

and substituted last sentence for former last sentence which read as follows: “The contract shall provide that the public housing agency may terminate or withhold assistance under section 1437f of this title and services under paragraph (2) of this section if the family fails to comply with the requirements under the contract.”

Subsec. (c)(2). Pub. L. 102-550, §106(e), struck out “to each participating family” after “paragraph (1)” in introductory provisions.

Subsec. (d). Pub. L. 102-550, §106(g)(1), substituted “Incentives for participation” for “Maximum rents and escrow savings accounts” in heading.

Subsec. (d)(2). Pub. L. 102-550, §106(f), substituted “after the family ceases to receive income assistance under Federal or State welfare programs, upon successful performance of the obligations of the family under the contract of participation entered into by the family under subsection (c), as determined according to the specific goals and terms included in the contract, and under other circumstances in which the Secretary determines an exception for good cause is warranted. A public housing agency establishing such escrow accounts may make certain amounts in the accounts available to the participating families before full performance of the contract obligations based on compliance with, and completion of, specific interim goals included in the contract; except that any such amounts shall be used by the participating families for purposes consistent with the contracts of participation, as determined by the public housing agency.” for “only after the family is no longer a recipient of any Federal, State, or other public assistance for housing.”

Subsec. (d)(3). Pub. L. 102-550, §185(b), added par. (3) relating to use of escrow savings accounts.

Pub. L. 102-550, §106(g)(2), added par. (3) relating to a plan to offer incentives.

Subsec. (g)(3)(D) to (I). Pub. L. 102-550, §106(h), added subpars. (D) and (I) and redesignated former subpars (D) to (G) as (E) to (H), respectively.

Subsec. (h)(2). Pub. L. 102-550, §106(a), amended last sentence generally. Prior to amendment, last sentence read as follows: “Of any amounts appropriated under section 1437g(c) of this title for each of fiscal years 1991 and 1992, \$25,000,000 is authorized to be used for costs under this paragraph.”

Subsec. (n)(3) to (6). Pub. L. 102-550, §106(i), added par. (3), redesignated former pars. (3) and (4) as (4) and (5), respectively, and added par. (6).

Subsec. (o)(2). Pub. L. 102-550, §106(j), amended par. (2) generally. Prior to amendment, par. (2) read as follows: “(2) APPLICABILITY TO INDIAN PUBLIC HOUSING.—In accordance with section 1437aa(b)(2) of this title, the provisions of this section shall also apply to public housing developed or operated pursuant to a contract between the Secretary and an Indian housing authority.”

EFFECTIVE DATE OF 2014 AMENDMENT

Amendment by Pub. L. 113-128 effective on the first day of the first full program year after July 22, 2014 (July 1, 2015), see section 506 of Pub. L. 113-128, set out as an Effective Date note under section 3101 of Title 29, Labor.

EFFECTIVE DATE OF 1998 AMENDMENTS

Amendment by section 101(f) [title VIII, §405(d)(31)] of Pub. L. 105-277 effective Oct. 21, 1998, and amendment by section 101(f) [title VIII, §405(f)(23)] of Pub. L. 105-277 effective July 1, 2000, see section 101(f) [title VIII, §405(g)(1), (2)(B)] of Pub. L. 105-277, set out as a note under section 3502 of Title 5, Government Organization and Employees.

Pub. L. 105-276, title V, §509(b), Oct. 21, 1998, 112 Stat. 2531, provided that: “The amendments made by this subsection [probably means subsec. (a), amending this section] are made on, and shall apply beginning upon, the date of the enactment of this Act [Oct. 21, 1998].”

EFFECTIVE DATE OF 1996 AMENDMENT

Amendment by Pub. L. 104-330 effective Oct. 1, 1997, except as otherwise expressly provided, see section 107

of Pub. L. 104-330, set out as an Effective Date note under section 4101 of Title 25, Indians.

GAO STUDY ON LINKING FEDERAL HOUSING ASSISTANCE TO ECONOMIC SELF-SUFFICIENCY PROGRAMS

Pub. L. 101-625, title V, §554(b), Nov. 28, 1990, 104 Stat. 4231, directed Comptroller General to submit to Congress, not later than 18 months after Nov. 28, 1990, a report (1) evaluating the policy and administrative implications of requiring State and local governments to require participation in an economic self-sufficiency program as a condition of the receipt of rental assistance under 42 U.S.C. 1437f and public housing assistance, (2) determining the additional costs to public housing agencies under such programs and recommending a change in the amount of the administrative fee under 42 U.S.C. 1437f(q) to cover the additional costs of carrying out the Family Self-Sufficiency Program under this section, and (3) examining how housing and social service policies affect beneficiaries, particularly persons receiving public assistance, when such beneficiaries gain employment and experience a rise in income.

