



U.S. Department of Housing and Urban Development

Public and Indian Housing

Special Attention of:

Notice PIH 96-40 (HA)

HAs with Section 8 Moderate Rehabilitation, Tenant Based Certificate and Project Based Certificate Programs; Secretary's Representatives; State and Area Office Directors of Public Housing; State Office Directors of Native American Programs

Issued: June 19, 1996

Expires: September 30, 1996

Cross References:

Subject: Annual Adjustments for the Section 8 Certificate and Moderate Rehabilitation Programs

Background: On September 28, 1994, Congress enacted P.L. 103-327, "Department of Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriations Act, 1995" (FY '95 Appropriations Act). The FY '95 Appropriations Act provided that during FY '95 a reduced AAF was required to be applied, in certain circumstances. As required by the FY '95 Appropriations Act, HUD published separate AAF tables for turnover and non-turnover units. The FY '95 Appropriations Act also amended Section 8(c)(2)(A) of the United States Housing Act of 1937 by requiring HUD to apply the contractual comparability limitation to Section 8 Moderate Rehabilitation Projects. The FY '95 Appropriations Act requirements were implemented through Notice PIH 95-34 (HA).

In FY '96 a series of continuing resolutions (CRs) extended applicability of the Section 8 annual adjustment procedures as required by the FY '95 Appropriations Act. During that period, the procedures provided in Notice PIH 95-34 (HA) were extended by Notice PIH 96-8 (HA) to cover HAP Contracts with anniversary dates that fell within the period of CRs applicable for FY '96. Notice PIH 96-8 (HA) also provided that the provisions contained in Notice PIH 95-34 (HA) would continue until September 30, 1996 unless superseded by HUD.

"The Balanced Budget Down Payment Act II" (FY' 96 Appropriations Act) was enacted on April 26, 1996 in P.L. 104-134. The FY '96 Appropriations Act did not extend requirements of the FY '95 Appropriations Act relating to separate AAFs for turnover and non-turnover units or the requirement that HUD apply comparability limitations to Section 8 Moderate Rehabilitation Projects.

: Distribution:

HUD 21B (3-80)

PURPOSE: This Notice announces that the Section 8 Annual Adjustment procedures in Notice 95-34 do not apply for HAP anniversary dates from April 26, 1996 (the date of enactment of the HUD FY '96 Appropriations Act). For HAP anniversaries from April 26, 1996 through September 30, 1996, Housing Agencies (HAs) shall not apply comparability limitations for Moderate Rehabilitation Projects under Notice PIH 95-34 (HA). The Department will publish, through separate rulemaking, comparability procedures for Moderate Rehabilitation Projects and the project-based Certificate program. For the Section 8 tenant-based certificate program, HAs shall continue to apply comparability limitations when adjusting Contract Rents, in accordance with program regulations and Housing Assistance Payments Contracts.

For Certificate and Moderate Rehabilitation HAP Contracts with FY '96 anniversary dates falling on or after April 26, 1996, Table 1 AAFs must be utilized in all cases.

Effective Date: This Notice shall be effective upon receipt and shall apply for Contracts with anniversary dates falling from April 26, 1996 through September 30, 1996.

_____/s/_____
Kevin Emanuel Marchman, Acting
Assistant Secretary for Public and
Indian Housing