



Summary of FY 2014 Assisted Housing Preservation Provisions

[Consolidated Appropriations Act, 2014, Pub. L. No. 113-76 (Jan. 17, 2014)]

1. Funding Level for Project-Based Section 8

The Act provides a total of \$9.91 billion for project-based Section 8, more than \$1 billion over FY13 funding, but not enough (about \$1.4 billion short) to permit all expiring funding increments to be renewed for 12 months. Accordingly, HUD will have to provide less than 12 months funding for (“short-fund”) some contracts whose funding increments expire later in the fiscal year, while providing enough to carry them into at least the first quarter of FY 2015, when a new larger appropriation will be required.

The Act also authorizes HUD to augment this account (1) by sweeping excess residual receipts from certain projects, and (2) with recaptures from the PBRA account and two older accounts (the “Housing Certificate Fund” and the “Annual Contributions for Assisted Housing” account).

2. Funding Level for Tenant Protection Vouchers

The Act substantially boosts funding for Tenant Protection Vouchers (TPVs, a set-aside within the overall voucher account) to \$130 million, from a post-sequester level of \$71 million. TPVs protect tenants whose affordable HUD-supported homes are threatened by a variety of causes, including certain prepayments or maturities of HUD-subsidized mortgages, Section 8 project-based opt-outs or terminations, public housing demolitions or conversions, expiration of legacy contracts, family unification, witness protection, etc. Newly added as an eligible use are vouchers required by proposals approved under the Choice Neighborhoods Initiative. In FY 13, this account had been fully depleted, reportedly delaying protections to eligible tenants.

3. Renewal of Authority and Set-Aside for Tenant Protection Vouchers for Certain Unassisted HUD Tenants Facing Expiring Use Restrictions

Within the Tenant-Based Assistance Account, the Act includes the House bill’s \$5 million set-aside of the voucher renewal account’s tenant protection funds with a renewed authorization for enhanced vouchers or project-based vouchers to assist at-risk tenants in buildings with expiring mortgages, contracts or use restrictions who are not now eligible for assistance.¹ This provision was first enacted in the FY 2012 Appropriations bill,² but HUD provided only \$4 million of the authorized \$10 million, before exhausting the account.

¹ For background on the problem, see NHLP, *Mortgage Maturity Problem Still Awaits Congressional Action*, 41 HOUS. L. BULL. 160 (July 2011), <http://nhlp.org/files/Mortgage%20Maturity%20Problem.pdf>.

In FYs 2013 through 2015, almost 35,000 affordable housing units nationwide, financed through various HUD-subsidized mortgage programs, are occupied by unassisted tenants (not covered by project-based Section 8 contracts) and face expiring restrictions.³ Absent these protections, many of these unassisted tenants do not qualify for any tenant protection assistance when HUD-subsidized mortgages mature or certain non-renewable rental assistance contracts expire.

The final FY14 HUD language, like its predecessor, authorizes HUD to provide tenant protection assistance, through tenant protection vouchers or enhanced vouchers, to tenants in these properties located in low-vacancy areas where they may have to pay rents greater than 30% of household income. This tenant protection assistance may also be utilized as project-based vouchers (PBVs), which would preserve both the affordability of the development and tenant mobility. HUD must issue implementation guidelines by mid-May, 2014.

Statutory Text:

