



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

Special Attention of:
Office Directors of Public Housing;
Regional Directors; Public Housing
Agencies.

PIH Notice 2020-04

Issued: March 31, 2020

Expires: This notice remains in effect until amended, superseded, or rescinded

Cross References: PIH Notice 2019-08, PIH Notice 2018-09, PIH Notice 2019-01/H-2019-02, PIH Notice 2018-02, PIH Notice 2015-17, PIH Notice 2015-16, PIH Notice 2018-12, PIH, PIH Notice 2017-06, PIH Notice 2013-28, PIH Notice 2011-28

SUBJECT: Implementation of the Federal Fiscal Year (FFY) 2020 Funding Provisions for the Housing Choice Voucher Program

1. **Purpose.** This notice implements the Housing Choice Voucher (HCV) program funding provisions of the Further Consolidated Appropriations Act, 2020 (P.L. 116-94), referred to hereafter as “the 2020 Act,” enacted on December 20, 2019. The 2020 Act establishes the allocation methodology for calculating housing assistance payments (HAP) renewal funds, new incremental vouchers and administrative fees.
2. **Organization.** This notice is grouped into two parts. Sections 3 through 15 describe the funding made available under the 2020 Act and HUD of Housing and Urban Development’s (HUD) implementation of the provisions related to the allocation of that funding. Sections 16 through 22 provide other important information regarding the administration of the public housing agency’s (PHA’s) HCV program.
3. **Summary.** The HCV program is HUD’s largest rental assistance program. Funding is provided through the 2020 Act, which HUD allocates to PHAs in accordance with such Act as described in this notice.

The 2020 Act requires HUD to provide renewal funding based on validated Voucher Management System (VMS) leasing and cost data for the prior calendar year (CY) (January 1, 2019 – December 31, 2019).

The CY 2020 total amount appropriated by Congress to fund the HCV program is split up by budget line items as follows:

CY 2020 Appropriations

HAP Renewal Funding	\$21,502,000,000
Tenant Protection Vouchers ¹	\$75,000,000
Administrative Fees	\$1,977,000,000
Mainstream Program	\$229,050,000
Tribal HUD-VASH Renewals	\$1,000,000
Veterans Affairs Supportive Housing	\$40,000,000
Family Unification Program	\$25,000,000
Mobility Demonstration	\$25,000,000
Total Available CY 2020 Appropriations	\$23,874,050,000

This notice provides information on how HUD calculates HAP renewal funding for each PHA's HCV program. In addition, each PHA received a funding letter with the individual PHA's specific funding calculations attached. If a PHA has questions related to the calculations or this notice, the PHA should contact its Financial Analyst (FA) at the Financial Management Center (FMC).

PHAs are encouraged to pay particular attention to the set-aside funding provisions (listed in Section 5 and **Appendix F**, *Application for \$100 Million Set-Aside for Categories 2a – Unforeseen Circumstances; 2b – Portability; 3- Project-Based Vouchers (PBVs); 4 – HUD-VASH; 5 – Lower-than-average Leasing and/or 6 - Disaster* of this Notice).

4. **Calculation of CY 2020 HAP Renewal Funding.** The 2020 Act requires that HUD apply a re-benchmarking renewal formula based on validated leasing and cost data in VMS for **CY 2019** (January 1, 2019 to December 31, 2019) to calculate each PHA's renewal allocation. The renewal provisions of the Act are stated in **Appendix A**, *Further Consolidated Appropriations Act, 2020 (Public Law 116-94)*.

HUD is providing renewal funding as follows:

Step 1: A new HAP funding baseline is established based on all validated leasing and cost data (not to exceed unit months available under the Annual Contributions Contract

¹ The 2020 Act specifies the following uses for the \$75 million: "section 8 rental assistance for relocation and replacement of housing units that are demolished or disposed of pursuant to section 18 of the Act, conversion of section 23 projects to assistance under section 8, the family unification program under section 8(x) of the Act, relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency, enhanced vouchers under any provision of law authorizing such assistance under section 8(t) of the Act, Choice Neighborhood vouchers, mandatory and voluntary conversions, and tenant protection assistance including replacement and relocation assistance or for project-based assistance to prevent the displacement of unassisted elderly tenants currently residing in section 202 properties financed between 1959 and 1974 that are refinanced pursuant to Public Law 106-569, as amended..."

(ACC) in VMS for CY 2019).²

Step 2: As required by the 2020 Act, HUD adjusts allocations for the first-time renewals of tenant protection vouchers and special purpose vouchers (SPVs), such as HUD Veterans Affairs Supportive Housing (HUD-VASH) vouchers, Family Unification Program (FUP) and Non-Elderly Disabled (NED) vouchers for which the initial increment expires in CY 2020. Affected PHAs' renewal funding allocation enclosures indicate the amount of additional funding provided for CY 2020 for first-time increments not initially funded for twelve months. Note: Reissuance of vouchers originally issued to families under the Disaster Voucher Program/Disaster Housing Assistance Payments-IKE (DVP/DHAP-IKE) is not permitted. For DVP/DHAP-IKE vouchers, as with vouchers issued under the sunset provisions identified in Section 6 of [PIH Notice 2018-09](#), affected PHAs' Consolidated Annual Contributions Contract (CACC) unit authorizations and CY 2020 renewal funding allocations reflect a reduction in units based on the number of such families under assistance as reported in VMS as of December of 2019.

Step 3: The Renewal Funding Inflation Factor (RFIF), adjusted for localities, is applied to the PHA's calculated 12-month renewal requirement after all adjustments have been applied under Steps 1 and 2 above. The RFIFs that HUD uses to reflect inflation are published by HUD's Office of Policy, Development and Research (PD&R) at <https://www.huduser.gov/portal/datasets/rfif/rfif.html>.

Step 4: HUD determines the total HAP renewal funding eligibility for all PHAs and compares that amount to the total HAP renewal funds available, per the 2020 Act, to determine a proration factor. This proration factor is then applied to each PHA's CY 2020 eligibility. A proration of less than 100% is applied if the nationwide eligibility exceeds the available HAP renewal funding.

5. **Set-aside of up to \$100 million to Adjust PHA Allocations.** HUD has authority to provide adjustments to PHAs for the categories outlined below. Awards will be made to eligible PHAs in accordance with need, as determined by HUD, following an application by the PHA as described in Section 13 of this notice. Awards could be reduced, in whole or in part, if PHAs have available reserves (Restricted Net Position (RNP) and/or HUD-held reserves) above a reasonable threshold, as defined by the Secretary, and/or prorated if the \$100 million is insufficient to cover all awards. Additionally, HUD reserves the right to fund one, some, or all the categories.

² In rare instances where vouchers were transferred from one PHA to another during the re-benchmarking period, the leasing and cost data of the PHAs will be adjusted to ensure that the leasing and costs represented by the transferred vouchers are properly accounted for in the eligibility determinations.

Set-Aside Categories:

- Category 1: **Prevention of Terminations Due to Insufficient Funding**
- Category 2a: **Unforeseen Circumstances**
- Category 2b: **Portability Cost Increases**
- Category 3: **PBV**
- Category 4: **HUD-VASH**
- Category 5: **Lower-than-average Leasing**
- Category 6: **Disaster**

The above numbering of the categories does not reflect priority; however, HUD reserves the right to prioritize or limit Category 1: Prevention of Terminations Due to Insufficient Funding.

Please refer to Section 13 of this notice for more details about the set-aside categories, eligibility requirements and submission deadlines.

6. Tenant Protection Vouchers.

- a. Definition.** TPVs are provided to protect HUD-assisted families from hardship as the result of a variety of actions that occur in HUD's Public Housing (Low-Rent) and Multifamily Housing portfolios. Under current HUD policy, as further described below, replacement TPVs are also provided for vacant units that were occupied by an assisted family in the previous 24 months. In addition to assisting individual families, in many cases TPVs mitigate the loss of HUD-assisted housing units in the community because these TPVs become part of the PHA's HCV program and may be reissued to families on the PHA's waiting list upon turnover.
- b. Funding.** As noted above, the 2020 Act provides \$75 million for TPVs.
- c. Continued Applicability of PIH Notice 2018-09.** For additional programmatic and policy guidance related to TPVs, please refer to Section 6 of the 2018 Implementation Notice, PIH Notice 2018-09, *Implementation of the Federal Fiscal Year (FFY) 2018 Funding Provisions for the Housing Choice Voucher Program*.
- d. Vacant Units.** In addition to providing replacement vouchers for occupied units, as described in PIH Notice 2018-09, and consistent with the policy described in PIH Notice 2019-08, HUD will also provide replacement TPVs for vacant units that were occupied

within the previous 24 months and are no longer available as assisted housing, subject to the availability of funding.³ The examples below explain how this policy will work:

- i. ***For Public Housing Actions***, vacant units that were occupied within the previous 24 months from the time of the Special Application Center (SAC) or Choice Neighborhoods Initiative (CNI) approval. For example: on February 1, 2020, PHA A was approved for demolition/disposition of 25 public housing units. Of 25 units in property A, 5 of those units were last occupied on February 1, 2018. The remainder of the units continue to be occupied. Replacement TPV funding may be provided for all 25 units (vacant and occupied) because the 5 vacant units were last occupied less than 24 months from the SAC approval.
 - ii. ***For Multifamily Housing Actions***, vacant units that were occupied within the previous 24 months from the eligibility event. For example: on February 1, 2020, the prepayment of a section 236 mortgage in property A triggered eligibility for TPVs. Of 25 units in property A, 5 were last occupied on February 1, 2018. The remainder of the units continue to be occupied. Replacement TPV funding may be provided for all 25 units (vacant and occupied) because the 5 vacant units were last occupied less than 24 months from the eligibility event.
- e. **TPV Set-Aside.** The 2020 Act provides that \$5,000,000 of the \$75,000,000 appropriated for TPVs may be set-aside to provide TPVs to certain at-risk households in low-vacancy areas.
- On February 15, 2019, HUD issued [PIH Notice 2019-01/H-2019-02](#), *Funding Availability for Set-Aside Tenant Protection Vouchers*. HUD has determined that the continued use of this notice is fully consistent with congressional directives on this subject.
- f. **TPV Funding.** HUD generally issues TPVs based on the average per unit cost (PUC) in the PHA's HCV program. However, if a PHA has concerns regarding the sufficiency of the funding based on PUC, the PHA can request higher TPV funding within 12 months of the TPV award effective date based on actual costs. PIH will provide separate guidance on this, to include the required documentation to request such higher TPV funding. In the meantime, any inquiries about TPV PUC increases may be directed to the Financial Management Division (FMD) mailbox at PIH_Conversion_Actions@hud.gov.
- g. On July 26, 2019, HUD issued [Notice PIH 2019-20 \(HA\)](#), *Tenant Protection Vouchers for Foster Youth to Independence Initiative*. The notice announced an initiative to provide TPVs for youth eligible under the Family Unification Program (FUP) in communities that do not administer FUP. HUD has determined that the continued use of this notice is fully consistent with congressional directives on this subject. Therefore,
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HUD will continue to use PIH Notice 2019-20 (HA) to make available TPV funds for this purpose until such time as explained in Section 11.

7. **Funding for Administrative Costs.** The 2020 Act provides **\$1,977,000,000** for administrative expenses of PHAs administering the HCV program (see Appendix A for Appropriations text). Of the appropriated amount, approximately **\$1,947,000,000** will be available for ongoing administrative fees and fees for new vouchers and up to **\$30,000,000** will be made available to allocate to PHAs that need additional funds to administer their Section 8 programs.

