

DHAP to HCV Conversion Common Programmatic Questions

The following Frequently Asked Questions (FAQs) pertain specifically to the \$85 million recently appropriated by Congress under the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 (Public Law 110-329) for rental voucher housing assistance payments and administrative fees to provide vouchers for DHAP families whose rental assistance would otherwise end on March 1, 2009. To be eligible for the voucher, the family must meet all eligibility requirements of the Housing Choice Voucher (HCV) program, including the income requirements at 24 CFR 982.201(b)(1).

Please note the revised answer to question 7. This answer was changed from previous versions of this document based on the continuation of DHAP assistance through the DHAP Transitional Closeout Program (TCP). Also please note the addition of question 8.

Program Eligibility

1. Who is eligible for the HCV assistance under this initial round of funding?

Answer: To be eligible for the HCV assistance under the initial round of funding provided by HUD for Priority 1 families, the family:

- (1) Must be a current participant in the DHAP;
- (2) Must be eligible for HCV assistance; and
- (3) Must be an elderly family or a family that includes a person with disabilities. ‘Elderly family’ and ‘person with disabilities’ is defined in 24 CFR 5.403.

2. May the PHA also make these vouchers available to elderly and families that include a person with disabilities that are assisted under the Disaster Voucher Program (DVP)?

Answer: No. This special allocation of vouchers is limited to DHAP participants only. Families on other temporary disaster housing assistance programs administered by the PHA (e.g., DVP, DHAP-Ike) are not eligible for these vouchers.

3. In determining if a family is income eligible for a voucher, are families participating in DHAP considered to be “continuously assisted”, in which case the PHA would use the low-income limits as opposed to the very low-income limits?

Answer: No. The “continuously assisted” category under 24 CFR 982.201(b) refers to a low-income family that is continuously assisted under the United States Housing Act of 1937. DHAP is not a 1937 Housing Act program. That eligibility category does not apply to families under the DHAP to HCV conversion process. The PHA uses the very low-income limits.

4. Is a former DHAP participant eligible for the HCV assistance in cases where the family no longer receives DHAP assistance because the incremental rent transition eliminated the monthly rent subsidy?

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Answer: No. The family is not eligible if the family would no longer qualify for a DHAP rent subsidy payment for February 2009 because under the incremental rent transition the family is responsible for the full amount of the rent. The statutory language concerning the appropriation provides that the assistance is available to families “whose rental assistance would otherwise end on March 1, 2009.” Families whose rental assistance under DHAP ends prior to that time are not eligible for this HCV assistance.

5. If the PHA determines the family is not eligible for the HCV assistance, may the family appeal the decision?

Answer: Yes. In accordance with the HCV regulations at 24 CFR 982.554, the PHA must give the family prompt notice of a decision denying assistance to the applicant. The notice must contain a brief statement of the reasons for the PHA decision. The notice must also state that the family may request an informal review of the decision and describe how to obtain the informal review.

6. Does a family already have to be in subsidized housing (i.e., must the family be under an active DRSC) to be eligible for the HCV assistance?

Answer: The family must be an actively participating in the DHAP to be eligible for the HCV assistance. This would include cases where the family is not presently under a DRSC at the point in time the PHA is making the eligibility determination (e.g., the family’s lease expired and the owner was unwilling to renew but the family is actively looking for a new unit with continued DHAP assistance.) If, on the other hand, the family’s participation in DHAP has been terminated for any reason (e.g., the family has assumed responsibility for the full amount of the rent as a result of the incremental rent transition; the family has voluntarily left the program; the family has been terminated by the PHA from DHAP for violating the family obligations), the family is not eligible for the HCV assistance.

7. If a family is determined ineligible for the HCV assistance because the family is over - income, is the family eligible for assistance if they subsequently have a decrease in income?

Answer: The DHAP-to-HCV funding was appropriated by Congress for persons assisted under the Disaster Housing Assistance Program whose assistance would otherwise end on March 1, 2009. In cases where a family has been previously determined ineligible for the DHAP-to-HCV voucher assistance but are now reporting that their circumstances have changed (e.g., income has subsequently decreased), the PHA shall re-assess the family’s eligibility provided (1) the family in question received DHAP rental assistance for February 2009, and (2) the change in family circumstances occurred during the DHAP Transitional Closeout period, which ends on October 31, 2009. (The October 31,

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2009 date reflects the recent guidance regarding the continuation of DHAP Transitional Closeout payments.)

Please note that in cases where there was no subsequent change in family circumstances but a family believes that the PHA's original determination that the family is ineligible was wrong because of calculation mistakes or other errors, the family should request an informal review from the PHA.

