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

<table>
<thead>
<tr>
<th>Item</th>
<th>Waiver Name</th>
<th>Regulation</th>
<th>Summary of relief from HUD requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>Increase in payment standard during HAP contract term</td>
<td>982.505(c)(4)</td>
<td>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</td>
</tr>
<tr>
<td>(2)</td>
<td>SEMAP Score</td>
<td>982.105, 985.101</td>
<td>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</td>
</tr>
<tr>
<td>(3)</td>
<td>Term of voucher: extensions of term</td>
<td>982.303(b)(1)</td>
<td>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.</td>
</tr>
<tr>
<td>(4)</td>
<td>Homeownership: maximum term of assistance</td>
<td>982.634(a)</td>
<td>Allows a PHA to extend homeownership assistance for up to one additional year.</td>
</tr>
<tr>
<td>(5)</td>
<td>Voucher tenancy: new payment standard amount</td>
<td>982.503(b)</td>
<td>PHAs may request an expedited waiver to allow for establishment of payment standards from 111 to 120 percent of the FMR.</td>
</tr>
</tbody>
</table>

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

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