A. Ongoing Administrative Fees and Administrative Fees for New Vouchers.

Ongoing administrative fees and administrative fees for new vouchers are allocated based on leasing. These administrative fees are calculated for CY 2020 as provided for by Section 8(q) of the United States Housing Act, and related Appropriation Act provisions, as in effect immediately before the enactment of the Quality Housing and Work Responsibility Act (QHWRA) of 1998 (Public Law 105-276). Under this calculation, PHAs are allocated a fee amount for each voucher that is under HAP contract as of the first day of each month. Administrative fees for new incremental vouchers are also allocated based on leasing.

1. **Proration and Reconciliation of Administrative Fees:** HUD is developing and will post administrative fee rates for each PHA to enable PHAs to calculate potential fee eligibility. An announcement will be made when they become available on HUD's website. Use the link below to access them:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv.

HUD disburses administrative fees to PHAs each month based on actual leasing reported in VMS in prior months. Each PHA's administrative fee eligibility is reconciled after every quarter based on actual reported leasing, adjusted by an estimated proration based on total annual funding for administrative fees. HUD determines the estimated proration level by comparing each quarter's national eligibility for administrative fees to a quarter (1/4th) of the appropriated amount available for ongoing administrative fees. HUD will disburse any amount due to the PHA and will offset any amount due from the PHA via a reduction from a subsequent administrative fee payment. A final reconciliation will be completed after the December 2020 leasing data is reported in VMS, at which time the final pro-ration for the CY will be determined.

2. **Blended Rate Administrative Fees and Higher Administrative Fee Rates:**

- a. **Blended Rate Administrative Fees:** PHAs serving multiple administrative fee areas may, in lieu of the fee determined for their agency, request a blended rate based on the actual location of their assisted units. The blended rate will be used for the entire CY 2020.

How to Submit Requests (*new*): PHAs can choose between submitting requests via electronic mail (e-mail) or via regular mail but shall **not** submit requests using both methods. This would result in duplicate applications and may delay HUD's review and processing of the request(s). **PHAs with the ability to submit applications electronically, are strongly encouraged to do so as HUD employees are currently on mandatory telework and are not able to access regular mail on a consistent basis.**

Where to Submit Requests: PHAs must submit their request in writing to the following physical address:

i. Hard Copy Requests via Regular Mail:

**U.S. Department of Housing and Urban Development
Office of Housing Voucher Programs
HCV Financial Management Division
Attn: Miguel A. Fontáñez, Director, Room 4226
451 7th Street, S.W.
Washington, DC 20410**

-OR-

ii. Electronic Mail (email) Requests:

PHA requests for Blended Rate Fees may be submitted to HUD at the following mailbox: PIHFinancialManagementDivision@hud.gov

The subject line of the e-mail must read as follows:

PHA Number, Request for Blended Rate Administrative Fees (e.g., TX001, *2020 Request for Blended Rate Administrative Fees*)

Deadline to Submit Requests: Requests for Blended Rate Administrative Fees must be received **no later than 5 p.m. Eastern Standard Time, Friday, May 29, 2020.**

b. Higher Administrative Fee Rates: A PHA that operates over a large geographic area, defined as two or more counties, may request higher administrative fees. An approved higher administrative fee rate will apply only to CY 2020 and is applicable to the Voucher and Mainstream programs. The PHA will be required to submit evidence of actual costs at the end of the CY to enable HUD to determine if the entire approved increase was needed. Excess funds will be offset by HUD via a reduction in a future disbursement.

Submission Requirements for Higher Administrative Fee Rates (*New*):

To request higher fees, an agency must submit the following financial documentation to the PHA's assigned FA at the FMC:

- Actual Unrestricted Net Position (UNP) (formerly referred to as Unrestricted Net Assets or administrative fee reserves) balance as of December 31, 2019.
- Actual administrative costs for the HCV program for CY 2019 in sufficient detail to allow for review.
- The PHA's CY 2020 HCV program administrative budget, including anticipated reasonable and necessary administrative costs broken out in sufficient detail to allow for review (positions and salaries, detailed travel costs, overhead and pro-rations, etc.). There is no HUD form, nor a mandated format, for this budget.
- An explanation of why the unit month and budget authority utilization in CY 2019 was below 95 percent of the unit month and budget authority available for renewal units (if this occurred).
- If the PHA has made withdrawals from the Administrative Fee reserves per official guidance provided in [PIH Notice 2015-17: Uses and Reporting of Admin Fee Reserves](#), certification is required. Should there be no withdrawals at this point, a statement that none were made is required.
- An explanation as to why the projected CY 2020 administrative fees are insufficient to cover expected program operating costs.
- Certification by the executive director of the PHA that the data is accurate.

HUD reserves the right to reduce the documentation required.

In order to request a higher administrative fee rate, PHAs must provide the above information to the FMC. The required information must be received **no later than 5 p.m. Central Time, Friday, May 29, 2020. PHAs with the ability to submit applications electronically, are strongly encouraged to do so as HUD employees are currently on mandatory telework and are not able to access regular mail on a consistent basis.**

i. Electronic Mail (email) Requests: PHA requests for a higher administrative fee rate may be submitted to HUD at the following mailbox:

FinancialManagementCenter@hud.gov. Subject line must read as follows: **PHA Number**, (e.g., TX001) *2020 Request for Higher Administrative Fee*.

-OR-

ii. Hard Copy Requests via Mail: PHA requests may be submitted to HUD at the following physical address:

**U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
Financial Management Center**

**2380 McGee Street, Suite 400
Kansas City, Missouri 64108**

B. Special Fees. As stated above, HUD will make up to \$30,000,000 available to allocate to PHAs that need additional funds to administer their Section 8 programs. A portion of the \$30,000,000 set-aside may be used for on-going administrative fees to increase the national fee proration, should HUD determine during the course of the CY that the entire \$30,000,000 may not be needed for extraordinary costs. HUD will consider requests for other unanticipated increases in Administrative Fees on a case-by-case basis. Please note that requests for additional fees because of a lower national fee proration will not be accepted. These funds may be provided for the following non-exclusive purposes:

- 1. HCV Homeownership Fees:** HUD provides a \$200 special fee for every homeownership closing reported in the Public Housing Information Center (PIC) for HCV families who have become homeowners through the HCV Homeownership program, Moving To Work (MTW) Homeownership program and the Family Self-Sufficiency program (HCV only). These special fees are allocated to the PHAs administering the vouchers, or FSS participation, after the homebuyers' closings are reported in PIC and closing dates are provided to the FMC staff. PHAs do not need to apply for these funds as HUD provides these fees automatically based on PIC data and closing dates confirmations. HUD will also fund a one-time \$500 special fee for each newly created HCV Homeownership Program at any PHA in CY 2020.
- 2. Special Fees for PHAs that Administer TPVs in Connection with Multifamily Housing Conversion Actions:** For multifamily housing conversions, a special (one-time) fee of \$200 will be provided for each unit **occupied** on the date of the eligibility event. PHAs do not need to apply for these funds as HUD provides these fees automatically based on PIC data. This special fee will also be allocated to PHAs that agree to administer vouchers on behalf of a Multifamily Choice Neighborhoods Grantee.
- 3. Special Fees for Portability:** Receiving PHAs with numbers of portability vouchers that comprise a significant portion of their vouchers under lease are eligible for a special fee. PHAs must have been administering a number of port-in vouchers equal to 20% or more of the PHA's total number of leased vouchers as of December 31, 2019 to be eligible for special portability fees. For each eligible port-in voucher, the receiving PHA will receive 12 months of funding equal to **15%** of the PHA's 2020 Column A rate for administrative fees. This is a one-time award of special fees and will be calculated based on PHA portability data found in PIC for actions through December 31, 2019 and leased data from the VMS as of December 31, 2019 (from the same VMS database used to determine the 2020 HCV renewal allocations). PHAs do not need to apply for these funds as HUD provides these fees automatically based on PIC data and the VMS data used for the 2020 renewal allocation. PHAs were advised of the

deadline date of **no later than 5 p.m. Eastern Standard Time, Friday, February 21, 2020** to ensure all PIC data is updated and successfully submitted.

- 4. Special Fees for Audit Costs for Declaring Major HCV Programs per Notice 2015-16, and for HCV Voluntary Transfers per PIH Notice 2018-12:** Please refer to Section 4, [PIH Notice 2015-16](#) or a superseding notice published by HUD: *Financial Reporting requirements for the HCV Program Submitted through the Financial Assessment Subsystem (FASS) for Public Housing and the Voucher Management System (VMS)*, and Section 6, [PIH Notice 2018-12](#): *Process for PHA Voluntary Transfers and Consolidations of Housing Choice Vouchers, Mainstream Vouchers, PBV and Project-Based Certificates*, for the eligibility requirements and process to request special fees under this category.

PIH Notice 2015-16, Section 4. For those general purpose governments that have not declared their HCV related programs as a major fund for financial statement purposes or as a major enterprise fund under Code of Federal Regulations (CFR), Title 2, Subtitle A, Chapter II, Part 200, Subpart F; Audit Requirements, the audit obtained may not be sufficient for HUD to properly monitor its financial and compliance interest in these entities.

Therefore, for HUD to gain an acceptable level of assurance, these PHAs may be directed to procure Independent Public Accountant (IPA) services for financial and compliance procedures as specified by HUD. This additional work is normally completed as part of the audit and is specifically known as “Auditor Agreed Upon Procedures”. Annually, these PHAs must contact the PIH Office of Housing Voucher Programs (OHVP), Financial Management Division (FMD) at PIHFinancialManagementDivision@hud.gov in order to confirm whether they must procure an IPA service. If the PIH OHVP, FMD determines that IPA services must be performed, HUD will provide set-aside funding, if available, to reimburse the agency for any additional audit costs unless sufficient UNP exists, in which case these funds may be used for the special purpose audit cost.

PIH Notice 2018-12, Section 6. While reviewing the transfer of UNP to the receiving/consolidated PHA, the HUD Field Office will ensure the divesting PHA has properly procured and entered into a contract with an independent public accountant to conduct its close-out audit, and has the funds available to cover it, HUD may assign extraordinary administrative fees (EAF). This is subject to availability of funds and justifiable circumstances, from the Administrative Fee set-aside funds to cover close-out audit costs and may conduct a final close-out or forensic audit of a divesting PHA, either prior to or following to the transfer/consolidation. The HUD Field Offices must contact the Housing Voucher Financial Management Division at PIHFinancialManagementDivision@hud.gov to confirm availability of EAF; however, the divesting PHA’s available administrative fee, UNP, and/or other non-federal funds must be considered first and restricted for this purpose.

5. Special Fees Needed for Administration of Section 8 Tenant-Based Rental

Assistance Program: PHAs experiencing increased administrative expenses that need additional funds to administer their Section 8 programs, including as a result of administration of tenant protection rental assistance, disaster related vouchers, HUD-VASH vouchers, and other special purpose incremental vouchers, as shown in this section under Guidance for Special Fee Applications Per Category, can request special fees.

To qualify for additional funding under these categories, PHAs must experience increased administrative expenses as a result of the administration of HUD-VASH, FUP and/or disaster-related vouchers. Requests for other unanticipated administrative fee funding increases will be considered on a case-by-case basis at the Secretary’s discretion. Please carefully review the applicable application criteria when preparing your application for these funds.

Please note, HUD will limit the total award amount for all categories combined to a percentage of the PHA’s estimated CY 2020 administrative fee funding. The maximum percentage of the award will be based on the PHA’s size as outlined below:

PHA Size	Number of Units	Maximum Award Percentage
Small	1 - 250	12%
Medium	251 – 500	6%
Large	501 or more	4%

Additionally, HUD reserves the right to deny or limit the award amount based on PHA’s reserves to ensure fair and reasonable distribution of funds. HUD reserves the right to fund one, some, or all the categories.