§ 1437v. Demolition, site revitalization, replacement housing, and tenant-based assistance grants for projects

(a) Purposes

The purpose of this section is to provide assistance to public housing agencies for the purposes of—

(1) improving the living environment for public housing residents of severely distressed public housing projects through the demolition, rehabilitation, reconfiguration, or replacement of obsolete public housing projects (or portions thereof);

(2) revitalizing sites (including remaining public housing dwelling units) on which such public housing projects are located and contributing to the improvement of the surrounding neighborhood;

(3) providing housing that will avoid or decrease the concentration of very low-income families; and

(4) building sustainable communities.

It is also the purpose of this section to provide assistance to smaller communities for the purpose of facilitating the development of affordable housing for low-income families that is undertaken in connection with a main street revitalization or redevelopment project in such communities.

(b) Grant authority

The Secretary may make grants as provided in this section to applicants whose applications for such grants are approved by the Secretary under this section.

(c) Contribution requirement

(1) In general

The Secretary may not make any grant under this section to any applicant unless the applicant certifies to the Secretary that the applicant will—

(A) supplement the aggregate amount of assistance provided under this section with an amount of funds from sources other than this section equal to not less than 5 percent of the amount provided under this section; and

(B) in addition to supplemental amounts provided in accordance with subparagraph

(A), if the applicant uses more than 5 percent of the amount of assistance provided under this section for services under subsection (d)(1)(L), provide supplemental funds from sources other than this section in an amount equal to the amount so used in excess of 5 percent.

(2) Supplemental funds

In calculating the amount of supplemental funds provided by a grantee for purposes of paragraph (1), the grantee may include amounts from other Federal sources, any State or local government sources, any private contributions, the value of any donated material or building, the value of any lease on a building, the value of the time and services contributed by volunteers, and the value of any other in-kind services or administrative costs provided.

(3) Exemption

If assistance provided under this subchapter will be used only for providing tenant-based assistance under section 1437f of this title or demolition of public housing (without replacement), the Secretary may exempt the applicant from the requirements under paragraph (1)(A).

(d) Eligible activities

(1) In general

Grants under this section may be used for activities to carry out revitalization programs for severely distressed public housing, including—

- (A) architectural and engineering work;
- (B) redesign, rehabilitation, or reconfiguration of a severely distressed public housing project, including the site on which the project is located;
- (C) the demolition, sale, or lease of the site, in whole or in part;
- (D) covering the administrative costs of the applicant, which may not exceed such portion of the assistance provided under this section as the Secretary may prescribe;
- (E) payment of reasonable legal fees;
- (F) providing reasonable moving expenses for residents displaced as a result of the revitalization of the project;
- (G) economic development activities that promote the economic self-sufficiency of residents under the revitalization program, including a Neighborhood Networks initiative for the establishment and operation of computer centers in public housing for the purpose of enhancing the self-sufficiency, employability, an¹ economic self-reliance of public housing residents by providing them with onsite computer access and training resources;
- (H) necessary management improvements;
- (I) leveraging other resources, including additional housing resources, retail supportive services, jobs, and other economic development uses on or near the project that will benefit future residents of the site;
- (J) replacement housing (including appropriate homeownership downpayment assist-

ance for displaced residents or other appropriate replacement homeownership activities) and rental assistance under section 1437f of this title;

(K) transitional security activities; and

(L) necessary supportive services, except that not more than 15 percent of the amount of any grant may be used for activities under this paragraph.

(2) Endowment trust for supportive services

In using grant amounts under this section made available in fiscal year 2000 or thereafter for supportive services under paragraph (1)(L), a public housing agency may deposit such amounts in an endowment trust to provide supportive services over such period of time as the agency determines. Such amounts shall be provided to the agency by the Secretary in a lump sum when requested by the agency, shall be invested in a wise and prudent manner, and shall be used (together with any interest thereon earned) only for eligible uses pursuant to paragraph (1)(L). A public housing agency may use amounts in an endowment trust under this paragraph in conjunction with other amounts donated or otherwise made available to the trust for similar purposes.

