a. In general
For a period of 24 months after funds under part A of this subchapter are made available to a jurisdiction, the jurisdiction shall reserve not less than 15 percent of such funds for investment only in housing to be developed, sponsored, or owned by community housing development organizations. Each participating jurisdiction shall make reasonable efforts to identify community housing development organizations that are capable or can reasonably be expected to become capable of carrying out elements of the jurisdiction’s housing strategy and to encourage such community housing development organizations to do so. If during the first 24 months of its participation under this subchapter, a participating jurisdiction is unable to identify a sufficient number of capable community housing development organizations, then up to 20 percent of the funds allocated to that jurisdiction under this section, but not to exceed $150,000, may be made available to carry out activities that develop the capacity of community housing development organizations in that jurisdiction. A participating jurisdiction is authorized to enter into contracts with community housing development organizations to carry out this section.

b. Recapture and reuse
If any funds reserved under subsection (a) of this section remain uninvested for a period of 24 months, then the Secretary shall deduct such funds from the line of credit in the participating jurisdiction’s HOME Investment Trust Fund and make such funds available by direct reallocation:
1. to other participating jurisdictions for affordable housing developed, sponsored or owned by community housing development organizations, or
2. to nonprofit intermediary organizations to carry out activities that develop the capacity of community housing development organizations consistent with section 12773 of this title, with preference to community housing development organizations serving the jurisdiction from which the funds were recaptured.

c. Direct reallocation criteria
Insofar as practicable, direct reallocations under this section shall be made according to the selection criteria established under section 12747(c) of this title.
Amendments

1992--Subsec. (a). Pub. L. 102-550 substituted "24" for "18" in first sentence and inserted after second sentence "If during the first 24 months of its participation under this subchapter, a participating jurisdiction is unable to identify a sufficient number of capable community housing development organizations, then up to 20 percent of the funds allocated to that jurisdiction under this section, but not to exceed $150,000, may be made available to carry out activities that develop the capacity of community housing development organizations in that jurisdiction." Subsec. (b). Pub. L. 102-550, Sec. 212(a), substituted "24" for "18".

Effective Date of 1992 Amendment

Amendment by Pub. L. 102-550 applicable to unexpended funds allocated under subchapter II of this chapter in fiscal year 1992, except as otherwise specifically provided, see section 223 of Pub. L. 102-550, set out as a note under section 12704 of this title.

Section Referred to in Other Sections

This section is referred to in section 12772 of this title.
provide technical assistance and site control loans to community housing development organizations in the early stages of site development for an eligible project. Such loans shall not exceed amounts that the jurisdiction determines to be customary and reasonable project preparation costs allowable under paragraph (2).

2. Allowable expenses
   A loan under this subsection may be provided to cover project expenses necessary to determine project feasibility (including costs of an initial feasibility study), consulting fees, costs of preliminary financial applications, legal fees, architectural fees, engineering fees, engagement of a development team, site control and title clearance.

3. Repayment
   A community housing development organization that receives a loan under this subsection shall repay the loan to the participating jurisdiction's HOME Investment Trust Fund from construction loan proceeds or other project income. The participating jurisdiction may waive repayment of the loan, in part or in whole, if there are impediments to project development that the participating jurisdiction determines are reasonably beyond the control of the borrower.

c. Project-specific seed money loans
   1. In general
      Amounts reserved under section 12771 of this title may be used to provide loans to community housing development organizations to cover preconstruction project costs that the jurisdiction determines to be customary and reasonable, including, but not limited to the costs of obtaining firm construction loan commitments, architectural plans and specifications, zoning approvals, engineering studies and legal fees.
   2. Eligible sponsors
      A loan under this subsection may be provided only to a community housing development organization that has, with respect to the project concerned, site control, a preliminary financial commitment, and a capable development team.
   3. Repayment
      A community housing development organization that receives a loan under this subsection shall repay the loan to the jurisdiction's HOME Investment Trust Fund from construction loan proceeds or other project income. The participating jurisdiction may waive repayment of the loan, in part or in whole, if there are impediments to project development that the participating jurisdiction determines are reasonably beyond the control of the borrower.

