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OFFICE OF PUBLIC & INDIAN HOUSING

Voucher Program Updates

**CARES Act HAP Funding and
Admin Fee Award Notices**

August 5, 2020

Introduction & Agenda

- Introduction
 - *Dominique Blom, General Deputy Assistant Secretary PIH*
- Updates
 - *Danielle Bastarache, Deputy Assistant Secretary, Public Housing and Vouchers*
- PIH Notice 2020-18: Administrative Fee 2nd Award and New Eligible Activities
 - *Miguel Fontanez-Sanchez, Director, Financial Management Division*
- PIH Notice 2020-17: HAP Supplemental Funding
 - *Steven Durham, Director, Housing Vouchers*
- Office of Field Operations (OFO) Update – HCV Leasing and Utilization
 - *Lisa Carter, Operations Manager, Field Operations*
- Q&A

https://www.hud.gov/program_offices/public_indian_housing/covid_19_resources



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HCV Program Updates

- HCV Program Updates
 - Foster Youth to Independence – 1 Year Anniversary
 - FYI Competitive NOFA
 - Mobility Demonstration
 - Mainstream Notice
 - HUD-VASH
 - HOTMA PBV/HQS Proposed Rule
 - HCV Landlord Task Force
- Reminder on CARES Act Admin Fee Funds
 - CARES Act Admin Fee funds can be used for regular HCV admin expenses!



PIH Notice 2020-18: Administrative Fees & Eligible Activities

PIH Notice 2020-08 published April 28, 2020

- Awarded \$378 million of the \$850 million of supplemental administrative fees appropriated by CARES act.
- Established eligible activities to prevent, prepare for, or respond to COVID-19 that may be funded with the supplemental administrative fees.

PIH Notice 2020-18 published July 31, 2020

- Establishes the allocation methodology for the remaining apprx. \$472 million in supplemental administrative fee awards
- Updates the list of eligible activities under the CARES Act supplemental administrative fees.



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PIH Notice 2020-18: CARES Act Administrative Fee Awards

- In Mid-August 2020, HUD will award approximately \$472 million in supplemental administrative fees.
- The funding awards for the HCV program will be distributed to PHAs in a single disbursement.
 - PHAs administering Mainstream Vouchers will receive a separate disbursement of administrative fees for the Mainstream vouchers.
- The funding award for each PHA is the equivalent of a little more than 2 months of their CY20 administrative fee eligibility.



PIH Notice 2020-18: CARES Act Eligible Activities

CARES Act supplemental administrative fees may be used for two purposes:

- (1) Any currently eligible HCV (including Mainstream vouchers) administrative costs during the period that the program remains impacted by COVID-19; and
- (2) COVID-19-related activities, including activities to support or maintain the health and safety of assisted individuals and families, and costs related to the retention and support of participating owners.
 - PIH Notice 2020-08 detailed initial eligible uses and “new COVID-19 related activities”.



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PIH Notice 2020-18: New Eligible COVID-19 Activities

PIH Notice 2020-18 updates the list of new eligible COVID-19 related activities to include:

- Sourcing personal protective equipment (PPE) for PHA staff and residents visiting the PHA offices or premises for program-related reasons.
- Expenses incurred because of COVID-19 restrictions that impact PHA operations.
 - e.g., paying for transportation expenses for PHA staff who rely on public transit that is no longer available.
- COVID-19 testing costs for PHA Staff and participating families.
- Creation or update of infectious disease outbreak plan.
- Physical Improvements to office space including expansion, remodel, or space rental.
- Costs to facilitate and coordinate with local schools and local governments receiving funds from the U.S. Department of Education for the education of students in the HCV program.
 - e.g., costs for the technological needs of program participants with school aged children being homeschooled as a result of the pandemic **that are not and will not be provided** through other Federal, State or local governments programs



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PIH Notice 2020-18: Clarifying Eligibility

PIH Notice 2020-18 includes clarifying language (in **red**, below) for two established eligible activities:

- Procuring cleaning supplies and/or services to maintain safe and sanitary HCV units including common areas **and in-unit cleaning of all Project-Based Voucher (PBV) assisted units; and**
- Relocation of **PHA staff and** participating families to health units or other designated units for testing, hospitalization, or quarantine, or transportation to these locations to limit the exposure that could be caused by using mass transportation.



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PIH Notice 2020-18: Extending the Deadline

- PIH Notice 2020-18 **extends the period of availability** for CARES Act admin funds until June 30, 2021.
- All funds **must be expended** by the June 30, 2021 deadline. Any unspent funds remaining after the deadline must be returned to HUD.
- HUD will continue to monitor the impact and response to the COVID-19 pandemic and will consider extending the expenditure deadline if necessary.

REMINDER: CARES Act Admin Fee Funds can be used for ordinary HCV administrative expenses like salaries and benefits. HUD encourages PHAs to spend CARES Act Funds first.



