

under this part first become available for obligation, the Secretary shall by notice establish such requirements as may be necessary to carry out the provisions of this part. Such requirements shall be subject to section 553 of title 5. The Secretary shall issue regulations based on the initial notice before the expiration of the 8-month period beginning on the date of the notice.

(Pub. L. 101-625, title IV, §448, Nov. 28, 1990, 104 Stat. 4180.)

**§ 12898a. Enterprise zone homeownership opportunity grants**

**(a) Statement of purpose**

It is the purpose of this section—

- (1) to encourage homeownership by families in the United States who are not otherwise able to afford homeownership;
- (2) to encourage the redevelopment of economically depressed areas; and
- (3) to provide better housing opportunities in federally approved and equivalent State-approved enterprise zones.

**(b) Definitions**

For purposes of this section the following definitions shall apply:

**(1) Home**

The term “home” means any 1- to 4-family dwelling. Such term includes any dwelling unit in a condominium project or cooperative project consisting of not more than 4 dwelling units, any town house, and any manufactured home.

**(2) Metropolitan statistical area**

The term “metropolitan statistical area” means a metropolitan statistical area as established by the Office of Management and Budget.

**(3) Nonprofit organization**

The term “nonprofit organization” means a private nonprofit corporation, or other private nonprofit legal entity, that is approved by the Secretary as to financial responsibility.

**(4) Secretary**

The term “Secretary” means the Secretary of Housing and Urban Development.

**(5) State**

The term “State” means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

**(6) Unit of general local government**

The term “unit of general local government” means any borough, city, county, parish, town, township, village, or other general purpose political subdivision of a State.

**(c) Assistance to nonprofit organizations**

**(1) In general**

The Secretary may provide assistance to nonprofit organizations to carry out enter-

prise zone homeownership opportunity programs to promote homeownership in federally approved and equivalent State-approved enterprise zones in accordance with the provisions of this section. Such assistance shall be made in the form of grants.

**(2) Applications**

Applications for assistance under this section shall be made in such form, and in accordance with such procedures, as the Secretary may prescribe.

**(d) Eligible uses of assistance**

**(1) In general**

Any nonprofit organization receiving assistance under this section shall use such assistance to provide loans to families purchasing homes constructed or rehabilitated in accordance with an enterprise zone homeownership opportunity program approved under this section.

**(2) Specific requirements**

Each loan made to a family under this subsection shall—

- (A) be secured by a second mortgage held by the Secretary on the property involved;
- (B) be in an amount not exceeding \$15,000;
- (C) bear no interest; and
- (D) be repayable to the Secretary upon the sales, lease, or other transfer of such property.

**(e) Program requirements**

**(1) In general**

Assistance provided under this section may be used only in connection with an enterprise zone homeownership opportunity program of construction or rehabilitation of homes.

**(2) Family need**

Each family purchasing a home under this section shall—

- (A) have a family income on the date of such purchase that is not more than the median income for a family of 4 persons (adjusted for family size) in the metropolitan statistical area in which a federally approved or equivalent State-approved enterprise zone is located; and
- (B) not have owned a home during the 3-year period preceding such purchase.

**(3) Downpayment**

Each family purchasing a home under this section shall make a downpayment of not less than 5 percent of the sale price of such home.

**(4) Leasing prohibition**

No family purchasing a home under this section may lease such home.

**(f) Terms and conditions of assistance**

**(1) Local consultation**

No proposed enterprise zone homeownership opportunity program may be approved by the Secretary under this section unless the applicant involved demonstrates to the satisfaction of the Secretary that—

- (A) it has consulted with and received the support of residents of the neighborhood in which such program is to be located; and

(B) it has the approval of each unit of general local government in which such program is to be located.

**(2) Program schedule**

Each applicant for assistance under this section shall submit to the Secretary an estimated schedule for completion of its proposed enterprise zone homeownership opportunity program, which schedule shall have been agreed to by each unit of general local government in which such program is to be located.

**(3) Location**

All homes constructed or rehabilitated under such program will be located in federally approved or equivalent State-approved enterprise zones.

**(4) Sales contracts**

Sales contracts entered into under such program will contain provisions requiring repayment of any loan made under this section upon the sale or other transfer of the home involved, unless the Secretary approves a transfer of such home without repayment (in which case the second mortgage held by the Secretary on such home shall remain in force until such loan is fully repaid).

**(g) Program selection criteria**

**(1) In general**

In selecting enterprise zone homeownership opportunity programs for assistance under this section from among eligible programs, the Secretary shall make such selection on the basis of the extent to which—

(A) non-Federal public or private entities will contribute land necessary to make each program feasible;

(B) non-Federal public and private financial or other contributions (including tax abatements, waivers of fees related to development, waivers of construction, development, or zoning requirements, and direct financial contributions) will reduce the cost of home<sup>1</sup> constructed or rehabilitated under each program;

(C) each program will produce the greatest number of units for the least amount of assistance provided under this section, taking into consideration the cost differences among different market areas; and

(D) each program provides for the involvement of local residents in the planning, and construction or rehabilitation, of homes.

