

107TH CONGRESS  
1ST SESSION

# H. R. 1191

To amend title I of the Housing and Community Development Act of 1974 to ensure that communities receiving community development block grants use such funds to benefit low- and moderate-income families.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 22, 2001

Mrs. MEEK of Florida (for herself, Mrs. JONES of Ohio, Mrs. CHRISTENSEN, Mr. COSTELLO, Mr. THOMPSON of Mississippi, Mr. BRADY of Pennsylvania, Ms. BROWN of Florida, Mr. PALLONE, Ms. MILLENDER-MCDONALD, Mr. RANGEL, Ms. WATERS, Mr. CONYERS, Mr. GREEN of Texas, Mr. STARK, Ms. NORTON, Mr. HASTINGS of Florida, Mr. WYNN, Mr. CLYBURN, Mr. NADLER, Mr. HINCHEY, Mr. MEEKS of New York, Mr. OWENS, Mrs. MINK of Hawaii, Mr. BARRETT, Ms. ROS-LEHTINEN, Mr. CUMMINGS, Mr. TIERNEY, Mr. GEORGE MILLER of California, Ms. VELÁZQUEZ, Mr. JACKSON of Illinois, Mr. FROST, Ms. DEGETTE, Mr. CLAY, Ms. KAPTUR, Mr. SANDERS, Mr. DIAZ-BALART, Mrs. CLAYTON, Ms. KILPATRICK, Mr. SERRANO, Mrs. THURMAN, Ms. CARSON of Indiana, Mr. TOWNS, Mr. KUCINICH, Mr. DAVIS of Illinois, Mr. PAYNE, Mr. RUSH, Mr. HILLIARD, Mr. BLAGOJEVICH, Mr. KENNEDY of Rhode Island, Mr. BISHOP, Mr. DEUTSCH, and Mr. MALONEY of Connecticut) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend title I of the Housing and Community Development Act of 1974 to ensure that communities receiving community development block grants use such funds to benefit low- and moderate-income families.

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 “Community Develop-  
5 ment Block Grant Renewal Act”.

6 **SEC. 2. LOW- AND MODERATE-INCOME TARGETING RE-**  
7 **QUIREMENT.**

8 (a) TARGETING ASSISTANCE TO LOW-INCOME FAMI-  
9 LIES.—

10 (1) IN GENERAL.—Section 101(c) of the Hous-  
11 ing and Community Development Act of 1974 (42  
12 U.S.C. 5301(c)) is amended—

13 (A) by striking “not less than 70 percent”;

14 (B) by inserting “80 percent” after “sec-  
15 tion 108,”; and

16 (C) by striking “and the Federal assist-  
17 ance” and inserting the following: “and not less  
18 than 40 percent of such aggregate assistance  
19 and funds shall be used for the support of ac-  
20 tivities that directly benefit persons of low in-  
21 come. The Federal assistance”.

22 (2) CONFORMING AMENDMENTS.—The Housing  
23 and Community Development Act of 1974 is  
24 amended—

25 (A) in section 104 (42 U.S.C. 5304)—

1 (i) in subsection (a)(2)(A), by insert-  
2 ing “and persons of low income” after  
3 “moderate income”;

4 (ii) in subsection (b)(3)—

5 (I) in clause (A), by striking “70  
6 percent of such funds are used for ac-  
7 tivities that benefit such persons dur-  
8 ing such period” and inserting “80  
9 percent of such funds are used for  
10 support of activities that benefit per-  
11 sons of low and moderate income dur-  
12 ing such period, and 40 percent of  
13 such funds are used for support of ac-  
14 tivities that benefit persons of low in-  
15 come during such period”; and

16 (II) in clause (B), by inserting  
17 “or persons of low income” after  
18 “moderate income”; and

19 (iii) in the third sentence of sub-  
20 section (e), by inserting “and persons of  
21 low income” before the period at the end;  
22 and

23 (B) in section 106(d)(2)(D) (42 U.S.C.  
24 5306(d)(2)(D)), by inserting “and the needs of  
25 persons of low income” before the last comma.

1           (b) TREATMENT OF DOWNTOWN AREAS.—Section  
2 105(c)(2)(A) of the Housing and Community Develop-  
3 ment Act of 1974 (42 U.S.C. 5305(c)(2)(A)), as amended  
4 by the preceding provisions of this Act, is further amended  
5 by adding at the end the following new clause:

6           “(iv) Notwithstanding any other provision of this sub-  
7 paragraph, an activity that is designed to serve an area  
8 generally shall not be considered to principally benefit per-  
9 sons of low or moderate income, or to principally benefit  
10 persons of low income, if such activity serves an area that  
11 is not primarily residential in character.”.

12           (c) ENSURING DIRECT BENEFIT.—Section 105(c) of  
13 the Housing and Community Development Act of 1974  
14 (42 U.S.C. 5305(c)) is amended by adding at the end the  
15 following new paragraph:

16           “(5) In determining whether an assisted activity ben-  
17 efits persons of low and moderate income or persons of  
18 low income, for purposes of compliance with the require-  
19 ments of section 101(c) and certification of such compli-  
20 ance in accordance with section 104(b)(3), the grantee  
21 shall consider the full range of direct effects of the assisted  
22 activity.”.

