

Office of the Assistant Secretary, HUD

§ 983.10

or Indian housing and units constructed or rehabilitated with other assistance under the U.S. Housing Act of 1937.

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

§ 983.8 Rehabilitation: Minimum expenditure requirement.

(a) To qualify as rehabilitation under this part 983, existing structures must require a minimum expenditure of \$1000 per assisted unit, including the unit's prorated share of work to be accomplished on common areas or systems, in order to:

(1) Upgrade the property to decent, safe, and sanitary condition to comply with the housing quality standards or other standards approved by HUD, from a condition below those standards;

(2) Repair or replace major building systems or components in danger of failure within two years from the date of the initial HA inspection;

(3) Convert or merge units to provide housing for large families; or

(4) For up to seven percent of the units to be assisted, make accessibility improvements to the property necessary to meet the requirements of Section 504 of the Rehabilitation Act of 1973 and the Fair Housing Amendments Act of 1988.

(b) In determining the minimum expenditure of \$1000 per assisted unit, the HA must include the prorated cost of common improvements in the costs of the individual units.

§ 983.9 Prohibition against new construction or rehabilitation with U.S. Housing Act of 1937 assistance and use of flexible subsidy; pledge of Agreement or HAP contract.

(a) Assistance may not be attached to any unit which was in the five years before execution of the Agreement, or will be, constructed or rehabilitated with other assistance under the U.S. Housing Act of 1937 (*e.g.*, public housing (development or modernization), rental rehabilitation grants under 24 CFR part 511, housing development grants under 24 CFR part 850, or other Section 8 programs). In addition, a unit to which assistance is to be attached under this part 983 may not be rehabili-

tated with flexible subsidy assistance under part 219 of this title. HUD may approve attachment of assistance to a unit that was rehabilitated with public housing modernization funds before conveyance to a resident management corporation under section 21 of the U.S. Housing Act of 1937 (42 U.S.C. 1437s) if attachment of project-based assistance would further the purposes of the sale of the public housing project to the corporation.

(b) If an owner is proposing to pledge the Agreement or HAP contract as security for financing, the owner must submit the financing documents to the HA. In determining the approvability of a pledge arrangement, the HA must review the documents submitted by the owner to ensure that the financing documents do not modify the Agreement or HAP contract, and do not contain any requirements inconsistent with the Agreement or HAP contract. Any pledge of the Agreement or HAP contract must be limited to amounts payable under the HAP contract in accordance with the terms of the HAP contract.

§ 983.10 Displacement, relocation, and acquisition.

(a) *Minimizing displacement.* (1) Consistent with the other goals and objectives of this part, an owner must assure that it has taken all reasonable steps to minimize the displacement of persons (households, businesses, nonprofit organizations, and farms) as a result of a rehabilitation project assisted under this part.

(2) Whenever a building or complex is rehabilitated and some, but not all, of the rehabilitated units will be assisted upon completion of the rehabilitation, the relocation requirements described in this section cover the occupants of each rehabilitated unit, whether or not Section 8 assistance will be provided for the unit.

(b) *Temporary relocation.* The following policies cover residential tenants who will not be required to move permanently but who must relocate temporarily for the project. Such tenants must be provided:

(1) Reimbursement for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation,