

**HOUSING CHOICE VOUCHER PROGRAM  
FUP/FYI SPECIAL FEES  
SUBCONTRACTOR AGREEMENT BETWEEN  
THE HOUSING AUTHORITY OF THE CITY OF SANTA ANA AND  
ORANGE COUNTY UNITED WAY**

THIS GRANT AGREEMENT (“FUP/FYI Special Fees Agreement”), is hereby made and entered into this November 2, 2021, by and between the Housing Authority of the City of Santa Ana, a public body, corporate and politic (“Contractor”), and Orange County United Way, a California nonprofit organization (“Subcontractor”).

**RECITALS:**

- A. The Housing Choice Voucher (“HCV”) program funding provisions of the Consolidated Appropriations Act, 2021 (P.L. 116-260), enacted on December 27, 2020 (“the 2021 Act”), establishes the allocation methodology for calculating housing assistance payments (“HAP”) renewal funds, new incremental vouchers and administrative fees. The FUP funding is for FYI; HUD uses FUP and FYI interchangeably.
- B. Contractor is the recipient of the HCV Special Fees funds from the U.S. Department of Housing and Urban Development (“HUD”), Office of Public and Indian Housing.
- C. Subcontractor has been made aware of the HUD HCV program and agrees to comply with all the conditions of the FUP/FYI Special Fees Agreement and the applicable requirements governing the use of FUP/FYI Special Fees funds.
- D. Contractor now approves the provision of FUP/FYI Special Fees funds to Subcontractor in an amount not to exceed \$84,017.00, to be used in the operation of the WelcomeHomeOC Program (“Program”).
- E. Subcontractor represents that it has the requisite qualifications, expertise, and experience in the provision of the Program and is willing to use said FUP/FYI Special Fees funds to operate said Program.
- F. This FUP/FYI Special Fees Agreement is contingent upon the award of HCV Special Fees funds from HUD.
- G. Contractor and Subcontractor have duly executed this FUP/FYI Special Fees Agreement for the expenditure and utilization of said FUP/FYI Special Fees funds.

NOW THEREFORE, it is agreed by and between the parties that the foregoing Recitals are a substantive part of this FUP/FYI Special Fees Agreement, and the following terms and conditions are approved and together with all exhibits and attachments hereto, shall constitute the entire FUP/FYI Special Fees Agreement between the Contractor and Subcontractor:

## 1. SCOPE OF SERVICES

Subcontractor shall perform during the term of this FUP/FYI Special Fees Agreement, the tasks and obligations, including all labor, materials, tools, equipment, and incidental customary work required to fully and adequately complete the services necessary for the Program, in accordance with the Scope of Work attached hereto as **Exhibit B**.

## 2. TERM

This FUP/FYI Special Fees Agreement shall take effect on the date first written above and shall terminate on June 30, 2023, unless otherwise cancelled or modified according to the terms of this FUP/FYI Special Fees Agreement.

## 3. DISBURSEMENT AND FUNDS

A. Contractor was allocated \$84,017.00 in FUP/FYI Special Fees funds from HUD to be expended by June 30, 2023. Contractor agrees to pay to Subcontractor when, if and to the extent FUP/FYI Special Fees funds are received a sum not to exceed \$84,017.00 for Subcontractor's performance of the Program since September 1, 2021, and through the term of this FUP/FYI Special Fees Agreement, in accordance with the Budget attached hereto as **Exhibit C**. Contractor shall make payments to Subcontractor not to exceed \$14,002.83 for each FUP/FYI voucher leased as detailed in **Exhibit B**, up to the maximum amount of eligible funding. Said sum shall be paid after Contractor receives invoices submitted by Subcontractor as provided herein.

B. Subcontractor shall submit quarterly invoices (on or before the 15<sup>th</sup> day of April, July, October, and January) in a form prescribed by the Contractor, detailing such expenses. Such schedule may be modified with the approval of the Contractor. This Agreement shall also cover any and all services provided by the Subcontractor to the FUP/FYI voucher holder since the effective date of the FUP/FYI Special Fees awarded to the Santa Ana Housing Authority from HUD.

C. Payment is subject to the receipt and approval of such invoices and quarterly activity reports. Contractor shall pay such invoices within thirty (30) days after receipt thereof, provided Contractor is satisfied that such expenses have been incurred within the scope of this FUP/FYI Special Fees Agreement and that the Subcontractor is in compliance with the terms and conditions of this FUP/FYI Special Fees Agreement. The thirty (30) day period will discontinue if the reimbursement request is determined to be incomplete and will restart the thirty-day timeline once the remaining required elements have been submitted. Failure to provide any of the required documentation will cause the Contractor to withhold all or a portion of a request for reimbursement until such documentation has been received and approved by the Contractor.

D. Subcontractor agrees to use said funds pursuant to this FUP/FYI Special Fees Agreement to pay for necessary and reasonable costs allowable under state law and regulations to operate said HCV FUP/FYI Program only. Said amounts shall include and will be limited to the operation of the WelcomeHomeOC program only. Subcontractor's failure to perform as

required may, in addition to other remedies set forth in this FUP/FYI Special Fees Agreement, result in readjustment of the amount of funds the Contractor is otherwise obligated to pay to the Subcontractor pursuant to the terms hereof, or termination of this FUP/FYI Special Fees Agreement.

#### **4. HUD AGREEMENT**

A. Contractor adheres to the 2021 Act, which establishes the allocation methodology for calculating HAP renewal funds, new incremental vouchers and administrative fees. A true and correct copy of the HUD PIH Notice 2021-10 recognizing \$84,017.00 in FUP/FYI Special Fees grant funds to be used by Contractor to address immediate homeless challenges is attached hereto as **Exhibit A**. Subcontractor has been made aware of the HUD PIH Notice 2021-10 and agrees to comply with all the conditions of the HUD-PIH Notice 2021-10 and the applicable HUD requirements governing the use of FUP/FYI Special Fees grant funds.

B. Pursuant to the HUD PIH Notice 2021-10, Subcontractor is required to:

- i. Perform the work in accordance with Federal, State and Local housing and building codes, as applicable.
- ii. Maintain at least the minimum State-required worker's compensation for those employees who will perform the work or any part of it.
- iii. Maintain, as required by law, unemployment insurance, disability insurance, and liability insurance in an amount that is reasonable to compensate any person, firm or corporation who may be injured or damaged by the Subcontractor in performing the work or any part of it.
- iv. Agree to include all the terms of the HUD PIH Notice 2021-10 in each subcontract.

#### **5. INDEPENDENT CONTRACTOR**

Subcontractor shall, during the entire term of this FUP/FYI Special Fees Agreement, be construed to be an independent contractor and not an employee of the Contractor. This FUP/FYI Special Fees Agreement is not intended nor shall it be construed to create an employer-employee relationship, a joint venture relationship, or to allow the Contractor to exercise discretion or control over the professional manner in which Subcontractor performs the services which are the subject matter of this FUP/FYI Special Fees Agreement; however, the services to be provided by Subcontractor shall be provided in a manner consistent with all applicable standards and regulations governing such services. Subcontractor shall pay all salaries and wages, employer's social security taxes, unemployment insurance and similar taxes relating to employees and shall be responsible for all applicable withholding taxes.

