Affordable Rental Housing Provisions

**Project-based Section 8**  
$2 billion  
Additional appropriation to provide full funding for Housing Assistance Payment contracts on a 12-month basis.

**Energy Retrofit for Project Based Section 8 Properties**  
$250 million  
- For grants or loans for energy retrofit and green investments in Section 202, Section 811 or project-based Section 8 properties;
- Owners must have at least a satisfactory management review rating, be in substantial compliance with applicable performance standards and legal requirements, and commit to at least 15 years of affordability;
- Grants or loans shall be administered by the Office of Affordable Housing Preservation of the Department of Housing and Urban Development;
- Grants or loans shall include a financial assessment and physical inspection of such property. The Secretary shall undertake appropriate underwriting and oversight and may set aside up to 5 percent of the funds for grants or loans for such purpose;
- The Secretary may provide incentives to owners to undertake energy or green retrofits, including fees to cover investment oversight and implementation, or to encourage job creation for low-income individuals;
- Projects must comply with Davis-Bacon labor requirements;
- The Secretary may share in a portion of future property utility savings resulting from the improvements;
- Funding shall be expended within 2 years of the date owners received the funding;
- The Secretary may waive or specify alternative requirements for any provision of any statute or regulation (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment) if such a waiver is necessary to expedite or facilitate the use of such funds;
- Up to 1 percent of funding shall be available for staffing, training, technical assistance, technology, monitoring, research and evaluation activities.

**Low Income Housing Tax Credit (LIHTC) Gap Financing**  
$2.25 billion  
- Funds shall be made available to State housing credit agencies and shall be apportioned among the States based on the percentage of HOME funds apportioned to each State and the participating jurisdictions therein for FY 2008;
- Housing credit agencies shall distribute these funds competitively and pursuant to their qualified allocation plan to owners of projects who have received or receive simultaneously an award of LIHTCs;
- Housing credit agencies in each State shall commit not less than 75 percent of such funds by 2/17/10, shall demonstrate that the project owners shall have expended 75 percent of the funds by 2/17/11, and shall have expended 100 percent of the funds by 2/17/12;
- Failure by an owner to expend funds within the required timeframes shall result in a redistribution of these funds to a more deserving project in such State, except any funds not expended by 2/17/11 shall be redistributed by the Secretary to other States that have fully utilized the funds made available to them;
- Projects awarded LIHTCs in fiscal years 2007, 2008, or 2009 shall be eligible for funding under this heading;
- Housing credit agencies shall give priority to projects that are expected to be completed by 2/17/11;
Any assistance provided to an eligible low income housing tax credit project shall be subject to the same limitations (including rent, income, and use restrictions, in lieu of corresponding limitations under the HOME program) as required by the state housing credit agency with respect to an award of low income housing credits;

The housing credit agency shall perform or contract for asset management functions at the owner's expense, to ensure compliance with LIHTC requirements and the long term viability of assisted properties;

The eligible basis of a qualified low-income housing tax credit building receiving assistance shall not be reduced by the amount of any grant;

The Secretary shall have access to a State housing credit agency's information related to the award of Federal funds under this heading and shall establish an Internet site that shall identify all projects selected for an award, including the amount of the award;

The Secretary may waive any provision of any statute or regulation except for requirements imposed by this heading and requirements related to fair housing, non-discrimination, labor standards and the environment, upon a finding that such waiver is required to expedite the use of such funds;

For purposes of environmental compliance review, funds under this heading that are made available to State housing credit agencies for distribution to projects awarded low income housing tax credits shall be treated as funds under the HOME program;

Funds shall remain available until September 30, 2011.