(2) \$130,000,000 shall be for section 8 rental assistance for enhanced vouchers under any provision of law authorizing such assistance under section 8(t) of the Act, ...and tenant protection assistance including replacement and relocation assistance or for project-based assistance to prevent the displacement of unassisted elderly tenants currently residing in section 202 properties financed between 1959 and 1974 that are refinanced pursuant to Public Law 106–569, as amended, or under the authority as provided under this Act: ... Provided further, That the Secretary may only provide replacement vouchers for units that were occupied within the previous 24 months that cease to be available as assisted housing, subject only to the availability of funds: Provided further, That of the amounts made available under this paragraph, \$5,000,000 may be available to provide tenant protection assistance, not otherwise provided under this paragraph, to residents residing in low vacancy areas and who may have to pay rents greater than 30 percent of household income, as the result of (1) the maturity of a HUD-insured, HUD-held or section 202 loan that requires the permission of the Secretary prior to loan prepayment; (2) the expiration of a rental assistance contract for which the tenants are not eligible for enhanced voucher or tenant protection assistance under existing law; or (3) the expiration of affordability restrictions accompanying a mortgage or preservation program administered by the Secretary: Provided further, That such tenant protection assistance made available under the previous proviso may be provided under the authority of section 8(t) or section 8(o)(13) of the United States Housing Act of 1937 (42 U.S.C. 1437f(t)): Provided further, That the Secretary shall issue guidance to implement the previous provisos, including, but not limited to, requirements for defining eligible at-risk households within 120 days of the enactment of this Act;

4. Project-Basing of Tenant Protection Vouchers for Expiring Rent Supp, RAP and Mod Rehab Programs (“Merkley-Brown” portion of RAD)

The Act extends until December 31, 2014 the authority enacted in the FY 2012 Act to preserve expiring Rent Supplement (Rent Supp), Section 236 Rental Assistance Payment (RAP), or Section 8 mod rehab contracts under the Rental Assistance Demonstration (RAD) program.⁴ By authorizing project-based vouchers (PBVs) in lieu of the tenant-based vouchers that would otherwise be issued upon expiration of these contracts, this provision creates a tool for providing affordable housing to both current and future tenants, while also permitting tenant mobility. The Act made no other changes to the RAD program.

² Pub.L. No. 112-55, div. C. tit. II, 125 Stat. 677-78 (Nov. 18, 2011) (language governing tenant protection vouchers in the Tenant-Based Rental Assistance account).

³ A list of potentially eligible properties for these three years drawn from HUD’s databases is available from NHLP, via request from jgrow@nhlp.org.

⁴ Pub.L. No. 113-76, div. L, tit. II, General Provisions, §239, ___ Stat. ___ (Jan. 17, 2014).

Eligibility to project-base these tenant protection vouchers is limited to Rent Supp, RAP or mod rehab projects that converted to vouchers since October 1, 2006, or where contracts on these properties will expire or terminate and trigger such vouchers in the future. In HUD Notice PIH 2012-32 REV-1 (July 2, 2013), HUD has issued guidelines that include tenant consultation and the agreement of a PHA administrator. Although included under the bill's Rental Assistance Demonstration, this authority is set to expire December 31, 2014, unless extended in a timely FY 2015 appropriations bill. Since this provision was first enacted, HUD has issued thousands of tenant protection vouchers for expiring Rent Supp and RAP tenants, which have then been project-based under this authority.⁵

Any project-based vouchers issued under this provision do NOT count toward a PHA's 20% program limit on the number of its vouchers it may project-base. HUD has increased the PBV program's ordinary 25% limit on the number of units in the property that may receive PBV assistance to 50% of the units (HUD Notice PIH 2012-32 REV-1 (July 2, 2013, p. 32), absent a further exception under PBV rules for units serving tenants who are seniors or people with disabilities, or that receive social services. The applicable rent caps for PBVs remain at 110% of FMR.

Statutory Text:

SEC. 239. The language under the heading Rental Assistance Demonstration in the Department of Housing and Urban Development Appropriations Act, 2012 (Public Law 112-55) is amended in the penultimate proviso by striking "and 2013," and inserting "through December 31, 2014".

Accordingly, that RAD provision now reads:

Provided further, That for fiscal years 2012 ~~and 2013~~ 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 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 with respect to the previous proviso, the Comptroller General of the United States shall conduct a study of the long-term impact of the previous proviso on the ratio of tenant-based vouchers to project-based vouchers.

