



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

Special Attention of:

Notice PIH 2006-16 (HA)

PHAs with Section 8 Project-Based Assistance under the Housing Choice Voucher Program, Office Directors of Public Housing

Issued: March 29, 2006

Expires: March 31, 2007

Cross References:

Notice PIH 2002-22;

Notice PIH 2005-20

Subject: Project-Based Voucher Units with Low-Income Housing Tax Credit Allocations

1. **PURPOSE:** This Notice amends Notice PIH 2002-22 as it relates to the project-based voucher program and provides updated instructions to Public Housing Agencies (PHAs) concerning the applicability of certain requirements to units assisted under the project-based voucher program when such units receive low-income housing tax credits (LIHTC) and were selected for project-based voucher assistance by a PHA prior to November 14, 2005. This Notice also provides instructions to PHAs concerning the applicability of requirements to such units that were selected on or after November 14, 2005.
2. **APPLICABILITY:** This Notice only applies to units assisted under the project-based voucher program.
3. **BACKGROUND:** PIH Notice 2002-22, as extended by PIH Notice 2005-20, provides instructions to PHAs for calculating rent amounts under both the tenant-based housing choice voucher program and the project-based voucher program for units receiving LIHTCs.

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) significantly amended the project-based voucher program. On October 13, 2005, a final rule implementing the project-based voucher program was published in the Federal Register. The final rule became effective on November 14, 2005. The final rule modified the rent calculation for certain project-based voucher units that receive LIHTCs. Specifically, section 983.304(c) of the rule provides that, in addition to other rent limitations in the rule, the rents for units that receive LIHTCs may not exceed the tax credit rent.

4. PHA SELECTION OF PROJECT-BASED VOUCHER UNITS PRIOR TO NOVEMBER 14, 2005

For units under the project-based voucher program for which a PHA issued a written notice of owner selection prior to November 14, 2005, and to which LIHTCs have also been allocated, Notice PIH 2002-22, as extended by Notice 2005-20 and any subsequent extension notices, continues to apply in determining the rent amount for such units.

5. PHA SELECTION OF PROJECT-BASED VOUCHER UNITS ON OR AFTER NOVEMBER 14, 2005

For units under the project-based voucher program for which a PHA issued a written notice of owner selection on or after November 14, 2005, and to which LIHTCs have also been allocated, Notice PIH 2002-22, as extended by Notice 2005-20, does not apply to such units. Rents for units under this paragraph must be calculated in accordance with the final rule published on October 13, 2005 in its entirety.

6. FOR FURTHER INFORMATION

Inquiries concerning this Notice should be directed to the Office of Public Housing and Voucher Programs, Housing Voucher Management and Operations Division in HUD Headquarters at (202) 708-0477.

_____/s/_____
Orlando J. Cabrera
Assistant Secretary
for Public and Indian Housing