HOUSING
PROJECT-BASED RENTAL ASSISTANCE
2015 Summary Statement and Initiatives
(Dollars in Thousands)

PROJECT-BASED RENTAL ASSISTANCE	Enacted/ Request	Carryover	Supplemental/ Rescission	Total Resources	Obligations	Outlays
2013 Appropriation	$9,339,672	$225,762[a]	-$488,398	$9,077,036	$8,817,824	$9,429,000
2014 Appropriation/Request	9,916,628	259,507	...	10,176,135[b]	10,262,840	9,860,000
2015 Request	9,746,000[c]	...	...	9,746,000	9,826,000	10,340,000
Program Improvements/Offsets	-170,628	-259,507	...	-430,135	-436,840	+480,000

a/ Carryover includes $181 million in unobligated funds, and $44 million from recaptures realized in fiscal year 2013.

b/ Resources and obligations exclude $87 million in spending authority from anticipated offsetting collections and an estimated $1 million transfer from the Public Housing Operating Fund and Capital Fund for the Rental Assistance Demonstration (RAD). When these additional resources are added, Total Resources and FY 2014 Obligations will be $10.263 billion.

c/ Resources and obligations exclude $25 million in spending authority from anticipated offsetting collections, and a $70 million transfer from the Public Housing Operating Fund and Capital Fund for RAD. When these additional resources are added, Total Resources and FY 2015 Obligations will be $9.829 billion. This number also includes an estimated transfer to the Transformation Initiative (TI) account that may be up to 0.5 percent or $15 million, whichever is less, of Budget Authority.

1. What is this request?

The Department is requesting a total of $9.746 billion to meet Section 8 Project-Based Rental Assistance (PBRA) program needs for fiscal year 2015. This includes $9.346 billion for fiscal year 2014 and a $400 million advance appropriation for fiscal year 2016 (in addition to the $400 million advance appropriated in 2014 and available in 2015). Under the request, the total funding level for fiscal year 2015 is a $170.6 million decrease over the fiscal year 2014 request of $9.917 billion.

Contract Renewals and Amendments - $9.536 billion

The funding requested allows the renewal or amendment of several types of rental assistance contracts, including: Housing (Project-Based Section 8 contracts), Public and Indian Housing (Moderate Rehabilitation contracts), and Community Planning and Development (Single Room Occupancy contracts), and Senior Preservation Rental Assistance Contracts.

The funding request will allow HUD to shift to a calendar year funding approach for renewal contracts in fiscal year 2015, which is consistent with current practice in the Housing Choice Voucher and Public Housing programs, and should result in more predictable funding cycles in future years. HUD will provide funding through calendar year 2015 (January through December) for all multiyear contracts in the middle of their contract terms. For contracts whose term expires during fiscal year 2015 and a new contract is executed, HUD will place 12 months of funding on such contracts at the time of renewal (however, the subsequent renewal would be funded only through the calendar year, in order to transition to the calendar year funding cycle). HUD does not expect this new funding methodology to have significant impact on stakeholders, investors, or lenders because there will be no change in contract terms or duration; rather, the Department will only shift the timing for funding of the contract, similar to past practice during periods covered by Continuing Resolution and during fiscal year 2013, post-sequestration. HUD believes that 12-month calendar year funding will increase the predictability of funding under the program, allowing owners to continue leveraging private debt and equity on advantageous terms. In addition, this approach will assure funding during the critical first quarter of the following year—a period when funding uncertainty is chronic. As a result, HUD expects to further reduce the risk of late payments to owners during the first quarter of fiscal year 2016.

The need for Section 8 Amendment funds results from insufficient funding provided to long-term project-based contracts executed primarily in the 1970's and 1980's. During those years, the Department provided contracts for terms of up to 40 years. Estimating funding needs over such a long period of time proved to be problematic, and as a result, many of these Section 8 contracts were inadequately funded. Older long-term contracts that have not reached their termination dates and have not entered the 1-year renewal cycle must be provided amendment funds for the projects to remain financially and physically viable. The Department estimates that total Section 8 Amendment needs in fiscal year 2015 will be approximately $640 million.

