

**(b) Priority**

In determining which application to approve under this subpart the Secretary shall give priority to those applicants proposing to serve a target area—

(1) with a median income that does not exceed 80 percent of the median for the area (as determined by the Secretary); and

(2) with a high rate of unemployment, as determined by the Secretary or in which the population loss is at least 7 percent from April 1, 1980, to April 1, 1990, as reported by the Bureau of the Census.

(Pub. L. 103-322, title III, §31113, Sept. 13, 1994, 108 Stat. 1883; Pub. L. 105-277, div. A, §101(f) [title VIII, §405(d)(44), (f)(35)], Oct. 21, 1998, 112 Stat. 2681-337, 2681-428, 2681-434; Pub. L. 113-128, title V, §512(jj), July 22, 2014, 128 Stat. 1722.)

**Editorial Notes**

## REFERENCES IN TEXT

The Workforce Innovation and Opportunity Act, referred to in subsec. (a)(4)(C), is Pub. L. 113-128, July 22, 2014, 128 Stat. 1425. Title I of the Act is classified generally to subchapter I (§3111 et seq.) of chapter 32 of Title 29, Labor. For complete classification of this Act to the Code, see Short Title note set out under section 3101 of Title 29 and Tables.

The Family Support Act of 1988, referred to in subsec. (a)(4)(C), is Pub. L. 100-485, Oct. 13, 1988, 102 Stat. 2343. For complete classification of this Act to the Code, see Short Title of 1988 Amendments note set out under section 1305 of Title 42, The Public Health and Welfare, and Tables.

## CODIFICATION

Section was formerly classified to section 13823 of Title 42, The Public Health and Welfare, prior to editorial reclassification and renumbering as this section.

## AMENDMENTS

2014—Subsec. (a)(4)(C). Pub. L. 113-128 substituted “job training programs authorized under title I of the Workforce Innovation and Opportunity Act or the Family Support Act of 1988 (Public Law 100-485)” for “job training programs authorized under title I of the Workforce Investment Act of 1998 or the Family Support Act of 1988 (Public Law 100-485)”.

1998—Subsec. (a)(4)(C). Pub. L. 105-277, §101(f) [title VIII, §405(f)(35)], struck out “the Job Training Partnership Act or” after “authorized under”.

Pub. L. 105-277, §101(f) [title VIII, §405(d)(44)], substituted “authorized under the Job Training Partnership Act or title I of the Workforce Investment Act of 1998” for “authorized under the Job Training Partnership Act (29 U.S.C. 1501 et seq.)”.

**Statutory Notes and Related Subsidiaries**

## EFFECTIVE DATE OF 2014 AMENDMENT

Amendment by Pub. L. 113-128 effective on the first day of the first full program year after July 22, 2014 (July 1, 2015), see section 506 of Pub. L. 113-128, set out as an Effective Date note under section 3101 of Title 29, Labor.

## EFFECTIVE DATE OF 1998 AMENDMENT

Amendment by section 101(f) [title VIII, §405(d)(44)] of Pub. L. 105-277 effective Oct. 21, 1998, and amendment by section 101(f) [title VIII, §405(f)(35)] of Pub. L. 105-277 effective July 1, 2000, see section 101(f) [title VIII, §405(g)(1), (2)(B)] of Pub. L. 105-277, set out as a note under section 3502 of Title 5, Government Organization and Employees.

**§ 12184. Availability of lines of credit and use****(a) Approval of application**

The Secretary shall provide a community development corporation that has an application approved under section 12183 of this title with a line of credit in an amount determined appropriate by the Secretary, subject to the limitations contained in subsection (b).

**(b) Limitations on availability of amounts****(1) Maximum amount**

The Secretary shall not provide in excess of \$2,000,000 in lines of credit under this subpart to a single applicant.

**(2) Period of availability**

A line of credit provided under this subpart shall remain available over a period of time established by the Secretary, but in no event shall any such period of time be in excess of 3 years from the date on which such line of credit is made available.

**(3) Exception**

Notwithstanding paragraphs (1) and (2), if a recipient of a line of credit under this subpart has made full and productive use of such line of credit, can demonstrate the need and demand for additional assistance, and can meet the requirements of section 12182(b)(2) of this title, the amount of such line of credit may be increased by not more than \$1,500,000.

**(c) Amounts drawn from line of credit**

Amounts drawn from each line of credit under this subpart shall be used solely for the purposes described in section 12181 of this title and shall only be drawn down as needed to provide loans, investments, or to defray administrative costs related to the establishment of a revolving loan fund.

