

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FREQUENTLY ASKED  
QUESTIONS (FAQ's) SPECIFIC TO SANDY**

**TABLE OF CONTENTS**

**SECTION 1. QUESTIONS FROM THE PUBLIC 2**

- Evacuees Needing Immediate Assistance 2**
- FHA and Conventional Mortgage-Related Questions 2**
- Special Mortgage Insurance Program for Disaster Victims 4**
- Homeowner Repair Programs 4**
- Public Housing and Section 8 Voucher Programs 5**
- Fair Housing Concerns 5**

**SECTION 2. QUESTIONS FROM HUD LENDERS 6**

- FHA Insured Mortgages 6**

**SECTION 3: QUESTIONS FROM CPD'S COMMUNITY  
DEVELOPMENT BLOCK GRANT (CDBG)  
GRANTEES 7**

**SECTION 4. QUESTIONS FROM ORGANIZATIONS  
SERVING HOMELESS INDIVIDUALS 11**

- Eligibility Questions 11**
- Waivers 12**
- Redirecting Funds 15**
- Changing Components 15**
- Emergency Shelter Grants (ESG) Program 15**
- Homeless Management Information Systems (HMIS) 17**
- Annual Performance Reports 17**

**SECTION 5. QUESTIONS FROM PUBLIC HOUSING  
AUTHORITIES 18**

- General Questions 18**
- Portability 22**
- Preferences 22**
- Funding 23**
- HQS 25**
- Ross Funds 26**

## SECTION 1. QUESTIONS FROM THE PUBLIC

### Evacuees Needing Immediate Assistance

**Q.** I am an evacuee of a disaster. Where do I go for immediate assistance?

**A.** It is important that you register with the Federal Emergency Management Agency (FEMA) immediately by calling FEMA at 1-800-621-3362 or going to their internet website at <http://www.fema.gov/>.

Additional numbers and useful internet websites for immediate assistance are:

- Red Cross: 1-800-RED CROSS (1-800-733-2767) - Web: <http://www.redcross.org/>
- Salvation Army: 1-800-725-2769 - Web: <http://www.salvationarmyusa.org/>
- Catholic Charities: 1-800-919-9338 - Web: <http://www.catholiccharitiesusa.org/>
- National Suicide Prevention Crisis Hotline: 1-800-273-TALK (1-800-273-8255) (For the hearing impaired, the Crisis Hotline number to call is 1-800-799-4TTY (4889). Callers will be connected to a network of local crisis centers across the country committed to crisis counseling. Callers to the hotline will receive counseling from trained staff at the closest certified crisis center in the network.

**Q.** I am looking for a family member, food & water, or basic shelter.

**A.** FEMA maintains a site that provides a list of resources available covering these topics at: <http://www.fema.gov/recovery-resources>.

**Q.** Are state government level emergency resources available?

**A.** FEMA maintains a directory of state emergency management departments on its website at: <http://www.fema.gov/regional-operating/state-offices-and-agencies-emergency-management>. If you are HUD assisted and having trouble contacting your PHA, please contact your local field office which can be located by using this link: <http://portal.hud.gov/hudportal/HUD?src=/states>. Additional Sandy related information can be found at <http://portal.hud.gov/hudportal/hud?src=/sandy>.

### FHA and Conventional Mortgage-Related Questions

**Q.** I have an FHA-insured mortgage and my home was affected by the storm. I won't be able to pay my mortgage. What do I do?

**A.** There will be a 90-day FHA foreclosure moratorium in effect for all affected by storm Sandy.

- Further guidance will be provided in a forthcoming mortgagee letter.
- HUD's National Servicing Center (NSC) hotline number is 1-877-622-8525 and the NSC website can be found at: <http://www.hud.gov/offices/hsg/sfh/nsc/nschome.cfm>. HUD's National Servicing Center helps FHA homeowners by working with lenders to find creative solutions to avoid foreclosure. They also provide direction and training to lenders and housing counseling agencies, which are then better able to provide assistance to homeowners.
- HUD-approved housing counseling agencies may be able to assist you in your communication with your FHA lender. You can locate a local housing counseling agency by calling (800) 569-4287, or at <http://www.hud.gov/offices/hsg/sfh/hcc/hccprof14.cfm>.

**Q.** I have a conventional (non-FHA) mortgage and my home was affected by the storm. I won't be able to pay my mortgage. What do I do?

**A.** You should contact your lender immediately.

**Q.** I am having trouble getting assistance from my lender. Can anyone else help me?

**A.** HUD-approved housing counseling agencies may be able to assist you in your communications with your conventional lender. You can locate a local housing counseling agency by calling (800) 569-4287, or at <http://www.hud.gov/offices/hsg/sfh/hcc/hccprof14.cfm>.

The Federal National Mortgage Association (Fannie Mae) has advised that homeowners with Fannie Mae loans with homes damaged by Sandy and who will have difficulty paying their mortgage should contact their mortgage servicer to see if they qualify for a 90-day mortgage forbearance. More information on Fannie Mae's response to Sandy is available at <http://knowyouroptions.com/news/mortgage-relief-for-fannie-mae-homeowners-affected-by-hurricane-sandy> or by calling 1-800-732-6643. You can also contact your lender to ask them about any disaster programs that may apply to your mortgage.

**Q.** I have a Home Equity Conversion Mortgage (HECM) mortgage that provides me with monthly payments. I have not received my monthly payment from my mortgagee. What should I do?

**A.** In order for HUD to assist you, HUD will need the name of your mortgage lender, your FHA case number, and the address of your home. If the damage caused by the disaster has temporarily affected your lender's ability to send you your payment, HUD may be able to assist you in obtaining your payment under your HECM mortgage loan. Contact the HUD National Servicing Center at 877-622-8525.

## **Special Mortgage Insurance Program for Disaster Victims – 203(h)**

**Q.** Under HUD's 203(h) mortgage insurance program for disaster victims, can I purchase a new home in an area other than the Presidential Declared Disaster area?

**A.** Yes, disaster victims can take advantage of this program in any part of the country and are not required to purchase in the disaster area.

**Q.** What kind of documentation must I provide to prove that I am eligible for this program?

**A.** You will need to provide documentation showing that your permanent residence was in the affected area before the disaster, which includes a valid driver's license, a voter registration card, utility bills, etc. You will also need to provide documentation regarding destruction of the residence, which includes an insurance report, an inspection report by an independent inspector or government agency, or conclusive photographic evidence showing the destruction or damage.

**Q.** Can I use Section 203(h) to purchase a home even though I rented the damaged property?

**A.** Yes, this program is available to both renters and owners of affected properties. For example, if you rented a unit in an apartment complex that was destroyed in the disaster, you may purchase a home using this program.

