13(a) of Pub. L. 104–120, set out as an Effective and Termination Dates of 1996 Amendments note under section 1437d of this title.

EFFECTIVE DATE OF 1994 AMENDMENT

Amendment by Pub. L. 103–233 applicable with respect to any amounts made available to carry out subchapter II (§ 12721 et seq.) of chapter 130 of this title after Apr. 11, 1994, and any amounts made available to carry out that subchapter before that date that remain uncommitted on that date, with Secretary to issue any regulations necessary to carry out such amendment not later than end of 45-day period beginning on that date, see section 209 of Pub. L. 103–233, set out as a note under section 5301 of this title.

EFFECTIVE DATE OF 1986 AMENDMENT

Section 3002(b) of Pub. L. 99–272 provided that: ''The amendment made by subsection (a) [amending this section] shall take effect on July 1, 1986.''

EFFECTIVE DATE OF 1983 AMENDMENT

Amendment by Pub. L. 98–181 applicable only to funds available for fiscal year 1984 and thereafter, see section 110(b) of Pub. L. 98–181, as amended, set out as a note under section 5316 of this title.

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97–35 effective Oct. 1, 1981, see section 371 of Pub. L. 97–35, set out as an Effective Date note under section 3701 of Title 12, Banks and Banking.

EFFECTIVE DATE OF 1977 AMENDMENT

Amendment by Pub. L. 95–128 effective Oct. 1, 1977, see section 114 of Pub. L. 95–128, set out as a note under section 5301 of this title.

REGULATIONS

Section 910(i) of Pub. L. 101–625 provided that: ''To carry out the amendments made by this section [amending this section and section 5313 of this title], the Secretary of Housing and Urban Development shall—

''(1) issue proposed regulations not later than 90 days after the date of the enactment of this Act [Nov. 28, 1990]; and

''(2) issue final regulations not later than 180 days after the date of the enactment of this Act.''

COMMUNITY DEVELOPMENT LOAN GUARANTEES

Section 910(a) of Pub. L. 101–625 provided that:

''(1) PURPOSES.—The purposes of the amendments made by this section [amending this section and section 5313 of this title] are—

''(A) to reaffirm the commitment of the Federal Government to assist local governments in their efforts in stimulating economic and community development activities needed to combat severe economic distress and to help in promoting economic development activities needed to aid in economic recovery; and

''(B) to promote revitalization and development projects undertaken by local governments that principally benefit persons of low and moderate income, the elimination of slums and blight, and to meet urgent community needs, with special priority for projects located in areas designated as enterprise zones by the Federal Government or by any State.

''(2) OBJECTIVES.—In order to further the purpose described in paragraph (1), activities undertaken pursuant to the amendments made by this section shall be directed toward meeting the objectives set forth in sections 101(c) and 104(b)(3) of the Housing and Community Development Act of 1974 (42 U.S.C. 5301(c) and 5304(b)(3)) and the additional objectives of—

''(A) encouraging local governments to establish public-private partnerships;

''(B) preserving housing affordable for persons of low and moderate income; and

''(C) creating permanent employment opportunities, primarily for persons of low and moderate income.''

ADMINISTRATIVE ACTIONS FOR PROVISION OF PRIVATE SECTOR FINANCING OF GUARANTEED LOANS

Section 3002(c) of Pub. L. 99–272 provided that: ''The Secretary of Housing and Urban Development shall take such administrative actions as are necessary to provide by the effective date of subsection (a) [July 1, 1986] private sector financing of loans guaranteed under section 108 of the Housing and Community Development Act of 1974 [this section].''

## § 5309. Nondiscrimination in programs and activities

### (a) Prohibited conduct

No person in the United States shall on the ground of race, color, national origin, religion, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this chapter. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 [42 U.S.C. 6101 et seq.] or with respect to an otherwise qualified handicapped individual as provided in section 794 of title 29 shall also apply to any such program or activity.

### (b) Compliance procedures available to Secretary

Whenever the Secretary determines that a State or unit of general local government which is a recipient of assistance under this chapter has failed to comply with subsection (a) or (e) of this section or an applicable regulation, he shall notify the Governor of such State or the chief executive officer of such unit of local government of the noncompliance and shall request the Governor or the chief executive officer to secure compliance. If within a reasonable period of time, not to exceed sixty days, the Governor or the chief executive officer fails or refuses to secure compliance, the Secretary is authorized to (1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted; (2) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d); (3) exercise the powers and functions provided for in section

5311(a) of this title; or (4) take such other action as may be provided by law.

**(c) Civil action by Attorney General**

When a matter is referred to the Attorney General pursuant to subsection (b) of this section, or whenever he has reason to believe that a State government or unit of general local government is engaged in a pattern or practice in violation of the provisions of this section, the Attorney General may bring a civil action in any appropriate United States district court for such relief as may be appropriate, including injunctive relief.

**(d) Waiver of race discrimination prohibitions regarding assistance to Hawaiian Home Lands**

The provisions of this section and section 5304(b)(2) of this title which relate to discrimination on the basis of race shall not apply to the provision of assistance by grantees under this chapter to the Hawaiian Home Lands.

**(e) Equal access**

**(1) Definition**

In this subsection, the term ''youth organization'' means an organization described under part B of subtitle II of title 36 that is intended to serve individuals under the age of 21 years.

**(2) In general**

No State or unit of general local government that has a designated open forum, limited public forum, or nonpublic forum and that is a recipient of assistance under this chapter shall deny equal access or a fair opportunity to meet to, or discriminate against, any youth organization, including the Boy Scouts of America or any group officially affiliated with the Boy Scouts of America, that wishes to conduct a meeting or otherwise participate in that designated open forum, limited public forum, or nonpublic forum.

(Pub. L. 93–383, title I, § 109, Aug. 22, 1974, 88 Stat. 649; Pub. L. 97–35, title III, § 306, Aug. 13, 1981, 95 Stat. 392; Pub. L. 101–625, title IX, §§ 911, 912(a), Nov. 28, 1990, 104 Stat. 4392; Pub. L. 109–148, div. A, title VIII, § 8126(d), Dec. 30, 2005, 119 Stat. 2730; Pub. L. 109–163, div. A, title X, § 1058(d), Jan. 6, 2006, 119 Stat. 3443.)

REFERENCES IN TEXT

This chapter, referred to in subsecs. (a), (b), (d), and (e)(2), was in the original ''this title'', meaning title I of Pub. L. 93–383, Aug. 22, 1974, 88 Stat. 633, which is classified principally to this chapter. For complete classification of title I to the Code, see Tables.

The Age Discrimination Act of 1975, referred to in subsec. (a), is title III of Pub. L. 94–135, Nov. 28, 1975, 89 Stat. 728, which is classified generally to chapter 76 (§ 6101 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 6101 of this title and Tables.

The Civil Rights Act of 1964, referred to in subsec. (b), is Pub. L. 88–352, July 2, 1964, 78 Stat. 241. Title VI of the Civil Rights Act of 1964 is classified generally to subchapter V (§ 2000d et seq.) of chapter 21 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 2000a of this title and Tables.

AMENDMENTS

2006—Subsec. (b). Pub. L. 109–163, § 1058(d)(1), inserted ''or (e)'' after ''subsection (a)'' in first sentence.

Subsec. (e). Pub. L. 109–163, § 1058(d)(2), added subsec. (e).

2005—Subsec. (b). Pub. L. 109–148, § 8126(d)(1), which directed amendment identical to amendment by Pub. L. 109–163, § 1058(d)(1), was not executed. See 2006 Amendment note above and Reconciliation of Duplicate Enactments note below.

Subsec. (e). Pub. L. 109–148, § 8126(d)(2), which directed addition of subsec. (e) substantially identical to subsec. (e) added by Pub. L. 109–163, § 1058(d)(2), was not executed. See 2006 Amendment note above and Reconciliation of Duplicate Enactments note below.

1990—Subsec. (a). Pub. L. 101–625, § 912(a), inserted ''religion,'' after ''national origin,''.

Subsec. (d). Pub. L. 101–625, § 911, added subsec. (d).

1981—Subsec. (a). Pub. L. 97–35 inserted provisions respecting age discrimination.

EFFECTIVE DATE OF 1990 AMENDMENT

Section 912(b) of Pub. L. 101–625 provided that: ''The amendment made by subsection (a) [amending this section] shall apply with respect to conduct relating to discrimination occurring after the date of the enactment of this Act [Nov. 28, 1990].''

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97–35 effective Oct. 1, 1981, see section 371 of Pub. L. 97–35, set out as an Effective Date note under section 3701 of Title 12, Banks and Banking.

RECONCILIATION OF DUPLICATE ENACTMENTS

Pub. L. 109–364, div. A, title X, § 1071(f)(2), Oct. 17, 2006, 120 Stat. 2402, as amended by Pub. L. 110–181, div. A, title X, § 1063(c)(10), Jan. 28, 2008, 122 Stat. 323, provided that: ''In executing to section 109 of the Housing and Community Development Act of 1974 [42 U.S.C. 5309] the amendments made by section 8126(d) of Public Law 109–148 (119 Stat. 2730) and section 1058(d) of Public Law 109–163 (119 Stat. 3443), such amendments shall be executed so as to appear only once in the law as amended.''

[Pub. L. 110–181, div. A, title X, § 1063(c), Jan. 28, 2008, 122 Stat. 322, provided that the amendment made by section 1063(c)(10) to Pub. L. 109–364, § 1071(f)(2), set out above, is effective as of Oct. 17, 2006, and as if included in Pub. L. 109–364, as enacted.]

## § 5310. Labor standards; rate of wages; exceptions; enforcement powers

(a) All laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under this chapter shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with sections 3141–3144, 3146, and 3147 of title 40: *Provided*, That this section shall apply to the rehabilitation of residential property only if such property contains not less than 8 units. The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 3145 of title 40.

(b) Subsection (a) of this section shall not apply to any individual that—

(1) performs services for which the individual volunteered;

(2)(A) does not receive compensation for such services; or

(B) is paid expenses, reasonable benefits, or a nominal fee for such services; and

(3) is not otherwise employed at any time in the construction work.

(Pub. L. 93–383, title I, § 110, Aug. 22, 1974, 88 Stat. 649; Pub. L. 97–35, title III, § 309(j), Aug. 13,

1981, 95 Stat. 397; Pub. L. 100–242, title V, § 523, Feb. 5, 1988, 101 Stat. 1939; Pub. L. 101–625, title IX, § 955(a), Nov. 28, 1990, 104 Stat. 4420.)

REFERENCES IN TEXT

This chapter, referred to in subsec. (a), was in the original ''this title'', meaning title I of Pub. L. 93–383, Aug. 22, 1974, 88 Stat. 633, which is classified principally to this chapter. For complete classification of title I to the Code, see Short Title note set out below and Tables.

Reorganization Plan Numbered 14 of 1950, referred to in subsec. (a), is set out in the Appendix to Title 5, Government Organization and Employees.

CODIFICATION

In subsec. (a), ''sections 3141–3144, 3146, and 3147 of title 40'' substituted for ''the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a–5)'' and ''section 3145 of title 40'' substituted for ''section 2 of the Act of June 13, 1934, as amended (48 Stat. 948; 40 U.S.C. 276(c))'', meaning 276c, on authority of Pub. L. 107–217, § 5(c), Aug. 21, 2002, 116 Stat. 1303, the first section of which enacted Title 40, Public Buildings, Property, and Works.

AMENDMENTS

1990—Pub. L. 101–625 designated existing provisions as subsec. (a) and added subsec. (b).

1988—Pub. L. 100–242, which directed the substitution of ''contains not less than 8 units'' for ''is designed for residential use of eight or more families'', was executed by making the substitution for ''is designed for residential use for eight or more families'' as the probable intent of Congress.

1981—Pub. L. 97–35 substituted ''assistance'' for ''grants''.

EFFECTIVE DATE OF 1990 AMENDMENT

Amendment by Pub. L. 101–625 applicable to any volunteer services provided before, on, or after Nov. 28, 1990, except that such amendment may not be construed to require repayment of any wages paid before Nov. 28, 1990, for services provided before such date, see section 955(d) of Pub. L. 101–625, set out as a note under section 1437j of this title.

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97–35 effective Oct. 1, 1981, see section 371 of Pub. L. 97–35, set out as an Effective Date note under section 3701 of Title 12, Banks and Banking.

## § 5311. Remedies for noncompliance with community development requirements

### (a) Notice and hearing; termination, reduction, or limitation of payments by Secretary

If the Secretary finds after reasonable notice and opportunity for hearing that a recipient of assistance under this chapter has failed to comply substantially with any provision of this chapter, the Secretary, until he is satisfied that there is no longer any such failure to comply, shall—

(1) terminate payments to the recipient under this chapter, or

(2) reduce payments to the recipient under this chapter by an amount equal to the amount of such payments which were not expended in accordance with this chapter, or

(3) limit the availability of payments under this chapter to programs, projects, or activities not affected by such failure to comply.

### (b) Referral of matters to Attorney General; institution of civil action by Attorney General

(1) In lieu of, or in addition to, any action authorized by subsection (a) of this section, the Secretary may, if he has reason to believe that a recipient has failed to comply substantially with any provision of this chapter, refer the matter to the Attorney General of the United States with a recommendation that an appropriate civil action be instituted.

(2) Upon such a referral the Attorney General may bring a civil action in any United States district court having venue thereof for such relief as may be appropriate, including an action to recover the amount of the assistance furnished under this chapter which was not expended in accordance with it, or for mandatory or injunctive relief.

### (c) Petition for review of action of Secretary in Court of Appeals; filing of record of proceedings in court by Secretary; affirmance, etc., of findings of Secretary; exclusiveness of jurisdiction of court; review by Supreme Court on writ of certiorari or certification

(1) Any recipient which receives notice under subsection (a) of this section of the termination, reduction, or limitation of payments under this chapter may, within sixty days after receiving such notice, file with the United States Court of Appeals for the circuit in which such State is located, or in the United States Court of Appeals for the District of Columbia, a petition for review of the Secretary's action. The petitioner shall forthwith transmit copies of the petition to the Secretary and the Attorney General of the United States, who shall represent the Secretary in the litigation.

(2) The Secretary shall file in the court record of the proceeding on which he based his action, as provided in section 2112 of title 28. No objection to the action of the Secretary shall be considered by the court unless such objection has been urged before the Secretary.

(3) The court shall have jurisdiction to affirm or modify the action of the Secretary or to set it aside in whole or in part. The findings of fact by the Secretary, if supported by substantial evidence on the record considered as a whole, shall be conclusive. The court may order additional evidence to be taken by the Secretary, and to be made part of the record. The Secretary may modify his findings of fact, or make new findings, by reason of the new evidence so taken and filed with the court, and he shall also file such modified or new findings, which findings with respect to questions of fact shall be conclusive if supported by substantial evidence on the record considered as a whole, and shall also file his recommendation, if any, for the modification or setting aside of his original action.

