

“(b) GRANTEES.—Grants under the program under this section may be made only to agencies of State and local governments and non-profit organizations operating within the demonstration areas.

“(c) SELECTION CRITERIA.—In selecting among applications for designation of demonstration areas and grants under this section, the Secretary shall consider—

“(1) the extent of single family residences located in the proposed area that have rehabilitation needs;

“(2) the ability and expertise of the applicant in carrying out the purposes of the demonstration program, including the availability of qualified housing counselors and contractors in the proposed area willing and able to participate in rehabilitation activities funded with grant amounts;

“(3) the extent to which the designation of such area and the grant award would promote affordable housing opportunities;

“(4) the extent to which selection of the proposed area would have a beneficial effect on the neighborhood or community in the area and on surrounding areas;

“(5) the extent to which the applicant has demonstrated that grant amounts will be used to leverage additional public or private funds to carry out the purposes of the demonstration program;

“(6) the extent to which lenders (including local lenders and lenders outside the proposed area) are willing and able to make loans for rehabilitation activities assisted with grant funds; and

“(7) the extent to which the application provides for the involvement of local residents in the planning of rehabilitation activities in the demonstration area.

“(d) USE OF GRANT FUNDS.—Funds from grants made under this section may be used by grantees—

“(1) to subsidize interest on loans, over a period of not more than 5 years from the origination date of the loan, made after the date of the enactment of this Act [Oct. 21, 1998] for rehabilitation of any owner-occupied 1- to 4-family residence, including the payment of interest during any period in which a residence is uninhabitable because of rehabilitation activities;

“(2) to facilitate loans for rehabilitation of 1- to 4-family properties previously subject to a mortgage insured under the National Housing Act [12 U.S.C. 1701 et seq.] that has been foreclosed or for which insurance benefits have been paid, including to establish revolving loan funds, loan loss reserves, and other financial structures; and

“(3) to provide technical assistance in conjunction with the rehabilitation of owner-occupied 1- to 4-family residences, including counseling, selection contractors, monitoring of work, approval of contractor payments, and final inspection of work.

“(e) DEFINITION OF REHABILITATION.—For purposes of this section, the term ‘rehabilitation’ has the meaning given such term in section 203(k)(2)(B) of the National Housing Act (12 U.S.C. 1709(k)(2)(B)).

“(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section such sums as may be necessary for each of fiscal years 1999 through 2003.

“(g) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act [Oct. 21, 1998].”

#### REPORT REGARDING RESEARCH ACTIVITIES

Pub. L. 101-625, title IX, §951(b), Nov. 28, 1990, 104 Stat. 4417, directed Secretary of Housing and Urban Development, not later than the expiration of the 1-year period beginning on Nov. 28, 1990, to submit to Congress a report listing and describing various research activities, studies, testing, and demonstration programs relating to mission and programs of Department of Housing and Urban Development that are being conducted, have concluded, or will conclude during such period, pursuant to section 501 of the Housing and Urban Development Act of 1970 (12 U.S.C. 1701z-1), title V of such

Act (12 U.S.C. 1701z-1 et seq.), or any other authority, such report to include a statement identifying the individual or entity that is conducting each such activity, study, test, and demonstration program.

#### § 1701z-2. Advanced technologies, methods, and materials for housing construction, rehabilitation, and maintenance

##### (a) General acceptance; costs, reduction; health and safety restrictions on expanded housing production

The Secretary shall require, to the greatest extent feasible, the employment of new and improved technologies, methods, and materials in housing construction, rehabilitation, and maintenance under programs administered by him with a view to reducing costs, and shall encourage and promote the acceptance and application of such advanced technology, methods, and materials by all segments of the housing industry, communities, industries engaged in urban development activities, and the general public. To the extent feasible, in connection with the construction, major rehabilitation, or maintenance of any housing assisted under section 1701z-1 of this title, the Secretary shall assure that there is no restraint by contract, building code, zoning ordinance, or practice against the employment of new or improved technologies, techniques, materials, and methods or of preassembled products which may reduce the cost or improve the quality of such construction, rehabilitation, and maintenance, and therefore stimulate expanded production of housing, except where such restraint is necessary to insure safe and healthful working and living conditions.