TITLE 42--THE PUBLIC HEALTH AND WELFARE

CHAPTER 130--NATIONAL AFFORDABLE HOUSING

SUBCHAPTER II--INVESTMENT IN AFFORDABLE HOUSING

Part B--Community Housing Partnership

Sec. 233. Housing education and organizational support

a. In general
The Secretary is authorized to provide education and organizational support assistance, in conjunction with other assistance made available under this part--
1. to facilitate the education of low-income homeowners and tenants;
2. to promote the ability of community housing development organizations, including community land trusts, to maintain, rehabilitate and construct housing for low-income and moderate-income families in conformance with the requirements of this subchapter; and
3. to achieve the purposes under paragraphs (1) and (2) by helping women who reside in low- and moderate-income neighborhoods rehabilitate and construct housing in the neighborhoods.

b. Eligible activities
Assistance under this section may be used only for the following eligible activities:
1. Organizational support
Organizational support assistance may be made available to community housing development organizations to cover operational expenses and to cover expenses for training and technical, legal, engineering and other assistance to the board of directors, staff, and members of the community housing development organization.
2. Housing education
Housing education assistance may be made available to community housing development organizations to cover expenses for providing or administering programs for educating, counseling, or organizing homeowners and tenants who are eligible to receive assistance under other provisions of this subchapter.
3. Program-wide support of nonprofit development and management
Technical assistance, training, and continuing support may be made available to eligible community housing development organizations for managing and conserving properties developed under this subchapter.
4. Benevolent loan funds
Technical assistance may be made available to increase the investment of private capital in housing for very low-income families, particularly by encouraging the establishment of benevolent loan funds through which private financial institutions will accept deposits at
below-market interest rates and make those funds available at favorable rates to developers of low-income housing and to low-income homebuyers.

5. Community development banks and credit unions
Technical assistance may be made available to establish privately owned, local community development banks and credit unions to finance affordable housing.

6. Community land trusts
Organizational support, technical assistance, education, training, and continuing support under this subsection may be made available to community land trusts (as such term is defined in subsection (f) of this section) and to community groups for the establishment of community land trusts.

7. Facilitating women in homebuilding professions
Technical assistance may be made available to businesses, unions, and organizations involved in construction and rehabilitation of housing in low- and moderate-income areas to assist women residing in the area to obtain jobs involving such activities, which may include facilitating access by such women to, and providing, apprenticeship and other training programs regarding nontraditional skills, recruiting women to participate in such programs, providing continuing support for women at job sites, counseling and educating businesses regarding suitable work environments for women, providing information to such women regarding opportunities for establishing small housing construction and rehabilitation businesses, and providing materials and tools for training such women (in an amount not exceeding 10 percent of any assistance provided under this paragraph). The Secretary shall give priority under this paragraph to providing technical assistance for organizations rehabilitating single family or multifamily housing owned or controlled by the Secretary pursuant to title II of the National Housing Act [12 U.S.C. 1707 et seq.] and which have women members in occupations in which women constitute 25 percent or less of the total number of workers in the occupation (in this section referred to as "nontraditional occupations").

c. Delivery of assistance
The Secretary shall provide this assistance only through contract--
1. with a nonprofit intermediary organization that, in the determination of the Secretary--
   A. customarily provides, in more than one community, services related to the provision of decent housing that is affordable to low-income and moderate-income persons or the revitalization of deteriorating neighborhoods;
   B. has demonstrated experience in providing a range of assistance (such as financing, technical assistance, construction and property management assistance, capacity building and training) to community housing development organizations or similar organizations that engage in community revitalization;
   C. has demonstrated the ability to provide technical assistance and training for community-based developers of affordable housing;
D. has described the uses to which such assistance will be put and the intended beneficiaries of the assistance; and
E. in the case of activities under subsection (b)(7) of this section, is a community-based organization (as such term is defined in section 1503 of title 29) or public housing agency, which has demonstrated experience in preparing women for apprenticeship training in construction or administering programs for training women for construction or other nontraditional occupations (and such organizations may use assistance for activities under such subsection to employ women in housing construction and rehabilitation activities to the extent that the organization has the capacity to conduct such activities); or

2. with another organization, if a participating jurisdiction demonstrates that the organization is qualified to carry out eligible activities and that the jurisdiction would not be served in a timely manner by intermediaries specified under paragraph (1).