**Q.** Are there limitations to how much money I can borrow?

**A.** Yes, as a victim of a major disaster, you may borrow up to 100% of the appraised value of the property subject to the maximum mortgage amounts. These maximum mortgage amounts are the same as for HUD's basic mortgage insurance programs. The maximum loan to value ratio limit is 100%, subject to the borrower's minimum credit score. A list of mortgage amounts, which are determined by county, can be found on HUD's website at <https://entp.hud.gov/idapp/html/hicostlook.cfm>. (This website is a search engine that displays mortgage limit data by state and county. The mortgage limits vary from county to county.)

## **Homeowner Repair Programs**

**Q.** Does HUD have a loan program for repairs?

**A.** HUD has an insured mortgage program called Section 203(k). Section 203(k) insurance enables homebuyers and homeowners to finance both the purchase (and refinancing) of a house and the cost of its rehabilitation through a single mortgage - or to finance the rehabilitation of their existing home.

- Information can be found on the web at:  
<http://www.hud.gov/offices/hsg/sfh/203k/203kabou.cfm> (This website has basic information on the 203k rehabilitation mortgage)

**Q.** What other loans, mortgages or grants are available to citizens for repair of a home?

**A.** Other HUD home improvement programs can be found on the web at: <http://www.hud.gov/improvements/index.cfm>. Some of these programs, especially the grants, are administered through local government agencies and are not directly available through HUD.

**Q.** How can I find a lender that can help me with a mortgage to repair my home?

**A.** A list of lenders can be found online at: <http://www.hud.gov/l/code/lplcrit.html>. (**NOTE:** This is a search engine that will display lenders according to the search terms entered.)

**Q.** How can I find a housing counselor that will help me with my disaster related housing problems?

**A.** HUD sponsors certain approved housing counseling agencies that in turn provide counseling services to citizens for free. To find a counselor that serves your neighborhood, call HUD's toll-free number at: 1-800-569-4287 or visit <http://www.hud.gov/offices/hsg/sfh/hcc/hccprof14.cfm>.

### **Public Housing and Section 8 Voucher Programs**

**Q.** I was a tenant who lived in Public Housing (or had a section 8 voucher), and I was displaced by Sandy. What should I do?

**A.** First, it is important that ALL persons impacted by Sandy register with FEMA. This can be done online at [www.DisasterAssistance.com](http://www.DisasterAssistance.com), or by calling 800-462-7585. Second, Tenants who lived in Public Housing or had Section 8 vouchers and were displaced should call their local Public Housing Agency. For a list of contact numbers for all Public Housing Authorities by State, go to: <http://www.hud.gov/offices/pih/pha/contacts/index.cfm>. (Use this web page to find the housing authority in the local area of the caller). If you are having trouble contacting your PHA, please contact your local field office which can be located by using this link: <http://portal.hud.gov/hudportal/HUD?src=/states>. Additional Sandy related information can be found at <http://portal.hud.gov/hudportal/hud?src=/sandy>.

### **Fair Housing Concerns**

**Q.** I think I have been discriminated against because of my race. I went to an apartment building that had a vacancy sign out front. When I inquired about renting an apartment I was told there's nothing available. The place continues to post a vacancy sign. What can I do?

**A.** The Fair Housing Act prohibits discrimination on the basis of race, color, religion, national origin, sex, familial status (children in the family) or disability in housing. If you believe you have been the victim of race discrimination, you can file a complaint with HUD by calling our toll-free housing discrimination hotline at 1-800-669-9777. You can also file a complaint online

at [www.hud.gov/fairhousing](http://www.hud.gov/fairhousing). We will contact the housing provider and investigate your complaint.

**Q.** I am a person with a disability. When the government relocates people to new or temporary housing, will I be provided with accessible housing?

**A.** HUD is working with the Federal Emergency Management Administration (FEMA) to help ensure that accessible temporary housing will be made available for persons with disabilities who need it. Individuals who need accessible temporary housing should make their specific needs known when completing housing forms, and when talking to government personnel and other individuals coordinating relocation efforts.

HUD also will be working with FEMA to help ensure that disability-related access needs are addressed with respect to replacement housing. Housing programs operated with federal funds must be accessible to persons with disabilities. In addition, under the Federal Fair Housing Act, newly-constructed multifamily housing located in buildings with four or more units must meet certain accessibility requirements. HUD will work with FEMA, other Federal agencies, and state and local governments to ensure that these accessibility requirements are enforced.

## **SECTION 2: QUESTIONS FROM HUD LENDERS**

### **FHA-Insured Mortgages:**

**Q.** My company closed on several loans in the affected areas but subsequently they have been severely damaged by Sandy. Will HUD insure these loans?

**A.** HUD will insure mortgages for properties if damage is repaired prior to endorsement and an inspections report is provided. Please see ML 12-23 for further guidance. FAQs relating to ML 12-23 can be found at [http://portal.hud.gov/hudportal/documents/huddoc?id=faqs\\_ML\\_12-23\\_disaster.pdf](http://portal.hud.gov/hudportal/documents/huddoc?id=faqs_ML_12-23_disaster.pdf)

**Q.** What kind of mortgage can HUD provide to disaster victims?

**A.** HUD provides a mortgage insurance program to assist victims of Presidentially Declared Disasters, known commonly as Section 203(h). This program allows FHA to insure mortgages made by qualified lenders to individuals and families whose residences were destroyed or damaged to such an extent that reconstruction or repair is necessary and are eligible for 100% financing for the purchase of a home. However, closing costs and prepaid expenses not paid by the seller must be paid by the borrower in cash or through premium pricing (slightly higher than market interest rate).

Information on Section 203(h) can be found on HUD's website at <http://www.hud.gov/offices/hsg/sfh/ins/203h-dft.cfm>. Or, you can contact one of the HUD Homeownership Centers (Atlanta, Denver, Philadelphia, or Santa Ana). Visit [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/sfh/hoc/hsg\\_hocs](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/hoc/hsg_hocs) for contact information.

HUD also provides a program for the rehabilitation and repair of single family properties, known commonly as Section 203(k). This program is an important tool for community and neighborhood revitalization and for expanding homeownership opportunities. Damaged residences are eligible for Section 203(k) mortgage insurance regardless of the age of the property. The residences need only to have been completed and ready for occupancy for eligibility under Section 203(k). For further information on FHA's 203(k) program visit HUD's 203(k) website at:  
[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/sfh/203k/203kmenu](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/203k/203kmenu).

### **SECTION 3: QUESTIONS FROM CPD'S COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME GRANTEES**

**Q.** Can we use CDBG and HOME for Disaster Recovery?

**A.** In general, grantees may reprogram previously awarded CDBG and HOME grant funds for disaster recovery activities. HUD can assist in this effort by:

- waiving regulatory and statutory program requirements (except for certain provisions) to increase grantee ability to use available funds for disaster recovery; and
- providing technical assistance on potential uses of funds.

