

105TH CONGRESS
2D SESSION

S. 2595

To amend the Housing and Community Development Act of 1974 to provide affordable housing and community development assistance to rural areas with excessively high rates of outmigration and low per capita income levels.

IN THE SENATE OF THE UNITED STATES

OCTOBER 8 (legislative day, OCTOBER 2), 1998

Mr. DASCHLE (for himself and Mr. MURKOWSKI) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing and Urban Affairs

A BILL

To amend the Housing and Community Development Act of 1974 to provide affordable housing and community development assistance to rural areas with excessively high rates of outmigration and low per capita income levels.

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 “Rural Recovery Act
5 of 1998”.

1 **SEC. 2. RURAL RECOVERY COMMUNITY DEVELOPMENT**
2 **BLOCK GRANTS.**

3 Title I of the Housing and Community Development
4 Act of 1974 (42 U.S.C. 5301 et seq.) is amended by add-
5 ing at the end the following:

6 **“SEC. 123. RURAL RECOVERY COMMUNITY DEVELOPMENT**
7 **BLOCK GRANTS.**

8 “(a) FINDINGS; PURPOSE.—

9 “(1) FINDINGS.—Congress finds that—

10 “(A) a modern infrastructure, including af-
11 fordable housing, wastewater and water service,
12 and advanced technology capabilities is a nec-
13 essary ingredient of a modern society and devel-
14 opment of a prosperous economy with minimal
15 environmental impacts;

16 “(B) the Nation’s rural areas face critical
17 social, economic, and environmental problems,
18 arising in significant measure from the growing
19 cost of infrastructure development in rural
20 areas that suffer from low per capita income
21 and high rates of outmigration and are not ade-
22 quately addressed by existing Federal assist-
23 ance programs; and

24 “(C) the future welfare of the Nation and
25 the well-being of its citizens depend on the es-

1 tablishment and maintenance of viable rural
2 areas as social, economic, and political entities.

3 “(2) PURPOSE.—The purpose of this section is
4 to provide for the development and maintenance of
5 viable rural areas through the provision of affordable
6 housing and community development assistance to
7 eligible units of general local government and eligible
8 Indian tribes in rural areas with excessively high
9 rates of outmigration and low per capita income lev-
10 els.

11 “(b) DEFINITIONS.—In this section:

12 “(1) ELIGIBLE UNIT OF GENERAL LOCAL GOV-
13 ERNMENT.—The term ‘eligible unit of general local
14 government’ means a unit of general local govern-
15 ment that is the governing body of a rural recovery
16 area.

17 “(2) ELIGIBLE INDIAN TRIBE.—The term ‘eligi-
18 ble Indian tribe’ means the governing body of an In-
19 dian tribe that is located in a rural recovery area.

20 “(3) GRANTEE.—The term ‘grantee’ means an
21 eligible unit of general local government or eligible
22 Indian tribe that receives a grant under this section.

23 “(4) INDIAN TRIBE.—The term ‘Indian tribe’
24 means any Indian tribe, band, group, and nation, in-
25 cluding Alaska Indians, Aleuts, and Eskimos, and

1 any Alaskan Native Village, of the United States,
 2 which is considered an eligible recipient under the
 3 Indian Self-Determination and Education Assistance
 4 Act (Public Law 93–638) or was considered an eligi-
 5 ble recipient under chapter 67 of title 31, United
 6 States Code, prior to the repeal of such chapter.

7 “(5) RURAL RECOVERY AREA.—The term ‘rural
 8 recovery area’ means any geographic area rep-
 9 resented by a unit of general local government or an
 10 Indian tribe—

11 “(A) the borders of which are not adjacent
 12 to a metropolitan area;

13 “(B) in which—

14 “(i) the annual population outmigra-
 15 tion level equals or exceeds 15 percent, as
 16 determined by Secretary of Agriculture;
 17 and

18 “(ii) the per capita income is less than
 19 that of the national nonmetropolitan aver-
 20 age; and

21 “(C) that does not include a city with a
 22 population of more than 2,500.