##### (b) Experimental construction under approved housing plans on Federal or other lands with view toward ultimate mass housing production; use of section 1701z-1 funds and authority

To encourage large-scale experimentation in the use of new technologies, methods, and materials, with a view toward the ultimate mass production of housing and related facilities, the Secretary shall wherever feasible conduct programs under section 1701z-1 of this title in which qualified organizations, public and private, will submit plans for development and production of housing and related facilities using such new advances on Federal land which has been made available or acquired by the Secretary for the purpose of this subsection or on other land where (1) local building regulations permit such experimental construction, or (2) necessary variances from building regulations can be granted. The Secretary may utilize the funds and authority available to him under the provisions of section 1701z-1 of this title to assist in the implementation of plans which he approves.

##### (c) Acquisition, use, and disposal of property; transfer of excess property

Notwithstanding any other provision of law, the Secretary is authorized, in connection with projects under this title [12 U.S.C. 1701z-1 et seq.], to acquire, use and dispose of any land and other property required for the project as he deems necessary. Notwithstanding the provisions of chapters 1 to 11 of title 40 and division

C (except sections 3302, 3307(e), 3501(b), 3509, 3906, 4710, and 4711) of subtitle I of title 41, any land which is excess property within the meaning of chapters 1 to 11 of title 40 and division C (except sections 3302, 3307(e), 3501(b), 3509, 3906, 4710, and 4711) of subtitle I of title 41 and which is determined by the Secretary to be suitable in furtherance of the purposes of subsection (b) may be transferred to the Secretary upon his request.

**(d) Technical assistance; reports; general dissemination and form of reports, data, and information**

In order to effectively carry out his activities under section 1701z-1 of this title, the Secretary is authorized to provide such advice and technical assistance as may be required and to pay for the cost of writing and publishing reports on activities and undertakings financed under section 1701z-1 of this title, as well as reports on similar activities and undertakings, not so financed, which are of significant value in furthering the purposes of that section. He may disseminate (without regard to the provisions of section 3204 of title 39 or section 4154 of such title with respect to any period before the effective date of such section 3204 as provided in section 15(a) of the Postal Reorganization Act) any reports, data, or information acquired or held under this title [12 U.S.C. 1701z-1 et seq.], including related data and information otherwise available to the Secretary through the operation of the programs and activities of the Department of Housing and Urban Development, in such form as he determines to be most useful to departments, establishments, and agencies of Federal, State, and local governments, to industry, and to the general public.

**(e) Contracts or grants; authority; advance and progress payments; work limitation**

The Secretary is authorized to carry out the functions authorized in section 1701z-1 of this title either directly or, without regard to section 6101 of title 41, by contract or by grant. Advance and progress payments may be made under such contracts or grants without regard to the provisions of subsections (a) and (b) of section 3324 of title 31 and such contracts or grants may be made for work to continue for not more than four years from the date thereof.

**(f) Utilization of facilities of other agencies; working agreements, cooperative agreements, contract authority, receipt of funds, and exercise of section 1701c(c) powers**

In carrying out activities under section 1701z-1 of this title, the Secretary shall utilize to the fullest extent feasible the available facilities of other Federal departments and agencies, and shall consult with, and make recommendations to, such departments and agencies. The Secretary may enter into working agreements with such departments and agencies and contract or make grants on their behalf or have such departments and agencies contract or make grants on his behalf and such departments and agencies are hereby authorized to execute such contracts and grants. The Secretary is authorized to make or accept reimbursement for the cost of such activities. The Secretary is further authorized to undertake activities under this title [12 U.S.C.

1701z-1 et seq.] under cooperative agreements with industry and labor, agencies of State or local governments, educational institutions, and other organizations. He may enter into contracts with and receive funds from such agencies, institutions, and organizations, and may exercise any of the other powers vested in him by section 1701c(c) of this title.