## **6. OWNERSHIP OF MATERIALS**

This FUP/FYI Special Fees Agreement creates a non-exclusive and perpetual license for Contractor to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Subcontractor under this FUP/FYI Special Fees Agreement (“Documents & Data”). Subcontractor shall require all subcontractors to agree in writing that Contractor is granted a non-exclusive and perpetual license for any Documents & Data the subcontractor prepares under this FUP/FYI Special Fees Agreement. Subcontractor represents and warrants that Subcontractor has the legal right to license any and all Documents & Data. Subcontractor makes no such representation and warranty in regard to Documents & Data which were provided to Subcontractor by the Contractor. Contractor shall not be limited in any way in its use of the Documents and Data at any time, provided that any such use not within the purposes intended by this FUP/FYI Special Fees Agreement shall be at Contractor’s sole risk.

## **7. INSURANCE**

Prior to undertaking performance of work under this FUP/FYI Special Fees Agreement, Subcontractor shall maintain and shall require its subcontractors, if any, to obtain and maintain insurance as described below:

a. **Commercial General Liability Insurance.** Subcontractor shall maintain commercial general liability insurance naming the Contractor, its officers, employees, agents, volunteers and representatives as additional insured(s) and shall include, but not be limited to protection against claims arising from bodily and personal injury, including death resulting therefrom and damage to property, resulting from any act or occurrence arising out of Subcontractor’s operations in the performance of this FUP/FYI Special Fees Agreement, including, without limitation, acts involving vehicles. The amounts of insurance shall be not less than the following: single limit coverage applying to bodily and personal injury, including death resulting therefrom, and property damage, in the total amount of \$1,000,000 per occurrence, with \$2,000,000 in the aggregate. Such insurance shall (a) name the Contractor, its officers, employees, agents, and representatives as additional insured(s); (b) be primary and not contributory with respect to insurance or self-insurance programs maintained by the Contractor; and (c) contain standard separation of insureds provisions.

b. **Business automobile liability insurance, or equivalent form, with a combined single limit of not less than \$1,000,000 per occurrence.** Such insurance shall include coverage for owned, hired and non-owned automobiles.

c. **Worker’s Compensation Insurance.** In accordance with the provisions of Section 3700 of the Labor Code, Subcontractor, if Subcontractor has any employees, is required to be insured against liability for worker’s compensation or to undertake self-insurance. Prior to commencing the performance of the work under this FUP/FYI Special Fees Agreement,

Subcontractor agrees to obtain and maintain any employer's liability insurance with limits not less than \$1,000,000 per accident.

d. If Subcontractor is or employs a licensed professional such as an architect or engineer: Professional liability (errors and omissions) insurance, with a combined single limit of not less than \$1,000,000 per claim with \$2,000,000 in the aggregate.

e. The following requirements apply to the insurance to be provided by Subcontractor pursuant to this section:

- i. Subcontractor shall maintain all insurance required above in full force and effect for the entire period covered by this FUP/FYI Special Fees Agreement.
- ii. Certificates of insurance shall be furnished to the Contractor upon execution of this FUP/FYI Special Fees Agreement and shall be approved by the Contractor.
- iii. Certificates and policies shall state that the policies shall not be canceled or reduced in coverage or changed in any other material aspect without thirty (30) days prior written notice to the Contractor.
- iv. Where the amounts or coverage provided by the certificates of insurance provides coverage greater than those listed by this FUP/FYI Special Fees Agreement, the amounts provided by the certificates of insurance shall be incorporated by reference into the FUP/FYI Special Fees Agreement.
- v. Subcontractor shall supply Contractor with a fully executed additional insured endorsement.

f. If Subcontractor fails or refuses to produce or maintain the insurance required by this section or fails or refuses to furnish the Contractor with required proof that insurance has been procured and is in force and paid for, the Contractor shall have the right, at the Contractor's election, to forthwith terminate this FUP/FYI Special Fees Agreement. Such termination shall not affect Subcontractor's right to be paid for its time and materials expended prior to notification of termination. Subcontractor waives the right to receive compensation and agrees to indemnify the Contractor for any work performed prior to approval of insurance by the Contractor.

## **8. INDEMNIFICATION**

Subcontractor agrees to defend, and shall indemnify and hold harmless the Contractor, its officers, agents, employees, contractors, special counsel, and representatives from liability: (1) for personal injury, damages, just compensation, restitution, judicial or equitable relief arising out of claims for personal injury, including death, and claims for property damage, which may arise from the negligent operations of the Subcontractor, its subcontractors, agents, employees, or other persons acting on its behalf which relates to the services described in section 1 of this

FUP/FYI Special Fees Agreement; and (2) from any claim that personal injury, damages, just compensation, restitution, judicial or equitable relief is due by reason of the terms of or effects arising from this FUP/FYI Special Fees Agreement. This indemnity and hold harmless agreement applies to all claims for damages, just compensation, restitution, judicial or equitable relief suffered, or alleged to have been suffered, by reason of the events referred to in this Section or by reason of the terms of, or effects, arising from this FUP/FYI Special Fees Agreement. The Subcontractor further agrees to indemnify, hold harmless, and pay all costs for the defense of the Contractor, including fees and costs for special counsel to be selected by the Contractor, regarding any action by a third party challenging the validity of this FUP/FYI Special Fees Agreement, or asserting that personal injury, damages, just compensation, restitution, judicial or equitable relief due to personal or property rights arises by reason of the terms of, or effects arising from this FUP/FYI Special Fees Agreement. Contractor may make all reasonable decisions with respect to its representation in any legal proceeding. Notwithstanding the foregoing, to the extent Subcontractor's services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Subcontractor.

## **9. RECORDS**

Subcontractor shall keep records and invoices in connection with the work to be performed under this FUP/FYI Special Fees Agreement. Subcontractor shall maintain complete and accurate records with respect to the costs incurred under this FUP/FYI Special Fees Agreement and any services, expenditures, and disbursements charged to the Contractor for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Subcontractor under this FUP/FYI Special Fees Agreement. All such records and invoices shall be clearly identifiable. Subcontractor shall allow a representative of the Contractor to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this FUP/FYI Special Fees Agreement during regular business hours. Subcontractor shall allow inspection of all work, data, documents, proceedings, and activities related to this FUP/FYI Special Fees Agreement for a period of three (3) years from the date of final payment to Subcontractor under this FUP/FYI Special Fees Agreement.

## **10. CONFIDENTIALITY**

If Subcontractor receives from the Contractor information which due to the nature of such information is reasonably understood to be confidential and/or proprietary, Subcontractor agrees that it shall not use or disclose such information except in the performance of this FUP/FYI Special Fees Agreement, and further agrees to exercise the same degree of care it uses to protect its own information of like importance, but in no event less than reasonable care. "Confidential Information" shall include all nonpublic information. Confidential information includes not only written information, but also information transferred orally, visually, electronically, or by other means. Confidential information disclosed to either party by any subsidiary and/or agent of the other party is covered by this FUP/FYI Special Fees Agreement. The foregoing obligations of non-use and nondisclosure shall not apply to any information that (a) has been disclosed in publicly available sources; (b) is, through no fault of the Subcontractor

disclosed in a publicly available source; (c) is in rightful possession of the Subcontractor without an obligation of confidentiality; (d) is required to be disclosed by operation of law; or (e) is independently developed by the Subcontractor without reference to information disclosed by the Contractor.