23 “(6) UNIT OF GENERAL LOCAL GOVERN-
 24 MENT.—

1 “(A) IN GENERAL.—The term ‘unit of gen-
2 eral local government’ means any city, county,
3 town, township, parish, village, borough (orga-
4 nized or unorganized), or other general purpose
5 political subdivision of a State; Guam, the
6 Northern Mariana Islands, the Virgin Islands,
7 Puerto Rico, and American Samoa, or a general
8 purpose political subdivision thereof; a combina-
9 tion of such political subdivisions that, except
10 as provided in section 106(d)(4), is recognized
11 by the Secretary; the District of Columbia; and
12 the Trust Territory of the Pacific Islands.

13 “(B) OTHER ENTITIES INCLUDED.—The
14 term also includes a State or a local public body
15 or agency (as defined in section 711 of the
16 Housing and Urban Development Act of 1970),
17 community association, or other entity, that is
18 approved by the Secretary for the purpose of
19 providing public facilities or services to a new
20 community as part of a program meeting the
21 eligibility standards of section 712 of the Hous-
22 ing and Urban Development Act of 1970 or
23 title IV of the Housing and Urban Development
24 Act of 1968.

1 “(c) GRANT AUTHORITY.—The Secretary may make
2 grants in accordance with this section to eligible units of
3 general local government and eligible Indian tribes that
4 meet the requirements of subsection (d) to carry out eligi-
5 ble activities described in subsection (f).

6 “(d) ELIGIBILITY REQUIREMENTS.—

7 “(1) STATEMENT OF RURAL DEVELOPMENT OB-
8 JECTIVES.—In order to receive a grant under this
9 section for a fiscal year, an eligible unit of general
10 local government or eligible Indian tribe—

11 “(A) shall—

12 “(i) publish a proposed statement of
13 rural development objectives and a descrip-
14 tion of the proposed eligible activities de-
15 scribed in subsection (f) for which the
16 grant will be used; and

17 “(ii) afford residents of the rural re-
18 covery area served by the eligible unit of
19 general local government or eligible Indian
20 tribe with an opportunity to examine the
21 contents of the proposed statement and the
22 proposed eligible activities published under
23 clause (i), and to submit comments to the
24 eligible unit of general local government or
25 eligible Indian tribe, as applicable, on—

1 “(I) the proposed statement and
2 the proposed eligible activities; and

3 “(II) the overall community de-
4 velopment performance of the eligible
5 unit of general local government or el-
6 igible Indian tribe, as applicable; and

7 “(B) based on any comments received
8 under subparagraph (A)(ii), prepare and submit
9 to the Secretary—

10 “(i) a final statement of rural develop-
11 ment objectives;

12 “(ii) a description of the eligible ac-
13 tivities described in subsection (f) for
14 which a grant received under this section
15 will be used; and

16 “(iii) a certification that the eligible
17 unit of general local government or eligible
18 Indian tribe, as applicable, will comply
19 with the requirements of paragraph (2).

20 “(2) PUBLIC NOTICE AND COMMENT.—In order
21 to enhance public accountability and facilitate the
22 coordination of activities among different levels of
23 government, an eligible unit of general local govern-
24 ment or eligible Indian tribe that receives a grant
25 under this section shall, as soon as practicable after

1 such receipt, provide the residents of the rural recov-
2 ery area served by the eligible unit of general local
3 government or eligible Indian tribe, as applicable,
4 with—

5 “(A) a copy of the final statement submit-
6 ted under paragraph (1)(B);

7 “(B) information concerning the amount
8 made available under this section and the eligi-
9 ble activities to be undertaken with that
10 amount;

11 “(C) reasonable access to records regard-
12 ing the use of any amounts received by the eli-
13 gible unit of general local government or eligible
14 Indian tribe under this section in any preceding
15 fiscal year; and

16 “(D) reasonable notice of, and opportunity
17 to comment on, any substantial change pro-
18 posed to be made in the use of amounts re-
19 ceived under this section from 1 eligible activity
20 to another.

