



U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

Special Attention of:
Regional and Field Office Directors of Public
Housing; Financial Management Center;
Public Housing Agencies Administering
Housing Choice Voucher Programs; Regional
Directors; State and Area Coordinators

Notice PIH 2011-66

Issued: December 7, 2011

This notice remains in effect
until amended, revoked or
superseded

Notice PIH 2008-38, 2008-45,
2010-22 (HA), & 2011-35

Cross References:
Appendix

Subject: Terminal Guidance on Disaster Housing Assistance Program - Ike (DHAP-Ike) and Extension Operating Requirements

1. Purpose.

This Notice serves to provide Public Housing Agencies (PHAs) with updated information on the most current extension of the DHAP- Ike program. Modifications have been made which will change the PHAs' administration of the program. The information provided in this notice will supersede the guidance provided in the following notices: [PIH 2008-38](#), [PIH 2008-45](#), [PIH 2010-22](#), and [PIH 2011-35](#) (**click links to access Notices**).

This Notice also sets forth amendments to the Extension Operating Requirements (below), which establish the policies and procedures for the October 2011 DHAP-Ike Extension, as authorized by Inter-Agency Agreement (IAA) Number HSFEHQ-08-X-1760, Modification 18. The DHAP-Ike is a HUD-FEMA initiative to provide monthly rental assistance, service connections, security deposit and utility deposit assistance for eligible families displaced from their homes by Hurricanes Gustav or Ike.

The DHAP-Ike Extension was modeled after the current Disaster Housing Assistance Program (DHAP-Ike) for families displaced by Hurricanes Gustav and Ike, which is administered by HUD's network of public housing agencies (PHAs). The program was scheduled to end on September 30, 2011, but was extended for the final time with an absolute termination date no later than January 31, 2012. Any PHA that agrees to administer the DHAP-Ike Extension must do so in accordance with these extension requirements, the original DHAP-Ike operating requirements (originally established with [Notice PIH 2008-38](#)), and any subsequent HUD directives and guidance for the program.

2. Background.

In August and September, 2008, Hurricanes Ike and Gustav struck the United States, causing catastrophic damage to property, loss of life, and the displacement of tens of thousands of individuals from their homes and communities. On September 23, 2008, HUD and FEMA executed an Interagency Agreement (IAA) under which HUD acted as the servicing agency of DHAP-Ike and began administration of the program effective November 1, 2008.

HUD utilized its existing network of local PHAs to administer tenant-based rental assistance and provide case management services to impacted families under DHAP-Ike. Pursuant to FEMA's grant authority, grants were provided to local PHAs to administer DHAP-Ike on behalf of FEMA. PHAs made rental assistance payments on behalf of eligible families to participating landlords beginning November 1, 2008 and ending March 2010.

Because of a continuing need for housing assistance by the families displaced by Hurricanes Ike and Gustav, HUD and FEMA executed Modification 8 to IAA Number HSFEHQ-08-X-1760 on February 4, 2010, in order to extend the DHAP-Ike program for an additional two months, until May 27, 2010. The program was further extended until October 31, 2010, and was subsequently extended to March 31, 2011. Modification 16 to IAA Number HSFEHQ-08-X-1760, executed on March 1, 2011, resulted in an additional extension of the program. Extensions executed after this time were subject to the operating procedures published in PIH Notices 2008-38, 2008-45, 2010-22, and 2011-35. The program was scheduled to end on September 30, 2011, but was extended through January 31, 2012.

Programmatic changes will occur as outlined below.

3. General Overview.

Under the DHAP-Ike Extension, PHAs will continue to provide monthly rent subsidies, to assist eligible families displaced by Hurricanes Ike or Gustav. As part of this extension, PHAs are not permitted to provide service connections or conduct Continuing Eligibility Determinations on behalf of DHAP- Ike participants. This extension will focus on pre-screening activities of program participants for a potential DHAP- Ike to Housing Choice Voucher (HCV) Conversion, as allowed under HUD's FY 2012 Appropriations Act.