1 **SEC. 3. PROPORTIONAL TREATMENT OF BENEFIT FOR**  
2 **LOW- AND MODERATE-INCOME FAMILIES.**

3 (a) DEVELOPMENT AND ECONOMIC DEVELOPMENT  
4 ACTIVITIES.—Section 105(c)(1) of the Housing and Com-  
5 munity Development Act of 1974 (42 U.S.C. 5305(c)(1))  
6 is amended—

7 (1) in the matter preceding subparagraph (A),  
8 by inserting “or persons of low income” before the  
9 comma;

10 (2) in subparagraph (A), by inserting “or of low  
11 income, as applicable,” after “moderate income”;  
12 and

13 (3) in subparagraphs (B) and (C), by inserting  
14 “or of low income, as applicable” after “moderate  
15 income” each place such term appears.

16 (b) AREA BENEFIT ACTIVITIES.—Section  
17 105(c)(2)(A) of the Housing and Community Develop-  
18 ment Act of 1974 (42 U.S.C. 5305(c)(2)(A)) is  
19 amended—

20 (1) by redesignating clauses (i), (ii), and (iii) as  
21 subclauses (I), (II), and (III), respectively;

22 (2) by inserting “(i)” after “(2)(A)”;

23 (3) by inserting “(but only to the extent pro-  
24 vided in clause (ii)) only” after “principally benefit  
25 persons of low and moderate income”; and

1           (4) by adding at the end the following new  
2       clause:

3       “(ii) In the case of any assisted activity that is de-  
4 signed to serve an area generally and that, pursuant to  
5 clause (i), is considered to principally benefit persons of  
6 low and moderate income or persons of low income,  
7 amounts provided under this title and used for such activ-  
8 ity shall be considered, for purposes of compliance with  
9 the requirements of section 101(c), to support an activity  
10 that benefits low and moderate income persons or persons  
11 of low income, as applicable, in the same proportion as  
12 the proportion of the population of such area that is com-  
13 prised of persons of low and moderate income or persons  
14 of low income, as applicable.”.

15       (c) HOUSING ACTIVITIES.—Section 105(c)(3) of the  
16 Housing and Community Development Act of 1974 (42  
17 U.S.C. 5305(c)(3)) is amended—

18           (1) by striking “or rehabilitation” and inserting  
19       “ , rehabilitation, or new construction”; and

20           (2) by striking “only to the extent” and all that  
21 follows and inserting the following: “or persons of  
22 low income, as applicable, for purposes of compliance  
23 with the requirements of section 101(c), in the  
24 amount determined by multiplying (A) the amount  
25 of funds provided under this title that are used for

1 such activity, by (B) the percentage of the units in  
2 such housing that, upon completion, will be occupied  
3 by such persons.”.

4 (d) **JOB CREATION ACTIVITIES.**—Section 105(c) of  
5 the Housing and Community Development Act of 1974  
6 (42 U.S.C. 5305(c)) is amended by striking paragraph (4)  
7 and inserting the following new paragraph:

8 “(4) Any assisted activity described in paragraph  
9 (14) or (17) of subsection (a) that is identified as prin-  
10 cipally benefiting persons of low or moderate income or  
11 persons of low income, by reason of compliance with para-  
12 graph (1)(C) of this subsection, shall be considered to ben-  
13 efit such persons, for purposes of compliance with the re-  
14 quirements of section 101(c), in the amount determined  
15 by multiplying (A) the amount of funds provided under  
16 this title that are used for such activity, by (B) the per-  
17 centage of employees involved in the activity that are per-  
18 sons of low and moderate income or persons of low income,  
19 as applicable.”.

20 **SEC. 4. PUBLIC PARTICIPATION.**

21 Section 104(a) of the Housing and Community De-  
22 velopment Act of 1974 (42 U.S.C. 5304(a)) is amended  
23 by adding at the end the following new paragraph:

24 “(4) For purposes of this subsection, the term ‘public  
25 hearing’ means a hearing that is subject to, and held in

1 accordance with, any State and local laws regarding re-  
2 quirements for public hearings of the jurisdiction that is  
3 the grantee.”.

4 **SEC. 5. PUBLIC MONITORING.**

5 Section 105(a) of the Housing and Community De-  
6 velopment Act of 1974 (42 U.S.C. 5305(a)) is amended—

7 (1) in paragraph (22), by striking “and” at the  
8 end;

9 (2) in paragraph (23), by striking the period at  
10 the end and inserting a semicolon; and

11 (3) by inserting after paragraph (23) the fol-  
12 lowing new paragraph:

13 “(24) provision of assistance to nonprofit orga-  
14 nizations representing low- and moderate-income  
15 persons for—

16 “(A) monitoring the use, by recipients, of  
17 funds provided under this title; or

18 “(B) promoting or providing for public  
19 participation required under paragraphs (1)  
20 through (3) of section 104(a);

21 except that assistance under this paragraph shall  
22 not be considered a planning activity under para-  
23 graph (12) of this subsection, an administrative cost  
24 under paragraph (13), or a public service under  
25 paragraph (8); and”.

1 **SEC. 6. APPLICABILITY.**

2       The amendments made by this Act shall apply with  
3 respect to fiscal year 2002 and all fiscal years thereafter  
4 and to amounts appropriated for such fiscal years for com-  
5 munity development block grants under title I of the  
6 Housing and Community Development Act of 1974 (42  
7 U.S.C. 5301 et seq.) .

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