

Section 2835

(b) Section 202 Housing for Elderly Persons- Subsection (f) of section 202 of the Housing Act of 1959 () is amended--

(1) by striking 'Selection Criteria- ' and inserting 'Initial Selection Criteria and Processing- (1) SELECTION CRITERIA- ';

(2) by redesignating paragraphs (1) through (7) as subparagraphs (A) through (G), respectively; and

(3) by adding at the end the following new paragraph:

'(2) DELEGATED PROCESSING-

'(A) In issuing a capital advance under this subsection for any project for which financing for the purposes described in the last two sentences of subsection (b) is provided by a combination of a capital advance under subsection (c)(1) and sources other than this section, within 30 days of award of the capital advance, the Secretary shall delegate review and processing of such projects to a State or local housing agency that--

'(i) is in geographic proximity to the property;

'(ii) has demonstrated experience in and capacity for underwriting multifamily housing loans that provide housing and supportive services;

'(iii) may or may not be providing low-income housing tax credits in combination with the capital advance under this section, and

'(iv) agrees to issue a firm commitment within 12 months of delegation.

'(B) The Secretary shall retain the authority to process capital advances in cases in which no State or local housing agency has applied to provide delegated processing pursuant to this paragraph or no such agency has entered into an agreement with the Secretary to serve as a delegated processing agency.

'(C) An agency to which review and processing is delegated pursuant to subparagraph (A) may assess a reasonable fee which shall be included in the capital advance amounts and may recommend project rental assistance amounts in excess of those initially awarded by the Secretary. The Secretary shall develop a schedule for reasonable fees under this subparagraph to be paid to delegated processing agencies, which shall take into consideration any other fees to be paid to the agency for other funding provided to the project by the agency, including bonds, tax credits, and other gap funding.

'(D) Under such delegated system, the Secretary shall retain the authority to approve rents and development costs and to execute a capital advance within 60 days of receipt of the commitment from the State or local agency. The Secretary shall provide to such agency and the project sponsor, in writing, the reasons for any reduction in capital advance amounts or project rental assistance and such reductions shall be subject to appeal.'