

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

SPECIAL ATTENTION OF:	NOTICE PIH 2022-30
Office Directors of Public Housing; Regional Directors; Public Housing	Issued: September 26, 2022
Agencies	Expires: This notice remains in effect until amended, superseded or rescinded.
	Cross References: Notices PIH 2022-09; PIH 2022-04; 2021-34; 2021-14; PIH 2018-16; and 82 FR 5458 (January 18, 2017).

Subject: Extension of Certain Regulatory Waivers for the Housing Choice Voucher (including Mainstream) Program and Streamlined Review Process.

1. Purpose

This Notice provides for the extension of currently approved regulatory waivers for (1) increasing the payment standard during the HAP contract term and (2) new payment standard amounts through December 31, 2023. This Notice includes regulatory waivers specifically related to assisting PHAs in responding to ongoing fluctuations and disruptions in the rental market by providing more flexibility with establishing and applying payment standards.

PHAs must use the process set forth in this Notice to extend certain existing approved waivers or to submit new waiver requests and justification of good cause to trigger the streamlined HUD review. HUD has developed a streamlined process to respond to these waiver requests in accordance with Section 106 of the Department of Housing and Urban Development Reform Act of 1989. The use of streamlined review only applies to waivers explicitly stated in Section 4 of this notice.

Waiver extension requests must be received by end of day on December 31, 2022. New streamlined waiver requests under this Notice must be received by end of day on September 30, 2023.

2. Background

In the context of the public health emergency, the CARES Act provided HUD with authority to waive statutes and regulations (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment) for the Housing Choice Voucher (HCV) and Public Housing programs. These waivers provided PHAs with the flexibility to adjust program practices where necessary so that they could prioritize mission critical functions. Most CARES Act waivers and alternative requirements contained in Notice PIH 2021-14 (published May 5, 2021) expired on December 31, 2021; specific previously exercised HCV waiver approvals extended into 2022.

Through subsequent PIH notices, HUD provided a streamlined process for PHAs requesting certain regulatory waivers in order to provide continued flexibility to PHAs to respond to the pandemic. While the submission deadlines for most of these waivers have expired, to assist PHAs in managing ongoing challenges related to rental market fluctuations HUD extended the streamlined waiver process for the two-payment standard related waivers, identified in the table below, through September 30, 2022.

Item	Waiver Name	Regulation	Summary of relief from
			HUD requirements
(1)	Increase in Payment Standard During HAP Contract Term	982.505(c)(4)	PHAs have the option to increase the payment standard for the family at any time after the effective date of the increase, rather than waiting for the next regular reexamination.
(2)	Voucher Tenancy: New Payment Standard Amount	982.503(b)	PHAs may establish payment standards from 111 to 120 percent of the applicable FMR.

Table 1. List of streamlined regulatory waivers.

With respect to PHAs that already requested and received HUD approval for one or both of these waivers, the waiver(s) expire no later than December 31, 2022. To receive an extension of one or both of the previously approved waivers that is not yet expired, PHAs must submit an email to HUD certifying that the good cause reasons justifying their waiver(s) still exist (see Section 3 below). Upon receipt of that email, the PHA's waiver(s) will be extended until December 31, 2023. This extension will allow those PHAs to choose to continue to operate under their current waiver(s) through calendar year 2023.

In accordance with PIH Notice 2022-09, PHAs may submit streamlined waiver requests of 982.303(b)(1) to grant families one or more extensions of the initial voucher term regardless of the policy described in the Administrative Plan provided the request is received by HUD on or before September 30, 2022. However, this waiver is no longer eligible for the streamlined waiver request process after September 30, 2022, as the comparatively low number of such requests indicates most PHAs have been able to make the necessary adjustments to their Administrative Plans. After September 30, 2022, a PHA that is still experiencing a problem in this area may request a waiver of 982.303(b)(1) through the standard process described in PIH Notice 2018-16.

