

## Statutory authorization of the Rental Assistance Demonstration

### Department of Housing and Urban Development Appropriations Act, 2012

(Public Law 112–55, as amended by Public Law 113–235, Dec. 16, 2014)

[**Bold** denotes additions, ~~strikeout~~ denotes deletions made by Public Law 113–235]

*To conduct a demonstration designed to preserve and improve public housing and certain other multifamily housing through the voluntary conversion of properties with assistance under section 9 of the United States Housing Act of 1937, (hereinafter, “the Act”), or the moderate rehabilitation program under section 8(e)(2) of the Act (~~except for funds allocated under such section for single room occupancy dwellings as authorized by title IV of the McKinney-Vento Homeless Assistance Act~~), to properties with assistance under a project-based subsidy contract under section 8 of the Act, which shall be eligible for renewal under section 524 of the Multifamily Assisted Housing Reform and Affordability Act of 1997, or assistance under section 8(o)(13) of the Act, the Secretary may transfer amounts provided through contracts under section 8(e)(2) of the Act or under the headings “Public Housing Capital Fund” and “Public Housing Operating Fund” to the headings “Tenant-Based Rental Assistance” or “Project-Based Rental Assistance”:*

*Provided, That the initial long-term contract under which converted assistance is made available may allow for rental adjustments only by an operating cost factor established by the Secretary, and shall be subject to the availability of appropriations for each year of such term:*

*Provided further, That project applications may be received under this demonstration until September 30, ~~2015~~ 2018:*

*Provided further, That any increase in cost for “Tenant-Based Rental Assistance” or “Project-Based Rental Assistance” associated with such conversion **in excess of amounts made available under this heading** shall be equal to amounts transferred from “Public Housing Capital Fund” and “Public Housing Operating Fund” or other account from which it was transferred:*

*Provided further, That not more than ~~60,000~~ **185,000** units currently receiving assistance under section 9 or section 8(e)(2) of the Act shall be converted under the authority provided under this heading:*

*Provided further, That tenants of such properties with assistance converted from assistance under section 9 shall, at a minimum, maintain the same rights under such conversion as those provided under sections 6 and 9 of the Act:*

*Provided further, That the Secretary shall select properties from applications for conversion as part of this demonstration through a competitive process:*

*Provided further, That in establishing criteria for such competition, the Secretary shall seek to demonstrate the feasibility of this conversion model to recapitalize and operate public housing*

*properties (1) in different markets and geographic areas, (2) within portfolios managed by public housing agencies of varying sizes, and (3) by leveraging other sources of funding to recapitalize properties:*

*Provided further, That the Secretary shall provide an opportunity for public comment on draft eligibility and selection criteria and procedures that will apply to the selection of properties that will participate in the demonstration:*

*Provided further, That the Secretary shall provide an opportunity for comment from residents of properties to be proposed for participation in the demonstration to the owners or public housing agencies responsible for such properties:*

*Provided further, That the Secretary may waive or specify alternative requirements for (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment) any provision of section 8(o)(13) or any provision that governs the use of assistance from which a property is converted under the demonstration or funds made available under the headings of “Public Housing Capital Fund”, “Public Housing Operating Fund”, and “Project-Based Rental Assistance”, under this Act or any prior Act or any Act enacted during the period of conversion of assistance under the demonstration for properties with assistance converted under the demonstration, upon a finding by the Secretary that any such waivers or alternative requirements are necessary for the effective conversion of assistance under the demonstration:*

*Provided further, That the Secretary shall publish by notice in the Federal Register any waivers or alternative requirements pursuant to the previous proviso no later than 10 days before the effective date of such notice:*

*Provided further, That the demonstration may proceed after the Secretary publishes notice of its terms in the Federal Register:*

*Provided further, That notwithstanding sections 3 and 16 of the Act, the conversion of assistance under the demonstration shall not be the basis for re-screening or termination of assistance or eviction of any tenant family in a property participating in the demonstration, and such a family shall not be considered a new admission for any purpose, including compliance with income targeting requirements:*