(4) Upon the filing of the record with the court, the jurisdiction of the court shall be exclusive and its judgment shall be final, except that such judgment shall be subject to review by the Supreme Court of the United States upon writ of certiorari or certification as provided in section 1254 of title 28.

(Pub. L. 93–383, title I, § 111, Aug. 22, 1974, 88 Stat. 650.)

REFERENCES IN TEXT

This chapter, referred to in subsecs. (a) to (c)(1), was in the original ''this title'', meaning title I of Pub. L. 93–383, Aug. 22, 1974, 88 Stat. 633, which is classified

principally to this chapter. For complete classification of title I to the Code, see Tables.

### § 5312. Use of grants for settlement of outstanding urban renewal loans of units of general local government

#### (a) Limitation on amounts; prerequisites

The Secretary is authorized, notwithstanding any other provision of this chapter, to apply a portion of the grants, not to exceed 20 per centum thereof without the request of the recipient, made or to be made under section 5303 of this title in any fiscal year pursuant to an allocation under section 5306 of this title to any unit of general local government toward payment of the principal of, and accrued interest on, any temporary loan made in connection with urban renewal projects under title I of the Housing Act of 1949 [42 U.S.C. 1450 et seq.] being carried out within the jurisdiction of such unit of general local government if—

(1) the Secretary determines, after consultation with the local public agency carrying out the project and the chief executive of such unit of general local government, that the project cannot be completed without additional capital grants, or

(2) the local public agency carrying out the project submits to the Secretary an appropriate request which is concurred in by the governing body of such unit of general local government.

In determining the amounts to be applied to the payment of temporary loans, the Secretary shall make an accounting for each project taking into consideration the costs incurred or to be incurred, the estimated proceeds upon any sale or disposition of property, and the capital grants approved for the project.

#### (b) Approval by Secretary of financial settlement of urban renewal project

Upon application by any local public agency carrying out an urban renewal project under title I of the Housing Act of 1949 [42 U.S.C. 1450 et seq.], which application is approved by the governing body of the unit of general local government in which the project is located, the Secretary may approve a financial settlement of such project if he finds that a surplus of capital grant funds after full repayment of temporary loan indebtedness will result and may authorize the unit of general local government to use such surplus funds, without deduction or offset, in accordance with the provisions of this chapter.

(Pub. L. 93–383, title I, § 112, Aug. 22, 1974, 88 Stat. 650; Pub. L. 97–35, title III, § 309(k), Aug. 13, 1981, 95 Stat. 397; Pub. L. 98–181, title I, § 109, Nov. 30, 1983, 97 Stat. 1168; Pub. L. 98–479, title I, § 101(a)(13)(A), Oct. 17, 1984, 98 Stat. 2220.)

REFERENCES IN TEXT

This chapter, referred to in text, was in the original ''this title'', meaning title I of Pub. L. 93–383, Aug. 22, 1974, 88 Stat. 633, which is classified principally to this chapter. For complete classification of title I to the Code, see Tables.

The Housing Act of 1949, referred to in subsecs. (a) and (b), is act July 15, 1949, ch. 338, 63 Stat. 413. Title I of the Housing Act of 1949 was classified generally to subchapter II (§ 1450 et seq.) of chapter 8A of this title, and was omitted from the Code pursuant to section 5316 of this title which terminated authority to make grants or loans under such title I after Jan. 1, 1975. For complete classification of this Act to the Code, see Short Title note set out under section 1441 of this title and Tables.

AMENDMENTS

1984—Subsec. (c). Pub. L. 98–479 struck out subsec. (c) which related to retention of program income and prerequisites.

1983—Subsec. (c). Pub. L. 98–181 added subsec. (c).

1981—Subsec. (a). Pub. L. 97–35 substituted ''5303'' for ''5303(a)''.

EFFECTIVE DATE OF 1983 AMENDMENT

Amendment by Pub. L. 98–181 applicable only to funds available for fiscal year 1984 and thereafter, see section 110(b) of Pub. L. 98–181, as amended, set out as a note under section 5316 of this title.

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97–35 effective Oct. 1, 1981, see section 371 of Pub. L. 97–35, set out as an Effective Date note under section 3701 of Title 12, Banks and Banking.

### § 5313. Reporting requirements

(a) Not later than 180 days after the close of each fiscal year in which assistance under this chapter is furnished, the Secretary shall submit to the Congress a report which shall contain—

(1) a description of the progress made in accomplishing the objectives of this chapter;

(2) a summary of the use of such funds during the preceding fiscal year;

(3) with respect to the action grants authorized under section 5318 of this title, a listing of each unit of general local government receiving funds and the amount of such grants, as well as a brief summary of the projects funded for each such unit, the extent of financial participation by other public or private entities, and the impact on employment and economic activity of such projects during the previous fiscal year; and

(4) a description of the activities carried out under section 5308 of this title.

(b) The Secretary is authorized to require recipients of assistance under this chapter to submit to him such reports and other information as may be necessary in order for the Secretary to make the report required by subsection (a) of this section.

(Pub. L. 93–383, title I, § 113, Aug. 22, 1974, 88 Stat. 651; Pub. L. 95–128, title I, § 109, Oct. 12, 1977, 91 Stat. 1124; Pub. L. 97–35, title III, § 309(*l*), Aug. 13, 1981, 95 Stat. 397; Pub. L. 101–625, title IX, § 910(h), Nov. 28, 1990, 104 Stat. 4392.)

REFERENCES IN TEXT

This chapter, referred to in text, was in the original ''this title'', meaning title I of Pub. L. 93–383, Aug. 22, 1974, 88 Stat. 633, which is classified principally to this chapter. For complete classification of title I to the Code, see Tables.

AMENDMENTS

1990—Subsec. (a)(4). Pub. L. 101–625 added par. (4).

1981—Subsec. (a)(2). Pub. L. 97–35 struck out requirement respecting approval by the Secretary.

1977—Subsec. (a)(3). Pub. L. 95–128 added par. (3).

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97–35 effective Oct. 1, 1981, see section 371 of Pub. L. 97–35, set out as an Effective Date note under section 3701 of Title 12, Banks and Banking.

EFFECTIVE DATE OF 1977 AMENDMENT

Amendment by Pub. L. 95–128 effective Oct. 1, 1977, see section 114 of Pub. L. 95–128, set out as a note under section 5301 of this title.

STUDY REGARDING AVAILABILITY OF HOUSING PROXIMATE TO PLACES OF EMPLOYMENT

Section 919 of Pub. L. 101–625 directed Secretary of Housing and Urban Development to conduct a study regarding availability of housing within reasonable proximity of places of employment and to submit a report not later than expiration of 1-year period beginning on Nov. 28, 1990, to appropriate committees of Congress containing results and conclusions of such study, as well as proposed strategies to increase availability of housing for low- and moderate-income families within reasonable proximity of places of employment for working members of such families to and prevent geographical divergence of such housing and places of employment.

STUDY ON INVOLUNTARY HOUSING DISPLACEMENT; REPORT TO CONGRESS

Pub. L. 96–399, title I, § 105(b), Oct. 8, 1980, 94 Stat. 1618, directed Secretary of Housing and Urban Development to continue study on involuntary displacement conducted under Pub. L. 95–557, title IX, § 902, Oct. 31, 1978, 92 Stat. 2125, set out below, and transmit, not later than Mar. 30, 1981, a report to Congress containing data collected since initial report submitted under such section 902, and further recommendations on minimizing involuntary displacement and alleviating problems caused by such displacement.

ADEQUACY, EFFECTIVENESS, AND EQUITY OF FORMULA FOR ALLOCATION OF FUNDS; REPORT TO CONGRESS

Pub. L. 96–399, title I, § 113, Oct. 8, 1980, 94 Stat. 1622, directed Secretary of Housing and Urban Development, not later than Jan. 1, 1983, to report to Congress with respect to adequacy, effectiveness, and equity of formula used for allocation of funds under title I of the Housing and Community Development Act of 1974 (this chapter), with specific analysis and recommendations concerning manner in which such formula is or could be affected by data derived from 1980 decennial census.

STATEMENT OF POLICY AND STUDY ON HOUSING DISPLACEMENT

Pub. L. 95–557, title IX, § 902, Oct. 31, 1978, 92 Stat. 2125, declared it to be the policy of Congress that in administration of Federal housing and development programs, involuntary displacement of persons from homes and neighborhoods should be minimized and in keeping with such stated policy, authorized Secretary of Housing and Urban Development to conduct a study on nature and extent of such displacement and, not later than Jan. 31, 1979, report to Congress on recommendations for formulation of a national policy to minimize such displacement.

STUDY ON SMALL CITIES; REPORT TO PRESIDENT AND CONGRESS; ALTERNATIVE FORMULAE

Pub. L. 95–128, title I, § 113, Oct. 12, 1977, 91 Stat. 1111, directed Secretary of Housing and Urban Development to conduct a study and, not later than one year after Oct. 12, 1977, report to President and Congress recommendations on formation of a national policy on developmental needs of small cities and, among other things, include in such report alternative verifiable formulae to be used in distribution of discretionary balance funds available for allocation to such small cities under this chapter.

## § 5314. Consultation by Secretary with other Federal departments, etc.

In carrying out the provisions of this chapter including the issuance of regulations, the Secretary shall consult with other Federal departments and agencies administering Federal grant-in-aid programs.

(Pub. L. 93–383, title I, § 114, Aug. 22, 1974, 88 Stat. 651.)

REFERENCES IN TEXT

This chapter, referred to in text, was in the original "this title", meaning title I of Pub. L. 93–383, Aug. 22, 1974, 88 Stat. 633, which is classified principally to this chapter. For complete classification of title I to the Code, see Tables.

## § 5315. Interstate agreements or compacts; purposes

The consent of the Congress is hereby given to any two or more States to enter into agreements or compacts, not in conflict with any law of the United States, for cooperative effort and mutual assistance in support of community development planning and programs carried out under this chapter as they pertain to interstate areas and to localities within such States, and to establish such agencies, joint or otherwise, as they may deem desirable for making such agreements and compacts effective.

(Pub. L. 93–383, title I, § 115, Aug. 22, 1974, 88 Stat. 651.)

REFERENCES IN TEXT

This chapter, referred to in text, was in the original "this title", meaning title I of Pub. L. 93–383, Aug. 22, 1974, 88 Stat. 633, which is classified principally to this chapter. For complete classification of title I to the Code, see Tables.

## § 5316. Transition provisions

### (a) Prohibition on new grants or loans after January 1, 1975; exceptions

Except with respect to projects and programs for which funds have been previously committed, no new grants or loans shall be made after January 1, 1975, under (1) title I of the Demonstration Cities and Metropolitan Development Act of 1966 [42 U.S.C. 3301 et seq.], (2) title I of the Housing Act of 1949 [42 U.S.C. 1450 et seq.] (3) section 702 or section 703 of the Housing and Urban Development Act of 1965 [42 U.S.C. 3102 or 3103], (4) title II of the Housing Amendments of 1955 [42 U.S.C. 1491 et seq.], or (5) title VII of the Housing Act of 1961 [42 U.S.C. 1500 et seq.].

### (b) Final date in fiscal year for submission of application for grant; establishment by Secretary

In the case of funds available for any fiscal year, the Secretary shall not consider any statement under section 5304(a) of this title, unless such statement is submitted on or prior to such date as the Secretary shall establish as the final date for submission of statements for that year.

(Pub. L. 93–383, title I, § 116, Aug. 22, 1974, 88 Stat. 652; Pub. L. 94–375, § 15(d), Aug. 3, 1976, 90 Stat. 1076; Pub. L. 96–399, title I, § 111(h), Oct. 8, 1980, 94 Stat. 1622; Pub. L. 97–35, title III, § 309(m), Aug. 13, 1981, 95 Stat. 397; Pub. L. 98–181, title I, § 110(a), Nov. 30, 1983, 97 Stat. 1168.)

REFERENCES IN TEXT

The Demonstration Cities and Metropolitan Development Act of 1966, referred to in subsec. (a), is Pub. L.

89–754, Nov. 3, 1966, 80 Stat. 1255, as amended. Title I of the Act was classified principally to subchapter I (§ 3301 et seq.) of chapter 41 of this title, and was omitted from the Code pursuant to this section which terminated authority to make grants or loans under such title I after Jan. 1, 1975. For complete classification of this Act to the Code, see Short Title note set out under section 3331 of this title and Tables.

The Housing Act of 1949, referred to in subsec. (a), is act July 15, 1949, ch. 338, 63 Stat. 413, as amended. Title I of the Housing Act of 1949 was classified generally to subchapter II (§ 1450 et seq.) of chapter 8A of this title, and was omitted from the Code pursuant to this section which terminated authority to make grants or loans under such title I after Jan. 1, 1975. For complete classification of this Act to the Code, see Short Title note set out under section 1441 of this title and Tables.

Sections 702 and 703 of the Housing and Urban Development Act of 1965 [42 U.S.C. 3102, 3103], referred to in subsec. (a), were omitted from the Code pursuant to this section which terminated the authority to make grants or loans under those sections after Jan. 1, 1975.

The Housing Amendments of 1955, referred to in subsec. (a), is act Aug. 11, 1955, ch. 783, 69 Stat. 645, as amended. Title II of the Housing Amendments of 1955 was classified generally to chapter 8B (§ 1491 et seq.) of this title, and was omitted from the Code pursuant to this section which terminated authority to make grants or loans under such title II after Jan. 1, 1975. For complete classification of this Act to the Code, see Short Title note set out under section 1701 of Title 12, Banks and Banking, and Tables.

The Housing Act of 1961, referred to in subsec. (a), is Pub. L. 87–70, June 30, 1961, 87 Stat. 149, as amended. Title VII of the Housing Act of 1961 was classified generally to chapter 8C (§ 1500 et seq.) of this title, and was omitted from the Code pursuant to this section which terminated authority to make grants or loans under such title VII after Jan. 1, 1975. For complete classification of this Act to the Code, see Short Title note set out under section 1701 of Title 12, Banks and Banking, and Tables.

CODIFICATION

Subsecs. (c), (d), and (e) of section 116 of Pub. L. 93–383 were omitted from this section. Subsec. (c) amended section 1453(b) of this title, subsec. (d) amended section 3311(b) and (c) of this title, and subsec. (e) amended section 1452b(a) and (h) of this title.

AMENDMENTS

1983—Subsec. (b). Pub. L. 98–181 substituted "prior to such date" for "prior to such date (in that fiscal year)", and "for that year" for "in that year".