If a former DHAP family that was initially determined ineligible for a DHAP-to-HCV voucher subsequently experiences a loss of income *after* the DHAP Transitional Closeout period ends, the family may apply for HCV assistance at that time. However, the family in such a case is no longer eligible for a special admission, but must be admitted to the PHA's HCV program from the PHA's regular HCV waiting list in accordance with the PHA's local preference admissions policies.

Consistent with the guidance on Consideration for Continued Payments under the Transitional Closeout Program, if a family submits an application after August 31st, 2009 and is later determined eligible for conversion to the HCV program, the family does not become eligible for continued payments under the Transitional Closeout. In order to be considered for continued payments under the Transitional Closeout, all application materials must be submitted prior to August 31st.

8. Based upon the re-application guidance provided by HUD (above, at question 7), if a family has been issued a voucher as part of the DHAP to HCV Conversion and did not return a Request for Tenancy Approval by the expiration date, is the family eligible to submit a new HCV application under the Conversion?

Answer: No, the family is not eligible to re-apply based upon the re-application guidance. The new guidance speaks to families who were initially deemed ineligible for the voucher and now based upon a change in family circumstance (i.e. loss of income) can re-apply under the Conversion. Given that the families in this question were never deemed ineligible for the program, the guidance does not apply. If the family was deemed eligible and was issued a voucher, but did not return a Request for Tenancy Approval within the timeframe delineated by the housing agency, the family is not eligible to re-apply for a Conversion voucher.

HCV Program Rules and Requirements

9. Do regular voucher program rules apply to the vouchers provided to DHAP families under this special appropriation?

Answer: Yes. These regular vouchers must be administered in accordance with housing choice voucher (HCV) regulations and requirements.

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10. My PHA HCV waiting list is closed. Do I have to open the waiting list in order to assist these DHAP families?

Answer: No. DHAP families that are admitted to the voucher program through this allocation of vouchers are special admission families under 24 CFR 982.203. The PHA does not place the family on the waiting list and admits the family to the voucher program without considering the waiting list. The PHA must maintain records showing that the family was admitted with HUD-targeted assistance. Since the family is not admitted from the waiting list, the income-targeting requirements at 24 CFR 982.201(b)(2) does not apply to these admissions.

11. Is the owner required to participate in the HCV program if the DHAP family wishes to lease in-place?

Answer: No. The HCV program is a voluntary program. The owner is not required to participate in the HCV program.

12. The lease between the DHAP family and the owner does not end until July 31, 2009, and the family wishes to move to another unit to receive HCV assistance. The owner says he is not willing to mutually terminate the lease early because of the loss of rental income. Is there any type of incentive payment available to assist in getting the owner to agree to mutually terminate the lease?

Answer: No. There is no incentive payment available under the HCV program for the owner to agree to mutually terminate the lease to facilitate the family's move.

13. Do the family and the owner have to enter into a new lease if the family wishes to lease in-place with the voucher?

Answer: Yes. Under the HCV program, the lease and the housing assistance payments (HAP) contract must have the same effective date. The owner and the family must enter into a new lease for the family to transition to the HCV program.

14. Is the unit subject to rent reasonableness if the owner is not increasing the rent from the rent to owner charged under the DHAP?

Answer: Yes. The unit is subject to rent reasonableness. In accordance with 24 CFR 982.305(a), the PHA may not approve the HCV assisted tenancy or execute a HAP contract until the PHA has determined that the rent to owner is reasonable.

15. Is the unit subject to all HQS requirements if the family wishes to lease in-place?

Answer: Yes. The unit must pass the PHA HQS inspection in order to be eligible for HCV assistance.

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16. The DHAP family wishes to lease in-place. What happens if the family's share of the rent under the HCV program would initially exceed 40 percent of the family's adjusted monthly income?

Answer: If the gross rent of the unit exceeds the applicable payment standard for the family, the family share may not exceed 40 percent of the family's monthly-adjusted income in the HCV program when the family is initially assisted in any unit. Unless the owner is willing to lower the rent accordingly, the PHA may not approve the request for tenancy and the family must lease another unit in order to receive HCV assistance.

17. The monthly DHAP subsidy that our PHA is currently paying is based on the rental assistance amount FEMA paid immediately prior to the family's transition to DHAP and is higher than our applicable payment standard. Do we continue to use the higher amount when determining the HAP under the HCV program?

