

the residents of colonias in the State relating to water, sewage, and housing, the following percentage of the amount allocated for the State under section 106(d) of the Housing and Community Development Act of 1974 (42 U.S.C. 5306(d)):

“(1) FIRST FISCAL YEAR.—For the first fiscal year to which this section applies, 10 percent.

“(2) SUCCEEDING FISCAL YEARS.—For each of the succeeding fiscal years to which this section applies, a percentage (not to exceed 10 percent) that is determined by the Secretary of Housing and Urban Development to be appropriate after consultation with representatives of the interests of the residents of colonias.

“(b) ELIGIBLE ACTIVITIES.—Assistance distributed pursuant to this section may be used only to carry out the following activities:

“(1) PLANNING.—Payment of the cost of planning community development (including water and sewage facilities) and housing activities, including the cost of—

“(A) the provision of information and technical assistance to residents of the area in which the activities are to be concentrated and to appropriate nonprofit organizations and public agencies acting on behalf of the residents; and

“(B) preliminary surveys and analyses of market needs, preliminary site engineering and architectural services, site options, applications, mortgage commitments, legal services, and obtaining construction loans.

“(2) ASSESSMENTS FOR PUBLIC IMPROVEMENTS.—The payment of assessments (including any charge made as a condition of obtaining access) levied against properties owned and occupied by persons of low and moderate income to recover the capital cost for a public improvement.

“(3) OTHER IMPROVEMENTS.—Other activities eligible under section 105 of the Housing and Community Development Act of 1974 [42 U.S.C. 5305] designed to meet the needs of residents of colonias.

“(c) DISTRIBUTION OF ASSISTANCE.—Assistance shall be made available pursuant to this section in accordance with a distribution plan that gives priority to colonias having the greatest need for such assistance.

“(d) APPLICABLE LAW.—Except to the extent inconsistent with this section, assistance provided pursuant to this section shall be subject to the provisions of title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.).

“(e) DEFINITIONS.—For purposes of this section:

“(1) COLONIA.—The term ‘colonia’ means any identifiable community that—

“(A) is in the State of Arizona, California, New Mexico, or Texas;

“(B) is in the United States-Mexico border region;

“(C) is determined to be a colonia on the basis of objective criteria, including lack of potable water supply, lack of adequate sewage systems, and lack of decent, safe, and sanitary housing; and

“(D) was in existence as a colonia before the date of the enactment of the Cranston-Gonzalez National Affordable Housing Act [Nov. 28, 1990].

“(2) NONPROFIT ORGANIZATION.—The term ‘nonprofit organization’ means an organization described in section 501(c) of the Internal Revenue Code of 1986 [26 U.S.C. 501(c)] and exempt from taxation under section 501(a) of such Code.

“(3) PERSONS OF LOW AND MODERATE INCOME.—The term ‘persons of low and moderate income’ has the meaning given the term in section 102(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)).

“(4) UNITED STATES-MEXICO BORDER REGION.—The term ‘United States-Mexico border region’ means the area of the United States within 150 miles of the border between the United States and Mexico, except that the term does not include any standard metropolitan statistical area that has a population exceeding 1,000,000.”

OFFICE OF INDIAN AND ALASKA NATIVE PROGRAMS

Pub. L. 101-235, title VII, §702(c), Dec. 15, 1989, 103 Stat. 2057, which required Secretary of Housing and Urban Development to administer grants to Indian tribes under this chapter through the Office of Indian and Alaska Native Programs of the Department of Housing and Urban Development, was repealed by Pub. L. 101-625, title IX, §913(d), Nov. 28, 1990, 104 Stat. 4393.

§ 5307. Special purpose grants

(a) Set-aside

(1) In general

For each fiscal year (except as otherwise provided in this paragraph), of the total amount provided in appropriation Acts under section 5303 of this title for the fiscal year, \$60,000,000 shall be set aside for grants under subsection (b) of this section for such year for the following purposes:

(A) \$6,500,000 shall be available for grants under subsection (b)(3)¹ of this section;

(B) \$6,000,000 shall be available for grants under subsection (b)(5)¹ of this section;

(C) \$6,000,000 shall be available in fiscal year 1993 for grants under subsection (b)(7)¹ of this section;

(D) \$3,000,000 shall be available for grants under subsection (c) of this section;

(E) such sums as may be necessary shall be available for grants under paragraphs (2), (4), and (6)¹ of subsection (b) of this section;

(F) \$2,000,000 shall be available in fiscal year 1993 for a grant to the City of Bridgeport, Connecticut, subject to the approval of sufficient amounts in an appropriation Act and to binding commitments made by the City of Bridgeport and the State of Connecticut that the city and State, respectively, will supplement such amount with \$2,000,000 of additional funds; and

(G) \$7,500,000 shall be available to carry out the Community Outreach Partnership Act of 1992.