Low Income Housing Tax Credit Enhancements 9% LIHTC “exchange”

The Secretary of the Treasury shall make a grant to the housing credit agency of each State in an amount elected by the State which does not exceed 85 percent of (a) all unallocated 2008 housing credits and all housing credits returned to the agency in 2009 PLUS (b) 40 percent of the State housing credit allocation for 2009, multiplied by 10;

A State shall use such grant to make subawards to finance the construction or acquisition and rehabilitation of qualified low-income buildings with or without a LIHTC allocation, except that a qualified low-income building without an allocation may receive a subaward only if such use will increase the total funds available to the State to build and rehabilitate affordable housing. Applicants are required to demonstrate good faith efforts to obtain investment commitments for such credits before the agency makes such subawards;

Subawards are subject to the same requirements as housing credit allocations (including rent, income, and use restrictions);

The State housing credit agency shall perform or contract for asset management functions to ensure compliance with LIHTC requirements and the long-term viability of buildings. The State housing credit agency may collect reasonable fees from a subaward recipient to cover associated expenses;

The State housing credit agency shall impose conditions or restrictions, including a requirement providing for recapture, on any subaward so as to assure that the building remains a qualified low-income building during the compliance period. Any such recapture shall be payable to the Secretary of the Treasury for deposit in the general fund of the Treasury and may be enforced by means of liens or such other methods as the Secretary of the Treasury determines appropriate;

Any grant funds not used to make subawards under this section before January 1, 2011, shall be returned to the Secretary of the Treasury on such date. Any subawards returned to the State housing credit agency on or after such date shall be promptly returned to the Secretary of the Treasury and deposited in the general fund of the Treasury.

Public Housing Capital Fund $4 billion

The Secretary shall distribute $3,000,000,000 of this amount by the same formula used for amounts made available in fiscal year 2008, except that the Secretary may determine not to allocate funding to public housing agencies currently designated as troubled or to public housing agencies that elect not to accept such funding. The Secretary shall obligate funds allocated by formula within 30 days of 2/17/09;

The Secretary shall make available $1,000,000,000 by competition for priority investments, including investments that leverage private sector funding or financing for renovations and energy.
**conservation retrofit** investments. The Secretary shall obligate competitive funding by September 30, 2009;

- Public housing authorities shall give priority to capital projects that can award contracts based on bids within 120 days from the date the funds are awarded. Public housing agencies shall give priority consideration to the rehabilitation of vacant rental units and shall prioritize capital projects that are already underway or included in the 5 year capital fund plans;
- Funding provided under this heading may not be used for operating or rental assistance activities, and (2) any restriction of funding to replacement housing uses shall be inapplicable;
- Public housing agencies shall obligate 100 percent of the funds within 1 year of the date on which funds become available to the agency for obligation, shall expend at least 60 percent of funds within 2 years of the date on which funds become available to the agency for obligation, and shall expend 100 percent of the funds within 3 years of such date;
- Funding is to remain available until September 30, 2011.

### Related Provisions

**Weatherization Assistance Program (Department of Energy)** $5 billion

The bill increases the maximum weatherization benefit per dwelling unit from $2,500 to $6,500 and expands income eligibility from 150% to 200% of poverty. Up to 20% of the amount may be used for technical assistance and training.

**Energy Efficiency and Conservation** $3.2 billion

$2,800,000,000 is available to state and local governments through formula and the remaining $400,000,000 shall be awarded competitively. Local governments may make subgrants to nonprofits. A wide range of activities are authorized, including conducting residential and commercial building energy audits and grants to non-profits and government organizations to perform energy efficiency retrofits.

**Neighborhood Stabilization Program (NSP)** $2 billion

NSP funds can be used to redevelop foreclosed and abandoned single family and multifamily homes. Unlike the previous round of funding, new funds will be distributed competitively to states, local governments, nonprofit entities, or consortia. Eligible recipients may partner with for-profit entities.

