

in promoting development of microenterprises, including a review of any statutory or regulatory provision that impedes development of microenterprises.

**COMMUNITY INVESTMENT CORPORATION DEMONSTRATION**

Pub. L. 102-550, title VIII, §853, Oct. 28, 1992, 106 Stat. 3859, provided for establishment of a demonstration program to develop ways to improve access to capital for initiatives which would benefit specific targeted geographic areas and to test new models for bringing credit and investment capital to low-income persons in targeted geographic areas, using depository institution holding companies and eligible local nonprofit organizations selected by Secretary of Housing and Urban Development to provide capital assistance, grants, and training under direction of an advisory board. Funds for the program were authorized for fiscal years 1993 and 1994 to remain available until expended.

**WAIVER OF LIMITATION ON AMOUNT OF FUNDS WHICH MAY BE USED IN FISCAL YEARS 1982, 1983, AND 1984 FOR PUBLIC SERVICE ACTIVITIES**

Pub. L. 97-35, title III, §303(b), Aug. 13, 1981, 95 Stat. 388, as amended Pub. L. 98-181, title I [title I, §105(b)(2)], Nov. 30, 1983, 97 Stat. 1164, authorized Secretary, in fiscal years 1982 and 1983, to waive the limitation on amount of funds which could be used for public services activities under subsec. (a)(8) of this section, in the case of a unit of general local government which, during fiscal year 1981, allocated more than 10 per centum of funds received under this chapter for such activities.

**§ 5306. Allocation and distribution of funds**

**(a) Amounts allocated to Indian tribes, discretionary fund, and metropolitan cities and urban counties; limitations on amount of annual grants**

(1) For each fiscal year, of the amount approved in appropriation Acts under section 5303 of this title for grants for such fiscal year (excluding the amounts provided for use in accordance with section 5307 of this title), the Secretary shall reserve for grants to Indian tribes 1 percent of the amount appropriated under such section. The Secretary shall provide for distribution of amounts under this paragraph to Indian tribes on the basis of a competition conducted pursuant to specific criteria for the selection of Indian tribes to receive such amounts. The criteria shall be contained in a regulation promulgated by the Secretary after notice and public comment. Notwithstanding any other provision of this Act, such grants to Indian tribes shall not be subject to the requirements of section 5304 of this title, except subsections (f), (g), and (k) of such section.

(2) For each fiscal year, of the amount approved in appropriation Acts under section 5303 of this title for grants for such fiscal year (excluding the amounts provided for use in accordance with section 5307 of this title), the Secretary shall reserve for grants to insular areas \$7,000,000. The Secretary shall provide for distribution of amounts under this paragraph to insular areas on the basis of the ratio of the population of each insular area to the population of all insular areas. In determining the distribution of amounts to insular areas, the Secretary may also include other statistical criteria as data become available from the Bureau of the Census, but only if such criteria are contained in a regulation promulgated by the Secretary after notice and public comment.

(3) After reserving such amounts for Indian tribes under paragraph (1) and after reserving such amounts for insular areas under paragraph (2), the Secretary shall allocate amounts provided for use under section 5307 of this title.

(4) Of the amount remaining after allocations pursuant to paragraphs (1), (2), and (3), 70 percent shall be allocated by the Secretary to metropolitan cities and urban counties. Except as otherwise specifically authorized, each metropolitan city and urban county shall be entitled to an annual grant from such allocation in an amount not exceeding its basic amount computed pursuant to paragraph (1) or (2) of subsection (b).

**(b) Computation of amount allocated to metropolitan cities and urban counties**

(1) The Secretary shall determine the amount to be allocated to each metropolitan city which shall be the greater of an amount that bears the same ratio to the allocation for all metropolitan areas as either—

(A) the average of the ratios between—

(i) the population of that city and the population of all metropolitan areas;

(ii) the extent of poverty in that city and the extent of poverty in all metropolitan areas; and

(iii) the extent of housing overcrowding in that city and the extent of housing overcrowding in all metropolitan areas; or

(B) the average of the ratios between—

(i) the extent of growth lag in that city and the extent of growth lag in all metropolitan cities;

(ii) the extent of poverty in that city and the extent of poverty in all metropolitan areas; and

(iii) the age of housing in that city and the age of housing in all metropolitan areas.

(2) The Secretary shall determine the amount to be allocated to each urban county, which shall be the greater of an amount that bears the same ratio to the allocation for all metropolitan areas as either—

(A) the average of the ratios between—

(i) the population of that urban county and the population of all metropolitan areas;

(ii) the extent of poverty in that urban county and the extent of poverty in all metropolitan areas; and

(iii) the extent of housing overcrowding in that urban county and the extent of housing overcrowding in all metropolitan areas; or

(B) the average of the ratios between—

(i) the extent of growth lag in that urban county and the extent of growth lag in all metropolitan cities and urban counties;

(ii) the extent of poverty in that urban county and the extent of poverty in all metropolitan areas; and

(iii) the age of housing in that urban county and the age of housing in all metropolitan areas.

(3) In determining the average of ratios under paragraphs (1)(A) and (2)(A), the ratio involving the extent of poverty shall be counted twice, and each of the other ratios shall be counted once; and in determining the average of ratios

under paragraphs (1)(B) and (2)(B), the ratio involving the extent of growth lag shall be counted once, the ratio involving the extent of poverty shall be counted one and one-half times, and the ratio involving the age of housing shall be counted two and one-half times.

(4) In computing amounts or exclusions under this section with respect to any urban county, there shall be excluded units of general local government located in the county the populations of which are not counted in determining the eligibility of the urban county to receive a grant under this subsection, except that there shall be included any independent city (as defined by the Bureau of the Census) which—

(A) is not part of any county;

(B) is not eligible for a grant pursuant to subsection (b)(1);

(C) is contiguous to the urban county;

(D) has entered into cooperation agreements with the urban county which provide that the urban county is to undertake or to assist in the undertaking of essential community development and housing assistance activities with respect to such independent city; and

(E) is not included as a part of any other unit of general local government for purposes of this section.

Any independent city which is included in any fiscal year for purposes of computing amounts pursuant to the preceding sentence shall not be eligible to receive assistance under subsection (d) with respect to such fiscal year.

(5) In computing amounts under this section with respect to any urban county, there shall be included all of the area of any unit of local government which is part of, but is not located entirely within the boundaries of, such urban county if the part of such unit of local government which is within the boundaries of such urban county would otherwise be included in computing the amount for such urban county under this section, and if the part of such unit of local government which is not within the boundaries of such urban county is not included as a part of any other unit of local government for the purpose of this section. Any amount received by such urban county under this section may be used with respect to the part of such unit of local government which is outside the boundaries of such urban county.

