May 30, 2019

Dear Executive Director:

The Office of Housing Voucher Programs has received several recent inquiries concerning whether housing assistance payment (HAP) pass-throughs and HAP contract transfers are allowed in the project-based voucher (PBV) program.

Under a HAP pass-through, an owner of a HUD Office of Multifamily Housing section 8 project-based contract is permitted to use the Section 8 housing assistance payments (HAP) to provide assistance to tenants who are displaced from the HAP contract units due to a disaster or rehabilitation in another building or project. However, there is nothing in the existing statute, PBV regulations, or HUD interpretive notice that currently allows for the use of pass-throughs in the PBV program. HUD may in the future issue guidance on when and how such a pass-through would be permissible in the PBV program. Until such time PHAs may not make housing assistance payments under PBV contracts (both RAD and non-RAD HAP contracts) to owners for unoccupied units in order for the assistance to be “passed through” to temporarily rehouse families in units that are not covered by the PBV HAP contract.

In the case of a HAP contract transfer, a Section 8 project-based HAP contract is transferred from the project it is currently covering to another separate and distinct project. (This is different than the sale, assignment, or transfer of ownership of the HAP contract or the property, which is permissible in the PBV program if done in accordance with the provisions of the PBV HAP contract.) Transfers of PBV HAP contracts are not permitted in the PBV program with the exception of RAD PBV projects, in which case the transfer must be done in accordance with all applicable RAD requirements. HUD may in the future issue guidance to allow PBV HAP contract transfers in the regular PBV program, but until such time PBV HAP contracts may not be transferred to other properties.

Should you have any questions concerning this letter and the inapplicability of HAP assistance pass-throughs or HAP contract transfers to the PBV program, please do not hesitate to contact the Housing Voucher Management and Operations Division at 202-708-0477.

\footnote{Under RAD I PBV conversions, the PHA may make Rehab Assistance Payments for vacant units during the period of rehabilitation or construction work identified in the RAD Conversion Commitment (RCC) in accordance with RAD requirements. A Rehab Assistance Payment is different than a housing assistance payment or a PBV HAP vacancy payment. When a RAD conversion involves a transfer of assistance to units that will be newly constructed or rehabbed and residents will remain in their original Public Housing units while the replacement RAD units are being built or rehabbed, RAD allows for the project owner to master lease the former public housing project from the PHA.}
I hope this information is helpful to you.

Sincerely,

[Signature]

Steven Durham
Director
Office of Housing Voucher Programs