The following table shows the change in the number of units under contract, average monthly subsidy payment per unit and the average utilization rate by fiscal year.

	Contract Units	Average Monthly Subsidy per Unit	Average Utilization[1]
FY 2008	1,260,865	$587	93.7%
FY 2009	1,255,545	$610	94.2%
FY 2010	1,251,460	$635	94.7%
FY 2011	1,249,790	$665	94.9%
FY 2012	1,243,562	$676	95.1%
FY 2013	1,230,119	$680	95.2%

[1] The average percentage of contract units that are occupied by families assisted with program support.

Contract Administration Support - $210 million

The Department proposes up to $210 million for Performance-Based Contract Administrators (PBCAs) in fiscal year 2015. These administrators are responsible for conducting on-site management reviews of assisted properties; adjusting contract rents; and reviewing, processing, and paying monthly vouchers submitted by owners. PBCAs are integral to the Department's efforts to be more effective and efficient in the oversight and monitoring of this program. During 2013, the Department re-competed awards under the PBCA program; however, awards under this competition are currently stayed due to ongoing litigation. The Department anticipates an outcome of this litigation during fiscal year 2014.

The funding request for fiscal year 2015 assumes several cost saving measures, initially proposed in fiscal years 2013 and 2014. If the following changes are not implemented or are delayed, the fiscal year 2015 appropriations requirement may increase.

- Apply residual receipts accounts to offset assistance payments for new and old regulation contracts. As in the fiscal year 2014 request, this request proposes to continue collecting these reserves in the PBRA account, and using them to cover a portion of the funding/payments.
- For certain owner-commissioned rent comparability studies the appraiser will have to provide additional support to justify the conclusions of the study.
- Reduce the time period over which an owner may claim vacancy payments from 60 days to 30.

This request includes several reforms and initiatives in the PBRA program, which are summarized at the end of this document. The Department also requests several reforms across HUD's core rental assistance programs, which are described in the Housing Choice Voucher request. For example, the Department proposes to increase the amount of income that must be spent on medical expenses from 3 percent of income to 10 percent before medical expenses can be deducted. In addition, the Department proposes to expand eligibility for the Family Self-Sufficiency (FSS) program to PBRA properties; more information on this program is available in the FSS request.

Rental Assistance Demonstration

The Department continues its Rental Assistance Demonstration (RAD) to test new preservation tools for the HUD-assisted housing stock. The PBRA request includes renewal funding for public housing properties that converted in 2013. Public housing units converting in 2014 that will require renewal funds in 2015 are not reflected in this PBRA request; instead, HUD will use its statutory authority under the Consolidated and Further Continuing Appropriations Act of 2012 (Public Law 112-55) to transfer amounts from the fiscal year 2015 Operating Fund and Capital Fund appropriations to the PBRA account. The Budget also includes a proposal that would allow certain properties in the Other Assisted Housing account to convert to PBRA via the Rental Assistance Demonstration (RAD). More information on this proposal is available in the RAD request.

Transformation Initiative

In fiscal year 2015, the Department renews its request for the Transformation Initiative Fund, which provides the Secretary the flexibility to undertake an integrated and balanced effort to improve program performance and test innovative ideas. This program may transfer up to 0.5 percent or $15 million, whichever is less, to the Transformation Initiative Fund for the operation of a second-generation Transformation Initiative (TI2). More details on TI2 and its projects are provided in the justification for the Transformation Initiative Fund account.

Salaries and Expenses (S&E) and Full-time Equivalents (FTE) Request

A total of 257.8 FTE are requested to support Project-Based Rental Assistance, which is a decrease of 20 from the fiscal year 2014 request. Total S&E funding is $35.716 million or a decrease of $953 thousand from the 2014 request. The decrease is primarily due to efficiencies gained from the implementation of the Multifamily Transformation initiative.