PIH Notice 2020-17: Program HAP Supplemental Funding

- CARES Act provided \$400 million in Supplemental HAP funding for PHAs that either:
 - (1) Experience a significant increase in voucher per-unit costs (PUC) due to **Extraordinary Circumstances**, or
 - (2) Despite taking reasonable cost saving measures, as determined by the Secretary, would otherwise be required to terminate rental assistance for families as a result of insufficient funding. Commonly referred to as **Shortfall**.
- PIH Notice 2020-17 published on July 31, 2020 details the following:
 - Application submission requirements
 - Eligibility criteria and Priority status determination
 - Allocation methodology for the \$400 million in supplemental HAP funds
 - Timeline for funding awards.



PIH Notice 2020-17: Extraordinary Circumstances

Significant Increase in PUC due to Extraordinary Circumstances

PHAs that also applied for CY2020 HAP Set-Aside funding for "Unforeseen Circumstances" for PUC Increases due to COVID-19 must resubmit under this category.

Application Period

- Opening Date = July 31, 2020
- Closing Date = October 31, 2020

Eligibility

- PHAs must have a current PUC (based on the most recent month of total HAP expenses and leasing) that is 102% or greater than the PUC HUD used to determine the PHA's CY 2020 renewal funding (the CY 2020 PUC).

Priority

- PHAs with a total HAP reserve **less than** the amount needed to cover three (3) months of HAP expenses qualify for priority status.
- PHAs that receive funding as a prioritized application are eligible to apply for a second award prior to deadline if the PHA's PUC continues to increase.



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PIH Notice 2020-17: Extraordinary Circumstances

	Application Evaluation Result	Submission	Part I – PUC	Part II - Reserves
Group		Complete Application	PUC > than 102%	HAP Reserves < 3 months
Priority	Eligible for Immediate Funding “priority applications”	Yes	Yes	Yes
Regular	To be funded in November 2020	Yes	Yes	No
Ineligible	Ineligible for Funding	No	No	N/A

- A.) Eligible applications that qualify for “priority status” will be funded on a rolling basis as applications are received, subject to the availability of funding.
- B.) Eligible applications that qualify for “regular status” will be funded in November 2020, subject to the availability of funding.
- PHAs that submit an application determined to be “regular” may submit another application if the PHA’s PUC remains greater than 102% and the PHA’s HAP reserve balance decreases below 3 months before 10/31. The second application will supersede the first and be evaluated for status.



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PIH Notice 2020-17: Extraordinary Circumstance Award Calculation

Award Calculation

1	Most Recent Month's PUC provided by the PHA	\$500		In the absence of the PHA providing the most recent month's PUC, HUD will use May 2020 PUC or the most recent validated month of VMS reporting
2	PHA's CY 2020 PUC (2020 HCV Renewal Enclosure A, line 29, described as CY 2020 Inflated Per Unit Cost)	\$405		
3	Difference between the PUCs		\$95	
4	Is the difference between to the 2 PUCs 2% or greater than the CY 2020 PUC (Line 1 divided by Line 2, must be greater than 1.02)?	23%		
5	Most Recent Month's Units leased	300		In the absence of the PHA providing the most recent month's UML, HUD will use May 2020 UML or the most recent validated month of VMS reporting
6	Unit months leased (Line 5 * 12)		<u>3,600</u>	
7	Total Request (Line 3 * Line 6)		\$342,000	

- In the absence of the PHA providing the most recent month's PUC, HUD will use May 2020 PUC or the most recent validated month of VMS reporting

- In the absence of the PHA providing the most recent month's UML, HUD will use May 2020 UML or the most recent validated month of VMS reporting



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PIH Notice 2020-17: Shortfall Funding

Eligibility

- PHAs that despite taking reasonable cost savings measures, would otherwise be required to terminate rental assistance for families as a result of insufficient funding for either the Mainstream vouchers and/or HCV Program.

PHAs that applied under the CY 2020 HAP Set-Aside shortfall funding category do not have to reapply under PIH Notice 2020-17.



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PIH Notice 2020-17: Shortfall Funding

Application Period

- Currently open and will remain open throughout CY 2020.

Application

- PHAs applying for Shortfall funds for the first time after July 31, 2020 must use the application guidance in PIH Notice 2020-17 and Appendix D in the notice.
- PHAs that already submitted a Shortfall application in response to PIH Notice 2020-04 will not have to reapply. HUD will use that application and certification and consider the application under the PIH Notice 2020-17 guidance, which supersedes the guidance and certification in 2020-04.