5. Schumer Amendment to Retain Project-Based Assistance for Troubled Properties

The Act also includes the perennial "Schumer Amendment,"⁶ enacted annually since 2006, generally requiring HUD to preserve project-based contracts on troubled properties before or during the foreclosure process, countermanding HUD's prior policy of automatically terminating contracts. The language had been strengthened in FY 2012 in two respects, covering all project-based contracts (not just those on HUD-insured or HUD-held properties), and requiring HUD, prior to abating a contract and relocating tenants for imminent health and safety threats, to provide notice to tenants and obtain tenant consent, after first using other available remedies, including partial abatements and receivership.

⁵ <http://portal.hud.gov/hudportal/HUD?src=/RAD/info>

⁶ Pub. L. No. 113-76, div. L, tit. II, General Provisions, §218 (Jan. 17, 2014).

Statutory Text:

SEC. 218. Notwithstanding any other provision of law, in fiscal year 2014, in managing and disposing of any multifamily property that is owned or has a mortgage held by the Secretary of Housing and Urban Development, and during the process of foreclosure on any property with a contract for rental assistance payments under section 8 of the United States Housing Act of 1937 or other Federal programs, the Secretary shall maintain any rental assistance payments under section 8 of the United States Housing Act of 1937 and other programs that are attached to any dwelling units in the property. To the extent the Secretary determines, in consultation with the tenants and the local government, that such a multifamily property owned or held by the Secretary is not feasible for continued rental assistance payments under such section 8 or other programs, based on consideration of (1) the costs of rehabilitating and operating the property and all available Federal, State, and local resources, including rent adjustments under section 524 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (“MAHRAA”) and (2) environmental conditions that cannot be remedied in a cost-effective fashion, the Secretary may, in consultation with the tenants of that property, contract for project-based rental assistance payments with an owner or owners of other existing housing properties, or provide other rental assistance. The Secretary shall also take appropriate steps to ensure that project-based contracts remain in effect prior to foreclosure, subject to the exercise of contractual abatement remedies to assist relocation of tenants for imminent major threats to health and safety after written notice to and informed consent of the affected tenants and use of other available remedies, such as partial abatements or receivership. After disposition of any multifamily property described under this section, the contract and allowable rent levels on such properties shall be subject to the requirements under section 524 of MAHRAA.

6. Transfer of Project-Based Assistance

The Act includes yet-again revised language authorizing (for FYs 2014 and 2015) the HUD Secretary to transfer some or all project-based assistance, debt, and use restrictions from one multifamily project to another multifamily project or projects.⁷ The Act includes the revisions first enacted in FY 2012: (1) allowing the transfer to be done in phases to accommodate financing and other requirements related to rehabilitating or constructing the receiving project(s), (2) allowing the number of units in the receiving property to be fewer than the original property if those units were unoccupied and reconfiguration is justified by current market conditions, and (3) extending coverage to Section 811 properties for people with disabilities and housing or vacant land that is subject to a use agreement. Beyond the two-year extension, the new revisions clarify and correct prior references, ensure budget neutrality for any transferred debt, and require prior publication of guidance in the Federal Register and an evaluation report.

Statutory Text:

SEC. 214. (a) Notwithstanding any other provision of law, subject to the conditions listed under this section, for fiscal years 2014 and 2015, the Secretary of Housing and Urban Development may authorize the transfer of some or all project-based assistance, debt held or insured by the Secretary and statutorily required low-income and very low-income use restrictions if any, associated with one or more multifamily housing project or projects to another multifamily housing project or projects.

(b) PHASED TRANSFERS.—Transfers of project-based assistance under this section may be done in phases to accommodate the financing and other requirements related to rehabilitating or constructing the project or projects to which the assistance is transferred, to ensure that such project or projects meet the standards under subsection (c).

(c) The transfer authorized in subsection (a) is subject to the following conditions:

(1) NUMBER AND BEDROOM SIZE OF UNITS.—

(A) For occupied units in the transferring project: the number of low-income and very low-income units and the configuration (i.e. bedroom size) provided by the transferring project shall be no less than when transferred to the receiving project or projects and the net dollar amount of Federal assistance provided to the transferring project shall remain the same in the receiving project or projects.