(6)(A) Where data are available, the amount determined under paragraph (1) for a metropolitan city that has been formed by the consolidation of one or more metropolitan cities with an urban county shall be equal to the sum of the amounts that would have been determined under paragraph (1) for the metropolitan city or cities and the balance of the consolidated government, if such consolidation had not occurred. This paragraph shall apply only to any consolidation that—

(i) included all metropolitan cities that received grants under this section for the fiscal year preceding such consolidation and that were located within the urban county;

(ii) included the entire urban county that received a grant under this section for the fiscal year preceding such consolidation; and

(iii) took place on or after January 1, 1983.

(B) The population growth rate of all metropolitan cities referred to in section 5302(a)(12) of

this title shall be based on the population of (i) metropolitan cities other than consolidated governments the grant for which is determined under this paragraph; and (ii) cities that were metropolitan cities before their incorporation into consolidated governments. For purposes of calculating the entitlement share for the balance of the consolidated government under this paragraph, the entire balance shall be considered to have been an urban county.

**(c) Reallocation of undistributed funds within same metropolitan area as original allocation; amount and calculation of reallocation grant; disaster relief**

(1) Except as provided in paragraphs (2) and (4), any amounts allocated to a metropolitan city or an urban county pursuant to the preceding provisions of this section which are not received by the city or county for a fiscal year because of failure to meet the requirements of subsection (a), (b), (c), or (d) of section 5304 of this title, or which become available as a result of actions under section 5304(e) or 5311 of this title, shall be reallocated in the succeeding fiscal year to the other metropolitan cities and urban counties in the same metropolitan area which certify to the satisfaction of the Secretary that they would be adversely affected by the loss of such amounts from the metropolitan area. The amount of the share of funds reallocated under this paragraph for any metropolitan city or urban county shall bear the same ratio to the total of such reallocated funds in the metropolitan area as the amount of funds awarded to the city or county for the fiscal year in which the reallocated funds become available bears to the total amount of funds awarded to all metropolitan cities and urban counties in the same metropolitan area for that fiscal year, except that—

(A) in determining the amounts awarded to cities or counties for purposes of calculating shares pursuant to this sentence, there shall be excluded from the award of any city or county any amounts which become available as a result of actions against such city or county under section 5311 of this title;

(B) in reallocating amounts resulting from an action under section 5304(e) of this title or section 5311 of this title, a city or county against whom any such action was taken in a fiscal year shall be excluded from a calculation of share for purposes of reallocating, in the succeeding year, the amounts becoming available as a result of such action; and

(C) in no event may the share of reallocated funds for any metropolitan city or urban county exceed 25 per centum of the amount awarded to the city or county under subsection (b) for the fiscal year in which the reallocated funds under this paragraph become available.

Any amounts allocated under subsection (b) which become available for reallocation and for which no metropolitan city or urban county qualifies under this paragraph shall be added to amounts available for allocation under such subsection (b) in the succeeding fiscal year.

(2) Notwithstanding any other provision of this chapter, the Secretary shall make grants from amounts authorized for use under sub-

section (b) by the Department of Housing and Urban Development—Independent Agencies Appropriation Act, 1981, in accordance with the provisions of this chapter which governed grants with respect to such amounts, as such provisions existed prior to October 1, 1981, except that any such amounts which are not obligated before January 1, 1982, shall be reallocated in accordance with paragraph (1).

(3) Notwithstanding the provisions of paragraph (1), the Secretary may upon request transfer responsibility to any metropolitan city for the administration of any amounts received, but not obligated, by the urban county in which such city is located if (A) such city was an included unit of general local government in such county prior to the qualification of such city as a metropolitan city; (B) such amounts were designated and received by such county for use in such city prior to the qualification of such city as a metropolitan city; and (C) such city and county agree to such transfer of responsibility for the administration of such amounts.

(4)(A) Notwithstanding paragraph (1), in the event of a major disaster declared by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act [42 U.S.C. 5121 et seq.], the Secretary shall make available, to metropolitan cities and urban counties located or partially located in the areas affected by the disaster, any amounts that become available as a result of actions under section 5304(e) or 5311 of this title.

(B) In using any amounts that become available as a result of actions under section 5304(e) or 5311 of this title, the Secretary shall give priority to providing emergency assistance under this paragraph.

(C) The Secretary may provide assistance to any metropolitan city or urban county under this paragraph only to the extent necessary to meet emergency community development needs, as the Secretary shall determine (subject to subparagraph (D)), of the city or county resulting from the disaster that are not met with amounts otherwise provided under this chapter, the Robert T. Stafford Disaster Relief and Emergency Assistance Act [42 U.S.C. 5121 et seq.], and other sources of assistance.

(D) Amounts provided to metropolitan cities and urban counties under this paragraph may be used only for eligible activities under section 5305 of this title, and in implementing this section, the Secretary shall evaluate the natural hazards to which any permanent replacement housing is exposed and shall take appropriate action to mitigate such hazards.

(E) The Secretary shall provide for applications (or amended applications and statements under section 5304 of this title) for assistance under this paragraph.

(F) A metropolitan city or urban county eligible for assistance under this paragraph may receive such assistance only in each of the fiscal years ending during the 3-year period beginning on the date of the declaration of the disaster by the President.

(G) This paragraph may not be construed to require the Secretary to reserve any amounts that become available as a result of actions under section 5304(e) or 5311 of this title for as-

sistance under this paragraph if, when such amounts are to be reallocated under paragraph (1), no metropolitan city or urban county qualifies for assistance under this paragraph.

**(d) Allocation among States for nonentitlement areas; amount and calculation of grants; distributions by State or Secretary; certain distributions made pursuant to prior provisions; certifications required by Governor enumerated; responsibility for administration and administrative expenses; reallocation; certifications required of units of general local government in nonentitlement areas; applicability of this chapter and other law**

(1) Of the amount approved in an appropriation Act under section 5303 of this title that remains after allocations pursuant to paragraphs (1), (2), and (3) of subsection (a), 30 per centum shall be allocated among the States for use in nonentitlement areas. The allocation for each State shall be the greater of an amount that bears the same ratio to the allocation for such areas of all States available under this subparagraph as either—

(A) the average of the ratios between—

(i) the population of the nonentitlement areas in that State and the population of the nonentitlement areas of all States;

(ii) the extent of poverty in the nonentitlement areas in that State and the extent of poverty in the nonentitlement areas of all States; and

(iii) the extent of housing overcrowding in the nonentitlement areas in that State and the extent of housing overcrowding in the nonentitlement areas of all States; or

(B) the average of the ratios between—

(i) the age of housing in the nonentitlement areas in that State and the age of housing in the nonentitlement areas of all States;

(ii) the extent of poverty in the nonentitlement areas in that States and the extent of poverty in the nonentitlement areas of all States; and

(iii) the population of the nonentitlement areas in that State and the population of the nonentitlement areas of all States.