(2) Treatment of grants

Any grants made under this section shall be in addition to any other grants that may be made under this chapter to the same entities for the same purposes.

(b) Permissible uses of funds

From amounts set aside under subsection (a) of this section, the Secretary is authorized to make grants—

(1) to States and units of general local government for the purpose of allocating amounts to any such State or unit of general local government that is determined by the Secretary to have received insufficient amounts under section 5306 of this title as a result of a miscalculation of its share of funds under such section;

(2) to historically Black colleges;

(3) to States, units of general local government, Indian tribes, or areawide planning organizations for the purpose of providing technical assistance in planning, developing, and administering assistance under this chapter and section 1706e¹ of title 12; to groups des-

¹ See References in Text note below.

ignated by such governmental units to assist them in carrying out assistance under this chapter; to qualified groups for the purpose of assisting more than one such governmental unit to carry out assistance under this chapter; the Secretary may also provide technical assistance, directly or through contracts, to such governmental units and groups; for purposes of this paragraph the term “technical assistance” means the facilitating of skills and knowledge in planning, developing, and administering activities under this chapter in entities that may need but do not possess such skills and knowledge, and includes assessing programs and activities under this chapter; except that any recipient of a grant under this paragraph that provides technical assistance pursuant to this paragraph shall provide for the notification of the availability of such assistance and shall have specific criteria for selection of recipients of such assistance that are published and publicly available;

(4) to States and units of general local government and institutions of higher education having a demonstrated capacity to carry out eligible activities under this chapter, except that the Secretary may make a grant under this paragraph only to a State or unit of general local government that jointly, with an institution of higher education, has prepared and submitted to the Secretary an application for such grant, as the Secretary shall by regulation require;

(5) to units of general local government in nonentitlement areas for planning community adjustments and economic diversification activities, which may include any eligible activities under section 5305 of this title, required—

(A) by the proposed or actual establishment, realignment, or closure of a military installation,

(B) by the cancellation or termination of a Department of Defense contract or the failure to proceed with an approved major weapon system program, or

(C) by a publicly announced planned major reduction in Department of Defense spending that would directly and adversely affect a unit of general local government and will result in the loss of 1,000 or more full-time Department of Defense and contractor employee positions over a 5-year period in the unit of general local government and the surrounding area, or

if the Secretary (in consultation with the Secretary of Defense) determines that an action described in subparagraph (A), (B), or (C) is likely to have a direct and significant adverse consequence on the unit of general local government; and

(6) for the purposes of rebuilding and revitalizing distressed areas of the Los Angeles metropolitan area.

(c) Assistance to economically disadvantaged and minority students participating in community development work study programs

Of the amount set aside for use under subsection (b) of this section in any fiscal year, the Secretary shall,² make grants to institutions of

higher education, either directly or through areawide planning organizations or States, for the purpose of providing assistance to economically disadvantaged and minority students who participate in community development work study programs and are enrolled in full-time graduate or undergraduate programs in community and economic development, community planning, or community management.

(d) Continued availability of unused funds

Amounts set aside for use under subsection (b) of this section in any fiscal year but not used in that year shall remain available for use in subsequent fiscal years in accordance with the provisions of that subsection.

(e) Satisfactory assurances required, special assurances required of Indian tribes

(1) Except as provided in paragraph (2), no grant may be made under this section or section 5318 of this title and no assistance may be made available under section 1437o³ of this title unless the grantee provides satisfactory assurances that its program will be conducted and administered in conformity with the Civil Rights Act of 1964 [42 U.S.C. 2000a et seq.] and the Fair Housing Act [42 U.S.C. 3601 et seq.].

