

NATIONAL HOUSING & REHABILITATION ASSOCIATION

# *2014 Spring Developers Forum*

May 19-20, 2014 • The Ritz Carlton Hotel • Marina del Rey, CA

## What's Next for HUD Policies and Appropriations?

Monica Hilton Sussman, Esq.  
Washington, D.C.



**NIXON  
PEABODY**

SPONSORED BY:

**Bank of America**  
**Merrill Lynch**



**red**capital  
group

**STRATFORD**  
CAPITAL GROUP

**TAX CREDIT GROUP**  
Marcus & Millichap

# 2014 Congressional Calendar 113th Congress, 2nd Session

## JANUARY

S	M	T	W	TH	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

## FEBRUARY

S	M	T	W	TH	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	

## MARCH

S	M	T	W	TH	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

## APRIL

S	M	T	W	TH	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

## MAY

S	M	T	W	TH	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

## JUNE

S	M	T	W	TH	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

## JULY

S	M	T	W	TH	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

## AUGUST

S	M	T	W	TH	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

## SEPTEMBER

S	M	T	W	TH	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

## OCTOBER

S	M	T	W	TH	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

## NOVEMBER

S	M	T	W	TH	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

## DECEMBER

S	M	T	W	TH	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

### IMPORTANT DATES / KEY

BOTH SENATE & HOUSE IN SESSION	HOUSE OUT OF SESSION
SENATE OUT OF SESSION	BOTH SENATE & HOUSE OUT OF SESSION

The Senate has not finalized its schedule past September; however, we expect it will be out of session in October through early November. Final adjournment TBD.

Thomas M. Reynolds	202-585-8310	treynolds@nixonpeabody.com
Sally Vastola	202-585-8306	svastola@nixonpeabody.com
Douglas Dziak	202-585-8180	ddziak@nixonpeabody.com

NIXONPEABODY.COM | 202-585-8000



# HUD Appropriations

Program (\$ in millions)	2012 Enacted	2013 Sequestration	2014 House Appropriations Committee	2014 Senate Appropriations Committee	2014 Omnibus	Administration's 2015 Budget Proposal
Section 8 Project Based	\$9,340	\$8,851	\$9.4 B	\$10.8 B	\$9.9 B*	\$9.746 B*
Section 8 Tenant Based Renewals	\$18,914	\$17,964	\$17 B	\$17.6 B	\$17.36 B*	\$18 B*
CDBG	\$3,408	\$3,135	\$1.636	\$3.15 B	\$3.0 B	\$2.87 B
Public Housing Capital Fund	\$1,875	\$1,777	\$1.5 B	\$2 B	\$1.875 B	\$1.925 B
Public Housing Operating Fund	\$3,962	\$4,054	\$4.262	\$4.6 B	\$4.4 B	\$4.6 B
Veterans Vouchers	\$75	\$75	\$75 M	\$75 M	\$75 M	\$75 M
Elderly 202	\$375	\$355	\$374	\$400M	\$383.5 M	\$350 M
HOME	\$1,000	\$948	\$700 M	\$1 B	\$1 B	\$950 M
CHOICE Neighborhoods	\$120	\$114	0	\$250 M	\$90 M	\$120 M
RAD	\$0	\$0	0	\$10M	\$0	\$10 M



\* Includes advanced appropriation of \$400 M for project based and \$4 B for tenant based.

# Other Provisions in 2014 HUD Appropriations Bill

\$130M for tenant protection vouchers; increase of \$55M; important for 2<sup>nd</sup> component of RAD

- 2015: Administration's proposal would increase to \$150M.

Extends 2<sup>nd</sup> component of RAD (RAP/Rent Supp) until December 31, 2014.

Authorizes 1 year extensions of expiring RAP/Rent Supp contracts

\$5M for tenant protection vouchers or PBVs for certain properties in low vacancy areas, i.e., maturing non-profit 236/221(d)(3).

- 2015: Administration's proposal for 2015 is also \$5M.

Owners to remit residual receipts on "new reg" Section 8 contracts to HUD.



# Other Provisions in 2014 HUD Appropriations Bill (cont'd)

Allows for transfer of Section 8 contracts and/or Use Agreements between properties.

Clarifies enforcement procedures for multiple failing REAC inspections.

Sets forth inspection process for voucher units.

Establishes flat rents for public housing and calculation for utility allowances for voucher tenants.



# Other Provisions in Administration's 2015 Budget Proposal

RAD Component 1: removes cap on total units for Public Housing and Mod Rehab and extends program through September 30, 2018.

RAD Component 2: provides owner the choice to receive a PBRA or PBV contract for RAP, Rent Supp, or Mod Rehab properties and extends program to September 30, 2016.