#### **11. CONFLICT OF INTEREST CLAUSE**

Subcontractor covenants that it presently has no interests and shall not have interests, direct or indirect, which would conflict in any manner with performance of services specified under this FUP/FYI Special Fees Agreement.

#### **12. NON-DISCRIMINATION**

Subcontractor shall not discriminate because of race, color, creed, religion, sex, marital status, sexual orientation, age, national origin, ancestry, or disability, as defined and prohibited by applicable law, in the recruitment, selection, training, utilization, promotion, termination or other employment related activities. Subcontractor affirms that it is an equal opportunity employer and shall comply with all applicable federal, state and local laws and regulations.

#### **13. EXCLUSIVITY AND AMENDMENT**

This FUP/FYI Special Fees Agreement represent the complete and exclusive statements between the Contractor and Subcontractor, and supersede any and all other agreements, oral or written, between the parties. This FUP/FYI Special Fees Agreement may not be modified except by written instrument signed by the Contractor and by an authorized representative of Subcontractor. The parties agree that any terms or conditions of any purchase order or other instrument that are inconsistent with, or in addition to, the terms and conditions hereof, shall not bind or obligate Subcontractor or the Contractor. Each party to this FUP/FYI Special Fees Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which is not embodied herein.

#### **14. ASSIGNMENT**

Inasmuch as this FUP/FYI Special Fees Agreement is intended to secure the specialized services of Subcontractor, Subcontractor may not assign, transfer, delegate, or subcontract any interest herein without the prior written consent of the Contractor and any such assignment, transfer, delegation or subcontract without the Contractor's prior written consent shall be considered null and void. Nothing in this FUP/FYI Special Fees Agreement shall be construed to limit the Contractor's ability to have any of the services which are the subject to this FUP/FYI Special Fees Agreement performed by Contractor personnel or by other Subcontractors retained by Contractor.

#### **15. TERMINATION**

This FUP/FYI Special Fees Agreement may be terminated by the Contractor upon thirty (30) days written notice of termination. In such event, Subcontractor shall be entitled to receive

and the Contractor shall pay Subcontractor compensation for all services performed by Subcontractor prior to receipt of such notice of termination, subject to the following conditions:

a. As a condition of such payment, the Executive Director may require Subcontractor to deliver to the Contractor all work product(s) completed as of such date, and in such case such work product shall be the property of the Contractor unless prohibited by law, and Subcontractor consents to the Contractor's use thereof for such purposes as the Contractor deems appropriate.

b. Payment need not be made for work that fails to meet the standard of performance specified in the Recitals of this FUP/FYI Special Fees Agreement.

## **16. WAIVER**

No waiver of breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this FUP/FYI Special Fees Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right or remedy. No waiver of any breach, failure or right, or remedy shall be deemed a waiver of any other breach, failure, right or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

## **17. JURISDICTION - VENUE**

This FUP/FYI Special Fees Agreement has been executed and delivered in the State of California and the validity, interpretation, performance, and enforcement of any of the clauses of this FUP/FYI Special Fees Agreement shall be determined and governed by the laws of the State of California. Both parties further agree that Orange County, California, shall be the venue for any action or proceeding that may be brought or arise out of, in connection with or by reason of this FUP/FYI Special Fees Agreement.

## **18. PROFESSIONAL LICENSES**

Subcontractor shall, throughout the term of this FUP/FYI Special Fees Agreement, maintain all necessary licenses, permits, approvals, waivers, and exemptions necessary for the provision of the services hereunder and required by the laws and regulations of the United States, the State of California, the City of Santa Ana and all other governmental agencies. Subcontractor shall notify the Contractor immediately and in writing of its inability to obtain or maintain such permits, licenses, approvals, waivers, and exemptions. Said inability shall be cause for termination of this FUP/FYI Special Fees Agreement.

## **19. NOTICE**

Any notice, tender, demand, delivery, or other communication pursuant to this FUP/FYI Special Fees Agreement shall be in writing and shall be deemed to be properly given if delivered in person or mailed by first class or certified mail, postage prepaid, or sent by fax or other telegraphic communication in the manner provided in this Section, to the following persons:



CONTRACTOR:

Hongloan J Hull  
 Operations Supervisor  
 City of Santa Ana  
 Community Development Agency (M-25)  
 20 Civic Center Plaza  
 P.O. Box 1988  
 Santa Ana, CA 92702-1988  
 (714) 667-2247  
 (714) 547-5411 FAX  
 hhull@santa-ana.org

SUBRECIPIENT:

Becks Heyhoe  
 Executive Director  
 United to End Homelessness  
 Orange County United Way  
 18012 Mitchell South  
 Irvine, CA 92614  
 (949) 263-6112  
 becksh@unitedwayoc.org

A party may change its address by giving notice in writing to the other party. Thereafter, any communication shall be addressed and transmitted to the new address. If sent by mail, communication shall be effective or deemed to have been given three (3) days after it has been deposited in the United States mail, duly registered or certified, with postage prepaid, and addressed as set forth above. If sent by fax, communication shall be effective or deemed to have been given twenty-four (24) hours after the time set forth on the transmission report issued by the transmitting facsimile machine, addressed as set forth above. For purposes of calculating these time frames, weekends, federal, state, County or City holidays shall be excluded.

**20. MISCELLANEOUS PROVISIONS**

a. Each undersigned represents and warrants that its signature herein below has the power, authority and right to bind their respective parties to each of the terms of this FUP/FYI Special Fees Agreement, and shall indemnify Contractor fully, including reasonable costs and attorney's fees, for any injuries or damages to Contractor in the event that such authority or power is not, in fact, held by the signatory or is withdrawn.

b. All Exhibits referenced herein and attached hereto shall be incorporated as if fully set forth in the body of this FUP/FYI Special Fees Agreement.

*{Signatures on following page}*

IN WITNESS WHEREOF, the parties hereto have executed this FUP/FYI Special Fees Agreement on the date and year first written above.

**ATTEST**

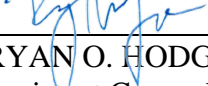
**HOUSING AUTHORITY OF THE CITY  
OF SANTA ANA**

\_\_\_\_\_  
DAISY GOMEZ  
Recording Secretary

\_\_\_\_\_  
STEVEN A. MENDOZA  
Executive Director

**APPROVED AS TO FORM**  
SONIA R. CARVALHO  
Authority General Counsel

**ORANGE COUNTY UNITED WAY**

By:   
\_\_\_\_\_  
RYAN O. HODGE  
Assistant Counsel

\_\_\_\_\_  
Emilee Tello  
Chief Financial Officer

We have no further revisions to this agreement.





U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

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**Special Attention of:**

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

**PIH Notice 2021-10**

**Issued: March 24, 2021**

Expires: This notice remains in effect until amended, superseded, or rescinded.