Contracts under paragraph (2) shall be for activities specified in an application from the participating jurisdiction, which application shall include a certification that the activities are necessary to the effective implementation of the participating jurisdiction's housing strategy.

d. Limitations
   Contracts under this section with any one contractor for a fiscal year may not-
   1. exceed 20 percent of the amount appropriated for this section for such fiscal year; or
   2. provide more than 20 percent of the operating budget (which shall not include funds that are passed through to community housing development organizations) of the contracting organization for any one year.

e. Single-State contractors
   Not less than 40 percent of the funds made available for this section in an appropriations Act in any fiscal year shall be made available for eligible contractors that have worked primarily in one State. The Secretary shall provide assistance under this section, to the extent applications are submitted and approved, to contractors in each of the geographic regions having a regional office of the Department of Housing and Urban Development.

f. "Community land trust" defined
   For purposes of this section, the term "community land trust" means a community housing development organization (except that the requirements
under subparagraphs (C) and (D) of section 12704(6) of this title shall not apply for purposes of this subsection)---

1. that is not sponsored by a for-profit organization;
2. that is established to carry out the activities under paragraph (3);
3. that--
   A. acquires parcels of land, held in perpetuity, primarily for conveyance under long-term ground leases;
   B. transfers ownership of any structural improvements located on such leased parcels to the lessees; and
   C. retains a preemptive option to purchase any such structural improvement at a price determined by formula that is designed to ensure that the improvement remains affordable to low- and moderate-income families in perpetuity;

4. whose corporate membership that is open to any adult resident of a particular geographic area specified in the bylaws of the organization; and
5. whose board of directors--
   A. includes a majority of members who are elected by the corporate membership; and
   B. is composed of equal numbers of (i) lessees pursuant to paragraph (3)(B), (ii) corporate members who are not lessees, and (iii) any other category of persons described in the bylaws of the organization.


References in Text

The National Housing Act, referred to in subsec. (b)(7), is act June 27, 1934, ch. 847, 48 Stat. 1246, as amended. Title II of the Act is classified principally to subchapter II (Sec. 1707 et seq.) of chapter 13 of Title 12, Banks and Banking. For complete classification of this Act to the Code, see section 1701 of Title 12 and Tables.

Amendments

Subsec. (e). Pub. L. 102-550, Sec. 213(b)(4), inserted at end "The Secretary shall provide assistance under this section, to the extent applications are submitted and approved, to contractors in each of the geographic regions having a regional office of the Department of Housing and Urban Development."
Effective Date of 1992 Amendment

Amendment by Pub. L. 102-550 applicable to unexpended funds allocated under subchapter II of this chapter in fiscal year 1992, except as otherwise specifically provided, see section 223 of Pub. L. 102-550, set out as a note under section 12704 of this title.

Section Referred to in Other Sections

This section is referred to in sections 12724, 12771 of this title.

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TITLE 42--THE PUBLIC HEALTH AND WELFARE

CHAPTER 130--NATIONAL AFFORDABLE HOUSING

SUBCHAPTER II--INVESTMENT IN AFFORDABLE HOUSING

Part B--Community Housing Partnership

Sec. 234. Other requirements

a. Tenant participation plan
A community housing development organization that receives assistance under this part shall provide a plan for and follow a program of tenant participation in management decisions and shall adhere to a fair lease and grievance procedure approved by the participating jurisdiction.

b. Limitation on assistance
A community housing development organization may not receive assistance under this subchapter for any fiscal year in an amount that provides more than 50 percent of the organization's total operating budget in the fiscal year or $50,000 annually, whichever is greater.

c. Adjustments of other assistance
The Secretary shall take account of assistance provided to a project under this part when adjusting other assistance to be provided to the project as required by section 3545(d) of this title.


Amendments
1992--Subsec. (b). Pub. L. 102-550 struck out ", together with other Federal assistance," after "in an amount that" and inserted before period "or $50,000 annually, whichever is greater".

Effective Date of 1992 Amendment

Amendment by Pub. L. 102-550 applicable to unexpended funds allocated under subchapter II of this chapter in fiscal year 1992, except as otherwise specifically provided, see section 223 of Pub. L. 102-550, set out as a note under section 12704 of this title.