

provision of law, no funds in this Act or in any other Act in any fiscal year, including all future and prior fiscal years, may be used hereafter by the Secretary of Housing and Urban Development to provide any assistance or other funds for housing units defined in section 9(n) [now 9(m)] of the United States Housing Act of 1937 [42 U.S.C. 1437g(m)] (as in effect immediately before the enactment of this Act [Feb. 20, 2003]) as ‘covered locally developed public housing units’. The States of New York and Massachusetts shall reimburse any funds already made available under any appropriations Act for these units to the Secretary of Housing and Urban Development for reallocation to public housing agencies: *Provided*, That, if either State fails to make such reimbursement within 12 months, the Secretary shall recapture such funds through reductions from the amounts allocated to each State under section 106 of the Housing and Community Development Act of 1974 [42 U.S.C. 5306].”

APPLICABILITY OF PENALTIES FOR SLOW EXPENDITURE  
OF CAPITAL FUNDS

Pub. L. 107-73, title II, Nov. 26, 2001, 115 Stat. 660, provided in part: “That, hereafter, notwithstanding any other provision of law or any failure of the Secretary of Housing and Urban Development to issue regulations to carry out section 9(j) of the United States Housing Act of 1937 (42 U.S.C. 1437g(j)), such section is deemed to have taken effect on October 1, 1998, and, except as otherwise provided in this heading [“PUBLIC HOUSING CAPITAL FUND (INCLUDING TRANSFER OF FUNDS)”], shall apply to all assistance made available under this same heading on or after such date”.

COOLING DEGREE DAY ADJUSTMENT UNDER  
PERFORMANCE FUNDING SYSTEM

Pub. L. 101-625, title V, §508, Nov. 28, 1990, 104 Stat. 4187, provided that: “In determining the Performance Funding System utility subsidy for public housing agencies pursuant to section 9 of the United States Housing Act of 1937 [42 U.S.C. 1437g], the Secretary of Housing and Urban Development shall include a cooling degree day adjustment factor. The method by which a cooling degree day adjustment factor is included shall be identical to the method by which the heating degree day adjustment factor is included.”

ENERGY EFFICIENCY DEMONSTRATION

Pub. L. 101-625, title V, §523, Nov. 28, 1990, 104 Stat. 4215, which directed Secretary of Housing and Urban Development to carry out demonstration program to encourage use of private energy service companies and demonstrate opportunities for energy cost reduction through energy services contracts, and to report findings and recommendations to Congress as soon as practicable after expiration of 1-year period beginning on Nov. 28, 1990, was repealed by Pub. L. 105-276, title V, §582(a)(11), Oct. 21, 1998, 112 Stat. 2644.

**§ 1437h. Implementation of provisions by Secretary**

**(a) Preparation and submission of annual budget program; maintenance of accounts; audit by Government Accountability Office**

In the performance of, and with respect to, the functions, powers, and duties vested in him by this chapter, the Secretary, notwithstanding the provisions of any other law, shall—

- (1) prepare annually and submit a budget program as provided for wholly owned Government corporations by chapter 91 of title 31; and
- (2) maintain an integral set of accounts which may be audited by the Government Accountability Office as provided by chapter 91 of title 31.

**(b) Availability of receipts and assets**

All receipts and assets of the Secretary under this chapter shall be available for the purposes of this chapter until expended.

**(c) Federal Reserve banks to act as depositories, custodians and fiscal agents; reimbursement for services**

The Federal Reserve banks are authorized and directed to act as depositories, custodians, and fiscal agents for the Secretary in the general exercise of his powers under this chapter, and the Secretary may reimburse any such bank for its services in such manner as may be agreed upon.

(Sept. 1, 1937, ch. 896, title I, §10, as added Pub. L. 93-383, title II, §201(a), Aug. 22, 1974, 88 Stat. 666; amended Pub. L. 98-479, title II, §203(b)(2), Oct. 17, 1984, 98 Stat. 2229; renumbered title I, Pub. L. 100-358, §5, June 29, 1988, 102 Stat. 681; Pub. L. 104-316, title I, §122(k), Oct. 19, 1996, 110 Stat. 3837; Pub. L. 108-271, §8(b), July 7, 2004, 118 Stat. 814.)

PRIOR PROVISIONS

A prior section 10 of act Sept. 1, 1937, ch. 896, 50 Stat. 891, as amended, authorized annual contributions in assistance of low rentals for housing projects and was classified to section 1410 of this title, prior to the general revision of this chapter by Pub. L. 93-383. Similar provisions are contained in section 1437c of this title.

AMENDMENTS

2004—Subsec. (a)(2). Pub. L. 108-271 substituted “Government Accountability Office” for “General Accounting Office”.

1996—Subsec. (a)(2). Pub. L. 104-316 substituted “maintain an integral set of accounts which may be audited by the General Accounting Office as provided by chapter 91 of title 31.” for “maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by chapter 91 of title 31, and no other audit shall be required.”

1984—Subsec. (a)(1), (2). Pub. L. 98-479 substituted “chapter 91 of title 31” for “the Government Corporations Control Act, as amended”.

