



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

Special Attention of:

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

Notice PIH 2013-24

Issued: September 19, 2013

Expires: December 31, 2013

Cross References: Notice PIH 2013-12

**SUBJECT: Revised Eligibility Requirements for Housing Choice Voucher (HCV)
Contract Renewal Set-Aside Funding for Category 1, Shortfall Funds -
Notice PIH 2013-12 - Implementation of the Federal Fiscal Year 2013
Funding Provisions for the Housing Choice Voucher Program**

- 1. Purpose.** The purpose of this Notice is to revise the eligibility criteria outlined in Paragraph 13 of Notice PIH 2013-12, for Category 1 (“Shortfall Funds”) for the \$103 Million Set-Aside. Category 1 “Shortfall Funds” provides funding for PHAs, that despite taking reasonable cost savings measures as determined by the Secretary, would otherwise be required to terminate participating families from the program due to insufficient funds.
- 2. Revision regarding continued leasing of HUD-VASH vouchers.**

This Notice **amends** the original criteria under 13(a) (2) to read as follows:

(2) The PHA immediately ceases, as of the date of the application for funding under Category 1, issuing vouchers to applicants. (Please note this does not apply to families that are participants and were issued a voucher to move to a different unit. This restriction is also not applicable to tenant protection vouchers that are being issued to targeted families that were residing in the covered property on the eligibility event, or where the PHA is leasing to homeless veterans under the HUD-VASH program, up to the baseline level of units under all HUD-VASH allocations (not just recent allocations as originally specified in HUD Notice 2013-12), including turnover of HUD-VASH vouchers).

PHAs should note that in the calculation of the amount of the projected shortfall, HUD has and will continue to assume HUD-VASH leasing by the PHA for all HUD-VASH allocations up to the baseline level (not just recent allocations), including turnover of HUD-VASH vouchers. HUD is exempting all additional HUD-VASH voucher issuance and leasing (up to the PHA’s HUD-VASH baseline) from the required cost savings measures restricting additional issuance and leasing because the projected shortfalls did not initially exceed the set-aside funding available and HUD-VASH is unique in that sequestration did not apply to the HUD-VASH program. Shortfall PHAs receiving set-aside funding under this Category 1 are therefore expected to continue their HUD-VASH leasing efforts up to their HUD-VASH baseline.

With regard to future set-aside funding requests, the Department may take the PHA's available 2013 HUD-VASH funding into account when making adjustments for HUD-VASH leasing, depending on the availability of remaining set-aside funds. PHAs that have concerns regarding the impact of continued HUD-VASH leasing on their ability to prevent terminations in 2013 should contact the Office of Housing Voucher Program's Management and Operations Division (MOD) at 202-708-0477 for assistance.

3. Revision concerning the timing of the rescinding of vouchers.

Section 13 is also amended with respect to PHAs that are applying for shortfall funding under Category 1.

In the original Notice PIH 2013-12, PHAs had to certify that they had rescinded or immediately rescinded, following receipt of HUD's April 26, 2013 letter, any vouchers remaining on the street that were issued to applicant families on or after April 1, 2013 and had stopped leasing those rescinded vouchers.

However, it is conceivable that as a result of variances between the reasonable assumptions used earlier in the year to forecast a PHA's shortfall risk and the actual costs incurred in the ensuing months, a PHA that was not projected to be in a shortfall position in April may now find themselves at significant risk. Such a PHA may not have had any cause in April to cease issuing vouchers and rescind vouchers that were issued to families on or after April 1st, yet due to factors, such as a decrease in the normal rate of attrition or spikes in per-unit costs, the PHA may now be facing a potential shortfall. HUD is therefore revising the eligibility criteria for subsequent applications in order to allow agencies in that position to apply for set-aside funding.

This means that PHAs that were not in a confirmed shortfall position earlier in the year, and, as a result, did not cease issuing vouchers and rescind vouchers following receipt of HUD's April 26th letter but still managed their program in a reasonable and responsible manner, may now apply for funding under Category 1, and applications will be reviewed on a case-by-case basis. In order to be eligible for set-aside funding, the PHA must have ceased issuing vouchers and must have rescinded all vouchers on the street, regardless of the voucher issuance date, prior to submitting its application. (See the complete eligibility requirements, including the exceptions that apply to issuing and rescinding vouchers, below in section 4.)

4. Revised Application Criteria for Category 1 - Shortfall Funds (Priority 1). To be eligible for funding under this category the PHA must meet the revised criteria outlined in a. (1) through (5) below and must submit the following documentation:

a) Attachment A – Application for Category 1-Shortfall Funds and PHA Certification of Reasonable Cost Savings Measures Undertaken to Prevent Termination of HCV Participants Due to Insufficient Funds (Revised Attachment A is provided in this Notice) which certifies the following:

(1) At the time of application, the PHA is working with the HUD Shortfall Prevention

Team (SPT) and SPT has confirmed the PHA is in a shortfall position. (PHAs that are not currently working with the SPT but believe they are in a shortfall position should immediately contact their HUD Field Office for assistance.)

(2) The PHA has ceased issuing vouchers to applicants. (Please note this does not apply to families that are participants and were issued a voucher to move to a different unit. This restriction is also not applicable to tenant protection vouchers that are being issued to targeted families that were residing in the covered property on the eligibility event, or where the PHA is leasing to homeless veterans under the HUD-VASH program, up to the baseline level of units under all HUD-VASH allocations (not just recent allocations), including turnover of HUD-VASH vouchers.) (Amended language per Paragraph 2 above.)