1981—Subsec. (b). Pub. L. 97–35 substituted provisions relating to submission of required statement for provisions relating to submission of required application.

1980—Subsec. (b). Pub. L. 96–399, § 111(h), redesignated subsec. (g) as (b) and struck out "or from a unit of general local government for a grant pursuant to section 5306(h) of this title" after "section 5306(a) of this title". Former subsec. (b), relating to deductions from grants for fiscal year 1975, was struck out.

Subsec. (f). Pub. L. 96–399, § 111(h)(1), struck out subsec. (f) relating to advances for program period beginning Jan. 1, 1975.

Subsec. (g). Pub. L. 96–399, § 111(h)(1), redesignated subsec. (g) as (b).

Subsec. (h). Pub. L. 96–399, § 111(h)(1), struck out subsec. (h) relating to sources of funds to meet deficiency in fiscal year 1977.

1976—Subsec. (h). Pub. L. 94–375 added subsec. (h).

EFFECTIVE DATE OF 1983 AMENDMENT

Section 110(b) of Pub. L. 98–181, as amended by Pub. L. 98–479, title I, § 101(b)(1), Oct. 17, 1984, 98 Stat. 2220, provided that: "The amendments made by this part [part A (§§ 101–110) of title I of Pub. L. 98–181, amending this section, sections 5301 to 5308 and 5312 of this title, and provisions set out as a note under section 5305 of this title] shall apply only to funds available for fiscal year 1984 and thereafter."

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97–35 effective Oct. 1, 1981, see section 371 of Pub. L. 97–35, set out as an Effective Date note under section 3701 of Title 12, Banks and Banking.

## § 5317. Liquidation of superseded or inactive programs

The Secretary is authorized to transfer the assets and liabilities of any program which is superseded or inactive by reason of this chapter to the revolving fund for liquidating programs established pursuant to title II of the Independent Offices Appropriation Act, 1955 (Public Law 83–428; 68 Stat. 272, 295) [12 U.S.C. 1701g–5].

(Pub. L. 93–383, title I, § 117(b), Aug. 22, 1974, 88 Stat. 653; Pub. L. 98–479, title II, § 204(k)(2), Oct. 17, 1984, 98 Stat. 2233.)

REFERENCES IN TEXT

This chapter, referred to in text, was in the original "this title", meaning title I of Pub. L. 93–383, Aug. 22, 1974, 88 Stat. 633, which is classified principally to this chapter. For complete classification of title I to the Code, see Tables.

AMENDMENTS

1984—Pub. L. 98–479 substituted "title II of the Independent Offices Appropriation Act, 1955 (Public Law 83–428; 68 Stat. 272, 295)" for "title II of the Independent Offices Appropriation Act of 1965 (Public Law 81–428; 68 Stat. 272, 295)".

## § 5318. Urban development action grants

### (a) Authorization; purpose; amount

The Secretary is authorized to make urban development action grants to cities and urban counties which are experiencing severe economic distress to help stimulate economic development activity needed to aid in economic recovery. There are authorized to be appropriated to carry out this section $225,000,000 for fiscal year 1988, and $225,000,000 for fiscal year 1989. Any amount appropriated under this subsection shall remain available until expended.

### (b) Eligibility of cities and urban counties; criteria and standards; regulations

(1) Urban development action grants shall be made only to cities and urban counties which have, in the determination of the Secretary, demonstrated results in providing housing for low- and moderate-income persons and in providing equal opportunity in housing and employment for low- and moderate-income persons and members of minority groups. The Secretary shall issue regulations establishing criteria in accordance with the preceding sentence and setting forth minimum standards for determining the level of economic distress of cities and urban counties for eligibility for such grants. These standards shall take into account factors such as the age of housing; the extent of poverty; the extent of population lag; growth of per capita income; and the extent of unemployment, job lag, or surplus labor. Any city that has a population of less than 50,000 persons and is not the central city of a metropolitan area, and that was eligible for fiscal year 1983 under this para-

graph for assistance under this section, shall continue to be eligible for such assistance until the Secretary revises the standards for eligibility for such cities under this paragraph and includes the extent of unemployment, job lag, or labor surplus as a standard of distress for such cities. The Secretary shall make such revision as soon as practicable following November 30, 1983.

(2) A city or urban county which fails to meet the minimum standards established pursuant to paragraph (1) shall be eligible for assistance under this section if it meets the requirements of the first sentence of such paragraph and—

(A) in the case of a city with a population of fifty thousand persons or more or an urban county, contains an area (i) composed of one or more contiguous census tracts, enumeration districts, neighborhood statistics areas, or block groups, as defined by the United States Bureau of the Census, having at least a population of ten thousand persons or 10 per centum of the population of the city or urban county; (ii) in which at least 70 per centum of the residents have incomes below 80 per centum of the median income of the city or urban county; and (iii) in which at least 30 per centum of the residents have incomes below the national poverty level; or

(B) in the case of a city with a population of less than fifty thousand persons, contains an area (i) composed of one or more contiguous census tracts, enumeration districts, neighborhood statistics areas, or block groups or other areas defined by the United States Bureau of the Census or for which data certified by the United States Bureau of the Census are available having at least a population of two thousand five hundred persons or 10 per centum of the population of the city, whichever is greater; (ii) in which at least 70 per centum of the residents have incomes below 80 per centum of the median income of the city; and (iii) in which at least 30 per centum of the residents have incomes below the national poverty level.

The Secretary shall use up to, but not more than, 20 per centum of the funds appropriated for use in any fiscal year under this section for the purpose of making grants to cities and urban counties eligible under this paragraph.

**(c) Applications; documentation of eligibility; proposed plan; assurance of notice and comment; assurance of consideration on historical landmarks**

Applications for assistance under this section shall—

(1) in the case of an application for a grant under subsection (b)(2) of this section, include documentation of grant eligibility in accordance with the standards described in that subsection;

(2) set forth the activities for which assistance is sought, including (A) an estimate of the costs and general location of the activities; (B) a summary of the public and private resources which are expected to be made available in connection with the activities, including how the activities will take advantage of unique opportunities to attract private investment; and (C) an analysis of the economic benefits which the activities are expected to produce;

(3) contain a certification satisfactory to the Secretary that the applicant, prior to submission of its application, (A) has held public hearings to obtain the views of citizens, particularly residents of the area in which the proposed activities are to be carried out; (B) has analyzed the impact of these proposed activities on the residents, particularly those of low and moderate income, of the residential neighborhood, and on the neighborhood in which they are to be carried out; and (C) has made available the analysis described in clause (B) to any interested person or organization residing or located in the neighborhood in which the proposed activities are to be carried out; and

(4) contain a certification satisfactory to the Secretary that the applicant, prior to submission of its application, (A) has identified all properties, if any, which are included on the National Register of Historic Places and which, as determined by the applicant, will be affected by the project for which the application is made; (B) has identified all other properties, if any, which will be affected by such project and which, as determined by the applicant, may meet the criteria established by the Secretary of the Interior for inclusion on such Register, together with documentation relating to the inclusion of such properties on the Register; (C) has determined the effect, as determined by the applicant, of the project on the properties identified pursuant to clauses (A) and (B); and (D) will comply with the requirements of section 5320 of this title.

**(d) Mandatory selection criteria; award of points; distribution of funds; number of competitions per year; use of distress conditions data by urban counties**

(1) Except in the case of a city or urban county eligible under subsection (b)(2) of this section, the Secretary shall establish selection criteria for a national competition for grants under this section which must include—

(A) the comparative degree of economic distress among applicants, as measured (in the case of a metropolitan city or urban county) by the differences in the extent of growth lag, the extent of poverty, and the adjusted age of housing in the metropolitan city or urban county;

(B) other factors determined to be relevant by the Secretary in assessing the comparative degree of economic deterioration in cities and urban counties;

(C) the following other criteria:

(i) the extent to which the grant will stimulate economic recovery by leveraging private investment;

(ii) the number of permanent jobs to be created and their relation to the amount of grant funds requested;

(iii) the proportion of permanent jobs accessible to lower income persons and minorities, including persons who are unemployed;

(iv) the extent to which the project will retain jobs that will be lost without the provision of a grant under this section;

(v) the extent to which the project will relieve the most pressing employment or residential needs of the applicant by—

(I) reemploying workers in a skill that has recently suffered a sharp increase in unemployment locally;

(II) retraining recently unemployed residents in new skills;

(III) providing training to increase the local pool of skilled labor; or

(IV) producing decent housing for low- and moderate-income persons in cases where such housing is in severe shortage in the area of the applicant, except that an application shall be considered to produce housing for low- and moderate-income persons under this clause only if such application proposes that (a) not less than 51 percent of all funds available for the project shall be used for dwelling units and related facilities; and (b) not less than 30 percent of all funds used for dwelling units and related facilities shall be used for dwelling units to be occupied by persons of low and moderate income, or not less than 20 percent of all dwelling units made available to occupancy using such funds shall be occupied by persons of low and moderate income, whichever results in the occupancy of more dwelling units by persons of low and moderate income;

(vi) the impact of the proposed activities on the fiscal base of the city or urban county and its relation to the amount of grant funds requested;

(vii) the extent to which State or local Government[1] funding or special economic incentives have been committed; and

(viii) the extent to which the project will have a substantial impact on physical and economic development of the city or urban county, the proposed activities are likely to be accomplished in a timely fashion with the grant amount available, and the city or urban county has demonstrated performance in housing and community development programs; and

(D) additional consideration for projects with the following characteristics:

(i) projects to be located within a city or urban county which did not receive a preliminary grant approval under this section during the 12-month period preceding the date on which applications are required to be submitted for the grant competition involved; and

(ii) twice the amount of the additional consideration provided under clause (i) for projects to be located in cities or urban counties which did not receive a preliminary grant approval during the 24-month period preceding the date on which applications under this section are required to be submitted for the grant competition involved.

If a city or urban county has submitted and has pending more than one application, the additional consideration provided by subparagraph (D) of the preceding sentence shall be available only to the project in such city or urban county which received the highest number of points under subparagraph (C) of such sentence.

(2) For the purpose of making grants with respect to areas described in subsection (b)(2) of this section, the Secretary shall establish selection criteria, which must include (A) factors determined to be relevant by the Secretary in assessing the comparative degree of economic deterioration among eligible areas, and (B) such other criteria as the Secretary may determine, including at a minimum the criteria listed in paragraph (1)(C) of this subsection.

(3) The Secretary shall award points to each application as follows:

(A) not more than 35 points on the basis of the criteria referred to in paragraph (1)(A);

(B) not more than 35 points on the basis of the criteria referred to in paragraph (1)(B);

(C) not more than 33 points on the basis of the criteria referred to in paragraph (1)(C); and

(D)(i) 1 additional point on the basis of the criterion referred to in paragraph (1)(D)(i); or

(ii) 2 additional points on the basis of the criterion referred to in paragraph (1)(D)(ii).

(4) The Secretary shall distribute grant funds under this section so that to the extent practicable during each funding cycle—

(A) 65 percent of the funds is first made available utilizing all of the criteria set forth in paragraph (1); and

(B) 35 percent of the funds is then made available solely on the basis of the factors referred to in subparagraphs (C) and (D) of paragraph (1).

(5)(A) Within 30 days of the start of each fiscal year, the Secretary shall announce the number of competitions for grants to be held in that fiscal year. The number of competitions shall be not less than two nor more than three.

(B) Each competition for grants described in any clause of subparagraph (A) shall be for an amount equal to the sum of—

(i) approximately the amount of the funds available for such grants for the fiscal year divided by the number of competitions for those funds;

(ii) any funds available for such grants in any previous competition that are not awarded; and

(iii) any funds available for such grants in any previous competition that are recaptured.

(C) Notwithstanding any other provision of this section, in each competition for grants under this section, no city or urban county may be awarded a grant or grants in an amount in excess of $10,000,000 until all cities and urban counties which submitted fundable applications have been awarded a grant. If funds are available for additional grants after each city and urban county submitting a fundable application is awarded one or more grants under the preceding sentence, then additional grants shall be made so that each city or urban county that has submitted multiple applications is awarded one additional grant in order of ranking, with no single city or urban county receiving more than one grant approval in any subsequent series of

[1] So in original. Probably should not be capitalized.

grant determinations within the same competition.

(D) All grants under this section, including grants to cities and urban counties described in subsection (b)(2) of this section, shall be awarded in accordance with subparagraph (C) so that all grants under this section are made in order of ranking.

**(e) Limitations on power of Secretary to approve grants; waiver**

The Secretary may not approve any grant to a city or urban county eligible under subsection (b)(2) of this section unless—

(1) the grant will be used in connection with a project located in an area described in subsection (b)(2) of this section, except that the Secretary may waive this requirement where the Secretary determines (A) that there is no suitable site for the project within that area, (B) the project will be located directly adjacent to that area, and (C) the project will contribute substantially to the economic development of that area;

(2) the city or urban county has demonstrated to the satisfaction of the Secretary that basic services supplied by the city or urban county to the area described in subsection (b)(2) of this section are at least equivalent, as measured by per capita expenditures, to those supplied to other areas within the city or urban county which are similar in population size and physical characteristics and which have median incomes above the median income for the city or urban county;

(3) the grant will be used in connection with a project which will directly benefit the low- and moderate-income families and individuals residing in the area described in subsection (b)(2) of this section; and

(4) the city or urban county makes available, from its own funds or from funds received from the State or under any Federal program which permits the use of financial assistance to meet the non-Federal share requirements of Federal grant-in-aid programs, an amount equal to 20 per centum of the grant to be available under this section to be used in carrying out the activities described in the application.

**(f) Permissibility of consistent but unenumerated activities; report on use of repaid grant funds for economic development activities**

Activities assisted under this section may include such activities, in addition to those authorized under section 5305(a) of this title, as the Secretary determines to be consistent with the purposes of this section. In any case in which the project proposes the repayment to the applicant of the grant funds, such funds shall be made available by the applicant for economic development activities that are eligible activities under this section or section 5305 of this title. The applicant shall annually provide the Secretary with a statement of the projected receipt and use of repaid grant funds during the next year together with a report acceptable to the Secretary on the use of such funds during the most recent preceding full fiscal year of the applicant.

**(g) Annual review and audit; adjustments, withdrawals and reduction permitted**

The Secretary shall, at least on an annual basis, make reviews and audits of recipients of grants under this section as necessary to determine the progress made in carrying out activities substantially in accordance with approved plans and timetables. The Secretary may adjust, reduce, or withdraw grant funds, or take other action as appropriate in accordance with the findings of these reviews and audits, except that funds already expended on eligible activities under this chapter shall not be recaptured or deducted from future grants made to the recipient.