Answer: The PHA uses the lower of the applicable PHA HCV payment standard or the gross rent of the unit to determine the monthly HCV HAP amount. DHAP rent subsidy rules are not applicable to the HCV program.

18. What does the PHA do if the family or the owner won't agree to transition to the HCV program until March 1, 2009, when the DHAP ends? Can we require the family and/or owner to transition to the HCV program before March 1, 2009, even if they prefer to wait?

Answer: The PHA may enter into a HCV HAP contract on behalf of an eligible family anytime after the PHA receives voucher funding for the priority category under which the family qualifies for HCV assistance, but may not require the family or owner to transition to HCV before March 1, 2009.

19. The DHAP family is renting a unit that is owned by the mother of the head-of-household. May the PHA approve the unit for HCV assistance even though the family would be renting from a relative?

Answer. The prohibition on renting from relatives at 24 CFR 982.306(d) is applicable to the HCV assistance. The PHA must not approve a unit if the owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family unless the PHA determines that approving the unit would provide reasonable accommodation for a family member who is a person with disabilities.

20. Does the PHA base the bedroom size of the conversion voucher on the family's actual size and composition or the bedroom size approved under the DHAP requirements?

Answer: The PHA determines the bedroom size based on its subsidy standards in accordance with HCV requirements, not DHAP requirements. For example, if the family has added family members after their displacement from their home by the disaster (and as a result these family members were not taken into consideration for purposes of the

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subsidy calculation under DHAP), the PHA would take those additional family members into consideration, provided the inclusion of those additional family members meets the program requirements for a family (see 24 CFR 982.201(c)).

21. If the family fails the criminal background check for admission to the HCV program, can they remain on DHAP for the remainder of the DHAP?

Answer: Yes. A family's ineligibility for the HCV program is not in and of itself grounds for termination from DHAP. However, if the PHA determines in the course of the HCV eligibility determination that the family has violated the family obligations of the DHAP, the PHA may terminate the family's DHAP assistance in accordance with the requirements of that program (e.g., the family must be provided with the opportunity for an informal hearing). For example, if the PHA discovered during the course of the HCV eligibility determination that the family had engaged in drug-related criminal activity or violent criminal activity while a participant in the DHAP, the PHA would have grounds to terminate the family's participation in the DHAP as well as denying admission to the HCV program.

22. The PHA is in the process of terminating a family from the DHAP for failing to comply with the family obligations. Is the family still eligible for consideration for the HCV assistance?

Answer: If the PHA terminates the family from the DHAP for failing to comply with the DHAP family obligations prior to the DHAP sunset date of March 1, 2009, the family is not eligible for the HCV assistance. Note that the PHA must provide the family with the opportunity for an informal hearing before terminating the family from the DHAP.

23. May the PHA terminate the family's HCV assistance if the PHA subsequently discovers the family violated DHAP family obligations during their participation in the DHAP?

Answer: The PHA may only terminate HCV assistance if it has grounds to do so under the HCV regulations. The PHA may not terminate HCV assistance if the sole reason for the termination is the family's failure to comply with DHAP family obligations during the family's participation in that program.

24. If the PHA wishes to decline the HCV allocation and absorb the DHAP families using vouchers from their existing HCV program, are these families still considered "special admissions" under 982.203?

Answer: No, the family is not a special admission in such a case. The family would be a regular admission and as such must be selected from the PHA's waiting list in accordance with admissions policies in the PHA administrative plan.

25. For families for which my PHA is currently administering DHAP assistance outside of my HCV jurisdiction, is HUD inviting another PHA to administer the HCV assistance?

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Answer: In general, the answer is no. The invitation letters were sent to two groups of PHAs, as follows:

- **“DHAP” PHAs** – These PHAs are currently administering DHAP for families who may or may not reside in their jurisdiction. These PHAs should proceed to conduct family outreach efforts and eligibility determinations for the families they are assisting in the DHAP, regardless of the family’s location. For those eligible families not residing in the DHAP PHA’s jurisdiction, the DHAP PHA should inquire where the family wishes to receive the voucher assistance. The DHAP PHA then contacts the PHA with jurisdiction over the area in which the family wishes to reside and the family is assisted under the portability procedures of the voucher program.
- **“Non-DHAP” PHAs** – Two PHAs administered large DHAP programs that specifically fell outside of their HCV jurisdictions. In those two cases only, the non-DHAP PHAs with HCV jurisdictions over the areas in which the families are residing were invited to administer the voucher assistance. If the non-DHAP PHA agrees to administer the special allocation of vouchers, the non-DHAP PHA conducts family outreach efforts and HCV eligibility determinations for the DHAP families assigned to that non-DHAP PHA. If the non-DHAP PHA chooses to decline the invitation, HUD will make the HCV allocation available to another PHA. However, if the former DHAP family wishes to continue to reside in their current location, the portability requirements of the HCV program are applicable to the family’s voucher. This means the non-DHAP PHA that declined the voucher allocation will still be responsible as the receiving PHA to administer HCV assistance on behalf of the family in their jurisdiction. The non-DHAP PHA should bear in mind the additional time, cost, and administrative burden of the portability process when deciding if to accept the HCV allocation.

