



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

Special Attention of

Public Housing Agencies with HCV Programs
Public Housing Hub Office Directors
Public Housing Program Center Directors
Regional and Field Office Directors
Financial Management Center
State and Area Coordinators
Special Applications Center Director

Notice: PIH-2013-11

Issued: May 10, 2013

Expires: This notice remains in effect until amended, superseded or revoked

Cross Reference:

Administrative Guidelines; Subsidy Layering Reviews for Proposed Section 8 Project-Based Voucher Housing Assistance Payments Contracts, Final Guidelines published in the Federal Register on July 9, 2010 (FR-5417-N-01)

SUBJECT: Process for Requesting Subsidy Layering Reviews

1. Purpose

This notice provides instructions for submitting requests for Subsidy Layering Reviews (SLRs) to the Department of Housing and Urban Development in accordance with the Administrative Guidelines; Subsidy Layering Reviews for Proposed Section 8 Project-Based Voucher Housing Assistance Payments Contracts, Final Guidelines published in the Federal Register on July 9, 2010 (FR-5417-N-01) <http://edocket.access.gpo.gov/2010/pdf/2010-16827.pdf> (copy attached).

These instructions do not apply to SLRs performed by qualified housing credit agencies (HCAs). HCAs include State housing finance agencies, participating jurisdictions under the HOME program, or other State housing agencies that meet the definition of a HCA as defined under Section 42 of the IRC of 1986. HCAs are authorized to issue federal Low-Income Housing Tax Credits (LIHTCs), and may request approval from HUD to conduct SLRs on behalf of the Department for projects receiving federal LIHTCs.

2. Background

Section 102(d) of the HUD Reform Act was enacted to ensure that Housing projects receiving HUD assistance do not receive excessive compensation by combining various forms of HUD program assistance with assistance from other Federal, State, or local agencies (other Government Assistance). PHAs must request a subsidy layering review for proposed Section 8 Project-Based Voucher Housing Assistance Payments Contracts when a new construction or

rehabilitation project has been selected pursuant to program regulations found at 24 CFR part 983 and the project combines other forms of governmental assistance.

3. Requesting a Subsidy Layering Review

The FR-5417-N-01 provides guidelines to PHAs for requesting subsidy layering reviews through participating HCAs when the request for PBVs includes LIHTC assistance. A list of participating HCAs is posted on HUD's Office of Public and Indian Housing's Web site at <http://www.hud.gov/offices/pih/programs/hcv/fmdhca.cfm> and is updated periodically. PHAs must notify their respective HUD Field/Area Office when SLRs for PBVs requests have been requested through approved HCAs. PHAs must issue a copy of the SLR certification to their respective Field Offices. If there are no HCAs approved to perform SLRs in the PHA's jurisdiction or if the project does not include LIHTCs, the process for requesting a SLR is as follows:

- The PHA must submit a PDF copy of the SLR package to the Field Director, Office of Public Housing within the PHA's jurisdiction. Each package must include those items listed in the attached SLR Checklist and appendix D of FR-5417-N-01. PHAs must not submit SLR packages directly to HUD Headquarters.
- Prior to forwarding the request recommending to conduct the review to the Headquarters Office, the Field Offices are required to complete the following:
 - Review the management plan for consistency with program regulations.
 - Ensure that the PHA's total PBVs assistance does not exceed 20% of the amount of budget authority allocated to the PHA by HUD in the PHA's voucher program per 24 CFR 983.6.
 - Where applicable, ensure approvals from the Special Application Center (SAC) are documented.
 - Verify that the environmental review was conducted and signed.
 - Verify principals may conduct business with the government through the use of available tools such as the Excluded Parties List System.
 - Review funding letters to verify that funding is firmly committed. (NOTE: Letters of Intent or proposal letters do not verify that funding is firmly committed.)
 - Complete the SLR checklist.
 - Obtain from the PHA any applicable documentation missing from the SLR package.
 - Prepare the memorandum requesting the SLR (sample memorandum attached).
- The PH Field Office Director forwards the memorandum, the SLR checklist and a complete SLR package to Miguel A. Fontanez, Director, Housing Voucher Financial Management Division to the PIHFinancialManagementDivision@hud.gov email address.
- The Housing Voucher Financial Management Division logs the SLR request and conducts the review. If the SLR documentation is complete, the FMD will complete the review within 20-30 days of receipt. If found that SLR documentation is still missing or

is incomplete, the FMD will contact the Field Office for the missing or incomplete documentation; however, the SLR may be delayed until the applicable information is received.

- The FMD will notify Field Offices of the SLR determination via e-mail. Field Offices will be responsible for notifying the PHAs.

SLR requests received outside of this process will be returned to the respective Field Office or to the PHA if the later initiated the request.

Any questions regarding this notice should be referred to the FMD at (202) 708-2934 or emailed to PIHFinancialManagementDivision@hud.gov.

Sandra B. Henriquez, Assistant Secretary for
Public and Indian Housing