In determining the average of the ratios under subparagraph (A) the ratio involving the extent of poverty shall be counted twice and each of the other ratios shall be counted once; and in determining the average of the ratios under subparagraph (B), the ratio involving the age of housing shall be counted two and one-half times, the ratio involving the extent of poverty shall be counted one and one-half times, and the ratio involving population shall be counted once. The Secretary shall, in order to compensate for the discrepancy between the total of the amounts to be allocated under this paragraph and the total of the amounts available under such paragraph, make a pro rata reduction of each amount allocated to the nonentitlement areas in each State under such paragraph so that the nonentitlement areas in each State will receive an amount which represents the same percentage of the total amount available under such paragraph as

the percentage which the nonentitlement areas of the same State would have received under such paragraph if the total amount available under such paragraph had equaled the total amount which was allocated under such paragraph.

(2)(A) Amounts allocated under paragraph (1) shall be distributed to units of general local government located in nonentitlement areas of the State to carry out activities in accordance with the provisions of this chapter—

(i) by a State that has elected, in such manner and at such time as the Secretary shall prescribe, to distribute such amounts, consistent with the statement submitted under section 5304(a) of this title; or

(ii) by the Secretary, in any case described in subparagraph (B), for use by units of general local government in accordance with paragraph (3)(B).

Any election to distribute funds made after the close of fiscal year 1984 is permanent and final. Notwithstanding any provision of this chapter, the Secretary shall make grants from amounts authorized for use in nonentitlement areas by the Department of Housing and Urban Development—Independent Agencies Appropriation Act, 1981, in accordance with the provisions of this chapter which governed grants with respect to such amounts, as such provisions existed prior to October 1, 1981. Any amounts under the preceding sentence (except amounts for which preapplications have been approved by the Secretary prior to October 1, 1981, and which have been obligated by January 1, 1982) which are or become available for obligation after fiscal year 1981 shall be available for distribution in the State in which the grants from such amounts were made, by the State or by the Secretary, whichever is distributing the State allocation in the fiscal year in which such amounts are or become available.

(B) The Secretary shall distribute amounts allocated under paragraph (1) if the State has not elected to distribute such amounts.

(C) To receive and distribute amounts allocated under paragraph (1), the State must certify that it, with respect to units of general local government in nonentitlement areas—

(i) engages or will engage in planning for community development activities;

(ii) provides or will provide technical assistance to units of general local government in connection with community development programs;

(iii) will not refuse to distribute such amounts to any unit of general local government on the basis of the particular eligible activity selected by such unit of general local government to meet its community development needs, except that this clause may not be considered to prevent a State from establishing priorities in distributing such amounts on the basis of the activities selected; and

(iv) has consulted with local elected officials from among units of general local government located in nonentitlement areas of that State in determining the method of distribution of funds required by subparagraph (A).

(D) To receive and distribute amounts allocated under paragraph (1), the State shall cer-

tify that each unit of general local government to be distributed funds will be required to identify its community development and housing needs, including the needs of low and moderate income persons, and the activities to be undertaken to meet such needs.

(3)(A) If the State receives and distributes such amounts, it shall be responsible for the administration of funds so distributed. The State shall pay from its own resources all administrative expenses incurred by the State in carrying out its responsibilities under this chapter or section 14370(e)(1)<sup>1</sup> of this title, except that from the amounts received for distribution in nonentitlement areas, the State may deduct an amount to cover such expenses and its administrative expenses under section 1706e<sup>1</sup> of title 12 not to exceed the sum of \$100,000 plus 50 percent of any such expenses under this chapter in excess of \$100,000. Amounts deducted in excess of \$100,000 shall not, subject to paragraph (6), exceed 3 percent of the amount so received.

(B) If the Secretary distributes such amounts, the distribution shall be made in accordance with determinations of the Secretary pursuant to statements submitted and the other requirements of section 5304 of this title (other than subsection (c)) and in accordance with regulations and procedures prescribed by the Secretary.

(C) Any amounts allocated for use in a State under paragraph (1) that are not received by the State for any fiscal year because of failure to meet the requirements of subsection (a), (b), or (d) of section 5304 of this title or to make the certifications required in subparagraphs (C) and (D) of paragraph (2), or that become available as a result of actions against the State under section 5304(e) or 5311 of this title, shall be added to amounts allocated to all States under paragraph (1) for the succeeding fiscal year.

(D) Any amounts allocated for use in a State under paragraph (1) that become available as a result of actions under section 5304(e) or 5311 of this title against units of general local government in nonentitlement areas of the State or as a result of the closeout of a grant made by the Secretary under this section in nonentitlement areas of the State shall be added to amounts allocated to the State under paragraph (1) for the fiscal year in which the amounts become so available.

(4) Any combination of units of general local governments may not be required to obtain recognition by the Secretary pursuant to section 5302(a)(1) of this title to be treated as a single unit of general local government for purposes of this subsection.

(5) From the amounts received under paragraph (1) for distribution in nonentitlement areas, the State may deduct an amount, subject to paragraph (6), not to exceed 3 percent of the amount so received, to provide technical assistance to local governments and nonprofit program recipients.

(6) Of the amounts received under paragraph (1), the State may deduct not more than an aggregate total of 3 percent of such amounts for—

(A) administrative expenses under paragraph (3)(A); and

<sup>1</sup> See References in Text note below.

(B) technical assistance under paragraph (5).

(7) No amount may be distributed by any State or the Secretary under this subsection to any unit of general local government located in a nonentitlement area unless such unit of general local government certifies that—

(A) it will minimize displacement of persons as a result of activities assisted with such amounts;

(B) 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.], and that it will affirmatively further fair housing;

(C) it will provide for opportunities for citizen participation, hearings, and access to information with respect to its community development program that are comparable to those required of grantees under section 5304(a)(2) of this title; and

(D) it will not attempt to recover any capital costs of public improvements assisted in whole or part under this section or with amounts resulting from a guarantee under section 5308 of this title by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless (i) funds received under this section are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this chapter; or (ii) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, the grantee certifies to the Secretary or such State, as the case may be, that it lacks sufficient funds received under this section to comply with the requirements of clause (i).

(8) Any activities conducted with amounts received by a unit of general local government under this subsection shall be subject to the applicable provisions of this chapter and other Federal law in the same manner and to the same extent as activities conducted with amounts received by a unit of general local government under subsection (a).

**(e) Qualification or submission dates, and finality and conclusiveness of computations and determinations**

The Secretary may fix such qualification or submission dates as he determines are necessary to permit the computations and determinations required by this section to be made in a timely manner, and all such computations and determinations shall be final and conclusive.

