

## EFFECTIVE DATE OF 1992 AMENDMENT

Amendment by Pub. L. 102-550 applicable to unexpended funds allocated under subchapter II of this chapter in fiscal year 1992, except as otherwise specifically provided, see section 223 of Pub. L. 102-550, set out as a note under section 12704 of this title.

**§ 12783. Conditions of contracts****(a) Eligible organizations**

The Secretary shall carry out this part insofar as is practicable through contract with—

- (1) a participating jurisdiction or agency thereof;
- (2) a public purpose organization established pursuant to State or local legislation and responsible to the chief elected official of a participating jurisdiction;
- (3) an agency or authority established by two or more participating jurisdictions to carry out activities consistent with the purposes of this subchapter;
- (4) a national or regional nonprofit organization that has a membership comprised predominantly of entities or officials of entities that qualify under paragraph (1), (2), or (3); or
- (5) a professional and technical services company or firm that has demonstrated capacity to provide services under this part.

**(b) Contract terms**

Contracts under this part shall be for not more than 3 years and shall provide not more than 20 percent of the operating budget of the contracting organization in any one year. Within any fiscal year, contracts with any one organization may not be entered into for a total of more than 40 percent of the funds appropriated under this part in that fiscal year.

(Pub. L. 101-625, title II, §243, Nov. 28, 1990, 104 Stat. 4118; Pub. L. 111-8, div. I, title II, §229(3), Mar. 11, 2009, 123 Stat. 978.)

## AMENDMENTS

2009—Subsec. (b). Pub. L. 111-8 substituted “40 percent of the funds” for “20 percent of the funds”.

**§ 12784. Research in housing affordability**

The Secretary is authorized to support, through contracts with eligible organizations and otherwise, such research and to publish such reports as will assist in the achievement of the purposes of this subchapter. Activities authorized by the previous sentence may include an ongoing analysis of the impact of public policies at the Federal, State, and local levels, both individually and in the aggregate, on the incentives to expand and maintain the supply of energy-efficient affordable housing in the United States, particularly in areas with severe problems of housing affordability, through the use of cost-saving innovative building technology and construction techniques. For purposes of this section, agencies of the United States, government-sponsored mortgage finance corporations, and qualified research organizations shall be included as eligible organizations in addition to eligible organizations specified under section 12783 of this title.

(Pub. L. 101-625, title II, §244, Nov. 28, 1990, 104 Stat. 4118; Pub. L. 102-550, title II, §215, Oct. 28, 1992, 106 Stat. 3759.)

## AMENDMENTS

1992—Pub. L. 102-550 inserted before period at end of second sentence “, through the use of cost-saving innovative building technology and construction techniques”.

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**§ 12785. REACH: asset recycling information dissemination****(a) In general**

The Secretary shall make available upon request by any participating jurisdiction a list of eligible properties that are located within the jurisdiction and that are owned or controlled by the Department of Housing and Urban Development to facilitate the purchase, development, or rehabilitation of such properties with assistance made available under this subchapter.

**(b) Eligible properties**

An eligible property under this section shall—

- (1) be an unoccupied single-family or multi-family dwelling, such that acquisition and rehabilitation of the dwelling would not result in the displacement of any residents of the dwelling; and
- (2) have an appraised value that does not exceed (A) in the case of a 1- to 4-family dwelling, 95 percent of the median purchase price for the area for such dwellings, as determined by the Secretary, or (B) in the case of a dwelling with more than 4 units, the applicable maximum dollar amount limitation under section 1715(d)(3)(ii) of title 12 for elevator-type structures.

(Pub. L. 101-625, title II, §245, Nov. 28, 1990, 104 Stat. 4119.)

## PART D—SPECIFIED MODEL PROGRAMS

**§ 12801. General authority**

Among the alternative model programs that the Secretary shall make available for use by participating jurisdictions under the provisions of section 12743 of this title shall be model programs specified in this part. The Secretary shall keep these specified model programs under review and submit to Congress such recommendations for change as the Secretary determines to be appropriate.

(Pub. L. 101-625, title II, §251, Nov. 28, 1990, 104 Stat. 4119.)

