



OFFICE OF FIELD POLICY
AND MANAGEMENT

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-0050

Special Attention of:
Regional and Field Davis-Bacon and Labor
Standards Staff;
Public Housing Regional and Office
Directors;
Public Housing Agencies;
Office of Native American Programs
Administrators;
Tribes; Tribally Designated Housing Entities;
Indian Housing Authorities

Notice **LR-21-02**

Issued: 6/15/2021

Expires: This Notice is effective until it is
amended, superseded, or
rescinded.

Cross References: HUD Handbook 1344.1
REV-2, Chapter 8; DBLS Notice 2018-02;
Section 12 of the U.S. Housing Act of 1937
(42 U.S.C. 1437j); Sections 104(b) and
805(b) of the Native American Housing
Assistance and Self-Determination Act of
1996 (25 U.S.C. 4114(b) and 25 U.S.C.
4225(b))

SUBJECT: Issuance of Prevailing Maintenance Wage Rates Determined or Adopted by HUD

PURPOSE

To notify public housing agencies, tribally designated housing entities, the Department of Hawaiian Home Lands (collectively the Agencies), and HUD staff of guidance that clarifies policy that was issued by the Office of Davis-Bacon and Labor Standards (DBLS) in HUD Notice 2018-02, which provided for the issuance of HUD-determined or adopted prevailing maintenance wage rate determinations (MWDs) for a multiple year period.

BACKGROUND

HUD has a statutory obligation to determine (or adopt) the minimum wage rates payable for all maintenance laborers and mechanics performing maintenance and maintenance-related work at low income or affordable housing projects operated by the Agencies. This includes the minimum wage rates payable under any contracts that the Agencies enter into for maintenance services. The governing statutes impose no term requirements for the MWDs that HUD determines or adopts¹.

Before October 2018, the Office of Davis-Bacon and Labor Standards (DBLS) staff issued MWDs that were effective for a one-year period beginning the first day of an Agency's fiscal year.

¹ See Section 12 of the U.S. Housing Act of 1937 (42 U.S.C. 1437j) and Sections 104(b) and 805(b) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4114(b) and 25 U.S.C. 4225(b))

On October 15, 2018, DBLS issued Notice 2018-02, which changed this practice by specifying that DBLS staff will issue MWDs every two years. The new policy was intended to reduce the burden on HUD staff of issuing MWDs for all Agencies in the same year but had the unintended consequence of re-imposing that burden once the two-year cycle was concluded.

POLICY UPDATE

DBLS staff will continue to issue MWDs effective for a two-year period beginning the first day of an agency’s fiscal year (FY) but may stagger the terms to reduce the number of issuances in any single year. This adjustment reduces the burden in any single year by half while DBLS staff continue to timely issue MWDs to its client agencies.

For example, this enables a region with 500 Agencies to more efficiently issue 250 MWDs each year instead of 500 every two years. To implement this staggered approach, staff may need to issue MWDs that are effective for one year instead of two years to the first 250 clients so that upon renewal and going forward, the two-year cycle issuance staggers with the remaining 250 clients.

Here is a sample roll-out for a region that has 200 Agencies with a fiscal year start of July 1:

MWD Issue Date [30 days before FY Start Date]	MWD Term	Notes
6/1/2021	7/1/2021 – 6/30/2022	Agencies 1-100 one year term
6/1/2021	7/1/2021 – 6/30/2023	Agencies 101-200 two -year term
6/1/2022	7/1/2022 – 6/30/2024	Agencies 1-100 two -year term
6/1/2023	7/1/2023 – 6/30/2025	Agencies 101-200 two-year term
6/1/2024	7/1/2024 – 6/30/2026	Agencies 1-100 two -year term
6/1/2025	7/1/2025 – 6/30/2027	Agencies 101-200 two-year term
		Continues....

DBLS staff will continue to follow all other procedures outlined in Chapter 8 of HUD Handbook 1344.1, Rev 2, *Federal Labor Standards Requirements in Housing and Urban Development Programs*, when determining or adopting maintenance wage rates.

PAPERWORK REDUCTION ACT

The Paperwork Reduction Act of 1995 (PRA) and its attendant regulations require an agency to consider its need for any information collections, their practical utility, as well as the impact of paperwork and other information collection burdens imposed on the public, and how to minimize those burdens. The PRA typically requires an agency to provide notice and seek public comments on any proposed collection of information contained in a proposed rule. This Notice does not contain a collection of information subject to Office of Management and Budget approval under the PRA.

CONTACTS

If you have questions about this Notice, contact the DBLS staff with jurisdiction in your area. A list of DBLS contacts is available on the national webpage.²

Michele P. Perez
Assistant Deputy Secretary
Office of Field Policy and Management

² Find your local DBLS contact at https://www.hud.gov/program_offices/davis_bacon_and_labor_standards/laborrelstf