Conversion vouchers will only be able to be used by DHAP-Ike participants and will not increase a PHA's baseline voucher allocation. Upon the termination of a family's participation in the HCV program, the PHA cannot reissue the voucher to another family.

FEMA, through the PHAs, will continue to provide rental assistance payments for eligible families from October 1, 2011 and ending on January 31, 2012.

4. Operating Requirements.

The operating requirements for the DHAP-Ike Extension are presented in the following order:

- a. Family Eligibility
- b. Database of Eligible DHAP-Ike Families
- c. DHAP-Ike Extension Participating PHAs
- d. DHAP-Ike Extension Fees
- e. Security Deposit and Utility Deposit Assistance
- f. Owner Lease and Amended DHAP-Ike Lease Addendum
- g. DHAP-Ike Extension Monthly Rent Subsidy
- h. Incremental Rent Transition
- i. Ineligible Units and Prohibition Against Other Subsidy
- j. Amended Disaster Rent Subsidy Contract
- k. Rent Reasonableness
- l. Housing Quality Standards
- m. PHA Case Management through the DHAP Service Connections
- n. Amended Family Obligations
- o. Family Eligibility for Continued Assistance
- p. Termination of Assistance
- q. Subsequent Moves under DHAP-Ike Extension
- r. End of DHAP-Ike Extension
- s. Use of DHAP-Ike Extension Funding, Program Accounts and Records
- t. Disbursement of Funds
- u. Financial Reporting
- v. Program Close-Out

a. Family Eligibility.

Under DHAP-Ike, the determination of whether a family was originally eligible to be admitted to DHAP-Ike was solely the responsibility of FEMA, not the PHA. If during the program, the PHA determines that a family is subsequently ineligible for continued assistance, the PHA will be responsible for any resulting appeal process. Families will only be eligible for the October 2011 Extension if they were under a DRSC and received a rental assistance payment for the month of September 2011.

b. Database of Eligible DHAP-Ike Families.

PHAs will continue to update the Disaster Information System (DIS) with program and other data as required by HUD and will continue to access DIS to verify the family's eligibility status. PHAs, however, will no longer record Continuing Eligibility Determinations. HUD will send a listing of all families eligible for the September

payment to each PHA. It will be the responsibility of the PHA to correct any discrepancies between its records and HUD's record to ensure that HUD has accurate data on Ike participants eligible for the October 2011 Extension. For DHAP- Ike to HCV pre-screening, all activities must be reported and updated in the DIS.

c. DHAP-Ike Extension Participating PHAs.

All PHAs who administered DHAP-Ike during the most recent extension will have the ability to continue to do so.

If the PHA agrees to administer the October 2011 Extension, the PHA will enter into a DHAP-Ike Grant Agreement Amendment with FEMA and must assist all eligible families in their jurisdiction in accordance with these requirements. The Grant Agreement Amendment initially extended the term of the original Grant Agreement through May 27, 2010, and was extended via written notification to the PHA from HUD until October 31, 2010 and was further extended to March 31, 2011. The program was again extended until September 30, 2011. For the October 2011 Extension, the Grant Agreement Amendment will be further extended via written notification to the PHA from FEMA and HUD.

In cases where a PHA is unable or unwilling to administer the October 2011 Extension, HUD will identify an alternative PHA to administer the extension.

d. DHAP-Ike Extension Fees and Incentive Fees in the Event of a DHAP- Ike to HCV Conversion.

PHAs will receive administrative services fees and incentive fees, for each family they serve under the Extension. The chart below illustrates the payment and type of administrative fees a PHA will receive as DHAP-Ike Extension administrators. (see chart on the next page)

DHAP Administrative Activities	What services does a PHA perform to receive this Fee?	When are funds received?	Amount?
Pre-Funding Allocation Assessment Fee	Each completed eligibility determination conducted per family by December 31, 2011.	When the Full HCV Application Checkbox has a date input before December 31, 2011 and the Eligible for HCV drop down is selected. This fee would be disbursed no sooner than December 2011.	\$150 per family
HQS Inspection Fee	Processing, outreach and conversion reporting related to completion of the HQS inspection and lease up.	When a current DHAP-Ike unit passes HQS inspection and the HQS dropdown in DIS reflects the passed inspection and the inspection date field is completed.	\$100 per family
Administrative Services	On-going PHA responsibilities	Payments on a monthly basis commencing August 1, 2009 based on number of families under DRSC	14% of initial DHAP rent subsidy payment for each month family is under DRSC after August 1, 2009

