

the median income does not exceed 80 per centum of the median income for the area;

(C) grant assistance for any structure shall not exceed 50 per centum of the total costs associated with the rehabilitation of that structure, as determined by the Secretary, except that where the Secretary determines that refinancing costs and the special nature of the project require a greater amount of assistance, the grant amount shall be limited to not to exceed 50 per centum of the development cost including acquisition;

(D) rehabilitation assisted under this section shall only be that which is necessary to correct substandard conditions, to make essential improvements, and to repair major systems in danger of failure;

(E) the amount of rental rehabilitation assistance provided under this section for any structure shall not exceed \$5,000 per unit for a unit with no bedrooms, \$6,500 per unit for a unit with 1 bedroom, \$7,500 per unit for a unit with 2 bedrooms, and \$8,500 per unit for a unit with 3 or more bedrooms, except as otherwise determined by the Secretary in areas of high material and labor costs where the grantee demonstrates that every appropriate step has been taken by the grantee to contain the amount of assistance within the limit set by this paragraph and that an exception is necessary to conduct a rehabilitation program while not exceeding the rehabilitation standards of subparagraph (D);

(F) a structure may be assisted under this section only if the rehabilitation of such structure will not cause the involuntary displacement of very low-income families by families who are not very low-income families;

(G) the owner of each assisted structure agrees—

(i) not to discriminate against prospective tenants on the basis of their receipt of or eligibility for housing assistance under any Federal, State, or local housing assistance program or, except for a structure for housing for elderly families, on the basis that the tenants have a minor child or children who will be residing with them; and

(ii) not to convert the units to condominium ownership (or in the case of a cooperative, to condominium ownership or any form of cooperative ownership not eligible for assistance under this section);

for at least 10 years beginning on the date on which the units in the project are completed;

(H) the grantee certifies to the satisfaction of the Secretary that the assistance will be made available in conformity with Public Law 88-352 [42 U.S.C.A. § 2000a et seq.] and Public Law 90-284; and

(I) 100 per centum of the amount of assistance provided under this section shall be used by the grantee for the benefit of low-income families, except that such requirement shall be reduced to (i) 70 per centum if the grantee certifies in accordance with standards prescribed by the Secretary that such reduction is necessary, and that the grantee cannot develop a proposed program which complies with such requirement, after consultation with the public regarding the inability to develop a program which complies with such requirement, and (ii) to not less than 50 per centum where the Secretary determines that such further reduction is necessary.

(3) Secretarial responsibility

The Secretary shall assure that—

(A) an equitable share of the rehabilitation grants under this section is used to assist in the provision of housing for families with children, particularly families requiring three or more bedrooms; and

(B) a priority shall be given to projects containing units in substandard condition which are occupied by very low-income families.

(4) Use of funds to comply with seismic standards

If a unit of general local government has a local ordinance that requires rehabilitation to meet seismic standards, the unit of local government may use all rehabilitation assistance received under this section to rehabilitate units with no bedroom or 1 bedroom, if the occupants of the units will have incomes that do not exceed 50 percent of the median income of the area.

(d) Grants for new construction and substantial rehabilitation