2. What is this program?

The Project-Based Rental Assistance program provides rental assistance on behalf of eligible tenants residing in specific multifamily rental developments. Project-based rental assistance is provided through contracts between the Department and owners of multifamily rental housing. If a tenant moves, the assistance stays with the housing development (which is a major difference between this program and the Tenant-Based Rental Assistance program in which the subsidy moves with the tenant). The amount of rental assistance paid to the owner is the difference between what a household can afford (based on paying 30 percent of household income for rent) and the approved contract rent for the unit. This program serves approximately 1.2 million low-income and very low-income households that are primarily seniors, families with children, and persons with disabilities. Section 8 tenant data on household types is summarized here:

http://portal.hud.gov/hudportal/documents/huddoc?id=Tenant_Characteristics_Rpt.pdf

Eligible owners include for-profit or non-profit organizations, cooperatives, Limited Liability Corporations, Limited Partnerships or other types of joint ownership structures organized to develop and operate affordable rental housing. These properties are financed in a similar manner to market rate rental developments, using private financing, FHA financing, private equity, or equity raised from the sale of Low-Income Housing Tax Credits. Currently, the portfolio is leveraging over $13 billion in FHA insurance and $17 billion in private financing and equity. The owner must provide affordable decent, safe and sanitary housing units to continue to receive project-based rental assistance.

The program's portfolio of 17,400 contracts generally receives high standardized physical inspection scores. Many PBRA properties are located in strong rental markets that have been preserved through the Department's successful Mark-Up-to-Market program and other preservation programs. The Mark-Up-to-Market Program adjusts rents to prevailing market conditions while maintaining affordability for low-income households. Such properties frequently provide the only affordable housing opportunities within these communities. Other PBRA properties are located in less strong markets and provide an important stabilizing influence to their communities, often acting as important footholds for additional housing and other commercial neighborhood investment.

The program set-aside of $210 million for PBCAs is an important tool to administer the program in a cost effective manner. PBCAs provide direct oversight and monitoring of the program that carry out critical functions, including: (1) reducing payment errors; (2) ensuring that the physical condition of units is maintained; and (3) ensuring timely payment of rents to property owners.

<u>Sustaining our Investments and Multifamily Transformation Initiative</u>

During fiscal year 2014, the Office of Multifamily Housing will continue implementing the business improvements facilitated by the business re-engineering initiative called Sustaining Our Investments. This initiative improved performance efficiencies in our oversight and monitoring of projects assisted by Section 8 Project-Based Rental Assistance. Sustaining Our Investments refocused monitoring of the assisted portfolio to ensure the performance of critical functions essential to the effective management of the portfolio. The initiative introduced streamlined oversight tasks for projects that are identified as low risk, high performers and identified opportunities for elimination of tasks that are redundant, unnecessary or do not contribute to ensuring quality performance of the Section 8 Project-Based portfolio.

Based on the principles learned through Sustaining Our Investments, staff has rated all Multifamily assets, including assets assisted with PBRA, in order to prioritize by risk and allocate the most Project Manager time to the riskiest assets. Assets are rated troubled, potentially troubled, or not troubled. Project Managers are asked to prioritize time and energy spent on the riskiest troubled assets and allocate less time to low-risk assets. We expect that the process improvements introduced and institutionalized as part of Sustaining Our Investments will position the Office of Multifamily Housing to effectively administer the Section 8 program at current staffing levels, and that the enhancements to business processes introduced by the initiative would allow for continued effective program administration at FTE levels below our current allocation.

The Multifamily Transformation initiative builds on the success of Sustaining Our Investments and the portfolio rating by moving to an Account Executive Model. The Account Executive Model will shift the current Project Manager focus to managing potentially troubled (managed by Senior Account Executives) and not troubled (managed by Account Executives) assets, including those with

PBRA assistance. The Account Executive Model will include a Troubled Asset Specialist position that will focus a specialized skill set and knowledge base on troubled assets (including PBRA assisted assets). This increased focus will allow Multifamily experts to better manage risk in the PBRA programs and mitigate risk to the Department's insurance fund and mission, while Account Executives manage low-risk assets. The Multifamily Transformation will create more manageably scoped roles for staff facilitating the continued administration of PBRA programs below current FTE levels.