**§ 1437i. Obligations of public housing agencies; contestability; full faith and credit of United States pledged as security; tax exemption**

(a) Obligations issued by a public housing agency in connection with low-income housing projects which (1) are secured (A) by a pledge of a loan under any agreement between such public housing agency and the Secretary, or (B) by a pledge of annual contributions under an annual contributions contract between such public housing agency and the Secretary, or (C) by a pledge of both annual contributions under an annual contributions contract and a loan under an agreement between such public housing agency and the Secretary, and (2) bear, or are accompanied by, a certificate of the Secretary that such obligations are so secured, shall be incontestable in the hands of a bearer and the full faith and credit of the United States is pledged to the payment of all amounts agreed to be paid by the Secretary as security for such obligations.

(b) Except as provided in section 1437c(g) of this title, obligations, including interest thereon, issued by public housing agencies in connec-

tion with low-income housing projects shall be exempt from all taxation now or hereafter imposed by the United States whether paid by such agencies or by the Secretary. The income derived by such agencies from such projects shall be exempt from all taxation now or hereafter imposed by the United States.

(Sept. 1, 1937, ch. 896, title I, §11, as added Pub. L. 93-383, title II, §201(a), Aug. 22, 1974, 88 Stat. 667; amended Pub. L. 97-35, title III, §322(c), Aug. 13, 1981, 95 Stat. 402; renumbered title I, Pub. L. 100-358, §5, June 29, 1988, 102 Stat. 681; Pub. L. 101-625, title V, §572(2), Nov. 28, 1990, 104 Stat. 4236.)

#### PRIOR PROVISIONS

A prior section 11 of act Sept. 1, 1937, ch. 896, 50 Stat. 893, as amended, authorized capital grants to public housing agencies in assistance of low rentals and was classified to section 1411 of this title, prior to the general revision of this chapter by Pub. L. 93-383.

#### AMENDMENTS

1990—Pub. L. 101-625 substituted “low-income housing” for “lower income housing” wherever appearing.

1981—Pub. L. 97-35 substituted reference to lower income for reference to low-income wherever appearing.

#### 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.

### § 1437j. Labor standards and community service requirement

#### (a) Payment of wages prevailing in locality

Any contract for loans, contributions, sale, or lease pursuant to this chapter shall contain a provision requiring that not less than the wages prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Secretary, shall be paid to all architects, technical engineers, draftsmen, and technicians employed in the development, and all maintenance laborers and mechanics employed in the operation, of the low-income housing project involved; and shall also contain a provision that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to sections 3141-3144, 3146, and 3147 of title 40, shall be paid to all laborers and mechanics employed in the development of the project involved (including a project with nine or more units assisted under section 1437f of this title, where the public housing agency or the Secretary and the builder or sponsor enter into agreement for such use before construction or rehabilitation is commenced), and the Secretary shall require certification as to compliance with the provisions of this section prior to making any payment under such contract.

#### (b) Exception for volunteers

Subsection (a) and the provisions relating to wages (pursuant to subsection (a)) in any contract for loans, annual contributions, sale, or lease pursuant to this chapter, shall not apply to any individual that—

(1) performs services for which the individual volunteered;

(2)(A) does not receive compensation for such services; or

(B) is paid expenses, reasonable benefits, or a nominal fee for such services; and

(3) is not otherwise employed at any time in the construction work.

#### (c) Community service requirement

##### (1) In general

Except as provided in paragraph (2) and notwithstanding any other provision of law, each adult resident of a public housing project shall—

(A) contribute 8 hours per month of community service (not including political activities) within the community in which that adult resides; or

(B) participate in an economic self-sufficiency program (as that term is defined in subsection (g)) for 8 hours per month.

##### (2) Exemptions

The Secretary shall provide an exemption from the applicability of paragraph (1) for any individual who—

(A) is 62 years of age or older;

(B) is a blind or disabled individual, as defined under section 216(i)(1) or 1614 of the Social Security Act (42 U.S.C. 416(i)(1); 1382c), and who is unable to comply with this section, or is a primary caretaker of such individual;

(C) is engaged in a work activity (as such term is defined in section 407(d) of the Social Security Act (42 U.S.C. 607(d)), as in effect on and after July 1, 1997);<sup>1</sup>

(D) meets the requirements for being exempted from having to engage in a work activity under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or under any other welfare program of the State in which the public housing agency is located, including a State-administered welfare-to-work program; or

(E) is in a family receiving assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or under any other welfare program of the State in which the public housing agency is located, including a State-administered welfare-to-work program, and has not been found by the State or other administering entity to be in noncompliance with such program.

##### (3) Annual determinations

###### (A) Requirement

For each public housing resident subject to the requirement under paragraph (1), the public housing agency shall, 30 days before the expiration of each lease term of the resident under section 1437d(l)(1) of this title, review and determine the compliance of the resident with the requirement under paragraph (1) of this subsection.

###### (B) Due process

Such determinations shall be made in accordance with the principles of due process and on a nondiscriminatory basis.

<sup>1</sup>So in original. Probably should be only one closing parenthesis.