**(f) Pro rata adjustment of entitlement amounts**

If the total amount available for distribution in any fiscal year to metropolitan cities and urban counties under this section is insufficient to provide the amounts to which metropolitan cities and urban counties would be entitled under subsection (b), and funds are not otherwise appropriated to meet the deficiency, the Secretary shall meet the deficiency through a pro rata reduction of all amounts determined under subsection (b). If the total amount avail-

able for distribution in any fiscal year to metropolitan cities and urban counties under this section exceeds the amounts to which metropolitan cities and urban counties would be entitled under subsection (b), the Secretary shall distribute the excess through a pro rata increase of all amounts determined under subsection (b).

(Pub. L. 93-383, title I, §106, Aug. 22, 1974, 88 Stat. 642; Pub. L. 95-128, title I, §106, Oct. 12, 1977, 91 Stat. 1117; Pub. L. 96-153, title I, §103(d), (e), Dec. 21, 1979, 93 Stat. 1102; Pub. L. 96-399, title I, §§102, 103, 111(d)-(g), 112, Oct. 8, 1980, 94 Stat. 1615, 1621, 1622; Pub. L. 97-35, title III, §§304, 309(h), Aug. 13, 1981, 95 Stat. 388, 396; Pub. L. 98-181, title I [title I, §106], Nov. 30, 1983, 97 Stat. 1164; Pub. L. 98-479, title I, §101(a)(10)-(12), Oct. 17, 1984, 98 Stat. 2219, 2220; Pub. L. 100-242, title V, §§512, 513, 517(b)(1), Feb. 5, 1988, 101 Stat. 1930, 1936; Pub. L. 100-628, title X, §1082(b), (c), Nov. 7, 1988, 102 Stat. 3277; Pub. L. 101-235, title VII, §702(b), Dec. 15, 1989, 103 Stat. 2056; Pub. L. 101-625, title IX, §§913(b), 933, Nov. 28, 1990, 104 Stat. 4392, 4403; Pub. L. 102-550, title VIII, §§802(b), 808, 811, title XII, §1204(i), Oct. 28, 1992, 106 Stat. 3845, 3850, 3940; Pub. L. 108-186, title V, §501(d), (e), Dec. 16, 2003, 117 Stat. 2697; Pub. L. 108-199, div. G, title IV, §423, Jan. 23, 2004, 118 Stat. 416.)

**Editorial Notes**

REFERENCES IN TEXT

This Act, referred to in subsec. (a)(1), is Pub. L. 93-383, Aug. 22, 1974, 88 Stat. 633, known as the Housing and Community Development Act of 1974. For complete classification of this Act to the Code, see Short Title note set out under section 5301 of this title and Tables.

This chapter, referred to in subsecs. (c)(2), (4)(C) and (d)(2)(A), (3)(A), (7)(D)(i), (8), 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.

The Department of Housing and Urban Development—Related Agencies Appropriation Act, 1981, referred to in subsecs. (c)(2) and (d)(2)(A), is Pub. L. 96-526, Dec. 15, 1980, 94 Stat. 3044. For complete classification of this Act to the Code, see Tables.

The Robert T. Stafford Disaster Relief and Emergency Assistance Act, referred to in subsec. (c)(4)(A), (C), is Pub. L. 93-288, May 22, 1974, 88 Stat. 143, which is classified principally to chapter 68 (§5121 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 5121 of this title and Tables.

This subparagraph, referred to in subsec. (d)(1), probably should be a reference to this paragraph, meaning par. (1) of subsec. (d) of this section.

Section 1437o of this title and section 1706e of title 12, referred to in subsec. (d)(3)(A), 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. (d)(7)(B), 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. (d)(7)(B), 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.

CODIFICATION

In subsecs. (c)(2) and (d)(2)(A), "October 1, 1981" substituted for "the effective date of the Housing and

Community Development Amendments of 1981” meaning the effective date of subtitle A of title III of Pub. L. 97-35, Aug. 13, 1981, 95 Stat. 384, which was generally effective Oct. 1, 1981. See Effective Date of 1981 Amendment note below.

#### AMENDMENTS

2004—Subsec. (d)(3)(A). Pub. L. 108-199, §423(1), substituted “shall not, subject to paragraph (6), exceed 3 percent” for “shall not exceed 2 percent”.

Subsec. (d)(5). Pub. L. 108-199, §423(3), redesignated par. (5), relating to prohibition of distributions to units of general local government without certifications, as (7).

Pub. L. 108-199, §423(2), substituted “subject to paragraph (6), not to exceed 3 percent” for “not to exceed 1 percent” in par. (5), relating to State deductions for technical assistance.

Subsec. (d)(6). Pub. L. 108-199, §423(4), added par. (6). Former par. (6) redesignated (8).

Subsec. (d)(7), (8). Pub. L. 108-199, §423(3), redesignated pars. (5), relating to prohibition of distributions to units of general local government without certifications, and (6) as pars. (7) and (8), respectively.

2003—Subsec. (a)(1). Pub. L. 108-186, §501(d)(1), in first sentence, substituted “appropriation Acts” for “an appropriation Act” and “for such fiscal year” for “in any year”.

Subsec. (a)(2). Pub. L. 108-186, §501(d)(5), added par. (2). Former par. (2) redesignated (3).

Pub. L. 108-186, §501(d)(2), inserted “under paragraph (1) and after reserving such amounts for insular areas under paragraph (2)” after “tribes”.

Subsec. (a)(3). Pub. L. 108-186, §501(d)(4), redesignated par. (2) as (3). Former par. (3) redesignated (4).

Pub. L. 108-186, §501(d)(3), substituted “paragraphs (1), (2), and (3)” for “paragraphs (1) and (2)”.

Subsec. (a)(4). Pub. L. 108-186, §501(d)(4), redesignated par. (3) as (4).

Subsec. (d)(1). Pub. L. 108-186, §501(e), substituted “paragraphs (1), (2), and (3)” for “paragraphs (1) and (2)” in first sentence.

1992—Subsec. (d)(1). Pub. L. 102-550, §1204(i), in first sentence, substituted “that remains after allocations pursuant to paragraphs (1) and (2) of subsection (a)” for “for grants in any year (excluding the amounts provided for use in accordance with subsection (a)(1) and (2) of this section)”.

Subsec. (d)(4). Pub. L. 102-550, §802(b), added par. (4).  
Subsec. (d)(5). Pub. L. 102-550, §811, added par. (5) relating to State deductions for technical assistance.

Subsec. (d)(5)(B). 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, §913(b)(1)(B), added subsec. (a) and struck out former subsec. (a) which read as follows: “Of the amount approved in an appropriation Act under section 5303 of this title for grants in any year (excluding the amounts provided for use in accordance with section 5307 of this title and section 5318 of this title), 70 per centum shall be allocated by the Secretary to metropolitan cities and urban counties and Indian tribes. Except as otherwise specifically authorized, each metropolitan city and urban county shall be entitled to an annual grant from such allocation in an amount not exceeding its basic amount computed pursuant to paragraph (1) or (2) of subsection (b) of this section Indian tribes shall receive grants from such allocation pursuant to subsection (b)(7) of this section.”

