



OFFICE OF PUBLIC & INDIAN HOUSING

May 15, 2024

Last week, I had the great honor of announcing the publication of [Housing Opportunity Through Modernization Act of 2016-Housing Choice Voucher \(HCV\) and Project-Based Voucher Implementation; Additional Streamlining Changes](#) alongside the Housing Authority of DeKalb County in Decatur, GA, at one of their beautiful PBV properties.

As I said at the announcement, these policy reforms help preserve and expand housing supply in our communities by making development actions easier and more flexible for housing agencies. It also lays the groundwork for long-term improvements in our most vital programs, which ultimately benefit residents and the broader community.

I invite you to join me for a kick-off call this coming **Monday, May 20, 2024 at 11:00am EST** to hear from HUD staff directly on some of the most significant changes of the rule. **Please save [this link](#) to join the meeting.**

The rule aligns with and supports emerging National and local strategies to rapidly increase affordable housing supply while ensuring families are able to successfully lease a decent, safe and sanitary unit with tenant based or project-based voucher assistance.

The rule has three main areas of focus: HCV/PBV Program improvements, Payment Standards and Small Area Fair Market Rents for the HCV/PBV program, and inspection improvements. Some of the notable reforms implemented include:

HCV/PBV Program Reforms

- Providing a new option for PBV rehabilitated housing, which will permit some or all development activity to occur during the term of the Housing Assistance Payments (HAP) contract under certain conditions, rather than requiring all rehabilitation work to occur before the HAP contract may be executed.
- Allowing for owner-maintained, site-based waiting lists.
- Helping PHAs serve vulnerable families by allowing a preference for applicants who qualify for voluntary services, including disability-specific services, offered at a particular project.
- Adding projects formerly assisted under the Low-Income Housing Tax Credit (LIHTC) program and Section 515 Rural Rental Housing programs to the list of projects that are entirely excluded from the cap on the number of voucher units that may be project-based by a PHA.
- Allowing PHAs to project-base additional units where public housing is being demolished or sold so that PBV assistance can include off-site replacement housing for families.
- Providing an option for manufactured housing to receive project-based voucher assistance.
- Providing an option for automatic Operating Cost Adjustment Factor rent adjustments in PBV projects to simplify the process.
- Expanding the categories of projects that can be selected without competition to include PHA-owned projects.

- Providing new PHA-owned certification forms in lieu of the Agreement to enter into a HAP (AHAP) and HAP contracts to reduce the administrative burden on PHAs developing PHA-owned projects
- Increasing HAP contract flexibilities to align with future refinancing terms, add eligible units during the contract term, and provide a family right to remain after contract termination.

Payment Standards and Small Area Fair Market Rents for the HCV/PBV program

- Allowing PHAs struggling with success rates or high rent burdens to adopt an exception payment standard of up to 120 percent of the HUD published FMR through a simple notification process.
- Ensures families get the benefit of increased payment standards at the time of other changes, including owner requested rent increases.

Inspection Improvements

- Fully implementing inspection flexibilities and protecting families when units do not meet inspection standards. This includes allowing PHAs to provide financial assistance to the family to move to a new unit, using the rental payments that were withheld from the owner as a result of their failure to make necessary repairs.
- Updating regulations to align with other rules such as NSPIRE and removing outdated regulations, including those related to Project Based Certificates, Housing Quality Standards, utility allowances, and the Homeownership program.

In the coming months, HUD will be supporting PHAs by posting a series of webinar trainings on the [HOTMA Resources page](#), including a Notice Overview, new guidance, individual topic trainings, and fact sheets. Please send any questions that you may have to us at HOTMAquestions@hud.gov.

We thank you for your engagement to strengthen this Final Rule and your efforts to advance the HCV/PBV program with these changes. We are confident that HOTMA will increase the reach of our programs and make them stronger for the millions of families we serve, and we are committed to helping PHAs with this vital transition.

Many thanks,



Richard J. Monocchio
Principal Deputy Assistant Secretary
Office of Public and Indian Housing