In making a request for a regulatory waiver or statutory suspension of CDBG or HOME program requirements, a grantee should first discuss its needs with its respective CPD Director to ensure that a waiver or suspension is actually required or permissible. If a waiver or suspension is needed, the request should be made through the local CPD Director and include a well-documented justification citing the good cause for such action (e.g., why it is necessary for disaster relief/recovery). CPD will reach out to grantees and will work closely with them to ensure a smooth and expedited process.

**Q.** Can HUD Provide Regulatory and Statutory Relief in the Use of CDBG?

**A.** HUD can always waive its regulatory program requirements to increase the utility of CDBG for disaster recovery and is prepared to be expansive in considering these requests. In addition, for areas covered by a Presidentially-declared major disaster, the Secretary has authority to waive most CDBG statutory requirements under section 122 of the Housing and Community Development Act of 1974 [42 USC 5321]. This provision authorizes the Secretary to suspend statutory requirements for use of CDBG funds in disaster areas as follows:

"For funds designated under this title by a recipient to address the damage in an area for which the President has declared a disaster under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, the Secretary may suspend all requirements for purposes of assistance under section 106 for that area, except for those related to public notice of funding availability, nondiscrimination, fair housing, labor standards, environmental standards, and requirements that activities benefit persons of low- and moderate-income."

**Q.** Can HUD suspend a number of HOME statutory and regulatory requirements to facilitate the use of HOME funds for disaster recovery?

**A.** Eligible HOME activities include: acquisition, rehabilitation, and construction of housing for rent or homeownership, and the provision of tenant-based rental assistance. HOME participating jurisdictions located in disaster areas may request regulatory waivers or statutory suspensions that make HOME funds more flexible in addressing both immediate disaster-related housing needs and long-term housing recovery. For example:



- HUD may eliminate the requirement that 15% of each HOME allocation be used for housing owned, developed or sponsored by community housing development organizations (CHDOs), making it possible to award all available HOME funds to entities and for activities that are most suited to the jurisdiction's disaster-related housing needs.
- Statutory maximum per unit subsidy limits can be suspended to permit the participating jurisdiction to award larger amounts of HOME funds to units or projects, without the necessity of obtaining other public or private financing sources.
- The HOME statutory matching requirements can be reduced or completely eliminated so that the participating jurisdiction is not required to identify matching contributions for disaster-related HOME expenditures.
- A participating jurisdiction may request a waiver of the HOME property standards to facilitate the use of HOME funds for emergency disaster-related repairs without having to address all substandard components in a unit.
- The statutory requirement for written tenant selection criteria (e.g., waiting lists) can be suspended to enable persons displaced by a disaster to be admitted to a HOME-assisted rental unit without having been placed on the waiting list in chronological order of application.
- HUD can grant waivers and suspensions to permit participating jurisdictions located in areas with an available supply of decent, safe and sanitary rental units and can use HOME funds to provide tenant-based rental assistance to households displaced by a major disaster.

**Q.** May Grantees designate funds from existing grants to address damage in a Presidentially Declared Disaster area and request waivers or suspensions to expand use of funds for disaster recovery activities?

**A.** Disaster recovery waiver or suspension requests should be submitted to HUD field offices, which will expedite the requests, together with field office reviews and recommendations, to headquarters for decision. Some common CDBG regulatory provisions for which suspension requests might be expected include:

- extension of the deadline for submitting the annual performance report (CAPER) when the disaster delays its completion;
- change in the period, or extension of length of time (up to 3 years), within which to meet the 70 percent spending requirement (70 percent of expenditures must benefit low and moderate-income persons); and
- removal of other limitations that are not required by statute.

Some CDBG statutory provisions for which suspension requests might be expected include: removal of restrictions on the repair or reconstruction of buildings used for the general conduct of government; removal of prohibitions on new housing construction; and modification of the limitation on the amount of CDBG funds used for public services. When suspensions are granted, the activities being carried out with the designated funds would operate under different requirements than the regular CDBG program. Therefore, the grantee will be required to annotate its CAPER in such a way that activities for which suspensions have been granted are distinguishable from regular program activities.

**Q.** What else should I know about the use of CDBG Funds for Disaster Relief?

**A.** The most appropriate use of CDBG funds is generally for longer term needs such as redevelopment of affected areas, because the Federal government provides immediate disaster relief primarily through FEMA and SBA. However, communities may elect to use their CDBG funds for emergency, short-term assistance if such activities are not funded by FEMA or SBA or if required as match to other Federal programs. (In many cases emergency needs will be funded by FEMA and advance payments from FEMA may be available.)

Such CDBG activities typically include the following, if they are not fully covered by

- FEMA: clearance of debris;
- provision of extra security patrols;
- demolition, clearance and/or reconstruction of damaged property posing an immediate threat to public safety;
- emergency reconstruction of essential water, sewer, electrical and telephone facilities; and
- providing a variety of relief services to individuals and businesses.

All CDBG-assisted activities, including those addressing emergency needs, must meet one of three CDBG national objectives. Therefore, not all of the community's needs can be met through use of CDBG funds. States and entitlement communities must spend at least 70% of their funds for activities that benefit low- and moderate-income persons. HUD may be able to extend the length of time that the recipient has to meet this requirement if needed to accommodate emergency activities that would not principally benefit such persons (see above regulatory waivers).

Some grantees provide a set-aside for use in responding to emergency needs in their communities. Other grantees provide for reordering of funding categories in the event of a disaster. Those that do not have these contingencies may amend their programs to change funding priorities for any funds that have not already been obligated to activities. With regard to the State CDBG program, each state establishes its own method to distribute funds as part of its

annual action plan. Citizen participation procedures must be followed but HUD will consider waivers to shorten public comment timeframes where appropriate. However, a state may put its process on a fast track commensurate with the need to provide disaster relief.

- **Non-entitlement local governments which already have received a CDBG grant from the state may ask the state to permit an amendment if the locality determines that the disaster has created higher priority needs** - Each state has the authority to respond to such a request and each state has different applicable policies. If a state should establish a set-aside for disaster recovery, localities must of course develop applications and apply. This process also involves citizen participation but it may be accelerated consistent with the need to address an emergency situation.
- **The Section 108 Loan Guarantee program is another source of assistance for redevelopment of affected areas** - Section 108 loan guarantees can be used by CDBG grantees to finance acquisition of real property (including related public improvements, clearance, and relocation), rehabilitation of publicly owned real property (including infrastructure such as streets), housing rehabilitation, public facilities, and economic development activities. The maximum loan repayment period is 20 years.