3. Process to Extend the Waivers – Increase in Payment Standard During HAP Contract Term (982.505(c)(4) and New Payment Standard Amount (982.503(b))

HUD made available certain regulatory waivers under PIH Notices 2021-34, 2022-04, and 2022-09. For PHAs that received waiver approvals under these notices, the waivers expire no later than December 31, 2022. HUD is now making available a process for PHAs to receive an extension of the following two waivers, provided the waiver has not yet expired, to continue through December 31, 2023:

- (1) a waiver of 982.505(c)(4) to permit the PHA to increase the payment standard for the family at any time after the effective date of the increase, rather than waiting for the next regular reexamination; and
- (2) a waiver of 982.503(b) to allow PHAs to establish payment standards from 111 to 120 percent of the FMR.
 - a. The FMR waiver payment standard extension is generally only applicable to the FY 2023 FMRs. However, PHAs with a pending FMR reevaluation who are required to continue to use the FY 2022 FMRs may use this waiver extension to go up to 120% of their applicable FMR.

PHAs that received approval for either of these waivers that wish to exercise the waiver(s) through December 31, 2023, must request the extension via an email to HUD. To ensure streamlined processing, PHAs should email its extension request to <u>PIH_Expedited_Waivers@hud.gov</u> with a copy to their local field office public housing

directors. Each request must include:

- (1) An email subject line of: Regulatory Waiver Extension Request, [PHA name and code].
- (2) PHA business address and name and email for point of contact.
- (3) Clear identification of the waiver(s) being requested for extension, which would include one or both of the following:
 - 982.505(c)(4) to permit the PHA to increase the payment standard for the family at any time after the effective date of the increase, rather than waiting for the next regular reexamination; and/or
 - 982.503(b) to allow PHAs to establish payment standards from 111 to 120 percent of the applicable FMR.
- (4) Certification that the good cause justifications the PHA provided in its original waiver request to HUD still exist and that the original waiver has not expired.

Following submission, PIH will reply via email confirming that the request has been received. Upon review, PIH will reply via email whether the extension has been approved.

Regulatory waiver extension requests must be received no later than December 31, 2022. PHAs that do not submit by the deadline or submitted after their previously approved waiver expired, must follow the process in Section 4.

4. Regulatory Waivers Eligible for Streamlined Processing

Using regulatory waiver authority provided in 24 CFR 5.110, HUD will consider requests to approve regulatory waivers listed in Table 1 above based on a PHA's statement of good cause. Requests must be received by HUD on or before September 30, 2023, to receive streamlined processing.

Additional Information – Waiver (2) Voucher Tenancy: New Payment Standard Amount

Using regulatory waiver authority provided in 5.110, HUD will allow for a waiver of 982.503(b)(1)(i) and will establish an alternative requirement to allow the PHA to establish a payment standard amount for a unit size at any level between 90 percent and 120 percent (as opposed to 110 percent) of the published FMR or Small Area Fair Market Rent (SAFMR) for that unit size.

Furthermore, for PHAs that are not in a designated SAFMR area or have not opted to voluntarily implement SAFMRs under 24 CFR 888.113(c)(3), HUD will allow for a waiver of 982.503(b)(1)(iii) and will establish an alternative requirement to provide exception payment standards for a ZIP code area above the basic range for the metropolitan FMR based on the HUD published SAFMRs. The PHA may establish an exception payment standard up to 120 percent (as opposed to 110 percent) of the HUD published SAFMR for that ZIP code area.

If the PHA intends to establish payment standards based on SAFMR when exercising this FMR waiver and is (a) not in a designated SAFMR area and (b) was not previously approved as an opt-in SAFMR PHA; or (c) did not previously notify HUD of their use of SAFMR exception payment standards, then the PHA must follow the instruction in PIH Notice 2018-01.

All rent reasonableness requirements at 982.507 apply to HCV units, regardless of whether the PHA has established an alternative or exception payment standard.

A PHA may not apply the FMR waiver payment standard until it receives written approval from HUD. The FMR waiver payment standards generally are only applicable to the FY 2023 FMRs. However, PHAs with a pending FMR reevaluation who are required to continue to use the FY 2022 FMRs may request to use this waiver to go up to 120% of their applicable FMR. PHAs must revert to the basic range for FY 2024 FMRs unless the PHA requests and HUD approves an additional exception payment standard waiver under 24 CFR 5.110 or 24 CFR 982.503, as applicable.