**§ 12802. Rental housing production****(a) Repayable advances****(1) In general**

The Secretary shall make available a model program under which repayable advances may be made to public and private project sponsors in constructing, acquiring, or substantially rehabilitating projects to be used as affordable rental housing, including limited equity cooperatives and mutual housing.

**(2) Maximum amount of advance**

An advance under this model program shall not exceed 50 percent of the total costs associated with the construction, acquisition, or substantial rehabilitation of the project, as determined by the participating jurisdiction.

**(3) Terms of repayment****(A) Interest payments****(i) In general**

Under the model program, advances shall be repaid with interest calculated at a rate of not more than 3 percent per year, as determined by the participating jurisdiction to be appropriate. Interest shall begin to accrue 1 year after the completion of the construction, acquisition, or substantial rehabilitation of the project and shall be payable in annual installments.

**(ii) Exception**

Interest and any accrued interest shall be payable only from the surplus cash flow of the project, after a minimum return on equity determined by the participating jurisdiction to be appropriate. As used in the previous sentence, the term “surplus cash flow” means the cash flow of the project after the payment of all amounts due under the first mortgage, operating expenses, and required replacement reserves, as determined by the participating jurisdiction.

**(B) Additional interest payments**

Under the model program, for any year in which the sum of the surplus cash flow of a project and the return on equity exceeds all interest payments due under subparagraph (A), 50 percent of the excess surplus cash flow shall be paid to the participating jurisdiction’s HOME Investment Trust Fund as additional interest.

**(C) Principal and unpaid interest**

The principal amount of an advance under the model program, and any interest remaining unpaid pursuant to subparagraph (A)(ii) shall be repayable when the housing no longer qualifies as affordable housing in accordance with section 12749(b) of this title.

**(b) Selection guidelines****(1) In general**

The Secretary shall establish guidelines for the selection of projects by participating jurisdictions for assistance under the model program. Such guidelines shall be designed to select projects in areas and for markets demonstrating the greatest need for the production of affordable rental housing.

**(2) Specific requirements**

The selection guidelines may include—

(A) the extent of the shortage of rental housing in the area that is available to low-income families;

(B) the extent large families with children will be served by the project;

(C) the extent to which the project provides congregate facilities and has available supportive services that will permit elderly

or handicapped residents who become frail and are in need of assistance in living to continue to reside in the project;

(D) the extent of very low-income and low-income occupancy in excess of the income targeting requirements in section 12744 of this title;

(E) the extent of the project sponsor’s commitment of equity to the project (except that this criterion shall not apply to or affect the selection of applications submitted by public housing agencies and nonprofit entities);

(F) the extent of the project sponsor’s commitment of equity to the project in comparison to the value of all public assistance for the project, including assistance under this subchapter, other Federal assistance and financing, and State and local government contributions (except that this criterion shall not apply to or affect the selection of applications submitted by public housing agencies and nonprofit entities);

(G) the extent of non-Federal public or private assistance to the project;

(H) the extent to which the project provides supportive services for persons with disabilities; and

(I) any other factor determined by the Secretary to be appropriate.

**(c) Guidelines**

The Secretary shall publish guidelines for the model program under this section not later than 180 days after November 28, 1990.

(Pub. L. 101-625, title II, §252, Nov. 28, 1990, 104 Stat. 4119.)

**§ 12803. Rental rehabilitation****(a) In general**

The Secretary shall make available a model program to support the rehabilitation of privately owned rental housing located in neighborhoods where the median income does not exceed 80 percent of the area median as determined by the Secretary and where rents can reasonably be expected not to change materially over an extended period of time.

**(b) Amount of subsidy**

The amount of the rehabilitation subsidy shall be moderate and shall generally not exceed 50 percent of the total costs associated with the rehabilitation of the housing.

**(c) Additional restrictions**

The guidelines of the model program shall generally comport with the additional protections and restrictions specified under section 1437o(c)<sup>1</sup> of this title.

(Pub. L. 101-625, title II, §253, Nov. 28, 1990, 104 Stat. 4121.)

## REFERENCES IN TEXT

Section 1437o of this title, referred to in subsec. (c), was repealed by Pub. L. 101-625, title II, §289(b), Nov. 28, 1990, 104 Stat. 4128.

<sup>1</sup> See References in Text note below.