Section 108 enables CDBG entitlement communities to obtain loan guarantees equal to 5 times their most recent CDBG entitlement amount. For non-entitlement communities, Section 108 funds can be accessed in one of two ways. One approach enables the state to apply for Section 108 funds and, in turn, pass them through to non-entitled local governments or states can permit non-entitlement jurisdictions to apply directly. In either case, the maximum amount is equal to 5 times the state's grant under the CDBG program and the state must be willing to pledge its CDBG funds as security for the loan guarantees. Grantees that have received guarantees in the past for activities that have yet not materialized may ask HUD to amend that guarantee to use those funds for activities that will address disaster recovery needs.

In general, the guaranteed loan funds must be used in accordance with all of the other requirements that apply to CDBG funds received directly from HUD, including the 70 percent spending requirement discussed above. (This means that the spending of the loan proceeds must be considered together with the spending of grant funds and program income to ensure that at least 70 percent has been spent on activities that principally benefit low- and moderate-income persons within the period certified by the grantee.) Presently, the Department has no authority to waive statutory requirements for the Section 108 Loan Guarantee program.

### **Crosscutting Requirements**

**Procurement** - 24 CFR § 85.36 provides that the competition usually required for contracting is not needed in certain emergency situations.

**Environmental Review** - Similarly, environmental amendments and release of funds are not required prior to undertaking emergency activities for temporary improvements that do not alter environmental conditions and are limited to protection, repair or restoration activities necessary

only to arrest the effects of the disaster. (See 24 CFR § 58.34(a)(10).) In cases in which a request for release of funds is required, if funds are needed on an emergency basis and when adherence to separate comment periods would prevent the provision of assistance, the combined Notice of Finding of No Significant Impact (FONSI) and the Notice of Intent to Request Release of Funds may be disseminated and/or published simultaneously with the submission of the Request for Release of Funds as provided for in § 58.33.

**Consolidated Plan** - The grantee will be required to annotate and describe the activity in such a way in its consolidated plan, action plan or amended action plan, as appropriate, that the activity is clearly distinguishable as a designated disaster recovery activity. The grantee should be reminded of the consolidated plan amendment requirements at 24 CFR § 91.505.

**Duplication of Benefit** - State and local governments should be cautious of potential duplication of benefits (e.g., double funding from two or more government agencies of the same costs or duplication of payments for losses paid by private insurance, etc). Please contact your HUD field office for additional information on duplication of benefit issues.

## **SECTION 4: QUESTIONS FROM ORGANIZATIONS SERVING HOMELESS INDIVIDUALS**

### **Eligibility Questions**

**Q.** How is HUD defining —homeless?||

For this purpose, a person who has registered with FEMA in a Presidentially Declared Disaster area is considered homeless if they meet the criteria outlined in the final rule on the Definition of Homeless, were housed in HUD-funded homeless programs prior to the disaster, or whose residence has been damaged beyond repair and the household lacks the financial resources and support networks needed to obtain immediate housing.

**Q.** If persons displaced by Sandy seek help from a HUD-funded homeless assistance project, is he or she eligible for assistance?

**A.** Persons that met the definition of homelessness prior to Sandy will continue to be eligible for assistance. A person whose residence has been damaged beyond repair may be eligible for assistance provided that the following circumstances apply: the household has applied for FEMA assistance, no appropriate housing options have been identified, *and* the household lacks the financial resources and support networks needed to obtain immediate housing.

**Q.** Once disaster evacuees are receiving housing funds from FEMA, can they continue to receive supportive services support from HUD homeless assistance programs?

**A.** Once the immediate crisis has passed and evacuees are receiving their housing assistance payments from FEMA, they should also be eligible to receive support services from FEMA and no longer need supportive service assistance from homeless providers. Many evacuees are

receiving their Public Assistance payments from FEMA. Recipients must identify all types of assistance being paid for by FEMA in order to avoid a duplication of benefits.

**Q.** Can my grant agreement be amended to receive more money for serving disaster evacuees?

**A.** No, HUD cannot amend a grant agreement to award more money to a project. The amount awarded cannot be increased and the annual renewal amount must remain the same.

## **Waivers**

**Q.** Can recipients re-program previously awarded homeless assistance grant funds for disaster recovery activities?

**A.** HUD can assist in this effort by:

- waiving regulatory and statutory program requirements (except for certain provisions) to increase recipient ability to use available funds for disaster recovery; and
- providing technical assistance on potential uses of funds.

In making a request for a regulatory waiver or statutory suspension of the homeless assistance grants program requirements, a recipient should first discuss its needs with its respective CPD Director to ensure that a waiver or suspension is actually required or permissible. If a waiver or suspension is needed, the request should be made through the local CPD Director and include a well-documented justification citing the good cause for such action (e.g., why it is necessary for disaster relief/recovery). CPD will reach out to grantees and will work closely with them to ensure a smooth and expedited process.

HUD can also provide Regulatory and Statutory Relief in the use of the homeless assistance grants programs. The department can always waive its regulatory program requirements to increase the utility of its homeless assistance grants for disaster recovery and is prepared to be expansive in considering these requests. In addition, for areas covered by a Presidentially-declared major disaster, the Secretary has authority to waive most McKinney-Vento statutory requirements under section 122 of the Housing and Community Development Act of 1974 [42 USC 5321]. This provision authorizes the Secretary to suspend statutory requirements for use of homeless assistance and grant funds in disaster areas as follows:

"For funds designated under this title by a recipient to address the damage in an area for which the President has declared a disaster under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, the Secretary may suspend all requirements for purposes of assistance under section 106 for that area, except for those related to public notice of funding availability, nondiscrimination, fair housing, labor standards, environmental standards, and requirements that activities benefit persons of low- and moderate-income."

HUD may suspend a number of McKinney-Vento statutory and regulatory requirements to facilitate the use of homeless assistance grant funds for disaster recovery - Eligible Supportive Housing Program activities include: acquisition, rehabilitation, and construction of housing for homeless persons, leasing, supportive services, and operations. The only eligible Shelter Plus Care Program activity is rental assistance. Eligible Emergency Solutions Program activities are street outreach, emergency shelters, homelessness prevention, and rapid re-housing. Homeless assistance housing and service providers that are in jurisdictions located in disaster areas may request regulatory waivers or statutory suspensions that make the homeless assistance grant funds more flexible in addressing both immediate disaster-related housing needs and long-term housing recovery.

Recipients may designate funds from existing grants to address damage in a Presidentially Declared Disaster area and request waivers or suspensions to expand use of funds for disaster recovery activities - Disaster recovery waiver or suspension requests should be submitted to the local HUD CPD field office which will expedite requests, together with field office reviews and recommendations, to headquarters for decision. Some common McKinney-Vento regulatory provisions for which suspension requests might be expected include:

- extension of the deadline for submitting the annual performance report (APR) when the disaster delays its completion;
- for ESG recipients, an extension of the deadline for submitting the annual performance report (CAPER) when the disaster delays its completion;
- change in the period, or extension of length of time (up to 3 years), within which to meet the 2-year obligation requirement; and
- removal of other limitations that are not required by statute.