5. Good Cause for Streamlined Regulatory Waiver Requests

A PHA must include justification of good cause in its waiver request. The good cause justification must include (a) why a PHA needs the waiver; (b) the impact on PHA operations or applicants if the waiver is not provided; and (c) the proposed waiver duration. Waiver duration should be limited to only the time necessary for a PHA to resume normal operations but may not exceed December 31, 2023. HUD may provide a shorter timeframe or other conditions as a part of an approval. PHAs must demonstrate a good cause justification to receive approval of the waiver.

Included below are some examples of good cause for waiver (1) increase in payment standard during HAP contract term:

- Increases in family rent burdens.
- Potential negative impacts to tenants or the onset of housing instability.

For waiver (2) voucher tenancy: new payment standard amount, a PHA must certify that it meets one of the following good cause reasons:

- (1) **HUD FMR Area Determined to Have Significant Rental Market Fluctuations:** The PHA's jurisdiction is in a FMR area identified by HUD to have significant rental market fluctuations, where an increase in PHA's payment standards up to 120 percent of the FMR may help the PHA more quickly respond to local circumstances. HUD has posted a list of such FMR areas at the end of this Notice.
- (2) Utilization Rate: Lower than 98 percent for the current year-to-date or more than a five percent reduction in utilization rate occurring between years 2019 and 2021. Utilization rate is the higher of unit months leased divided by unit months available, or total HAP spent divided by budget authority (including reserves).
- (3) **Timely Leasing of Vouchers:** If less than 85 percent of the vouchers that the PHA has issued in the last six months have leased.

Prior to submission for its waiver (2) request, the PHA must determine the budgetary impacts on its program and ensure they have the available budget authority to support increased payment standards. PHAs are encouraged to use the "<u>Payment Standard Tool</u>" to help determine the budgetary impacts.

6. Instructions for Submitting Streamlined Regulatory Waiver Requests

This section explains the process for submitting streamlined waiver requests and provides direction to PHAs on how to submit requests for processing. A PHA may request a waiver of the HUD requirements listed above and should include a justification that documents why the waiver is needed. No waiver(s) requested may be implemented unless written approval from HUD has been obtained. To ensure streamlined processing, PHAs should email its waiver requests to <u>PIH_Expedited_Waivers@hud.gov</u> with a copy to their local field office public housing directors. Each request must include:

- (5) An email subject line of: "Streamlined Regulatory Waiver Request, [PHA name and code]".
- (6) Body of email should include:
 - PHA business address and name and email for point of contact.
 - Name and Regulation from Table 1 of the waiver(s) being requested.
 - A PHA-specific justification for the waiver(s) that shows good cause.
 - Requested duration of the waiver(s).

Following submission, PIH will reply via email confirming that the request has been received. The PIH Program Office prepares a final determination for approval by its Assistant Secretary; and PHAs receive the signed response to the waiver request via email.

PHAs may continue to request other regulatory waivers as necessary to operate its HCV program; however, they will not be subject to the streamlined process. PHA waivers submitted under the streamlined process in this Notice should not be combined with waivers submitted under the standard process described in PIH Notice 2018-16.

7. For further information: Contact Alison Bell, Housing Voucher Management and Operations Division, Office of Public and Indian Housing, Department of Housing and Urban Development, 451 7th Street, SW, Room 4214, Washington, DC 20410-5000, or email to <u>PIH_Expedited_Waivers@hud.gov.</u>