**(h) Limitations on grants for industrial or commercial relocations or expansions; appeal of denial or cancellation of assistance; grants to adversely affected individuals**

**(1) Speculative projects**

No assistance may be provided under this section for projects intended to facilitate the relocation of industrial or commercial plants or facilities from one area to another, unless the Secretary finds that the relocation does not significantly and adversely affect the unemployment or economic base of the area from which the industrial or commercial plant or facility is to be relocated. The provisions of this paragraph shall apply only to projects that do not have identified intended occupants.

**(2) Projects with identified intended occupants**

No assistance may be provided or utilized under this section for any project with identified intended occupants that is likely to facilitate—

(A) a relocation of any operation of an industrial or commercial plant or facility or other business establishment—

(i) from any city, urban county, or identifiable community described in subsection (p) of this section, that is eligible for assistance under this section; and

(ii) to the city, urban county, or identifiable community described in subsection (p) of this section, in which the project is located; or

(B) an expansion of any such operation that results in a reduction of any such operation in any city, county, or community described in subparagraph (A)(i).

**(3) Significant and adverse effect**

The restrictions established in paragraph (2) shall not apply if the Secretary determines that the relocation or expansion does not significantly and adversely affect the employment or economic base of the city, county, or community from which the relocation or expansion occurs.

**(4) Appeal of adverse determination**

Following notice of intent to withhold, deny, or cancel assistance under paragraph (1) or (2), the Secretary shall provide a period of not less than 90 days in which the applicant can appeal to the Secretary the withholding, denial, or cancellation of assistance. Notwithstanding any other provision of this section,

nothing in this section or in any legislative history related to the enactment of this section may be construed to permit an inference or conclusion that the policy of the Congress in the urban development action grant program is to facilitate the relocation of businesses from one area to another.

**(5) Assistance for individuals adversely affected by prohibited relocations**

(A) Any amount withdrawn by, recaptured by, or paid to the Secretary due to a violation (or a settlement of an alleged violation) of this subsection (or of any regulation issued or contractual provision entered into to carry out this subsection) by a project with identified intended occupants shall be made available by the Secretary as a grant to the city, county, or community described in subsection (p) of this section, from which the operation of an industrial or commercial plant or facility or other business establishment relocated or in which the operation was reduced.

(B)(i) Any amount made available under this paragraph shall be used by the grantee to assist individuals who were employed by the operation involved prior to the relocation or reduction and whose employment or terms of employment were adversely affected by the relocation or reduction. The assistance shall include job training, job retraining, and job placement.

(ii) If any amount made available to a grantee under this paragraph is more than is required to provide assistance under clause (i), the grantee shall use the excess amount to carry out community development activities eligible under section 5305(a) of this title.

(C)(i) The provisions of this paragraph shall be applicable to any amount withdrawn by, recaptured by, or paid to the Secretary under this section, including any amount withdrawn, recaptured, or paid before the effective date of this paragraph.

(ii) Grants may be made under this paragraph only to the extent of amounts provided in appropriation Acts.

**(6) Definition**

For purposes of this subsection, the term ''operation'' includes any plant, equipment, facility, position, employment opportunity, production capacity, or product line.

**(7) Regulations**

Not later than 60 days after February 5, 1988, the Secretary shall issue such regulations as may be necessary to carry out the provisions of this subsection. Such regulations shall include specific criteria to be used by the Secretary in determining whether there is a significant and adverse effect under paragraph (3).

**(i) Minimum percentage of funds to be allocated to certain noncentral cities; application by consortia of cities of less than 50,000 population**

Not less than 25 per centum of the funds made available for grants under this section shall be used for cities with populations of less than fifty thousand persons which are not central cities of a metropolitan statistical area. The Secretary shall encourage cooperation by geographically proximate cities of less than 50,000 population by permitting consortia of such cities, which may also include county governments that are not urban counties, to apply for grants on behalf of a city that is otherwise eligible for assistance under this section. Any grants awarded to such consortia shall be administered in compliance with eligibility requirements applicable to individual cities.

**(j) Grant contingent on factors related to non-Federal funds**

A grant may be made under this section only where the Secretary determines that there is a strong probability that (1) the non-Federal investment in the project would not be made without the grant, and (2) the grant would not substitute for non-Federal funds which are otherwise available to the project.

**(k) Duty of Secretary to minimize amount**

In making grants under this section, the Secretary shall take such steps as the Secretary deems appropriate to assure that the amount of the grant provided is the least necessary to make the project feasible.

**(*l*) Power of Secretary to waive requirement that town or township be closely settled**

For purposes of this section, the Secretary may reduce or waive the requirement in section 5302(a)(5)(B)(ii) of this title that a town or township be closely settled.

**(m) Notice to State historic preservation officer and Secretary of the Interior required with regard to affected landmark property; opportunity for comment**

In the case of any application which identifies any property in accordance with subsection (c)(4)(B) of this section, the Secretary may not commit funds with respect to an approved application unless the applicant has certified to the Secretary that the appropriate State historic preservation officer and the Secretary of the Interior have been provided an opportunity to take action in accordance with the provisions of section 5320(b) of this title.

**(n) Territories, tribes, and certain Hawaiian counties included in term "city"**

(1) For the purposes of this section, the term ''city'' includes Guam, American Samoa, the Northern Mariana Islands, the Virgin Islands, and Indian tribes. Such term also includes the counties of Kauai, Maui and Hawaii in the State of Hawaii.

(2) The Secretary may not approve a grant to an Indian tribe under this section unless the tribe (A) is located on a reservation, or on former Indian reservations in Oklahoma as determined by the Secretary of the Interior, or in an Alaskan Native Village, and (B) was an eligible recipient under chapter 67 of title 31 prior to the repeal of such chapter.

**(*o*) Special provisions for years after 1983**

If no amounts are set aside under, or amounts are precluded from being appropriated for this section for fiscal years after fiscal year 1983, any amount which is or becomes available for use

under this section after fiscal year 1983 shall be added to amounts appropriated under section 5303 of this title, except that amounts available to the Secretary for use under this subsection as of October 1, 1993, and amounts released to the Secretary pursuant to subsection (t) of this section may be used to provide grants under section 5308(q) of this title..[2]

**(p) Unincorporated portions of urban counties**

An unincorporated portion of an urban county that is approved by the Secretary as an identifiable community for purposes of this section is eligible for a grant under subsection (b)(2) of this section if such portion meets the eligibility requirements contained in the first sentence of subsection (b)(1) of this section and the requirements of subsection (b)(2)(B) of this section (applied to the population of the portion of the urban county) and if it otherwise complies with the provisions of this section.

**(q) Technical assistance grants**

Of the amounts appropriated for purposes of this section for any fiscal year, not more than $2,500,000 may be used by the Secretary to make technical assistance grants to States or their agencies, municipal technical advisory services operated by universities, or State associations of counties or municipalities, to enable such entities to assist units of general local government described in subsection (i) of this section in developing, applying for assistance for, and implementing programs eligible for assistance under this section.

**(r) Nondiscrimination by Secretary against type of activity or applicant**

In utilizing the discretion of the Secretary when providing assistance and applying selection criteria under this section, the Secretary may not discriminate against applications on the basis of (1) the type of activity involved, whether such activity is primarily housing, industrial, or commercial; or (2) the type of applicant, whether such applicant is a city or urban county.

**(s) Maximum grant amount for fiscal years 1988 and 1989**

For fiscal years 1988 and 1989, the maximum grant amount for any project under this section is $10,000,000.

**(t) UDAG retention program**

If a grant or a portion of a grant under this section remains unexpended upon the issuance of a notice implementing this subsection, the grantee may enter into an agreement, as provided under this subsection, with the Secretary to receive a percentage of the grant amount and relinquish all claims to the balance of the grant within 90 days of the issuance of notice implementing this subsection (or such later date as the Secretary may approve). The Secretary shall not recapture any funds obligated pursuant to this section during a period beginning on April 11, 1994, until 90 days after the issuance of a notice implementing this subsection. A grantee may receive as a grant under this subsection—

(1) 33 percent of such unexpended amounts if—

(A) the grantee agrees to expend not less than one-half of the amount received for activities authorized pursuant to section 5308(q) of this title and to expend such funds in conjunction with a loan guarantee made under section 5308 of this title at least equal to twice the amount of the funds received; and

(B)(i) the remainder of the amount received is used for economic development activities eligible under this chapter; and

(ii) except when waived by the Secretary in the case of a severely distressed jurisdiction, not more than one-half of the costs of activities under subparagraph (B) are derived from such unexpended amounts; or

(2) 25 percent of such unexpended amounts if—

(A) the grantee agrees to expend such funds for economic development activities eligible under this chapter; and

(B) except when waived by the Secretary in the case of a severely distressed jurisdiction, not more than one-half of the costs of such activities are derived from such unexpended amount.

(Pub. L. 93–383, title I, § 119, as added Pub. L. 95–128, title I, § 110(b), Oct. 12, 1977, 91 Stat. 1125; amended Pub. L. 95–557, title I, § 103(g), (h), Oct. 31, 1978, 92 Stat. 2084; Pub. L. 96–153, title I, §§ 104, 105, Dec. 21, 1979, 93 Stat. 1102, 1104; Pub. L. 96–399, title I, §§ 110(a), (b), 117(a), Oct. 8, 1980, 94 Stat. 1619, 1623; Pub. L. 97–35, title III, § 308(a), Aug. 13, 1981, 95 Stat. 392; Pub. L. 98–181, title I, § 121, Nov. 30, 1983, 97 Stat. 1168; Pub. L. 98–454, title VI, § 601(c), Oct. 5, 1984, 98 Stat. 1736; Pub. L. 98–479, title II, § 203(*l*)(3), Oct. 17, 1984, 98 Stat. 2231; Pub. L. 99–272, title XIV, § 14001(b)(6), Apr. 7, 1986, 100 Stat. 329; Pub. L. 99–500, § 101(g), Oct. 18, 1986, 100 Stat. 1783–242, and Pub. L. 99–591, § 101(g), Oct. 30, 1986, 100 Stat. 3341–242; Pub. L. 100–202, §§ 101(f) [title I, § 101], 106, Dec. 22, 1987, 101 Stat. 1329–187, 1329–193, 1329–433; Pub. L. 100–242, title V, §§ 501(c), 515(a)–(d), (g)(2)–(i), 516(a), Feb. 5, 1988, 101 Stat. 1923, 1930–1934; Pub. L. 100–404, title I, Aug. 19, 1988, 102 Stat. 1020; Pub. L. 100–628, title X, § 1084, Nov. 7, 1988, 102 Stat. 3277; Pub. L. 103–233, title II, § 232(b), (c)(1), Apr. 11, 1994, 108 Stat. 367.)

REFERENCES IN TEXT

This chapter, referred to in subsecs. (g) and (t)(1)(B)(i), (2)(A), was in the original ''this title'', meaning title I of Pub. L. 93–383, Aug. 22, 1974, 88 Stat. 633, which is classified principally to this chapter. For complete classification of title I to the Code, see Tables.

For effective date of this paragraph, referred to in subsec. (h)(5)(C)(i), see section 516(b) of Pub. L. 100–242, set out as an Effective Date of 1988 Amendment note below.

Chapter 67 of title 31, referred to in subsec. (n)(2)(B), was repealed by Pub. L. 99–272, title XIV, § 14001(a)(1), Apr. 7, 1986, 100 Stat. 327.

CODIFICATION

Pub. L. 99–591 is a corrected version of Pub. L. 99–500.

Amendment of subsec. (n)(1) by Pub. L. 99–500 and 99–591 is based on provisions under the headings ''Management and Administration'' and ''Administrative Provision'' in title I of H.R. 5313 [Department of Housing and Urban Development—Independent Agencies Ap-

[2] So in original.

propriations Act, 1987], as incorporated by reference by section 101(g) of Pub. L. 99–500 and 99–591, and enacted into law by section 106 of Pub. L. 100–202.

AMENDMENTS

1994—Subsec. (*o*). Pub. L. 103–233, §232(b), inserted before period at end ‘‘, except that amounts available to the Secretary for use under this subsection as of October 1, 1993, and amounts released to the Secretary pursuant to subsection (t) of this section may be used to provide grants under section 5308(q) of this title.’’

Subsec. (t). Pub. L. 103–233, §232(c)(1), added subsec. (t).

1988—Subsec. (a). Pub. L. 100–242, §501(c), substituted ‘‘There are authorized to be appropriated to carry out this section $225,000,000 for fiscal year 1988, and $225,000,000 for fiscal year 1989. Any amount appropriated under this subsection shall remain available until expended.’’ for ‘‘Of the total amount approved in appropriation Acts under section 5303 of this title for each of the fiscal years 1982 and 1983, not more than $500,000,000 shall be available for each of the fiscal years 1982 and 1983 for grants under this section. There are authorized to be appropriated to carry out the provisions of this section not to exceed $440,000,000 for each of the fiscal years 1984, 1985, and 1986, and any amount appropriated under this sentence shall remain available until expended.’’

Subsec. (d)(1). Pub. L. 100–242, §515(a), inserted dash before ‘‘(A)’’, indented subpars. (A) and (B), struck out ‘‘as the primary criterion,’’ in subpar. (A) and ‘‘and’’ at end of subpar. (B), added subpars. (C) and (D), and struck out former subpar. (C) which read as follows: ‘‘at least the following other criteria: demonstrated performance of the city or urban county in housing and community development programs; the extent to which the grant will stimulate economic recovery by leveraging private investment; the number of permanent jobs to be created and their relation to the amount of grant funds requested; the proportion of permanent jobs accessible to lower income persons and minorities, including persons who are unemployed; the impact of the proposed activities on the fiscal base of the city or urban county and its relation to the amount of grant funds requested; the extent to which State or local government funding or special economic incentives have been committed; and the feasibility of accomplishing the proposed activities in a timely fashion within the grant amount available.’’

Subsec. (d)(3) to (5). Pub. L. 100–242, §515(b), added pars. (3) to (5).

Subsec. (d)(5)(C), (D). Pub. L. 100–404 added subpars. (C) and (D).

Subsec. (d)(6). Pub. L. 100–242, §515(b), (g)(2), temporarily added par. (6), see Effective Date of 1988 Amendment note below.

Subsec. (f). Pub. L. 100–628, §1084(a), substituted ‘‘5305’’ for ‘‘5304’’ after ‘‘activities under this section or section’’.

Pub. L. 100–242, §515(c), inserted at end ‘‘In any case in which the project proposes the repayment to the applicant of the grant funds, such funds shall be made available by the applicant for economic development activities that are eligible activities under this section or section 5304 of this title. The applicant shall annually provide the Secretary with a statement of the projected receipt and use of repaid grant funds during the next year together with a report acceptable to the Secretary on the use of such funds during the most recent preceding full fiscal year of the applicant.’’

