

(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 develop-

ment 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 an¹ 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,