(e) Application and selection

(1) Application

An application for a grant under this section shall demonstrate the appropriateness of the proposal in the context of the local housing market relative to other alternatives, and shall include such other information and be submitted at such time and in accordance with such procedures, as the Secretary shall prescribe.

(2) Selection criteria

The Secretary shall establish criteria for the award of grants under this section and shall include among the factors—

- (A) the relationship of the grant to the public housing agency plan for the applicant and how the grant will result in a revitalized site that will enhance the neighborhood in which the project is located and enhance economic opportunities for residents;
- (B) the capability and record of the applicant public housing agency, or any alternative management entity for the agency, for managing redevelopment or modernization projects, meeting construction timetables, and obligating amounts in a timely manner;
- (C) the extent to which the applicant could undertake such activities without a grant under this section;
- (D) the extent of involvement of residents, State and local governments, private service providers, financing entities, and developers, in the development and ongoing implementation of a revitalization program for the project, except that the Secretary may not award a grant under this section unless the applicant has involved affected public housing residents at the beginning and during the planning process for the revitalization program, prior to submission of an application;

¹ So in original. Probably should be "and".

(E) the need for affordable housing in the community;

(F) the supply of other housing available and affordable to families receiving tenant-based assistance under section 1437f of this title;

(G) the amount of funds and other resources to be leveraged by the grant;

(H) the extent of the need for, and the potential impact of, the revitalization program;

(I) the extent to which the plan minimizes permanent displacement of current residents of the public housing site who wish to remain in or return to the revitalized community and provides for community and supportive services to residents prior to any relocation;

(J) the extent to which the plan sustains or creates more project-based housing units available to persons eligible for public housing in markets where the plan shows there is demand for the maintenance or creation of such units;

(K) the extent to which the plan gives to existing residents priority for occupancy in dwelling units which are public housing dwelling units, or for residents who can afford to live in other units, priority for those units in the revitalized community; and

(L) such other factors as the Secretary considers appropriate.

(3) Applicability of selection criteria

The Secretary may determine not to apply certain of the selection criteria established pursuant to paragraph (2) when awarding grants for demolition only, tenant-based assistance only, or other specific categories of revitalization activities. This section may not be construed to require any application for a grant under this section to include demolition of public housing or to preclude use of grant amounts for rehabilitation or rebuilding of any housing on an existing site.

(f) Cost limits

Subject to the provisions of this section, the Secretary—

(1) shall establish cost limits on eligible activities under this section sufficient to provide for effective revitalization programs; and

(2) may establish other cost limits on eligible activities under this section.

(g) Disposition and replacement

Any severely distressed public housing disposed of pursuant to a revitalization plan and any public housing developed in lieu of such severely distressed housing, shall be subject to the provisions of section 1437p of this title. Severely distressed public housing demolished pursuant to a revitalization plan shall not be subject to the provisions of section 1437p of this title.

(h) Administration by other entities

The Secretary may require a grantee under this section to make arrangements satisfactory to the Secretary for use of an entity other than the public housing agency to carry out activities assisted under the revitalization plan, if the Secretary determines that such action will help to effectuate the purposes of this section.

(i) Withdrawal of funding

If a grantee under this section does not proceed within a reasonable timeframe, in the determination of the Secretary, the Secretary shall withdraw any grant amounts under this section that have not been obligated by the public housing agency. The Secretary shall redistribute any withdrawn amounts to one or more other applicants eligible for assistance under this section or to one or more other entities capable of proceeding expeditiously in the same locality in carrying out the revitalization plan of the original grantee.

(j) Definitions

For purposes of this section, the following definitions shall apply:

(1) Applicant

The term “applicant” means—

(A) any public housing agency that is not designated as troubled pursuant to section 1437d(j)(2) of this title;

(B) any public housing agency for which a private housing management agent has been selected, or a receiver has been appointed, pursuant to section 1437d(j)(3) of this title; and

(C) any public housing agency that is designated as troubled pursuant to section 1437d(j)(2) of this title and that—

(i) is so designated principally for reasons that will not affect the capacity of the agency to carry out a revitalization program;

(ii) is making substantial progress toward eliminating the deficiencies of the agency; or

(iii) is otherwise determined by the Secretary to be capable of carrying out a revitalization program.

