

the Low-Income Housing Preservation and Resident Homeownership Act of 1990, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 4101 of this title and Tables.

§ 4143. Grants for building resident capacity and funding predevelopment costs

(a) In general

Assistance made available under this section shall be used for direct assistance grants to resident organizations and community-based nonprofit housing developers and resident councils to assist the acquisition of specific projects (including the payment of reasonable administrative expenses to participating intermediaries).

(b) Allocation

30 percent of the assistance made available under this section shall be used for resident capacity grants in accordance with subsection (d). The remainder shall be used for predevelopment grants in connection with specific projects in accordance with subsection (e).

(c) Limitation on grant amounts

A resident capacity grant under subsection (d) may not exceed \$30,000 per project and a grant under subsection (e) for predevelopment costs may not exceed \$200,000 per project, exclusive of any fees paid to a participating intermediary by the Secretary for administering the program.

(d) Resident capacity grants

(1) Use

Resident capacity grants under this subsection shall be available to eligible applicants to cover expenses for resident outreach, incorporation of a resident organization or council, conducting democratic elections, training, leadership development, legal and other technical assistance to the board of directors, staff and members of the resident organization or council.

(2) Eligible housing

Grants under this subsection may be provided with respect to eligible low-income housing for which the owner has filed a notice of intent under subchapter I of this chapter or title II of the Emergency Low Income Housing Preservation Act of 1987 (pursuant to section 604 of the Cranston-Gonzalez National Affordable Housing Act).

(e) Predevelopment grants

(1) Use

Predevelopment grants under this subsection shall be made available to community-based nonprofit housing developers and resident councils to cover the cost of organizing a purchasing entity and pursuing an acquisition, including third party costs for training, development consulting, legal, appraisal, accounting, environmental, architectural and engineering, application fees, and sponsor's staff and overhead costs.

(2) Eligible housing

Such grants may only be made available with respect to any eligible low-income housing project for which the owner has filed an

initial notice of intent to transfer the housing to a qualified purchaser in accordance with section 4110 of this title, or has filed a notice of intent and entered into a binding agreement to sell the housing to a resident organization or nonprofit organization.

(3) Phase-in of grant payments

Grant payments under this subsection shall be made in phases, based on performance benchmarks established by the Secretary in consultation with intermediaries selected under section 4145(b) of this title.

(f) Grant applications

Grant applications for assistance under subsections (d) and (e) shall be received monthly on a rolling basis and approved or rejected on at least a quarterly basis by intermediaries selected under section 4145(b) of this title.

(g) Appeal

If an application for assistance under subsections¹ (d) or (e) is denied, the applicant shall have the right to appeal the denial to the Secretary and receive a binding determination within 30 days of the appeal.

(Pub. L. 100-242, title II, §253, as added Pub. L. 102-550, title III, §312, Oct. 28, 1992, 106 Stat. 3766.)

Editorial Notes

REFERENCES IN TEXT

Title II of the Emergency Low Income Housing Preservation Act of 1987, referred to in subsec. (d)(2), probably means title II of Pub. L. 100-242, Feb. 5, 1988, 102 Stat. 1877, prior to being amended generally by Pub. L. 101-625, §601(a), which was known as the Emergency Low Income Housing Preservation Act of 1987 and which was classified principally as a note under section 1715l of this title. Title II of Pub. L. 100-242 was amended generally by Pub. L. 101-625, title VI, §601(a), Nov. 28, 1990, 104 Stat. 4249, and is now known as the Low-Income Housing Preservation and Resident Homeownership Act of 1990, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 4101 of this title and Tables.

Section 604 of the Cranston-Gonzalez National Affordable Housing Act, referred to in subsec. (d)(2), is section 604 of Pub. L. 101-625, which is set out as a note under section 4101 of this title.

§ 4144. Grants for other purposes

The Secretary may provide grants under this subchapter—

(1) to resident-controlled or community-based nonprofit organizations with experience in resident education and organizing for the purpose of conducting community, city or county wide outreach and training programs to identify and organize residents of eligible low-income housing; and

(2) to State and local government agencies and nonprofit intermediaries for the purpose of carrying out such activities as the Secretary deems appropriate to further the preservation program established under this title.¹

(Pub. L. 100-242, title II, §254, as added Pub. L. 102-550, title III, §312, Oct. 28, 1992, 106 Stat. 3767.)

