

## SUBCHAPTER A—SLUM CLEARANCE AND URBAN RENEWAL

### PARTS 500–509 [RESERVED]

#### PART 510—SECTION 312 REHABILITATION LOAN PROGRAM

AUTHORITY: 42 U.S.C. 1452b and 3535(d).

##### §510.1 Multi-family property loans.

(a) In cases in which a corporation is a borrower on a section 312 loan, the Assistant Secretary for CPD or his designee may require an officer of the corporation or a principal stockholder to personally guarantee the section 312 loan or to cosign the loan note as a borrower, where necessary to make the finding of acceptable risk required for assumption of the loan.

(b) All partners of any partnership which is a borrower on a section 312 loan shall be personally liable for repayment of the section 312 loan. Limited partners shall assume personal liability by co-signing the loan note as a borrower or by personally guaranteeing the loan.

(c) Any personal guarantee or endorsement shall not relieve the partnership or corporate borrower from securing the section 312 loan by a mortgage or deed of trust on the property to be rehabilitated.

[44 FR 21751, Apr. 11, 1979, as amended at 44 FR 47513, Aug. 13, 1979; 44 FR 55562, Sept. 27, 1979. Redesignated and amended at 61 FR 7061, Feb. 23, 1996]

#### PART 511—RENTAL REHABILITATION GRANT PROGRAM

##### Subpart A—General

Sec.

511.1 Applicability and purpose.

511.2 Definitions.

511.3–511.5 [Reserved]

##### Subpart B—Program Requirements

511.10 Grant requirements.

511.11 Project requirements.

511.12 Conflicts of interest.

511.13 Nondiscrimination, equal opportunity, and affirmative marketing requirements.

511.14 Tenant assistance, displacement, relocation, and acquisition.

511.15 Lead-based paint.

511.16 Other Federal requirements.

##### Subpart C [Reserved]

##### Subpart D—Allocation Formula and Reallocations

511.30–511.31 [Reserved]

511.33 Deobligation of rental rehabilitation grant amounts.

511.34 [Reserved]

##### Subpart E [Reserved]

##### Subpart F—State Program

511.50 State election to administer a rental rehabilitation program.

511.51 State-administered program.

511.52 [Reserved]

##### Subpart G [Reserved]

##### Subpart H—Grant Administration

511.70 Responsibility for grant administration.

511.71 Administrative costs.

511.72 Applicability of uniform Federal administrative requirements.

511.73 Grantee records.

511.74 Audit.

511.75 Disbursement of rental rehabilitation grant amounts: Cash and Management Information System.

511.76 Program income.

511.77 Grant closeout.

##### Subpart I—Grantee Performance: Review, Reporting and Corrective or Remedial Actions

511.80 Performance review.

511.81 Grantee reports to HUD.

511.82 Corrective and remedial actions.

AUTHORITY: 42 U.S.C. 1437o and 3535(d).

SOURCE: 55 FR 20050, May 14, 1990, unless otherwise noted.

##### Subpart A—General

##### §511.1 Applicability and purpose.

(a) This part implements the Rental Rehabilitation Program (RRP) contained in section 17 of the United States Housing Act of 1937, as amended (the “Act”). As more fully described in this part, the Act authorizes the Secretary of Housing and Urban Development to make rental rehabilitation

## §511.2

## 24 CFR Ch. V (4-1-10 Edition)

grants to help support the rehabilitation of eligible real property to be used for primarily residential rental purposes, and to pay for eligible administrative costs of grantees (not to exceed 10 percent of a grantee's initial grant obligation for Fiscal Year 1988 and later years). Grants are made on a formula basis to cities having populations of 50,000 or more, urban counties, States, and qualifying consortia of geographically proximate units of general local government. States may use all or part of their grants to carry out their own rental rehabilitation programs or to distribute them to eligible units of general local government. HUD will administer a State's grant if the State chooses not to do so.

(b) The purpose of the Program is to help provide affordable, standard permanent housing for low-income families and to increase the availability of housing units for use by housing voucher and certificate holders under section 8 of the United States Housing Act of 1937. Subject to rules for the tenant-based Certificate Program (24 CFR part 882) and for the Housing Voucher Program (24 CFR part 887), certificates and housing vouchers must be allocated to ensure that sufficient resources are available for families in Rental Rehabilitation projects who are required to move out of their units because of the physical rehabilitation activities or because of overcrowding; and at the PHA's discretion, to assist eligible families whose post-rehabilitation rents would be greater than 30 percent of their adjusted incomes.

### §511.2 Definitions.

The terms *HUD* and *Public Housing Agency (PHA)* are defined in 24 CFR part 5.

*Administrative costs* means eligible administrative costs as described in §511.71.

*C/MI System* means the Cash and Management Information System for drawdown of Rental Rehabilitation grant amounts and collection of program information described in §511.75.

*Certificate* means the document issued by a PHA to a family eligible for participation in the tenant-based Section 8 Certificate Program under 24 CFR part 882.

*Chief executive officer* of a governmental entity means the elected official, or the legally designated official, who has the primary responsibility for the conduct of that entity's governmental affairs. Examples of the "chief executive officer" are: The elected mayor of a municipality; the elected county executive of a county; the chairperson of a county commission or board in a county that has no elected county executive; the official designated under law by the governing body of the unit of general local government; and the Governor of a State.

*City* means a unit of general local government that was classified as a city under section 102(a)(5) of the Housing and Community Development Act of 1974 for purposes of the Community Development Block Grant (CDBG) Entitlement Program for the fiscal year immediately preceding the fiscal year for which rental rehabilitation grant amounts are made available.

*Commit to a specific local project or commitment* means:

(a) For a project which is privately owned when the commitment is made, a written legally binding agreement between a grantee (or in the case of a State distributing rental rehabilitation grant amounts to units of general local government, a State recipient) and the project owner under which the grantee or State recipient agrees to provide rental rehabilitation grant amounts to the owner for an identifiable rehabilitation project that can reasonably be expected to start construction within 90 days of the agreement and in which the owner agrees to start construction within that period; or

(b) For a project that is publicly owned when the commitment is made, the Pre-Rehabilitation Report submitted under the C/MI System which identifies a specific rehabilitation project that will start rehabilitation within 90 days of receipt of the Pre-Rehabilitation Report. Under both paragraphs (a) and (b) of this definition, the date HUD enters into the C/MI System an acceptable Pre-Rehabilitation Report for a project is deemed to be the date of project commitment.

*Completion of rehabilitation* means all necessary rehabilitation work has been performed and the project in HUD's