*Provided further, That in the case of a property with assistance converted under the demonstration from assistance under section 9 of the Act, section 18 of the Act shall not apply to a property converting assistance under the demonstration for all or substantially all of its units, the Secretary shall require ownership or control of assisted units by a public or nonprofit entity except as determined by the Secretary to be necessary pursuant to foreclosure, bankruptcy, or termination and transfer of assistance for material violations or substantial default, in which case the priority for ownership or control shall be provided to a capable public entity, then a capable entity, as determined by the Secretary, shall require long-term renewable use and affordability restrictions for assisted units, and may allow ownership to be transferred to a for-profit entity to facilitate the use of tax credits only if the public housing agency preserves its*

*interest in the property in a manner approved by the Secretary, and upon expiration of the initial contract and each renewal contract, the Secretary shall offer and the owner of the property shall accept renewal of the contract subject to the terms and conditions applicable at the time of renewal and the availability of appropriations each year of such renewal:*

*Provided further, That the Secretary may permit transfer of assistance at or after conversion under the demonstration to replacement units subject to the requirements in the previous proviso:*

*Provided further, That the Secretary may establish the requirements for converted assistance under the demonstration through contracts, use agreements, regulations, or other means:*

*Provided further, That the Secretary shall assess and publish findings regarding the impact of the conversion of assistance under the demonstration on the preservation and improvement of public housing, the amount of private sector leveraging as a result of such conversion, and the effect of such conversion on tenants:*

*Provided further, That ~~for fiscal years 2012 and through December 31, 2014~~, owners of properties assisted under section 101 of the Housing and Urban Development Act of 1965, section 236(f)(2) of the National Housing Act, or section 8(e)(2) ~~(except for funds allocated under such section for single room occupancy dwellings as authorized by title IV of the McKinney-Vento Homeless Assistance Act)~~ of the United States Housing Act of 1937, for which an event after October 1, 2006 has caused or results in the termination of rental assistance or affordability restrictions and the issuance of tenant protection vouchers under section 8(o) of the Act, shall be eligible, subject to requirements established by the Secretary, including but not limited to tenant consultation procedures ~~and agreement of the administering public housing agency~~, for conversion of assistance available for such vouchers to assistance under **a long-term project-based subsidy contract under section 8 of the Act, which shall have a term of no less than 20 years, with rent adjustments only by an operating cost factor established by the Secretary, which shall be eligible for renewal under section 524 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note), or, subject to agreement of the administering public housing agency, to assistance under section 8(o)(13) of the Act, to which the limitation under subsection (B) of section 8(o)(13) of the Act shall not apply and for which the Secretary of Housing and Urban Development may waive or alter the provisions of subparagraphs (C) and (D) of section 8(o)(13) of the Act:***

***Provided further, That amounts made available under the heading ‘Rental Housing Assistance’ during the period of conversion under the previous proviso, which may extend beyond fiscal year 2016 as necessary to allow processing of all timely applications, shall be available for project-based subsidy contracts entered into pursuant to the previous proviso:***

***Provided further, That amounts, including contract authority, recaptured from contracts following a conversion under the previous two provisos are hereby rescinded and an amount of additional new budget authority, equivalent to the amount rescinded is hereby appropriated, to remain available until expended for such conversions:***

***Provided further, That the Secretary may transfer amounts made available under the heading 'Rental Housing Assistance', amounts made available for tenant protection vouchers under the heading 'Tenant-Based Rental Assistance' and specifically associated with any such conversions, and amounts made available under the previous proviso as needed to the account under the 'Project-Based Rental Assistance' heading to facilitate conversion under the three previous provisos and any increase in cost for 'Project- Based Rental Assistance' associated with such conversion shall be equal to amounts so transferred:***

***Provided further, That ~~with respect to the previous proviso~~ with respect to the previous four provisos, the Comptroller General of the United States shall conduct a study of the long-term impact of the ~~previous proviso~~ impact of the fiscal year 2012 and 2013 conversion of tenant protection vouchers to assistance under section 8(o)(13) of the Act on the ratio of tenant-based vouchers to project-based vouchers.***