3. Why is this program necessary and what will we get for the funds?

Addresses the Need for Quality Affordable Rental Homes

The PBRA program is one of three major federal rental assistance programs for providing low-income families with decent, safe and affordable housing. The program currently provides affordable housing for over 1.2 million families. These households are primarily elderly (38 percent), families with children (32 percent) and persons with disabilities (18 percent). The program supports a stock of affordable housing and maintains and protects the long-term historic federal investment in these assets, which would be costly to recreate.

Reduces the number of families with severe housing needs and reduces or prevents homelessness

HUD's most recently-published report on worst case housing needs found there were nearly 8.5 million households facing severe housing problems (paying over half their income for rent or living in severely inadequate conditions).[2] This was an increase of 43.5 percent since 2007. Housing needs cut across all regions of the country and included all racial and ethnic groups, regardless of whether they lived in cities, suburbs, or rural areas. In addition, large numbers of worst case needs were also found across various household types including families with children, senior citizens, and persons with disabilities.

The rise in hardships among renters is due to substantial increases in rental housing demand and weakening incomes that increased competition for already-scarce affordable units. As a result, the gap between the number of affordable units available for very low-income renters and the number of renters who need these units not only failed to improve in percentage terms, but worsened in absolute terms.

2 "*Worst Case Housing Needs 2011: Report to Congress*," U.S. Department of Housing and Urban Development (August 2013) Available at: http://www.huduser.org/portal/publications/affhsg/wc_HsgNeeds11_report.html

PBRA funding directly reduces worst case housing needs. Increased housing costs in turn would effectively diminish the already limited incomes of these families, even for necessities such as food, health care, child care, education and transportation costs. Some would likely face the real prospect of actual homelessness.

Preserves the affordability and condition of privately owned rental housing

PBRA supports a stock of long-term affordable rental housing for the lowest-income American families. This is increasingly important, as the private stock of rental housing that is affordable to the lowest income families has actually been shrinking. While there was an overall net increase of 694,000 rental units in the housing market between 2007 and 2009, there was a decrease of 570,000 units that were affordable to families with extremely low incomes in the same period.[3]

Without this assistance, many projects would either convert to market with potentially large rent increases that the current families would not be able to afford, or alternatively would not be able to generate sufficient rental income to continue to be maintained in good condition. In addition, without ongoing rental income, some projects may be unable to continue payments on existing debt, including mortgages insured by FHA, or mortgages backed by bonds issued by state housing finance agencies.

Expand choices of affordable rental homes located in a broad range of communities

The preservation of affordable units assures that units will continue to become available in a wide range of housing markets throughout the nation as vacancies occur. Many projects are located in good neighborhoods, where low-income families would otherwise be unable to find affordable housing, while other projects serve as anchors providing well-maintained properties in areas that might experience downward investment. Many projects also provide badly needed affordable housing in rural areas, as many projects were developed with financing through the USDA Rural Housing Service's Section 515 Multifamily program.

PBRA's Spillover Benefits to Local Communities and Economies

Multifamily housing assisted by PBRA stabilizes neighborhoods and contributes to local economic bases. PBRA housing draws workers, service providers, and retailers and returns to host communities' significant and much relied-upon property tax revenue. Data from fiscal years 2009 and 2010 confirms that $460 million was paid in property taxes from PBRA owners to municipalities. The PBRA program, through its 17,400 contracts with owner landlords, directly contributes to job creation and retention in the fields of property management, maintenance, administration, general construction, contract vendors such as landscapers, exterminators, security guards, snow removers, equipment servicers, legal representation and property insurance providers. HUD estimates that the program directly supports approximately 55,000 jobs annually at projects throughout the country. In addition, owners of PBRA

3 PD&R, Rental Market Dynamics: 2007-2009, May 2011.

housing contract for services with local businesses and service providers that are estimated to produce another 45,000 indirect or induced jobs, totaling employment generation of 100,000 jobs annually.

