

may move with continued tenant-based assistance to a new unit. With project-based assistance, the HA enters into a HAP contract to make housing assistance payments during the contract term for a specific unit. The subsidy is paid when the owner leases the unit to an eligible family. (The unit may be vacant for a limited time.) To fill vacant project-based units, the HA refers families from its waiting list to the project owner. Because the assistance is tied to the unit, a family that moves from the unit does not have any right to continued assistance. The unit is rented to another eligible family.

(d) Except as otherwise expressly modified or excluded by this part 983, all provisions of part 982 of this chapter apply to project-based assistance under this part 983.

(e) The following sections in part 982 of this chapter, which implement the tenant-based aspect of the certificate program, do not apply to project-based assistance under this part 983: 24 CFR part 982, subpart H (Where family can live and move); § 982.314 of this chapter (Move with continued tenant-based assistance); and § 982.303 of this chapter (Term of a certificate or voucher). Other sections in this part 982 identify other tenant-based provisions of part 982 of this chapter that do not apply to project-based assistance under this part 983.

(f) Subparts C and F of this part, which implement shared housing and assistance for owners of manufactured housing for the tenant-based aspect of the certificate program, do not apply to project-based assistance under this part 983.

(g) HUD does not provide any separate funding for project-based assistance. Funding for project-based assistance is part of the ACC funding authority for the HA's entire Section 8 certificate program.

#### § 983.2 Additional definitions.

The following definitions apply to assistance subject to this part 983, in addition to the definitions in § 982.3 of this chapter:

*Agreement to enter into housing assistance payments contract* ("Agreement"). A written agreement between the owner and the HA that, upon satisfactory completion of the new construction or the rehabilitation in accordance with requirements specified in the Agreement, the HA will enter into a HAP contract with the owner.

*15-percent limit.* Fifteen percent of the total number of budgeted units for an HA's Section 8 certificate program.

*Funding source.* The ACC funding authority from which the HAP contract

is to be funded. Each funding increment identified in the ACC is a separate, potential funding source.

*Percent limit.* The applicable maximum number of budgeted units for an HA's certificate program that may be project-based. (The applicable percent limit is either the 15-percent limit or the 30-percent limit.)

*Project-based Certificate (PBC) program.* A Section 8 program administered by an HA pursuant to 24 CFR part 983.

*Repair or replacement of a major building system or component.* The complete electrical rewiring of a unit; the installation of new plumbing supply or waste pipes in a unit; the installation of a new heating distribution system, including piping and ductwork, or the installation of a new boiler or furnace; the installation of a new roof; or the replacement or major repair of exterior structural elements which are essential to achieve a stable general condition with no threat of further deterioration.

*State certified appraiser.* Any individual who satisfies the requirements for certification as a certified general appraiser in a State that has adopted criteria that currently meet or exceed the minimum certification criteria issued by the Appraiser Qualifications Board of the Appraisal Foundation. The State criteria must include a requirement that the individual have achieved a satisfactory grade upon a State-administered examination consistent with and equivalent to the Uniform State Certification Examination issued or endorsed by the Appraiser Qualifications Board of the Appraisal Foundation. Furthermore, if the Appraisal Foundation has issued a finding that the policies, practices, or procedures of the state are inconsistent with the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, an individual must comply with any additional standards for state certified appraisers imposed by HUD under 24 CFR 267.11(c)(1).

*30-Percent limit.* Thirty percent of the total number of budgeted units for a HA's Section 8 certificate program.

#### § 983.3 Information to be submitted to HUD by the HA concerning its plan to attach assistance to units.

(a) *Requirements.* An HA may attach certificate assistance to units in accordance with this part 983 if:

(1) The number of units to be project-based does not exceed the applicable percent limit.

(2) The number of units to be project-based are not under a tenant-based or project-based HAP contract or otherwise

committed (e.g., certificates issued to families searching for housing or units under an Agreement).

(b) *Percent limit.* The applicable percent limit is either the 15-percent limit or the 30-percent limit. The 30-percent limit is only applicable if:

(1) There are no project-based new construction units in the HA's certificate program;

(2) The additional 15 percent of project-based units (in excess of the 15-percent limit) is for the rehabilitation of units in projects assisted under a State program that permits owners to prepay State-assisted or subsidized mortgages; and

(3) The additional 15 percent of project-based units is necessary to provide incentives for project owners to preserve the projects for occupancy by low and moderate income families for the term of the HAP contract, and assist low-income tenants to afford any rent increases.

(c) *HA notification to HUD of intent to attach assistance to units.* Before implementing a PBC program, the HA must submit the following information to the HUD field office for review:

(1) The total number of units for which the HA is requesting approval to attach assistance;

(2) The number of budgeted certificate units;

(3) The number of certificate units available to be project-based; i.e., the number of budgeted certificate units that are not under a tenant-based or project-based HAP contract or otherwise committed (e.g., certificates issued to families searching for housing or units under an Agreement).

#### § 983.4 HUD review of HA plans to attach assistance to units.

(a) *Notice to HA.* (1) If the requirements of § 983.3 are satisfied, the field office must authorize the HA to proceed in accordance with this part 983.

(2) If the submission is approved, the field office must notify the HA that the HA may implement a PBC program subject to the requirements of this part 983, including the requirements for approval by the HUD field office of the HA unit selection policy and advertisement, and competitive selection of eligible units. The approval letter must specify the maximum number of units for which the HA may execute Agreements.

(3) If any of the requirements of § 983.3 are not satisfied, the field office must not approve the HA submission. The field office must notify the HA of the reasons for disapproval.

(b) [Reserved]