**(g) Information and data; restriction on use or identification**

The Secretary is authorized to request and receive such information or data as he deems appropriate from private individuals and organizations, and from public agencies. Any such information or data shall be used only for the purposes for which it is supplied, and no publication shall be made by the Secretary whereby the information or data furnished by any particular person or establishment can be identified, except with the consent of such person or establishment.

(Pub. L. 91-609, title V, § 502, Dec. 31, 1970, 84 Stat. 1784; Pub. L. 94-375, § 23(c), Aug. 3, 1976, 90 Stat. 1078; Pub. L. 98-479, title II, § 203(k), Oct. 17, 1984, 98 Stat. 2231.)

### Editorial Notes

#### REFERENCES IN TEXT

This title, referred to in subsecs. (c), (d), and (f) following “under”, is title V of the Housing and Urban Development Act of 1970, Pub. L. 91-609, Dec. 31, 1970, 84 Stat. 1784, as amended, which is classified generally to section 1701z-1 et seq., of this title. For complete classification of this Act to the Code, see Short Title of 1970 Amendments note set out under section 1701 of this title and Tables.

For effective date of section 3204 of title 39 as provided in section 15(a) of the Postal Reorganization Act, referred to in subsec. (d), see notes preceding section 101 and under section 3204 of Title 39, Postal Service.

#### CODIFICATION

In subsec. (c), “chapters 1 to 11 of title 40 and division C (except sections 3302, 3307(e), 3501(b), 3509, 3906, 4710, and 4711) of subtitle I of title 41, any land which is excess property within the meaning of chapters 1 to 11 of title 40 and division C (except sections 3302, 3307(e), 3501(b), 3509, 3906, 4710, and 4711) of subtitle I of title 41” substituted for “the Federal Property and Administrative Services Act of 1949, any land which is excess property within the meaning of such Act” on authority of Pub. L. 107-217, § 5(c), Aug. 21, 2002, 116 Stat. 1303, which Act enacted Title 40, Public Buildings, Property, and Works, and Pub. L. 111-350, § 6(c), Jan. 4, 2011, 124 Stat. 3854, which Act enacted Title 41, Public Contracts.

In subsec. (e), “section 6101 of title 41” substituted for “section 3709 of the Revised Statutes” on authority of Pub. L. 111-350, § 6(c), Jan. 4, 2011, 124 Stat. 3854, which Act enacted Title 41, Public Contracts.

Section was enacted as part of the Housing and Urban Development Act of 1970, and not as part of the National Housing Act which comprises this chapter.

#### AMENDMENTS

1984—Subsec. (e). Pub. L. 98-479 substituted “subsections (a) and (b) of section 3324 of title 31” for “section 3648 of the Revised Statutes [31 U.S.C. 529]”.

1976—Subsec. (f). Pub. L. 94-375 inserted “and such departments and agencies are hereby authorized to execute such contracts and grants.” after “make grants on his behalf”.

**§ 1701z-3. Experimental housing allowance payment program**

**(a) Purpose of payments**

The Secretary is authorized to undertake on an experimental basis programs to demonstrate the feasibility of providing housing allowance payments to assist families in meeting rental or homeownership expenses.

**(b) Termination date of payments; termination date for contracts; contracts for performance of administrative functions**

(1) No housing allowance payments shall be made after July 1, 1985. After January 1, 1975, the Secretary shall not enter into contracts under the United States Housing Act of 1937 [42 U.S.C. 1437 et seq.] to carry out the purposes of this section. The Secretary may contract with public or private agencies for the performance of administrative functions in connection with the programs authorized by this section.

(2) Notwithstanding the provisions of paragraph (1), the Secretary shall, to the extent approved in appropriation Acts, extend the annual contributions contracts for the experimental housing allowance supply program through September 30, 1989, on the same terms and conditions as the original contracts, for the sole purpose of providing assistance for homeowners participating in such program on June 1, 1983. In extending such contracts, the Secretary may, to the extent approved in appropriation Acts, use authority available under section 5(c) of the United States Housing Act of 1937 [42 U.S.C. 1437c(c)].

**(c) Report to Congress**

The Secretary shall report to the Congress on his findings pursuant to this section not later than eighteen months after August 22, 1974.