(B) For unoccupied units in the transferring project: the Secretary may authorize a reduction in the number of dwelling units in the receiving project or projects to allow for a reconfiguration of bedroom sizes to meet current market demands, as determined by the Secretary and provided there is no increase in the project-based assistance budget authority.

⁷ Pub. L. No. 113-76, div. L, tit. II, General Provisions, §214 (Jan. 17, 2014).

- (2) The transferring project shall, as determined by the Secretary, be either physically obsolete or economically nonviable.
- (3) The receiving project or projects shall meet or exceed applicable physical standards established by the Secretary.
- (4) The owner or mortgagor of the transferring project shall notify and consult with the tenants residing in the transferring project and provide a certification of approval by all appropriate local governmental officials.
- (5) The tenants of the transferring project who remain eligible for assistance to be provided by the receiving project or projects shall not be required to vacate their units in the transferring project or projects until new units in the receiving project are available for occupancy.
- (6) The Secretary determines that this transfer is in the best interest of the tenants.
- (7) If either the transferring project or the receiving project or projects meets the condition specified in subsection (d)(2)(A), any lien on the receiving project resulting from additional financing obtained by the owner shall be subordinate to any FHA-insured mortgage lien transferred to, or placed on, such project by the Secretary, except that the Secretary may waive this requirement upon determination that such a waiver is necessary to facilitate the financing of acquisition, construction, and/or rehabilitation of the receiving project or projects.
- (8) If the transferring project meets the requirements of subsection (d)(2), the owner or mortgagor of the receiving project or projects shall execute and record either a continuation of the existing use agreement or a new use agreement for the project where, in either case, any use restrictions in such agreement are of no lesser duration than the existing use restrictions.
- (9) The transfer does not increase the cost (as defined in section 502 of the Congressional Budget Act of 1974, as amended) of any FHA-insured mortgage, except to the extent that appropriations are provided in advance for the amount of any such increased cost.
- (d) For purposes of this section—
- (1) the terms “low-income” and “very low-income” shall have the meanings provided by the statute and/or regulations governing the program under which the project is insured or assisted;
- (2) the term “multifamily housing project” means housing that meets one of the following conditions—
- (A) housing that is subject to a mortgage insured under the National Housing Act;
- (B) housing that has project-based assistance attached to the structure including projects undergoing mark to market debt restructuring under the Multifamily Assisted Housing Reform and Affordability Housing Act;
- (C) housing that is assisted under section 202 of the Housing Act of 1959 as amended by section 801 of the Cranston-Gonzales National Affordable Housing Act;
- (D) housing that is assisted under section 202 of the Housing Act of 1959, as such section existed before the enactment of the Cranston-Gonzales National Affordable Housing Act;
- (E) housing that is assisted under section 811 of the Cranston-Gonzales National Affordable Housing Act; or
- (F) housing or vacant land that is subject to a use agreement;
- (3) the term “project-based assistance” means—
- (A) assistance provided under section 8(b) of the United States Housing Act of 1937;
- (B) assistance for housing constructed or substantially rehabilitated pursuant to assistance provided under section 8(b)(2) of such Act (as such section existed immediately before October 1, 1983);
- (C) rent supplement payments under section 101 of the Housing and Urban Development Act of 1965;
- (D) interest reduction payments under section 236 and/or additional assistance payments under section 236(f)(2) of the National Housing Act;
- (E) assistance payments made under section 202(c)(2) of the Housing Act of 1959; and (F) assistance payments made under section 811(d)(2) of the Cranston-Gonzalez National Affordable Housing Act;
- (4) the term “receiving project or projects” means the multifamily housing project or projects to which some or all of the project-based assistance, debt, and statutorily required low-income and very low-income use restrictions are to be transferred;
- (5) the term “transferring project” means the multifamily housing project which is transferring some or all of the project-based assistance, debt and the statutorily required low-income and very low-income use restrictions to the receiving project or projects; and
- (6) the term “Secretary” means the Secretary of Housing and Urban Development.
- (e) PUBLIC NOTICE AND RESEARCH REPORT.—
- (1) The Secretary shall publish by notice in the Federal Register the terms and conditions, including criteria for HUD approval, of transfers pursuant to this section no later than 30 days before the effective date of such notice.
- (2) The Secretary shall conduct an evaluation of the transfer authority under this section, including the effect of such transfers on the operational efficiency, contract rents, physical and financial conditions, and long-term preservation of the affected properties.

