

New Policy Options to Help Meet Utilization Goals

PIH NOTICE 2021-34

Payment Standards

Adopting high enough payment standards that match the rental market is important for:

- Enabling a family to initially rent a unit with their voucher
- Ensuring reasonable rent burdens for families that stay in their unit
- Increasing landlord participation and retention in the program


New policy options to address payment standards

HUD issued a notice in mid-December that provides two opportunities for PHAs to address payment standards

- Receive a waiver to adopt a payment standard of up to 120% of FMR/SAFMR
- Receive a waiver 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.

PIH Notice 2021-34

- Provides for expedited waiver process for certain HCV waivers that were in CARES Act waiver notice PIH 2021-14
 - 5 specific waiver options, 2 related to payment standards
- PHAs must submit a request to exercise this waiver authority and HUD must approve it prior to adoption
- HUD **did not** extend CARES Act waivers, issued “unwinding” guidance
https://www.hud.gov/program_offices/public_indian_housing/covid_19_resources/navigating_waiver_expiration



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

OFFICE OF PUBLIC AND INDIAN HOUSING

SPECIAL ATTENTION OF: **NOTICE PIH 2021-34**

Office Directors of Public Housing;
Regional Directors; Public Housing
Agencies

Issued: December 9, 2021

Expires: This notice remains in effect until amended, superseded or rescinded.

Cross References: Notices PIH 2021-14; PIH 2020-33; Notice 2020-32; PIH Notice 2020-31; PIH 2020-22; PIH-2020-20; PIH 2020-13; PIH 2020-05; PIH 2019-11; PIH 2018-18; PIH 2018-16; PIH 2018-01; PIH 2011-64; and 82 FR 5458 (January 18, 2017); 83 FR 35490 (July 26, 2018)

Subject: Expedited Regulatory Waivers for the Public Housing and Housing Choice Voucher (including Mainstream and Mod Rehab) Programs.

1. Purpose

This Notice advises PHAs that they may apply for certain regulatory waivers that were originally offered as part of the CARES Act waivers in Notice PIH 2021-14 to provide continued flexibility during the pandemic and pandemic recovery. HUD will expeditiously respond to these waiver requests in accordance with Section 106 of the Department of Housing and Urban Development Reform Act of 1989. PHAs must utilize the process set out by this Notice to submit waiver requests and justification of good cause to trigger the expedited HUD review.

<https://www.hud.gov/sites/dfiles/OCHCO/documents/2021-34pihn.pdf>

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)	SEMAP Score	982.105, 985.101	PHAs with a fiscal year end 3/31/22, 6/30/22, 9/30/22, may request to waive the application of SEMAP in its entirety, only if the PHA has SEMAP indicators affected directly or indirectly because of the disruption to PHA operations caused by its adoption of available CARES Act waivers
(3)	Term of voucher: extensions of term	982.303(b)(1)	Allows PHAs to grant a family one or more extensions of the initial voucher term regardless of the policy described in the Administrative Plan. PHAs should ensure consistency with these requests and remain in compliance with the PHA's informally adopted interim standard.
(4)	Homeownership: maximum term of assistance	982.634(a)	Allows a PHA to extend homeownership assistance for up to one additional year.
(5)	Voucher tenancy: new payment standard amount	982.503(b)	PHAs may request an expedited waiver to allow for establishment of payment standards from 111 to 120 percent of the FMR.

PIH Notice 2021-34: Eligible Regulatory Waivers for Expediting

How to submit an expedited waiver request

Email waiver requests to PIH_Expedited_Waivers@hud.gov

- CC local field office public housing directors

Each request must include

- Subject line with “Expedited Pandemic Regulatory Waiver Request, [PHA name and code]”
- PHA business address and name and email for point of contact
- Name and Regulation from the chart about the waiver(s) being requested
- A PHA-specific justification for the waiver(s) extension that shows good cause

Good cause
explanation – up
to 120% of FMR
waiver request

PHA must
certify they
meet one of the
following

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 7 FMR may help the PHA more quickly respond to local circumstances.
- Listing at end of notice

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).

Timely Leasing of Vouchers

- If less than 85 percent of the vouchers that the PHA has issued in the last six months have leased.

Good cause explanation for other expedited waiver requests

The good cause justification **must** include:

- Why a PHA needs the waiver
- The impact on PHA operations or applicants if the waiver is not provided; and
- 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, 2022
 - HUD may provide a shorter timeframe or other conditions as a part of an approval.

Examples of good cause may include:

- Increased vacancy
- Insufficient staffing levels to address administrative or maintenance backlogs.
- Potential negative impacts to tenants or the onset of housing instability
- Local pandemic-specific delays or limitations caused by supply chain disruption, safety, or social distancing requirements
- Section Eight Management Assessment Program (SEMAP) indicators affected directly or indirectly because of the disruption to PHA operations caused by its adoption of CARES Act waivers

Expedited

To receive expedited processing, requests must be received by HUD on or before March 1, 2022

Waivers

After that date, HUD may revert back to regular waiver process for all regulatory waiver types

Deadline