Subsec. (h)(1). Pub. L. 100–242, §516(a)(1), (2), designated existing provision as par. ‘‘(1) Speculative projects’’ and inserted at end ‘‘The provisions of this paragraph shall apply only to projects that do not have identified intended occupants.’’

Subsec. (h)(2) to (7). Pub. L. 100–242, §516(a)(3), added pars. (2) to (7).

Subsec. (n)(1). Pub. L. 100–628, §1084(b), directed that subsec. (n)(1) of this section as similarly amended first by provisions made effective by section 101(g) of Pub. L. 99–500 and Pub. L. 99–591 [see 1986 Amendment note below and Codification note above] and later by section 515(i) of Pub. L. 100–242 [see below] is amended to read as if the amendment by Pub. L. 100–242 had not been enacted.

Pub. L. 100–242, §515(i), made amendment identical to Pub. L. 99–500 and 99–591. See 1986 Amendment note below.

Subsec. (r). Pub. L. 100–242, §515(d), amended subsec. (r) generally. Prior to amendment, subsec. (r) read as follows: ‘‘In providing assistance under this section, the Secretary may not discriminate among programs on the basis of the particular type of activity involved, whether such activity is primarily a neighborhood, industrial, or commercial activity.’’

Subsec. (s). Pub. L. 100–242, §515(h), added subsec. (s).

1987—Subsec. (n)(1). For amendment by §106 of Pub. L. 100–202, see 1986 Amendment note below.

Subsec. (n)(2)(A). Pub. L. 100–202, §101(f) [title I, §101], inserted ‘‘, or on former Indian reservations in Oklahoma as determined by the Secretary of the Interior,’’ after ‘‘reservation’’.

1986—Subsec. (n)(1). Pub. L. 99–500 and 99–591, §101(g), as enacted by Pub. L. 100–202, inserted at end ‘‘Such term also includes the counties of Kauai, Maui and Hawaii in the State of Hawaii.’’ See Codification note above.

Subsec. (n)(2)(B). Pub. L. 99–272 substituted ‘‘was an eligible recipient under chapter 67 of title 31 prior to the repeal of such chapter’’ for ‘‘is an eligible recipient under chapter 67 of title 31’’.

1984—Subsec. (n)(1). Pub. L. 98–454 inserted reference to American Samoa and the Northern Mariana Islands.

Subsec. (n)(2). Pub. L. 98–479 substituted ‘‘chapter 67 of title 31’’ for ‘‘the State and Local Fiscal Assistance Act of 1972’’.

1983—Subsec. (a). Pub. L. 98–181, §121(a), inserted authorizations for appropriations not to exceed $440,000,000 for each of the fiscal years 1984, 1985, and 1986.

Subsec. (b)(1). Pub. L. 98–181, §121(b), substituted ‘‘the extent of unemployment, job lag, or surplus labor’’ for ‘‘where data are available, the extent of unemployment and job lag’’, and inserted provisions for continued eligibility for assistance of any city with a population of less than 50,000 persons, other than a central city of a metropolitan area, which until the Secretary revises the standards for eligibility for such cities and includes the extent of unemployment, job lag, or labor surplus as a standard of distress for such cities, and provisions requiring the Secretary to make such revision as soon as possible following Nov. 30, 1983.

Subsec. (b)(2)(A)(i), (B)(i). Pub. L. 98–181, §121(c), inserted ‘‘neighborhood statistics areas,’’ after ‘‘enumeration districts,’’.

Subsec. (c)(3)(C). Pub. L. 98–181, §121(d), added cl. (C).

Subsec. (d)(1). Pub. L. 98–181, §121(e), substituted ‘‘criteria for a national competition’’ for ‘‘criteria’’ in provisions preceding cl. (A).

Subsec. (i). Pub. L. 98–181, §121(f), inserted provisions relating to applications by consortia of cities less than 50,000 population.

Subsecs. (p) to (r). Pub. L. 98–181, §121(g), added subsecs. (p) to (r).

1981—Pub. L. 97–35 substantially restructured and reorganized provisions, made changes in nomenclature and phraseology, and revised purposes, selection criteria and standards, application procedures, approval powers of Secretary, covered activities, limitations, allocation computations, funding prerequisites, amounts for grants, waivers, notice requirements, applicable definitions, and special provisions for years after 1983.

1980—Subsec. (c)(7). Pub. L. 96–399, §110(a)(1)–(3), added par. (7).

Subsec. (n). Pub. L. 96–399, §110(b), added subsec. (n).

Subsec. (*o*). Pub. L. 96–399, §117(a), added subsec. (*o*).

1979—Subsec. (b). Pub. L. 96–153, §104, designated existing provisions as par. (1) and added par. (2).

Subsec. (e). Pub. L. 96–153, §104(b), designated existing provisions as par. (1) and substituted ‘‘(1) Except in the

case of a city or urban county eligible under subsection (b)(2) of this section, in establishing criteria'' for ''In establishing criteria'' in opening sentence, redesignated existing cls. (1) to (3) as (A) to (C), and added pars. (2) and (3).

Subsecs. (*l*), (m). Pub. L. 96–153, § 105, added subsecs. (*l*) and (m).

1978—Subsec. (c)(6). Pub. L. 95–557, § 103(g), added par. (6).

Subsec. (e). Pub. L. 95–557, § 103(h), inserted ''impact of the proposed urban development action program on the residents, particularly those of low and moderate income, of the residential neighborhood, and on the neighborhood, in which the program is to be located'' after ''objectives of this chapter''.

EFFECTIVE DATE OF 1994 AMENDMENT

Amendment by Pub. L. 103–233 applicable with respect to any amounts made available to carry out subchapter II (§ 12721 et seq.) of chapter 130 of this title after Apr. 11, 1994, and any amounts made available to carry out that subchapter before that date that remain uncommitted on that date, with Secretary to issue any regulations necessary to carry out such amendment not later than end of 45-day period beginning on that date, see section 209 of Pub. L. 103–233, set out as a note under section 5301 of this title.

EFFECTIVE DATE OF 1988 AMENDMENT

Section 515(f), (g) of Pub. L. 100–242 provided that:

''(f) REGULATIONS.—The Secretary of Housing and Urban Development shall issue such regulations as may be necessary to carry out the amendments made by this section [amending this section]. Such regulations shall be published for comment in the Federal Register not later than 60 days after the date of enactment of this Act [Feb. 5, 1988]. The provisions of section 119(d)(1)(D), section 119(d)(3), and section 119(d)(4) of the Housing and Community Development Act of 1974 [subsec. (d)(1)(D), (3), (4) of this section], shall take effect on the date of enactment of this Act.

''(g) APPLICABILITY.—

''(1) IN GENERAL.—The amendments made by this section [amending this section] shall be applicable to the making of urban development action grants that have not received the preliminary approval of the Secretary of Housing and Urban Development before the date on which final regulations issued by the Secretary under subsection (f) become effective. For the fiscal year in which the amendments made by this section become applicable, such amendments shall only apply with respect to the aggregate amount awarded for such grants on or after such effective date.

''(2) SUNSET OF URBAN COUNTY COMPETITION RULE.—Effective October 1, 1989, section 119(d)(6) of the Housing and Community Development Act of 1974 [subsec. (d)(6) of this section] is repealed.''

Section 516(b) of Pub. L. 100–242 provided that: ''Except as otherwise provided in section 119(h)(5) of the Housing and Community Development Act of 1974 [subsec. (h)(5) of this section] (as added by subsection (a)), the amendments made by this section [amending this section] shall be applicable to urban development action grants that have not received the preliminary approval of the Secretary of Housing and Urban Development before the date of the enactment of this Act [Feb. 5, 1988].''

EFFECTIVE DATE OF 1986 AMENDMENTS

Section 106 of Pub. L. 100–202 provided that the amendment made by Pub. L. 99–500 and 99–591 is effective on date of enactment [Oct. 18, 1986] of the ''pertinent joint resolution'' making continuing appropriations for fiscal year 1987 [Pub. L. 99–500 and 99–591].

Amendment by Pub. L. 99–272 effective Oct. 18, 1986, see section 14001(e) of Pub. L. 99–272.

EFFECTIVE DATE OF 1981 AMENDMENT

Section 308(c) of Pub. L. 97–35 provided that: ''The amendments made by subsections (a) and (b) [amending this section and section 5320 of this title] shall become effective on the effective date of regulations implementing such subsections. As soon as practicable, but not later than January 1, 1982, the Secretary shall issue such final rules and regulations as the Secretary determines are necessary to carry out such subsections.''

EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by Pub. L. 95–557 effective Oct. 1, 1978, see section 104 of Pub. L. 95–557, set out as a note under section 1709 of Title 12, Banks and Banking.

EFFECTIVE DATE

Section effective Oct. 1, 1977, see section 114 of Pub. L. 95–128, set out as an Effective Date of 1977 Amendment note under section 5301 of this title.

IMPLEMENTATION OF URBAN DEVELOPMENT ACTION GRANT RETENTION PROGRAM

Section 232(c)(2) of Pub. L. 103–233 provided that: ''Not later than 10 days after the date of enactment of this Act [Apr. 11, 1994], the Secretary shall, by notice published in the Federal Register, which shall take effect upon publication, establish such requirements as may be necessary to implement the amendments made by this subsection [amending this section].''

NEW TOWNS DEMONSTRATION PROGRAM FOR EMERGENCY RELIEF OF LOS ANGELES

Pub. L. 102–550, title XI, Oct. 28, 1992, 106 Stat. 3927, as amended by Pub. L. 105–362, title VII, § 701(g), Nov. 10, 1998, 112 Stat. 3287, provided that:

''SEC. 1101. AUTHORITY.

''To provide for the revitalization and renewal of inner city neighborhoods in the areas of Los Angeles, California, that were damaged by the civil disturbances during April and May of 1992, and to demonstrate the effectiveness of new town developments in revitalizing and restoring depressed and underprivileged inner city neighborhoods, the Secretary of Housing and Urban Development shall, to the extent or in such amounts as are provided in appropriation Acts, make any assistance authorized under this title available under this title to units of general local government, governing boards, and eligible mortgagors in accordance with the provisions of this title.

''SEC. 1102. NEW TOWN PLAN.

''(a) REQUIREMENT.—The Secretary may make assistance available under this title only in connection with, and according to the provisions of a new town plan developed and established by a governing board under section 1107 and approved under subsection (d) of this section. In developing such plans, the governing board shall consult with representatives of the units of general local government within whose boundaries are located any portion of the new town demonstration area for the demonstration program to be carried out under such plan.

''(b) ELIGIBLE NEW TOWN DEMONSTRATION AREAS.—A new town plan under this section shall provide for carrying out a new town development demonstration providing assistance available under this title within a new town demonstration area, which shall be a geographic area defined in the new town plan—

''(1) that is one of pervasive poverty, unemployment, and general distress;

''(2) that has an unemployment rate of not less than 1.5 times the national unemployment rate for the 2 years preceding approval of the new town plan;

''(3) that has a poverty rate of not less than 20 percent during such 2-year period;

''(4) for which not less than 70 percent of the households living in the area have incomes below 80 percent of the median income of households of the unit of general local government in which they are located;

''(5) that has a shortage of adequate jobs for residents; and

''(6) that is located—

''(A) in or near the City or County of Los Angeles, in the State of California; and

''(B) within an area for which the President, pursuant to title IV or V of the Robert T. Stafford Disaster Relief and Emergency Assistance Act [42 U.S.C. 5170 et seq., 5191 et seq.], declared that a major disaster or emergency existed for purposes of such Act [42 U.S.C. 5121 et seq.], as a result of the civil disturbances involving acts of violence occurring on or after April 29, 1992, and before May 6, 1992.

''(c) CONTENTS.—Each new town plan shall include the following information:

''(1) GOVERNING BOARD.—A description of the members and purposes of the governing board that developed the plan, the manner in which members of the governing board were selected, and the businesses, agencies, interests, and community ties of each member of the governing board.

''(2) NEW TOWN DEMONSTRATION AREA.—A definition and description of the new town demonstration area for the new town development demonstration to be assisted under this title.

''(3) TARGET COMMUNITY.—A description of the economic, social, racial, and ethnic characteristics of the population of the neighborhood or area in which the new town demonstration area is located.

''(4) AGREEMENTS.—Agreements that the governing board will carry out the new town demonstration program in accordance with the requirements of this title.

''(5) HOUSING UNITS.—A description of the number, size, location, cost, style, and characteristics of rental and homeownership housing units to be developed under the new town demonstration program, any financing for developing such housing, and the amount of assistance necessary under section 1105 for developing the housing under the program.

''(6) JOBS.—A description of the number, types, and duration of any new jobs that will be created in the new town demonstration area and surrounding areas as a result of the demonstration program, and of any job training activities and apprenticeship programs to be made available in connection with the program.

''(7) SOCIAL SERVICES.—A description of the social and supportive services to be made available under the demonstration program to residents of housing assisted under the demonstration program pursuant to section 1103(d) and to residents of the new town demonstration area.

''(8) SUPPLEMENTAL RESOURCES.—A description of any funds, assistance, in-kind contributions, and other resources to be made available in connection with the demonstration program, including the sources and amounts of any private capital resources and non-Federal funds required under section 1103(h).

''(9) CONTRACTORS AND DEVELOPERS.—A listing of the contractors and developers who potentially will carry out any construction and rehabilitation work for development of housing under the demonstration program and the expected costs involved in hiring such contractors and developers.

''(10) FINANCING FOR HOMEBUYERS.—A description of any mortgage lenders who have indicated that they will make financing available to families purchasing housing developed under the demonstration program through mortgages eligible for insurance under section 1104 and proposed terms of such mortgages.

''(11) COMMITMENTS.—Evidence of any commitments entered into for making any of the resources described in paragraphs (6) through (8) available in connection with the demonstration program.

''(12) PRESALE REQUIREMENTS.—A description of commitments made to purchase not less than 50 percent of the housing to be developed under the demonstration program for purchase by the occupant and to rent not less than 50 percent of the rental dwelling units to be developed under the demonstration program.

''(13) COMMUNITY DEVELOPMENT ACTIVITIES.—A description of the community development activities to be carried out with assistance under section 1106, the amount of assistance necessary under such section for such activities, and of the projected uses of such assistance.

''(d) REVIEW AND APPROVAL.—

''(1) SUBMISSION.—Not later than the expiration of the 6-month period beginning on the date of the enactment of this Act [Oct. 28, 1992], a governing board shall submit a new town plan under this section to the chief executive officers of each unit of general local government within whose boundaries is located any portion of the new town demonstration area described under the plan of the board.

