

**MEMO: HOUSING COVERED BY SECTION 214
OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT**

I. Section 214 Applies to the Following Programs:

- a. **Public Housing** (42 U.S.C. 1437d; 24 C.F.R. pt. 5 and pts. 900-972; 24 C.F.R. pt. 966; 24 C.F.R. pt. 960): Administered by Public and Indian Housing. Public housing is owned and operated by a public housing agency.
- b. **Section 8 Housing Choice Vouchers** (42 U.S.C. 1437f; 24 C.F.R. pt. 982; 24 C.F.R. pt. 5): Administered by Public and Indian Housing. Section 8 Housing Choice vouchers are issued by a local public housing agency to low income households so they can rent apartments or homes from private landlords. The subsidy is portable; it can travel with the tenant.
- c. **Section 8 Project-Based Housing:** Administered by Multifamily Housing. Used by developers who rely on long-term Section 8 rent subsidy contracts to build or rehabilitate apartment buildings and then rent the units to lower-income households. The subsidy is not portable; it is attached to the unit. Project-Based Section 8 includes the following subcategories:
 - i. **Section 8 New Construction**
 - ii. **Section 8 Moderate Rehabilitation**
 - iii. **Section 8 Substantial Rehabilitation**
 - iv. **State Housing Finance Agency Section 8**
 - v. **Section 202 and Section 811 Projects with Section 8 Assistance**
 - vi. **Section 8 Loan Management Set-Aside**
 - vii. **Section 8 Property Disposition Set-Aside**
 - viii. **Section 8 Community Investment Demonstration Program**
 - ix. **Section 8 Moderate Rehabilitation Single Residency Occupancy (SRO) Program**
- d. **Section 236 and Rent Supplement Housing** (12 U.S.C.A. §§ 1701s, 1715z-1): These are older housing programs from the 1960s under which developers built apartment buildings for low- to moderate- income tenants with HUD insured mortgages and subsidies. Some tenants in these buildings pay market rent, while others pay below-market rents. Tenants paying below-market rent, and tenants living in units with either Rent Assistance Payment or Section 8 project-based subsidies are covered by Section 214.
- e. **Section 235 Homeownership Housing** (12 U.S.C. § 1715z; 24 C.F.R. pt. 235): Allows lower income persons to purchase their homes using a HUD insured loan with a mortgage interest subsidy. The immigrant restrictions apply only to those applicants with contracts executed on or after June 19, 1995, or to contracts refinanced or revised on or after that date for a reason other than adjusting the mortgage interest rate.
- f. **Housing Development Grants (low-income units only)** (42 U.S.C. § 1437o): HoDAG provided funds for new construction and substantial rehabilitation of affordable rental housing between 1983 and 1990. Low-income units financed with funds from the HoDAG program are covered by Section 214 but not market rate units
- g. **Section 23 Leased Housing Assistance Program** (formerly codified at 12 U.S.C. § 1421b): This program has been replaced by the Project-based Section

8 program, and most units developed under the Section 23 program have been converted to Section 8

II. Section 214 Does NOT Apply to the Following Programs:¹

- a. **Indian Housing** (24 C.F.R. § 5.504(b))
- b. **Community Development Block Grants** (42 U.S.C. §§ 5301-5320; 24 C.F.R. pt. 570): HUD provides block grants to cities, counties, and states, which can be used for housing rehabilitation and development.
- c. **HOME** (42 U.S.C. §§ 12722-12725; 24 C.F.R. pt. 92): HUD provides block grants to participating jurisdictions that can be used for development, rehabilitation, and acquisition of housing and for tenant-based assistance.
- d. **HOPWA** (42 U.S.C. §§ 12901-12912; 24 C.F.R. pt. 574 and § 574.310(e)): Block grants that can be used for development and rehabilitation of housing for persons with AIDS and HIV positive status
- e. **Section 202 Projects Without Project-Based Section 8 Assistance** (12 U.S.C. 1701q; 24 C.F.R. pt. 891): HUD provides direct loans and grants to developers for housing for the elderly. Some of these buildings or units may also be rented to people with disabilities.
- f. **Section 811 Projects Without Project-Based Section 8 Assistance** (42 U.S.C. § 8013; 24 C.F.R. pt. 891): HUD provides direct loans and grants to developers for housing for people with disabilities.
- g. **Section 221(d)(3) or Section 221(d)(5)** (12 U.S.C. §§ 1715/(d)(3), 1715/(d)(5); 24 C.F.R. pt. 221): HUD insures private loans made to developers to build multifamily housing with restricted rents.
- h. **McKinney Act Shelter and Transitional Housing Programs** (except for the Section 8 Moderate Rehabilitation Single Residency Occupancy (SRO) Program) (42 U.S.C. §§ 11,361-11,408a): HUD provides block grants to local governments and direct grants to developers to fund homeless shelters and transitional housing programs. The McKinney Act programs include:
 - i. **Shelter Plus Care** (42 U.S.C. §§ 11403-11407b; 24 C.F.R. pt. 582): A rental assistance program for people who are homeless and disabled. Rental assistance is linked to supportive services funded through other programs that tenants may be required to use.
 - ii. **Supportive Housing** (42 U.S.C. §§ 11381–11389; 24 C.F.R. pt. 583): The Supportive Housing Program provides funds for housing and/or supportive services. Eligible applicants for funding include states, local governmental units, public housing authorities, private nonprofits and community mental health centers.
- i. **Rental Rehabilitation** (42 U.S.C. § 1437o): HUD provides funds to local governments to fund local loans and grants to rehabilitate private housing, in exchange for rent restrictions.
- j. **HOPE 2** (42 U.S.C. §§ 12,871-12,880): This program allows eligible families to acquire an ownership interest in properties that are owned, held, insured or financed by HUD and other public agencies.

¹ **NOTE:** If housing funded under these programs *also* has Project-Based Section 8 or funds from another covered program, the units assisted by these programs *are* covered by Section 214.