(2) No grant may be made to an Indian tribe under this section, section 5306(a)(1) of this title, or section 5318 of this title unless the applicant provides satisfactory assurances that its program will be conducted and administered in conformity with title II of Public Law 90-284 [25 U.S.C. 1301 et seq.]. The Secretary may waive, in connection with grants to Indian tribes, the provisions of section 5309 of this title and section 5310 of this title.

(3) The Secretary may accept a certification from the grantee or applicant that it has complied with the requirements of paragraph (1) or (2), as appropriate.

(f) Criteria for selection of recipients

Any grant made under this section shall be made pursuant to criteria for selection of recipients of such grants that the Secretary shall by regulation establish and which the Secretary shall publish together with any notification of availability of amounts under this section.

(Pub. L. 93-383, title I, §107, Aug. 22, 1974, 88 Stat. 647; Pub. L. 94-375, §15(c), Aug. 3, 1976, 90 Stat. 1076; Pub. L. 95-128, title I, §107, Oct. 12, 1977, 91 Stat. 1123; Pub. L. 95-557, title I, §103(f), Oct. 31, 1978, 92 Stat. 2084; Pub. L. 96-399, title I, §§107, 117(b), Oct. 8, 1980, 94 Stat. 1618, 1624; Pub. L. 97-35, title III, §305, Aug. 13, 1981, 95 Stat. 391; Pub. L. 98-181, title I [title I, §107, title III, §302(b)], Nov. 30, 1983, 97 Stat. 1167, 1206; Pub. L. 100-242, title V, §§501(b), 517(b)(2), 522(b), Feb. 5, 1988, 101 Stat. 1922, 1936, 1939; Pub. L. 101-235, title I, §105(a)-(c), (e), Dec. 15, 1989, 103 Stat. 1998, 1999; Pub. L. 101-625, title IX, §§901(c), 913(c), Nov. 28, 1990, 104 Stat. 4385, 4393; Pub. L. 102-550, title VIII, §§801(c)(1), (2), (4), 808, Oct. 28, 1992, 106 Stat. 3843-3845, 3850; Pub. L. 106-569, title I, §102(f), Dec. 27, 2000, 114 Stat. 2947; Pub. L. 108-186, title V, §501(f), Dec. 16, 2003, 117 Stat. 2697.)

² So in original. The comma probably should not appear.

³ See References in Text note below.

REFERENCES IN TEXT

Paragraphs (2), (3), (4), (6), and (7) of subsection (b) of this section, referred to in subsec. (a)(1)(A) to (C) and (E), were redesignated as paragraphs (1), (2), (3), (5), and (6), respectively, of subsection (b) by Pub. L. 108-186, title V, §501(f)(2)(B), Dec. 16, 2003, 117 Stat. 2697.

The Community Outreach Partnership Act of 1992, referred to in subsec. (a)(1)(G), is section 851 of Pub. L. 102-550, which is set out below.

This chapter, referred to in subsecs. (a)(2) and (b)(3), (4), was in the original "this title", meaning title I of Pub. L. 93-383, Aug. 22, 1974, 88 Stat. 633, which is classified principally to this chapter. For complete classification of title I to the Code, see Tables.

Section 1706e of title 12, referred to in subsec. (b)(3), was repealed by Pub. L. 101-625, title II, §289(b), Nov. 28, 1990, 104 Stat. 4128.

Section 1437o of this title, referred to in subsec. (e)(1), was repealed by Pub. L. 101-625, title II, §289(b), Nov. 28, 1990, 104 Stat. 4128.

The Civil Rights Act of 1964, referred to in subsec. (e)(1), is Pub. L. 88-352, July 2, 1964, 78 Stat. 241, 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.

The Fair Housing Act, referred to in subsec. (e)(1), is title VIII of Pub. L. 90-284, Apr. 11, 1968, 82 Stat. 81, which is classified principally to subchapter I (§3601 et seq.) of chapter 45 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 3601 of this title and Tables.

Public Law 90-284, referred to in subsec. (e)(2), is Pub. L. 90-284, Apr. 11, 1968, 82 Stat. 73, known as the Civil Rights Act of 1968. Title II of Pub. L. 90-284 is classified generally to subchapter I (§1301 et seq.) of chapter 15 of Title 25, Indians. For complete classification of this Act to the Code, see Short Title note set out under section 3601 of this title and Tables.