(2) Severely distressed public housing

The term “severely distressed public housing” means a public housing project (or building in a project)—

(A) that—

(i) requires major redesign, reconstruction or redevelopment, or partial or total demolition, to correct serious deficiencies in the original design (including inappropriately high population density), deferred maintenance, physical deterioration or obsolescence of major systems and other deficiencies in the physical plant of the project;

(ii) is a significant contributing factor to the physical decline of and disinvestment by public and private entities in the surrounding neighborhood;

(iii)(I) is occupied predominantly by families who are very low-income families with children, are unemployed, and dependent on various forms of public assistance;

(II) has high rates of vandalism and criminal activity (including drug-related criminal activity) in comparison to other housing in the area; or

(III) is lacking in sufficient appropriate transportation, supportive services, economic opportunity, schools, civic and reli-

gious institutions, and public services, resulting in severe social distress in the project;

(iv) cannot be revitalized through assistance under other programs, such as the program for capital and operating assistance for public housing under this chapter, or the programs under sections 1437g and 1437l of this title (as in effect before the effective date under² section 503(a)² the Quality Housing and Work Responsibility Act of 1998), because of cost constraints and inadequacy of available amounts; and

(v) in the case of individual buildings, is, in the Secretary's determination, sufficiently separable from the remainder of the project of which the building is part to make use of the building feasible for purposes of this section; or

(B) that was a project described in subparagraph (A) that has been legally vacated or demolished, but for which the Secretary has not yet provided replacement housing assistance (other than tenant-based assistance).

(3) Supportive services

The term "supportive services" includes all activities that will promote upward mobility, self-sufficiency, and improved quality of life for the residents of the public housing project involved, including literacy training, job training, day care, transportation, and economic development activities.

(k) Grantee reporting

The Secretary shall require grantees of assistance under this section to report the sources and uses of all amounts expended for revitalization plans.

(l) Annual report

The Secretary shall submit to the Congress an annual report setting forth—

- (1) the number, type, and cost of public housing units revitalized pursuant to this section;
- (2) the status of projects identified as severely distressed public housing;
- (3) the amount and type of financial assistance provided under and in conjunction with this section, including a specification of the amount and type of assistance provided under subsection (n);
- (4) the types of projects funded, and number of affordable housing dwelling units developed with grants under subsection (n); and
- (5) the recommendations of the Secretary for statutory and regulatory improvements to the program established by this section.

(m) Funding

(1) Authorization of appropriations

There are authorized to be appropriated for grants under this section \$574,000,000 for fiscal year 2017.

(2) Technical assistance and program oversight

Of the amount appropriated pursuant to paragraph (1) for any fiscal year, the Sec-

retary may use up to 2 percent for technical assistance or contract expertise, including assistance in connection with the establishment and operation of computer centers in public housing through the Neighborhoods³ Networks initiative described in subsection (d)(1)(G). Such assistance or contract expertise may be provided directly or indirectly by grants, contracts, or cooperative agreements, and shall include training, and the cost of necessary travel for participants in such training, by or to officials of the Department of Housing and Urban Development, of public housing agencies, and of residents.

(3) Set-aside for main street housing grants

Of the amount appropriated pursuant to paragraph (1) for any fiscal year, the Secretary shall provide up to 5 percent for use only for grants under subsection (n).

(n) Grants for assisting affordable housing developed through main street projects in smaller communities

(1) Authority and use of grant amounts

The Secretary may make grants under this subsection to smaller communities. Such grant amounts shall be used by smaller communities only to provide assistance to carry out eligible affordable housing activities under paragraph (4) in connection with an eligible project under paragraph (2).

(2) Eligible project

For purposes of this subsection, the term "eligible project" means a project that—

- (A) the Secretary determines, under the criteria established pursuant to paragraph (3), is a main street project;
- (B) is carried out within the jurisdiction of a smaller community receiving the grant; and
- (C) involves the development of affordable housing that is located in the commercial area that is the subject of the project.

(3) Main street projects

The Secretary shall establish requirements for a project to be considered a main street project for purposes of this section, which shall require that the project—

- (A) has as its purpose the revitalization or redevelopment of a historic or traditional commercial area;
- (B) involves investment, or other participation, by the government for, and private entities in, the community in which the project is carried out; and
- (C) complies with such historic preservation guidelines or principles as the Secretary shall identify to preserve significant historic or traditional architectural and design features in the structures or area involved in the project.