- Grantees shall expend at least 50 percent of allocated funds within 2 years of the date funds become available to the grantee for obligation, and 100 percent of such funds within 3 years of such date;
- In selecting grantees, the Secretary shall ensure that the grantees are in areas with the greatest number and percentage of foreclosures and can expend funding within the period allowed under this heading;
- Additional award criteria for such competitions shall include demonstrated grantee capacity to execute projects, leveraging potential, concentration of investment to achieve neighborhood stabilization, and any additional factors determined by the Secretary;
- The Secretary shall publish criteria on which to base competition for any grants awarded under this heading not later than 75 days after 2/17/09 and applications shall be due to HUD not later than 150 days after 2/17/09. The Secretary shall obligate all funding by 2/17/10;
- No amounts made available from a grant may be used to demolish any public housing. A grantee may not use more than 10 percent of its grant under this heading for demolition activities unless the Secretary determines that such use represents an appropriate response to local market conditions;
- The Secretary may use up to 10 percent of the funds provided under this heading for grantees for the provision of capacity building of and support for local communities receiving funding;
- The Secretary may waive or specify alternative requirements for any provision of any statute or regulation except for requirements related to fair housing, non-discrimination, labor standards and the environment, if necessary to expedite or facilitate the use of such funds;
- Renter protections: No housing assisted with NSP funds can refuse to rent to someone with a Section 8 voucher. Any tenant in a home purchased after 2/17/09 must be provided with at least 90 days notice to vacate, and such tenants with leases in effect before foreclosure have the right to remain through the lease term unless the home will be occupied as a primary residence of the new owner.
**Homelessness Prevention (prevention and re-housing only)** $1.5 billion
- Housing relocation and stabilization services, including housing search, mediation or outreach to property owners, credit repair, security or utility deposits, utility payments, rental assistance for a final month at a location, moving cost assistance, and case management;
- Grantees shall collect data on the use of the funds awarded and persons served with this assistance in the HUD Homeless Management Information System (“HMIS”) or other comparable database;
- Grantees shall expend at least 60 percent of funds within 2 years of award, and 100 percent of funds within 3 years of such date, and the Secretary may recapture unexpended funds in violation of the 2-year expenditure requirement and reallocate such funds to grantees in compliance with that requirement;
- The Secretary may waive statutory or regulatory provisions (except provisions for fair housing, nondiscrimination, labor standards, and the environment) necessary to facilitate the timely expenditure of funds. The Secretary shall publish a notice to establish such requirements as may be necessary to carry out the provisions of this section within 30 days of 2/17/09 Act, and this notice shall take effect upon issuance.

**Community Development Block Grant (CDBG) Funding** $1 billion
To be distributed to grantees that received funding in fiscal year 2008. Recipients shall give priority to projects that can award contracts based on bids within 120 days from the date the funds are made available to the recipients.

**Community Services Block Grant** $1 billion
For carrying out activities under the Community Services Block Grant Act.

**Native American Housing Block Grants (NAHASDA)** $510 million
- $255,000,000 shall be distributed according to the funding formula used in fiscal year 2008, and $255,000,000 may be awarded competitively. The Secretary shall give priority to projects that will spur construction and rehabilitation and will create employment opportunities for low-income and unemployed persons.

**Rural Affordable Home Ownership (Section 502 Loans)** $200 million
Funding will allow for an additional lending authority for Section 502 single family loans in the amount of $1 billion for direct loans and $10.5 billion for guaranteed loans.

**Emergency Food and Shelter Program** $100 million

**Lead Hazard Reduction Program** $100 million
Funds shall be awarded first to applicants which were qualified for award for fiscal year 2008 but were not awarded because of funding limitations. Any remaining funds shall be added to FY 2009 award funds. Recipients shall expend at least 50 percent of such funds within 2 years of award, and expend 100 percent of such funds within 3 years of such date.

**Community Development Financial Institution (CDFI) Program (Treasury)** $100 million
- For qualified applicants under the fiscal year 2009 funding round of the CDFI Program, of which up to $8,000,000 may be for financial assistance, technical assistance, training and outreach programs designed to benefit Native American, Native Hawaiian, and Alaskan Native communities;
- No awardee, together with its subsidiaries and affiliates, may be awarded more than 5 percent of the aggregate funds available during fiscal year 2009;
- No later than 60 days after 2/17/09, the Department of the Treasury shall submit to the Committees on Appropriations of the House of Representatives and the Senate a detailed expenditure plan.

**HUD Inspector General** $15 million
To ensure that funds are used in an effective and efficient manner.