AMENDMENTS

2003—Subsec. (a)(1). Pub. L. 108-186, §501(f)(1), redesignated subpars. (B) to (H) as (A) to (G), respectively, and struck out former subpar. (A) which read as follows: "\$7,000,000 shall be available for grants under subsection (b)(1) of this section;"

Subsec. (b). Pub. L. 108-186, §501(f)(2), redesignated pars. (2) to (7) as (1) to (6), respectively, and struck out former par. (1) which read as follows: "in Guam, the Virgin Islands, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands;"

2000—Subsec. (a)(1)(G). Pub. L. 106-569, §102(f)(1), inserted "and" after semicolon at end.

Subsec. (a)(1)(H), (I). Pub. L. 106-569, §102(f)(2), (3), redesignated subpar. (I) as (H) and struck out former subpar. (H) which read as follows: "\$15,000,000 shall be available for grants under the Removal of Regulatory Barriers to Affordable Housing Act of 1992; and"

1992—Subsec. (a). Pub. L. 102-550, §801(c)(1), added heading and subsec. (a) and struck out former subsec. (a) which read as follows: "Of the total amount provided in appropriation Acts under section 5303 of this title for fiscal years 1988 and 1989, \$60,000,000 may be set aside in each year for grants under subsection (b) of this section. Grants under this section are in addition to any other grants which may be made under this chapter to the same entities for the same purposes."

Subsec. (b)(5) to (7). Pub. L. 102-550, §801(c)(2), added pars. (5) to (7).

Subsec. (c). Pub. L. 102-550, §801(c)(4), substituted "make" for "to the extent approved in appropriation Acts, make available not less than \$3,000,000 in the form of"

Subsec. (e)(1). Pub. L. 102-550, §808, substituted "the Civil Rights Act of 1964 and the Fair Housing Act" for "Public Law 88-352 and Public Law 90-284"

1990—Subsec. (a). Pub. L. 101-625, §901(c), directed the amendment of subsec. (a), which did not contain des-

ignated pars., by adding par. (3) and redesignating former pars. (3) and (4) as (4) and (5), respectively.

Subsec. (e)(2). Pub. L. 101-625, §913(c), inserted "section 5306(a)(1) of this title," after "this section". 1989—Pub. L. 101-235, §105(e), substituted "Special purpose grants" for "Discretionary fund" in section catchline.

Subsec. (a). Pub. L. 101-235, §105(a), struck out "in a special discretionary fund" after "in each year" and struck out at end "Of the amount set aside for grants under subsection (b) of this section for fiscal year 1988, \$5,000,000 shall be made available by the Secretary for purposes of grants under subsection (b)(1) of this section for the Park Central New Community Project."

Subsec. (b)(1). Pub. L. 101-235, §105(b)(1), (3), redesignated former par. (2) as (1) and struck out former par. (1) which read as follows: "in behalf of new communities assisted under title VII of the Housing and Urban Development Act of 1970 or title IV of the Housing and Urban Development Act of 1968 or in behalf of new community projects assisted under title X of the National Housing Act which meet the eligibility standards set forth in title VII of the Housing and Urban Development Act of 1970 and which were the subject of an application or preapplication under such title prior to January 14, 1975;"

Subsec. (b)(2). Pub. L. 101-235, §105(b)(3), redesignated par. (5) as (2). Former par. (2) redesignated (1).

Subsec. (b)(3). Pub. L. 101-235, §105(b)(1), (4), added par. (3) and struck out former par. (3) which related to grants to Indian tribes.

Subsec. (b)(4). Pub. L. 101-235, §105(b)(5), struck out "and to States and units of general local government for implementing special projects otherwise authorized under this chapter; and" after "to carry out assistance under this chapter;" and substituted "for purposes of this paragraph the term 'technical assistance' means the facilitating of skills and knowledge in planning, developing, and administering activities under this chapter in entities that may need but do not possess such skills and knowledge, and includes assessing programs and activities under this chapter; except that any recipient of a grant under this paragraph that provides technical assistance pursuant to this paragraph shall provide for the notification of the availability of such assistance and shall have specific criteria for selection of recipients of such assistance that are published and publicly available." for "and" after "such governmental units and groups;"

Subsec. (b)(5). Pub. L. 101-235, §105(b)(3), redesignated par. (5) as (2).

Subsec. (f). Pub. L. 101-235, §105(c), added subsec. (f).