When suspensions are granted, the activities being carried out with the designated funds would operate under different requirements than the regular ESG program. Therefore, the grantee will be required to annotate its CAPER in such a way that activities for which suspensions have been granted are distinguishable from regular program activities.

**Q.** What are the crosscutting requirements?

**A.** There are several crosscutting requirements.

- **Procurement** - 24 CFR § 85.36 provides that the competition usually required for contracting is not needed in certain emergency situations.
- **Environmental Review** - Similarly, environmental amendments and release of funds are not required prior to undertaking emergency activities for temporary improvements that do not alter environmental conditions and are limited to protection, repair or restoration activities necessary only to arrest the effects of the disaster. (See 24 CFR § 58.34(a)(10).) In cases in which a request for release of funds is required, if funds are needed on an

emergency basis and when adherence to separate comment periods would prevent the provision of assistance, the combined Notice of Finding of No Significant Impact (FONSI) and the Notice of Intent to Request Release of Funds may be disseminated and/or published simultaneously with the submission of the Request for Release of Funds as provided for in § 58.33.

- **Consolidated Plan** - The Entitlement Jurisdiction will be required to annotate and describe the activity in such a way in its consolidated plan action plan or amended action plan, as appropriate, that the activity is clearly distinguishable as a designated disaster recovery activity. The Entitlement Jurisdiction should be reminded of the consolidated plan amendment requirements at 24 CFR § 91.505.
- **Duplication of Benefit** - State and local governments should be cautious of potential duplication of benefits and the penalties resulting from (e.g., double funding from two or more government agencies of the same costs or duplication of payments for losses paid by private insurance, etc). Please contact your local CPD HUD field office for additional information on duplication of benefit issues.

**Q.** Can the supportive services match requirement for the Shelter Plus Care program be waived?

**A.** The supportive services match requirement is a statutory, not a regulatory requirement, and, therefore, cannot be waived.

**Q.** Can participant eligibility requirements for the Supportive Housing Program's permanent housing units be waived?

**A.** By law, persons who may be assisted in SHP permanent housing units must be both homeless and disabled.

**Q.** Will the 40% cap on uses of Emergency Solutions Grants funds for emergency shelters be waived?

**A.** The Emergency Solutions Grants program already allows recipients to request HUD to waive the 40% requirement, if they can demonstrate that the other eligible activity requirements will be paid for with other resources.

**Q.** What provisions of the ESG program are being suspended or waived to assist persons displaced by the recent disaster?

**A.** The following program requirements are being suspended or waived to assist persons displaced by Sandy:

- **Citizen Participation and Consolidated Plan Amendments** - permits a city or state grantee to immediately reprogram the use of ESG funds by reducing the 30-day comment period for substantial amendments to 3 days. Reprogramming does not require HUD approval.

- Definition of emergency shelter - permits ESG funds to be used to provide short-term emergency and transitional shelter in conventional housing owned by private sector landlords.
- Allows grantees to use funds beyond the current 24-month deadline for making expenditures.

### **Redirecting Funds**

**Q.** Can a homeless provider that has remaining grant funds that would be recaptured at the end of this year's grant term (Calendar Year 2012) use those funds to pay for services for disaster evacuees?

**A.** Projects have the flexibility to use remaining grant funds to provide eligible assistance to homeless disaster evacuees, pending an extension approval by the field office, until March 31, 2013.

### **Changing Components**

**Q.** My project is serving disabled homeless persons in SHP permanent housing. Can I serve disaster evacuees?

**A.** Projects that are designed to provide permanent housing can serve disaster evacuees if the evacuees meet the standards of both homelessness and disability.

### **Emergency Solutions Grants (ESG) Program**

**Q.** Are persons who are at-risk of losing their homes due to significant storm-related damage eligible to receive homelessness prevention assistance under the Emergency Solutions Grants (ESG) program?

**A.** Homelessness prevention under the ESG program is an eligible activity for households that meet the definition of at-risk of homelessness, or meet Categories 2, 3 or 4 of the homeless definition, and whose annual household income is below 30 percent of the area median income. The activities allowable under homelessness prevention may include housing relocation and stabilization services. The recipient/sub-recipient is responsible for ensuring that the household has exhausted all of the other resources available to people in a Federal disaster area, including FEMA or other HUD assistance. The ESG recipient/sub-recipient must be able to document that the household has applied for benefits available to people in Federally Declared Disaster areas.

It should be noted that insurance will cover temporary housing while a home is being repaired/rehabilitated.



Keep in mind that case managers must assess and document the financial resources, support networks, and other housing options available to the household – as they must do for all applicants. See HUD's [ESG Eligibility Determination and Documentation Guidance](#) for more information.

**Q.** What kind of housing relocation and stabilization services can be offered to an eligible individual or family?

**A.** Financial assistance costs, such as, rental application fees, security deposits, last month's rent, utility deposits, utility payments, moving costs, services costs which includes housing search and placement, housing stability case management, mediation, and legal services.

**Q.** Can we use ESG funds to rehabilitate our emergency shelter that was damaged during Sandy?

**A.** Often, insurance will cover repairs and rehabilitation. If the shelter does not have insurance or enough money to rehabilitate or repair the shelter, ESG assistance may be used to repair and/or rehabilitate the facility. The recipient/sub-recipient is responsible for ensuring that it has exhausted all of the other resources available to repair and/or rehabilitate the facility, including FEMA or other HUD assistance. The recipient/sub-recipient must be able to document that it had applied for benefits available.

**Q.** Can we use ESG funds for transportation costs?

**A.** Only if the costs consist of the transportation of a program participants travel to and from medical care, employment, child care, or other eligible essential services facilities. These costs include the following:

- The costs of a program participant's travel on public transportation;
- For service workers using their own vehicles, mileage reimbursement for service workers to visit program participants;
- The costs of purchasing or leasing a vehicle for the recipient or sub-recipient in which staff transports program participants and/or staff serving program participants, and the costs of gas, insurance, taxes, and maintenance of the vehicle; and
- The travel costs of recipient or sub-recipient staff to accompany program participants to use public transportation.

**Q.** Can ESG prevention be used to provide transportation

vouchers? **A.** No. This would qualify as an essential service, not as prevention.

**Q.** Can a city receiving ESG funds assist evacuees by providing housing outside its jurisdiction?

**A.** Yes, if there is no suitable shelter within the city's own boundaries and the city opts to use their ESG funds for evacuees. The —outside|| jurisdiction must certify its approval for housing the evacuees.