In addition to local revenue generation and job retention associated with ongoing project operation, the PBRA program is also a redevelopment and preservation tool for private owners of low-income multifamily rental housing. PBRA contracts act as a critical credit enhancement for project financing, allowing owners to leverage private debt and equity to permit project refinancing and recapitalization. Such transactions require owners to hire architects, surveyors, construction contractors as well the professional services of consultants and attorneys to complete the work. The periodic refinancing of the debt underlying projects assisted by PBRA generates significant capital available for investment in construction repairs and improvements. If funding for the PBRA program is not provided, the value of this underlying debt to both FHA and private lenders as well as existing equity in the physical structures could be severely eroded, contributing to significant loss of privately held wealth and community investment.

4. How do we know this program works?

PBRA supports a stock of long-term affordable rental housing for the lowest-income American families. This is increasingly important, as the private stock of rental housing that is affordable to the lowest income families has actually been shrinking. HUD's most recent data indicates that while there was an overall net increase of 694,000 rental units in the housing market between 2007 and 2009, there was a decrease of 570,000 units that were affordable to families with extremely low-incomes in the same period. [4]

The Office of Asset Management, Multifamily Housing utilizes all available tools to ensure owners receiving federal project-based rental assistance are maintaining and providing quality affordable housing and accomplishing the mission of the Department. The tools in use include: risk-based multifamily portfolio management, physical inspections and financial reporting for all properties, litigation for landlord and/or property management violations and tenant relocation, and the continued innovation of technology, policies, and procedures to ensure the Department's multifamily portfolio is providing safe and quality affordable housing and prevent owner abuse of federal subsidy.

As described above, Sustaining Our Investments initiated a shift to risk-based portfolio management and provided the necessary training to help Department staff manage the Multifamily portfolio by risk. Project Managers rate all assets in their portfolios and respond accordingly based on risk level. Project Managers must identify and implement an Action Plan corresponding to the issues at a given asset for all assets rated Troubled and Potentially Troubled. Multifamily Headquarters conducts monthly calls with Project Managers and Hub/Program Center management to discuss resolution strategies and to reinforce the rating process. The

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4 "*Worst Case Housing Needs 2011: Report to Congress*," U.S. Department of Housing and Urban Development (August 2013)
Available at: http://www.huduser.org/portal/publications/affhsg/wc_HsgNeeds11_report.html

Department holds quarterly calls with top Loan Servicers to discuss problem properties/owners and triangulate with internal information to ensure troubled properties are monitored holistically and discuss potential resolution strategies. This multi-faceted risk-based approach is indicative of the Department's exhaustive efforts to ensure HUD's project-based rental assistance supports Owners/Management Agents providing quality affordable housing.

Multifamily Housing also protects its PBRA investments with the assistance of the Real Estate Assessment Center (REAC) and the Departmental Enforcement Center (DEC). REAC monitors both the physical and financial condition of the assets to identify and address physical and financial issues immediately. If a property receives a physical inspection score below 30, it is automatically referred to the Departmental Enforcement Center (DEC) and the Owner is flagged in the Active Partners Performance System (APPS). Since fiscal year 2009, there has been a 15 percent decrease in the number of Multifamily properties receiving below 30 REAC scores. If a property is referred to the DEC, it first seeks compliance and, if appropriate, may pursue civil money penalties or other enforcement measures. The DEC also receives financial referrals from REAC based on certain agreed upon thresholds. In fiscal year 2012, the DEC received a total of 31 referrals for physical condition (0.1 percent of the total Multifamily portfolio), 1,228 financial referrals (4 percent of the Multifamily portfolio) and 1,999 financial statement non-filer/late filer referrals (6 percent of the Multifamily portfolio). The DEC's work has resulted in recoveries to the insured/assisted multifamily housing property project accounts of over $280 million.