Subsec. (b)(1), (2). Pub. L. 101-625, §913(b)(2), substituted “The” for “After taking into account the set-aside for Indian tribes under paragraph (7), the” in introductory provisions of pars. (1) and (2).

Subsec. (b)(7). Pub. L. 101-625, §913(b)(1)(A), struck out par. (7), which read as follows:

“(A) For each fiscal year, the Secretary shall reserve for grants to Indian tribes, from amounts approved in appropriation Acts under section 5303 of this title for grants for the year under subsection (a) of this section,

not more than 1 percent of the amounts appropriated under such section.

“(B) The Secretary shall provide for distribution of amounts under this paragraph to Indian tribes on the basis of a competition conducted pursuant to specific criteria for the selection of Indian tribes to receive such amounts. The criteria shall be contained in a regulation promulgated by the Secretary after notice and public comment.”

Subsec. (c)(1). Pub. L. 101-625, §933(1), substituted “paragraphs (2) and (4)” for “paragraph (2)” in introductory provisions.

Subsec. (c)(4). Pub. L. 101-625, §933(2), added par. (4).  
Subsec. (d)(1). Pub. L. 101-625, §913(b)(3), substituted “subsection (a)(1) and (2) of this section” for “section 5307 of this title and section 5318 of this title” in introductory provisions.

1989—Subsec. (a). Pub. L. 101-235, §702(b)(1), inserted “and Indian tribes” after “urban counties” in first sentence and inserted “Indian tribes shall receive grants from such allocation pursuant to subsection (b)(7) of this section” before period at end of second sentence.

Subsec. (b)(1). Pub. L. 101-235, §702(b)(2), substituted “After taking into account the set-aside for Indian tribes under paragraph (7), the” for “The”.

Subsec. (b)(2). Pub. L. 101-235, §702(b)(3), substituted “After taking into account the set-aside for Indian tribes under paragraph (7), the” for “The”.

Subsec. (b)(7). Pub. L. 101-235, §702(b)(4), added par. (7).

Subsec. (d)(4). Pub. L. 101-235, §702(b)(5), struck out par. (4) which excluded Indian tribes in computing amounts under par. (1).

1988—Subsec. (c)(1). Pub. L. 100-628, §1082(b), substituted “subsection (a), (b), (c), or (d) of section 5304” for “section 5304(a), (b), or (c)” in introductory provisions and substituted “section 5304(e)” for “section 5304(d)” in introductory provisions and in subpar. (B).

Subsec. (d)(2)(C). Pub. L. 100-242, §512(1), substituted “the State must certify that it” for “the Governor must certify that the State”.

Subsec. (d)(2)(D). Pub. L. 100-242, §512(2), substituted “the State” for “the Governor of each State”.

Subsec. (d)(3)(A). Pub. L. 100-242, §517(b)(1), inserted “its administrative expenses under section 1706e of title 12” after first reference to “such expenses”, and “under this chapter” after second reference to “such expenses”.

Pub. L. 100-242, §513, substituted “\$100,000” for “\$102,000” after “the sum of”.

Subsec. (d)(3)(C). Pub. L. 100-628, §1082(c), substituted “subsection (a), (b), or (d) of section 5304” for “subsection (a) or (b) of section 5304” and “section 5304(e)” for “section 5304(d)”.

Subsec. (d)(3)(D). Pub. L. 100-628, §1082(c)(2), substituted “section 5304(e)” for “section 5304(d)”.

1984—Subsec. (d)(2)(A). Pub. L. 98-479, §101(a)(10)(A), substituted “the State” for “a State that has elected, in such manner and at such time as the Secretary shall prescribe” in provisions preceding cl. (i).

Subsec. (d)(2)(A)(i). Pub. L. 98-479, §101(a)(10)(B), substituted “a State that has elected, in such manner and at such time as the Secretary shall prescribe, to distribute such amounts” for “the State”.

Subsec. (d)(3)(A). Pub. L. 98-479, §101(a)(11)(A), inserted “or section 1437o(e)(1) of this title”.

Subsec. (d)(3)(C). Pub. L. 98-479, §101(a)(11)(B), inserted “or to make the certifications required in subparagraphs (C) and (D) of paragraph (2)”.

Subsec. (d)(5)(D)(ii). Pub. L. 98-479, §101(a)(12), substituted “moderate” for “low and moderate income who are not persons of very low” before “income, the grantee certifies”.

1983—Subsec. (b)(6). Pub. L. 98-181, §106(a), added par. (6).

Subsec. (c)(1)(B). Pub. L. 98-181, §106(b), substituted “a city or county against whom any such action was taken in a fiscal year shall be excluded from a calculation of share for purposes of reallocating in the succeeding year,” for “the city or county against whom

any such action was taken shall be excluded from the calculation of shares for purposes of reallocating”.

Subsec. (c)(3). Pub. L. 98-181, §106(c), added par. (3).

Subsec. (d)(2)(A). Pub. L. 98-181, §106(d)(1), substituted “a State that has elected, in such manner and at such time as the Secretary shall prescribe” for “the State” in provisions preceding cl. (i), and inserted, following cl. (ii), “Any election to distribute funds made after the close of fiscal year 1984 is permanent and final.”

Subsec. (d)(2)(B). Pub. L. 98-181, §106(d)(2), substituted provisions requiring the Secretary to distribute amounts allocated under par. (1) if the State has not elected to distribute such amounts, for provisions which required the Secretary to distribute such amounts where the State had elected, in such manner and before such time as prescribed by the Secretary, not to distribute such amounts, or the State had failed to submit the certifications described in subpar. (C).

Subsec. (d)(2)(C)(iii). Pub. L. 98-181, §106(e), amended cl. (iii) generally, substituting provisions requiring certification by the Governor that the State will not refuse to distribute funds to any local government unit on the basis of the particular activity selected to meet its community development needs, except that a State may establish priorities in distributing such amounts, for provisions requiring the Governor to certify that the State would provide funds for community development activities in an amount of at least 10 per centum of the amounts allocated for use in the State pursuant to par. (1).

Subsec. (d)(2)(D). Pub. L. 98-181, §106(f), added subpar. (D).

Subsec. (d)(3)(A). Pub. L. 98-181, §106(g), substituted provisions that the State may deduct an amount to cover such expenses not to exceed the sum of \$102,000 plus 50 percent of any such expenses in excess of \$100,000, and that the amounts deducted in excess of \$100,000 shall not exceed 2 percent of the amount so received, for provisions that the State could deduct an amount not to exceed 50 per centum of the costs incurred by the State in carrying out such responsibilities, and that amounts so deducted could not exceed 2 per centum of the amount so received.