(4) Eligible affordable housing activities

For purposes of this subsection, the activities described in subsection (d)(1) shall be considered eligible affordable housing activities, except that—

²So in original.

³So in original. Probably should be "Neighborhood".

(A) such activities shall be conducted with respect to affordable housing rather than with respect to severely distressed public housing projects; and

(B) eligible affordable housing activities under this subsection shall not include the activities described in subparagraphs (B) through (E), (J), or (K) of subsection (d)(1).

(5) Maximum grant amount

A grant under this subsection for a fiscal year for a single smaller community may not exceed \$1,000,000.

(6) Contribution requirement

A smaller community applying for a grant under this subsection shall be considered an applicant for purposes of subsection (c) (relating to contributions by applicants), except that—

(A) such supplemental amounts shall be used only for carrying out eligible affordable housing activities; and

(B) paragraphs (1)(B) and (3) shall not apply to grants under this subsection.

(7) Applications and selection

(A) Application

Pursuant to subsection (e)(1), the Secretary shall provide for smaller communities to apply for grants under this subsection, except that the Secretary may establish such separate or additional criteria for applications for such grants as may be appropriate to carry out this subsection.

(B) Selection criteria

The Secretary shall establish selection criteria for the award of grants under this subsection, which shall be based on the selection criteria established pursuant to subsection (e)(2), with such changes as may be appropriate to carry out the purposes of this subsection.

(8) Cost limits

The cost limits established pursuant to subsection (f) shall apply to eligible affordable housing activities assisted with grant amounts under this subsection.

(9) Inapplicability of other provisions

The provisions of subsections (g) (relating to disposition and replacement of severely distressed public housing), and (h) (relating to administration of grants by other entities), shall not apply to grants under this subsection.

(10) Reporting

The Secretary shall require each smaller community receiving a grant under this subsection to submit a report regarding the use of all amounts provided under the grant.

(11) Definitions

For purposes of this subsection, the following definitions shall apply:

(A) Affordable housing

The term “affordable housing” means rental or homeownership dwelling units that—

(i) are made available for initial occupancy to low-income families, with a sub-

set of units made available to very- and extremely-low income families; and

(ii) are subject to the same rules regarding occupant contribution toward rent or purchase and terms of rental or purchase as dwelling units in public housing projects assisted with a grant under this section.

(B) Smaller community

The term “smaller community” means a unit of general local government (as such term is defined in section 5302 of this title) that—

(i) has a population of 50,000 or fewer; and

(ii)(I) is not served by a public housing agency; or

(II) is served by a single public housing agency, which agency administers 100 or fewer public housing dwelling units.

(o) Sunset

No assistance may be provided under this section after September 30, 2017.

(Sept. 1, 1937, ch. 896, title I, §24, as added Pub. L. 102-550, title I, §120, Oct. 28, 1992, 106 Stat. 3695; amended Pub. L. 104-99, title IV, §402(d)(6)(A)(vi), Jan. 26, 1996, 110 Stat. 43; Pub. L. 104-330, title V, §501(b)(9), Oct. 26, 1996, 110 Stat. 4042; Pub. L. 105-276, title V, §535(a), Oct. 21, 1998, 112 Stat. 2581; Pub. L. 106-377, §1(a)(1) [title II, §214(b)], Oct. 27, 2000, 114 Stat. 1441, 1441A-27; Pub. L. 108-7, div. K, title II, §215, Feb. 20, 2003, 117 Stat. 504; Pub. L. 108-186, title IV, §§402(a), (b), (d), (e), 403, Dec. 16, 2003, 117 Stat. 2693, 2694; Pub. L. 109-289, div. B, title II, §21045, as added Pub. L. 110-5, §2, Feb. 15, 2007, 121 Stat. 54; Pub. L. 110-161, div. K, title II, §224, Dec. 26, 2007, 121 Stat. 2437; Pub. L. 111-8, div. I, title II, §223, Mar. 11, 2009, 123 Stat. 976; Pub. L. 111-117, div. A, title II, §222, Dec. 16, 2009, 123 Stat. 3101; Pub. L. 112-55, div. C, title II, §222, Nov. 18, 2011, 125 Stat. 699; Pub. L. 113-76, div. L, title II, §234, Jan. 17, 2014, 128 Stat. 634; Pub. L. 113-235, div. K, title II, §229, Dec. 16, 2014, 128 Stat. 2756; Pub. L. 114-113, div. L, title II, §228, Dec. 18, 2015, 129 Stat. 2895; Pub. L. 115-31, div. K, title II, §226, May 5, 2017, 131 Stat. 787.)