**(d) Use of revolving loan funds**

Revolving loan funds established with lines of credit provided under this subpart may be used to provide technical assistance to private business enterprises and to provide financial assistance in the form of loans, loan guarantees, interest reduction assistance, equity shares, and other such forms of assistance to business enterprises in target areas and who are in compliance with section 12183(a)(4) of this title.

(Pub. L. 103-322, title III, §31114, Sept. 13, 1994, 108 Stat. 1884.)

**Editorial Notes**

## CODIFICATION

Section was formerly classified to section 13824 of Title 42, The Public Health and Welfare, prior to editorial reclassification and renumbering as this section.

**§ 12185. Limitations on use of funds****(a) Matching requirement**

Not to exceed 50 percent of the total amount to be invested by an entity under this subpart may be derived from funds made available from a line of credit under this subpart.

**(b) Technical assistance and administration**

Not to exceed 10 percent of the amounts available from a line of credit under this subpart

shall be used for the provision of training or technical assistance and for the planning, development, and management of economic development projects. Community development corporations shall be encouraged by the Secretary to seek technical assistance from other community development corporations, with expertise in the planning, development and management of economic development projects. The Secretary shall assist in the identification and facilitation of such technical assistance.

**(c) Local and private sector contributions**

To receive funds available under a line of credit provided under this subpart, an entity, using procedures established by the Secretary, shall demonstrate to the community development corporation that such entity agrees to provide local and private sector contributions in accordance with section 12182(b)(2)(D) of this title, will participate with such community development corporation in a loan, guarantee or investment program for a designated business enterprise, and that the total financial commitment to be provided by such entity is at least equal to the amount to be drawn from the line of credit.

**(d) Use of proceeds from investments**

Proceeds derived from investments made using funds made available under this subpart may be used only for the purposes described in section 12181 of this title and shall be reinvested in the community in which they were generated.

(Pub. L. 103-322, title III, §31115, Sept. 13, 1994, 108 Stat. 1884.)

**Editorial Notes**

CODIFICATION

Section was formerly classified to section 13825 of Title 42, The Public Health and Welfare, prior to editorial reclassification and renumbering as this section.

**§ 12186. Program priority for special emphasis programs**

**(a) In general**

The Secretary shall give priority in providing lines of credit under this subpart to community development corporations that propose to undertake economic development activities in distressed communities that target women, Native Americans, at risk youth, farmworkers, population-losing communities, very low-income communities, single mothers, veterans, and refugees; or that expand employee ownership of private enterprises and small businesses, and to programs providing loans of not more than \$35,000 to very small business enterprises.

**(b) Reservation of funds**

Not less than 5 percent of the amounts made available under section 31112(a)(2)(A)<sup>1</sup> may be reserved to carry out the activities described in subsection (a).

(Pub. L. 103-322, title III, §31116, Sept. 13, 1994, 108 Stat. 1885.)

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

**Editorial Notes**

REFERENCES IN TEXT

Section 31112(a)(2)(A), referred to in subsec. (b), probably should be a reference to section 31132(b)(1) of Pub. L. 103-322, title III, Sept. 13, 1994, 108 Stat. 1888, which authorized appropriations under this part and was formerly classified to section 13852 of Title 42, The Public Health and Welfare, prior to being omitted from the Code as obsolete.

CODIFICATION

Section was formerly classified to section 13826 of Title 42, The Public Health and Welfare, prior to editorial reclassification and renumbering as this section.

SUBPART 2—EMERGING COMMUNITY DEVELOPMENT CORPORATIONS

**§ 12201. Community development corporation improvement grants**

**(a) Purpose**

It is the purpose of this section to provide assistance to community development corporations to upgrade the management and operating capacity of such corporations and to enhance the resources available to enable such corporations to increase their community economic development activities.

**(b) Skill enhancement grants**

**(1) In general**

The Secretary shall award grants to community development corporations to enable such corporations to attain or enhance the business management and development skills of the individuals that manage such corporations to enable such corporations to seek the public and private resources necessary to develop community economic development projects.

**(2) Use of funds**

A recipient of a grant under paragraph (1) may use amounts received under such grant—

(A) to acquire training and technical assistance from agencies or institutions that have extensive experience in the development and management of low-income community economic development projects; or

(B) to acquire such assistance from other highly successful community development corporations.

**(c) Operating grants**

**(1) In general**

The Secretary shall award grants to community development corporations to enable such corporations to support an administrative capacity for the planning, development, and management of low-income community economic development projects.

**(2) Use of funds**

A recipient of a grant under paragraph (1) may use amounts received under such grant—

(A) to conduct evaluations of the feasibility of potential low-income community economic development projects that address identified needs in the low-income community and that conform to those projects and activities permitted under subpart 1;<sup>1</sup>

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