7. Mandatory HUD Enforcement Protocol for Assisted Properties with Low REAC Scores

The Act includes a prescriptive requirement for properties with Section 8 project-based or similar assistance that receive substandard REAC scores.⁸ These include projects (1) with a REAC score of 30 or less, or (2) that receive a physical inspection score between 31 and 59 either (a) twice in a row or (b) that fail to certify to HUD correction of all deficiencies within 60 days. These requirements do not apply to project-based vouchers or public housing. Upon occurrence of the REAC score trigger, HUD must notify the owner and provide an opportunity for a response within 30 days; if violations remain, HUD must develop a Compliance and Enforcement Plan within 60 days, with a timetable for correcting all deficiencies, and give notice to the owners, tenants, local government, mortgagees and contract administrator. If noncompliance persists at expiration of the term of the Plan, HUD may require replacement of the managing agent, and **must take one of the following actions**, providing notice to the previously specified parties: (1) impose civil money penalties; (2) partially or fully abate the contract until deficiencies are corrected; (3) pursue a transfer of the property to an approved owner who will repair the property and renew the contract; or (4) seek judicial appointment of a receiver to manage the property and correct the deficiencies or seek a judicial order for specific performance by the owner. The protections of the Schumer Amendment would continue to apply. HUD must report semi-annually on properties with REAC scores less than 30 or twice below 60, including a description of HUD's actions to enforce and to protect tenants.

Statutory Text:

SEC. 230. (a) The Secretary of Housing and Urban Development shall take the required actions under subsection (b) when a multifamily housing project with a section 8 contract or contract for similar project-based assistance:

(1) receives a Real Estate Assessment Center (REAC) score of 30 or less; or

(2) receives a REAC score between 31 and 59 and:

(A) fails to certify in writing to HUD within 60 days that all deficiencies have been corrected; or

(B) receives consecutive scores of less than 60 on REAC inspections.

Such requirements shall apply to insured and noninsured projects with assistance attached to the units under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), but do not apply to such units assisted under section 8(o)(13) (42 U.S.C. 1437f(o)(13)) or to public housing units assisted with capital or operating funds under section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g).

(b) The Secretary shall take the following required actions as authorized under subsection (a)—

(1) The Secretary shall notify the owner and provide an opportunity for response within 30 days. If the violations remain, the Secretary shall develop a Compliance, Disposition and Enforcement Plan within 60 days, with a specified timetable for correcting all deficiencies. The Secretary shall provide notice of the Plan to the owner, tenants, the local government, any mortgagees, and any contract administrator.

(2) At the end of the term of the Compliance, Disposition and Enforcement Plan, if the owner fails to fully comply with such plan, the Secretary may require immediate replacement of project management with a management agent approved by the Secretary, and shall take one or more of the following actions, and provide additional notice of those actions to the owner and the parties specified above:

(A) impose civil money penalties;

(B) abate the section 8 contract, including partial abatement, as determined by the Secretary, until all deficiencies have been corrected;

(C) pursue transfer of the project to an owner, approved by the Secretary under established procedures, which will be obligated to promptly make all required repairs and to accept renewal of the assistance contract as long as such renewal is offered; or (D) seek judicial appointment of a receiver to manage the property and

⁸ Pub. L. No. 113-76, div. L, tit. II, General Provisions, §230 (Jan. 17, 2014).

cure all project deficiencies or seek a judicial order of specific performance requiring the owner to cure all project deficiencies.