REFERENCES IN TEXT

Section 1437l of this title, referred to in subsec. (j)(2)(A)(iv), was repealed by Pub. L. 105-276, title V, §522(a), Oct. 21, 1998, 112 Stat. 2564.

Section 503(a) of the Quality Housing and Work Responsibility Act of 1998, referred to in subsec. (j)(2)(A)(iv), is section 503(a) of Pub. L. 105-276, which is set out as an Effective Date of 1998 Amendment note under section 1437 of this title.

AMENDMENTS

2017—Subsec. (m)(1). Pub. L. 115-31, §226(1), substituted “fiscal year 2017.” for “fiscal year 2016.”

Subsec. (o). Pub. L. 115-31, §226(2), substituted “September 30, 2017.” for “September 30, 2016.”

2015—Subsec. (m)(1). Pub. L. 114-113, §228(1), substituted “fiscal year 2016.” for “fiscal year 2015.”

Subsec. (o). Pub. L. 114-113, §228(2), substituted “September 30, 2016.” for “September 30, 2015.”

2014—Subsec. (m)(1). Pub. L. 113-235, §229(1), substituted “fiscal year 2015.” for “fiscal year 2014.”

Pub. L. 113-76, §234(1), substituted “fiscal year 2014.” for “fiscal year 2012.”

Subsec. (o). Pub. L. 113-235, § 229(2), substituted "September 30, 2015." for "September 30, 2014."

Pub. L. 113-76, § 234(2), substituted "September 30, 2014." for "September 30, 2012."

2011—Subsec. (m)(1). Pub. L. 112-55, § 222(1), substituted "fiscal year 2012." for "fiscal year 2010."

Subsec. (o). Pub. L. 112-55, § 222(2), substituted "September 30, 2012." for "September 30, 2010."

2009—Subsec. (m)(1). Pub. L. 111-117, § 222(1), substituted "fiscal year 2010." for "fiscal year 2009."

Pub. L. 111-8, § 223(1), which directed the substitution of "2009" for "2003", was executed by making the substitution for "2008", to reflect the probable intent of Congress and the intervening amendment by Pub. L. 110-161, § 224(1). See 2007 Amendment note below.

Subsec. (o). Pub. L. 111-117, § 222(2), substituted "September 30, 2010." for "September 30, 2009."

Pub. L. 111-8, § 223(2), which directed substitution of "September 30, 2009" for "September 30, 2007", was executed by making the substitution for "September 30, 2008", to reflect the probable intent of Congress and the intervening amendment by Pub. L. 110-161, § 224(2). See 2007 Amendment note below.

2007—Subsec. (m)(1). Pub. L. 110-161, § 224(1), which directed substitution of "2008" for "2003", was executed by making the substitution for "2007", to reflect the probable intent of Congress and the amendment by Pub. L. 109-289, § 21045(1), as added by Pub. L. 110-5. See below.

Pub. L. 109-289, § 21045(1), as added by Pub. L. 110-5, substituted "2007" for "2003".

Subsec. (o). Pub. L. 110-161, § 224(2), substituted "September 30, 2008" for "September 30, 2007".

Pub. L. 109-289, § 21045(2), as added by Pub. L. 110-5, substituted "September 30, 2007" for "September 30, 2006".

2003—Subsec. (a). Pub. L. 108-186, § 403(a), inserted concluding provisions.

Subsec. (e)(2). Pub. L. 108-186, § 402(a)(1), substituted "The Secretary shall establish criteria for the award of grants under this section and shall include among the factors—" for "The Secretary shall establish selection criteria for the award of grants under this section and shall include such factors as—" in introductory provisions.

Subsec. (e)(2)(B). Pub. L. 108-186, § 402(a)(2), struck out "large-scale" after "for managing".

Subsec. (e)(2)(D). Pub. L. 108-186, § 402(a)(3), inserted "and ongoing implementation" after "development" and "except that the Secretary may not award a grant under this section unless the applicant has involved affected public housing residents at the beginning and during the planning process for the revitalization program, prior to submission of an application" before semicolon at end.

Subsec. (e)(2)(I) to (L). Pub. L. 108-186, § 402(a)(4)–(6), added subpars. (I) to (K) and redesignated former subpar. (I) as (L).