Cross References: PIH Notice 2021-08, PIH Notice 2020-17, PIH Notice 2020-04, PIH Notice 2020-19, PIH Notice 2020-01, PIH Notice 2019-01/H-2019-02, PIH Notice 2019-20, PIH Notice 2018-12, PIH Notice 2018-09, PIH Notice 2017-06, PIH Notice 2015-17, PIH Notice 2013-28, PIH Notice 2011-28

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**SUBJECT: Implementation of the Federal Fiscal Year (FFY) 2021 Funding Provisions for the Housing Choice Voucher Program, and Availability of FFY 2020 Housing Assistance Payments (HAP) Set-Aside Funds for Second Round Per Unit Cost (PUC) Increases due to Unforeseen Circumstances**

- 1. Purpose.** This notice implements the Housing Choice Voucher (HCV) program funding provisions of the Consolidated Appropriations Act, 2021 (P.L. 116-260), referred to hereafter as “the 2021 Act,” enacted on December 27, 2020. The 2021 Act establishes the allocation methodology for calculating housing assistance payments (HAP) renewal funds, new incremental vouchers and administrative fees.

This notice also sets forth the second-round application process for HAP set-aside funds remaining from the Further Consolidated Appropriations Act, 2020 (P.L. 116-94, hereafter referred to as “the 2020 Act,” enacted on December 20, 2019) for per unit cost (PUC) increases that occurred in calendar year (CY) 2020 as a result of unforeseen circumstances, including but not limited to the COVID-19 pandemic.

- 2. Organization.** This notice is grouped into two parts. Sections 3 through 16 describe the funding made available under the 2021 Act, the 2020 Act HAP set-aside second round, and the Department of Housing and Urban Development’s (HUD) implementation of the provisions related to the allocation of that funding. Sections 17 through 23 provide other important information regarding the administration of the public housing agency’s (PHA’s) HCV Program.

- 3. Summary.** The HCV Program is HUD’s largest rental assistance program. Funding is provided through the 2021 Act, which HUD allocates to PHAs in accordance with such Act as described in this notice. The 2021 Act requires HUD to provide renewal funding based on validated Voucher Management System (VMS) leasing and cost data for the prior calendar year (CY) (January 1, 2020 – December 31, 2020). The CY 2021 total amount appropriated by Congress to fund the HCV Program is split up by budget line items as follows:

**CY 2021 Appropriations**

HAP Renewal Funding <sup>1</sup>	\$23,075,000,000
Tenant Protection Vouchers <sup>2</sup>	\$116,000,000
Administrative Fees	\$2,159,000,000
Tribal HUD-VASH <sup>1</sup>	\$5,000,000
Mainstream Vouchers	\$314,000,000
Veterans Affairs Supportive Housing	\$40,000,000
Family Unification Program	\$25,000,000
Housing Stability Vouchers	\$43,439,000
<b>Total Available CY 2021 Appropriations</b>	<b>\$25,777,439,000</b>

This notice provides information on how HUD calculates HAP renewal funding for the PHA's HCV Program. In addition, each PHA will receive a funding letter with the individual PHA's specific funding calculations attached. If a PHA has questions related to the calculations or this notice, the PHA should contact its Financial Analyst (FA) at the Financial Management Center (FMC).

PHAs administering the HCV Program and/or Mainstream Vouchers are encouraged to pay particular attention to the set-aside funding provisions (listed in Section 5 and Section 13 and **Appendix H**, *Application for \$110 Million Set-Aside for Categories 2b – Portability; 3- Project-Based Vouchers (PBVs); 4 – HUD-VASH; and/or 5 – Lower-than-average Leasing. Appendix G*, *Application for \$110 Million Set-Aside for Category 2a – Unforeseen Circumstances*; and **Appendix J**, *Application for \$110 Million Set-Aside for Category 6 - Disaster*).

**4. Calculation of CY 2021 HAP Renewal Funding.** The 2021 Act requires that HUD apply a re-benchmarking renewal formula based on validated leasing and cost data in VMS for **CY 2020** (January 1, 2020 to December 31, 2020) to calculate each PHA's renewal allocation. The renewal provisions of the Act are stated in **Appendix A**, *Consolidated Appropriations Act, 2021 (Public Law 116-260)*.

HUD is providing renewal funding as follows:

**Step 1:** A new HAP funding baseline is established based on all validated leasing and cost data (not to exceed unit months available under the Annual Contributions Contract

<sup>1</sup>The 2021 Act provides that of the \$23.08 billion for HAP Renewal Funding, up to \$5 million is for Tribal HUD-VASH renewal grants. The amount for HAP Renewals has been reduced here accordingly.

<sup>2</sup>The 2021 Act specifies the following uses for the \$116 million: "section 8 rental assistance for relocation and replacement of housing units that are demolished or disposed of pursuant to section 18 of the Act, conversion of section 23 projects to assistance under section 8, the family unification program under section 8(x) of the Act, relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency, enhanced vouchers under any provision of law authorizing such assistance under section 8(t) of the Act, Choice Neighborhood vouchers, mandatory and voluntary conversions, and tenant protection assistance including replacement and relocation assistance or for project-based assistance to prevent the displacement of unassisted elderly tenants currently residing in section 202 properties financed between 1959 and 1974 that are refinanced pursuant to Public Law 106-569, as amended..."

(ACC) in VMS for CY 2020).<sup>3</sup>

**Step 2:** As required by the 2021 Act, HUD adjusts allocations for the first-time renewals of tenant protection vouchers and special purpose vouchers (SPVs), such as HUD Veterans Affairs Supportive Housing (HUD-VASH) vouchers, Family Unification Program (FUP), Foster Youth to Independence (FYI), and Non-Elderly Disabled (NED) vouchers for which the initial increment expires in CY 2021. Affected PHAs' renewal funding allocation enclosures indicate the amount of additional funding provided for CY 2021 for first-time increments not initially funded for twelve months. Note: Reissuance of vouchers originally issued to families under the Disaster Voucher Program/Disaster Housing Assistance Payments-IKE (DVP/DHAP-IKE) is not permitted. For DVP/DHAP-IKE vouchers, as with vouchers issued under the sunset provisions identified in Section 6 of [PIH Notice 2018-09](#), affected PHAs' Consolidated Annual Contributions Contract (CACC) unit authorizations and CY 2021 renewal funding allocations reflect a reduction in units based on the number of such families under assistance as reported in VMS as of December of 2020.

**Step 3:** The Renewal Funding Inflation Factor (RFIF), adjusted for localities, is applied to the PHA's calculated 12-month renewal requirement after all adjustments have been applied under Steps 1 and 2 above. The RFIFs are published by HUD's Office of Policy, Development and Research (PD&R) and can be found at <https://www.huduser.gov/portal/datasets/rfif/rfif.html>.

**Step 4:** HUD determines the total HAP renewal funding eligibility for all PHAs and compares that amount to the total HAP renewal funds available per the 2021 Act to determine a proration factor. This proration factor is then applied to each PHA's CY 2021 eligibility. A proration of less than 100% is applied if the nationwide eligibility exceeds the available HAP renewal funding.

