

108TH CONGRESS  
1ST SESSION

# S. 532

To enhance the capacity of organizations working in the United States-Mexico border region to develop affordable housing and infrastructure and to foster economic opportunity in the colonias.

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## IN THE SENATE OF THE UNITED STATES

MARCH 5, 2003

Mrs. HUTCHISON (for herself, Mr. DOMENICI, Mr. BINGAMAN, and Mr. MCCAIN) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To enhance the capacity of organizations working in the United States-Mexico border region to develop affordable housing and infrastructure and to foster economic opportunity in the colonias.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Colonias Gateway Ini-  
5       tiative Act”.

6       **SEC. 2. COLONIAS GATEWAY INITIATIVE.**

7       (a) DEFINITIONS.—In this section:

1           (1) COLONIA.—The term “colonia” means any  
2     identifiable community that—

3                 (A) is located in the State of Arizona, Cali-  
4     fornia, New Mexico, or Texas;

5                 (B) is located in the United States-Mexico  
6     border region;

7                 (C) is determined to be a colonia on the  
8     basis of objective criteria, including lack of po-  
9     table water supply, lack of adequate sewage sys-  
10    tems, and lack of decent, safe, and sanitary  
11    housing; and

12                (D) was in existence and generally recog-  
13    nized as a colonia before the date of enactment  
14    of this Act.

15           (2) REGIONAL ORGANIZATION.—The term “re-  
16    gional organization” means a nonprofit organization  
17    or a consortium of nonprofit organizations with the  
18    capacity to serve colonias.

19           (3) SECRETARY.—The term “Secretary” means  
20    the Secretary of Housing and Urban Development.

21           (4) UNITED STATES-MEXICO BORDER RE-  
22    GION.—The term “United States-Mexico border re-  
23    gion” means the area of the United States within  
24    150 miles of the border between the United States  
25    and Mexico, except that such term does not include

1 any standard metropolitan statistical area that has  
 2 a population exceeding 1,000,000.

3 (b) GRANT PROGRAM.—To the extent amounts are  
 4 made available to carry out this section, the Secretary may  
 5 make grants under this section to 1 or more regional orga-  
 6 nizations to enhance the availability of affordable housing,  
 7 economic opportunity, and infrastructure in the colonias.

8 (c) GRANTS.—

9 (1) IN GENERAL.—Grants under this section  
 10 may be made only to regional organizations selected  
 11 pursuant to subsection (d).

12 (2) SELECTION.—After a regional organization  
 13 has been selected pursuant to subsection (d) to re-  
 14 ceive a grant under this section, the Secretary may  
 15 provide a grant to such organization in subsequent  
 16 fiscal years, subject to subsection (f)(2).

17 (d) SELECTION OF REGIONAL ORGANIZATIONS.—

18 (1) IN GENERAL.—The Secretary shall select 1  
 19 or more regional organizations that submit applica-  
 20 tions for grants under this section to receive such  
 21 grants.

22 (2) COMPETITION.—The selection under para-  
 23 graph (1) shall be made pursuant to a competition,  
 24 which shall—

1 (A) consider the proposed work plan of the  
 2 applicant under subsection (f); and

3 (B) be based upon the criteria described in  
 4 paragraph (3).

5 (3) CRITERIA.—Criteria for the selection of a  
 6 grant recipient shall include a demonstration of the  
 7 extent to which the applicant organization has the  
 8 capacity to—

9 (A) enhance the availability of affordable  
 10 housing, economic opportunity, and infrastruc-  
 11 ture in the colonias by carrying out the eligible  
 12 activities set forth in subsection (g);

13 (B) provide assistance in each State in  
 14 which colonias are located;

15 (C) form partnerships with the public and  
 16 private sectors and local and regional housing  
 17 and economic development intermediaries to le-  
 18 verage and coordinate additional resources to  
 19 achieve the purposes of this section;

20 (D) ensure accountability to the residents  
 21 of the colonias through active and ongoing out-  
 22 reach to, and consultation with, residents and  
 23 local governments; and

24 (E) meet such other criteria as the Sec-  
 25 retary may specify.