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PIH Notice 2020-17: Funding Period of Availability and Tracking/VMS Reporting

Period of Availability:

- Extraordinary Circumstances: Funds are available for use until June 30, 2021.
 - Any CARES Act HAP that remains unexpended after that date must be returned to HUD unless the period of availability is extended.
- Shortfall: Funds will be awarded through December 31, 2020.
- CARES Act HAP funds may not roll into RNP and must be tracked and accounted for separately throughout the period of availability.
- These HAP funding expenses must be reported within the appropriate VMS fields.
- PHAs must track supplemental funding for Mainstream vouchers separately from regular HCV funding.



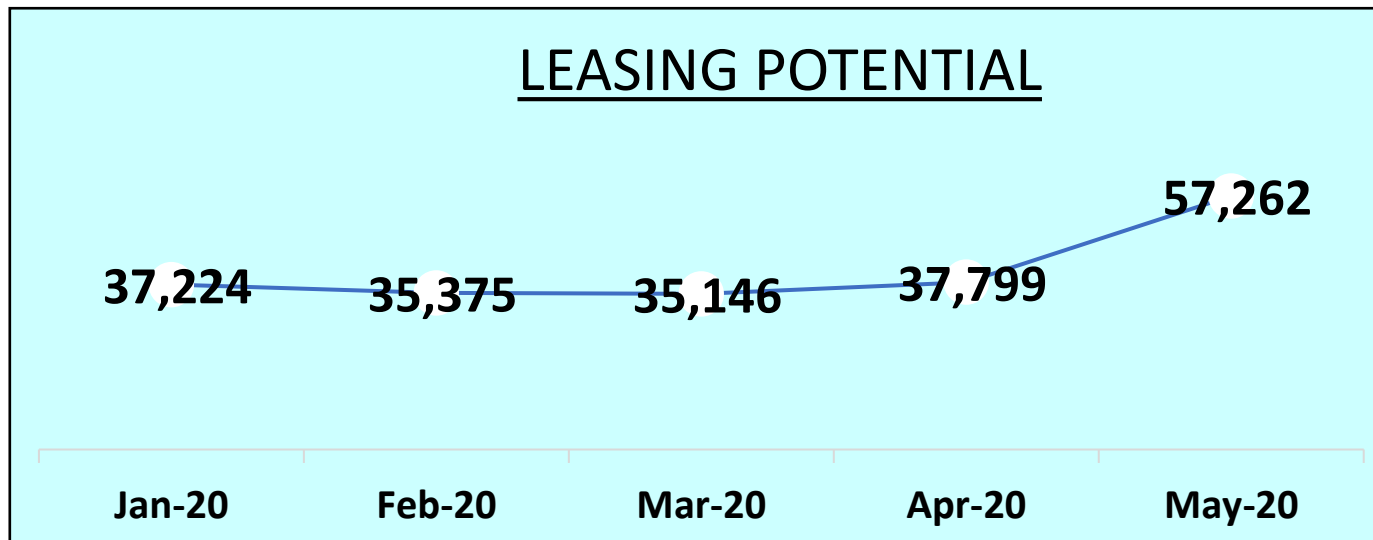
Reporting:

- Assistant Secretary Kurtz sent a letter 8/4/2020 to provide more info on reporting.
- Quarterly CARES Act reporting will be based on current annual financial reporting, using line items in the Financial Data Schedule (FDS), to minimize the reporting burden and to be consistent with what you already do to manage your grants and subsidies.
- We have developed the appropriate mappings to the FDS, and we will add new fields for CARES Act funding to make reporting as simple as possible.
- HUD anticipates that reporting guidance will be issued at the end of August 2020.
- In the interim, to ensure that your PHA has the ability to report to HUD please continue to maintain a subsidiary ledger for CARES Act funds that tracks revenue and expenses in separate Profit and Loss (P&L) accounts.



OFO: Housing Families through Increasing Utilization

- Our overall goal is to ensure that our most vulnerable have access to safe, decent and affordable housing.
- As of the May Utilization Report:
 - We have potential to add approximately 57,262 more families to the HCV program.
 - There were 64,813 vouchers on the street, an increase of 371 from April and 6,958 less than at the beginning of the calendar year.
 - Non-MTW per unit cost increased to \$750, a \$12 increase from April, \$36 increase from beg. 2019





Housing Families through Increasing Utilization

- Strategies for Re-Engagement:
 - Letter from Assistant Secretary Kurtz.
 - Our Field Office staff will have discussions with the PHA staff on CARES Act funding and eligible uses to ensure the utilization of these funds on or before 12/31/2020.
 - Engage PHAs with conversations to ensure existing families can stay housed.
 - Working with PHAs to verify disparities between the VMS and PIC data.
 - Our field office staff will rely on data analysis.
 - Two Year Tool Protocols
 - Obtain updates to reported information for accurate analyses
 - Shortfall analyses and discussions
 - Assisting PHA staff to identify best practices for housing families and increasing utilization.



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Questions?

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