

provided under this subchapter for activities for families that are not low-income families.

**(C) Other families**

Notwithstanding paragraph (1), the Director may provide housing or housing assistance provided through affordable housing activities assisted with grant amounts under this subchapter to a family that is not composed of Native Hawaiians if—

(i) the Department determines that the presence of the family in the housing involved is essential to the well-being of Native Hawaiian families; and

(ii) the need for housing for the family cannot be reasonably met without the assistance.

**(D) Preference**

**(i) In general**

A housing plan submitted under section 4223 of this title may authorize a preference, for housing or housing assistance provided through affordable housing activities assisted with grant amounts provided under this subchapter to be provided, to the extent practicable, to families that are eligible to reside on the Hawaiian Home Lands.

**(ii) Application**

In any case in which a housing plan provides for preference described in clause (i), the Director shall ensure that housing activities that are assisted with grant amounts under this subchapter are subject to that preference.

**(E) Use of nonprofit organizations**

As a condition of receiving grant amounts under this subchapter, the Department of Hawaiian Home Lands, shall to the extent practicable, provide for private nonprofit organizations experienced in the planning and development of affordable housing for Native Hawaiians to carry out affordable housing activities with those grant amounts.

(Pub. L. 104-330, title VIII, § 809, as added Pub. L. 106-568, title II, § 203, Dec. 27, 2000, 114 Stat. 2885, and Pub. L. 106-569, title V, § 513, Dec. 27, 2000, 114 Stat. 2979.)

CODIFICATION

Pub. L. 106-568, § 203, and Pub. L. 106-569, § 513, enacted identical sections 809 of Pub. L. 104-330. This section is based on the text of section 809 of Pub. L. 104-330, as added by Pub. L. 106-569, § 513.

**§ 4229. Eligible affordable housing activities**

**(a) In general**

Affordable housing activities under this section are activities conducted in accordance with the requirements of section 4230 of this title to—

(1) develop or to support affordable housing for rental or homeownership; or

(2) provide housing services with respect to affordable housing, through the activities described in subsection (b) of this section.

**(b) Activities**

The activities described in this subsection are the following:

**(1) Development**

The acquisition, new construction, reconstruction, or moderate or substantial rehabilitation of affordable housing, which may include—

(A) real property acquisition;

(B) site improvement;

(C) the development of utilities and utility services;

(D) conversion;

(E) demolition;

(F) financing;

(G) administration and planning; and

(H) other related activities.

**(2) Housing services**

The provision of housing-related services for affordable housing, including—

(A) housing counseling in connection with rental or homeownership assistance;

(B) the establishment and support of resident organizations and resident management corporations;

(C) energy auditing;

(D) activities related to the provisions of self-sufficiency and other services; and

(E) other services related to assisting owners, tenants, contractors, and other entities participating or seeking to participate in other housing activities assisted pursuant to this section.

**(3) Housing management services**

The provision of management services for affordable housing, including—

(A) the preparation of work specifications;

(B) loan processing;

(C) inspections;

(D) tenant selection;

(E) management of tenant-based rental assistance; and

(F) management of affordable housing projects.

**(4) Crime prevention and safety activities**

The provision of safety, security, and law enforcement measures and activities appropriate to protect residents of affordable housing from crime.

**(5) Model activities**

Housing activities under model programs that are—

(A) designed to carry out the purposes of this subchapter; and

(B) specifically approved by the Secretary as appropriate for the purpose referred to in subparagraph (A).

(Pub. L. 104-330, title VIII, § 810, as added Pub. L. 106-568, title II, § 203, Dec. 27, 2000, 114 Stat. 2886, and Pub. L. 106-569, title V, § 513, Dec. 27, 2000, 114 Stat. 2980.)

CODIFICATION

Pub. L. 106-568, § 203, and Pub. L. 106-569, § 513, enacted identical sections 810 of Pub. L. 104-330. This section is based on the text of section 810 of Pub. L. 104-330, as added by Pub. L. 106-569, § 513.

**§ 4230. Program requirements**

**(a) Rents**

**(1) Establishment**

Subject to paragraph (2), as a condition to receiving grant amounts under this sub-

chapter, the Director shall develop written policies governing rents and homebuyer payments charged for dwelling units assisted under this subchapter, including methods by which such rents and homebuyer payments are determined.

