

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 homeownership, 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.

**(b) Exception**

Notwithstanding subsection (a), housing assistance pursuant to section 4228(a)(2)(B) of this title shall be considered affordable housing for purposes of this subchapter.

(Pub. L. 104-330, title VIII, §813, 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 813 of Pub. L. 104-330. This section is based on the text of section 813 of Pub. L. 104-330, as added by Pub. L. 106-569, §513.

**§ 4233. Lease requirements and tenant selection**

**(a) Leases**

Except to the extent otherwise provided by or inconsistent with the laws of the State of Hawaii, in renting dwelling units in affordable housing assisted with grant amounts provided under this subchapter, the Director, owner, or manager shall use leases that—

(1) do not contain unreasonable terms and conditions;

(2) require the Director, owner, or manager to maintain the housing in compliance with applicable housing codes and quality standards;

(3) require the Director, owner, or manager to give adequate written notice of termination of the lease, which shall be the period of time required under applicable State or local law;