Subsec. (j)(2)(A)(iii)(III). Pub. L. 108-186, § 402(b), added subcl. (III).

Subsec. (l)(3). Pub. L. 108-186, § 403(c)(1), substituted "including a specification of the amount and type of assistance provided under subsection (n);" for "and".

Subsec. (l)(4), (5). Pub. L. 108-186, § 403(c)(2), (3), added par. (4) and redesignated former par. (4) as (5).

Subsec. (m)(1). Pub. L. 108-186, § 402(d), which directed substitution of "through 2006" for "2001, and 2002" could not be executed because the words "2001, and 2002" did not appear subsequent to amendment by Pub. L. 108-7, § 215(a). See below.

Pub. L. 108-7, § 215(a), substituted "\$574,000,000 for fiscal year 2003" for "\$600,000,000 for fiscal year 1999 and such sums as may be necessary for each of fiscal years 2000, 2001, and 2002".

Subsec. (m)(3). Pub. L. 108-186, § 403(d), added par. (3).

Subsec. (n). Pub. L. 108-186, § 403(b)(2), added subsec. (n). Former subsec. (n) redesignated (o).

Pub. L. 108-186, § 402(e), substituted "September 30, 2006" for "September 30, 2004".

Pub. L. 108-7, § 215(b), substituted "September 30, 2004" for "September 30, 2002".

Subsec. (o) Pub. L. 108-186, § 403(b)(1), redesignated subsec. (n) as (o).

2000—Subsec. (d)(1)(G). Pub. L. 106-377, § 1(a)(1) [title II, § 214(b)(1)], inserted before semicolon "including a Neighborhood Networks initiative for the establishment and operation of computer centers in public housing for the purpose of enhancing the self-sufficiency, employability, an economic self-reliance of public housing residents by providing them with onsite computer access and training resources".

Subsec. (m)(2). Pub. L. 106-377, § 1(a)(1) [title II, § 214(b)(2)], inserted before period at end of first sentence "including assistance in connection with the establishment and operation of computer centers in public housing through the Neighborhoods Networks initiative described in subsection (d)(1)(G)".

1998—Pub. L. 105-276 amended section generally. Prior to amendment, section authorized planning grants for development of revitalization programs for severely distressed public housing and implementation grants to carry out revitalization programs for such housing, authorized exceptions to general program rules, established Office of Severely Distressed Public Housing Revitalization, and required annual report to Congress.

1996—Subsec. (e). Pub. L. 104-99 temporarily substituted "Exception" for "Exceptions" in subsec. heading and struck out "(1) LONG-TERM VIABILITY.—" before "The Secretary may waive" and par. (2) which read as follows:

"(2) SELECTION OF TENANTS.—For projects revitalized under this section, a public housing agency may select tenants pursuant to a local system of preferences, in lieu of selecting tenants pursuant to the preferences specified under section 1437d(c)(4)(A)(i) of this title. Such local system shall be established in writing and shall respond to local housing needs and priorities as determined by the public housing agency. The public housing agency shall hold 1 or more public hearings to obtain the views of low-income tenants and other interested parties on the housing needs and priorities of the agency's jurisdiction." See Effective and Termination Dates of 1996 Amendments note below.

Subsec. (h)(3). Pub. L. 104-330 struck out "except that it does not include any Indian housing authority" after "section 1437a(b) of this title".

EFFECTIVE DATE OF 1998 AMENDMENT

Pub. L. 105-276, title V, § 535(b), Oct. 21, 1998, 112 Stat. 2586, provided that: "The amendment made by this section [amending this section] is made on, and shall apply beginning upon, the date of the enactment of this Act [Oct. 21, 1998]."

EFFECTIVE AND TERMINATION DATES OF 1996 AMENDMENTS

Amendment by Pub. L. 104-330 effective Oct. 1, 1997, except as otherwise expressly provided, see section 107 of Pub. L. 104-330, set out as an Effective Date note under section 4101 of Title 25, Indians.

Amendment by Pub. L. 104-99 effective Jan. 26, 1996, only for fiscal years 1996, 1997, and 1998, and to cease to be effective Oct. 21, 1998, see section 402(f) of Pub. L. 104-99, as amended, and section 514(f) of Pub. L. 105-276, set out as notes under section 1437a of this title.