Proposes legislative change to LIHPRHA to remove limitation on distributions.



# New HUD Policy Initiatives

Senior Project  
Rental  
Assistance  
Contracts  
(SPRAC)

- New funding.
- Federal Register Notice January 2013; public comments due March 2013.
- Applications due September 3, 2013.
- Awards made December 2013.

Option 1/  
Chapter 15

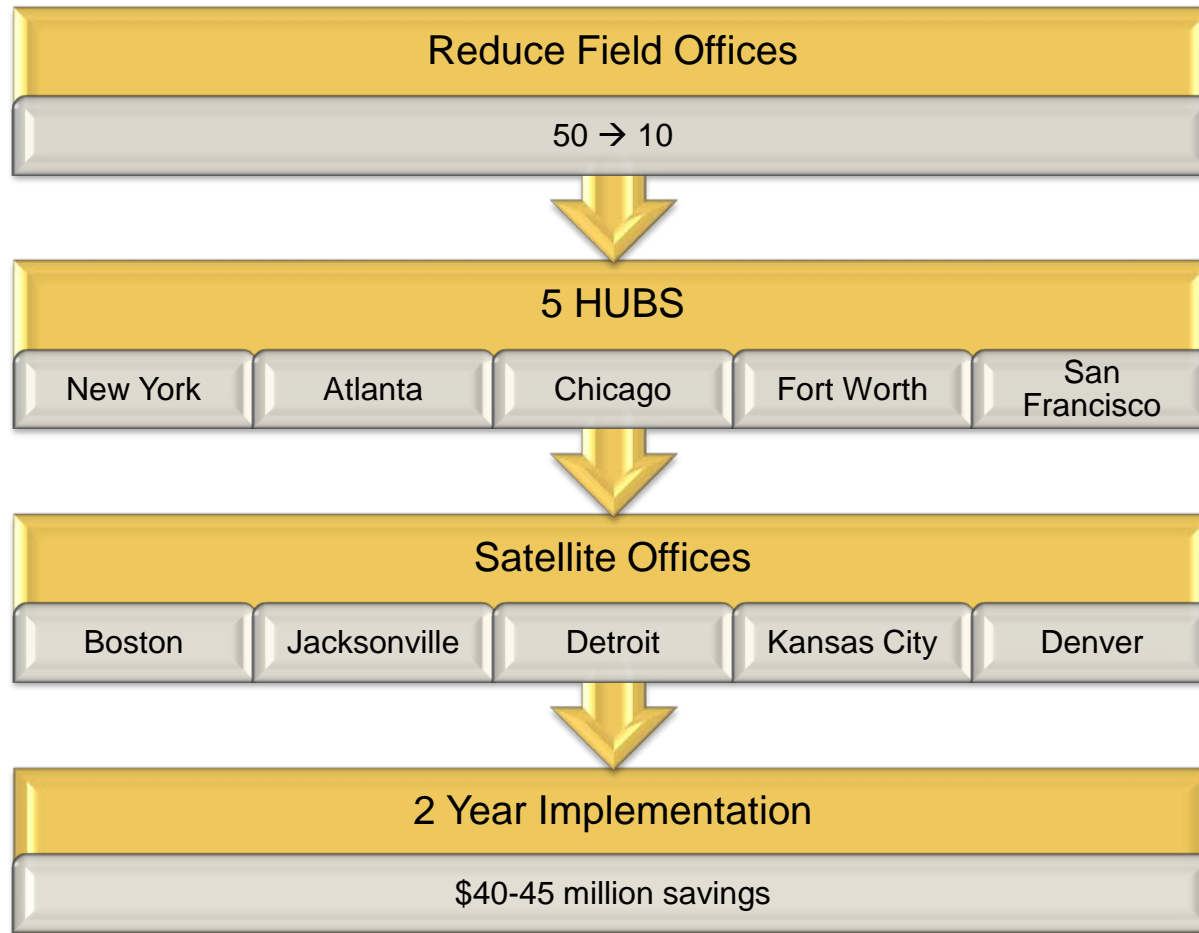
- Mark up to market post rehab rents.
- Day 1 rents if perm loan amortizing.
- Requires waivers from HUD DC.

Section 236  
Decouplings H  
2013-25

- Re-decoupling.
- Assignment of IRP; equity takeout.
- Early termination of IRP; eliminate LD; amend 236(e)(2) use agreement.
- HUD sent out draft HAP renewal guidebook as well as new chapters to HB 4350.



# Multifamily Reorganization





# Questions?



**Monica Hilton Sussman, Esq.**

[msussman@nixonpeabody.com](mailto:msussman@nixonpeabody.com)

(202) 585-8833