1           (4) DISTRIBUTION OF FUNDING.—In making  
2           the selection under paragraph (1), the Secretary  
3           shall ensure that—

4                   (A) each State in the United States-Mexico  
5                   border region receives a grant under this Act;  
6                   and

7                   (B) each State receives not less than 15  
8                   percent of the amounts appropriated to carry  
9                   out this Act.

10          (e) ADVISORY BOARD.—

11               (1) MEMBERSHIP.—The Secretary shall appoint  
12               an Advisory Board that shall consist of 9 members,  
13               who shall include—

14                   (A) 1 individual from each State in which  
15                   colonias are located;

16                   (B) 3 individuals who are members of non-  
17                   profit or private sector organizations having  
18                   substantial investments in the colonias, at least  
19                   1 of whom is a member of such a private sector  
20                   organization; and

21                   (C) 2 individuals who are residents of a  
22                   colonia.

23          (2) CHAIRPERSON.—

1 (A) IN GENERAL.—The Secretary shall  
 2 designate a member of the Advisory Board to  
 3 serve as Chairperson for a 1-year term.

4 (B) ALTERNATING CHAIRPERSON.—At the  
 5 end of the 1-year term referred to in subpara-  
 6 graph (A), the Secretary shall designate a dif-  
 7 ferent member to serve as Chairperson, ensur-  
 8 ing that the Chairperson position rotates to a  
 9 member from every State in which colonias are  
 10 located.

11 (3) TERM.—Advisory Board members shall be  
 12 appointed for 2-year terms that shall be renewable  
 13 at the discretion of the Secretary.

14 (4) COMPENSATION.—Advisory Board members  
 15 shall serve without compensation, but the Secretary  
 16 may provide members with travel expenses, including  
 17 per diem in lieu of subsistence, in accordance with  
 18 sections 5702 and 5703 of title 5, United States  
 19 Code.

20 (5) FUNCTIONS.—The Advisory Board shall—

21 (A) assist any regional organization that  
 22 receives a grant under this section in the devel-  
 23 opment and implementation of its final work  
 24 plan under subsection (f);

1 (B) review and approve all final work  
2 plans;

3 (C) assist the Secretary in monitoring and  
4 evaluating the performance of any regional or-  
5 ganization in implementing its final work plan;  
6 and

7 (D) provide such other assistance as the  
8 Secretary may request.

9 (f) WORK PLANS.—

10 (1) APPLICATION.—Each regional organization  
11 applying for a grant under this section shall include  
12 in its application a proposed work plan.

13 (2) ANNUAL SUBMISSION.—To be eligible to  
14 continue receiving annual grants under this section  
15 after selection pursuant to subsection (d), a regional  
16 organization shall, on an annual basis after such se-  
17 lection and subject to the determination of the Sec-  
18 retary to continue to provide grant amounts to such  
19 regional organization, submit a proposed work plan  
20 to the Advisory Board and the Secretary for review  
21 and approval.

22 (3) FINAL WORK PLAN.—In any fiscal year, in-  
23 cluding the fiscal year in which any regional organi-  
24 zation is selected pursuant to subsection (d), prior to  
25 final determination and allocation of specific grant

1 amounts, each selected regional organization shall,  
2 with the assistance of the Advisory Board, develop  
3 a final work plan that thoroughly describes how the  
4 regional organization will use specific grant amounts  
5 to carry out its functions under this section, which  
6 shall include—

7 (A) a description of outcome measures and  
8 other baseline information to be used to mon-  
9 itor success in promoting affordable housing,  
10 economic opportunity, and infrastructure in the  
11 colonias;

12 (B) an account of how the regional organi-  
13 zation will strengthen the coordination of exist-  
14 ing resources used to assist residents of the  
15 colonias, and how the regional organization will  
16 leverage additional public and private resources  
17 to complement such existing resources;

18 (C) an explanation, in part, of the effects  
19 that implementation of the work plan will have  
20 on areas in and around colonias; and

21 (D) such assurances as the Secretary may  
22 require that grant amounts will be used in a  
23 manner that results in assistance and invest-  
24 ments for colonias in each State containing  
25 colonias, in accordance with requirements that



1 the Advisory Board and the Secretary may es-  
2 tablish that provide for a minimum level of such  
3 investment and assistance as a condition of the  
4 approval of the work plans.

