

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)¹ 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.)

¹ 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;¹

¹ See References in Text note below.

(B) to develop a business plan related to such a potential project; or

(C) to mobilize resources to be contributed to a planned low-income community economic development project or strategy.

(d) Applications

A community development corporation that desires to receive a grant under this section shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

(e) Amount available for community development corporation

Amounts provided under this section to a community development corporation shall not exceed \$75,000 per year. Such corporations may apply for grants under this section for up to 3 consecutive years, except that such corporations shall be required to submit a new application for each grant for which such corporation desires to receive and compete on the basis of such applications in the selection process.

(Pub. L. 103-322, title III, §31121, Sept. 13, 1994, 108 Stat. 1885.)

Editorial Notes

REFERENCES IN TEXT

Subpart 1, referred to in subsec. (c)(2)(A), was in the original "subtitle A", and was translated as reading "chapter 1", meaning chapter 1 of subtitle K of title III of Pub. L. 103-322, to reflect the probable intent of Congress.

CODIFICATION

Section was formerly classified to section 13841 of Title 42, The Public Health and Welfare, prior to editorial reclassification and renumbering as this section.

§ 12202. Emerging community development corporation revolving loan funds

(a) Authority

The Secretary may award grants to emerging community development corporations to enable such corporations to establish, maintain or expand revolving loan funds, to make or guarantee loans, or to make capital investments in new or expanding local businesses.

(b) Eligibility

To be eligible to receive a grant under subsection (a), an entity shall—

(1) be a community development corporation;

(2) have completed not less than one nor more than two community economic development projects or related projects that improve or provide job and employment opportunities to low-income individuals;

(3) prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, including a strategic investment plan that identifies and describes the economic characteristics of the target area to be served, the types of business to be assisted using amounts received under the grant and the impact of such assistance on low-income individuals; and

(4) have secured one or more commitments from local sources for contributions (either in cash or in kind, letters of credit, or letters of commitment) in an amount that is equal to at least 10 percent of the amounts requested in the application submitted under paragraph (2).¹

(c) Use of revolving loan fund

(1) In general

A revolving loan fund established or maintained with amounts received under this section may be utilized to provide financial and technical assistance, loans, loan guarantees or investments to private business enterprises to—

(A) finance projects intended to provide business and employment opportunities for low-income individuals and to improve the quality of life in urban and rural areas; and

(B) build and expand the capacity of emerging community development corporations and serve the economic needs of local residents.

(2) Technical assistance

The Secretary shall encourage emerging community development corporations that receive grants under this section to seek technical assistance from established community development corporations, with expertise in the planning, development and management of economic development projects and shall facilitate the receipt of such assistance.

(3) Limitation

Not to exceed 10 percent of the amounts received under this section by a grantee shall be used for training, technical assistance and administrative purposes.

(d) Use of proceeds from investments

Proceeds derived from investments made with amounts provided under this section may be utilized only for the purposes described in this part and shall be reinvested in the community in which they were generated.

(e) Amounts available

Amounts provided under this section to a community development corporation shall not exceed \$500,000 per year.

(Pub. L. 103-322, title III, §31122, Sept. 13, 1994, 108 Stat. 1886.)

Editorial Notes

CODIFICATION

Section was formerly classified to section 13842 of Title 42, The Public Health and Welfare, prior to editorial reclassification and renumbering as this section.

SUBPART 3—MISCELLANEOUS PROVISIONS

§ 12211. Definitions

As used in this part:

(1) Community development corporation

The term "community development corporation" means a private, nonprofit corporation

¹ So in original. Probably should be paragraph "(3)".