

Sec. 7. Add a new Section 314 and a new Section 315 as follows:

"Sec. 314. Employment of Project Area Residents and Contractors.

"The Local Authority shall comply and shall require each of its contractors and subcontractors employed in the development or operation of each Project to comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and the regulations and requirements of the Government thereunder, requiring that to the greatest extent feasible opportunities for training and employment be given lower income residents of the Project area and that contracts for work in connection with the Project be awarded to business concerns which are located in or owned in substantial part by persons residing in the area of the Project."

"Sec. 315. Contracts for Personal Services.

"The Local Authority shall not enter into, execute, or approve, any agreement or contract for personal, management, legal or other services with any person or firm where the initial period or term of the contract is in excess of two (2) years, or where the contract contains a renewal provision for any period of time, without the prior written consent of the Government. Where an existing contract contains a renewal provision, automatic or otherwise, which extends the term of the contract for any period, the Local Authority shall not act to renew or extend such contract, or fail to take any necessary action to forestall automatic renewal or extension, without the prior written approval of the Government."

Sec. 8. Section 407(D) is amended to read as follows:

"(D) With each submission of Operating Budgets, the Local Authority shall submit estimates of the Accruing Annual Contribution and the Additional Annual Contribution required for the period covered by such Budgets."

Sec. 9. Section 407(F) is amended by inserting the phrase "and Additional Annual Contribution" after the term "Accruing Annual Contribution" and by changing the period at the end of the last sentence to a comma and adding the phrase "or to the amount of the Additional Annual Contribution."

Sec. 10. Section 408(B)(2) is amended by substituting the term "Debt Service Annual Contribution" for the term "Fixed Annual Contribution".

Sec. 11. Section 410 is amended by deleting the phrase "90 percent of the sum of".

Sec. 12. Section 413(A)(5) is amended by substituting the term "Debt Service Annual Contribution" for the term "annual contributions".

Sec. 13. Section 415 is amended by deleting the present Sec. 415 and substituting the following therefor:

Sec. 415. Annual Contributions.

"(A) The Government shall make annual contributions to the Local Authority for each Project. Such annual contributions shall include Debt Service Annual Contributions (or Basic Annual Contributions in respect to Leased Housing Projects) and Additional Annual Contributions. The Government (1) shall make Debt Service Annual Contributions to the Local Authority for each Permanently Financed Project and (2) may, in its determination, make Debt Service Annual Contributions to the Local Authority for each Project which is not Permanently Financed. The date upon which each Debt Service Annual Contribution is payable (except the first Debt Service Annual Contribution with respect to a Project not Permanently Financed which may be made available as of the Date of Full Availability of such Project) shall be known as the "Annual Contribution Date". If the Annual Contribution Date is not specifically set forth in Part One of this Contract such Date shall be the fifteenth day of the fourth, fifth or sixth month of the Fiscal Year as determined by the Government.

"(B) The first Debt Service Annual Contribution with respect to each Permanently Financed Project shall be due and payable on the Annual Contribution Date which is seventeen months and fourteen days after the Bond Date of the First issue of Bonds