HUD will not fund an ineligible/non-program-related activity and will use its discretion to reduce an award to exclude such costs. An example of an ineligible activity is a PHA party for its employees.

Reporting and recording of awarded Special Fees are included as part of the PHA’s HCV administrative financial records under CFDA 14.871.

All applications must be received no later than 5:00 p.m. (EDT) on **Friday, May 15, 2020**. All applications must be sent to 2020SpecialFees@hud.gov. The subject line of the email should include the PHA Number, Specific Special Fee category of applications, example, “TX001 FUP EAF Application”. HUD reserves the right to contact PHAs for clarification of items provided with the

application. Clarifications or corrections must be received by HUD within the time frame specified in the notification.

The following information must be included for each category the PHA applies in order to be considered for funding under each requested category:

- The application page that identifies the categories for application that is certified by signature, Appendix B to this document.
- A letter signed by the appropriate PHA official, clearly indicating the amount being requested, the calculation used to determine the amount of the request, and the estimated UNP (Administrative fee reserve) balance as of the day of the request;
- A statement describing an activity that is being proposed, underway or has been completed;
- A description of the local need that the activity will serve;
- Data on the number of families that the activity will help;
- How the activity will lead to an increase in leasing success rates and/or reduce processing time; and
- Budget justification to support the request. The budget justification must support the need for additional administrative expenses. The expenses must be above what can be supported by your PHA's earned or anticipated ongoing administrative fees for the year. In order to streamline the process, a sample request is provided in Appendix C to this document.

Guidance for Special Fee Applications per Category:

A. Category 1 – HUD-VASH Special Fees

Purpose of the HUD-VASH Program:

The HUD-VASH Program combines the HUD HCV rental assistance to eligible homeless veterans and their families with case management and clinical services provided by HUD of Veterans Affairs (VA) at its medical centers and in the community. HUD-VASH assists homeless veterans and their families afford decent, safe, and sanitary housing through the distribution of housing vouchers. Beneficiaries are selected based on certain requirements including health care eligibility, homelessness status, and income.

Award Information. HUD will reserve up to **\$5,000,000** for **HUD-VASH Special Fees (HUD-VASH)**.

Eligible Activities/Expenses. Under this notice, PHAs may apply for HUD-VASH Special Fees to support necessary additional or extraordinary related administrative expenses incurred to increase lease-up success rates or decrease the time it takes for a Veteran to locate and move-in to a unit. In order to apply for these funds, applicants must justify or document actions specifically for administering the HUD-VASH program.

Under this notice, eligible activities/expenses could include, **but are not limited to**:

- Hiring temporary staff to process Request for Tenancy Approvals (RFTA) forms;
- Hiring temporary staff to conduct Housing Quality Standards (HQS) inspections, or pre-inspect units that HUD-VASH clients are likely to rent;
- Hiring temporary staff to provide HUD-VASH clients with housing search assistance;
- Hiring temporary staff to serve as a Portability Coordinator for HUD-VASH clients;
- Hosting a “HUD-VASH Day,” a one-stop resource for intake, issuing provisional vouchers, etc.;
- Hosting Landlord Recruitment Fairs and other activities to engage landlords to participate in the HUD-VASH program;
- Holding extra briefings for HUD-VASH clients; and
- Other services to ensure that HUD-VASH clients can move into their new homes with a voucher in the shortest time-period possible.

B. Category 2 – Family Unification Program Special Fees

Purpose of the FUP:

FUP is a program under which HCVs are provided to two different populations:

1. Families for whom the lack of adequate housing is a primary factor in:
 - a. The imminent placement of the family’s child or children in out-of-home care, or
 - b. The delay in the discharge of the child or children to the family from out-of-home care.
2. For a period not to exceed 36 months, otherwise eligible youths who have attained at least 18 years and not more than 24 years of age and who have left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act, and is homeless or is at risk of becoming homeless at age 16 or older. PHAs administer FUP in partnership with Public Child Welfare Agencies (PCWAs) who are responsible for referring FUP families and youths to the PHA for determination of eligibility for rental assistance.

Award Information. HUD will reserve up to **\$5,000,000** for **FUP Special Fees**. Additional funds may become available for FUP Special Fees at the discretion of the Secretary.

Eligible Activities/Expenses. Under this notice, PHAs may apply for FUP Special Fees to support necessary additional or extraordinary related administrative expenses incurred to achieve either of the following activities:

- Full (100%) FUP voucher utilization; and
- Increase access to the program for FUP-eligible youth.

In order to apply for these funds, applicants must justify or document actions specifically for administering the FUP. Under this notice, eligible activities/expenses could include, **but are not limited to:**

- Establishing a new/revised Memorandum of Understanding (MOU) with the PCWA and other partners;
- Working with community partners to establish and implement a system to identify FUP-eligible youth not currently within the PCWA’s caseload in cooperation with the **Continuum of Care (CoC)**, including integrating the prioritization and referral process for FUP-eligible youth not currently in the PWCA’s system into the local CoC's coordinated entry process;
- Hiring temporary staff to process RFTA forms;
- Hiring temporary staff to conduct HQS inspections or pre-inspect units that FUP clients are likely to rent;
- Hiring temporary staff to provide FUP clients with housing search assistance;
- Hosting a “FUP Day,” a one-stop resource for intake, issuing provisional vouchers, etc;
- Hosting Landlord Recruitment Fairs and other activities to engage landlords to participate in FUP;
- Holding extra briefings for FUP clients.
- Other services to ensure that FUP clients can move into their new homes with a voucher in the shortest time period possible; and
- Training PCWA, CoC, and other community partners on FUP and the HCV program.

C. Category 3 – Disaster Related Special Fees

In the event that a future allocation of disaster vouchers during CY 2020, PIH will provide eligibility and application guidance for disaster related vouchers’ special fees at that time.

D. Category 4 – Application for other Special Fees under The Secretary’s Discretion

Purpose of the Secretary’s Discretion Set-aside:

The purpose of this set-aside is to provide EAF to cover administrative expenses incurred as the result of a situation outside of the specific categories described within this notice. HUD will consider requests **for other unanticipated increases in**

Administrative Fees on a case-by-case basis. Please note that requests for additional fees because of a lower national fee proration will not be accepted.

Award Information. HUD will reserve up to **\$5,000,000** for **other unanticipated increases in Administrative Fees on a case-by-case basis.**

Eligible Activities/Expenses. Activities and expenses considered eligible under Administrative Fees that are not covered under another special fee category are eligible for funding under the Secretary's Discretion.

Due to the limited nature of funds available, payments made directly to assisted families or individuals, such as transportation reimbursement, security deposit assistance, etc., are not considered eligible expenses.

8. **HUD-VASH) Funding.** The 2020 Act provides **\$40,000,000** for new incremental vouchers for the HUD-VASH program. As provided by the 2020 Act, vouchers will be awarded based on geographic need and PHA administrative performance. HUD will issue comprehensive guidance on the 2020 HUD-VASH allocation at a later date.

All PHAs are responsible for tracking new units and funding for SPVs, to include new incremental vouchers and renewals. HUD-VASH can only be used for the intended purposes and are not subject to MTW fungibility provisions.

PHAs in need of a frontload during the year and have excess SPV funding available in their Restricted Net Position (RNP), will be provided with a frontload that does not consider their available SPV funds as SPV funds may only be used for their intended purposes.

9. **Tribal HUD-VASH Renewals.** The 2020 Act provides **\$1,000,000** for the Tribal HUD-VASH program, which provides rental assistance and supportive services to Native American Veterans who are homeless or at-risk of homelessness living in Indian Country. Guidance on the Tribal HUD-VASH program is provided by HUD's Office of Native American Programs.
10. **Mainstream Program.** The 2020 Act provides **\$229,050,000** for renewal funding and administrative fees for Mainstream units. The renewal funding will be re-benchmarked during CY 2020. Renewals are calculated based on validated Mainstream program leasing and HAP expenses reported in VMS for the period January 1, 2019 to December 31, 2019. PHA funding is limited to such CY eligibility and HUD-held mainstream reserves. As with the regular voucher program, PHAs may not over-lease. (See Section 21 for more information on over-leasing.) The 2020 Appropriations Act further clarifies that all existing Mainstream voucher assistance shall be provided to non-elderly persons with disabilities upon turnover. PIH Notice 2020-01 provides further guidance.

Administrative fees are disbursed based on the most recent Mainstream program

leasing data in VMS and fee reconciliations are performed on a quarterly basis. In addition, the 2020 Act requires that the administrative and other non-HAP expenses of the PHAs administering these vouchers shall be funded under the same terms and be subject to the same pro rata admin fee reductions that apply to all other PHAs administering vouchers under the HCV program. Consistent with the HCV program, PHAs are no longer eligible to receive reimbursement for hard-to-house fees and audit costs.

The 2020 Act also provides that any funds remaining available after funding renewals and administrative expenses shall be available for incremental tenant-based Mainstream assistance for non-elderly persons with disabilities. HUD plans to award a portion of the funding made available through the FY 2019 and FY 2020 Appropriations Acts through a Notice of Funding Availability to be published later in 2020.

All PHAs are responsible for tracking new units and new funding for SPVs. Mainstream funds can only be used for the intended purposes. These funds are not subject to MTW fungibility provisions.

PHAs in need of a frontload during the year and have excess SPV funding available in their RNP, will be provided with a frontload that does not consider their available SPV funds as SPV funds may only be used for their intended purposes.

- 11. Family Unification Program (FUP).** The 2020 Act provides **\$25,000,000** for new incremental voucher assistance for the FUP. Of this amount, **\$20,000,000** is limited to use on behalf of FUP-eligible youth. Up to **\$10,000,000** of which may be made available non-competitively. HUD will award the competitive amount through a Notice of Funding Availability (NOFA). Any amounts to be made available non-competitively will be announced through a PIH notice under the FYI initiative (See Section 6e). The remaining **\$5,000,000** will be used to increase the award amount under the 2019 FUP NOFA. These funds may be used on behalf of FUP-eligible families and FUP-eligible youth.

The 2020 Act also provides that any PHA administering voucher assistance appropriated in a prior Act under the FUP, or competitively under this Act, that determines that it no longer has an identified need for such assistance upon turnover, shall notify the Secretary, and the Secretary shall recapture such assistance from the agency and reallocate it to any other PHA(s) based on need for FUP voucher assistance. In addition, HUD will review PHA's utilization of any non-competitive amounts and awards and will recapture and reallocate any unused amounts in accordance with the Act. HUD will implement these provisions through guidance at a later date.

All PHAs are responsible for tracking new units and new funding for Special Purpose Vouchers. FUP funds can only be used for the intended purposes. These funds are not subject to MTW fungibility provisions.

PHAs in need of a frontload during the year and have excess SPV funding available in their RNP, will be provided with a frontload that does not consider their available SPV funds as SPV funds may only be used for their intended purposes.

- 12. Mobility Demonstration.** The 2020 Act provides **\$25,000,000** for a mobility demonstration. The purpose of the demonstration is to enable PHAs to administer HCV assistance in a manner designed to encourage families with children to move to lower poverty areas and expand access to opportunity areas. HUD will publish a *Federal Register* notice to implement the mobility demonstration and announce the competition for funding.

All PHAs are responsible for tracking new units and funding for Special Purpose Vouchers. Mobility Demonstration funds can only be used for the intended purposes. These funds are not subject to MTW fungibility provisions.