**(2) Maximum rent**

In the case of any low-income family residing in a dwelling unit assisted with grant amounts under this subchapter, the monthly rent or homebuyer payment (as applicable) for that dwelling unit may not exceed 30 percent of the monthly adjusted income of that family.

**(b) Maintenance and efficient operation**

**(1) In general**

The Director shall, using amounts of any grants received under this subchapter, reserve and use for operating under section 4229 of this title such amounts as may be necessary to provide for the continued maintenance and efficient operation of such housing.

**(2) Disposal of certain housing**

This subsection may not be construed to prevent the Director, or any entity funded by the Department, from demolishing or disposing of housing, pursuant to regulations established by the Secretary.

**(c) Insurance coverage**

As a condition to receiving grant amounts under this subchapter, the Director shall require adequate insurance coverage for housing units that are owned or operated or assisted with grant amounts provided under this subchapter.

**(d) Eligibility for admission**

As a condition to receiving grant amounts under this subchapter, the Director shall develop written policies governing the eligibility, admission, and occupancy of families for housing assisted with grant amounts provided under this subchapter.

**(e) Management and maintenance**

As a condition to receiving grant amounts under this subchapter, the Director shall develop policies governing the management and maintenance of housing assisted with grant amounts under this subchapter.

(Pub. L. 104-330, title VIII, §811, as added Pub. L. 106-568, title II, §203, Dec. 27, 2000, 114 Stat. 2887, and Pub. L. 106-569, title V, §513, Dec. 27, 2000, 114 Stat. 2981.)

CODIFICATION

Pub. L. 106-568, §203, and Pub. L. 106-569, §513, enacted identical sections 811 of Pub. L. 104-330. This section is based on the text of section 811 of Pub. L. 104-330, as added by Pub. L. 106-569, §513.

**§ 4231. Types of investments**

**(a) In general**

Subject to section 4230 of this title and an applicable housing plan approved under section 4223 of this title, the Director shall have—

(1) the discretion to use grant amounts for affordable housing activities through the use of—

- (A) equity investments;
- (B) interest-bearing loans or advances;
- (C) noninterest-bearing loans or advances;
- (D) interest subsidies;
- (E) the leveraging of private investments;

or

(F) any other form of assistance that the Secretary determines to be consistent with the purposes of this subchapter; and

(2) the right to establish the terms of assistance provided with funds referred to in paragraph (1).

**(b) Investments**

The Director may invest grant amounts for the purposes of carrying out affordable housing activities in investment securities and other obligations, as approved by the Secretary.

(Pub. L. 104-330, title VIII, §812, as added Pub. L. 106-568, title II, §203, Dec. 27, 2000, 114 Stat. 2888, and Pub. L. 106-569, title V, §513, Dec. 27, 2000, 114 Stat. 2982.)

CODIFICATION

Pub. L. 106-568, §203, and Pub. L. 106-569, §513, enacted identical sections 812 of Pub. L. 104-330. This section is based on the text of section 812 of Pub. L. 104-330, as added by Pub. L. 106-569, §513.

**§ 4232. Low-income requirement and income targeting**

**(a) In general**

Housing shall qualify for affordable housing for purposes of this subchapter only if—

(1) each dwelling unit in the housing—

(A) in the case of rental housing, is made available for occupancy only by a family that is a low-income family at the time of the initial occupancy of that family of that unit; and

(B) in the case of housing for homeowner-ship, is made available for purchase only by a family that is a low-income family at the time of purchase; and

(2) each dwelling unit in the housing will remain affordable, according to binding commitments satisfactory to the Secretary, for—

(A) the remaining useful life of the property (as determined by the Secretary) without regard to the term of the mortgage or to transfer of ownership; or

(B) such other period as the Secretary determines is the longest feasible period of time consistent with sound economics and the purposes of this subchapter, except upon a foreclosure by a lender (or upon other transfer in lieu of foreclosure) if that action—

(i) recognizes any contractual or legal rights of any public agency, nonprofit sponsor, or other person or entity to take an action that would—

(I) avoid termination of low-income affordability, in the case of foreclosure; or

(II) transfer ownership in lieu of foreclosure; and

(ii) is not for the purpose of avoiding low-income affordability restrictions, as determined by the Secretary.