**(2) Exception**

To the extent that non-Federal public entities are prohibited by the law of any State from making any form of contribution described in subparagraph (A) or (B) of paragraph (1), the Secretary shall not consider such form of contribution in evaluating such program.

**(h) Regulations**

Not later than 180 days after October 28, 1992, the Secretary shall issue final regulations to carry out the provisions of this title.<sup>2</sup> Any such

regulations shall be issued in accordance with section 553 of title 5, notwithstanding the provisions of subsection (a)(2) of such section.

**(i) Funding**

There are authorized to be appropriated to carry out this section \$30,000,000 in each of fiscal years 1993 and 1994.

(Pub. L. 102-550, title I, §186, Oct. 28, 1992, 106 Stat. 3748.)

CODIFICATION

Section was enacted as part of the Housing and Community Development Act of 1992, and not as part of subtitle C (§§441-448) of title IV of Pub. L. 101-625 which comprises this part.

TERMINATION OF TRUST TERRITORY OF THE PACIFIC ISLANDS

For termination of Trust Territory of the Pacific Islands, see note set out preceding section 1681 of Title 48, Territories and Insular Possessions.

PART C—HOPE FOR YOUTH: YOUTHBUILD

**§§ 12899 to 12899i. Repealed. Pub. L. 109-281, §2(e), Sept. 22, 2006, 120 Stat. 1181**

Section 12899, Pub. L. 101-625, title IV, §451, as added Pub. L. 102-550, title I, §164, Oct. 28, 1992, 106 Stat. 3723, set forth the statement of purpose of this part.

Section 12899a, Pub. L. 101-625, title IV, §452, as added Pub. L. 102-550, title I, §164, Oct. 28, 1992, 106 Stat. 3723, authorized the Secretary to make planning and implementation grants.

Section 12899b, Pub. L. 101-625, title IV, §453, as added Pub. L. 102-550, title I, §164, Oct. 28, 1992, 106 Stat. 3723, related to planning grants.

Section 12899c, Pub. L. 101-625, title IV, §454, as added Pub. L. 102-550, title I, §164, Oct. 28, 1992, 106 Stat. 3725; amended Pub. L. 105-277, div. A, §101(f) [title VIII, §405(d)(43)(A), (f)(34)], Oct. 21, 1998, 112 Stat. 2681-337, 2681-428, 2681-434, related to implementation grants.

Section 12899d, Pub. L. 101-625, title IV, §455, as added Pub. L. 102-550, title I, §164, Oct. 28, 1992, 106 Stat. 3728; amended Pub. L. 105-276, title V, §514(a)(2)(B), Oct. 21, 1998, 112 Stat. 2547; Pub. L. 106-400, §2, Oct. 30, 2000, 114 Stat. 1675, set forth Youthbuild program requirements.

Section 12899e, Pub. L. 101-625, title IV, §456, as added Pub. L. 102-550, title I, §164, Oct. 28, 1992, 106 Stat. 3730; amended Pub. L. 105-277, div. A, §101(f) [title VIII, §405(d)(43)(B)], Oct. 21, 1998, 112 Stat. 2681-337, 2681-428, set forth additional program requirements.

Section 12899f, Pub. L. 101-625, title IV, §457, as added Pub. L. 102-550, title I, §164, Oct. 28, 1992, 106 Stat. 3731; amended Pub. L. 103-382, title III, §394(d), Oct. 20, 1994, 108 Stat. 4027; Pub. L. 105-244, title I, §102(a)(13)(M), Oct. 7, 1998, 112 Stat. 1621; Pub. L. 106-400, §2, Oct. 30, 2000, 114 Stat. 1675; Pub. L. 109-136, §5, Dec. 22, 2005, 119 Stat. 2644, defined terms.

Section 12899g, Pub. L. 101-625, title IV, §458, as added Pub. L. 102-550, title I, §164, Oct. 28, 1992, 106 Stat. 3733, related to management and technical assistance.

Section 12899h, Pub. L. 101-625, title IV, §459, as added Pub. L. 102-550, title I, §164, Oct. 28, 1992, 106 Stat. 3733, related to contracts.

Section 12899h-1, Pub. L. 101-625, title IV, §460, as added Pub. L. 104-330, title V, §504(a)(2), Oct. 26, 1996, 110 Stat. 4044; amended Pub. L. 105-276, title V, §595(e)(15), Oct. 21, 1998, 112 Stat. 2659; Pub. L. 109-136, §6, Dec. 22, 2005, 119 Stat. 2644, rendered Indian tribes, Indian housing authorities, and other agencies primarily serving Indians or Indian areas ineligible for amounts made available for assistance under this part for fiscal years 1998 through 2005.

Section 12899i, Pub. L. 101-625, title IV, §461, formerly §460, as added Pub. L. 102-550, title I, §164, Oct. 28, 1992, 106 Stat. 3733; renumbered §461, Pub. L. 104-330, title V,

<sup>1</sup> So in original. Probably should be "homes".

<sup>2</sup> So in original. Probably should be "this section."