''(2) APPROVAL.—For a plan to be eligible for assistance available under this title, the chief executive officer of all units of general local government to whom the new town plan is submitted shall approve the plan at a public meeting after the plan has been made publicly available for a period of not less than 30 days. A governing board may resubmit for approval any plan returned by any such chief executive officer to the governing board, and such chief executive officer may, upon returning the plan indicate any modifications necessary for approval. A new town plan may not be approved unless such chief executive officers determine that the membership of the governing board submitting the plan is constituted in accordance with section 1107 and the governing board is capable of carrying out the plan.

''(3) AMENDMENT.—An approved new town plan for the demonstration program developed by the governing board may be amended by the board by obtaining approval of the amendment in the manner provided under this subsection for approval of plans. If the chief executive officer of the unit of general local government does not approve or return the amended plan within 30 days of submission, the amended plan shall be considered to be approved for purposes of this subsection.

''SEC. 1103. NEW TOWN DEVELOPMENT DEMONSTRATION PROGRAM REQUIREMENTS.

''(a) IN GENERAL.—Each of the 2 new town development demonstration programs selected for assistance under this title under section 1102 shall be carried out, by the governing board submitting the new town plan for the demonstration program, in accordance with such plan (and any approved amendments of such plans) and shall be subject to the requirements under this section.

''(b) LOCAL PARTICIPATION.—With respect to any activities carried out under the demonstration program, the program shall give preference in awarding contracts, purchasing materials, acquiring services, and obtaining assistance or training, to contractors, businesses, developers, professionals, and other establishments located or having offices within the new town demonstration area.

''(c) HOUSING.—

''(1) NUMBER OF UNITS.—The demonstration program shall construct or renovate not less than 1,500 dwelling units in the new town demonstration area, of which not less than 60 percent shall be units available for purchase by the occupant.

''(2) AFFORDABILITY.—Units of varying sizes and costs shall be designed and developed under the demonstration program so that the program provides housing affordable to families of varying incomes not exceeding 115 percent of the median income for the area in which the new town demonstration area is located, including very low- and low-income families (as such terms are defined in section 3(b) of the United States Housing Act of 1937 [42 U.S.C. 1437a(b)]).

''(3) HOMEOWNERSHIP UNITS.—Dwelling units developed under the demonstration program for purchase by the occupant shall initially be sold at prices affordable to families eligible to purchase such units.

Such units shall be available for purchase only by families having incomes not exceeding the amount specified in paragraph (2). The demonstration shall develop 2-, 3-, and 4-bedroom units for purchase.

''(4) RENTAL UNITS.—Dwelling units developed under the demonstration program that are to be available for rental shall include family-type units and single bedroom and efficiency units designed for elderly occupants. Such units shall be available for occupancy only by families who (upon initial occupancy) have incomes of (A) less than 60 percent of the median income for the area, or (B) less than $20,000. Occupant families shall pay not more than 30 percent of the family income for rent.

''(d) SOCIAL SERVICES.—The demonstration program shall provide for appropriate social and supportive services to be made available to residents of housing assisted under the demonstration program and to other residents of the new town demonstration area, which may include rental and homeownership counseling, child care, job placement, educational programs, recreational and health care facilities and programs, and other appropriate services.

''(e) JOB CREATION AND TRAINING.—The demonstration program shall provide, to the extent practicable, that activities in connection with the demonstration program, including development of housing under subsection (c) and community development activities assisted under section 1106, shall employ and provide job training opportunities for residents of the housing assisted under the demonstration program and other residents of the new town demonstration area.

''(f) FINANCING.—The demonstration program shall provide for coordination with banks, credit unions, and other mortgage lenders to make financing available to purchasers of units developed under the demonstration program through mortgages eligible for insurance under section 1104, and shall give preference to such mortgage lenders who have offices located within or near the new town demonstration area.

''(g) SUPPORT FACILITIES.—The demonstration program shall encourage, facilitate, and provide for development of appropriate support facilities to serve residents in the housing developed under the program, including infrastructure and commercial facilities.

''(h) NON-FEDERAL FUNDS.—The governing board carrying out the demonstration program shall ensure that not less than 25 percent of the total amounts used to carry out the demonstration program is provided from non-Federal sources, including State or local government funds, any salary paid to staff to carry out the demonstration program, the value of any time, services, and materials donated to carry out the program, the value of any donated building, and the value of any lease on a building.

''SEC. 1104. FEDERAL MORTGAGE INSURANCE.

''(a) IN GENERAL.—Pursuant to title II and section 251 of the National Housing Act [12 U.S.C. 1707 et seq., 1715z–16], the Secretary shall (to the extent authority is available pursuant to subsection (d)) insure mortgages under this section involving properties upon which are located dwelling units described in section 1103(c)(3) of this Act that are developed under the new town demonstration programs carried out pursuant to this title.

''(b) MORTGAGE TERMS.—Mortgages insured under this section shall—

''(1) provide for periodic adjustments in the effective rate of interest charged, which—

''(A) for the first 5 years of the mortgage, shall be an annual rate of not more than 7 percent; and

''(B) after the expiration of such 5-year period, may increase on an annual basis, but—

''(i) shall be limited, with respect to any single interest rate increase, to not more than a 10-percent increase in the annual percentage rate; and

''(ii) may not be increased at any time to a rate greater than the rate necessary at such time to fully amortize the outstanding loan balance over the term of the mortgage; and

''(2) have a maturity of 35 years from the date of the beginning of the amortization of the mortgage.

''(c) BOARD APPROVAL.—The Secretary may provide insurance under this section for a mortgage only if the governing board for the demonstration program for the new town demonstration area in which the property subject to the mortgage is located has indicated to the Secretary approval of the mortgage in connection with the demonstration program.

''(d) INSURANCE AUTHORITY.—To the extent provided in appropriation Acts, the Secretary shall use any authority provided pursuant to section 531(b) of the National Housing Act [12 U.S.C. 1735f–9(b)] to enter into commitments to insure loans and mortgages under this section in fiscal years 1993 and 1994 with an aggregate principal amount not exceeding such sums as may be necessary to carry out the demonstration under this title. Mortgages insured under this section shall not be considered for purposes of the aggregate limitation on the number of mortgages insured under section 251 of the National Housing Act [12 U.S.C. 1715z–16] specified in subsection (c) of such section.

''SEC. 1105. SECONDARY SOFT MORTGAGE FINANCING FOR HOUSING.

''(a) IN GENERAL.—The Secretary shall, to the extent amounts are provided in appropriation Acts under subsection (e), provide assistance under this section through the governing boards carrying out the new town demonstration programs under this section to assist in the development of housing under the program.

''(b) USE.—Any assistance provided under this section shall be used only for costs in planning, developing, constructing, and rehabilitating housing under the demonstration program available for rental or purchase by the occupant. The governing board shall determine, according to the new town plan for the demonstration program, the allocation of amounts of assistance provided under this section.

''(c) AMOUNT.—The Secretary may not provide assistance under this section for the development of housing under a demonstration program in an amount exceeding $50,000 per dwelling unit assisted.

''(d) SECOND MORTGAGE.—

''(1) IN GENERAL.—Assistance under this section shall be repaid in accordance with this subsection. Repayment of the amount of any assistance provided with respect to—

''(A) any building containing rental units, or

''(B) any dwelling unit available for purchase by the occupant that is developed under a demonstration program,

shall be secured by a second mortgage held by the Secretary on the property involved.

''(2) TERMS.—During the period ending upon repayment of the assistance as provided in this subsection, any building containing rental units that is provided assistance under this section shall be used as rental housing subject to the requirements of section 1103(c)(4). During the period ending upon repayment of the assistance as provided in this subsection, any dwelling unit made available for purchase by the occupant that is provided assistance under this section may be sold only to a family having an income not exceeding the amount specified in section 1103(c)(2).

''(3) INTEREST.—Any assistance provided under this section for a building or dwelling unit shall bear interest at a rate equivalent to the rate for the most recently marketable obligations issued by the United States Treasury have terms of 10 years. The interest on such assistance shall be required to be repaid only upon sale of the building.

''(4) DISCOUNTED REPAYMENT.—The assistance provided under this section for any building containing rental units or any dwelling unit available for purchase by the occupant shall be considered to have been repaid for purposes of this subsection if the original purchaser of the building or the dwelling unit pays to the Secretary an amount equal to 50 percent of the amount of the assistance provided under this section.

''(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for fiscal years 1993 and 1994 such sums as may be necessary for providing assistance under this section.

''SEC. 1106. COMMUNITY DEVELOPMENT ASSISTANCE.

''(a) IN GENERAL.—The Secretary shall provide assistance under this section, to the extent amounts are provided in appropriation Acts under subsection (h), to units of general local government to address vital unmet needs and to promote the creation of jobs and economic development in connection with the new town demonstration programs carried out under this title.

''(b) ELIGIBLE UNITS OF GENERAL LOCAL GOVERNMENT.—Assistance may be provided under this section only to units of general local government—

''(1) within whose boundaries are located any portion of the new town demonstration areas described under the new town demonstration plans for the demonstration programs carried out under this title;

''(2) that make the certifications to the Secretary required under subsection (c); and

''(3) that will comply with a residential antidisplacement and relocation assistance plan described in subsection (d).

''(c) REQUIRED CERTIFICATIONS.—The certifications referred to in subsection (b)(2) shall be certifications that—

''(1) the assistance will be conducted and administered in conformity with the Civil Rights Act of 1964 [42 U.S.C. 2000a et seq.] and the Civil Rights Act of 1968 [see Short Title note set out under section 3601 of this title], and the unit of general local government will affirmatively further fair housing;

''(2) the projected use of funds has been developed in a manner that gives maximum feasible priority to activities which are designed to meet community development needs that have been delayed because of the lack of fiscal resources of the unit of general local government or which are designed to address conditions that pose a serious and immediate threat to the health or welfare of the community;

''(3) any projected use of funds for public services will benefit primarily low- and moderate-income families;

''(4) the unit of general local government will not attempt to recover any capital costs of public improvements assisted in whole or part under this section by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless—

''(A) funds received under this section are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this section; or

''(B) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, the grantee certifies to the Secretary that it lacks sufficient funds received under this section to comply with the requirements of subparagraph (A); and

''(5) the unit of general local government will comply with the other provisions of this title and with other applicable laws.

''(d) ANTIDISPLACEMENT AND RELOCATION PLAN.—

''(1) CONTENTS.—The residential antidisplacement and relocation assistance plan referred to in subsection (b)(3) shall, in connection with activities assisted under this section—

''(A) provide that, in the event of such displacement—

''(i) governmental agencies or private developers shall provide, within the same community, comparable replacement dwellings for the same number of occupants as could have been housed in the occupied and vacant occupiable low- and moderate-income dwelling units demolished or converted to a use other than for housing for low- and moderate-income persons, and provide that such replacement housing may include existing housing assisted with project based assistance provided under section 8 of the United States Housing Act of 1937 [42 U.S.C. 1437f];

''(ii) such comparable replacement dwellings shall be designed to remain affordable to persons of low- and moderate-income for 10 years from the time of initial occupancy;

''(iii) relocation benefits shall be provided for all low- or moderate-income persons who occupied housing demolished or converted to a use other than for low- or moderate-income housing, including reimbursement for actual and reasonable moving expenses, security deposits, credit checks, and other moving-related expenses, including any interim living costs; and in the case of displaced persons of low- and moderate-income, provide either—

''(I) compensation sufficient to ensure that, for a 5-year period, the displaced families shall not bear, after relocation, a ratio of shelter costs to income that exceeds 30 percent; or

''(II) if elected by a family, a lump-sum payment equal to the capitalized value of the benefits available under subclause (I) to permit the household to secure participation in a housing cooperative or mutual housing association; and

''(iv) persons displaced shall be relocated into comparable replacement housing that is—

''(I) decent, safe, and sanitary;

''(II) adequate in size to accommodate the occupants;

''(III) functionally equivalent; and

''(IV) in an area not subject to unreasonably adverse environmental conditions; and

''(B) provide that persons displaced shall have the right to elect, as an alternative to the benefits under this subsection, to receive benefits under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 [42 U.S.C. 4601 et seq.] if such persons determine that it is in their best interest to do so; and

''(C) provide that where a claim for assistance under subparagraph (A)(iv) is denied by the unit of general local government, the claimant may appeal to the Secretary, and that the decision of the Secretary shall be final unless a court determines the decision was arbitrary and capricious.

''(2) EXCEPTION.—Paragraphs (1)(A)(i) and (1)(A)(ii) shall not apply in any case in which the Secretary finds, on the basis of objective data, that there is available in the area an adequate supply of habitable affordable housing for low- and moderate-income persons. A determination under this paragraph shall be final and nonreviewable.

''(e) ELIGIBLE ACTIVITIES.—Activities assisted with amounts provided under this section may include only the following activities:

''(1) ACQUISITION OF REAL PROPERTY.—The acquisition of real property (including air rights, water rights, and other interests therein) that is located within the new town demonstration area and is—

''(A) blighted, deteriorated, undeveloped, or inappropriately developed from the standpoint of sound community development and growth;

''(B) appropriate for rehabilitation activities;

''(C) appropriate for the preservation or restoration of historic sites, the beautification of urban land, the conservation of open spaces, natural resources, and scenic areas, the provision of recreational opportunities, or the guidance of urban development;

''(D) to be used for the provision of public works, facilities, and improvements eligible for assistance under this section;

''(E) to be used as a facility for coordinating and providing activities and services for high risk youth

(as such term is defined in section 509A [now 517] of the Public Health Service Act [42 U.S.C. 290bb–23]); or

''(F) to be used for other public purposes.

''(2) CONSTRUCTION OF PUBLIC WORKS AND FACILITIES.—The acquisition, construction, rehabilitation, or installation of public works or public facilities within the new town demonstration area, including buildings for the general conduct of government and facilities for coordinating and providing activities and services for high risk youth (as such term is defined in section 509A [now 517] of the Public Health Service Act).

''(3) CLEARANCE AND REHABILITATION OF BUILDINGS.—The clearance, removal, and rehabilitation of buildings and improvements located within the new town demonstration area, including interim assistance, assistance for facilities for coordinating and providing activities and services for high risk youth (as such term is defined in section 509A [now 517] of the Public Health Service Act), and assistance to privately owned buildings and improvements.

''(4) PROVISION OF PUBLIC SERVICES AND HOUSING.—

''(A) PUBLIC SERVICES.—The provision of public services within the new town demonstration area that are concerned with job training and retraining, health care and education, crime prevention, drug abuse treatment and rehabilitation, child care, education, and recreation, which may include the provision of public health and public safety vehicles.