**Step 5:** The 2021 Act provides that HUD may offset PHAs' CY 2021 allocations based on the excess amounts of PHAs' Restricted Net Position (RNP), including HUD-held program reserves (in accordance with VMS data in CY 2020 that is verifiable and complete), as determined by the Secretary. PIH will perform a small offset (impacting a limited number of PHAs) for reallocation in CY 2021 to ensure the national HAP proration is closer to 100%. Given the funding provided from the American Rescue Plan Act (ARPA) for the adjustment of PUC cost increases and to prevent the termination of rental assistance for families as the result of insufficient funding, PIH may reconsider to offset a portion of the program reserves to supplement the HAP shortfall category. Detailed calculations of the offsets will be provided to impacted PHAs in the renewal allocation enclosure. Offsets will come from excess program reserves reconciled December 31, 2020 and will protect multiple categories of eligibility. In accordance with PIH Notice 2020-17, amounts originating from CARES Act HAP awards are not included with program reserves. **Appendix B** to this notice, *CY 2021 Offset Reallocation*, is an example of the offset enclosures that will be provided

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<sup>3</sup>In rare instances where vouchers were transferred from one PHA to another during the re-benchmarking period, the leasing and cost data of the PHAs will be adjusted to ensure that the leasing and costs represented by the transferred vouchers are properly accounted for in the eligibility determinations.

to PHAs and specifically describes this calculation as well as the protected categories of eligibility.

- 5. Set-aside of up to \$110 million to Adjust PHA Allocations.** HUD has authority to provide adjustments to PHAs' allocation for the categories outlined below. Awards will be made to eligible PHAs in accordance with need, as determined by HUD, following an application by the PHA as described in Section 13 of this notice. Awards could be reduced, in whole or in part, if PHAs have available reserves RNP and/or HUD-held reserves) above a reasonable threshold, as defined by the Secretary, and/or prorated if the \$110 million is insufficient to cover all awards. Additionally, HUD reserves the right to fund one, some, or all of the categories.

**Set-Aside Categories:**

Category 1:	<b>Prevention of Terminations Due to Insufficient Funding (Shortfall)</b>
Category 2a:	<b>Unforeseen Circumstances</b>
Category 2b:	<b>Portability</b>
Category 3:	<b>Project-Based Vouchers (PBV)</b>
Category 4:	<b>HUD-VASH</b>
Category 5:	<b>Lower-than-average Leasing</b>
Category 6:	<b>Disaster</b>

The above numbering of the categories does not reflect priority; however, HUD reserves the right to prioritize or limit Category 1: Prevention of Terminations Due to Insufficient Funding. Please refer to Section 13 of this notice for more details about the set-aside categories, eligibility requirements, and submission deadlines. PHAs may apply for more than one category of funding and the funding provided within categories 2 – 6 does not impact the award amount of the other categories (applicable only to categories 2 – 6).

PHAs administering Mainstream Vouchers may apply for categories 1, 2a, and 2b. For additional details on how to apply, please refer to Section 13.

**6. Tenant Protection Vouchers (TPVs).**

- a. Definition.** TPVs are provided to protect HUD-assisted families from hardship as the result of a variety of actions that occur in HUD's Public Housing (Low-Rent) and Multifamily Housing portfolios. Therefore, if the PHA applies for and is awarded replacement TPVs, it must offer the replacement TPVs in the form of tenant-based or as project-based assistance to eligible families impacted by the conversion.<sup>4</sup> Under current HUD policy, as further described below, replacement TPVs are also provided for vacant units that were occupied by an assisted family in the previous 24 months. Relocation

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<sup>4</sup> This statement supersedes the last sentence in footnotes 5 and 6 of PIH 2018-09, which stated that a PHA cannot offer impacted residents another form of comparable housing (i.e. another public housing unit, a RAD unit) if it applies for and receives TPVs for the Public Housing action. While the PHA is required to offer the replacement TPV to the eligible impacted family, in the context of Public Housing conversions, the PHA has discretion, at the time of the TPV offer, to inform all families that the family is not required to accept the TPV, and that, if the family chooses, at the family's sole discretion, not to accept the TPV, the PHA intends to offer the family another form of housing.

TPVs must only be used by the family impacted by the conversion action as described in Section 6 of PIH 2018-09.<sup>5</sup>

- b. Funding.** As noted above, the 2021 Act provides **\$116 million** for TPVs.
- c. Continued Applicability of PIH Notice 2018-09.** Except as specifically revised in Section 6a and 6d of this notice, the programmatic and policy guidance in Section 6 of PIH Notice 2018-09, Implementation of the Federal Fiscal Year (FFY) 2018 Funding Provisions for the Housing Choice Voucher Program, continues to apply to TPVs.
- d. Eligibility for Replacement TPVs (Vacant Units).** HUD's previous policy, as reflected in PIH 2018-09, was to provide replacement TPVs only for occupied units. This policy was revised in the FY 2019 HCV Funding Notice and continues to apply under this notice, so that, in addition to providing replacement TPVs for occupied units, HUD will also provide replacement TPVs for vacant units that were occupied by an assisted family within the previous 24 months that are no longer available as assisted housing, subject to the availability of funding. The examples below explain how this policy will work:
- i. For Public Housing Actions*, vacant units that were occupied by an assisted family within the previous 24 months from the time of the Special Application Center (SAC) approval or the Choice Neighborhoods Initiative (CNI) award date. For example: on February 1, 2021, PHA A was approved for demolition/disposition of 25 public housing units. Of 25 units in property A, 5 of those units were last occupied on February 1, 2019. The remainder of the units continue to be occupied. Replacement TPV funding may be provided for all 25 units (vacant and occupied) because the 5 vacant units were last occupied less than 24 months from the SAC approval.
  - ii. For Multifamily Housing Actions*, vacant units that were occupied within the previous 24 months from the eligibility event. For example: on February 1, 2021, the prepayment of a section 236 mortgage in property A triggered eligibility for TPVs. Of 25 units in property A, 5 were last occupied on February 1, 2019. The remainder of the units continue to be occupied. Replacement TPV funding may be provided for all 25 units (vacant and occupied) because the 5 vacant units were last occupied within 24 months from the eligibility event.
- e. TPV Set-Aside.** The 2021 Act provides that at least **\$5,000,000** of the \$116 million appropriated for TPVs may be set-aside to provide TPVs to certain at-risk households in low-vacancy areas. On February 15, 2019, HUD issued [PIH Notice 2019-01/H-2019-02, Funding Availability for Set-Aside Tenant Protection Vouchers](#). HUD has determined that the continued use of this notice is fully consistent with congressional directives on this subject.

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<sup>5</sup>TPV allocations qualify as either "replacement" or "relocation" vouchers. TPV allocations for relocation vouchers never include vouchers for vacant units. For information on replacement and relocation TPV allocations, see Section 6 of PIH 2018-09.

