

Project Based Vouchers – Frequently Asked Questions

What organizations are eligible to apply for project-based voucher funding from HUD?

There are no appropriations for this program and HUD does not allocate funding for project-based voucher assistance. Instead, funding for project-based vouchers comes from funds already obligated by HUD to a PHA under its annual contributions contract (ACC). The PHA can use up to 20 percent of its housing choice vouchers for project based vouchers.

What families are eligible to obtain project-based vouchers?

Any eligible family on a PHA's housing choice voucher waiting list that is interested in moving into the specific project. Owners select families for occupancy of a particular unit after screening each family.

How do families obtain project-based vouchers?

PHAs refer families, who have already applied to a PHA for housing choice vouchers and are on the PHA's waiting list, to properties that have project-based voucher assistance when units become vacant.

How much rent do vouchers cover?

The PHA pays the owner the difference between 30 percent of family income and the gross rent for the unit.

How are project-based vouchers different from tenant-based vouchers?

Under the tenant-based housing choice voucher program, the PHA issues an eligible family a voucher and the family selects a unit of its choice. If the family moves out of the unit, the contract with the owner ends and the family can move with continued assistance to another unit.

Under the project-based voucher program, a PHA enters into an assistance contract with the owner for specified units and for a specified term. The PHA refers families from its waiting list to the project owner to fill vacancies. Because the assistance is tied to the unit, a family who moves from the project-based unit does not have any right to continued housing assistance. However, they may be eligible for a tenant based voucher when one becomes available.

What type of contracts do PHAs sign with property owners under this program?

The PHA and the owner execute an agreement to enter into housing assistance payments (HAP) contract. Under this contract the owner agrees to construct or rehabilitate the units, and the PHA agrees to subsidize the units upon satisfactory completion of the rehabilitation or construction.

Upon satisfactory completion of the rehabilitation or construction and for existing development, the PHA and the owner execute a HAP contract for a ten-year term that is dependent on availability of funding under the PHA's ACC with HUD. The HAP contract establishes the initial rents for the units and the contract term, and describes the responsibilities of the PHA and the owner. HAP contracts can be renewed subject to availability of funding.

How do PHA's select units for inclusion in this program?

The PHA must adopt a written policy for selection of units to which assistance will be attached and must publicly advertise that it will accept owner proposals for the project-based voucher program. Generally, rents are set based upon market comparables and may not exceed 110% of the published existing housing fair market rents. Substandard rental housing is eligible if rehabilitation costs are at least \$1,000 per unit.

New construction of rental units is also eligible as well as standard existing housing. Rental units assisted under certain other Federal housing programs (e.g., rental rehabilitation, public housing) cannot be assisted with project-based voucher assistance.

How should interested owners or prospective owners of rental property apply for this program?

Contact the [local PHA](#) to determine whether the PHA administers a project-based voucher program and to obtain information.

What type of funding is available under the project-based voucher program?

No specific funding is provided by HUD. PHAs may use up to 20% of the funds in its housing choice voucher program to provide project-based assistance.

What regulations cover this program?

Regulations are found at [24 CFR 983](#).