(c) The Secretary shall also take appropriate steps to ensure that project-based contracts remain in effect, subject to the exercise of contractual abatement remedies to assist relocation of tenants for imminent major threats to health and safety after written notice to and informed consent of the affected tenants and use of other remedies set forth above. To the extent the Secretary determines, in consultation with the tenants and the local government, that the property is not feasible for continued rental assistance payments under such section 8 or other programs, based on consideration of (1) the costs of rehabilitating and operating the property and all available Federal, State, and local resources, including rent adjustments under section 524 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (“MAHRAA”) and (2) environmental conditions that cannot be remedied in a cost-effective fashion, the Secretary may, in consultation with the tenants of that property, contract for project-based rental assistance payments with an owner or owners of other existing housing properties, or provide other rental assistance. The Secretary shall report semi-annually on all properties covered by this section that are assessed through the Real Estate Assessment Center and have physical inspection scores of less than 30 or have consecutive physical inspection scores of less than 60. The report shall include: (1) The enforcement actions being taken to address such conditions, including imposition of civil money penalties and termination of subsidies, and identify properties that have such conditions multiple times; and (2) Actions that the Department of Housing and Urban Development is taking to protect tenants of such identified properties.

8. Other:

A. Choice Neighborhoods Initiative

The Act provides only \$90 million for the Choice Neighborhoods Initiative (CNI), only a fraction of the \$400 million sought by the Administration’s budget, far less than the Senate bill’s \$250 million, and even less than its prior FY 13 post-sequestration level. At least \$55 million must be awarded to PHAs.

Statutory Text:

For competitive grants under the Choice Neighborhoods Initiative (subject to section 24 of the United States Housing Act of 1937 (42 U.S.C. 1437v), unless otherwise specified under this heading), for transformation, rehabilitation, and replacement housing needs of both public and HUD-assisted housing and to transform neighborhoods of poverty into functioning, sustainable mixed income neighborhoods with appropriate services, schools, public assets, transportation and access to jobs, \$90,000,000, to remain available until September 30, 2016: Provided, That grant funds may be used for resident and community services, community development, and affordable housing needs in the community, and for conversion of vacant or foreclosed properties to affordable housing: Provided further, That the use of funds made available under this heading shall not be deemed to be public housing notwithstanding section 3(b)(1) of such Act: Provided further, That grantees shall commit to an additional period of affordability determined by the Secretary of not fewer than 20 years: Provided further, That grantees shall undertake comprehensive local planning with input from residents and the community, and that grantees shall provide a match in State, local, other Federal or private funds: Provided further, That grantees may include local governments, tribal entities, public housing authorities, and nonprofits: Provided further, That for-profit developers may apply jointly with a public entity: Provided further, That of the amount provided, not less than \$55,000,000 shall be awarded to public housing authorities: Provided further, That such grantees shall create partnerships with other local organizations including assisted housing owners, service agencies, and resident organizations: Provided further, That the Secretary shall consult with the Secretaries of Education, Labor, Transportation, Health and Human Services, Agriculture, and Commerce, the Attorney General, and the Administrator of the Environmental Protection Agency to coordinate and leverage other appropriate Federal resources: Provided further, That no more than \$5,000,000 of funds made available under this heading may be provided to assist communities in developing comprehensive strategies for implementing this program or implementing other revitalization efforts in conjunction with community notice

and input: Provided further, That the Secretary shall develop and publish guidelines for the use of such competitive funds, including but not limited to eligible activities, program requirements, and performance metrics.