- 13. Instructions for Applying for Funds within the \$100 Million HAP Set-Aside.**

HOW TO SUBMIT REQUESTS - PHAs can choose between submitting requests via electronic mail (email) or via regular mail but **shall not submit their request(s) using both methods** as this would result in duplicate applications for the same funds and may delay HUD's review and processing of the request(s). **PHAs with the ability to submit applications electronically, are strongly encouraged to do so as HUD employees are currently on mandatory telework and are not able to access regular mail on a consistent basis.**

- **Electronic Mail (email) Requests:** PHA requests, with the appropriate signed **Appendices F, G, H, I and J**, along with all required documentation and calculations (if applicable) may be submitted to HUD at the following mailbox: 2020Set-AsideApplications@hud.gov.

The subject line of the email must include the following: **PHA Number, 2020 Set-Aside Application** (e.g., TX001, *2020 Set-Aside Application*)

-OR-

- **Hard Copy Requests via Mail:** PHA requests, with the appropriate signed **Appendices F, G, H, I and J**, along with all required documentation and calculations (if applicable) may be submitted to HUD at the following physical address:

**U.S. Department of Housing and Urban Development
Office of Housing Voucher Programs
HCV Financial Management Division
Attn: Miguel A. Fontánez, Director, Room 4226
451 7th Street, S.W.
Washington, DC 20410**

HUD encourages electronic delivery via email. If your PHA chooses to submit via hard copy, it is recommended that requests be sent using overnight delivery (USPS Express Mail, UPS, Fed Ex, DHL, etc.) that requires signature upon delivery. Hand-delivered or standard delivery mail will be accepted. It is important to note that non-expedited mail (including Priority Mail from the Postal Service) has no guaranteed delivery time and is subject to HUD's security screening, which can delay delivery. Requests will only be accepted at the above locations (email box or physical address only). Requests delivered to other locations **will not** be accepted. Requests not received on time **will not** be processed. Faxes **will not** be accepted.

HUD reserves the right to request missing signatures from Set-Aside application forms (Appendices F, G, H, I and/or J). HUD does not accept revised applications or augmentations after the submission deadline.

SET-ASIDE CATEGORIES AND ELIGIBILITY AND SUBMISSION REQUIREMENTS:

A. Category 1 – Shortfall Funds

This category of HAP set-aside is for PHAs that, despite taking reasonable cost savings measures as determined by the Secretary, would otherwise be required to terminate participating families from the program due to insufficient funds. Note that there are two scenarios related to shortfalls for which PHAs may be eligible for funding under this category.

To be eligible for funding under this category, the PHA must meet the criteria outlined below for either a) Shortfall Scenario 1 or b) Shortfall Scenario 2 and must submit 2020 Appendix E – Application for Category 1-Shortfall Funds and PHA Certification of Reasonable Cost Savings Measures Undertaken to Prevent Termination of HCV Participants Due to Insufficient Funds.

Shortfall Scenario 1: This scenario is for PHAs **already in an Shortfall Prevention Team (SPT) confirmed shortfall**. See **Appendix E** for the applicable certification language.

Shortfall Scenario 2: This scenario is for those PHAs that are not currently in an SPT-confirmed shortfall position but are later determined to be in one, despite managing their HCV program budgets in a reasonable and responsible manner. Under this scenario, HUD will review each application on a case-by-case basis to determine if the PHA is eligible for funding under this category. The PHA signature at the bottom of **Appendix E** indicates that the PHA agrees to comply with all SPT-directed cost savings measures.

Note: In determining a shortfall and the amount of funding to be provided, HUD will use the **HCV Two-Year Projection Tool**. PHAs should refer to **Appendix D** of the notice, which provides the criteria HUD will use to determine if the PHA has a HUD-

confirmed shortfall and the calculation of the shortfall amount. HUD's Two-Year Forecasting Tool and the instructions for it can be found through a link on the [Office of Housing Vouchers](#) website.

In egregious situations, as determined by HUD, HUD reserves the right to further require a PHA to rescind recently issued vouchers to attain full set-aside eligibility.

PHAs with specific questions related to the calculation and determination of a HUD-confirmed shortfall should contact the SPT at: 2020ShortfallInquiries@hud.gov. The subject line of the email must include the PHA's number (for example, TX001).

PHAs applying for shortfall funding must send their application to 2020Shortfallapplications@hud.gov. The subject line of the email must include the PHA's number and the words "Shortfall Application" (for example, TX123 Shortfall Application).

SUBMISSION: Appendix E as applicable.

DEADLINE: The application period will remain open. PHAs may apply or re-apply at any time during the application period. PHAs that receive set-aside funds based on their current HAP costs may find it necessary to apply for additional set-aside funds. Similarly, PHAs that do not initially anticipate a shortfall because they have suspended leasing and expect to decrease leasing by attrition may apply later if the attrition fails to resolve their shortfall. PHAs should still be in contact with the HUD field office and SPT in cases where the PHA anticipates attrition will solve the shortfall.

Other Categories (2a, 2b, 3 and 4a, 4b): PHA requests for funds under one or more of the other categories (2a, 2b, 3, and/or 4) shall be combined on **Appendix F** of this notice – Application for \$100 Million Set-Aside for Category 2a – Unforeseen Circumstances, 2b – Portability, 3 – PBVs, 4a and 4b HUD-VASH, 5 – Lower-than-average leasing and 6 – Disaster.

- B. Category 2a -Unforeseen Circumstances:** PHAs should be aware that an unforeseen circumstance is an occurrence within or after the re-benchmarking period which the PHA could not reasonably have anticipated and which was out of the PHA's control.

SUBMISSION: To be eligible for funding under this category, a PHA must submit the following:

- a. **Appendix F Application for \$100 Million Set-Aside for Category 2a – Unforeseen Circumstances;**

- b. Written narrative detailing the unforeseen circumstances that occurred during or after the CY 2019 re-benchmarking period that have significantly increased renewal costs;
- c. Evidence to support the narrative; and
- d. PHA calculation of the increased costs for CY 2020.

For applications under the unforeseen circumstances Category 2a, it is important to note that PHAs must submit all items (a. through d.) above by the application deadline for the application to be considered. **Failure to provide any of the required documents, including the PHA calculation of the increased costs, will result in denial of the application.**

DEADLINE: No Later than 5 p.m. Eastern Standard Time, Friday, May 15, 2020

- C. Category 2b -Portability:** To be eligible for funding under this category, the PHA must have experienced a significant increase in renewal costs due to portability for tenant-based rental assistance under Section 8(r) of the Act. To calculate eligibility under this category, HUD will compare the average HAP Per Unit Cost (PUC) for the re-benchmarking period (1-1-2019 to 12-31-2019) to the average Port-out Vouchers HAP PUC based on year-to-date reporting in PIC (as of February 21, 2020). If the portability average HAP exceeds 110% of the program-wide average HAP PUC for the re-benchmarking period, the PHA will be eligible for set-aside funding. The difference between the portability average PUC and 110% of the program-wide average PUC is multiplied by the year-to-date total unit months leased (UML) for the “Port Vouchers Paid” reported in PIC, extrapolated to 12 months.

SUBMISSION: HUD calculates eligibility under this category, therefore, no additional documentation will be required or accepted other than **Appendix F**, which must be completed, signed and submitted by the deadline date.

DEADLINE: No Later than 5 p.m. Eastern Standard Time, Friday, May 15, 2020

- D. Category 3 -PBVs:** To be eligible for funding under this category, a PHA must show that vouchers were withheld from use during the CY 2019 re-benchmarking period to be available to meet a commitment for PBV assistance under Section 8(o)(13) of the Act. Adjustments only apply to vouchers withheld pursuant to a PBV Agreement to Enter into a Housing Assistance Payments Contract (AHAP) for newly constructed or rehabilitated housing. Adjustments do **not** apply to existing housing, as there is no waiting period for existing housing PBV commitments and accordingly, there is no need to withhold vouchers for such commitments. Adjustments will not be made under any circumstances for units under an AHAP commitment that, when added to units under lease for CY 2019, exceed the PHA’s baseline units under ACC for CY 2019. (The PHA would not have been able to lease those withheld vouchers during CY 2020 due to the restriction on over-leasing.)

SUBMISSION: PHAs are to submit the documents below as follows:

1. **(AHAP):** For **each** PBV commitment for which a request is being made under this category, the PHA **must provide**, from [Part 1 of the executed Agreement to Enter into a HAP Contract \(AHAP\) for New Constructions/Rehabilitation](#), the following:
 - a. The page which identifies the parties to the AHAP (both the Housing Authority and the owner);
 - b. Identification of the project;
 - c. Section 1.1A which identifies the effective date of the agreement;
 - d. Section 1.1B which identifies the date of the commencement of the work;
 - e. Section 1.1C which identifies the time for completion of the work;
 - f. Exhibit C which identifies the units by size and applicable initial contract rents for the units to be project-based;
 - g. If the project is to be completed in stages: Exhibit E that identifies the schedule of completion of stages (if applicable). (This exhibit shall identify the units in each stage.); and
 - h. Signature page that provides the signature of both the Housing Authority and the owner and the dates the AHAP was signed.

2. **(HAP Contract):** To be eligible for set-aside funding, the HAP contract must be executed within CY 2020. If the HAP Contract **has not been executed** by the application submission date, the PHA must state when the HAP contract will be executed. If the HAP contract **has been executed** by the application submission date, the PHA **must provide**, from [PART 1 of the HAP Contract for New Constructions or Rehabilitation](#), the following:
 - a. The page which identifies the parties to the HAP Contract (both the Housing Authority and the owner);
 - b. Exhibit A which identifies the total number of units in the project covered by the HAP Contract; the initial Contract Rent to owner, and the number and description of the contract units;
 - c. If the project is to be completed in stages: in addition to the items described in 2. above, Exhibit A must also identify the units to be completed in each phase covered by the HAP Contract;
 - d. Exhibit B which identifies the services, maintenance and utilities to be provided by the owner;
 - e. Exhibit C which identifies the utilities available in the contract unit, including a listing of utility services to be paid by the owner (without charges in addition to the rent to owner) and utilities to be paid by the tenant;
 - f. Section 2a which identifies the initial term of the contract; and
 - g. Signature page which provides the signature of both the Housing Authority and the owner and the dates the HAP was signed.

3. **Signed Appendix F** Application for \$100 Million Set-Aside for Category 3 – *Project-Based Vouchers*.
4. **Completed and signed Appendix G**, *Project-Based Commitment Data – Calendar Year 2019* (for each project-based commitment).
5. **Completed and signed Appendix H**, *PBV Data* (for each project-based commitment).

DEADLINE: No Later than 5 p.m. Eastern Standard Time, Friday, May 15, 2020

- E. Category 4 -HUD-VASH:** For PHAs administering HUD-VASH vouchers that can demonstrate a need for adjustment funding for at least one of the following situations:
1. ***PUC Increase***: For PHAs whose program-wide funded CY 2020 HAP PUC is less than their current HUD-VASH HAP PUC, based on their latest HUD-VASH HAP expenses in CY 2020. HUD will calculate eligibility under this category.

SUBMISSION: No additional documentation will be required or accepted other than a completed and signed Appendix F.

DEADLINE: No Later than 5 p.m. Eastern Standard Time, Thursday, October 1, 2020

2. ***Leasing Increase***: For PHAs whose total HUD-VASH leasing for CY 2020 will exceed the leasing level included in their renewal funding, plus the leasing that will be supported by the RNP and HUD-Held Program Reserves, HUD will calculate eligibility under this category.

SUBMISSION: No additional documentation will be required or accepted other than a completed and signed Appendix F.