### **Homeless Management Information Systems (HMIS)**

**Q.** Should persons displaced by the disaster be entered into the HMIS if existing programs are serving them?

**A.** HUD is focused on ensuring that the survivors of the recent disasters who may be transported to CoCs around the country are served appropriately and as quickly as possible, and knows that many localities are seeking guidance on how best to coordinate the services being provided to these people. It is possible that HMIS systems already in place in many communities can provide the infrastructure needed to coordinate these important services in order to best serve persons displaced by the disaster. In those communities where an HMIS is operational, HUD expects that those served in existing programs will be entered into the HMIS in accordance with the community policies and procedures already in place for management of client data. Several communities we have spoken to have already added a field to their intake screen within the HMIS to indicate if the person is displaced due to the disaster. HUD will post the zip codes for the disaster-affected areas defined by FEMA on its web site and on [www.hmis.info](http://www.hmis.info) for use by communities in determining evacuee status.

### **Annual Performance Reports**

**Q.** What information should be reported in the Annual Performance Report?

**A.** To this end, minimal information needs to be collected on all members of households applying for assistance. The collection of this information will enable HUD to cross check households assisted with the database FEMA has established and has provided to HUD. The information collected will be used for eligibility verification in the CoCs in the disaster area, track households assisted and their location as well as issuance of the monthly rent subsidies by the Public Housing Agencies. The information collected is consistent with the information currently authorized by OMB approved Form HUD-40118 The Annual Progress Report (APR).

Given the critical timing and need for these funds to be provided we would be appreciative of an expeditious review and concurrence on our use of the APR Form number —40118 to cover this data collection effort.

**Q.** My facility has significant storm related damage. We will not be able to serve participants for at least one year. What should we do? What should we report in our APR?

**A.** You would provide all of the data that your agency has about persons served. HUD understands that there are some providers that will have no persons served for up to an entire operating year if the damage sustained is drastic. It is advised that you should indicate in the

narrative sections at the end of the APR that your project was impacted by Sandy and provide a status report on when you believe services will resume.

## **SECTION 5: QUESTIONS FROM PUBLIC HOUSING AUTHORITIES**

### **General Questions**

**Q.** Can a PHA use its own existing available vouchers or public housing units to assist either displaced public housing or voucher participants affected by the disaster?

**A.** A PHA may use its own existing available vouchers or public housing units to assist either displaced public housing or voucher participants affected by the disaster, provided it amends its Administrative Plan and/or Admissions and Continued Occupancy Policy (ACOP) to specify a preference for a disaster-affected family. The Board must approve the amendment. The Executive Director should have the amendment written to specify that families of federally declared disasters who are Section 8 voucher holders or public housing residents in another jurisdiction will receive preference over other waiting list placeholders. Once written, and it need only be a few sentences, the PHA may convene a conference call with all the members of the board and ask the Board to approve the amendment. (Please note that it is HUD's recommendation that the PHA's Board not consider the amendment as "significant" to the Administrative Plan or ACOP. Should the Board consider the amendment as "significant" then a formal notice to the public must be prepared and public meeting advertised and held.) Once passed and recorded, the PHA may then immediately admit disaster victims using its own resources. Please remember that these are federal guidelines. PHAs must ensure that they have complied with individual state or local requirements above and beyond the federal requirements such as the Open Meetings Act or similar state law. Contact your local field office with any questions.

**Q.** Where can owners call who want to make their properties available to public housing/HCV residents?

**A.** Owners should call the PHA in the jurisdiction. Please use this link to locate a PHA that is near you, <http://www.hud.gov/offices/pih/pha/contacts/index.cfm>

**Q.** Will there be any relief from LIHTC requirements?

**A.** Notice 2012-68 was issued by the IRS on November 4, 2012, which has waived the normal income requirements associated with the LIHTC program so that owners of tax credit properties can provide housing to victims of Sandy who do not qualify as low-income. The waiver of normal income requirements can be granted by the agency, which granted the credits, for a period of time not to extend beyond November 30, 2013. However, tax credit units that are also section 8 or public housing units must continue to abide by the low-income requirements of those programs. A link to the Treasury Department press release regarding this waiver can be found at: <http://www.irs.gov/uac/Newsroom/Treasury-and-IRS-Expand-Availability-of-Housing-for-Hurricane-Sandy-Victims>.

**Q.** Can PHAs provide lease terms of less than one year?

**A.** Yes, if shorter term is the prevailing local market practice and it will improve housing opportunities for the family.

**Q.** Will HUD provide relief (i.e., exempt PHAs) from the requirements of SEMAP for PHAs affected by the disaster?

**A.** Yes. HUD will issue a notice identifying the conditions pursuant to which PHAs may request a waiver for exemptions from SEMAP.

**Q.** Can a PHA temporarily house over-income disaster victims in a public housing unit and temporarily hold off on housing eligible applicants on the waiting list?

**A.** The Department's first priority is to assist existing public housing and voucher program participants who have been affected by Sandy. For the Public Housing program the regulations at 24 CFR § 960.503 allow only PHAs with less than 250 units to house over income families. Such PHAs may, on a monthly basis, lease a unit in a public housing project to an over-income disaster family, but only if there are no eligible families applying for housing assistance for the PHA for that month and the PHA provides not less than a 30-day public notice of such assistance. If the unit is vacant and there is no one on the waiting list, the PHA may allow an over-income family to gain immediate occupancy in the unit while simultaneously providing reasonable public notice and outreach with regard to the availability of the unit.

For PHAs with more than 250 units, vacant public housing units can be temporarily deprogrammed and made available for temporary occupancy by disaster victims without regard to income. These units would not receive operating subsidy during the period which they are deprogrammed for use by disaster victims. PHAs with more than 250 units should contact their local field office if they are interested in deprogramming units for this purpose.

**Q.** Can PHA staff volunteer?

**A.** PHA employees can on their own time (e.g., weekends, annual leave) volunteer their services to another PHA. The receiving PHA can use operating subsidy to pay the volunteers a nominal fee and to provide reasonable benefits (e.g., shelter, food) in connection with the volunteer activities

**Q.** Can PHAs donate goods and service to relief efforts?

**A.** Under applicable cost principles PHAs cannot use grant funds as part of a contribution or donation. PHAs cannot simply donate services, goods, or labor to another PHA without remuneration. A PHA cannot use its funds for expenditures for another PHA because the use of the funds must be in connection with its projects and public housing families. There are no provisions that would exempt disaster relief from this prohibition. PHAs that want to provide services of their staff, goods or equipment can do so under the following conditions. The

"sending" PHA and "receiving" PHA should enter into an agreement to cover issues related to costs. The agreement should set out which agency will pay for travel costs and other related costs (shelter, food, etc.). The receiving PHA should provide remuneration to the sending PHA for the services, goods and labor. The agreement should cover how such costs would be allocated.