**f. TPV Funding<sup>6</sup>.** HUD calculates TPV funding for all eligible TPV actions (including those in the Public Housing and Multifamily Housing portfolios) based on the average Per Unit Cost (PUC) in the PHA's HCV program. If the PHA that will administer the TPVs has concerns regarding the sufficiency of the TPV funding based on its average PUC, the PHA can either: (a) request an upfront increased PUC along with the TPV funding application, or (b) request higher TPV funding after the PHA has already submitted the TPV funding application, if at the time that the PHA submits the TPV funding application the PHA is unsure if it will need additional funding (e.g. the PHA is unsure of the actual costs that justify an increased PUC). In either case, the PHA must submit the request by email to the PHA's Portfolio Management Specialist at the HUD PIH Field Office, with copy to the Field Office's Public Housing Director. If the PHA does not know their assigned Portfolio Management Specialist, the PHA may email the Field Office's Public Housing Director for assistance. The PHA must justify the requested increase by providing evidence of rent amounts that result in higher HAP costs and a justification explaining that the rents are reasonable.<sup>7</sup> At a minimum, the PHA must submit its rent reasonableness analysis and a budget authority gap analysis that includes the following data:

- Unit Type/Bedroom Size
- Count of Units by Type/Bedroom Size
- Contract Rent
- Utility Allowance (if owner paid)
- Monthly Total (Contract Rent + Utility Allowance)
- Resident Rent
- Monthly/Annual subsidy need by unit and property

Once the Field Office receives the PHA's request, it will review it to confirm that actual and/or projected subsidy costs are appropriately calculated and may follow-up with the PHA if additional information is needed. If the Field Office determines that the increased PUC is appropriate, they will notify HCV FMD of the revised need via a Field Office memo. The field office emails this memo, along with the PHA's supporting documentation (and the TPV funding application, if applicable), to [PIHConversionActions@hud.gov](mailto:PIHConversionActions@hud.gov).

The following additional requirements also apply where the PHA is submitting its request for increased TPV funding subsequent to the TPV award:

- The following additional information must be submitted with the request: Housing Assistance Payments contract(s), Monthly/Annual subsidy provided in the TPV award, and ACC letter reflecting the TPV award.
- PHAs can apply for higher PUCs during the time of their initial funding increment. The effective date for TPV increments is provided in the amended ACC letter sent from the FMC to PHAs. Once the initial funding increment is renewed, no additional PUC will be provided.

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<sup>6</sup>The provided in this section applies to all TPV actions, including those in the Public Housing and Multifamily Housing portfolios.

<sup>7</sup>Rent reasonable requirements are found in regulation at 24 CFR 982.507 and 24 CFR 983.303, as applicable. Rent reasonableness guidance may be found in the [Rent Reasonableness Chapter of the HCV Guidebook](#).



Note that all additional TPV funding is subject to available appropriations. Questions concerning the TPV adjustment process described above may be sent to [PIHConversionActions@hud.gov](mailto:PIHConversionActions@hud.gov).

**g. Foster Youth to Independence no longer funded through TPVs.** On July 26, 2019, HUD issued [Notice PIH 2019-20](#), Tenant Protection Vouchers for Foster Youth to Independence Initiative. The notice announced an initiative to provide TPVs for youth eligible under the Family Unification Program (FUP) in communities that do not administer FUP. HUD is no longer processing requests for TPVs under that notice for FUP-eligible youth. TPVs awarded under Notice PIH 2019-20 must continue to operate under the requirements of the notice. This includes turnover requirements and the requirement to inform HUD should a youth not use a voucher or leave the program. On October 6, 2020, HUD issued Notice PIH 2020-28, Foster Youth to Independence Initiative, which explains the eligibility and application requirements for FYI vouchers to be made available for eligible youth non-competitively. Additionally, HUD announced the FYI Competitive Notice of Funding Availability (NOFA) on January 19, 2021, making \$20 million available competitively for FYI, with an application deadline of March 22, 2021.

**7. Funding for Administrative Costs.** The 2021 Act provides **\$2,159,000,000** for administrative expenses of PHAs administering the HCV Program (see Appendix A for Appropriations text). Of the appropriated amount, no less than **\$2,129,000,000** will be available for ongoing administrative fees and fees for new vouchers and up to **\$30,000,000** will be made available to allocate to PHAs that need additional funds to administer their Section 8 programs. This year's administrative fee appropriation cannot be used for the COVID-19 eligible expenses as authorized in CY 2020 by the CARES Act.

**A. Ongoing Administrative Fees and Administrative Fees for New Vouchers.**

Ongoing administrative fees and administrative fees for new vouchers are allocated based on leasing. These administrative fees are calculated for CY 2021 as provided for by Section 8(q) of the United States Housing Act, and related Appropriation Act provisions, as in effect immediately before the enactment of the Quality Housing and Work Responsibility Act (QHWRA) of 1998 (P. L. 105-276). Under this calculation, PHAs are allocated a fee amount for each voucher that is under HAP contract as of the first day of each month. Administrative fees for new incremental vouchers are also allocated based on leasing.

**1. Proration and Reconciliation of Administrative Fees:** HUD is developing and will post administrative fee rates for each PHA to enable PHAs to calculate potential fee eligibility. An announcement will be made when they become available on HUD's website. Use the link below to access them:  
[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housin g/programs/hcv](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housin g/programs/hcv).

HUD disburses administrative fees to PHAs each month based on actual leasing reported in VMS in prior months. Each PHA's administrative fee eligibility is reconciled after every quarter based on actual reported leasing, adjusted by an estimated proration based on total annual funding for administrative fees. HUD

determines the estimated proration level by comparing each quarter's national eligibility for administrative fees to one quarter (1/4<sup>th</sup>) of the appropriated amount available for ongoing administrative fees. HUD will disburse any amount due to the PHA and will offset any amount due from the PHA via a reduction from a subsequent administrative fee payment. A final reconciliation will be completed after the December 2021 leasing data is reported in VMS, at which time the final pro-ratio for the calendar year (CY) will be determined. It is likely that HUD will start using IMS-PIC leasing data to determine HAP and administrative fee monthly disbursements as we transition to the Enterprise Voucher Management System (eVMS) in CY 2021. HUD will alert each PHA when their payments will be calculated based on IMS-PIC leasing data.

## **2. Blended Rate Administrative Fees and Higher Administrative Fee Rates:**

**a. Blended Rate Administrative Fees:** PHAs serving multiple administrative fee areas may, in lieu of the fee determined for their agency, request a blended rate based on the actual location of their assisted units. The blended rate will be used for the entire CY 2021.

**How to Submit Requests (*new*):** Due to the COVID-19 pandemic, PHAs must submit applications electronically as HUD employees are currently on mandatory telework and are not able to access regular mail on a consistent basis.

### **Electronic Mail (email) Requests:**

PHA requests for Blended Rate Fees must be submitted to HUD at the following [mailbox: PIHFinancialManagementDivision@hud.gov](mailto:PIHFinancialManagementDivision@hud.gov).

The subject line of the e-mail must read as follows:

**PHA Number, Request for Blended Rate Administrative Fees** (e.g., TX001, *2021 Request for Blended Rate Administrative Fees*).

**Deadline to Submit Requests:** Requests for Blended Rate Administrative Fees must be received **no later than 5 p.m., per the PHA's time zone, Friday, May 28, 2021.**

**b. Higher Administrative Fee Rates:** A PHA that operates over a large geographic area, defined as two or more counties, may request higher administrative fees. An approved higher administrative fee rate will apply only to CY 2021 and is applicable to the HCV Program and Mainstream Vouchers. The PHA will be required to submit evidence of actual costs at the end of the CY to enable HUD to determine if the entire approved increase was needed. Excess funds will be offset by HUD via a reduction in a future disbursement.