(Pub. L. 91-609, title V, §504, Dec. 31, 1970, 84 Stat. 1786; Pub. L. 93-383, title VIII, §804, Aug. 22, 1974, 88 Stat. 725; Pub. L. 94-375, §23(b), Aug. 3, 1976, 90 Stat. 1078; Pub. L. 98-35, §6(a), May 26, 1983, 97 Stat. 198.)

**Editorial Notes**

REFERENCES IN TEXT

The United States Housing Act of 1937, referred to in subsec. (b)(1), is act Sept. 1, 1937, ch. 896, as revised generally by Pub. L. 93-383, title II, Aug. 22, 1974, 88 Stat. 653, which is classified to chapter 8 (§1437 et seq.) of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 1437 of Title 42 and Tables.

CODIFICATION

Section was enacted as part of the Housing and Urban Development Act of 1970, and not as part of the National Housing Act which comprises this chapter.

AMENDMENTS

1983—Subsec. (b). Pub. L. 98-35 designated existing provisions as par. (1) and added par. (2).

1976—Subsec. (b). Pub. L. 94-375 struck out provisions which authorized the Secretary to make or contract to make housing allowance payments, authorized sums to be appropriated as necessary, including sums for contract payments and administrative costs, and limited the aggregate amount of contracts for making housing allowance payments.

1974—Subsec. (a). Pub. L. 93-383 substituted provisions authorizing the Secretary to undertake programs on an experimental basis of housing allowance payments to assist families in meeting rental or homeownership expenses, for provisions authorizing the Secretary in carrying out activities under section 1701z-1 of this title to undertake programs on an experimental basis of housing allowances to assist families of low income to obtain rental housing of their choice in existing units.

Subsec. (b). Pub. L. 93-383 substituted provisions relating to the authority of the Secretary to make or contract to make payments to or on behalf of participating families, authorizing appropriations, and setting forth limits on the contracting power of the Secretary, for provisions setting forth limitations on the amount of family allowances and conditioning payment of such allowances.

Subsec. (c). Pub. L. 93-383 substituted provisions requiring the Secretary to report to Congress not later than 18 months after Aug. 22, 1974, for provisions setting forth the contracting authority of the Secretary for services.

Subsec. (d). Pub. L. 93-383 struck out subsec. (d) which set forth limits on aggregate family allowances and authorizing appropriations to make payments.

Subsec. (e). Pub. L. 93-383 struck out subsec. (e) which required a report to Congress by the Secretary as soon as practicable in calendar years 1972 and 1973.

Subsec. (f). Pub. L. 93-383 struck out subsec. (f) which defined "families of low income" and "existing standard housing".

Subsec. (g). Pub. L. 93-383 struck out subsec. (g) which prohibited payments after June 30, 1973.

**Statutory Notes and Related Subsidiaries**

EFFECTIVE DATE OF 1983 AMENDMENT

Pub. L. 98-35, §6(b), May 26, 1983, 97 Stat. 199, provided that: "The amendments made by this section [amending this section] shall become effective on October 1, 1983."

**§ 1701z-4. Abandoned properties demonstration project**

**(a) Grants for arrest of incipient abandonment and revitalization of blighted areas**

In carrying out activities under section 1701z-1 of this title, the Secretary may undertake programs to demonstrate the most feasible means of providing assistance to localities in which a substantial number of structures are abandoned or are threatened with abandonment for the purpose of arresting the process of housing abandonment in its incipiency or in restoring viability to blighted areas in which abandonment is pervasive. For this purpose, the Secretary is authorized to make grants, subject to the limitations of this section, to assist local public bodies in planning and implementing demonstration projects for prompt and effective action in alleviating and preventing such abandonment in designated demonstration areas.

**(b) Preferred projects; scope of projects**

In administering this section, the Secretary shall give preference to those demonstration projects which in his judgment can reasonably be expected to arrest the process of abandonment in the demonstration area within a period of two years and which provide for innovative approaches to combating the problem of housing abandonment. Such projects may include, but shall not be limited to (1) acquisition by negotiated purchase, lease, receivership, tax lien pro-