Subsec. (d)(3)(C), (D). Pub. L. 98-181, §106(h), amended subpar. (C) generally, substituting provisions requiring that amounts which are to be reallocated because of failure to meet requirements of section 5304(a), (b) of this title or because of action under section 5304(d) or 5311 of this title be added to amounts allocated to all States for the succeeding fiscal year for provisions that amounts reallocated because of action under section 5304(d) or section 5311 of this title were to be added to amounts available for distribution in the State in the same fiscal year, in the case of actions against units of general local government, or to amounts available for distribution in the succeeding fiscal year, in the case of action against the State, and struck out provision for distribution of such funds by either the State or the Secretary and adding subpar. (D).

Subsec. (d)(5), (6). Pub. L. 98-181, §106(i), added pars. (5) and (6).

Subsec. (f). Pub. L. 98-181, §106(j), amended subsec. (f) generally, substituting provisions for pro rata reduction of all amounts determined under subsec. (b) in the event of a deficiency for provisions for reduction of all basic grant entitlement funds provided pursuant to this section in the event of a deficiency, and inserted provision for distribution of excess amounts.

1981—Subsec. (a). Pub. L. 97-35, §304(a), substituted provisions relating to amounts allocated to metropolitan areas and urban counties and limitations on amount of annual grants for provisions relating to amounts allocated to metropolitan areas, annual grants for metropolitan cities and urban counties, and limitations.

Subsec. (b)(4). Pub. L. 97-35, §309(h), substituted provision respecting assistance under subsec. (d) of this section for provision respecting grants under subsec. (c) or (e) of this section.

Subsec. (c). Pub. L. 97-35, §304(b), (c), redesignated subsec. (d) as (c) and substituted provisions relating to reallocation of undistributed funds within same metropolitan area as original allocation, for provisions relating to reallocation of amounts allocated to metropolitan cities, urban counties, and metropolitan areas for use by States, metropolitan cities, etc. Former subsec. (c), which related to additional allocations of amount allocated to metropolitan areas and added amounts for grants for metropolitan cities, urban counties, specified units of general local government, and States, was struck out.

Subsec. (d). Pub. L. 97-35, §304(b), (d), (e), redesignated subsec. (e) as (d) and substituted provisions relating to allocation among nonentitlement areas, amount and calculation of grants, distributions, certifications, etc., for provisions relating to amounts allocated to units of general local government of metropolitan areas and States, calculations, multiyear commitments, annual grants, reallocation of amounts to non-metropolitan areas of other States, and review by Secretary. Former subsec. (d) redesignated (c).

Subsec. (e). Pub. L. 97-35, §304(b), redesignated subsec. (f) as (e). Former subsec. (e) redesignated (d).

Subsecs. (f), (g). Pub. L. 97-35, §304(b), (f), redesignated subsec. (g) as (f) and substituted “all basic grant entitlement amounts” for “(1) all basic grant entitlement amounts, and (2) funds available under subsection (c) of this section (including amounts provided for use under section 5303(a)(2) of this title) and subsection (e) of this section”. Former subsec. (f) redesignated (e).

1980—Subsec. (a). Pub. L. 96-399, §111(e), substituted “subsection (d) of this section” for “subsections (c) and (e) of this section”, struck out “aggregate” after “allocation in an”, “the greater of” after “not exceeding”, and “or its hold-harmless amount computed pursuant to subsection (g) of this section” after “subsection (b) of this section”.

Subsec. (b)(4). Pub. L. 96-399, §103, substituted “the populations of which are not counted in determining the eligibility of the urban county to receive a grant under this subsection, except that there shall be included any independent city (as defined by the Bureau of the Census) which—” for “(A) which are entitled to hold-harmless grants pursuant to subsection (h) of this section, or (B) the populations of which are not counted in determining the eligibility of the urban county to receive a grant under this subsection”, and added subpars. (A) to (E) and provision following subpar. (E).

Subsec. (c). Pub. L. 96-399, §111(d), (f), redesignated former subsec. (d) as (c) and struck out in par. (1) “allocated by the Secretary, first, for grants to metropolitan cities, urban counties, and other units of general local government within metropolitan areas to meet their hold-harmless needs as determined under subsections (g) and (h), and second, in accordance with the provisions of paragraph (2)” after “section 5303(a)(2) of this title”, struck out “(2) Any portion of such amounts which remains after applying the provision of paragraph (1) shall be” before “utilized by the Secretary”, redesignated former par. (3) as (2) and in par. (2) as so redesignated, substituted “paragraph (1)” for “paragraph (2)” wherever appearing, struck out “In determining whether to make such a commitment to a unit of general local government, the Secretary shall give special consideration to those communities presently carrying out comprehensive community development programs which are subject to the provisions of subsection (h)(2), before making new commitments.” after “availability of appropriations.”, and substituted “and Indian tribes” for “Indian tribes, and units of general local government which are entitled to hold-harmless grants pursuant to subsection (h) of this section”. Former subsec. (c), relating to adjustment of amounts for metropolitan cities and urban counties, was struck out.

Subsec. (d). Pub. L. 96-399, §§111(d), 112, redesignated former subsec. (e) as (d) and inserted provisions relating to preferences for units of general local government in the same metropolitan area. Former subsec. (d) redesignated (c).

Subsec. (e). Pub. L. 96-399, §111(d), (g), redesignated former subsec. (f) as (e) and in par. (1) struck out “allocated by the Secretary—(A) first, for grants to units of general local government outside of metropolitan areas to meet their hold-harmless needs as determined under subsection (h) of this section; and (B) second, any portion of such amount which remains after applying the provisions of subparagraph (A) shall be” after “20 per centum shall be”, redesignated former cls. (1)(B)(i) and (ii) as (1)(A) and (B), respectively, redesignated former subcls. (1)(B)(i)(I) to (III) and (1)(B)(ii)(I) to (III) as (1)(A)(i) to (iii) and (1)(B)(i) to (iii), respectively, substituted “subparagraph (A)” for “clause (i) of subparagraph (B)” and “subparagraph (B)” for “clause (ii) of subparagraph (B)”, substituted “allocated under this paragraph” for “allocated under subparagraph (B)”, substituted “such paragraph” for “such subparagraph” wherever appearing, in par. (2) struck out “In determining whether to make such a commitment to a unit of general local government, the Secretary shall give special consideration to those communities presently carrying out comprehensive community development programs, which are subject to the provisions of subsection (h)(2) of this section, before making new commitments.” after “availability of appropriations.”, substituted “paragraph (1)” for “paragraph (1)(B)” wherever appearing, struck out “units of general local government which are entitled to hold-harmless grants pursuant to subsection (h) of this section and” after “shall be excluded”, and in par. (3) substituted “paragraph (1)” for “paragraph (1)(B)”. Former subsec. (e) was redesignated as (d).

Subsec. (f). Pub. L. 96-399, §111(d), redesignated subsec. (k) as (f). Former subsec. (f) redesignated (e).