**Q.** Will HUD give consideration on the vacancy PHAS performance rating to PHAs who hold their current vacant units for a period of time in anticipation of housing displaced families?

**A.** Yes. HUD will issue a Notice identifying the basis for exempting PHAs affected by the disaster from PHAS scoring and will provide some consideration for non-affected PHAs holding back units for a limited period of time to assist displaced families.

**Q.** What are HUD's PHA procurement policies to meet disaster needs?

**A.** 24 CFR § 85.36 permits PHA to procure from single source through noncompetitive proposals. PHA can use single source when award is infeasible under small purchase, sealed bids or competitive proposals and item is available only from single source or public exigency or emergency for the requirement will not permit a delay from competitive solicitation. PHAs must maintain in their files, however, rationale of the single source proposal and cost analysis, i.e., proposed cost data, cost projections, evaluation of specific elements of cost and profits. Labor costs are what they are if you can find people to do the work.

**Q.** How do I determine if my PHA is in a Presidentially Declared Disaster area?

**A.** Go to the FEMA website and search by state and name of the disaster: <http://www.fema.gov/disasters>. Then click on the link for affected counties to determine if your county is listed (Public Assistance applies to PHAs): <http://www.fema.gov/disaster/4089/affected-counties>.

**Q.** If my PHA is in a Presidentially Declared Disaster area, to whom do I apply for funds for rehabilitation of public housing units or for cleanup/debris removal and reconstruction?

**A.** PHAs in Presidentially Declared Disaster areas must apply for Public Assistance funding through FEMA. Per FEMA's Disaster Assistance Fact Sheet 9580.205, issued May 20, 2010, —FEMA may provide funding to public housing authorities (PHAs) under the Public Assistance Program for emergency work costs and for the repair, replacement or restoration of disaster damaged public housing facilities.||

There are 2 types of funding that apply to PHAs in disasters:

- Section 403 - emergency funding for debris removal and the demolition of unsafe structures.
- Section 406 - funding available for permanent reconstruction of public facilities.

**Q.** My PHA has units damaged by Sandy and I am not in a Presidentially Declared Disaster area, can my PHA apply for disaster assistance?

**A.** Yes. PHAs not in a Presidentially Declared Disaster area may apply for assistance under the FY2013 Capital Fund Emergency and Disaster Reserve set aside. Disaster applications will be funded on a first come first serve basis. A PHA may submit a Preliminary Disaster application for funding if the PHA has immediate repairs that need to be made to preserve the property or safety of public housing residents, and the agency has not yet compiled all of the information, such as the detailed cost on the loss and the amount of any reimbursement the PHA will be receiving from insurance. A PHA could also submit a Preliminary Disaster application if developments are totally destroyed, must be reconstructed, and emergency remediation is required. The procedures for submitting a Preliminary Disaster application are in HUD Notice 2010-14:

<http://portal.hud.gov/hudportal/documents/huddoc?id=10-14pihn.doc>

Once the PHA has the third party cost certification and has received any other funds such as insurance proceeds, the PHA should send in a Final Disaster application. Additionally, if the PHA is applying for a new grant, has the third party cost estimate, has the insurance proceeds, and did not apply for a Preliminary Grant, the PHA should send in a Final Disaster application. See HUD Notice 2010-14:

<http://portal.hud.gov/hudportal/documents/huddoc?id=10-14pihn.doc>

**Q.** To whom does my PHA send a preliminary or final disaster grant application?

**A.** To your HUD Field Office, who will review the application, and then forward to HUD HQ with a recommendation on whether or not to fund the application.

**Q.** What are the Environmental Review requirements for Disaster work?

**A.** Although Emergency Capital Needs assistance is allowable to preserve the property or ensure the safety of public housing residents, environmental review provisions remain applicable. Unless the Department conducts an environmental review itself under 24 CFR Part 50, the environmental procedures in 24 CFR Part 58 apply, recognizing that the responsible entity (not the PHA) may determine that some disaster repairs are exempt from environmental review under § 58.34(a)(1). For activities that require environmental review, § 58.22 prohibits commitment of HUD or local funds, or undertaking activities that limit the choice of reasonable alternatives or have an adverse environmental impact, prior to approval of a Request for Release of Funds. Emergency provisions in § 58.33 regarding environmental reviews and combined comments period also apply. If the Department, upon request or upon the Department's determination, takes responsibility under 24 CFR Part 50 for the environmental review of activities proposed in a preliminary application, the PHA may not commence repair actions until HUD, in approving the preliminary application, completes an environmental review of the proposed activities or determines that the activities are not subject to environmental review.

## **Portability**

**Q.** What is the admissions process for a portable voucher family? Can a PHA choose not to issue vouchers to local applicants in order to absorb incoming portable voucher families from disaster areas? What is the admissions process for a portable voucher?

**A.** The assistance for a family affected by a disaster is administered by a receiving PHA under existing portability procedures. A PHA may always choose to use available voucher funding to absorb portability families and does not place these families on the waiting list first.

**Q.** Can a receiving PHA admit additional family members to a portable voucher family or must the family composition remain as it was under the disaster-impacted PHA's program?

**A.** The receiving PHA has the authority to approve the family composition for the incoming portable family.

**Q.** Is the PHA required to determine income eligibility for an incoming voucher family moving under portability?

**A.** If a family is a voucher participant, the receiving PHA does not determine income eligibility. However, for a portable family that was issued a voucher but never leased a unit, the family must be determined income eligible in the receiving PHA's jurisdiction (e.g., the receiving PHA's income limits are applicable).

## **Preferences**

**Q.** Can PHAs give a preference to existing public housing residents and voucher participants that have been displaced by the disaster?

**A.** Yes, PHAs with a voucher or public housing program are encouraged to adopt an admission preference for displaced residents and program participants.

**Q.** Can PHAs give preference to disaster area residents who are not currently a Public Housing resident or voucher holder but who are determined program eligible?

**A.** Yes, the PHA may provide for an admission preference for unassisted disaster families that are income eligible. The decision to establish a preference is at the discretion of the PHA and should be done in accordance with the applicable regulations—24 CFR § 960.206 for Public Housing and 24 CFR § 982.207 for the Housing Choice Voucher Program.

**Q.** Should PHAs notify applicants currently on their voucher and public housing waiting list of their intent to provide a local preference for disaster-impacted families?

**A.** For the Public Housing Program, the regulations at 960.206(a)(4) require that you inform all applicants about the availability of the preference and must give applicants an opportunity to

qualify. PHAs must use best efforts to implement the notification to all applicants but such actions should not delay addressing urgent housing needs.