The performance period of the current IAA ends January 31, 2012. Modification 18 to the IAA stipulates payment of DHAP- Ike to HCV conversion fees in the event that FEMA and HUD extend the term of the DHAP- Ike Extension beyond September 30, 2011. In order to expedite a Conversion if voucher funding is awarded, HUD and FEMA have agreed to specific incentive fees. In the event of a conversion to the HCV program through a special allocation of vouchers, PHAs may earn up to \$250, per family, for the performance of activities associated with HCV eligibility determination and completing Housing Quality Standards (HQS) inspections.

In the preparation of a possible HCV conversion, PHAs would receive a one-time \$150 pre-funding allocation assessment fee, per family, for each completed eligibility determination conducted by December 31, 2011. The PHA must obtain verification of eligibility in accordance with CFR 982.201(e).

In addition, PHAs would earn a one-time \$100 fee for the added processing, outreach, and reporting related to the HQS inspection necessary to potentially lease up a DHAP-Ike conversion family. Until HUD receives appropriations to support potential conversion vouchers, the \$100 fee can only be earned for HQS inspections conducted for DHAP-Ike families wanting to lease in place (for example, the \$100 fee is only eligible for units where the potential DHAP-Ike Conversion family currently resides).

FEMA will be responsible for paying the above mentioned incentive fees, unless HUD receives an appropriation for this specific purpose.

In order to remain eligible to receive assistance under the Extension or to be eligible for a potential HCV conversion, families must continue to meet the obligations set forth in the Family Obligations as discussed below.

The monthly administrative services fee for a family under a DRSC will continue to be based on fourteen percent (14%) of the initial rent subsidy payment paid by the PHA on behalf of the family.

Service Connection (case management) fees will no longer be earned after September 30, 2011 due to the termination of service connections.

e. Security Deposit and Utility Deposit Assistance.

The Extension does not otherwise change the security deposit and utility deposit assistance requirements set forth in the DHAP-Ike Operating Requirements, Section 4.f, as issued in Notice PIH 2008-38 on October 14, 2008, or in any reissue of Notices PIH 2008-38, 2010-22, or 2011-35.

f. Owner Lease and Amended DHAP-Ike Lease Addendum.

The Extension does not change the DHAP-Ike program for the month of September 2011. PHAs should have made full Housing Assistance Payments (HAP) for the month of September 2011.

The DRSC will be extended beyond September 30, 2011 by written notification from the PHA to the landlord. The October 2011 Extension does not otherwise change the lease and lease addendum requirements set forth in the DHAP-Ike Operating Requirements, Section 4.g, as issued in Notice PIH 2008-38 on October 14, 2008, or any reissue of Notice PIH 2008-38, 2010-22, or 2011-35.

g. DHAP-Ike Extension Monthly Rent Subsidy.

Under the Extension, HAP will not exceed the September 2011 subsidy amount. However, HAP is subject to decrease in payment amount (see sections h and s).

To be eligible for the October 2011 Extension the family must have received a HAP in September 2011 or be under lease by September 30, 2011.

A family that chooses to move to a new unit during the term of the extension will receive the lower of the actual subsidy amount for the unit rented or the subsidy amount paid for September 2011.

For the duration of the Extension, in no case should the HAP amount increase from September's payment amount.

h. Incremental Rent Transition.

The Incremental Rent Transition is not applicable under the Extension. Under the October 2011 Extension families will not be able to apply for a hardship exemption or report decrease in income. HAP under the Extension will not exceed September's payment amount.

Upon approval of a family's existing hardship exemption, the family was required to sign a certification that states the family would promptly report any future increase in income to the PHA and that the family understands failure to report an increase in income is grounds for termination from DHAP-Ike. Under the Extension, the family must continue to report any increase of income. Families that report an increase in income are subject to a decrease in HAP.

i. Ineligible Units and Prohibition Against Other Subsidy.