(3) The PHA has rescinded any vouchers remaining on the street that were issued to applicant families and has stopped leasing those rescinded vouchers. Note this does not apply to vouchers issued under the two exceptions noted in (2) above. In addition, PHAs may enter into PBV HAP contracts for units that were under AHAP as of the application date and still meet this condition.

(4) The PHA has ceased or immediately ceases to absorb portable vouchers.

(5) In regard to project-based voucher (PBV) HAP contracts, vouchers are not issued to a family that wants to voluntarily move. (However, if a unit becomes vacant, the PBV unit shall be filled with a family from the waiting list.)

5. Submission of Revised Attachment A and Submission Timelines.

PHAs applying for funds under Category 1, Shortfall Funds, must use the **Revised Attachment A of this Notice** - PHA Application for Category 1, Shortfall Funds and PHA Certification of Reasonable Cost Savings Measures Undertaken to Prevent Termination of HCV Participants Due to Insufficient Funds. The application period will remain open indefinitely and is subject to funding availability. Applications will be evaluated and funded on a first-come, first-serve basis, as the funds are limited. Note that HUD will use its discretion to reduce PHA awards in the event that the award plus renewal funding significantly exceeds need by the end of the calendar year.

PHAs applying under the **revised** criteria for Category 1 may choose between submitting requests via electronic mail (e-mail) or via regular mail but **shall not submit their request(s) using both methods** as this would result in duplicate applications for the same funds and may delay HUD's review and processing of the request(s).

Electronic Mail (email) Requests:

PHA requests, with the appropriate signed **Revised Attachment A** may be submitted to the Department at the following mailbox:

2013Set-AsideApplications@hud.gov

The subject line of the e-mail must include the following: **PHA#, 2013 Set-Aside Application**
(Example: XX123, 2013 Set-Aside Application)

OR

Hard Copy Requests via Mail:

PHA requests, with the appropriate signed **Revised Attachment A** can be submitted to the Department at the following physical address:

**U.S. Department of Housing and Urban Development
Office of Housing Voucher Programs
Attn: Miguel A. Fontanez, Director, Financial Management
Division
Room 4222
451 7th Street, S.W.
Washington, DC 20410**

If your PHA chooses to submit via hard copy, it is recommended that requests be sent using overnight mail (USPS Express Mail, UPS, Fed Ex, DHL, etc.) that requires signature upon delivery. Hand delivered or standard delivery mail will be accepted; however, it is important to note that non expedited mail (including Priority Mail from the Postal Service) has no guaranteed delivery time and is subject to the Department's security screening, which can delay delivery. Requests will only be accepted at the above locations (email box or physical address only); requests delivered to other locations **will not** be accepted. Faxes **will not** be accepted.

Paperwork Reduction Act.

The additional information collection requirements contained in this document are approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520). The OMB control number is 2577-0169. In accordance with the Paperwork Reduction Act, 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.

Further Information.

Any questions concerning this Notice should be directed to the Housing Voucher Financial Management Division, Office of Public Housing and Voucher Programs, at (202) 708-2934 (this is not a toll-free number). Persons with hearing or speech impairments may access these numbers via TTY by calling the toll-free Federal Information Relay Service at (800) 877-8339.

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

CY 2013 Housing Choice Voucher Program - \$103 Million Contract Renewal Set-Aside

REVISED - ATTACHMENT A
PHA Application for Category 1, Shortfall Funds
and
PHA Certification of Reasonable Cost Savings Measures Undertaken To Prevent
Termination of HCV Participants Due to Insufficient Funds

Name of PHA: _____ (“PHA”)

PHA Number: _____

Executive Director: _____

The above referenced PHA is applying for Category 1 Shortfall Funds and has undertaken reasonable cost savings measures to prevent termination of HCV Participants due to insufficient funds.

I, _____, hereby certify to the following:

1. The PHA is working with the HUD Field Office/Shortfall Prevention Team (SPT) and is in a HUD confirmed shortfall position at the time of application.
2. The PHA has ceased issuing vouchers to applicants. (Please note this does not apply to families that are participants and were issued a voucher to move to a different unit. This restriction is also not applicable to tenant protection vouchers that are being issued to targeted families that were residing in the covered property on the eligibility event, or where the PHA is leasing to homeless veterans under the HUD-VASH program, up to the baseline level of units under all HUD-VASH allocations (not just recent allocations), including turnover of HUD-VASH vouchers.)
3. The PHA has rescinded any vouchers remaining on the street that were issued to applicant families and has stopped leasing those rescinded vouchers. Note this does not apply to vouchers issued under the two exceptions noted in (2) above. In addition, PHAs may enter into PBV HAP contracts for units that are under AHAP as of the application date and still meet this condition.
4. The PHA has/or immediately ceases to absorb portable vouchers.
5. The PHA is not issuing project-based vouchers (PBV) to families seeking voluntary moves. However, if a unit becomes vacant, the PBV unit shall be filled with a family from the waiting list.

This certification must be signed by the appropriate PHA official and returned.

Certification: I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3279, 3802).

 Signature of Executive Director and Date

 Contact Name and Phone Number