B. Section 202 and Section 811 provisions:

The Act provides funding for both the Section 202 program for senior housing (\$383.5 million, including \$72 million for service coordinators and congregate services) and the Section 811 program for Supportive Housing for People with Disabilities (\$126 million). These funds provide an important source of new rental assistance or, more commonly, renewal of expiring assistance contracts at existing properties. The statutory language for both accounts is similar, so only that for Section 202 is set out below. Section 241 of the General Provisions also revises the statute governing the Section 202 program to recognize that capital advances are no longer being provided for new commitments, and to authorize funding for projects that include health and supportive services programs.

Statutory Text:

HOUSING FOR THE ELDERLY

For amendments to capital advance contracts for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for project rental assistance for the elderly under section 202(c)(2) of such Act, including amendments to contracts for such assistance and renewal of expiring contracts for such assistance for up to a 1-year term, and for senior preservation rental assistance contracts, as authorized by section 811(e) of the American Housing and Economic Opportunity Act of 2000, as amended, and for supportive services associated with the housing, \$383,500,000 to remain available until September 30, 2017: Provided, That of the amount provided under this heading, up to \$72,000,000 shall be for service coordinators and the continuation of existing congregate service grants for residents of assisted housing projects: Provided further, That amounts under this heading shall be available for Real Estate Assessment Center inspections and inspection-related activities associated with section 202 projects: Provided further, That the Secretary may waive the provisions of section 202 governing the terms and conditions of project rental assistance, except that the initial contract term for such assistance shall not exceed 5 years in duration: Provided further, That upon the request of the Secretary of Housing and Urban Development, project funds that are held in residual receipts accounts for any project subject to a section 202 project rental assistance contract and that upon termination of such contract are in excess of an amount to be determined by the Secretary shall be remitted to the Department and deposited in this account, to be available until September 30, 2017: Provided further, That amounts deposited in this account pursuant to the previous proviso shall be available in addition to the amounts otherwise provided by this heading for the purposes authorized under this heading and, together with such funds, may be used by the Secretary for demonstration programs to test housing with services models for the elderly that demonstrate the potential to delay or avoid the need for nursing home care: Provided further, That unobligated balances, including recaptures and carryover, remaining from funds transferred to or appropriated under this heading may be used for the current purposes authorized under this heading, notwithstanding the purposes for which such funds were originally appropriated.

C. Other Rent Supplement and Section 236 RAP

RENTAL HOUSING ASSISTANCE

For amendments to contracts under section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s) and section 236(f)(2) of the National Housing Act (12 U.S.C. 1715z-1) in State-aided, noninsured rental housing projects, \$21,000,000, to remain available until expended: Provided, That such amount, together with unobligated balances from recaptured amounts appropriated prior to fiscal year 2006 from terminated contracts under such sections of law, and any unobligated balances, including recaptures and carryover, remaining from

funds appropriated under this heading after fiscal year 2005, shall also be available for extensions of up to one year for expiring contracts under such sections of law.

RENT SUPPLEMENT (RESCISSION)

Of the amounts recaptured from terminated contracts under section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s) and section 236 of the National Housing Act (12 U.S.C. 1715z-1) \$3,500,000 are rescinded: Provided, That no amounts may be rescinded from amounts that were designated by the Congress as an emergency requirement pursuant to the Concurrent Resolution on the Budget or the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

D. Reports to Congress re Status of Project-Based Section 8

SEC. 225. The Secretary of Housing and Urban Development shall report annually to the House and Senate Committees on Appropriations on the status of all section 8 project-based housing, including the number of all project-based units by region as well as an analysis of all federally subsidized housing being refinanced under the Mark-to-Market program. The Secretary shall in the report identify all existing units maintained by region as section 8 project-based units and all project-based units that have opted out of section 8 or have otherwise been eliminated as section 8 project-based units. The Secretary shall identify in detail and by project all the efforts made by the Department to preserve all section 8 project-based housing units and all the reasons for any units which opted out or otherwise were lost as section 8 project-based units. Such analysis shall include a review of the impact of the loss of any subsidized units in that housing marketplace, such as the impact of cost and the loss of available subsidized, low-income housing in areas with scarce housing resources for low-income families.