

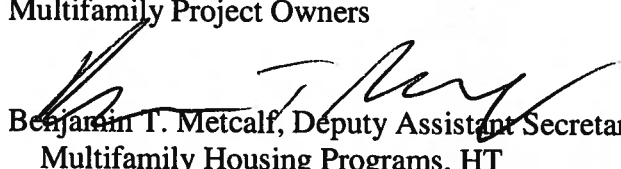


U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

JUN - 5 2014

OFFICE OF MULTIFAMILY HOUSING

MEMORANDUM FOR: Multifamily Project Owners

FROM: 
Benjamin T. Metcalf, Deputy Assistant Secretary for
Multifamily Housing Programs, HT

SUBJECT: Enhanced Vouchers

This letter is to remind Owners and other stakeholders of an enhanced voucher families' "right to remain" in the project following a conversion action that results in the issuance of enhanced voucher assistance to eligible residents.

HUD provides tenant-based rental assistance in order to assist eligible residents that are affected by several different types of owner or HUD actions in HUD's Office of Multifamily Housing programs (collectively referred to as "Housing conversion actions"). Depending on the Housing conversion action and subject to the availability of appropriations, eligible families receive either regular voucher assistance or enhanced voucher assistance to mitigate the impact of the conversion action on the family's rent. Enhanced vouchers are authorized under Section 8(t) of the United States Housing Act of 1937 and are primarily provided in the case of preservation prepayments and Section 8 project-based contract opt-outs.

Enhanced voucher assistance under Section 8(t) is calculated differently from regular housing choice voucher assistance. For example, if the family remains in the project, a higher "enhanced" payment standard is used to determine the amount of the monthly subsidy in cases where the gross rent of the unit exceeds the normally applicable PHA payment standard. In such instances, the gross rent for the unit is used in the monthly subsidy calculation instead of the normally applicable payment standard. The purpose of this special payment standard is to allow the family to remain in the property after the eligibility event, provided the rent is reasonable, even if the rent would normally be unaffordable for a voucher family.

Section 8(t) of the Act further provides that a family who receives an enhanced voucher as the result of a covered housing conversion action "may elect" to remain in the same project in which the family was residing at the time of the eligibility event. This means that a family may exercise its "right to remain" in the project with enhanced voucher assistance as long as the unit is used for rental housing and is otherwise eligible for assistance under the Housing Choice Voucher (HCV) program (e.g., the rent is reasonable, the unit meets HQS, etc.). Please refer to Notice H 2012-03 and PIH 2001-41 for detailed guidance on housing conversion actions, and family and unit eligibility requirements for HCV assistance.

Concerns have been raised to HUD that some families and owners may not be fully aware of the enhanced voucher “right to remain” in accordance with the Act, particularly after the initial year of assistance. When the administering PHA conducts the oral briefing with tenants and/or owners regarding the use of enhanced vouchers, it is important to emphasize to all parties that families have the “right to remain” pursuant to section 8(t) the Act, and that this “right to remain” extends beyond the initial year of assistance.

If you have any further questions regarding enhanced vouchers and the family’s “right to remain” in the project, please contact your local HUD Field Office of Public Housing or refer to Notice H2012-3 or PIH 2001-41. You may also contact the Management and Operations Division of the Office of Housing Voucher Programs at 202-708-0477.