¹ So in original. Probably should be "subsection".

¹ See References in Text note below.

Editorial Notes

REFERENCES IN TEXT

This title, referred to in par. (2), means title II of Pub. L. 100-242, as amended by Pub. L. 101-625, title VI, § 601(a), Nov. 28, 1990, 104 Stat. 4249, known as the Low-Income Housing Preservation and Resident Homeownership Act of 1990, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 4101 of this title and Tables.

§ 4145. Delivery of assistance through intermediaries**(a) In general**

The Secretary shall approve and disburse assistance under section 4143 of this title through eligible intermediaries selected by the Secretary under subsection (b). If the Secretary does not receive an acceptable proposal from an intermediary offering to administer assistance under this section in a given State, the Secretary shall administer the program in such State directly.

(b) Selection of eligible intermediaries**(1) In general**

The Secretary shall develop criteria to select eligible intermediaries, through a competitive process, to administer assistance under this subchapter. The process shall include provision for a reasonable administrative fee.

(2) Priority

With respect to all forms of grants available under section 4143 of this title, such criteria shall give priority to applications from eligible intermediaries with demonstrated expertise or experience with the program established under this title¹ or under the Emergency Low Income Housing Preservation Act of 1987.

(3) Criteria

The criteria developed under this subsection shall—

(A) not assign any preference or priority to applications from eligible intermediaries based on their previous participation in administering or receiving Federal grants or loans (but may exclude applicants who have failed to perform under prior contracts of a similar nature);

(B) require an applicant to prepare a proposal that demonstrates adequate staffing, qualifications, prior experience, and a plan for participation; and

(C) permit an applicant to serve as the administrator of assistance made available under section 4143(d) or (e) of this title, based on the applicant's suitability and interest.

(4) Geographic coverage

The Secretary may select more than 1 State or regional intermediary for a single State or region. The number of intermediaries chosen for each State or region may be based on the number of eligible low-income housing projects in the State or region, provided there

is no duplication of geographic coverage by intermediaries in the administration of the direct assistance grant program.

(5) National nonprofit intermediaries

National nonprofit intermediaries shall be selected to administer the assistance made available under section 4143 of this title only with respect to States or regions for which no other eligible intermediary, acceptable to the Secretary, has submitted a proposal to participate.

(6) Preference

With respect to assistance made available under section 4144 of this title, preference shall be given to eligible regional, State, and local intermediaries, over national nonprofit organizations.

(c) Conflicts of interest

Eligible intermediaries selected under subsection (b) to disburse assistance under section 4143 of this title shall certify that they will serve only as delegated program administrators, charged with the responsibility for reviewing and approving grant applications on behalf of the Secretary. Selected intermediaries shall—

(1) establish appropriate procedures for grant administration and fiscal management, pursuant to standards established by the Secretary; and

(2) receive a reasonable administrative fee, except that they may not provide other services to grant recipients with respect to projects that are the subject of the grant application and may not receive payment, directly or indirectly, from the proceeds of grants they have approved.

(d) "Eligible intermediary" defined

For purposes of this section, the term "eligible intermediary" means a State, regional, or national organization (including a quasi-public organization) or a State or local housing agency that—

(1) has as a central purpose the preservation of existing affordable housing and the prevention of displacement;

(2) does not receive direct Federal appropriations for operating support;

(3) in the case of a national nonprofit organization, has been in existence for at least 5 years prior to the date of application and has been classified by the Internal Revenue Service as an exempt organization under section 501(c)(3) of title 26;

(4) in the case of a regional or State nonprofit organization, has been in existence for at least 3 years prior to the date of application and has been classified by the Internal Revenue Service as an exempt organization under section 501(c)(3) of title 26 or is otherwise a tax-exempt entity;

(5) has a record of service to low-income individuals or community-based nonprofit housing developers in multiple communities and, with respect to intermediaries administering assistance under section 4143 of this title, has experience with the allocation or administration of grant or loan funds; and

(6) meets standards of fiscal responsibility established by the Secretary.

¹ See References in Text note below.