1988—Subsec. (a). Pub. L. 100-242, §522(b), inserted sentence at end making \$5,000,000 of grant moneys available for the Park Central New Community Project.

Pub. L. 100-242, §501(b)(1), amended first sentence generally. Prior to amendment, first sentence read as follows: "Of the total amount approved in appropriation Acts under section 5303 of this title for each of the fiscal years 1984, 1985, and 1986, not more than \$68,200,000 for each such fiscal year may be set aside in a special discretionary fund for grants under subsection (b) of this section."

Subsec. (b)(4). Pub. L. 100-242, §517(b)(2), inserted "and section 1706e of title 12" before first semicolon.

Subsecs. (c) to (e). Pub. L. 100-242, §501(b)(2), added subsec. (c) and redesignated former subsecs. (c) and (d) as (d) and (e), respectively.

1983—Subsec. (a). Pub. L. 98-181, §107(a), substituted provisions permitting not more than \$68,200,000 for each of fiscal years 1984, 1985, and 1986 to be set aside in a special discretionary fund for grants under subsection (b) of this section, for provisions permitting not more than \$60,000,000 to be set aside for each of fiscal years 1982 and 1983 in such a fund.

Subsec. (b)(4). Pub. L. 98-181, §107(b), amended par. (4) generally, inserting provisions authorizing the Secretary to provide assistance to groups designated by certain enumerated governmental units to assist in

carrying out this chapter, to qualified groups for the purpose of assisting more than one such governmental unit and to provide technical assistance, directly or through contracts, to such governmental units and groups.

Subsec. (b)(5). Pub. L. 98-181, §107(c), added par. (5).

Subsec. (d)(1). Pub. L. 98-181, §302(b)(1), inserted provisions relating to section 1437o of this title, and substituted "grantee" for "applicant".

Subsec. (d)(3). Pub. L. 98-181, §302(b)(2), inserted "grantee or" before "applicant".

1981—Subsec. (a). Pub. L. 97-35 substituted provisions relating to authorization of appropriations under section 5303 of this title for fiscal years 1982 and 1983, and supplemental nature of grants, for provisions relating to authorization of appropriations under section 5303(a)(1) of this title for fiscal years 1981 to 1983, and purposes for expenditures from fund.

Subsec. (b). Pub. L. 97-35 substituted provisions relating to permissible uses of funds for provisions relating to limitations on amounts reserved for emergency disaster needs.

Subsec. (c). Pub. L. 97-35 substituted provisions relating to amounts set aside for use under subsec. (b) of this section for provisions relating to amounts set aside and reserved in the special fund under subsec. (b) of this section.

Subsec. (d). Pub. L. 97-35 substituted provisions relating to assurances required for provisions relating to Indian tribal eligibility for grant as dependent upon conformity of program with prescribed constitutional rights and habeas corpus.

1980—Subsec. (a). Pub. L. 96-399, §107, substituted "approved in appropriation Acts under section 5303(a)(1) of this title for each of the fiscal years 1981, 1982, and 1983, not more than \$104,000,000 for fiscal year 1981, not more than \$104,000,000 for fiscal year 1982, and not more than \$107,000,000 for fiscal year 1983 may" for "of authority to enter into contracts approved in appropriation Acts under section 5303(a)(1) of this title for each of the fiscal years 1975, 1976, 1977, 1978, 1979, and 1980, an amount equal to 3 per centum thereof shall".

Subsec. (d). Pub. L. 96-399, §117(b), inserted "under this chapter" after "Indian tribe".

1978—Subsec. (a)(8). Pub. L. 95-557 substituted "The Secretary may also provide, directly or through contracts, technical assistance under this paragraph to such governmental units, or to a group designated by such a governmental unit for the purpose of assisting that governmental unit to carry out its Community Development Program" for "The Secretary may also provide such technical assistance under this paragraph directly or through contracts".

1977—Subsec. (a). Pub. L. 95-128, §107(1), (2), extended provisions to fiscal years 1978 through 1980 and increased rate to 3 from 2 per centum.

Subsec. (a)(5). Pub. L. 95-128, §107(3), provided for grants to Indian tribes.

Subsec. (a)(7), (8). Pub. L. 95-128, §107(4), added pars. (7) and (8).