DEADLINE: No Later than 5 p.m. Eastern Standard Time, Thursday, October 1, 2020.

- F. Category 5 – Lower-than-average Leasing:** To be eligible for funding under this category, the PHA must be leasing a lower-than-average percentage of their authorized vouchers, have low amounts of budget authority in their net restricted asset accounts and HUD-held programmatic reserves, relative to other agencies and are not participating in the MTW demonstration.

Eligibility for this category of set-aside funding will be determined using December 31, 2019 leasing and reserves, by first separating PHAs by size, small (0 – 250 units), medium (251 – 500 units) and large (501 or more units). Second, determining the average leasing as well as average reserves based on PHA size. Next, the eligibility will be limited to PHAs that are below both the 25th percentile of average leasing and

below the 25th percentile of median reserves based on PHA size. Regardless of PHA size, awards will be capped at \$2 million and may not exceed the PHA's authorized units.

Note: The link that accompanies this notice provides a list of PHAs that are eligible to apply for this category of set-aside funding.

The award amount will be the lower of the HUD calculated PHA-need or the PHAs calculated need as requested within their application.

SUBMISSION: To be eligible for funding under this category, a PHA must submit the following:

- a. **Signed Appendix F** Application for \$100 Million Set-Aside for Category 5 – *Lower-than-Average Leasing*;
- b. A written narrative that describes leasing need. This narrative will include the following:
 1. The amount of inventory of units in their jurisdiction;
 2. The total families on their waiting list;
 3. Assertion that the PHA has the administrative capacity to get the families into the units; and
 4. The amount of funding requested.
- c. Calculation showing how the requested amount was determined; and
- d. Evidence to support the calculation as well as evidence supporting the information provided within the narrative.

DEADLINE: No Later than 5 p.m. Eastern Standard Time, Friday, May 15, 2020

NOTE: PHAs that apply for Category 5 Set-aside funding may come in for EAF under the Secretary's Discretion, limited to PHAs that do not have the required administrative capacity nor the administrative reserves necessary to get these units leased.

G. Category 6 – Disaster: To be eligible for funding under this category, the PHA must have experienced increased costs or loss of units in an area for which the President declared a disaster under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170 et seq.) in CY 2019. PHAs that are applying for disaster funding due to a disaster that occurred in CY 2020 may apply under the unforeseen circumstance's category.

- 1. Loss of Units Due to Disaster.** This adjustment is provided to assist the PHA in increasing the number of families under lease, not to exceed 100% of the PHA's authorized units, to help address housing needs in the impacted community. HUD will use the most recently reported and validated month's VMS data to determine the number of units currently under lease. HUD will use the higher of (1) the

PHA's most recently reported and validated month's VMS data or (2) the three-month average for the most recent reported and validated VMS data to determine the PUC to calculate the funding adjustment. However, if the PHA requests and HUD approves the PHA's request for an increased PUC, the approved PUC will be used to calculate the increased leasing adjustment, as well as to make the increased PUC adjustment for the PHA's HCV program as a whole.

SUBMISSION: To be eligible for funding under the Loss of Units due to Disaster category, a PHA must submit the following:

- a. **Appendix F** *Application for \$100 Million Set-Aside for Category 6 – Disaster;*
 - b. **Appendix I** *CY 2020 Housing Choice Voucher Program Request for Disaster Set-aside*
 - c. Written narrative, detailing the impact of the disaster that has caused a loss of units, the PHA's assessment of the availability of rental housing stock in the PHAs jurisdiction, a description of any plans in the jurisdiction to increase the availability of rental stock, which may include the PHA's plan to project-base additional vouchers to increase the supply of units available to voucher families, and the number of families currently on the PHA's HCV waiting list and if the waiting list is currently open or closed;
 - d. Evidence to support the narrative; and
 - e. PHA calculation of the funding needed.
- 2. Increased Costs.** The PHA may request an adjustment for a higher PUC. The requested PUC must be higher than the higher of the most recent reported and validated PUC in VMS or the most recent three-month average reported and validated in VMS. The requested adjustment must be supported by documentation that the PHA is required to include with their application. For example, the PHA may provide data supporting the higher requested PUC by providing PIC data for recent new admissions and/or recent movers or other data supporting its request for a funding adjustment.

SUBMISSION: To be eligible for funding under this category, a PHA must submit the following:

- a. **Appendix F** *Application for \$100 Million Set-Aside for Category 6 – Disaster;*
- b. **Appendix I** *CY 2020 Housing Choice Voucher Program Request for Disaster Set-aside*
- c. Written narrative detailing the impact the disaster had in causing the increased costs, the PUC requested
- d. Evidence to support the narrative (how the requested PUC was determined); and
- f. PHA calculation of the increased costs for CY 2020.

For applications under the disaster category, category 6, it is important to note that PHAs must submit all items (a. through f.) above by the application deadline for the application to be considered. **Failure to provide any of the required documents, including the PHA calculation of the increased costs, will result in denial of the application.**

DEADLINE: No Later than 5 p.m. Eastern Standard Time, Friday, May 15, 2020

Quick Reference and Timeline Sheet for HAP Set-Aside Funds:

Category	Deadline	PHAs must submit
1. Shortfall Funds	Will remain open	<ul style="list-style-type: none"> • 2020 Appendix E
2a. Unforeseen Circumstances	05/15/2020	<ul style="list-style-type: none"> • 2020 Appendix F • Written Justification • Evidence to support justification • PHA's calculation of the increased costs <p>Failure to provide the items identified above, <u>including the PHA calculation of increased costs</u>, WILL result in a rejection of the PHA's application for Unforeseen Circumstances</p>
2b. Portability	05/15/2020	<ul style="list-style-type: none"> • 2020 Appendix F
3. PBV	05/15/2020	<ul style="list-style-type: none"> • 2020 Appendix F <p>(AHAP) For each PBV project:</p> <ul style="list-style-type: none"> • 2020 Appendix G; • 2020 Appendix H; • Identification of the project; From Part 1 of the AHAP; • The page that identifies the parties to the AHAP (both the Housing Authority and the owner);

Category	Deadline	PHAs must submit
		<ul style="list-style-type: none"> • Section 1.1A which identifies the effective date of the agreement; • Section 1.1B which identifies the date of the commencement of the work; • Section 1.1C which identifies the time for completion of the work; • Exhibit C which identifies the units by size and applicable initial contract rents for the units to be project-based; • If the project is to be completed in stages: Exhibit E which identifies the schedule of completion of stages (if applicable) (This exhibit shall identify the units in each stage); • Signature page which provides the signature of both the Housing Authority and the owner and the dates the AHAP was signed. <p>(HAP Contract): To be eligible for set-aside funding, the HAP contract must be executed within CY2020. If the HAP Contract has not been executed by the application submission date, the PHA must state when the HAP contract will be executed. If the HAP contract has been executed by the application submission date, the PHA must provide, from <u>PART 1 of the HAP Contract for New Constructions or Rehabilitation</u>, the following</p> <ul style="list-style-type: none"> • The page which identifies the parties to the HAP Contract (both the Housing Authority and the owner); • Exhibit A which identifies the total number of units in the project covered by the HAP Contract; the initial Contract Rent to owner, and the number and description of the contract units; • If the project is to be completed in stages: in addition to the items described in 2. above, Exhibit A must also identify the units to be completed in each phase covered by the HAP Contract; • Exhibit B which identifies the services, maintenance and utilities to be provided by the owner; • Exhibit C which identifies the utilities available in the contract unit, including a listing of utility services to be paid by the owner (without charges in addition to the rent to owner) and utilities to be paid by the tenant; • Section 2a which identifies the initial term of the contract; and • Signature page which provides the signature of both the Housing Authority and the owner and the dates the HAP was signed. <p><u>Note: Failure to provide the required documentation listed above will result in denial of the application for funds under this category.</u></p>

Category	Deadline	PHAs must submit
4. HUD-VASH	10/1/2020	<ul style="list-style-type: none"> • Appendix F with a. and/or b. marked <ul style="list-style-type: none"> a. Per Unit Cost Increase: For PHAs whose program-wide funded CY 2020 HAP PUC is less than their current HUD-VASH HAP PUC based on their latest HUD-VASH HAP expenses in CY 2020, HUD will calculate eligibility under this category. Therefore, no additional documentation will be required or accepted other than Appendix F, which must be completed, signed and submitted by the deadline date. and/or b. Leasing Increase: For PHAs whose HUD-VASH leasing for CY 2020 will exceed the leasing level included in their renewal funding, plus the leasing that will be supported by the RNP and HUD-Held Program Reserves, HUD will calculate eligibility under this category. Therefore, no additional documentation will be required or accepted other than Appendix F, which must be completed, signed and submitted by the deadline date.
5. Lower-than-Average leasing	05/15/2020	<ul style="list-style-type: none"> • Signed Appendix F Application for \$100 Million Set-Aside for Category 5 – <i>Lower-than-Average Leasing</i>; <ul style="list-style-type: none"> ○ A written narrative that describes leasing need. This narrative will include the following: <ul style="list-style-type: none"> ○ The amount of inventory of units in their jurisdiction; ○ The total families on their waiting list; ○ Assertion that the PHA has the administrative capacity to get the families into the units; and ○ The amount of funding requested. • Calculation showing how the requested amount was determined; and • Evidence to support the calculation as well as evidence supporting the information provided within the narrative.

Category	Deadline	PHAs must submit
6. Disaster	05/15/2020	<p>Loss of Units Category of Disaster:</p> <ul style="list-style-type: none"> • Appendix F <i>Application for \$100 Million Set-Aside for Category 6 – Disaster;</i> • Appendix I <i>CY 2020 Housing Choice Voucher Program Request for Disaster Set-aside</i> • Written narrative, detailing the impact of the disaster that has caused a loss of units, the PHA’s assessment of the availability of rental housing stock in the PHAs jurisdiction, a description of any plans in the jurisdiction to increase the availability of rental stock, which may include the PHA’s plan to project-base additional vouchers to increase the supply of units available to voucher families, and the number of families currently on the PHA’s HCV waiting list and if the waiting list is currently open or closed; • Evidence to support the narrative; and • PHA calculation of the funding needed. <p>Increased Costs Category of Disaster:</p> <ul style="list-style-type: none"> • Appendix F <i>Application for \$100 Million Set-Aside for Category 6 – Disaster;</i> • Appendix I <i>CY 2020 Housing Choice Voucher Program Request for Disaster Set-aside</i> • Written narrative detailing the impact the disaster had in causing the increased costs, the PUC requested • Evidence to support the narrative (how the requested PUC was determined); and • PHA calculation of the increased costs for CY 2020.

14. Moving To Work Agencies. MTW agencies’ renewal funding is determined pursuant to their MTW agreements and appropriations requirements. HUD is directed by the 2020 Act to apply the same proration factor to the HCV HAP renewal allocations and administrative fee eligibility for MTW agencies as is applied to all other PHAs. **Note:** MTW agencies may utilize Section 8 funds for Section 9 purposes in accordance with their agreements.

15. Excluded Programs. The provisions implemented by this Notice do not apply to renewal funding for the Moderate Rehabilitation Program or Single Room Occupancy (SRO).

16. HCV Financial Management. HUD is focused on ensuring that PHAs appropriately manage their HCV programs within the funding provided for the CY and existing RNP and HUD-Held Program Reserves. PHAs are encouraged to use the Two-Year Forecasting Tool to assist them in their budgeting and leasing plans.