### **Submission Requirements for Higher Administrative Fee Rates (*New*):**

To request higher fees, an agency must submit the following financial documentation to the PHA's assigned FA at the FMC:

- Actual Unrestricted Net Position (UNP) (formerly referred to as Unrestricted Net Assets or administrative fee reserves) balance as of December 31, 2020.
- Actual administrative costs for the HCV Program for CY 2020 in sufficient detail to allow for review.
- The PHA's CY 2021 HCV Program administrative budget, including anticipated reasonable and necessary administrative costs broken out in sufficient detail to allow for review (positions and salaries, detailed travel costs, overhead and pro-rations, etc.). There is no HUD form, nor a mandated format, for this budget.
- An explanation of why the unit month and budget authority utilization in CY 2020 was below 95 percent of the unit month and budget authority available for renewal units (if this occurred).
- If the PHA has made withdrawals from the Administrative Fee reserves per official guidance provided in [PIH Notice 2015-17: Uses and Reporting of Admin Fee Reserves](#), certification is required. Should there be no withdrawals at this point, a statement that none were made is required.
- An explanation as to why the projected CY 2021 administrative fees are insufficient to cover expected program operating costs.
- Certification by the executive director of the PHA that the data is accurate.

HUD reserves the right to reduce the documentation required.

To request a higher administrative fee rate, PHAs must provide the above information to the FMC. The required information must be received **no later than 5 p.m., per the PHA's time zone, Friday, May 28, 2021. PHAs must submit applications electronically.**

**Electronic Mail (email) Requests:** PHA requests for a higher administrative fee rate must be submitted to HUD at the following mailbox:

[FinancialManagementCenter@hud.gov](mailto:FinancialManagementCenter@hud.gov). Subject line must read as follows: **PHA Number**, (e.g., TX001) *2021 Request for Higher Administrative Fee*.

**B. Special Fees.** As stated above, HUD will make up to **\$30,000,000** available to allocate to PHAs that need additional funds to administer their Section 8 programs. A portion of the \$30,000,000 set-aside may be used for ongoing administrative fees to increase the national fee proration, should HUD determine during the course of the calendar year (after the submission deadlines outlines below) that the entire \$30,000,000 may not be needed for extraordinary costs. HUD will consider requests for other unanticipated increases in Administrative Fees on a case-by-case basis. Please note that requests for additional fees because of a lower national fee proration will not be accepted. Special fees are not applicable to Mainstream Vouchers. These funds may be provided for the following non-exclusive purposes:

1. **HCV Homeownership Fees:** HUD provides a \$200 special fee for every homeownership closing reported in the Public Housing Information Center (PIC) for HCV families who have become homeowners through the HCV Homeownership program, Moving To Work (MTW) Homeownership program, and the Family Self-Sufficiency program (HCV only). These special fees are allocated to the PHAs administering the vouchers, or FSS participation, after the homebuyers' closings are reported in PIC and closing dates are provided to the FMC staff. PHAs do not need to apply for these funds as HUD provides these fees automatically based on PIC data and closing dates confirmations. HUD will also fund a one-time \$500 special fee for each newly created HCV Homeownership Program at any PHA in CY 2021.
2. **Special Fees for PHAs that Administer TPVs in Connection with Multifamily Housing Conversion Actions:** For multifamily housing conversions, a special (one-time) fee of \$200 will be provided for each unit **occupied** on the date of the eligibility event. PHAs do not need to apply for these funds as HUD provides these fees automatically based on PIC data. This special fee will also be allocated to PHAs that agree to administer vouchers on behalf of a Multifamily Choice Neighborhoods Grantee.
3. **Special Fees for Portability:** Receiving PHAs with numbers of portability vouchers that comprise a significant portion of their vouchers under lease are eligible for a special fee. PHAs must have been administering a number of port-in vouchers equal to 20% or more of the PHA's total number of leased vouchers as of December 31, 2020 to be eligible for special portability fees. For each eligible port-in voucher, the receiving PHA will receive 12 months of funding equal to **15%** of the PHA's 2021 Column A rate for administrative fees. This is a one-time award of special fees and will be calculated based on PHA portability data found in PIC for actions through December 31, 2020 and leased data from the VMS as of December 31, 2020 (from the same VMS database used to determine the 2020 HCV renewal allocations). PHAs do not need to apply for these funds as HUD provides these fees automatically based on PIC data and the VMS data used for the 2020 renewal allocation. PHAs were advised via email on February 9, 2021, of the deadline date of **no later than 5 p.m., per the PHA's time zone, Monday, March 31<sup>st</sup>, 2021** to ensure all PIC data is updated and successfully submitted.
4. **Special Fees for Audit Costs for Declaring Major HCV Programs per Notice 2021-08, and for HCV Voluntary Transfers per PIH Notice 2018-12:** Please refer to Section 4, [PIH Notice 2021-08](#) or a superseding notice published by HUD: *Financial Reporting requirements for the HCV Program Submitted through the Financial Assessment Subsystem (FASS) for Public Housing and the Voucher Management System (VMS)*, and Section 6, [PIH Notice 2018-12](#): *Process for PHA Voluntary Transfers and Consolidations of Housing Choice Vouchers, Mainstream Vouchers, PBV and Project-Based Certificates*, for the eligibility requirements and process to request special fees under this category.

**PIH Notice 2021-08, Section 4.** For those general-purpose governments that have not declared their HCV related programs as a major fund for financial statement

purposes or as a major enterprise fund under Code of Federal Regulations (CFR), Title 2, Subtitle A, Chapter II, Part 200, Subpart F; Audit Requirements, the audit obtained may not be sufficient for HUD to properly monitor its financial and compliance interest in these entities.

Therefore, for HUD to gain an acceptable level of assurance, these PHAs may be directed to procure Independent Public Accountant (IPA) services for financial and compliance procedures as specified by HUD. This additional work is normally completed as part of the audit and is specifically known as “Auditor Agreed Upon Procedures”. Annually, these PHAs must contact the PIH Office of Housing Voucher Programs (OHVP), Financial Management Division (FMD) at [PIHFinancialManagementDivision@hud.gov](mailto:PIHFinancialManagementDivision@hud.gov) to confirm whether they must procure an IPA service. If the PIH OHVP, FMD determines that IPA services must be performed, HUD will provide set-aside funding, if available, to reimburse the agency for any additional audit costs unless sufficient Unrestricted Net Position (UNP) exists, in which case these funds may be used for the special purpose audit cost.