Subsec. (g). Pub. L. 96-399, §§102, 111(d), redesignated subsec. (m) as (g) and substituted “any fiscal year” for “fiscal year 1978, fiscal year 1979, or fiscal year 1980”, struck out “and hold-harmless” after “all basic grant” in two places, and substituted “subsection (c)” for “subsection (d)(2)” and “subsection (e)” for “subsection (f)(1)(B)”. Former subsec. (g), relating to hold-harmless amounts for metropolitan cities and urban counties, was struck out.

Subsec. (h). Pub. L. 96-399, §111(d), struck out subsec. (h) which related to hold-harmless grants to units of general local government not metropolitan cities or urban counties.

Subsec. (i). Pub. L. 96-399, §111(d), struck out subsec. (i) which related to percentages excluded from data in computation of hold-harmless grants for units of general local government.

Subsec. (j). Pub. L. 96-399, §111(d), struck out subsec. (j) which related to waiver of eligibility by units of general local government for hold-harmless grants.

Subsec. (k). Pub. L. 96-399, §111(d), redesignated subsec. (k) as (f).

Subsec. (l). Pub. L. 96-399, §111(d), struck out subsec. (l) which related to reports to Congress with respect to adequacy and effectiveness of formula for allocation of funds.

Subsec. (m). Pub. L. 96-399, §111(d), redesignated subsec. (m) as (g).

1979—Subsec. (b)(5). Pub. L. 96-153, §103(e), added par. (5).

Subsec. (m). Pub. L. 96-153, §103(d), inserted reference to fiscal year 1980.

1977—Subsec. (a). Pub. L. 95-128, §106(a), substituted in second sentence reference to pars. “(1) or (2)” for pars. “(2) or (3)” of subsec. (b) of this section.

Subsec. (b)(1). Pub. L. 95-128, §106(b), added par. (1), and struck out former par. (1) provisions stating that “The Secretary shall determine the amount to be allocated to all metropolitan cities which shall be an amount that bears the same ratio to the allocation for all metropolitan areas as the average of the ratios between—

“(A) the population of all metropolitan cities and the population of all metropolitan areas;

“(B) the extent of poverty in all metropolitan cities and the extent of poverty in all metropolitan areas; and

“(C) the extent of housing overcrowding in all metropolitan cities and the extent of housing overcrowding in all metropolitan areas.”, now incorporated in this paragraph.

Subsec. (b)(2). Pub. L. 95-128, §106(b), added par. (2) and struck out former par. (2) provisions declaring that “From the amount allocated to all metropolitan cities the Secretary shall determine for each metropolitan city a basic grant amount which shall equal an amount that bears the same ratio to the allocation for all metropolitan cities as the average of the ratios between—

“(A) the population of that city and the population of all metropolitan cities;

“(B) the extent of poverty in that city and the extent of poverty in all metropolitan cities; and

“(C) the extent of housing overcrowding in that city and the extent of housing overcrowding in all metropolitan cities.”, now incorporated in subsec. (b)(1) of this section.

Subsec. (b)(3). Pub. L. 95-128, §106(b), added par. (3) and struck out former par. (3) provisions for determination of basic grant amount of each urban county, now covered in subsec. (b)(2) of this section and formerly providing that “The Secretary shall determine the basic grant amount of each urban county by—

“(A) calculating the total amount that would have been allocated to metropolitan cities and urban counties together under paragraph (1) of this subsection if data pertaining to the population, extent of poverty, and extent of housing overcrowding in all urban counties were included in the numerator of each of the fractions described in such paragraph; and

“(B) determining for each county the amount which bears the same ratio to the total amount calculated under subparagraph (A) of this paragraph as the average of the ratios between—

“(i) the population of that urban county and the population of all metropolitan cities and urban counties;

“(ii) the extent of poverty in that urban county and the extent of poverty in all metropolitan cities and urban counties; and

“(iii) the extent of housing overcrowding in that urban county and the extent of housing overcrowding in all metropolitan cities and urban counties.”

Subsec. (b)(4), (5). Pub. L. 95-128, §106(b), (c), struck out par. “(4) In determining the average of ratios under paragraphs (1), (2), and (3), the ratio involving the extent of poverty shall be counted twice.”, now incorporated in par. (3), redesignated par. (5) as (4), and substituted “are entitled to” for “receive”.

Subsec. (c). Pub. L. 95-128, §106(d), in first sentence, substituted “With respect to funds approved for distribution to a metropolitan city or urban county under this section during fiscal years 1975, 1976, and 1977” for “During the first three years for which funds are approved for distribution to a metropolitan city or urban county under this section” and inserted “only for such funds approved for distribution in fiscal years 1975, 1976, and 1977” after “adjusted”.

Subsec. (d). Pub. L. 95-128, §106(e), incorporated existing introductory text and provisions of former par. (1) in provisions now designated par. (1); added par. (2), incorporating provisions of former par. (2) respecting additional allocations by the Secretary “for grants to units of general local government (other than metropolitan cities and urban counties) and States for use in metropolitan areas, allocating for each such metropolitan area an amount which bears the same ratio to the allocation for all metropolitan areas available under this paragraph as the average of the ratios between—

“(A) the population of that metropolitan area and the population of all metropolitan areas,

“(B) the extent of poverty in that metropolitan area and the extent of poverty in all metropolitan areas, and

“(C) the extent of housing overcrowding in that metropolitan area and the extent of housing overcrowding in all metropolitan areas.” and declaring



that “In determining the average of ratios under paragraph (2), the ratio involving the extent of poverty shall be counted twice”; struck out end clause providing that “in computing amounts under such paragraph there shall be excluded any metropolitan cities, urban counties, and units of general local government which receive hold-harmless grants pursuant to subsection (h) of this section”, now constituting last sentence of par. (3); and added par. (3) provisions.

Subsec. (e). Pub. L. 95-128, §106(f), in first sentence, substituted “within a reasonable time” for “during such program period” and struck out “during the same period” after “shall be reallocated”.

Subsec. (f)(1). Pub. L. 95-128, §106(g)(1), inserted in subpar. (B) “any portion of such amount which remains after applying the provisions of subparagraph (A) shall be utilized by the Secretary” after “second,” and “the greater of” before “an amount”; reenacted existing provisions in cl. (i); added cl. (ii); inserted provision respecting determination of average of ratios under cl. (ii) of subpar. (B) and provision for pro rata reduction, to compensate for the discrepancy between the total of the amounts to be allocated under subpar. (B) and the total of the amounts available under such subparagraph, of each amount allocated to the nonmetropolitan areas in each State under such subparagraph; and struck out end clause providing that in computing amounts under such subpar. (B) there shall be excluded units of general local government which receive hold-harmless grants pursuant to subsec. (h) of this section, now constituting end sentence of subsec. (f)(2) of this section.