17. HAP Disbursements and Frontloading. PHAs receive monthly disbursements from their budgetary allocations in accordance with the cash management procedures in [PIH Notice 2017-06](#). PHAs may request a frontload when monthly disbursements and available RNP and HUD-held reserves will not cover expenses for the month. PHAs may request a frontload via the two-year tool or by submitting a request to the FMC FA. PHAs will be required to provide HAP expenses not yet reported in VMS and actual HAP expenses for the period requested. The

frontload will be limited to the amount necessary to cover the actual HAP expenses. PHAs must remember that frontloading early in the CY affects the amounts available in later months in the CY.

18. Use of HAP and HAP RNP/HUD-Held Program Reserves. PHAs are reminded that funds in the HAP RNP account and HUD-Held Program Reserves shall only be used for eligible HAP needs in the current CY. CACC requires PHAs to use HAP funding to cover housing assistance payments. HAP and/or PHA reserves (HAP RNP and HUD-held reserves) shall not under any circumstances be used for any other purpose, such as to cover administrative expenses or be loaned, advanced or transferred (referred to as operating transfers due to/due from) to other component units or other programs such as the Low-Rent (Public Housing) program. Use of HAP for any purpose other than eligible HAP needs is a violation of law, and such illegal uses or transfers may result in sanctions and possible declaration of breach of the ACC. Current year funding may not be used for prior year costs, including by MTW agencies.

In instances where a PHA is found to have misappropriated HAP and/or HAP RNP/HUD-held reserve funds by using the funds for any purpose other than valid HAP expenses for units up to the baseline, HUD requires the immediate return of the funds to the HAP or HAP RNP/HUD-held reserves account. HUD may take action, including suspension and debarment, against a PHA or any party that has used HAP funds and/or the HAP RNP/HUD-held reserves account for non-HAP purposes.

19. Uses of Administrative Fees. For proper uses and reporting of Administrative Fees and UNP (formerly known as Unrestricted Net Assets (UNA) or as the “administrative fee reserve”), please refer to PIH Notice 2015-17: *Use and Reporting of Administrative Fee Reserves*.

20. VMS/FASS Reporting and Data Integrity. PHAs must continue to submit required financial documents including, but not limited to, monthly VMS and annual FASS electronic submissions. PHAs that do not submit the required data by the reporting deadline may be sanctioned as provided by 24 CFR 982.152(d), and in accordance with the procedures outlined in PIH Notice 2015-16 or any successor notice. PHAs that fail to meet the submission requirements may be subject to administrative actions, including but not limited to, an imposition of a penalty against the PHA’s monthly administrative fees until the PHA complies with these requirements. This penalty represents a permanent reduction for the current CY that shall not be reversed.

21. Prohibition on Over-leasing. The 2020 Act prohibits the use of appropriated HAP funds by any PHA, except for PHAs in the MTW demonstration, to lease units above their CACC baseline units during any CY, even if the PHA has sufficient budget authority (BA) and/or RNP to support the additional units. If a PHA engages in over-leasing, it must identify other eligible sources to pay for the over-leasing, and the PHA must take immediate steps to eliminate any current over-leasing. Renewal funding allocations will not include over-leased units. Renewal funding eligibility will be reduced based on the number of over-leased unit months and the average PUC during the re-benchmark period. PHAs must still report all over-leasing in VMS and must also report \$0 HAPs in the appropriate categories in VMS.

22. Use of Outside Sources of Funds. HUD issued [PIH Notice 2013-28](#), *Guidance on the Use of Outside Sources of Funds in the HCV Program*. HUD recommends that all PHAs carefully review the information contained in the Notice.

23. Paperwork Reduction Act. The additional information collection requirements contained in this document are approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520). The OMB control number is 2577-0169. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

24. Further Information. Any questions concerning this Notice should be directed to Housing Voucher Financial Management Division, Office of Public Housing and Voucher Programs, at (202) 708-2934 (this is not a toll-free number).

Persons with hearing or speech impairments may access these numbers via TTY by calling the toll-free Federal Information Relay Service at (800) 877-8339.

R. Hunter Kurtz, Assistant Secretary
for Public and Indian Housing

Appendix A**Further Consolidated Appropriations Act, 2020 (Public Law 116-94)****Tenant-Based Rental Assistance – Overall Funding and Renewals:**

For activities and assistance for the provision of tenant-based rental assistance authorized under the United States Housing Act of 1937, as amended (42 U.S.C. 1437 et seq.) (“the Act” herein), not otherwise provided for, \$19,874,050,000, to remain available until expended, shall be available on October 1, 2019 (in addition to the \$4,000,000,000 previously appropriated under this heading that shall be available on October 1, 2019), and \$4,000,000,000, to remain available until expended, shall be available on October 1, 2020: Provided, That the amounts made available under this heading are provided as follows: (1) \$21,502,000,000 shall be available for renewals of expiring section 8 tenant-based annual contributions contracts (including renewals of enhanced vouchers under any provision of law authorizing such assistance under section 8(t) of the Act) and including renewal of other special purpose incremental vouchers: Provided, That notwithstanding any other provision of law, from amounts provided under this paragraph and any carryover, the Secretary for the calendar year 2020 funding cycle shall provide renewal funding for each public housing agency based on validated voucher management system (VMS) leasing and cost data for the prior calendar year and by applying an inflation factor as established by the Secretary, by notice published in the Federal Register, and by making any necessary adjustments for the costs associated with the first-time renewal of vouchers under this paragraph including tenant protection and Choice Neighborhoods vouchers: Provided further, That none of the funds provided under this paragraph may be used to fund a total number of unit months under lease which exceeds a public housing agency’s authorized level of units under contract, except for public housing agencies participating in the MTW demonstration, which are instead governed by the terms and conditions of their MTW agreements: Provided further, That the Secretary shall, to the extent necessary to stay within the amount specified under this paragraph (except as otherwise modified under this paragraph), prorate each public housing agency’s allocation otherwise established pursuant to this paragraph: Provided further, That except as provided in the following provisos, the entire amount specified under this paragraph (except as otherwise modified under this paragraph) shall be obligated to the public housing agencies based on the allocation and pro rata method described above, and the Secretary shall notify public housing agencies of their annual budget by the latter of 60 days after enactment of this Act or March 1, 2020: Provided further, That the Secretary may extend the notification period with the prior written approval of the House and Senate Committees on Appropriations: Provided further, That public housing agencies participating in the MTW demonstration shall be funded pursuant to their MTW agreements and shall be subject to the same pro rata adjustments under the previous provisos: Provided further, That the Secretary may offset public housing agencies’ calendar year 2020 allocations based on the excess amounts of public housing agencies’ net restricted assets accounts, including HUD-held programmatic reserves (in accordance with VMS data in calendar year 2019 that is verifiable and complete), as determined by the Secretary: Provided further, That public housing agencies participating in the MTW demonstration shall also be subject to the offset, as determined by the Secretary, excluding amounts subject to the single fund budget authority provisions of their MTW agreements, from the agencies’ calendar year 2020 MTW funding allocation: Provided further, That the Secretary shall use any offset referred to in the previous two provisos throughout the calendar year to prevent the termination of rental assistance for families as the result of insufficient funding, as determined by the Secretary, and to avoid or reduce the proration of renewal funding allocations: Provided further, That up to \$100,000,000 shall be available only: (1) for adjustments in the allocations for public housing agencies, after application for an adjustment by a public housing agency that experienced a significant increase, as determined by the Secretary, in renewal costs of vouchers resulting from unforeseen circumstances or from portability under section 8(r) of the Act; (2) for vouchers that were not in use during the previous 12-month period in order to be available to meet a commitment pursuant to section 8(o)(13) of the Act; (3) for adjustments for costs associated with HUD–Veterans Affairs Supportive Housing (HUD–VASH) vouchers; (4) for public housing agencies that despite taking reasonable cost savings measures, as determined by the Secretary, would otherwise be required to terminate rental assistance for families as a result of insufficient funding; (5) for adjustments in the allocations for public housing agencies that (i) are leasing a lower-than-average percentage of their authorized vouchers, (ii) have low amounts of budget authority in their net restricted assets accounts and HUD-held programmatic reserves, relative to other agencies, and (iii) are not participating in the Moving to Work demonstration, to enable such agencies to lease more vouchers; and (6) for public housing agencies that have experienced increased costs or loss of units in an area for which the President declared a disaster under title IV of the

Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170 et seq.): Provided further, That the Secretary shall allocate amounts under the previous proviso based on need, as determined by the Secretary;

Tenant Protection:

\$75,000,000 shall be for section 8 rental assistance for relocation and replacement of housing units that are demolished or disposed of pursuant to section 18 of the Act, conversion of section 23 projects to assistance under section 8, the family unification program under section 8(x) of the Act, relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency, enhanced vouchers under any provision of law authorizing such assistance under section 8(t) of the Act, Choice Neighborhood vouchers, mandatory and voluntary conversions, and tenant protection assistance including replacement and relocation assistance or for project-based assistance to prevent the displacement of unassisted elderly tenants currently residing in section 202 properties financed between 1959 and 1974 that are refinanced pursuant to Public Law 106-569, as amended, or under the authority as provided under this Act: *Provided*, That when a public housing development is submitted for demolition or disposition under section 18 of the Act, the Secretary may provide section 8 rental assistance when the units pose an imminent health and safety risk to residents: *Provided further*, That the Secretary may only provide replacement vouchers for units that were occupied within the previous 24 months that cease to be available as assisted housing, subject only to the availability of funds: *Provided further*, That of the amounts made available under this paragraph, up to \$5,000,000 may be available to provide tenant protection assistance, not otherwise provided under this paragraph, to residents residing in low vacancy areas and who may have to pay rents greater than 30 percent of household income, as the result of: (A) the maturity of a HUD-insured, HUD-held or section 202 loan that requires the permission of the Secretary prior to loan prepayment; (B) the expiration of a rental assistance contract for which the tenants are not eligible for enhanced voucher or tenant protection assistance under existing law; or (C) the expiration of affordability restrictions accompanying a mortgage or preservation program administered by the Secretary: *Provided further*, That such tenant protection assistance made available under the previous proviso may be provided under the authority of section 8(t) or section 8(o)(13) of the United States Housing Act of 1937 (42 U.S.C. 1437f(t)): *Provided further*, That the Secretary shall issue guidance to implement the previous provisos, including, but not limited to, requirements for defining eligible at-risk households within 60 days of the enactment of this Act: *Provided further*, That any tenant protection voucher made available from amounts under this paragraph shall not be reissued by any public housing agency, except the replacement vouchers as defined by the Secretary by notice, when the initial family that received any such voucher no longer receives such voucher, and the authority for any public housing agency to issue any such voucher shall cease to exist: *Provided further*, That the Secretary may provide section 8 rental assistance from amounts made available under this paragraph for units assisted under a project-based subsidy contract funded under the "Project-Based Rental Assistance" heading under this title where the owner has received a Notice of Default and the units pose an imminent health and safety risk to residents: *Provided further*, That to the extent that the Secretary determines that such units are not feasible for continued rental assistance payments or transfer of the subsidy contract associated with such units to another project or projects and owner or owners, any remaining amounts associated with such units under such contract shall be recaptured and used to reimburse amounts used under this paragraph for rental assistance under the preceding proviso;

Administrative Fees:

\$1,977,000,000 shall be for administrative and other expenses of public housing agencies in administering the section 8 tenant-based rental assistance program, of which up to \$30,000,000 shall be available to the Secretary to allocate to public housing agencies that need additional funds to administer their section 8 programs, including fees associated with section 8 tenant protection rental assistance, the administration of disaster related vouchers, HUD-VASH vouchers, and other special purpose incremental vouchers: *Provided*, That no less than \$1,947,000,000 of the amount provided in this paragraph shall be allocated to public housing agencies for the calendar year 2020 funding cycle based on section 8(q) of the Act (and related Appropriation Act provisions) as in effect immediately before the enactment of the Quality Housing and Work Responsibility Act of 1998 (Public Law 105-276): *Provided further*, That if the amounts made available under this paragraph are insufficient to pay the amounts determined under the previous proviso, the Secretary may

decrease the amounts allocated to agencies by a uniform percentage applicable to all agencies receiving funding under this paragraph or may, to the extent necessary to provide full payment of amounts determined under the previous proviso, utilize unobligated balances, including recaptures and carryovers, remaining from funds appropriated to HUD of Housing and Urban Development under this heading from prior fiscal years, excluding special purpose vouchers, notwithstanding the purposes for which such amounts were appropriated: *Provided further*, That all public housing agencies participating in the MTW demonstration shall be funded pursuant to their MTW agreements, and shall be subject to the same uniform percentage decrease as under the previous proviso: *Provided further*, That amounts provided under this paragraph shall be only for activities related to the provision of tenant-based rental assistance authorized under section 8, including related development activities;

Mainstream Program:

\$229,050,000 for the renewal of tenant-based assistance contracts under section 811 of the Cranston Gonzalez National Affordable Housing Act (42 U.S.C. 8013), including necessary administrative expenses: *Provided*, That administrative and other expenses of public housing agencies in administering the special purpose vouchers in this paragraph shall be funded under the same terms and be subject to the same pro rata reduction as the percent decrease for administrative and other expenses to public housing agencies under paragraph (3) of this heading: *Provided further*, That upon turnover, section 811 special purpose vouchers funded under this heading in this or prior Acts, or under any other heading in prior Acts, shall be provided to non-elderly persons with disabilities;

Tribal HUD-VASH Renewals:

\$1,000,000 shall be for rental assistance and associated administrative fees for Tribal HUD-VASH to serve Native American veterans that are homeless or at-risk of homelessness living on or near a reservation or other Indian areas: *Provided*, That such amount shall be made available for renewal grants to recipients that received assistance under prior Acts under the Tribal HUD-VASH program: *Provided further*, That the Secretary shall be authorized to specify criteria for renewal grants, including data on the utilization of assistance reported by grant recipients: *Provided further*, That such assistance shall be administered in accordance with program requirements under the Native American Housing Assistance and Self-Determination Act of 1996 and modeled after the HUD-VASH program: *Provided further*, That the Secretary shall be authorized to waive, or specify alternative requirements for any provision of any statute or regulation that the Secretary administers in connection with the use of funds made available under this paragraph (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment), upon a finding by the Secretary that any such waivers or alternative requirements are necessary for the effective delivery and administration of such assistance: *Provided further*, That grant recipients shall report to the Secretary on utilization of such rental assistance and other program data, as prescribed by the Secretary: *Provided further*, That the Secretary may reallocate, as determined by the Secretary, amounts returned or recaptured from awards under prior Acts;

HUD-VASH Program:

\$40,000,000 for incremental rental voucher assistance for use through a supported housing program administered in conjunction with HUD of Veterans Affairs as authorized under section 8(o)(19) of the United States Housing Act of 1937: *Provided*, That the Secretary of Housing and Urban Development shall make such funding available, notwithstanding section 203 (competition provision) of this title, to public housing agencies that partner with eligible VA Medical Centers or other entities as designated by the Secretary of HUD of Veterans Affairs, based on geographical need for such assistance as identified by the Secretary of HUD of Veterans Affairs, public housing agency administrative performance, and other factors as specified by the Secretary of Housing and Urban Development in consultation with the Secretary of HUD of Veterans Affairs: *Provided further*, That the Secretary of Housing and Urban Development may waive, or specify alternative requirements for (in consultation with the Secretary of HUD

of Veterans Affairs), any provision of any statute or regulation that the Secretary of Housing and Urban Development administers in connection with the use of funds made available under this paragraph (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment), upon a finding by the Secretary that any such waivers or alternative requirements are necessary for the effective delivery and administration of such voucher assistance: *Provided further*, That assistance made available under this paragraph shall continue to remain available for homeless veterans upon turn-over;

Family Unification Program:

\$25,000,000 shall be made available for the family unification program as authorized under section 8(x) of the Act: *Provided*, That the amounts made available under this paragraph are provided as follows: (A) \$5,000,000 shall be for new incremental voucher assistance: *Provided*, That the assistance made available under this subparagraph shall continue to remain available for family unification upon turnover; and (B) \$20,000,000 shall be for new incremental voucher assistance to assist eligible youth as defined by such section 8(x)(2)(B): *Provided*, That assistance made available under this subparagraph shall continue to remain available for such eligible youth upon turnover: *Provided further*, That of the total amount made available under this subparagraph, up to \$10,000,000 shall be available on a noncompetitive basis to public housing agencies that partner with public child welfare agencies to identify such eligible youth, that request such assistance to timely assist such eligible youth, and that meet any other criteria as specified by the Secretary: *Provided further*, That the Secretary shall review utilization of the assistance made available under the previous proviso, at an interval to be determined by the Secretary, and unutilized voucher assistance that is no longer needed shall be recaptured by the Secretary and reallocated pursuant to the previous proviso: *Provided further*, That for any public housing agency administering voucher assistance appropriated in a prior Act under the family unification program, or made available and competitively selected under this paragraph, that determines that it no longer has an identified need for such assistance upon turnover, such agency shall notify the Secretary, and the Secretary shall recapture such assistance from the agency and reallocate it to any other public housing agency or agencies based on need for voucher assistance in connection with such specified program or eligible youth, as applicable;

Mobility Demonstration:

\$25,000,000 shall be made available for the mobility demonstration authorized under section 235 of division G of the Consolidated Appropriations Act, 2019 (42 U.S.C. 1437f note; Public Law 116-6; 133 Stat. 465), of which up to \$5,000,000 shall be for new incremental voucher assistance and the remainder of which shall be available to provide mobility-related services to families with children, including pre- and post-move counseling and rent deposits, and to offset the administrative costs of operating the mobility demonstration: *Provided*, That incremental voucher assistance made available under this paragraph shall be for families with children participating in the mobility demonstration and shall continue to remain available for families with children upon turnover: *Provided further*, That for any public housing agency administering voucher assistance under the mobility demonstration that determines that it no longer has an identified need for such assistance upon turnover, such agency shall notify the Secretary, and the Secretary shall recapture such assistance from the agency and reallocate it to any other public housing agency or agencies based on need for voucher assistance in connection with such demonstration; and

Tracking of Special Purpose Vouchers:

The Secretary shall separately track all special purpose vouchers funded under this heading.

Appendix B

**CY 2020 Housing Choice Voucher Program
Special Fees**

**Application for \$30 Million Set-Aside for some Categories of Special Fees 1 – HUD-VASH;
2 – FUP; 3 – Disaster; and/or 4 – Secretary's Discretion**

Name of PHA: _____

PHA Number: _____

Executive Director: _____

CHECK ALL BOXES THAT APPLY

_____ **HUD-VASH**

_____ **FUP**

_____ **Disaster-Related**

_____ **Special Fees Under The Secretary's Discretion**

Documentation requirements and Deadlines for each of the above categories are contained within the document this page is attached.

This certification must be signed by the appropriate PHA official and returned.

Certification: I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. I also certify that should funding be awarded under any of the selected special fee categories per this page, that I will keep clear and organized records on how all awarded the funds were spent should HUD request to review the outcomes of this fee funding. Warning: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802).

Signature of Executive Director and Date

Contact Name and Phone Number

[Sample Request Form](#)

Appendix C

		Actual Expenses			
		May-19	Jun-19	Jul-19	Total
Revenue					
	HUD Extra Ordinary Administrative Fees	\$37,708	\$37,708	\$37,709	\$113,125
	Other:				\$0
	Total Income:	\$37,708	\$37,708	\$37,709	\$113,125
Expenditures					
Salaries					
	Project Oversight & Coordination	\$2,583	\$2,583	\$2,583	\$7,749
	Project Manager				\$0
	Administrative Assistant	\$333	\$333	\$333	\$999
	HUD-VASH Landlord/Education Liaison	\$3,000	\$5,000	\$2,000	\$10,000
	HUD-VASH Real Estate Specialist	\$0	\$2,518	\$5,168	\$7,686
	Project Director				\$0
	Family Advisor/Mobility Counselor	\$2,389	\$2,389	\$2,389	\$7,167
	Workshop Waitlist Education Coordinator				\$0
	Other:	\$626	\$626	\$626	\$1,878
	Other:				\$0
	Total Salary Expenditures:	\$8,931	\$13,449	\$13,099	\$35,479
Overhead & Supplies					
	Printing/Copying				\$0
	Accounting			\$256	\$256
	Supplies			\$444	\$444
	Credit Checks				\$0
	Postage			\$67	\$67
	Telephone			\$202	\$202
	Rent/Utilities/Furniture			\$1,287	\$1,287
	Equipment/Maintenance			\$187	\$187
	Insurance			\$113	\$113
	IT Services			\$4,874	\$4,874
	Other:				\$0
	Total Operating Expenditures:	\$0	\$0	\$7,430	\$7,430
PHA Support					
	HA002 Blue HA				\$0
	HA043 Purple HA				\$0
	Total PHA Support Expenditures:	\$0	\$0	\$0	\$0
	Total Expenditures:	\$8,931	\$13,449	\$20,529	\$42,909
	Net Income Surplus/Deficit:	\$28,777	\$24,259	\$17,180	\$70,216

Appendix D

Calculation of HUD-Confirmed Shortfall and Shortfall Amount

The amount that a PHA will be eligible to receive from the \$100,000,000 set-aside will be calculated by HUD, using HUD's Two-Year Forecasting Tool (see link) and the most recent validated voucher leasing and expense data available in VMS at the time the PHA's application is reviewed, including any updated information supplied by the PHA. HUD's Two-Year Forecasting Tool can be found at the [Office of Housing Choice Vouchers](#) website that includes a link to the two-year tool instruction page.

The two-year tool compares all resources available to support the PHA's HAP payments in CY 2020 with actual HAP expenses for 2020 projected through the end of the CY based upon the best information available.

Resources are calculated using the HUD-calculated RNP as of 12/31/2019, the HUD-held reserve as of 12/31/2019, the PHA's actual Renewal Annual Budget Authority (ABA) for 2020, and any new voucher incremental funding applicable to CY 2020 or set-aside amounts awarded or expected to be awarded in 2020.

HAP expenses are calculated based on current leasing and expense data, projected through the end of CY 2020; the PHA's suspension of general voucher issuance; and projected attrition based on actual attrition for the 12 months prior to the PHA's request for set-aside funds, adjusted for accuracy if the PHA has more recent information that will impact the attrition rate in future months, as reported in PIC, and considering any updated information supplied by the PHA.

The requirement to suspend general voucher issuance is subject to the following exclusions (note, vouchers in category 2 below are also added to the HAP expense projection):

1. Vouchers issued to current HCV participants to allow them to move.
2. Vouchers issued to program applicants under special-purpose voucher increments awarded in CY 2019 or CY 2020. These special-purpose vouchers (SPVs) include HUD-VASH, Family Unification Program (FUP), Non-Elderly Disabled (NED), and Tenant Protection vouchers initially awarded in 2019 and/or 2020, to include Set-aside funding.
3. Vouchers issued to applicants moving into Project-Based Voucher (PBV) units to allow the PHA to meet its contractual obligation to fill PBV AHAP units being placed under HAP for the first time, and PBV units currently under HAP that are vacated by program participants. However, tenant-based vouchers are not to be issued to participants living in PBV units who are requesting a voluntary move with a tenant-based voucher after the date of date of notification by the SPT of a potential shortfall.