The Housing Choice Voucher Program does not have the same regulatory requirement. However, the agencies Administrative Plan would dictate what procedures the PHA would have to follow in notifying applicants of a change in preferences.

**Q.** Are PHAs required to post changes to its administrative policies?

**A.** Yes. Preferences and other such policies must be posted in the PHA's admission office and provided to residents, upon request. Such actions need not occur before the disaster victims are admitted to the public housing program.

### **Funding**

**Q.** May PHAs use voucher administrative fees and administrative fee reserves to assist public housing displacees as well as voucher program displacees?

**A.** By law, housing choice voucher administrative fees may only be used for administration of the voucher program, and administrative fee reserves may only be used for Section 8 purposes, so those funds may not be used to assist public housing displacees. However, pre-2004 PHA earned administrative fee reserves may be used to assist both public housing and voucher program displacees.

**Q.** If a PHA determines that a unit does not meet HQS as a result of damage from the storm, must the owner return the HAP payment for November?

**A.** The HAP contract provides that the PHA shall not make any housing assistance payments if the contract unit does not meet the HQS, unless the owner corrects the defect with the period specified by the PHA and the PHA verifies the correction. If the PHA now determines that as a result of the storm the unit does not currently meet HQS, the PHA is not required to make the owner repay the November HAP. However, the PHA must notify the owner of the defect and require the owner to make the correction within a specified time. Should the owner fail to make the repairs in within the specified time, the PHA may not make any subsequent HAP payments.

**Q.** May PHAs use their housing voucher program administrative fees to pay for security deposits, utility deposits, or transportation expenses for housing voucher families displaced by Sandy?

**A.** Yes. PHAs may use funds from PHA administrative fees and PHA administrative fee reserves to assist housing voucher families displaced by Sandy with security deposits, utility deposits, or transportation expenses relating to relocation.

**Q.** Is HUD making funds available to private citizens who want to rehab housing for disaster victims?



A. No.

**Q.** Can PHAs continue to make payments for homeownership units that were demolished or seriously damaged by Sandy?

A. Yes, PHAs may continue making payments under the homeownership option of the voucher program. The PHA may continue such payments while the family completes repairs with proceeds from its insurance policy or sells the property. A family cannot receive benefits as a renter and homeowner at the same time. Homeowner's with FHA-insured homes should contact their lender to determine what the best options for the family.

**Q.** May a PHA make housing assistance payments under a HAP contract without conducting an HQS inspection with the understanding that the inspection will be conducted at a later date?

A. No. By law, a PHA cannot make housing assistance payments until the unit is inspected and satisfies HQS.

**Q.** May PHAs use their Capital Funds to pay for security deposits, utility deposits, or transportation expenses for displaced public housing residents?

A. Yes. PHAs may use Capital Funds for relocation costs for public housing residents if they are related to the potential future repair, demolition, or development of public housing units. There are 3 types of assistance:

- Direct Payments to the Resident - Residents, at their discretion, may choose to receive either actual or fixed moving expenses. Fixed moving expenses are based on a schedule of allowances published by the Federal Highway Administration. Eligible actual moving expenses include, but are not limited to:
  - Transportation of the displaced person and personal property.
  - Packing of personal property.
  - Storage of personal property
  - Utility hookups.
  - Other moving-related expenses as determined by the PHA. To the extent that the family's accommodations require higher security deposits, the additional deposit can be paid from Capital Funds. In addition the costs of moving public housing families and their belongings also may be paid from Capital Funds.
- PHA Provided Relocation - A PHA may have a number of available relocation options that may be more cost effective and practical for temporary relocation. For example, private apartment complexes, hotels, etc., may have vacancies or properties that may provide suitable housing. In those cases, PHAs may enter into contractual agreements with the owners to lease the property or units directly. The PHA would then occupy the unit based on its occupancy policies. Eligible expenses would include, but not limited to:

- The cost of lease under the agreement.
  - Attorney fees.
  - Security deposits and utility hookups. PHAs may already be holding such deposits for residents and should use those deposits, when required. To the extent to which costs are higher than the deposits, the additional expenses are eligible. After termination of the lease, these funds become program income.
  - Transportation and moving expenses.
  - Other reasonable expenses directly related to leasing the property/units and moving the resident.
- For temporary housing in another PHA existing public housing development - relocation costs may be charged in either of two ways.
    - The resident from the PHA affected by the disaster becomes a resident of the receiving PHA. In this case, the resident receives permanent relocation housing. The PHA affected by the disaster would pay reasonable moving expenses as identified above to/for the resident. No payments would be made to the receiving PHA.
    - The PHA affected by the disaster could lease the vacant unit(s) directly from the receiving PHA. In such case, PHA affected by the disaster would pay the receiving PHA payments due under the lease as well as reasonable moving expenses as identified above.

In all cases of Capital Funds used for relocation of public housing residents, PHAs must prepare an amendment to their Capital Fund annual statement pursuant to 24 CFR § 903.21, to reflect any reallocation of funds from other budget line items, into account 1495, Relocation Costs.

**Q.** Can my PHA use Capital Funds to do emergency work if it is not included in my 5-Year Plan or an approved annual statement?

**A.** Yes. Per 24 CFR § 968.112 (a) (ii), emergency work is an eligible Capital Fund cost whether or not it is indicated in the PHA's approved Five Year Action Plan or Annual Statement.

## **HQS**

**Q.** For housing choice voucher units that have been damaged by the disaster where deficiencies are not life-threatening and the unit is habitable, does the PHA have flexibility to allow owners additional time to make HQS repairs?

**A.** The regulation, 24 CFR § 982.404(a)(3), provides that in the case of where a PHA determines that the HQS violation is not life-threatening, the owner must correct the defect within on more than 30 calendar days or any PHA-approved extension. Assuming the unit is habitable and the family can return to it, the PHA could use its existing administrative discretion to allow additional time for the owner to make non-life-threatening repairs to bring the unit back into compliance.

## **ROSS Funds**

**Q.** Can ROSS funds currently under NOFA be redirected to PHAs providing assistance to families impacted by Sandy for services such as counseling, transportation, food?

**A.** No. ROSS funds must be used for supportive service activities for their public housing residents and that the PHA applied for and that were approved in their grant agreement. Food is an ineligible item in ROSS grants.

**Q.** Can some of the ROSS funds currently under NOFA be redirected for housing assistance?

**A.** No. The appropriation language will not allow ROSS funds to be used for housing assistance.

**Q.** Some PHAs are already ROSS grantees; can HUD add funds to their grants for this purpose?

**A.** No. The PHAs competed for a set amount and HUD cannot award PHAs funds beyond that amount.

**Q.** May HUD waive security deposits in Public Housing for disaster victims?

**A.** No HUD waiver is required. The PHA has the option to eliminate security deposits for public housing families that are disaster victims.