The Extension does not change the requirements set forth in the DHAP-Ike Operating Requirements, Section 4.j, as issued in Notice PIH 2008-38 on October 14, 2008, or any reissue of Notices PIH 2008-38, 2010-22, or 2011-35.

j. Amended Disaster Rent Subsidy Contract.

The Extension does not change the DHAP- Ike program for the month of September 2011. PHAs should make full Housing Assistance Payments (HAP) for the month of September 2011.

The PHA must have an executed Amended DRSC with landlords of DHAP- Ike rental units in order to make a rental assistance payment to the landlord. The October 2011 Extension is final as mandated by FEMA; therefore, any DRSC cannot be extended beyond January 31, 2012. Written notification of the extension and its requirements of landlords shall be provided by the PHA to the landlord.

The Extension does not otherwise change the DRSC requirements set forth in the DHAP-Ike Operating Requirements, Section 4.k, as issued in Notice PIH 2008-38 on October 14, 2008, or any reissue of Notices PIH 2008-38, 2010-22, or 2011-35.

k. Rent Reasonableness.

The Extension does not change the requirements for rent reasonableness set forth in the DHAP-Ike Operating Requirements, Section 4.1, as issued in Notice PIH 2008-38 on October 14, 2008, or any reissue of Notices PIH 2008-38, 2010-22, 2011-35.

l. Housing Quality Standards.

The Extension does not change the Housing Quality Standards set forth in the DHAP-Ike Operating Requirements, Section 4.m, as issued in Notice PIH 2008-38 on October 14, 2008 or reissue of Notices PIH 2008-38, 2010-22, or 2011-35.

m. PHA Case Management through DHAP Service Connections.

DHAP Service Connection (case management) is not a requirement of the October 2011 DHAP- Ike Extension. No service connections (case management services) will be provided to families and no case management fees will be earned by grantees effective October 1, 2011.

n. Family Obligations.

The October 2011 Extension does not change the Family Obligations set forth in the DHAP-Ike Operating Requirements, Section 4.o, as issued in Notice PIH 2008-38 on October 14, 2008, or any reissue of Notices PIH 2008-38, 2010-22, and 2011-35 except for Obligation Number 12: “The FEMA designated family head of household must participate in the required case management services required by the PHA”, as service connections (case management) will no longer be required after September 30, 2011. The existing Family Obligations Certification signed by the family continues under the Extension. A new Family Obligations Certification does not need to be completed by the family.

Under the existing Family Obligations Certification, families agree to abide by all future requirements that may be issued by HUD and the PHA for the DHAP- Ike program. This clause covers all new policies and requirements issued under the October 2011 DHAP- Ike Extension.

In preparation for a DHAP- Ike to HCV Conversion, families will be instructed to submit a full HCV application to PHAs. Families that fail to submit a pre-application may lose their ability to remain on the program.

In the event that Conversion voucher funding is awarded, there is a short timeframe in which families will be able to convert to HCVs prior to the end of the DHAP- Ike program. Families who are determined eligible for the conversion to HCV must accept this assistance within the timeframe specified in the PHA’s local policies for HCV processing. If the family does not accept the HCV after being determined eligible and within the timeframe specified by the PHAs local HCV policies, they will be terminated from DHAP- Ike. If local policy in the jurisdiction where the family is residing does not specify how long families have to accept the HCV voucher, families will have 30 days to accept the HCV voucher before they are terminated from DHAP- Ike.

Families that are terminated for unresponsiveness will be able to appeal under guidelines established by the DHAP-Ike Operating Requirements, Section 4.o, as issued in Notice PIH 2008-38 on October 14, 2008, or any reissue of Notices PIH 2008-38, 2010-22, or 2011-35.

o. Family Eligibility for Continued Assistance.

PHAs will no longer assess the families' continued eligibility on a quarterly basis. Continued Eligibility Determinations are not a requirement of the October 2011 Extension. PHAs will continue to receive Administrative fees for ongoing PHA activities noted in Section D.

p. Termination of Assistance.