21 “(e) DISTRIBUTION OF GRANTS.—

22 “(1) IN GENERAL.—In each fiscal year, the
23 Secretary shall distribute to each eligible unit of
24 general local government and eligible Indian tribe

1 that meets the requirements of subsection (d)(1) a
2 grant in an amount described in paragraph (2).

3 “(2) AMOUNT.—Of the total amount made
4 available to carry out this section in each fiscal year,
5 the Secretary shall distribute to each grantee the
6 amount equal to the greater of—

7 “(A) the pro rata share of the grantee, as
8 determined by the Secretary, based on the com-
9 bined annual population outmigration level (as
10 determined by Secretary of Agriculture) and the
11 per capita income for the rural recovery area
12 served by the grantee; and

13 “(B) \$250,000.

14 “(f) ELIGIBLE ACTIVITIES.—Each grantee shall use
15 amounts received under this section for 1 or more of the
16 following eligible activities, which may be undertaken ei-
17 ther directly by the grantee, or by any local economic de-
18 velopment corporation, regional planning district, non-
19 profit community development corporation, or statewide
20 development organization authorized by the grantee:

21 “(1) The acquisition, construction, repair, re-
22 construction, operation, maintenance, or installation
23 of facilities for water and wastewater service or any
24 other infrastructure needs determined to be critical

1 to the further development or improvement of a des-
2 ignated industrial park.

3 “(2) The acquisition or disposition of real prop-
4 erty (including air rights, water rights, and other in-
5 terests therein) for rural community development ac-
6 tivities.

7 “(3) The development of telecommunications in-
8 frastructure within a designated industrial park that
9 encourages high technology business development in
10 rural areas.

11 “(4) Activities necessary to develop and imple-
12 ment a comprehensive rural development plan, in-
13 cluding payment of reasonable administrative costs
14 related to planning and execution of rural develop-
15 ment activities.

16 “(5) Affordable housing initiatives.

17 “(g) PERFORMANCE AND EVALUATION REPORT.—

18 “(1) IN GENERAL.—Each grantee shall annu-
19 ally submit to the Secretary a performance and eval-
20 uation report, concerning the use of amounts re-
21 ceived under this section.

22 “(2) CONTENTS.—Each report submitted under
23 paragraph (1) shall include a description of—

24 “(i) publish a proposed statement of
25 rural development objectives and a descrip-

1 tion of the proposed eligible activities de-
2 scribed in subsection (f) for which the
3 grant will be used; and

4 “(A) the eligible activities carried out by
5 the grantee with amounts received under this
6 section, and the degree to which the grantee
7 has achieved the rural development objectives
8 included in the final statement submitted under
9 subsection (d)(1);

10 “(B) the nature of and reasons for any
11 change in the rural development objectives or
12 the eligible activities of the grantee after sub-
13 mission of the final statement under subsection
14 (d)(1); and

15 “(C) any manner in which the grantee
16 would change the rural development objectives
17 of the grantee as a result of the experience of
18 the grantee in administering amounts received
19 under this section.

20 “(h) RETENTION OF INCOME.—A grantee may retain
21 any income that is realized from the grant, if—

22 “(1) the income was realized after the initial
23 disbursement of amounts to the grantee under this
24 section; and

25 “(2) the—

1 “(A) grantee agrees to utilize the income
2 for 1 or more eligible activities; or

3 “(B) amount of the income is determined
4 by the Secretary to be so small that compliance
5 with subparagraph (A) would create an unrea-
6 sonable administrative burden on the grantee.

7 “(i) AUTHORIZATION OF APPROPRIATIONS.—There is
8 authorized to be appropriated to carry out this section
9 \$50,000,000 for each of fiscal years 1999 through 2005.”.

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