4. Vouchers issued pursuant to the settlement of litigation (“Litigation Vouchers”) against a PHA. PHAs must request approval to continue leasing Litigation Vouchers and submit supporting documentation. HUD will review and decide on a case by case basis using the supporting documentation received as the basis for the decision.
5. The Secretary reserves the right to consider additional exceptions on a case-by-case basis.

Any vouchers issued on or after the date of notification by the SPT of a potential shortfall, with the exception of those described in 1 and 2, above, must be rescinded immediately, unless the applicant has submitted a Request for Tenancy Approval and the unit has passed inspection. To the extent consistent with the PHA’s Administrative Plan, holders of rescinded vouchers may be advised that they will be eligible to receive a new voucher when the PHA is able to resume issuance. PHAs cannot issue vouchers and/or execute HAP contracts for families that do not meet any of the exceptions through the end of CY 2020, or until advised in writing by the SPT that they no longer have a shortfall.

The application period for shortfall set-aside funding will remain open throughout the CY 2020, and PHAs may apply at any time during the application period. PHAs that receive set-aside funds based on their current HAP costs are encouraged to maintain contact with the SPT to ensure all shortfall needs are met. Similarly, PHAs that do not initially qualify for shortfall funding because they have suspended leasing and expect to decrease leasing by attrition are also encouraged to maintain contact with the local Field Office and the SPT if the attrition fails to resolve their shortfall.

All PHAs applying for the shortfall set-aside must be working with HUD’s SPT at the time of their application. The SPT will review the PHA’s funding available for 2020 and their leasing and expense data to date, to determine whether the PHA has a shortfall and the amount needed to resolve the shortfall. The PHA will continue to work with the SPT throughout the year to monitor the PHA’s financial position and to implement cost savings measures outlined in [PIH Notice 2011-28](#) or a superseding notice published by HUD to decrease the possibility of an increased shortfall. PHAs must adhere to the eligibility requirements detailed in Section 13 of this Notice or a superseding notice.

Factors considered by the SPT to determine the amount of a potential shortfall will be determined as follows:

- a. **Cash Supported Total Reserves as of 12/31/2019:** SPT will use the Cash Supported Total Reserves as of 12/31/2019, which consists of the HUD-Held Reserve and the lower of HUD-Estimated Excess Cash, PHA Reported RNP as of 12/31/2019, or the actual amount of cash on hand to support the RNP. If there is a discrepancy with any of these amounts the PHA will be required to provide documentation as requested before this adjustment will be made.

- b. **HUD-held reserve as of 12/31/2019**: SPT will use the balance reported to SPT by HUD's FMC.
- c. **2020 Renewal ABA**: Actual renewal ABA awards for CY 2020.
- d. **SPV and tenant protection funding and set-asides**: FMC will provide amounts to be made available to the PHA in CY 2020 for special-purpose voucher and tenant protection funding increments applicable to any portion of CY 2020, and for any set-aside funding previously awarded in CY 2020.
- e. **Unit months leased**: The unit months leased (UML) for CY 2020 will be projected by taking the number of units reported in VMS in the last month available and projecting that number through the end of the year. Reductions to projected leasing will be made to adjust for attrition, in accordance with the annual turnover rate used in the two-year tool. This rate is derived from the PHA's PIC data on families end of participation (EOP). Increases to projected leasing will be made for vouchers issued prior to the date of the notification by the SPT of a potential shortfall and for additional leasing resulting from the admission of families described in exception categories 2 and 3 above – families receiving new special-purpose vouchers, and families moving into new or vacant PBV units. No adjustments will be made for mover families who receive vouchers in accordance with category 1 above.
- f. **Total HAP expense**: Total HAP expense for CY 2020 will be based on a projection of the unit months leased for CY 2020 (described in e above) at the per-unit cost taken from the PHA's most recent VMS report, and considering any updated information supplied by the PHA. If the PHA's PUC increases in future months, and the PHA again determines that it is in danger of a shortfall, an additional shortfall award may be made without the need to reapply.
- g. **Vouchers issued or projected to be issued**: The number of vouchers issued as of the date of notification by the SPT of a potential shortfall, as shown in the PHA's VMS report, will be used to determine future leasing, if any, from vouchers issued prior to the date of notification by the SPT of a potential shortfall. For most PHAs, there will be no units issued starting on the date of notification by the SPT of a potential shortfall. Planned issuances for vouchers exempt from the suspension will be shown in the months they will be issued. The projected HAP costs for these units will be affected by the voucher success rate provided by the PHA and average time from issuance of the voucher to the HAP effective date.
- h. **Other Planned Additions or Reductions to Leased Units**: This field incorporates into the leasing schedule other planned additions to leasing with fixed start dates,

such as the dates that PBV units currently under AHAP are scheduled to come under HAP. The calculated HAP cost for these units is not subject to the success rate calculation.

- i. **2020 Year-End Total HAP Reserve Balance**: Any PHA with a negative projected 2020 year-end balance will be considered a shortfall PHA. PHAs with year-end balances of \$0 or above will not be considered shortfall PHAs or eligible to receive shortfall set-aside funds.

Appendix E

CY 2020 Housing Choice Voucher Program – Application for Funds from the \$100 Million Set-Aside

PHA Application for Category 1, Shortfall Funds and PHA Certification of Reasonable Cost Savings Measures Undertaken to Prevent Termination of HCV Participants Due to Insufficient Funds.

Name of PHA: _____

PHA Number: _____

Executive Director: _____

The above referenced agency is applying for Category 1 Shortfall Funds and has undertaken reasonable cost savings measures to prevent termination of HCV Participants due to insufficient funds.

Please check Shortfall Scenario 1 or Shortfall Scenario 2 for which your PHA is applying. The application must be signed by the appropriate PHA official.

_____**Shortfall Scenario 1:** For PHAs already in an-SPT confirmed shortfall, the certification is as follows:

I, _____, hereby certify to the following:

(1) At the time of application, the PHA is working with the HUD Shortfall Prevention Team (SPT) and SPT has confirmed the PHA is in a shortfall position. (PHAs that are not currently working with the SPT but believe they are in a shortfall position should immediately contact their HUD Field Office for assistance.)

(2) The PHA has ceased issuing vouchers to applicants as **of the date of notification by the SPT of a potential shortfall**. Please note that this restriction does not apply to:

- Vouchers issued to current HCV participants to allow them to move.
- Vouchers issued to program applicants under special-purpose voucher increments awarded in CY 2019 or CY 2020. These special-purpose vouchers include HUD-VASH, Family Unification Program (FUP), Non- Elderly Disabled (NED), and Tenant Protection vouchers initially awarded in 2019 and/or 2020, to include set-aside funding.

- Vouchers issued to applicants moving into Project-Based Voucher (PBV) units to allow the PHA to meet its contractual obligation to fill PBV AHAP units being placed under HAP for the first time, and PBV units currently under HAP that are vacated by program participants. However, tenant-based vouchers are not to be issued to participants living in PBV units who are requesting a voluntary move with a tenant-based voucher after the date of notification by the SPT of a potential shortfall.
- Vouchers issued pursuant to the settlement of litigation (“Litigation Vouchers”) against a PHA. PHAs must request approval to continuing leasing Litigation Vouchers and submit supporting documentation. HUD will review and decide on a case by case basis using the supporting documentation received as the basis for the decision.

(3) The PHA has ceased absorbing portable vouchers as of the date of notification by the SPT of a potential shortfall. (Note: This certification is not necessary if there was an agreement to halt port-ins prior to the date the PHA is notified of the potential shortfall by the SPT.)

(4) With regard to Project-Based Voucher (PBV) HAP contracts, vouchers are not issued to a family that wants to voluntarily move out of the PBV unit with tenant-based assistance. (However, if a unit becomes vacant, the PBV unit shall be filled with a family from the waiting list.)

_____ **Shortfall Scenario 2:** For those PHAs that manage their HCV program budgets in a reasonable and responsible manner but are later determined to be in an SPT-confirmed shortfall position, HUD will review each application on a case-by-case basis to determine if the PHA is eligible for funding under this category.

I, _____, here by certify that the PHA agrees to comply with all SPT-directed cost savings measures.

Certification: I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802).

Signature of Executive Director and Date

Contact Name and Phone Number

CY 2020 Housing Choice Voucher Program

Application for \$100 Million Set-Aside for Category 2a - Unforeseen Circumstances; 2b - Portability; 3 - Project-Based Vouchers; 4 - HUD-VASH; 5 - Lower-than-average Leasing; and/or 6 - Disaster;

Name of PHA: _____

PHA Number: _____

Executive Director: _____

CHECK ALL BOXES THAT APPLY

_____ **Category 2a: Unforeseen Circumstances.**

_____ **Category 2b: Portability.**

_____ **Category 3: Project-Based Vouchers.**

_____ **Category 4: HUD-VASH (Please also check a. and/or b. below, as applicable):**

_____ **a. Per Unit Cost Increase:** PHAs whose program-wide funded CY 2020 HAP PUC is less than their current HUD-VASH HAP PUC based on their latest HUD-VASH HAP expenses in CY 2019, and/or

_____ **b. Leasing Increase:** PHAs whose total HUD-VASH leasing for CY 2020 will exceed the leasing level included in their renewal funding plus the leasing that will be supported by the RNP and HUD-Held Program Reserves.

_____ **Category 5: Lower-than-average Leasing.**

_____ **Category 6: Disaster.**

Documentation requirements and Deadlines for each of the above categories are contained in Paragraph 13 of this notice.

This certification must be signed by the appropriate PHA official and returned.

Certification: I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802).

Signature of Executive Director and Date

Contact Name and Phone Number

NOTE: PLEASE COMPLETE ATT D FOR EACH PROJECT FOR WHICH PBV SET-ASIDE FUNDING IS BEING REQUESTED

PHA#:

PHA NAME:

_____ of _____ PROJECTS

PROJECT NAME:

PROJECT TYPE:

NEW CONSTRUCTION:

REHABILITATION:

NOTE: EXISTING HOUSING IS INELIGIBLE FOR THIS CATEGORY

INFORMATION ON AHAP:

EFFECTIVE DATE OF AHAP:

#OF DAYS FROM EFFECTIVE DATE OF HAP TO PROJECT COMPLETION DATE:

END DATE (DATE OF NEW CONSTRUCTION/REHAB COMPLETION DATE):

PERIOD ALLOWED: # OF UNITS:

Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

UNIT SIZE	CONTRACT RENT	GROSS RENT	UTILITIES INCLUDED IN GROSS RENT Y/N	# OF UNITS
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<input type="text"/> BEDROOM	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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(Page 2 of 2)

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COMMENTS:				
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This certification must be signed by the appropriate PHA official and returned.

Certification: I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802).

SIGNATURE OF EXECUTIVE DIRECTOR:

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DATE:

--

CONTACT NAME AND PHONE #:

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**CY 2020 HOUSING CHOICE VOUCHER PROGRAM
REQUEST FOR DISASTER HAP SET-ASIDE**

Name of PHA: _____

PHA Number: _____

Executive Director: _____

The PHA may request both the additional leasing adjustment and the per unit cost adjustment or may request only one adjustment. Please check the boxes that apply.

The President Declared Disaster that impacted your PHA:

Loss of Units

Units loss, needing funding: _____

Increased Costs

Requested PUC Amount: _____

Certification: I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802).

Signature of Executive Director and Date

Contact Name and Phone Number