The Department has mandated the use of the Enterprise Income Verification (EIV) system by all Multifamily Housing Owners and Management Agents to verify annual income and benefit information in making rental housing subsidy determinations. The EIV system increases the efficiency and accuracy of income and rent determinations, reduces incidents of underreported and unreported household income, removes the barriers to verifying tenant-reported income, and addresses material weaknesses in an owners' reexamination process and program operations. The EIV system also assures that more eligible families are able to participate in the program, reduces improper payments, and ensures that the right people receive the right amount of assistance at the right time. Contract Administrators are required to use the EIV system in the performance of Management and Occupancy Reviews, the purpose of which is to identify and reduce errors in the administration of HUD rental assistance programs, thereby reducing the number and amount of improper payments of HUD subsidies. The Department continually improves and makes modifications to the EIV system and occupancy requirements to ensure tenants receive the proper benefits and maintain accurate reporting.

Integrated Budget Forecasting Model (iBFM)

The Office of Multifamily Housing successfully implemented the new Integrated Budget Forecasting Model (iBFM) during the end of fiscal year 2012. The model provides forecasting and funds management functionality to HUD, as well as built-in funds management capabilities, now in use by MFH operations staff to ensure program funding is efficient and effective.

iBFM continually monitors short-term funding needs on every contract, greatly reducing payment delays or disruption due to inaccurate funding need projections. To date, in fiscal years 2012 and 2013, HUD staff used the new model to generate precise contract funding records totaling over $14 billion. The model automatically detects any "over funding," or excess funds, on all contracts in the project based portfolio, enabling multifamily staff to perform timely recaptures or cancellation of excess account balances. Recaptured budget authority may then be applied to other contracts. This functionality is now allowing HUD staff to monitor and act on contract balances more effectively than at any time in the history of the program.

The Integrated Budget Forecasting Model will require funding from HUD's IT Portfolio in fiscal year 2015 in order to:

- Integrate iBFM and the New Core Financial System(s) to align iBFM with HUD's interface to the Bureau of Public Debt (BPD) Financial Shared Service;
- Refine iBFM funding/forecasting calculations to allow for complex short funding scenarios, and for reporting projected costs at a "Per Unit Per Month" level, providing more comprehensive output;
- Address Enterprise Architecture requirement to reduce/eliminate duplication of data;
- Provide additional dashboards for HUD Managers and Senior staff; and
- Provide continued operations and maintenance support.

5. Legislative/Regulatory Proposals

Demonstration and Legislative Proposals in the 2015 Request

- Pay for Success. The Department proposes a general provision that would establish a Pay for Success demonstration that allows the Department to enter multi-year agreements to repay private investors who provide upfront funding for energy efficiency retrofits of HUD-assisted housing.
- Other Preservation Strategies. The Department proposes a general provision that would facilitate the refinance and recapitalization of projects that have use agreements imposed by the Low-Income Housing Preservation and Resident Homeownership Act (LIHPRHA). This proposal will align owner distribution and prepayment policies in LIHPRHA-governed properties with other PBRA-assisted properties in order to facilitate preservation transactions.

Project-Based Rental Assistance

- Extension of Authority to Restructure FHA Insured Mortgages with Section 8 PBRA. This general provision extends the sunset date for the Section 8 Mark-to-Market program. Additional eligible projects are expected to benefit from restructuring beyond the current authorization period, which expires at the end of fiscal year 2015. The Mark-to-Market program is designed to preserve low-income rental housing affordability while reducing the long-term costs of federal rental assistance for certain multifamily rental projects.

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PROJECT-BASED RENTAL ASSISTANCE
Summary of Resources by Program
(Dollars in Thousands)

Budget Activity	2013 Budget Authority	2012 Carryover Into 2013	2013 Total Resources	2013 Obligations	2014 Budget Authority/ Request	2013 Carryover Into 2014	2014 Total Resources	2015 Request
Contract Renewals and Amendments	$8,577,370	$219,141	$8,796,511	$8,600,000	$9,651,628	$182,509	$9,834,137	$9,536,000
Contract Administrators	273,904	901	274,805	218,045	265,000	71,278	336,278	210,000
Transformation Initiative Transfer ..	...	...	...	...	...	...	...	...
Tenant Resources Network	...	5,070	5,070	...	...	5,070	5,070	...
Vouchers for Disaster Relief - (P.L. 111-32)	...	650	650	...	...	650	650	...
Transformation Initiative (transfer)	...	...	...	...	...	...	...	[15,000]
Total	8,851,274	225,762	9,077,036	8,818,045	9,916,628	259,507	10,176,135	9,746,000

NOTE: For 2014 Total Resources exclude $87 million in spending authority from offsetting collections, an estimated $1 million transfer from the Public Housing Operating Fund and Capital Fund for the Rental Assistance Demonstration (RAD), and a reprogramming of $2.4 million from prior year recaptures of Contract Renewals. When these additional resources are added, total resources are $10.263 billion.

