



Community Services Division
Office of Community Development
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Previously known as Policy Notice OHCP 03-01

SUBJECT: Housing Construction Activities Funded with Office of Community Development-Administered Funds and Subject to Section 504

ISSUED: February 3, 2003

DISTRIBUTED TO: Office of Community Development Award Recipients and their Affiliates

POLICY

The following Office of Community Development (OCD) policy clarifies the provisions of **24 Code of Federal Regulations (CFR) Part 8 – Nondiscrimination Based on Handicap in Federally Assisted Programs and Activities of the U.S. Department of Housing and Urban Development (HUD)**.

In part, 24 CFR 8.22 states:

“...a minimum of 5 percent of the total dwelling units or at least one unit... shall be made accessible for persons with mobility impairments... An additional 2 percent of units (but no less than one unit) in such a project shall be accessible for persons with hearing or vision impairments.”

When implementing a single site or scattered site housing activity with OCD-administered funds, 24 CFR Part 8.22 shall apply in the following instances:

- For a new housing construction activity, consisting of five units or more; and
- For a major alteration activity, consisting of 15 units or more, as outlined in 24 CFR 8.23 (major alteration is defined as rehabilitation that is greater or equal to 75 percent of the replacement costs).

The exception to the above-listed requirement is when a new construction or a major alteration housing activity is client based. The definition of client based for this requirement means that:

- The client is identified prior to the start of construction;
- The property exists or is placed in the client’s name;
- The construction contracts are agreements between the client and the contractor; and
- Any mortgages to be placed on the property, including construction loans, are placed in the client’s name.

NOTE: Other requirements outlined in 24 CFR Part 8 may also apply to a particular housing activity.

COMMENTARY

OCD Notice 03-01 provides OCD award recipients with guidance regarding nondiscrimination based on handicap in housing projects funded through OCD-administered programs.