The PHA may terminate October 2011 DHAP-Ike Extension assistance for a participating family that does not comply with the family obligations under Section 4.n above excluding Obligation Number 6 "The family must promptly provide any information required by the PHA to determine and verify that the family is eligible for continued DHAP- Ike assistance" and Obligation Number 12 "The FEMA designated family head of household must participate in the required case management services provided by the PHA".

In particular, in the event of a DHAP- Ike to HCV conversion, families who are determined eligible for the HCV program, but who fail to accept a HCV or return their Request for Tenancy Approval (RFTA) before the voucher expires under the PHA's regular HCV policy, will be terminated from DHAP-Ike.

Families who are deemed ineligible for the HCV will have their DHAP- Ike assistance terminated the sooner of two months after notification of Conversion voucher funding or January 31, 2012.

The Extension does not otherwise change the requirements for termination of assistance set forth in the DHAP-Ike Operating Requirements, Section 4.r, as issued in Notice PIH 2008-38 on October 14, 2008, or any reissue of Notices PIH 2008-38, 2010-22, or 2011-35.

q. Subsequent Moves under DHAP-Ike.

The Extension does not change the requirements as set forth in the DHAP-Ike Operating Requirements, Section 4.s, as issued in Notice PIH 2008-38 on October 14, 2008, or any reissue of Notices PIH 2008-38, 2010-22, or 2011-35. The subsidy payment paid on behalf of a family will not increase during the term of the October 2011 Extension. A family that chooses to move to a new unit during the term of the extension will receive the lower of the subsidy amount for the unit rented or the subsidy amount paid for September 2011.

If a family did not receive a HAP payment during September 2011 because they were in the process of searching for another unit, the family will need to be under lease by September 30, 2011. In this instance, the family will receive the lower of the most recent subsidy amount received or the fully subsidy amount determined for the September 2011 HAP payment.

r. End of DHAP-Ike.

If the family's participation in DHAP-Ike ends for any reason prior to the termination of the October 2011 Extension, the PHA must record the family's end of participation in DIS. Otherwise, the PHA will make full rent subsidy payments for families under a DRSC each month, through the termination of the program. The October 2011 Extension is the final extension approved by FEMA and no subsidy payments will be made on behalf of DHAP- Ike families after January 31, 2012.

s. Use of DHAP-Ike Funding, Program Accounts, and Records.

The Extension does not change the requirements set forth in the DHAP-Ike Operating Requirements, Section 4.u, as issued in Notice PIH 2008-38 on October 14, 2008, or any reissue of Notices PIH 2008-38, 2010-22, or 2011-35.

t. Disbursement of Funds.

The Extension does not change the requirements as set forth in the DHAP-Ike Operating Requirements, Section 4.v, as issued in Notice PIH 2008-38 on October 14, 2008, or any reissue of Notices PIH 2008-38, 2010-22, or 2011-35 except the timing of disbursement of incentive fees. Service Connection (case management) fees will no longer be disbursed to PHAs as service connections (case management)will not be provided during the October 2011 Extension.

u. Financial Reporting.

The Extension does not change the requirements as set forth in the DHAP-Ike Operating Requirements, Section 4.w, as issued in Notice PIH 2008-38 on October 14, 2008, or any reissue of Notices PIH 2008-38, 2010-22, or 2011-35.

v. Program Close-Out.

The Extension does not change the requirements as set forth in the DHAP-Ike Operating Requirements, Section 4.x, as issued in Notice PIH 2008-38 on October 14, 2008, or any reissue of Notices PIH 2008-38, 2010-22, or 2011-35.

5. Paperwork Reduction Act Requirements. The information collection requirements imposed by HUD in this document have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act (PRA) of 1995 (44 U.S.C. 3501-

3520) and assigned OMB control number 2577-0252. In accordance with the PRA, 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.

6. Additional Information. Any questions related to this notice should be addressed to the Program Support Division at (202) 402- 4037.

/s/
Sandra Henriquez, Assistant Secretary
for Public and Indian Housing