26. Can a PHA choose to administer some instead of all the vouchers that are offered?

Answer: No, the PHA must agree to administer all of the vouchers offered to the PHA under the special allocation.

27. What responsibilities does a PHA have for coordinating with another PHA that is administering the DHAP HCV for a family outside of their jurisdiction?

Answer: The PHA needs to work with the DHAP HCV PHA to coordinate the timing of the termination of the DRSC to ensure there is no duplication of payment and to minimize the risk of any disruption in the flow of assistance on behalf of the family. In some cases the DHAP PHA may be able to assist the HCV PHA in family and the owner outreach efforts and its case manager may be able to help explain the DHAP to HCV transition to the family.

28. Will HUD consider the inclusion of those HCVs being used for DVP as permanent HCVs as well for this special funding allocation?

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Answer: No, DVP assistance is not permanent voucher assistance and is not part of this special funding allocation.

29. May a PHA deny a DHAP family HCV assistance due to the family's actions as a previous participant in the HCV program?

Answer: The PHA may deny admission to the family only if the PHA has grounds to do so under 24 CFR 982.552. If the PHA has specific grounds to deny admission under 24 CFR 982.552 because of the family's previous participation in the HCV program, the PHA may deny admission to the family. In such a case, the family must be given the opportunity for an informal review in accordance with 24 CFR 982.554.

30. My PHA has agreed to administer the DHAP to HCV assistance but is concerned about the lack of available housing stock in our community. Will these new HCVs count against the PHA leasing rate under SEMAP?

Answer: The SEMAP indicator for leasing excludes units associated with funding increments obligated during the last PHA fiscal year from the denominator used to calculate the leasing rate. This means PHAs will get credit for leasing these vouchers immediately but are not penalized if the vouchers are not utilized during the PHA fiscal year. (See 24 CFR 985.3(n).)

31. When should PHAs begin to contact DHAP-to-HCV families? How much lead-time will HUD give PHAs allowing them to begin issuing their new HCVs?

Answer: The PHA may begin contacting DHAP-to-HCV families once the PHA submits the form HUD 52515. The PHA may not issue HCVs until the PHA has actually received funding for the family's priority category. It is anticipated that Priority 1 funding will be available effective January 1, 2009

32. Does case management extend past the March 09 cut off of DHAP?

Answer: No, the PHA's DHAP case management responsibilities to the family end when DHAP ends.

33. Must PHAs adopt a disaster preference in their Admin plan before assisting DHAP families?

Answer: The admission of the DHAP Conversion Households is governed by the Special Admissions regulations in 24 CFR 982.203. A PHA may determine there is a need to include a disaster preference in their Administrative Plan for displaced families not covered by this special appropriation; but a revision to their existing plan is not required to admit a DHAP family to the Housing Choice Voucher Program using the funding appropriated by Congress for this purpose.

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34. When a PHA contacts a DHAP family to apply for the DHAP-to-HVC voucher and the family is non-responsive, is there a HUD requirement as to how many attempts the PHA must make before determining the family is not interested in the Housing Choice Voucher (HCV) assistance?

Answer: There is no HUD requirement as to the number of times the PHA must contact a non-responsive family when conducting intake for the DHAP-to-HCV assistance. PHAs should document the PHA's intake efforts for those families that are not responsive (e.g., the family fails to appear for intake appointments or fails to provide documentation specified by the PHA with the PHA time-frame) and are not issued a voucher as a result of the family's inaction.

35. May the PHA conditionally approve a unit using a limited physical inspection (e.g., the inspection it conducts for DHAP-Ike) and execute the voucher HAP contract if the unit passes that limited inspection? The PHA would then re-inspect the unit for the full housing quality standards (HQS) in the next few months and abate payment if the unit does not meet HQS?

Answer: No. Under the HCV program the PHA may not approve the assisted tenancy or enter into a HAP contract until the unit has been inspected by the PHA and passes HQS. The PHA must follow all HCV requirements in approving the HCV tenancy and conducting HQS inspections.