Subsec. (b). Pub. L. 95-128, §107(5), substituted "15 per centum" for "one-fourth".

Subsec. (d). Pub. L. 95-128, §107(6), added subsec. (d).

1976—Subsec. (a)(1). Pub. L. 94-375 included new community projects assisted under title X of the National Housing Act as within the authority of the Secretary to make grants from the special discretionary fund.

EFFECTIVE DATE OF 1990 AMENDMENT

Amendment by section 913(c) of Pub. L. 101-625 applicable to amounts approved in any appropriation Act under section 5303 of this title for fiscal year 1990 and each fiscal year thereafter, see section 913(f) of Pub. L. 101-625, set out as a note under section 5306 of this title.

EFFECTIVE DATE OF 1989 AMENDMENT

Pub. L. 101-235, title I, §105(d), Dec. 15, 1989, 103 Stat. 1999, provided that:

"(1) IN GENERAL.—Except as provided in this paragraph and paragraph (2), the amendments made by this

section [amending this section] shall apply with respect to any grants made under section 107 of the Housing and Community Development Act of 1974 [this section] on or after the date of the enactment of this Act [Dec. 15, 1989], except a grant made under the third sentence of section 107(a) of [the] Housing and Community Development Act of 1974, as such sentence existed immediately before such date, and grants for specific activities (referred to in House Report Number 101-297) pursuant to the amount appropriated for use under section 107 by the enactment of the bill, H.R. 2916, of the One Hundred First Congress [Pub. L. 101-144, Nov. 9, 1989, 103 Stat. 850].

"(2) PRIOR GRANTS.—Any grant made under section 107 of the Housing and Community Development Act of 1974 [this section] before the date of the enactment of this Act [Dec. 15, 1989] or pursuant to a grant award notification made before such date shall be governed by the provisions of such section as it existed immediately before the date of the enactment of this Act."

EFFECTIVE DATE OF 1983 AMENDMENT

Amendment by Pub. L. 98-181 applicable only to funds available for fiscal year 1984 and thereafter, see section 110(b) of Pub. L. 98-181, as amended, set out as a note under section 5316 of this title.

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-35 effective Oct. 1, 1981, see section 371 of Pub. L. 97-35, set out as an Effective Date note under section 3701 of Title 12, Banks and Banking.

EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by Pub. L. 95-557 effective Oct. 1, 1978, see section 104 of Pub. L. 95-557, set out as a note under section 1709 of Title 12, Banks and Banking.

EFFECTIVE DATE OF 1977 AMENDMENT

Amendment by Pub. L. 95-128 effective Oct. 1, 1977, see section 114 of Pub. L. 95-128, set out as a note under section 5301 of this title.

REGULATIONS

Pub. L. 102-550, title VIII, §801(c)(3), Oct. 28, 1992, 106 Stat. 3844, provided that, not later than the expiration of the 60-day period beginning on Oct. 28, 1992, the Secretary of Housing and Urban Development was to issue proposed regulations to carry out subsec. (b)(6) of this section and to issue final regulations to carry out subsec. (b)(6) not later than the expiration of the 120-day period beginning on Oct. 28, 1992.

COMMUNITY OUTREACH PARTNERSHIP

Pub. L. 102-550, title VIII, §851, Oct. 28, 1992, 106 Stat. 3855, directed Secretary to carry out a 5-year demonstration program to determine feasibility of facilitating partnerships between institutions of higher education and communities to solve urban problems through research, outreach, and exchange of information, established program of grants to public and private nonprofit institutions of higher education to assist in establishing or carrying out such activities and to establish and operate Community Outreach Partnership Centers which were to focus on problems associated with housing, economic development, neighborhood revitalization, infrastructure, health care, job training, education, crime prevention, planning, community organizing, and other areas deemed appropriate by the Secretary, further provided for establishment of national advisory council to assist Secretary in these areas and a national clearinghouse to disseminate information resulting from these activities, and further provided for appropriations for the demonstration program as well as for an annual report to Congress by the Secretary.

