

issued to families searching for housing or units under an Agreement).

(b) *Percent limit.* The applicable percent limit is either the 15-percent limit or the 30-percent limit. The 30-percent limit is only applicable if:

(1) There are no project-based new construction units in the HA's certificate program;

(2) The additional 15 percent of project-based units (in excess of the 15-percent limit) is for the rehabilitation of units in projects assisted under a State program that permits owners to prepay State-assisted or subsidized mortgages; and

(3) The additional 15 percent of project-based units is necessary to provide incentives for project owners to preserve the projects for occupancy by low and moderate income families for the term of the HAP contract, and assist low-income tenants to afford any rent increases.

(c) *HA notification to HUD of intent to attach assistance to units.* Before implementing a PBC program, the HA must submit the following information to the HUD field office for review:

(1) The total number of units for which the HA is requesting approval to attach assistance;

(2) The number of budgeted certificate units;

(3) The number of certificate units available to be project-based; i.e., the number of budgeted certificate units that are not under a tenant-based or project-based HAP contract or otherwise committed (e.g., certificates issued to families searching for housing or units under an Agreement).

(d) *Amount of assistance.* The HA must ensure that the amount of assistance that is attached to units is within the amounts available under the ACC.

(Approved by the Office of Management and Budget under control number 2577-0169)

[60 FR 34717, July 3, 1995, as amended at 60 FR 45661, Sept. 1, 1995; 63 FR 23870, Apr. 30, 1998]

#### § 983.4 HUD review of HA plans to attach assistance to units.

(a) *Notice to HA.* (1) If the requirements of § 983.3 are satisfied, the field office must authorize the HA to proceed in accordance with this part 983.

(2) If the submission is approved, the field office must notify the HA that the HA may implement a PBC program subject to the requirements of this part 983, including the requirements for approval by the HUD field office of the HA unit selection policy and advertisement, and competitive selection of eligible units. The approval letter must specify the maximum number of units for which the HA may execute Agreements.

(3) If any of the requirements of § 983.3 are not satisfied, the field office must not approve the HA submission. The field office must notify the HA of the reasons for disapproval.

(b) [Reserved]

#### § 983.5 Physical condition standards; physical inspection requirements.

(a) *General.* Housing used in this program must be maintained and inspected in accordance with the requirements in 24 CFR part 5, subpart G.

(b) *Space and security.* In addition to the standards in 24 CFR part 5, subpart G, the dwelling unit must have a living room, a kitchen area, and a bathroom. The dwelling unit must have at least one bedroom or living/sleeping room for each two persons.

(c) The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at part 35, subparts A, B, H, and R of this title apply to units assisted under this part.

[63 FR 46580, Sept. 1, 1998, as amended at 64 FR 50230, Sept. 15, 1999]

#### § 983.6 Site and neighborhood standards.

(a) *Rehabilitation site and neighborhood standards.* In addition to meeting the standards required in § 982.401(1) of this chapter, the proposed sites for rehabilitation units must meet the following site and neighborhood standards:

(1) Be adequate in size, exposure and contour to accommodate the number and type of units proposed; adequate utilities and streets must be available to service the site. (The existence of a private disposal system and private