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]	HUD FMR Area Determined to Have Significant Rental Market Fluctuations	
1	Acadia Parish, LA HUD Metro FMR Area	
2	Akron, OH MSA	
3	Albany, GA MSA	
4	Albuquerque, NM MSA	
5	Allentown-Bethlehem-Easton, PA HUD Metro FMR Area	
6	Altoona, PA MSA	
7	Anchorage, AK HUD Metro FMR Area	
8	Anderson, IN HUD Metro FMR Area	
9	Anniston-Oxford-Jacksonville, AL MSA	
10	Anson County, NC HUD Metro FMR Area	
11	Asheville, NC HUD Metro FMR Area	
12	Athens-Clarke County, GA MSA	
12	Atlanta-Sandy Springs-Roswell, GA HUD Metro FMR Area	
13	Atlantic City-Hammonton, NJ MSA	
15	Augusta-Richmond County, GA-SC HUD Metro FMR Area	
15	Austin-Round Rock, TX MSA	
17	Baker County, FL HUD Metro FMR Area	
18	Bakersfield, CA MSA	
19	Battle Creek, MI MSA	
20	Beaufort County, SC HUD Metro FMR Area	
21	Bend-Redmond, OR MSA	
22	Billings, MT HUD Metro FMR Area	
23	Bloomington, IL MSA	
24	Boise City, ID HUD Metro FMR Area	
25	Bond County, IL HUD Metro FMR Area	
26	Box Elder County, UT HUD Metro FMR Area	
27	Bremerton-Silverdale, WA MSA	
28	Brunswick, GA MSA	
29	Burlington, NC MSA	
30	Butte County, ID HUD Metro FMR Area	
31	Butts County, GA HUD Metro FMR Area	
32	Callaway County, MO HUD Metro FMR Area	
33	Camden County, NC HUD Metro FMR Area	
34	Campbell County, TN HUD Metro FMR Area	
35	Cape Coral-Fort Myers, FL MSA	
36	Cape Girardeau, MO-IL MSA	
37	Chambers County, AL	
38	Charleston-North Charleston, SC MSA	
39	Charlotte-Concord-Gastonia, NC-SC HUD Metro FMR Area	

]	HUD FMR Area Determined to Have Significant Rental Market Fluctuations	
40	Chattanooga, TN-GA MSA	
41	Chester County, SC HUD Metro FMR Area	
42	Chilton County, AL HUD Metro FMR Area	
43	Clarendon County, SC HUD Metro FMR Area	
44	Clarksville, TN-KY HUD Metro FMR Area	
45	Cleveland, TN MSA	
46	Coeur d'Alene, ID MSA	
47	Colchester-Lebanon, CT HUD Metro FMR Area	
48	Colorado Springs, CO HUD Metro FMR Area	
49	Columbia, SC HUD Metro FMR Area	
50	Cooper County, MO HUD Metro FMR Area	
51	Cotton County, OK HUD Metro FMR Area	
52	Craven County, NC HUD Metro FMR Area	
53	Crestview-Fort Walton Beach-Destin, FL HUD Metro FMR Area	
54	Cumberland, MD-WV MSA	
55	Dallas County, MO HUD Metro FMR Area	
56	Daphne-Fairhope-Foley, AL MSA	
57	Davidson County, NC HUD Metro FMR Area	
58	Deltona-Daytona Beach-Ormond Beach, FL HUD Metro FMR Area	
59	Dover, DE MSA	
60	Durham-Chapel Hill, NC HUD Metro FMR Area	
61	East Stroudsburg, PA MSA	
62	Easton-Raynham, MA HUD Metro FMR Area	
63	Elkhart-Goshen, IN MSA	
64	Elmira, NY MSA	
65	Falls County, TX HUD Metro FMR Area	
66	Fayette County, WV HUD Metro FMR Area	
67	Fayetteville, NC HUD Metro FMR Area	
68	Flagstaff, AZ MSA	
69	Flint, MI MSA	
70	Fort Lauderdale, FL HUD Metro FMR Area	
71	Fort Wayne, IN MSA	
72	Franklin County, VA HUD Metro FMR Area	
73	Fresno, CA MSA	
74	Fulton County, IL HUD Metro FMR Area	
75	Gainesville, GA MSA	
76	Gates County, NC HUD Metro FMR Area	
77	Gem County, ID HUD Metro FMR Area	
78	Gettysburg, PA MSA	
79	Goldsboro, NC MSA	
80	Grady County, OK HUD Metro FMR Area	

