



U.S. Department of Housing and Urban Development Public and Indian Housing

Special Attention:
Regional and Field Office Directors of
Public Housing; Regional Directors,
Public Housing Agencies, Financial
Management Center

Notice PIH 2008- 14 (HA)

Issued: March 18, 2008

Expired: March 31, 2009

Cross References:

Subject: Renewal of Project-Based Certificate Housing Assistance Payments Contracts

- 1. Purpose:** This Notice provides instructions for implementing Section 6904 of the U.S. Troop Readiness, Veterans Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007, Pub. L. 110-28 (2007 Appropriations Act).
- 2. Applicability:** This Notice applies to all public housing agencies (PHAs) administering the Project-Based Certificate (PBC) and Project-Based Voucher (PBV) programs.
- 3. Background:** The law governing the PBV program was initially enacted in 1998, as part of the statutory merger of the certificate and voucher tenant-based assistance programs. (See section 545 of the Quality Housing and Work Responsibility Act of 1998, QHWRA, Pub L. 105-276, approved October 21, 1998) amending 42 U.S.C. 1437f(o).) Under QHWRA, a PHA has the option to use a portion of its available tenant-based voucher funds for project-based rental assistance. The project-based voucher law replaced an authority for project-based rental assistance in the former Section 8 certificate program.

In 2000, Congress substantially revised the law governing the PBV program. (See Section 8(o)(13) of the United States Housing Act of 1937, 42 U.S.C. 1473f(o)(13) (1937 Act), as amended by section 232 of the Fiscal Year 2001 Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act (Pub. L. 106-377, 114 Stat. 1441, approved October 27, 2000)) (2001 Appropriations Act).

Section 6904 of the 2007 Appropriations Act provides that a PHA may renew or extend (hereafter, renew) PBC Housing Assistance Payments (HAP) contracts as PBV HAP contracts under certain conditions. Specifically, such renewals are permitted provided that the initial PBV HAP contract is for a term of up to 10 years and that the rents for the renewed contract are calculated in accordance with section 8(o)(13)(H) of the 1937 Act and HUD's implementing regulations at 24 CFR §§ 983.301-305. In addition, sections

8(o)(13)(C) ("Consistency With PHA Plan and Other Goals") and 8(o)(13)(D) ("Income Mixing Requirements") do not apply to renewal of PBC contracts as PBV contracts (see paragraph 5 below).

4. Project-Based Certificate Renewals: Currently, PBC HAP contracts are renewed in accordance with the terms of the contract. Generally, PHAs may renew PBC HAP contracts for terms of up to five years, to an aggregate total including the original term and all extensions of 15 years, depending on the availability of appropriated funds. In addition, PBC owners--like any other interested owners--may apply for available PBV assistance. The amendment, pursuant to the 2007 Appropriations Act, allows for the renewal of PBC contracts as PBV contracts without requiring owners to re-apply for PBV assistance under the program.

5. Conversion of Project-Based Certificate HAP Contracts to Project-Based Voucher HAP Contracts at Renewal: PHAs, at their sole discretion and upon the request of an owner, may renew a PBC HAP contract as a PBV HAP contract in accordance with the regulations governing the PBV program at 24 CFR Part 983. The renewal of PBC assistance as PBV assistance is effectuated by the execution of a PBV HAP contract addendum (Attachment 1) by the PHA and Owner along with the PBV contract for existing housing. A PHA must make the determination, within one year before expiration of a PBC contract, that renewal of the contract under the PBV program is appropriate to continue providing affordable housing for low-income families.

Any PBC contract renewed as a PBV contract is governed by the PBV regulations except that certain statutory provisions and implementing regulations do not apply. Regulations implementing the following statutory provisions are inapplicable to a PBC contract that is renewed as a PBV contract: 1) selection of PBV units must be consistent with the goals of deconcentrating poverty and expanding housing and economic opportunities; 2) PBV HAP contracts must be consistent with the PHA Plan for the agency; and 3) not more than 25 percent of dwelling units in any building may be assisted under a PBV HAP contract.

6. Additional Information: For additional information, please contact the Housing Voucher Management and Operations Division at (202) 708-0477.

/s/

Paula O. Blunt, General Deputy Assistant Secretary
for Public and Indian Housing