**SUBJECT:** Rental Assistance Demonstration (RAD) – Supplemental Guidance 3.B

**Purpose**
This Notice amends Notice PIH 2012-32 (HA), H-2017-03, REV-3, Rental Assistance Demonstration – Final Implementation, Revision 3, (RAD Notice) published on January 12, 2017 in order to maximize the resources available to make property improvements for low-income households living in properties converting under the Second Component of RAD and to align RAD requirements more closely with the underlying statutory and regulatory PBRA requirements related to Davis Bacon.

**Davis-Bacon Prevailing Wages.**

Sections 2.6.G and 3.6.G are deleted and replaced with the following language:

*Davis-Bacon Prevailing Wages. Execution of a PBRA contract through RAD does not trigger Davis-Bacon prevailing wage requirements (prevailing wages, the Contract Work Hours and Safety Standards Act, and other related regulations, rules, and requirements).*

Further, applicable portions of Section 3.7.1 (“Owner Submissions for Prospective Conversions”) and 3.7.3 (“PBRA: HUD Review of PBRA Request and Execution of Contract”) requiring a certification from the Owner that Davis-Bacon wages will be paid are stricken and do not apply.