

Rental Assistance Demonstration
Consolidated and Further continuing Appropriations Act, 2012 (PL 112-55)

1 To conduct a demonstration designed to preserve and improve public housing and certain other
2 multifamily housing through the voluntary conversion of properties with assistance under section
3 9 of the United States Housing Act of 1937, (hereinafter, ‘the Act’), or the moderate
4 rehabilitation program under section 8(e)(2) of the Act, to properties with assistance under a
5 project-based subsidy contract under section 8 of the Act, which shall be eligible for renewal
6 under section 524 of the Multifamily Assisted Housing Reform and Affordability Act of 1997, or
7 assistance under section 8(o)(13) of the Act, the Secretary may transfer amounts provided
8 through contracts under section 8(e)(2) of the Act or under the headings ‘Public Housing Capital
9 Fund’ and ‘Public Housing Operating Fund’ to the headings ‘Tenant-Based Rental Assistance’ or
10 ‘Project-Based Rental Assistance’:

- 11 1. *Provided*, That the initial long-term contract under which converted assistance is made
12 available may allow for rental adjustments only by an operating cost factor established by the
13 Secretary, and shall be subject to the availability of appropriations for each year of such term:
- 14 2. *Provided further*, That project applications may be received under this demonstration until
15 September 30, 2018:
- 16 3. *Provided further*, That any increase in cost for ‘Tenant-Based Rental Assistance’ or ‘Project-
17 Based Rental Assistance’ associated with such conversion in excess of amounts made
18 available under this heading shall be equal to amounts transferred from ‘Public Housing
19 Capital Fund’ and ‘Public Housing Operating Fund’ or other account from which it was
20 transferred:
- 21 4. *Provided further*, That not more than 185,000 units currently receiving assistance under
22 section 9 or section 8(e)(2) of the Act shall be converted under the authority provided under
23 this heading:

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- 1 5. *Provided further*, That tenants of such properties with assistance converted from assistance
2 under section 9 shall, at a minimum, maintain the same rights under such conversion as those
3 provided under sections 6 and 9 of the Act:
- 4 6. *Provided further*, That the Secretary shall select properties from applications for conversion
5 as part of this demonstration through a competitive process:
- 6 7. *Provided further*, That in establishing criteria for such competition, the Secretary shall seek
7 to demonstrate the feasibility of this conversion model to recapitalize and operate public
8 housing properties (1) in different markets and geographic areas, (2) within portfolios
9 managed by public housing agencies of varying sizes, and (3) by leveraging other sources of
10 funding to recapitalize properties:
- 11 8. *Provided further*, That the Secretary shall provide an opportunity for public comment on
12 draft eligibility and selection criteria and procedures that will apply to the selection of
13 properties that will participate in the demonstration:
- 14 9. *Provided further*, That the Secretary shall provide an opportunity for comment from residents
15 of properties to be proposed for participation in the demonstration to the owners or public
16 housing agencies responsible for such properties:
- 17 10. *Provided further*, That the Secretary may waive or specify alternative requirements for
18 (except for requirements related to fair housing, nondiscrimination, labor standards, and the
19 environment) any provision of section 8(o)(13) or any provision that governs the use of
20 assistance from which a property is converted under the demonstration or funds made
21 available under the headings of ‘Public Housing Capital Fund’, ‘Public Housing Operating
22 Fund’, and ‘Project-Based Rental Assistance’, under this Act or any prior Act or any Act
23 enacted during the period of conversion of assistance under the demonstration for properties

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1 with assistance converted under the demonstration, upon a finding by the Secretary that any
2 such waivers or alternative requirements are necessary for the effective conversion of
3 assistance under the demonstration:

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

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

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

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

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1 public housing agency preserves its interest in the property in a manner approved by the
2 Secretary, and upon expiration of the initial contract and each renewal contract, the Secretary
3 shall offer and the owner of the property shall accept renewal of the contract subject to the
4 terms and conditions applicable at the time of renewal and the availability of appropriations
5 each year of such renewal:

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

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

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

15 18. *Provided further*, That, for fiscal year 2012 and hereafter, owners of properties assisted under
16 section 101 of the Housing and Urban Development Act of 1965, section 236(f)(2) of the
17 National Housing Act, or section 8(e)(2) of the United States Housing Act of 1937, for which
18 an event after October 1, 2006 has caused or results in the termination of rental assistance or
19 affordability restrictions and the issuance of tenant protection vouchers under section 8(o) of
20 the Act, shall be eligible, subject to requirements established by the Secretary, including but
21 not limited to tenant consultation procedures, for conversion of assistance available for such
22 vouchers to assistance under a long-term project-based subsidy contract under section 8 of
23 the Act, which shall have a term of no less than 20 years, with rent adjustments only by an

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1 operating cost factor established by the Secretary, which shall be eligible for renewal under
2 section 524 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42
3 U.S.C. 1437f note), or, subject to agreement of the administering public housing agency, to
4 assistance under section 8(o)(13) of the Act, to which the limitation under subsection (B) of
5 section 8(o)(13) of the Act shall not apply and for which the Secretary of Housing and Urban
6 Development may waive or alter the provisions of subparagraphs (C) and (D) of section
7 8(o)(13) of the Act:

8 19. *Provided further*, That amounts made available under the heading “Rental Housing
9 Assistance” during the period of conversion under the previous proviso shall be available for
10 project-based subsidy contracts entered into pursuant to the previous proviso:

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

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

22 22. *Provided further*, That with respect to the previous four provisos, the Comptroller General of
23 the United States shall conduct a study of the long-term impact of the fiscal year 2012 and

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- 1 2013 conversion of tenant protection vouchers to assistance under section 8(o)(13) of the Act
- 2 on the ratio of tenant-based vouchers to project-based vouchers.