36. If the unit passes the HQS inspection, may the PHA execute a voucher HAP contract where the effective date of the HAP contract is retroactive to the date the unit passed the HQS inspection?

Answer: Yes, provided the PHA has approved the voucher tenancy in accordance with HCV requirements, the lease term under the HCV program begins on that date, and the HAP contract is executed no later than 60 calendar days from the beginning of the lease term. (See 24 CFR 982.305(a), (b), and (c)).

Allocation of HCVs, Funding, and Annual Contributions Contract

37. If we receive new vouchers under this program and some of the families are found to be ineligible based on HCV program requirements, will we be allowed to issue these HCV to other families off the regular waiting list?

Answer: A DHAP-to-HCV voucher becomes a permanent part of a housing agency's HCV baseline when an eligible DHAP family leases a unit with a conversion voucher. At that point, the use of the voucher and reuse of the voucher is subject to the normal HCV rules.

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38. The initial Priority 1 funding was provided for 6 months. When can we expect subsequent funding?

Answer: Subsequent funding will be provided after the final reconciliation. Housing agencies participating in the DHAP Conversion program have been asked to reconcile data from the Disaster Information System (DIS) records with information available to the local PHAs. The reconciliation reports are to be submitted by January 30, 2009 to dhaptohcv@hud.gov; the subject line of the email should read "Reconciled Family Listing".

39. Are "Priority 1 DHAP HCV Families" the same as Phase 1 DHAP families?

Answer: "Priority 1 DHAP HCV Families" refers to elderly families or families that include a person with disabilities. Priority 1 families include DHAP Phase 1, Phase 2, and Phase 3 families.

40. Will the HCVs awarded in this program to a PHA increase the PHA's ACC or is the funding temporary and when the participant goes off the program is the HCV lost?

Answer: The HCV is a regular HCV. It increases the funding/baseline of the PHA HCV program and is renewed under the renewal HCV process. If a DHAP family is assisted by the HCV, when they leave the HCV program, the HCV will become available for reissuance to a family on the PHA waiting list.

41. May a PHA make initial HCV December payments PRIOR to conducting an HQS Inspection? An initial Participant Briefing?

Answer: No, the PHA may not make an HCV payment for any period of time prior to the date the unit has passed the HCV HQS inspection and the effective date of the HAP contract.

42. Will HUD or the PHA help the family with any relocation expenses if the DHAP family has to move to another unit to receive HCV assistance?

Answer: No relocation assistance is provided under the HCV program.

Form HUD-52515-Funding Application

43. Section A (areas from which families to be assisted will be drawn) – the families are currently in Columbus, GA but are from Louisiana. Should the PHA note their original location?

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Answer: The PHA enters the PHA's voucher program jurisdiction.

44. Section C (Average monthly adjusted income) – do we need to call each of the families in ahead of time and qualify them income-wise? We have the gross income that the families gave us; but we have not verified the income or adjusted the income.

Answer: This information is not required and Section C may be left blank. Funding is not calculated using this data.

45. Section D (need for housing assistance) – do we use the standard wording or is there something special for DHAP?

Answer: Special wording is not required. The PHA may enter HCV voucher for DHAP eligible families.

Automated Systems and Data Entry Requirements (VMS, PIC, etc.)

46. Are there new data requirements in the VMS system for the DHAP Conversion vouchers?

Answer: Yes. The PHA should record the total number of vouchers from the 2009 DHAP to HCV Award that were **under lease** for former DHAP families as of the first day of the month. For HAP expenses, the PHA should record the total monthly HAP expenses for vouchers **under lease** from the 2009 DHAP to HCV Award.

47. Must PHAs make any special entries in PIC to reflect that the family is a DHAP to HCV family?

Answer: Yes. It is necessary for your agency to promptly complete the following actions in the PIH Information Center (PIC) so that HUD can measure the progress of your efforts:

- Promptly submit a New Admission Family Report (50058) to PIC **upon execution of the HAP contract (please note that New Admission Report must be submitted on or before March 1, 2009 for the PHA to qualify for the highest DHAP-to-HCV fee, even if the HAP contract effective date is on or before March 1, 2009).**
- Enter “**DHAPK**” in line 2n of the 50058 so that PIC identifies the family as being assisted through this special appropriation of funding. (MTW PHAs will have the capability to enter this code after the April 2009 PIC release.).
- PHAs are also encouraged to record the issuance of the voucher in PIC (identifying the family with the “**DHAPK**” code) when the voucher is issued to the family.