HUD FMR Area Determined to Have Significant Rental Market	
0.1	Fluctuations
81	Grand Rapids-Wyoming, MI HUD Metro FMR Area
82	Greensboro-High Point, NC HUD Metro FMR Area
83	Hanford-Corcoran, CA MSA
84	Haralson County, GA HUD Metro FMR Area
85	Harnett County, NC HUD Metro FMR Area
86	Harrisburg-Carlisle, PA MSA
87	Harrisonburg, VA MSA
88	Haywood County, NC HUD Metro FMR Area
89	Hickory-Lenoir-Morganton, NC MSA
90	Hillsborough County, NH (part) HUD Metro FMR Area
91	Hinesville, GA HUD Metro FMR Area
92	Hoke County, NC HUD Metro FMR Area
93	Holland-Grand Haven, MI HUD Metro FMR Area
94	Howard County, MO HUD Metro FMR Area
95	Hudspeth County, TX HUD Metro FMR Area
96	Huntington County, IN
97	Huntsville, AL MSA
98	Iberia Parish, LA HUD Metro FMR Area
99	Idaho Falls, ID HUD Metro FMR Area
100	Ionia County, MI HUD Metro FMR Area
101	Iredell County, NC HUD Metro FMR Area
102	Jackson, MI MSA
103	Jacksonville, FL HUD Metro FMR Area
104	Jacksonville, NC MSA
105	Jefferson City, MO HUD Metro FMR Area
106	Johnstown, PA MSA
107	Jones County, NC HUD Metro FMR Area
108	Kershaw County, SC HUD Metro FMR Area
109	Killeen-Temple, TX HUD Metro FMR Area
110	King and Queen County, VA HUD Metro FMR Area
111	Kingsport-Bristol-Bristol, TN-VA MSA
112	Kingston, NY MSA
113	Knoxville, TN HUD Metro FMR Area
114	Lafayette, LA HUD Metro FMR Area
115	Lake Havasu City-Kingman, AZ MSA
116	Lakeland-Winter Haven, FL MSA
117	Lamar County, GA HUD Metro FMR Area
118	Lampasas County, TX HUD Metro FMR Area
119	Lancaster County, SC HUD Metro FMR Area
120	Las Vegas-Henderson-Paradise, NV MSA
121	Lima, OH MSA

HUD FMR Area Determined to Have Significant Rental Market	
100	Fluctuations
122	Lincoln County, GA HUD Metro FMR Area
123	Lincoln County, NC HUD Metro FMR Area
124	Lincoln County, OK HUD Metro FMR Area
125	Logan, UT-ID MSA
126	Long County, GA HUD Metro FMR Area
127	Macon County, TN HUD Metro FMR Area
128	Macon-Bibb County, GA HUD Metro FMR Area
129	Macoupin County, IL HUD Metro FMR Area
130	Manchester, NH HUD Metro FMR Area
131	Marshall County, MS HUD Metro FMR Area
132	Matanuska-Susitna Borough, AK HUD Metro FMR Area
133	Maury County, TN HUD Metro FMR Area
134	Memphis, TN-MS-AR HUD Metro FMR Area
135	Meriwether County, GA HUD Metro FMR Area
136	Miami-Miami Beach-Kendall, FL HUD Metro FMR Area
137	Michigan City-La Porte, IN MSA
138	Midland, MI MSA
139	Mobile, AL HUD Metro FMR Area
140	Moniteau County, MO HUD Metro FMR Area
141	Monroe County, GA HUD Metro FMR Area
142	Montcalm County, MI HUD Metro FMR Area
143	Morgan County, GA HUD Metro FMR Area
144	Morgan County, TN HUD Metro FMR Area
145	Muncie, IN MSA
146	Muskegon, MI MSA
	Myrtle Beach-North Myrtle Beach-Conway, SC HUD Metro FMR
147	Area
148	Naples-Immokalee-Marco Island, FL MSA
149	Nashua, NH HUD Metro FMR Area
150	New Bedford, MA HUD Metro FMR Area
151	New Haven-Meriden, CT HUD Metro FMR Area
152	Newport-Middleton-Portsmouth, RI HUD Metro FMR Area
153	North Port-Sarasota-Bradenton, FL MSA
154	Norwich-New London, CT HUD Metro FMR Area
155	Ocala, FL MSA
156	Oconto County, WI HUD Metro FMR Area
157	Ogden-Clearfield, UT HUD Metro FMR Area
158	Okmulgee County, OK HUD Metro FMR Area
159	Oktibbeha County, MS
160	Orlando-Kissimmee-Sanford, FL MSA
161	Ottawa County, OH HUD Metro FMR Area