''(B) HOUSING ACTIVITIES.—The acquisition and rehabilitation of housing for low- and moderate-income families within the new town demonstration area, except that any grantee that uses amounts received under this section for housing activities under this subparagraph shall make not less than 15 percent of the amount used for such housing activities available only for community housing development organizations and nonprofit organizations (as such terms are defined in section 104 of the Cranston-Gonzalez National Affordable Housing Act [42 U.S.C. 12704]) for such activities;

''(C) LIMITATION.—Not more than 25 percent of the amount of any assistance provided under this section (including program income) to any unit of general local government may be used for activities under this paragraph.

''(5) RELOCATION ASSISTANCE.—Relocation payments and assistance for individuals, families, business, and organizations that are displaced as a result of activities assisted under this title.

''(6) PAYMENT OF ADMINISTRATIVE EXPENSES.—Payment of reasonable administrative costs associated with activities assisted under this section and any expenses of developing the new town plan under section 1102.

''(f) ALLOCATION OF ASSISTANCE.—The Secretary may not provide more than 50 percent of any amounts appropriated under this section in connection with any one of the 2 new town demonstration programs carried out under this title.

''(g) OTHER REQUIREMENTS.—The provisions of subsections (f), (g), and (h) of section 104, subsections (c) and (d) of section 105, section 107, 108, 109, and 110 of the bill, H.R. 4073, 102d Congress (as reported on March 14, 1992 [May 14, 1992, H. Rept. No. 102–524], by the Committee on Banking, Finance and Urban Affairs of the House of Representatives), shall apply to grantees receiving assistance under this section.

''(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for fiscal years 1993 and 1994 such sums as may be necessary for assistance under this section.

''SEC. 1107. GOVERNING BOARDS.

''(a) PURPOSE.—For purposes of this title, a governing board shall be a board organized for the purpose of developing a new town plan under this title and carrying out a new town development demonstration under this title.

''(b) MEMBERSHIP.—Each governing board shall consist of not less than 10 members, who shall include—

''(1) residents of the area in which the new town demonstration area under the plan developed by the board is located;

''(2) owners of business in such area;

''(3) leaders or participants in community groups in such area; and

''(4) representatives of financial institutions located or having offices in such area.

''(c) ORGANIZATION.—A governing board may organize itself and conduct business in the manner that the board determines is appropriate to carry out the new town development demonstration under this title.

''SEC. 1108. REPORTS.

''Each governing board carrying out a new town development demonstration under this title shall submit to the Congress a copy of the new town plan of the governing board, upon the approval of that plan under section 1102(d).

''SEC. 1109. DEFINITIONS.

''For purposes of this title:

''(1) DEMONSTRATION PROGRAM.—The terms 'demonstration program' and 'program' mean a new town development demonstration program receiving assistance under this title, which is carried out within a new town demonstration area by a governing board.

''(2) GOVERNING BOARD.—The term 'governing board' means a board established under section 1107.

''(3) NEW TOWN DEMONSTRATION AREA.—The term 'new town demonstration area' means the area defined in a new town plan in which the new town development demonstration under the plan is to be carried out.

''(4) NEW TOWN PLAN.—The terms 'new town plan' and 'plan' mean a plan under section 1102 developed by a governing board.

''(5) UNIT OF GENERAL LOCAL GOVERNMENT.—The term 'unit of general local government' means any city, county, town, township, parish, village, or other general purpose political subdivision of the State of California.''

REPORTS OF COMPTROLLER GENERAL

Pub. L. 100–242, title V, § 515(e), Feb. 5, 1988, 101 Stat. 1933, which required the Comptroller General of the United States to triennially prepare and submit to Congress a comprehensive report evaluating the eligibility standards and selection criteria applicable under this section, terminated, effective May 15, 2000, pursuant to section 3003 of Pub. L. 104–66, as amended, set out as a note under section 1113 of Title 31, Money and Finance. See, also, item 14 on page 9 of House Document No. 103–7.

NEIGHBORHOOD DEVELOPMENT DEMONSTRATION

Section 123 of Pub. L. 98–181, as amended, which provided for a demonstration program to determine the feasibility of supporting eligible neighborhood development activities by providing Federal matching funds to eligible neighborhood development organizations, was transferred to section 5318a of this title.

## § 5318a. John Heinz Neighborhood Development Program

### (a) Definitions

For the purposes of this section:

(1) The term ''eligible neighborhood development activity'' means—

(A) creating permanent jobs in the neighborhood;

(B) establishing or expanding businesses within the neighborhood;

(C) developing, rehabilitating, or managing neighborhood housing stock;

(D) developing delivery mechanisms for essential services that have lasting benefit to the neighborhood; or

(E) planning, promoting, or financing voluntary neighborhood improvement efforts.

(2) The term ''eligible neighborhood development organization'' means—

(A)(i) an entity organized as a private, voluntary, nonprofit corporation under the laws of the State in which it operates;

(ii) an organization that is responsible to residents of its neighborhood through a governing body, not less than 51 per centum of the members of which are residents of the area served;

(iii) an organization that has conducted business for at least one year prior to the date of application for participation;

(iv) an organization that operates within an area that—

(I) meets the requirements for Federal assistance under section 5318 of this title;

(II) is designated as an enterprise zone under Federal law;

(III) is designated as an enterprise zone under State law and recognized by the Secretary for purposes of this section as a State enterprise zone; or

(IV) is a qualified distressed community within the meaning of section 1834a(b)(1) of title 12; and

(v) an organization that conducts one or more eligible neighborhood development activities that have as their primary beneficiaries low- and moderate-income persons, as defined in section 5302(a)(20) of this title; or

(B) any facility that provides small entrepreneurial business with affordable shared support services and business development services and meets the requirements of subparagraph (A).

(3) The term ''neighborhood development funding organization'' means—

(A) a depository institution the accounts of which are insured pursuant to the Federal Deposit Insurance Act [12 U.S.C. 1811 et seq.] or the Federal Credit Union Act [12 U.S.C. 1751 et seq.], and any subsidiary (as such term is defined in section 3(w) of the Federal Deposit Insurance Act [12 U.S.C. 1813(w)]) thereof;

(B) a depository institution holding company and any subsidiary thereof (as such term is defined in section 3(w) of the Federal Deposit Insurance Act [12 U.S.C. 1813(w)]); or

(C) a company at least 75 percent of the common stock of which is owned by one or more insured depository institutions or depository institution holding companies.

(4) The term ''Secretary'' means the Secretary of Housing and Urban Development.

**(b) Duties of Secretary**

(1) The Secretary shall carry out, in accordance with this section, a program to support eligible neighborhood development activities by providing Federal matching funds to eligible neighborhood development organizations on the basis of the monetary support such organizations have received from individuals, businesses, and nonprofit or other organizations in their neighborhoods, and from neighborhood development funding organizations, prior to receiving assistance under this section.

(2) The Secretary shall accept applications from eligible neighborhood development organizations for participation in the program. Eligible organizations may participate in more than one year of the program, but shall be required to submit a new application and to compete in the selection process for each program year. For fiscal year 1993 and thereafter, not more than 50 percent of the grants may be for multiyear awards.

(3) From the pool of eligible neighborhood development organizations submitting applications for participation in a given program year, the Secretary shall select participating organizations in an appropriate number through a competitive selection process. To be selected, an applicant shall—

(A) have demonstrated measurable achievements in one or more of the activities specified in subsection (a)(1) of this section;

(B) specify a business plan for accomplishing one or more of the activities specified in subsection (a)(1) of this section;

(C) specify a strategy for achieving greater long term private sector support, especially in cooperation with a neighborhood development funding organization, except that an eligible neighborhood development organization shall be deemed to have the full benefit of the cooperation of a neighborhood development funding organization if the eligible neighborhood development organization—

(i) is located in an area described in subsection (a)(2)(A)(iv) of this section that does not contain a neighborhood development funding organization; or

(ii) demonstrates to the satisfaction of the Secretary that it has been unable to obtain the cooperation of any neighborhood development funding organization in such area despite having made a good faith effort to obtain such cooperation; and

(D) specify a strategy for increasing the capacity of the organization.

**(c) Criteria for awarding grants**

The Secretary shall award grants under this section among the eligible neighborhood development organizations submitting applications for such grants on the basis of—

(1) the degree of economic distress of the neighborhood involved;

(2) the extent to which the proposed activities will benefit persons of low and moderate income;

(3) the extent of neighborhood participation in the proposed activities, as indicated by the proportion of the households and businesses in the neighborhood involved that are members of the eligible neighborhood development organization involved and by the extent of participation in the proposed activities by a neighborhood development funding organization that has a branch or office in the neighborhood, except that an eligible neighborhood development organization shall be deemed to have the full benefit of the participation of a neighborhood development funding organization if the eligible neighborhood development organization—

(A) is located in an[1] neighborhood that does not contain a branch or office of a neighborhood development funding organization; or

(B) demonstrates to the satisfaction of the Secretary that it has been unable to obtain the participation of any neighborhood development funding organization that has a branch or office in the neighborhood despite having made a good faith effort to obtain such participation; and

(4) the extent of voluntary contributions available for the purpose of subsection (e)(4) of this section, except that the Secretary shall waive the requirement of this subparagraph in the case of an application submitted by a small eligible neighborhood development organization, an application involving activities in a very low-income neighborhood, or an application that is especially meritorious.

**(d) Consultation with informal working group**

The Secretary shall consult with an informal working group representative of eligible neighborhood organizations with respect to the implementation and evaluation of the program established in this section.

**(e) Matching funds for participating organizations**

(1) The Secretary shall assign each participating organization a defined program year, during which time voluntary contributions from individuals, businesses, and nonprofit or other organizations in the neighborhood, and from neighborhood development funding organizations, shall be eligible for matching.

(2) Subject to paragraph (3), at the end of each three-month period occurring during the program year, the Secretary shall pay to each participating neighborhood development organization the product of—

(A) the aggregate amount of voluntary contributions that such organization certifies to the satisfaction of the Secretary it received during such three-month period; and

(B) the matching ratio established for such test neighborhoods under paragraph (4).

(3) The Secretary shall pay not more than $50,000 under this section to any participating neighborhood development organization during a single program year, except that, if appropriations for this section exceed $3,000,000, the Secretary may pay not more than $75,000 to any participating neighborhood development organization.

(4) For purposes of paragraph (2), the Secretary shall, for each participating organization, determine an appropriate ratio by which monetary contributions made to participating neighborhood development organizations will be matched by Federal funds. The highest such ratios shall be established for neighborhoods having the smallest number of households or the greatest degree of economic distress.

(5) The Secretary shall insure that—

(A) grants and other forms of assistance may be made available under this section only if the application contains a certification by the unit of general local government within which the neighborhood to be assisted is located that such assistance is not inconsistent with the comprehensive housing affordability strategy of such unit approved under section 12705 of this title or the statement of community development activities and community development plans of the unit submitted under section 5304(m) of this title, except that the failure of a unit of general local government to respond to a request for a certification within thirty days after the request is made shall be deemed to be a certification; and

(B) eligible neighborhood development activities comply with all applicable provisions of the Civil Rights Act of 1964 [42 U.S.C. 2000a et seq.].

(6) To carry out this section, the Secretary—

(A) may issue regulations as necessary;

(B) shall utilize, to the fullest extent practicable, relevant research previously conducted by Federal agencies, State and local governments, and private organizations and persons;

(C) shall disseminate information about the kinds of activities, forms of organizations, and fund-raising mechanisms associated with successful programs; and

(D) may use not more than 5 per centum of the funds appropriated for administrative or other expenses in connection with the program.

**(f) Authorization**

Of the amounts made available for assistance under section 5303 of this title, $1,000,000 for fiscal year 1993 (in addition to other amounts provided for such fiscal year) and $3,000,000 for fiscal year 1994 shall be available to carry out this section.

**(g) Short title**

This section may be cited as the ''John Heinz Neighborhood Development Act''.

(Pub. L. 98–181, title I, § 123, Nov. 30, 1983, 97 Stat. 1172; Pub. L. 98–479, title I, § 101(b)(2), (3), Oct. 17, 1984, 98 Stat. 2220; Pub. L. 100–242, title V, §§ 521, 525, Feb. 5, 1988, 101 Stat. 1938, 1939; Pub. L. 101–625, title IX, § 915, Nov. 28, 1990, 104 Stat. 4395; Pub. L. 102–550, title VIII, § 832, Oct. 28, 1992, 106 Stat. 3852; Pub. L. 105–362, title VII, § 701(d), Nov. 10, 1998, 112 Stat. 3287.)

REFERENCES IN TEXT

The Federal Deposit Insurance Act, referred to in subsec. (a)(3)(A), is act Sept. 21, 1950, ch. 967, § 2, 64 Stat. 873, as amended, which is classified generally to chapter 16 (§ 1811 et seq.) of Title 12, Banks and Banking. For complete classification of this Act to the Code, see Short Title note set out under section 1811 of Title 12 and Tables.

The Federal Credit Union Act, referred to in subsec. (a)(3)(A), is act June 26, 1934, ch. 750, 48 Stat. 1216, as amended, which is classified generally to chapter 14 (§ 1751 et seq.) of Title 12. For complete classification of this Act to the Code, see section 1751 of Title 12 and Tables.

The Civil Rights Act of 1964, referred to in subsec. (e)(5)(B), is Pub. L. 88–352, July 2, 1964, 78 Stat. 241, as amended, which is classified principally to subchapters II to IX (§ 2000a et seq.) of chapter 21 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 2000a of this title and Tables.

[1] So in original. Probably should be ''a''.

CODIFICATION

Section was enacted as the John Heinz Neighborhood Development Act and also as part of the Housing and Urban-Rural Recovery Act of 1983, the Domestic Housing and International Recovery and Financial Stability Act, and the Supplemental Appropriations Act, 1984, and not as part of the Housing and Community Development Act of 1974 which comprises this chapter.

Section was formerly set out as a note under section 5318 of this title.

AMENDMENTS

1998—Subsecs. (f) to (h). Pub. L. 105–362 redesignated subsecs. (g) and (h) as (f) and (g), respectively, and struck out former subsec. (f) which read as follows: ''The Secretary shall submit a report to the Congress, not later than 3 months after the end of each fiscal year in which payments are made under this section, regarding the program under this section. The report shall contain a summary of the activities carried out under this section during such fiscal year and any findings, conclusions, and recommendations for legislation regarding the program.''

1992—Pub. L. 102–550, § 832(b)(1), substituted ''John Heinz Neighborhood Development Program'' for ''Neighborhood Development Demonstration'' as section catchline.

Subsec. (a)(2). Pub. L. 102–550, § 832(d)(1)–(3), (4), redesignated subpars. (A) to (E) of par. (2) as cls. (i) to (v), respectively, of subpar. (A) of par. (2) and added subpar. (B).

Subsec. (a)(2)(A)(iii). Pub. L. 102–550, § 832(g)(1), substituted ''one year'' for ''three years''.