5 (4) APPROVAL.—

6 (A) IN GENERAL.—No grant amounts  
7 under this section for a fiscal year may be pro-  
8 vided to a regional organization until the Sec-  
9 retary approves the final work plan of the orga-  
10 nization, including a specific grant amount for  
11 the organization.

12 (B) CONSIDERATIONS.—In determining  
13 whether to approve a final work plan, the Sec-  
14 retary shall consider whether the Advisory  
15 Board approved the plan.

16 (C) NONAPPROVAL OF PLAN.—To the ex-  
17 tent that the Advisory Board or the Secretary  
18 does not approve a work plan, the Advisory  
19 Board or the Secretary shall, to the maximum  
20 extent practicable, assist the selected regional  
21 organization that submitted the plan to develop  
22 an approvable plan.

23 (g) ELIGIBLE ACTIVITIES.—Grant amounts under  
24 this section may be used only to carry out eligible activities  
25 to benefit the colonias, including—

1           (1) coordination of public, private, and commu-  
2           nity-based resources and the use of grant amounts  
3           to leverage such resources;

4           (2) technical assistance and capacity building,  
5           including training, business planning and investment  
6           advice, and the development of marketing and stra-  
7           tegic investment plans;

8           (3) initial and early-stage investments in activi-  
9           ties to provide—

10                (A) housing, infrastructure, and economic  
11                development;

12                (B) housing counseling and financial edu-  
13                cation, including counseling and education  
14                about avoiding predatory lending; and

15                (C) access to financial services for resi-  
16                dents of colonias;

17           (4) development of comprehensive, regional, so-  
18           cioeconomic, and other data, and the establishment  
19           of a centralized information resource, to facilitate  
20           strategic planning and investments;

21           (5) administrative and planning costs of any re-  
22           gional organization in carrying out this section, ex-  
23           cept that the Secretary may limit the amount of  
24           grant funds used for such costs; and

1           (6) such other activities as the Secretary con-  
2           siders appropriate to carry out this section.

3           (h) GRANT AGREEMENTS.—A grant under this sec-  
4           tion shall be made only pursuant to a grant agreement  
5           between the Secretary and a regional organization selected  
6           under this section.

7           (i) TERMINATION AND RECAPTURE.—If the Sec-  
8           retary determines that a regional organization that was  
9           awarded a grant under this section has not substantially  
10          fulfilled its obligations under its final work plan or grant  
11          agreement, the Secretary shall terminate the participation  
12          of that regional organization under this section, and shall  
13          recapture any unexpended grant amounts.

14          (j) DETAILS FROM OTHER AGENCIES.—Upon re-  
15          quest of any selected regional organization that has an ap-  
16          proved work plan, the head of any Federal agency may  
17          detail, on a reimbursable basis, any of the personnel of  
18          such agency to that regional organization to assist it in  
19          carrying out its duties under this section.

20          (k) ENVIRONMENTAL REVIEW.—For purposes of en-  
21          vironmental review, projects assisted by grant amounts  
22          under this section shall—

23                (1) be treated as special projects that are sub-  
24          ject to section 305(c) of the Multifamily Housing

1       Property Disposition Reform Act of 1994 (42 U.S.C.  
2       3547); and

3               (2) be subject to regulations issued by the Sec-  
4       retary to implement such section 305(c).

5       (l) AUTHORIZATION OF APPROPRIATIONS.—There  
6       are authorized to be appropriated to carry out this sec-  
7       tion—

8               (1) \$16,000,000 for fiscal year 2004; and

9               (2) such sums as may be necessary for each of  
10       fiscal years 2005 through 2009.

11       (m) SUNSET.—No new grants may be provided under  
12       this section after September 30, 2009.

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