HOUSING
PROJECT-BASED RENTAL ASSISTANCE
Appropriations Language

The fiscal year 2015 President's Budget includes proposed changes in the appropriation language listed and explained below. New language is italicized and underlined, and language proposed for deletion is bracketed.

For activities and assistance for the provision of project-based subsidy contracts under the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) ("the Act"), not otherwise provided for, **[**$9,516,628,000**]** *$9,346,000,000*, to remain available until expended, shall be available on October 1, **[**2013**]** *2014* (in addition to the $400,000,000 previously appropriated under this heading that became available October 1, **[**2013**]** *2014*), and $400,000,000, to remain available until expended, shall be available on October 1, **[**2014**]** *2015*: *Provided*, That the amounts made available under this heading shall be available for expiring or terminating section 8 project-based subsidy contracts (including section 8 moderate rehabilitation contracts), for amendments to section 8 project-based subsidy contracts (including section 8 moderate rehabilitation contracts), for contracts entered into pursuant to section 441 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11401), *for renewal of senior preservation rental assistance contracts, as authorized by section 811 (e) of the American Housing and Economic Opportunity Act of 2000, as amended (12 U.S.C. 1701q note),* for renewal of section 8 contracts for units in projects that are subject to approved plans of action under the Emergency Low Income Housing Preservation Act of 1987 or the Low-Income Housing Preservation and Resident Homeownership Act of 1990, and for administrative and other expenses associated with project-based activities and assistance funded under this paragraph: *Provided further*, That of the total amounts provided under this heading, not to exceed **[**$265,000,000**]** *$210,000,000* shall be available for **[**assistance agreements with**]** *grants or cooperative agreements under such terms and procedures as determined by the Secretary and in accordance with section 204 of this title for* performance-based contract administrators for section 8 project-based assistance, for carrying out 42 U.S.C. 1437(f): *Provided further*, That the Secretary of Housing and Urban Development may also use such amounts in the previous proviso for performance-based contract administrators for the administration of: interest reduction payments pursuant to section 236(a) of the National Housing Act (12 U.S.C. 1715z-1(a)); rent supplement payments pursuant to section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s); section 236(f)(2) rental assistance payments (12 U.S.C. 1715z-1(f)(2)); project rental assistance contracts for the elderly under section 202(c)(2) of the Housing Act of 1959 (12 U.S.C. 1701q); project rental assistance contracts for supportive housing for persons with disabilities under section 811(d)(2) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013(d)(2)); project assistance contracts pursuant to section 202(h) of the Housing Act of 1959 (Public Law 86–372; 73 Stat. 667); and loans under section 202 of the Housing Act of 1959 (Public Law 86–372; 73 Stat. 667): *Provided further*, That amounts recaptured under this heading, the heading "Annual Contributions for Assisted Housing", or the heading "Housing Certificate Fund", may be used for renewals of or amendments to section 8 project-based contracts or for performance-based contract administrators, notwithstanding the purposes for which such amounts were appropriated: *Provided further*, That, notwithstanding any other provision of law, 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 8 project-based Housing Assistance Payments contract that authorizes HUD <u>*or a Housing Finance Agency*</u> to require that surplus project funds be deposited in an interest-bearing residual receipts account and that 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 expended: *Provided further*, That amounts deposited pursuant to the previous proviso shall be available in addition to the amount otherwise provided by this heading for uses authorized under this heading. *(Department of Housing and Urban Development Appropriations Act, 2014.)*