Subsec. (a)(2)(A)(iv). Pub. L. 102–550, § 832(e)(1), added cl. (iv) and struck out former cl. (iv) which read as follows: ''an organization that operates within an area that meets the requirements for Federal assistance under section 5318 of this title; and''.

Subsec. (a)(3), (4). Pub. L. 102–550, § 832(e)(2), (3), added par. (3) and redesignated former par. (3) as (4).

Subsec. (b)(1). Pub. L. 102–550, § 832(f)(1), inserted '', and from neighborhood development funding organizations,'' after ''neighborhoods''.

Pub. L. 102–550, § 832(b)(2), (3), struck out ''demonstration'' before ''program'' and substituted ''to support eligible'' for ''to determine the feasibility of supporting eligible''.

Subsec. (b)(2). Pub. L. 102–550, § 832(b)(2), (g)(2), struck out ''demonstration'' before ''program.'' and substituted ''For fiscal year 1993 and thereafter, not more than 50 percent'' for ''Not more than 30 per centum''.

Subsec. (b)(3)(B). Pub. L. 102–550, § 832(f)(2)(A), struck out ''and'' at end.

Subsec. (b)(3)(C). Pub. L. 102–550, § 832(f)(2)(B), substituted '', especially in cooperation with a neighborhood development funding organization, except that an eligible neighborhood development organization shall be deemed to have the full benefit of the cooperation of a neighborhood development funding organization if the eligible neighborhood development organization—'' and cls. (i) and (ii) for period at end.

Subsec. (b)(3)(D). Pub. L. 102–550, § 832(f)(2)(C), added subpar. (D).

Subsec. (c)(3). Pub. L. 102–550, § 832(f)(3), inserted before semicolon ''and by the extent of participation in the proposed activities by a neighborhood development funding organization that has a branch or office in the neighborhood, except that an eligible neighborhood development organization shall be deemed to have the full benefit of the participation of a neighborhood development funding organization if the eligible neighborhood development organization—'' and subpars. (A) and (B).

Subsec. (e)(1). Pub. L. 102–550, § 832(f)(4), inserted '', and from neighborhood development funding organizations,'' after ''neighborhood''.

Subsec. (e)(3). Pub. L. 102–550, § 832(b)(4), inserted before period '', except that, if appropriations for this section exceed $3,000,000, the Secretary may pay not more than $75,000 to any participating neighborhood development organization''.

Subsec. (e)(5)(A). Pub. L. 102–550, § 832(c), substituted ''comprehensive housing affordability strategy of such unit approved under section 12705 of this title or the statement of community development activities and community development plans of the unit submitted under section 5304(m) of this title'' for ''housing and community development plans of such unit''.

Subsec. (e)(6)(C). Pub. L. 102–550, § 832(b)(5)(A), inserted ''and'' after ''programs;''.

Subsec. (e)(6)(D), (E). Pub. L. 102–550, § 832(b)(5)(B)–(D), redesignated subpar. (E) as (D), substituted ''program'' for ''demonstration'', and struck out former subpar. (D) which read as follows: ''shall undertake any other activity the Secretary deems necessary to carry out this section, which shall include an evaluation and report to Congress on the demonstration and may include the performance of research, planning, and administration, either directly, or when in the Secretary's judgment such activity will be carried out more effectively, more rapidly, or at less cost, by contract or grant; and''.

Subsec. (f). Pub. L. 102–550, § 832(b)(6), added subsec. (f) and struck out former subsec. (f) which read as follows: ''The Secretary shall submit to the Congress—

''(1) not later than three months after the end of each fiscal year in which payments are made under this section, an interim report containing a summary of the activities carried out under this section during such fiscal year and any preliminary findings or conclusions drawn from the demonstration program; and

''(2) not later than March 15 of the year after the end of the last fiscal year in which such payments are made, a final report containing a summary of all activities carried out under this section, the evaluation required in subsection (e)(6)(D) of this section and any findings, conclusions, or recommendations for legislation drawn from the demonstration program.''

Subsec. (g). Pub. L. 102–550, § 832(a), amended subsec. (g) generally. Prior to amendment, subsec. (g) read as follows: ''To the extent provided in appropriations Acts, of the amounts made available for assistance under section 5303 of this title, $2,000,000 for fiscal year 1991 and $2,000,000 for fiscal year 1992 shall be available to carry out this section.''

Subsec. (h). Pub. L. 102–550, § 832(b)(7), added subsec. (h).

1990—Subsec. (g). Pub. L. 101–625 amended subsec. (g) generally. Prior to amendment, subsec. (g) read as follows: ''There are authorized to be appropriated to carry out this section $2,000,000 for fiscal year 1988, and $2,000,000 for fiscal year 1989.''

1988—Subsec. (e)(3). Pub. L. 100–242, § 525, substituted ''under this section'' for ''under this Act''.

Subsec. (g). Pub. L. 100–242, § 521, amended subsec. (g) generally. Prior to amendment, subsec. (g) read as follows: ''For purposes of carrying out this section, there are authorized to be appropriated not to exceed $2,000,000 for each of the fiscal years 1984 and 1985.''

1984—Subsec. (b)(3)(A), (B). Pub. L. 98–479, § 101(b)(2), substituted ''subsection (a)(1)'' for ''subsection (a)(4)'' wherever appearing.

Subsec. (c). Pub. L. 98–479, § 101(b)(3), struck out ''(1)'' before ''The Secretary shall award'' and redesignated subpars. (A) to (D) as pars. (1) to (4), respectively.

## § 5319. Community participation in programs

No community shall be barred from participating in any program authorized under this chapter solely on the basis of population, except as expressly authorized by statute.

(Pub. L. 93–383, title I, § 120, as added Pub. L. 95–557, title I, § 103(i), Oct. 31, 1978, 92 Stat. 2084.)

REFERENCES IN TEXT

This chapter, referred to in text, was in the original ''this title'', meaning title I of Pub. L. 93–383, Aug. 22,

1974, 88 Stat. 633, which is classified principally to this chapter. For complete classification of title I to the Code, see Tables.

EFFECTIVE DATE

Section effective Oct. 1, 1978, see section 104 of Pub. L. 95–557, set out as an Effective Date of 1978 Amendment note under section 1709 of Title 12, Banks and Banking.

### § 5320. Historic preservation requirements

#### (a) Regulations

With respect to applications for assistance under section 5318 of this title, the Secretary of the Interior, after consulting with the Secretary, shall prescribe and implement regulations concerning projects funded under section 5318 of this title and their relationship with—

(1) ''An Act to establish a program for the preservation of additional historic properties throughout the Nation, and for other purposes'', approved October 14, 1966, as amended [16 U.S.C. 470 et seq.]; and

(2) ''An Act to provide for the preservation of historical and archaeological data (including relics and specimens) which might otherwise be lost as a result of the construction of a dam'', approved June 27, 1960, as amended [16 U.S.C. 469 to 469c–1].

#### (b) Actions by State historic preservation officer and Secretary of the Interior

In prescribing and implementing such regulations with respect to applications submitted under section 5318 of this title which identify any property pursuant to subsection (c)(4)(B) of such section, the Secretary of the Interior shall provide at least that—

(1) the appropriate State historic preservation officer (as determined in accordance with regulations prescribed by the Secretary of the Interior) shall, not later than 45 days after receiving information from the applicant relating to the identification of properties which will be affected by the project for which the application is made and which may meet the criteria established by the Secretary of the Interior for inclusion on the National Register of Historic Places (together with documentation relating to such inclusion), submit his or her comments, together with such other information considered necessary by the officer, to the applicant concerning such properties; and

(2) the Secretary of the Interior shall, not later than 45 days after receiving from the applicant the information described in paragraph (1) and the comments submitted to the applicant in accordance with paragraph (1), make a determination as to whether any of the properties affected by the project for which the application is made is eligible for inclusion on the National Register of Historic Places.

#### (c) Regulations by Advisory Council on Historic Preservation providing for expeditious action

The Advisory Council on Historic Preservation shall prescribe regulations providing for expeditious action by the Council in making its comments under section 106 of the Act [16 U.S.C. 470f] referred to in subsection (a)(1) in the case of properties which are included on, or eligible for inclusion on, the National Register of Historic Places and which are affected by a project for which an application is made under section 5318 of this title.

(Pub. L. 93–383, title I, § 121, as added Pub. L. 96–399, title I, § 110(c), Oct. 8, 1980, 94 Stat. 1620; amended Pub. L. 97–35, title III, § 308(b), Aug. 13, 1981, 95 Stat. 396.)

REFERENCES IN TEXT

''An Act to establish a program for the preservation of additional historic properties throughout the Nation, and for other purposes'', approved October 14, 1966, as amended, referred to in subsec. (a)(1), probably means Pub. L. 89–665, Oct. 15, 1966, 80 Stat. 915, as amended, known as the National Historic Preservation Act, which is classified generally to subchapter II (§ 470 et seq.) of chapter 1A of Title 16, Conservation. For complete classification of this Act to the Code see section 470(a) of Title 16 and Tables.

''An Act to provide for the preservation of historical and archaeological data (including relics and specimens) which might otherwise be lost as a result of the construction of a dam'', approved June 27, 1960, as amended, referred to in subsec. (a)(2), is Pub. L. 86–523, June 27, 1960, 74 Stat. 220, as amended, which enacted sections 469 to 469c–1 of Title 16. For complete classification of this Act, see Tables.

AMENDMENTS

1981—Subsec. (b). Pub. L. 97–35 substituted ''subsection (c)(4)(B)'' for ''subsection (c)(7)(B)''.

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97–35 effective on effective date of regulations implementing such amendments, see section 308(c) of Pub. L. 97–35, set out as a note under section 5318 of this title.

### § 5321. Suspension of requirements for disaster areas

For funds designated under this chapter by a recipient to address the damage in an area for which the President has declared a disaster under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act [42 U.S.C. 5170 et seq.], the Secretary may suspend all requirements for purposes of assistance under section 5306 of this title for that area, except for those related to public notice of funding availability, nondiscrimination, fair housing, labor standards, environmental standards, and requirements that activities benefit persons of low- and moderate-income.

(Pub. L. 93–383, title I, § 122, as added Pub. L. 103–233, title II, § 234, Apr. 11, 1994, 108 Stat. 369.)

REFERENCES IN TEXT

This chapter, referred to in text, was in the original ''this title'', meaning title I of Pub. L. 93–383, Aug. 22, 1974, 88 Stat. 633, which is classified principally to this chapter. For complete classification of title I to the Code, see Tables.

The Robert T. Stafford Disaster Relief and Emergency Assistance Act, referred to in text, is Pub. L. 93–288, May 22, 1974, 88 Stat. 143, as amended. Title IV of the Act is classified generally to subchapter IV (§ 5170 et seq.) of chapter 68 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 5121 of this title and Tables.

EFFECTIVE DATE

Section applicable with respect to any amounts made available to carry out subchapter II (§ 12721 et seq.) of

chapter 130 of this title after Apr. 11, 1994, and any amounts made available to carry out that subchapter before that date that remain uncommitted on that date, with Secretary to issue any regulations necessary to carry out this section not later than end of 45-day period beginning on that date, see section 209 of Pub. L. 103–233, set out as an Effective Date of 1994 Amendment note under section 5301 of this title.

## CHAPTER 70—MANUFACTURED HOME CONSTRUCTION AND SAFETY STANDARDS

Sec.
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### § 5401. Findings and purposes

#### (a) Findings

Congress finds that—

(1) manufactured housing plays a vital role in meeting the housing needs of the Nation; and

(2) manufactured homes provide a significant resource for affordable homeownership and rental housing accessible to all Americans.

#### (b) Purposes

The purposes of this chapter are—

(1) to protect the quality, durability, safety, and affordability of manufactured homes;

(2) to facilitate the availability of affordable manufactured homes and to increase homeownership for all Americans;

(3) to provide for the establishment of practical, uniform, and, to the extent possible, performance-based Federal construction standards for manufactured homes;

(4) to encourage innovative and cost-effective construction techniques for manufactured homes;

(5) to protect residents of manufactured homes with respect to personal injuries and the amount of insurance costs and property damages in manufactured housing, consistent with the other purposes of this section;

(6) to establish a balanced consensus process for the development, revision, and interpretation of Federal construction and safety standards for manufactured homes and related regulations for the enforcement of such standards;

(7) to ensure uniform and effective enforcement of Federal construction and safety standards for manufactured homes; and

(8) to ensure that the public interest in, and need for, affordable manufactured housing is duly considered in all determinations relating to the Federal standards and their enforcement.

(Pub. L. 93–383, title VI, § 602, Aug. 22, 1974, 88 Stat. 700; Pub. L. 96–399, title III, § 308(c)(4), Oct. 8, 1980, 94 Stat. 1641; Pub. L. 97–35, title III, § 339B(c), Aug. 13, 1981, 95 Stat. 417; Pub. L. 106–569, title VI, § 602, Dec. 27, 2000, 114 Stat. 2997.)

AMENDMENTS

2000—Pub. L. 106–569 amended section catchline and text generally. Prior to amendment, text read as follows: ''The Congress declares that the purposes of this chapter are to reduce the number of personal injuries and deaths and the amount of insurance costs and property damage resulting from manufactured home accidents and to improve the quality and durability of manufactured homes. Therefore, the Congress determines that it is necessary to establish Federal construction and safety standards for manufactured homes and to authorize manufactured home safety research and development.''

1980—Pub. L. 96–399 substituted ''manufactured home'' for ''mobile home'' wherever appearing.

EFFECTIVE DATE OF 2000 AMENDMENT

Pub. L. 106–569, title VI, § 612, Dec. 27, 2000, 114 Stat. 3012, provided that: ''The amendments made by this title [see Short Title of 2000 Amendment note below] shall take effect on the date of the enactment of this Act [Dec. 27, 2000], except that the amendments shall have no effect on any order or interpretative bulletin that is issued under the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5401 et seq.) and published as a proposed rule pursuant to section 553 of title 5, United States Code, on or before that date of the enactment.''

EFFECTIVE DATE

Pub. L. 93–383, title VI, § 627, formerly § 628, Aug. 22, 1974, 88 Stat. 714, renumbered § 627, Pub. L. 106–569, title VI, § 611(2), Dec. 27, 2000, 114 Stat. 3012, provided that: ''The provisions of this title [enacting this chapter and provisions set out as a note under this section] shall take effect upon the expiration of 180 days following the date of enactment of this title [Aug. 22, 1974].''

SHORT TITLE OF 2000 AMENDMENT

Pub. L. 106–569, title VI, § 601(a), Dec. 27, 2000, 114 Stat. 2997, provided that: ''This title [amending this section and sections 5402 to 5404, 5406, 5407, 5409, 5412 to 5415,