HUD FMR Area Determined to Have Significant Rental Market		
Fluctuations		
162	Palm Bay-Melbourne-Titusville, FL MSA	
163	Palm Coast, FL HUD Metro FMR Area	
164	Pamlico County, NC HUD Metro FMR Area	
165	Parke County, IN HUD Metro FMR Area	
166	Pawnee County, OK HUD Metro FMR Area	
167	Peach County, GA HUD Metro FMR Area	
168	Pender County, NC HUD Metro FMR Area	
169	Pensacola-Ferry Pass-Brent, FL MSA	
170	Phoenix-Mesa-Scottsdale, AZ MSA	
171	Polk County, MO HUD Metro FMR Area	
172	Port St. Lucie, FL MSA	
173	Providence-Fall River, RI-MA HUD Metro FMR Area	
174	Punta Gorda, FL MSA	
175	Putnam County, IN HUD Metro FMR Area	
176	Raleigh County, WV HUD Metro FMR Area	
177	Raleigh, NC MSA	
178	Reading, PA MSA	
179	Reno, NV MSA	
180	Riverside-San Bernardino-Ontario, CA MSA	
181	Roane County, TN HUD Metro FMR Area	
182	Rockingham County, NC HUD Metro FMR Area	
183	Rowan County, NC HUD Metro FMR Area	
184	SacramentoRosevilleArden-Arcade, CA HUD Metro FMR Area	
185	San Diego-Carlsbad, CA MSA	
186	Santa Fe, NM MSA	
187	Savannah, GA MSA	
188	ScrantonWilkes-Barre, PA MSA	
189	Sharon, PA HUD Metro FMR Area	
190	Sierra Vista-Douglas, AZ MSA	
191	Smith County, TN HUD Metro FMR Area	
192	Spokane, WA HUD Metro FMR Area	
193	Springfield, MO HUD Metro FMR Area	
194	St. Louis, MO-IL HUD Metro FMR Area	
195	Stevens County, WA HUD Metro FMR Area	
196	Stewart County, TN HUD Metro FMR Area	
197	Stockton-Lodi, CA MSA	
198	Sullivan County, IN HUD Metro FMR Area	
199	Sumter, SC HUD Metro FMR Area	
200	Tampa-St. Petersburg-Clearwater, FL MSA	
201	Tate County, MS HUD Metro FMR Area	
202	Taunton-Mansfield-Norton, MA HUD Metro FMR Area	

HUD FMR Area Determined to Have Significant Rental Market	
202	
203	Teller County, CO HUD Metro FMR Area
204	Toledo, OH HUD Metro FMR Area
205	Tucson, AZ MSA
206	Tunica County, MS HUD Metro FMR Area
207	Tyler, TX MSA
208	Vermilion Parish, LA HUD Metro FMR Area
	Virginia Beach-Norfolk-Newport News, VA-NC HUD Metro FMR
209	Area
210	Visalia-Porterville, CA MSA
211	Waco, TX HUD Metro FMR Area
212	Wakulla County, FL HUD Metro FMR Area
213	Walton County, FL HUD Metro FMR Area
214	Warner Robins, GA HUD Metro FMR Area
215	Warren County, NJ HUD Metro FMR Area
216	Washington County, AL HUD Metro FMR Area
217	Waterbury, CT HUD Metro FMR Area
218	Weirton-Steubenville, WV-OH MSA
219	Wenatchee, WA MSA
220	West Palm Beach-Boca Raton, FL HUD Metro FMR Area
221	Westerly-Hopkinton-New Shoreham, RI HUD Metro FMR Area
222	Wheeling, WV-OH MSA
223	Wilmington, NC HUD Metro FMR Area
224	Winston-Salem, NC HUD Metro FMR Area
225	Yates County, NY HUD Metro FMR Area
226	York-Hanover, PA MSA
227	Yuma, AZ MSA