

§ 983.154 Development agreement.

Link to an amendment published at [89 FR 38321](#), May 7, 2024.

(a) *Agreement to enter into HAP contract (Agreement).* Except as specified in paragraphs (f) and (g) of this section, the [PHA](#) and [owner](#) must enter into an Agreement that will govern [development activity](#). In the Agreement, the [owner](#) agrees to develop the [contract units](#) to comply with [HQS](#), and the [PHA](#) agrees that, upon timely completion of such [development activity](#) in accordance with the terms of the Agreement, the [PHA](#) will enter into an initial [HAP contract](#) with the [owner](#) for the [contract units](#). The Agreement must cover a single [project](#), except one Agreement may cover multiple [projects](#) that each consist of a [single-family building](#).

(b) *Timing of Agreement.* The effective date of the Agreement must be on or after the date the Agreement is executed. The Agreement must be executed and effective prior to the commencement of [development activity](#) as described in [paragraph \(d\)](#) of this section, except as provided in paragraphs (f) and (g) of this section, and must be in the form required by HUD (see [24 CFR 982.162\(b\)](#)).

(c) *Agreement amendment.* The [PHA](#) and [owner](#) may agree to amend the contents of the Agreement described in [paragraph \(e\)](#) of this section by executing an addendum to the Agreement, so long as such amendments are consistent with all requirements of this part 983. The [PHA](#) and [owner](#) may only execute an addendum affecting a unit prior to the [PHA](#) accepting the completed unit.

(d) *Commencement of development activity.* [Development activity](#) must not commence after the date of proposal submission (for housing subject to competitive selection) or the date of the [PHA](#)'s board resolution approving the [project](#)-basing of assistance at the [project](#) (for housing excepted from competitive selection) and before the effective date of the Agreement, except as provided in paragraphs (f) and (g) of this section.

(1) In the case of new construction, [development activity](#) begins with excavation or [site](#) preparation (including clearing of the land).

(2) In the case of rehabilitation, [development activity](#) begins with the physical commencement of rehabilitation activity on the housing.

(e) *Contents of Agreement.* At a minimum, the Agreement must describe the following features of the housing to be developed and assisted under the PBV [program](#) and [development activity](#) to be performed:

(1) The [site](#);

(2) The location of [contract units](#) on [site](#);

(3) The number of [contract units](#) by area (square footage) and number of bedrooms and bathrooms;

(4) The services, maintenance, or equipment to be supplied by the [owner](#) without charges in addition to the [rent to owner](#);

(5) The utilities available to the [contract units](#), including a specification of utility services to be paid by the [owner](#) (without charges in addition to rent) and utility services to be paid by the [tenant](#);

- (6) A description of any required work item necessary to comply with the accessibility requirements of [§ 983.153\(e\)](#);
- (7) A description of any required work item if the requirement at [§ 983.153\(f\)](#) to install broadband infrastructure applies;
- (8) Estimated initial rents to [owner](#) for the [contract units](#);
- (9) A description of the work to be performed under the Agreement:
- (i) For rehabilitation, the work description must include the rehabilitation work write-up and, where determined necessary by the [PHA](#), specifications and plans (see paragraph (g) of this section for additional requirements that apply under the option for [development activity](#) after [HAP contract](#) at 983.157); and
 - (ii) For new construction, the work description must include the working drawings and specifications;
- (10) The deadline for completion of the work to be performed under the Agreement; and
- (11) Any requirements the [PHA](#) elects to establish in addition to [HQS](#) for design, architecture, or quality. The [PHA](#) must specify the conditions under which it will require additional housing quality requirements in the [Administrative Plan](#).
- (f) *PHA discretion.* With respect to [development activity](#), the [PHA](#) may decide not to use an Agreement or may choose to execute an Agreement after construction or rehabilitation that complied with applicable requirements of [§ 983.153](#) has commenced.
- (1) In its [Administrative Plan](#), the [PHA](#) must explain the circumstances (if any) under which the [PHA](#) will enter a PBV [HAP contract](#) for newly constructed or [rehabilitated housing](#) without first entering into an Agreement and under which the [PHA](#) will enter into an Agreement after construction or rehabilitation that complied with applicable requirements of [§ 983.153](#) has commenced.
- (2) The following conditions apply:
- (i) The [owner](#) of the [project](#) must be able to document its compliance with all applicable requirements of [§ 983.153](#) from the date of proposal submission (for housing subject to competitive selection) or from the date of the [PHA](#)'s board resolution approving the [project-basing](#) of assistance at the [project](#) (for housing excepted from competitive selection);
 - (ii) For housing subject to competitive selection, the [PHA](#) must confirm prior to the proposal selection date that the [owner](#) has complied with all applicable requirements of [§ 983.153](#) from the date of proposal submission. For housing excepted from competitive selection, the [PHA](#) must confirm prior to executing the Agreement (if applicable) or [HAP contract](#) that the [owner](#) has complied with all applicable requirements of [§ 983.153](#) from the date of the [PHA](#)'s board resolution approving the [project-basing](#) of assistance at the [project](#); and
 - (iii) The [PHA](#) must comply with the notice requirement of [§ 983.153\(c\)\(3\)](#).