Subsec. (f)(2). Pub. L. 95-128, §106(g)(1), (2), added par. (2) and redesignated former par. (2) as (3).

Subsec. (f)(3). Pub. L. 95-128, §106(g)(2)-(4), redesignated former par. (2) as (3), substituted “within a reasonable time” for “during such period”, and struck out “during the same period” after “as soon as practicable”.

Subsec. (g)(2). Pub. L. 95-128, §106(h), substituted reference to “subsection (b)(1)(A) or (B), or (2)(A) or (B) of this section” for “subsection (b)(2) or (3) of this section” and inserted in cls. (i) and (ii) “, as computed under subsection (b)(1)(A) or (B), or (2)(A) or (B) of this section,” before “shall”.

Subsec. (i). Pub. L. 95-128, §106(i), struck out “population, poverty, and housing overcrowding” before “data” and substituted “are entitled to” for “receive” and reference to subsec. (b)(4) for (b)(5) of this section.

Subsec. (j). Pub. L. 95-128, §106(j), substituted “by such date as the Secretary shall determine” for “not later than thirty days prior to the beginning of any program period” and reference to subsec. (b)(4) for (b)(5) of this section and inserted “for a hold-harmless grant for a single year” after “eligibility”.

Subsec. (l). Pub. L. 95-128, §106(k), substituted provisions for submission of a report to Congress not later than Sept. 30, 1978, respecting adequacy of funds allocation formula and defining “impaction” for prior requirement of a report to Congress not later than Mar. 31, 1977, setting forth recommendations to further purposes and policies of this chapter, for modifying or expanding the provisions of this section relating to the method of funding and the allocation of funds and the determination of basic grant entitlement, and for application of the provisions in the further distribution of funds under this chapter and the conduct of a study by the Secretary respecting manner of distributing funds under this chapter in accordance with community development needs, objectives, and capacities, measured to the maximum extent feasible by objective standards.

Subsec. (m). Pub. L. 95-128, §106(l), added subsec. (m).

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF 1990 AMENDMENT

Pub. L. 101-625, title IX, §913(f), Nov. 28, 1990, 104 Stat. 4393, provided that:

“(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section [amending this section and sections 5301 and 5307 of this title] shall apply to amounts approved in any appropriation Act under section 103 of the Housing and Community Development Act of 1974 [section 5303 of this title] for fiscal year 1990 and each fiscal year thereafter.

“(2) GRANTS IN FISCAL YEAR 1990.—The Secretary of Housing and Urban Development may make grants to Indian tribes pursuant to the amendments made by this section with any amounts approved in any appropriation Act under section 103 for fiscal year 1990 for grants to Indian tribes, and the first sentence of section 106(a)(1) of the Housing and Community Development Act of 1974 [subsec. (a)(1) of this section] (as amended by this Act) shall not apply to such grants.”

##### EFFECTIVE DATE OF 1989 AMENDMENT

Section 702(e) of Pub. L. 101-235, as amended by Pub. L. 101-625, title IX, §913(e), Nov. 28, 1990, 104 Stat. 4393, provided that: “The amendments made by this section [amending this section and section 5302 of this title] shall apply to amounts approved in any appropriation Act under section 103 of the Housing and Community Development Act of 1974 [section 5303 of this title] for fiscal year 1990 and each fiscal year thereafter.”

##### 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 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. 101-235, title VII, §702(d), Dec. 15, 1989, 103 Stat. 2057, provided that: “The Secretary shall issue any regulations necessary to carry out this section and the amendments made by this section [amending this section and section 5302 of this title and enacting provisions set out as notes above] in a manner and by such time to provide for the effectiveness of such regulations with respect to amounts appropriated for fiscal year 1991 under section 103 of the Housing and Community Development Act of 1974 [section 5303 of this title].”

##### TRANSITIONAL PROVISIONS

Pub. L. 97-35, title III, §307, Aug. 13, 1981, 95 Stat. 392, provided that:

“(a) Any amounts appropriated for any fiscal year before fiscal year 1982 in a Department of Housing and Urban Development—Independent Agencies Appropriation Act or a Supplemental Appropriation Act under the head ‘COMMUNITY DEVELOPMENT GRANTS’ which are or become available for obligation on or after October 1, 1981, shall remain available as provided by law, and shall be used in accordance with the following:

“(1) funds authorized for use under section 106(b) [subsec. (b) of this section] of the Housing and Community Development Act of 1974 (‘such Act’) before October 1, 1981, shall be available for use as provided by section 106(c) of such Act as amended by this Act [subsec. (c) of this section];

“(2) funds authorized for use under section 107 of such Act [section 5307 of this title] before October 1, 1981, shall be available for use as provided by section 107(a) of such Act as amended by this Act [section 5307(a) of this title]; and

“(3) funds authorized for use under section 106(c) or (e) of such Act [subsec. (c) or (e) of this section] before October 1, 1981, shall be available for use as provided by section 106(d)(2)(A) of such Act as amended by this Act [subsec. (d)(2)(A) of this section].

“(b) Any grant or loan which, prior to the effective date of any provision of this part [see Effective Date note set out under section 3701 of Title 12, Banks and Banking], was obligated and governed by any authority amended by any provision of this part [Pub. L. 97-35, title III, §§301-315, Aug. 13, 1981, 95 Stat. 384-398] shall continue to be governed by the provisions of such authority as they existed immediately before such effective date.”

CDBG ASSISTANCE FOR UNITED STATES-MEXICO  
BORDER REGION

Pub. L. 104-134, title I, §101(e) [title II], Apr. 26, 1996, 110 Stat. 1321-257, 1321-272; renumbered title I, Pub. L. 104-140, §1(a), May 2, 1996, 110 Stat. 1327, provided in part: “That section 916 of the Cranston-Gonzalez National Affordable Housing Act [set out below] shall apply with respect to fiscal year 1996, notwithstanding section 916(f) of that Act.”

Pub. L. 101-625, title IX, §916, Nov. 28, 1990, 104 Stat. 4396, as amended by Pub. L. 102-550, title VIII, §810, Oct. 28, 1992, 106 Stat. 3850; Pub. L. 104-204, title II, Sept. 26, 1996, 110 Stat. 2887, provided that:

“(a) SET-ASIDE FOR COLONIAS.—The States of Arizona, California, New Mexico, and Texas shall each make available, for activities designed to meet the needs of 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) for such year for the following purposes:

(A) \$6,500,000 shall be available for grants under subsection (b)(3)<sup>1</sup>;

(B) \$6,000,000 shall be available for grants under subsection (b)(5)<sup>1</sup>;

(C) \$6,000,000 shall be available in fiscal year 1993 for grants under subsection (b)(7)<sup>1</sup>;

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

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

(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.

<sup>1</sup> See References in Text note below.