TERMINATION OF REPORTING REQUIREMENTS

For termination, effective May 15, 2000, of provisions of law requiring submittal to Congress of any annual, semiannual, or other regular periodic report listed in House Document No. 103-7 (in which item 11 on page 104 identifies a reporting provision which, as subsequently amended, is contained in subsec. (l) of this section), see section 3003 of Pub. L. 104-66, as amended, set out as a note under section 1113 of Title 31, Money and Finance.

STUDY OF ELDERLY AND DISABLED PUBLIC HOUSING NEEDS

Pub. L. 108-186, title IV, § 402(c), Dec. 16, 2003, 117 Stat. 2694, required the Comptroller General to submit a re-

port to Congress regarding the extent of severely distressed elderly and disabled public housing and recommendations for improving that housing not later than 18 months after Dec. 18, 2003.

§ 1437w. Transfer of management of certain housing to independent manager at request of residents

(a) Authority

The Secretary may transfer the responsibility and authority for management of specified housing (as such term is defined in subsection (h)) from a public housing agency to an eligible management entity, in accordance with the requirements of this section, if—

(1) a request for transfer of management of such housing is made and approved in accordance with subsection (b); and

(2) the Secretary or the public housing agency, as appropriate pursuant to subsection (b), determines that—

(A) due to the mismanagement of the agency, such housing has deferred maintenance, physical deterioration, or obsolescence of major systems and other deficiencies in the physical plant of the project;

(B) such housing is located in an area such that the housing is subject to recurrent vandalism and criminal activity (including drug-related criminal activity); and

(C) the residents can demonstrate that the elements of distress for such housing specified in subparagraphs (A) and (B) can be remedied by an entity or entities, identified by the residents, that has or have a demonstrated capacity to manage, with reasonable expenses for modernization.

(b) Request for transfer

The responsibility and authority for managing specified housing may be transferred only pursuant to a request made by a majority vote of the residents for the specified housing that—

(1) in the case of specified housing that is owned by a public housing agency that is designated as a troubled agency under section 1437d(j)(2) of this title—

(A) is made to the public housing agency or the Secretary; and

(B) is approved by the agency or the Secretary; or

(2) in the case of specified housing that is owned by a public housing agency that is not designated as a troubled agency under section 1437d(j)(2) of this title—

(A) is made to and approved by the public housing agency; or

(B) if a request is made to the agency pursuant to subparagraph (A) and is not approved, is subsequently made to and approved by the Secretary.

(c) Capital and operating assistance

Pursuant to a contract under subsection (d), the Secretary shall require the public housing agency for specified housing to provide to the manager for the housing, from any assistance from the Capital and Operating Funds under section 1437g of this title for the agency, fair and reasonable amounts for the housing for eligible capital and operating activities under sub-

section (d)(1) and (e)(1) of section 1437g of this title. The amount made available under this subsection to a manager shall be determined by the Secretary based on the share for the specified housing of the aggregate amount of assistance from such Funds for the public housing agency transferring the housing, taking into consideration the operating and capital improvement needs of the specified housing, the operating and capital improvement needs of the remaining public housing units managed by the public housing agency, and the public housing agency plan of such agency.

(d) Contract between Secretary and manager

(1) Requirements

Pursuant to the approval of a request under this section for transfer of the management of specified housing, the Secretary shall enter into a contract with the eligible management entity.

(2) Terms

A contract under this subsection shall contain provisions establishing the rights and responsibilities of the manager with respect to the specified housing and the Secretary and shall be consistent with the requirements of this chapter applicable to public housing projects.

(e) Compliance with public housing agency plan

A manager of specified housing under this section shall comply with the approved public housing agency plan applicable to the housing and shall submit such information to the public housing agency from which management was transferred as may be necessary for such agency to prepare and update its public housing agency plan.

(f) Demolition and disposition by manager

A manager under this section may demolish or dispose of specified housing only if, and in the manner, provided for in the public housing agency plan for the agency transferring management of the housing.

(g) Limitation on PHA liability

A public housing agency that is not a manager for specified housing shall not be liable for any act or failure to act by a manager or resident council for the specified housing.

(h) Definitions

For purposes of this section, the following definitions shall apply:

(1) Eligible management entity

The term “eligible management entity” means, with respect to any public housing project, any of the following entities:

(A) Nonprofit organization

A public or private nonprofit organization, which may—

(i) include a resident management corporation; and

(ii) not include the public housing agency that owns or operates the project.

(B) For-profit entity

A for-profit entity that has demonstrated experience in providing low-income housing.