§ 5308. Guarantee and commitment to guarantee loans for acquisition of property

(a) Authority of Secretary; issuance of obligations by eligible public entities or designated public agencies; form, denomination, maturity, and conditions of notes or other obligations; percentage allocation requirements

The Secretary is authorized, upon such terms and conditions as the Secretary may prescribe, to guarantee and make commitments to guarantee, only to such extent or in such amounts as provided in appropriation Acts, the notes or other obligations issued by eligible public entities, or by public agencies designated by such eligible public entities, for the purposes of financing (1) acquisition of real property or the rehabilitation of real property owned by the eligible public entity (including such related expenses as the Secretary may permit by regulation); (2) housing rehabilitation; (3) economic development activities permitted under paragraphs (14), (15), and (17) of section 5305(a) of this title; (4) construction of housing by nonprofit organizations for homeownership under section 1437o(d)¹ of this title or title VI of the Housing and Community Development Act of 1987; (5) the acquisition, construction, reconstruction, or installation of public facilities (except for buildings for the general conduct of government); or (6) in the case of colonias (as such term is defined in section 916 of the Cranston-Gonzalez National Affordable Housing Act), public works and site or other improvements. A guarantee under this section may be used to assist a grantee in obtaining financing only if the grantee has made efforts to obtain such financing without the use of such guarantee and cannot complete such financing consistent with the timely execution of the program plans without such guarantee. Notes or other obligations guaranteed pursuant to this section shall be in such form and denominations, have such maturities, and be subject to such conditions as may be prescribed by regulations issued by the Secretary. The Secretary may not deny a guarantee under this section on the basis of the proposed repayment period for the note or other obligation, unless the period is more than 20 years or the Secretary determines that the period causes the guarantee to constitute an unacceptable financial risk. Notwithstanding any other provision of law and subject only to the absence of qualified applicants or proposed activities and to the authority provided in this section, to the extent approved or provided in appropriation Acts, the Secretary shall enter into commitments to guarantee notes and obligations under this section with an aggregate principal amount of \$2,000,000,000 for fiscal year 1993 and \$2,000,000,000 for fiscal year 1994. Of the amount approved in any appropriation Act for guarantees under this section in any fiscal year, the Secretary shall allocate 70 percent for guarantees for metropolitan cities, urban counties, and Indian tribes and 30 percent for guarantees for units of general local government in nonentitlement areas. The Secretary may waive the percentage requirements of the preceding sentence in any fiscal year only to the

extent that there is an absence of qualified applicants or proposed activities from metropolitan cities, urban counties, and Indian tribes or units of general local government in nonentitlement areas.

(b) Prerequisites

No guarantee or commitment to guarantee shall be made with respect to any note or other obligation if the issuer's total outstanding notes or obligations guaranteed under this section (excluding any amount defeased under the contract entered into under subsection (d)(1)(A) of this section) would thereby exceed an amount equal to 5 times the amount of the grant approval for the issuer pursuant to section 5306 or 5307 of this title.

(c) Payment of principal, interest and costs

Notwithstanding any other provision of this chapter, grants allocated to an issuer pursuant to this chapter (including program income derived therefrom) are authorized for use in the payment of principal and interest due (including such servicing, underwriting, or other costs as may be specified in regulations of the Secretary) on the notes or other obligations guaranteed pursuant to this section.

(d) Repayment contract; security; pledge by State

(1) To assure the repayment of notes or other obligations and charges incurred under this section and as a condition for receiving such guarantees, the Secretary shall require the issuer to—

(A) enter into a contract, in a form acceptable to the Secretary, for repayment of notes or other obligations guaranteed hereunder;

(B) pledge any grant for which the issuer may become eligible under this chapter; and

(C) furnish, at the discretion of the Secretary, such other security as may be deemed appropriate by the Secretary in making such guarantees, including increments in local tax receipts generated by the activities assisted under this chapter or dispositions proceeds from the sale of land or rehabilitated property.

(2) To assist in assuring the repayment of notes or other obligations and charges incurred under this section, a State shall pledge any grant for which the State may become eligible under this chapter as security for notes or other obligations and charges issued under this section by any unit of general local government in a nonentitlement area in the State.

(e) Pledged grants for repayments

The Secretary is authorized, notwithstanding any other provision of this chapter, to apply grants pledged pursuant to paragraphs (1)(B) and (2) of subsection (d) of this section to any repayments due the United States as a result of such guarantees.

(f) Full faith and credit of United States pledged for payment; conclusiveness and validity of guarantee

The full faith and credit of the United States is pledged to the payment of all guarantees made under this section. Any such guarantee

¹ See References in Text note below.