**PIH Notice 2018-12, Section 6.** While reviewing the transfer of UNP to the receiving/consolidated PHA, the HUD Field Office will ensure the divesting PHA has properly procured and entered into a contract with an independent public accountant to conduct its close-out audit, and has the funds available to cover it, HUD may assign extraordinary administrative fees (EAF). This is subject to availability of funds and justifiable circumstances, from the Administrative Fee set-aside funds to cover close-out audit costs and may conduct a final close-out or forensic audit of a divesting PHA, either prior to or following to the transfer/consolidation. The HUD Field Offices must contact the Housing Voucher Financial Management Division [at PIHFinancialManagementDivision@hud.gov](mailto:atPIHFinancialManagementDivision@hud.gov) to confirm availability of EAF; however, the divesting PHA’s available administrative fee, UNP, and/or other non-federal funds must be considered first and restricted for this purpose.

## **5. Special Fees Needed for Administration of Section 8 Tenant-Based Rental**

**Assistance Program:** PHAs experiencing increased administrative expenses that need additional funds to administer their Section 8 HCV Programs, including as a result of administration of tenant protection rental assistance, disaster related vouchers, HUD-VASH vouchers, and other special purpose incremental vouchers, as shown in this section under Guidance for Special Fee Applications Per Category, can request special fees.

To qualify for additional funding under these categories, PHAs must experience increased administrative expenses as a result of the administration of tenant protection rental assistance, HUD-VASH vouchers, FUP including FYI, disaster-related vouchers, and other special purpose incremental vouchers. Requests for other unanticipated administrative fee funding increases will be considered on a case-by-case basis at the Secretary’s discretion. Please carefully review the applicable application criteria when preparing your application for these funds.

Please note, HUD will limit the total award amount for all categories combined to a percentage of the PHA's estimated CY 2021 administrative fee funding. The maximum percentage of the award will be based on the PHA's size as outlined below:

PHA Size	Number of Units	Maximum Award Percentage
Small	1 - 249	12%
Medium	250 – 499	6%
Large	500 or more	4%

Additionally, HUD reserves the right to deny or limit the award amount based on a PHA's administrative fee reserves to ensure fair and reasonable distribution of funds. HUD reserves the right to fund one, some, or all the categories.

Reporting and recording of awarded Special Fees are included as part of the PHA's HCV administrative financial records under CFDA 14.871.

Applications for Special Fees under the **HUD-VASH and FUP categories** must be received **no later than 5 p.m., per the PHA's time zone, Friday, May 14, 2021**. Applications for Special Fees under the **Disaster and Secretary's Discretion categories** must be **received no later than 5 p.m., per the PHA's time zone, Friday, October 29, 2021**. All applications must be sent to [2021SpecialFees@hud.gov](mailto:2021SpecialFees@hud.gov). The subject line of the email should include the PHA Number and the specific Special Fee category of applications, for example, "TX001 FUP EAF Application". HUD reserves the right to contact PHAs for clarification of items provided with the application. Clarifications or corrections must be received by HUD within the time frame specified in the notification.

**The following information must be included** for each category the PHA applies to be considered for funding under each requested category:

- The application page that identifies the categories for application that is certified by signature (form at Appendix C to this document);
- A letter signed by the appropriate PHA official, clearly indicating the amount being requested, the calculation used to determine the amount of the request, and the estimated UNP (Administrative fee reserve) balance as of the day of the request;
- A statement describing an activity that is being proposed, underway or has been completed;
- A description of the local need that the activity will serve;
- Data on the number of families that the activity will help;
- How the activity will lead to an increase in leasing success rates and/or reduce processing time;
- Documentation to support the cost of the activity; the supporting documentation could be an invoice/receipt, job posting, an estimate based



on what the activity has cost in a prior year along with documentation of the prior year costs, etc.; and

- Budget justification to support the request. The budget justification must support the need for additional administrative expenses. The expenses must be above what can be supported by your PHA's earned or anticipated ongoing administrative fees for the year. For your convenience, an example budget justification is provided in Appendix D to this document.

### **Guidance for Special Fee Applications per Category:**

#### **A. Category 1 – HUD-VASH Special Fees**

##### **Purpose of the HUD-VASH Program:**

For eligible homeless veterans and their families, the HUD-VASH Program combines the HUD HCV rental assistance program with case management and clinical services provided The Department of Veterans Affairs (VA) at its medical centers and community clinics. HUD-VASH assists homeless veterans and their families afford decent, safe, and sanitary housing through the distribution of housing vouchers. Beneficiaries are selected based on certain requirements including health care eligibility, homelessness status, and income.

**Award Information.** HUD will reserve up to **\$5,000,000** for **HUD-VASH Special Fees (HUD-VASH)**.

**Eligible Activities/Expenses.** Under this notice, PHAs may apply for HUD-VASH Special Fees to support necessary additional or extraordinary related administrative expenses incurred to increase lease-up success rates or decrease the time it takes for a veteran to locate and move-in to a unit. To apply for these funds, applicants must justify or document actions specifically for administering the HUD-VASH program.

Under this notice, eligible activities/expenses could include, **but are not limited to:**

- Hiring temporary staff to process Request for Tenancy Approvals (RFTA) forms;
- Hiring temporary staff to conduct Housing Quality Standards (HQS) inspections, or pre-inspect units that HUD-VASH clients are likely to rent;
- Hiring temporary staff to provide HUD-VASH clients with housing search assistance;
- Hiring temporary staff to serve as a Portability Coordinator for HUD-VASH clients;
- Hosting a “HUD-VASH Day,” a one-stop resource for intake, issuing provisional vouchers, etc.;
- Hosting Landlord Recruitment Fairs and other activities to engage landlords to participate in the HUD-VASH program;
- Holding extra briefings for HUD-VASH clients; and
- Other services to ensure that HUD-VASH clients can move into their new homes with a voucher in the shortest time-period possible.

**B. Category 2 – Family Unification Program Special Fees****Purpose of the FUP:**

FUP is a program under which HCVs are provided to two different populations:

1. Families for whom the lack of adequate housing is a primary factor in:
  - a. The imminent placement of the family's child or children in out-of-home care, or
  - b. The delay in the discharge of the child or children to the family from out-of-home care.
2. For a period not to exceed 36 months, otherwise eligible youths who have attained at least 18 years and not more than 24 years of age and who have left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act, and is homeless or is at risk of becoming homeless at age 16 or older. PHAs administer FUP in partnership with Public Child Welfare Agencies (PCWAs) who are responsible for referring FUP families and youths to the PHA for determination of eligibility for rental assistance.
3. The 2020 and 2021 Acts included assistance to be targeted to foster youth. HUD refers to this targeted FUP assistance as the Foster Youth to Independence (FYI) program. FYI is a program under which HCV assistance is provided for a period not to exceed 36 months, to otherwise eligible youths who have attained at least 18 years and not more than 24 years of age and who have left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act, and is homeless or is at risk of becoming homeless at age 16 or older. PHAs administer FYI in partnership with PCWAs who are responsible for referring youths to the PHA for determination of eligibility for rental assistance.

**Award Information.** HUD will reserve up to **\$5,000,000** for **FUP Special Fees, to include FYI**. Additional funds may become available for FUP Special Fees at the discretion of the Secretary.

**Eligible Activities/Expenses.** Under this notice, PHAs may apply for FUP Special Fees to support necessary additional or extraordinary related administrative expenses incurred to achieve either of the following activities:

- Full (100%) FUP/FYI voucher utilization; and
- Increase access to the program for FUP-eligible youth.

To apply for these funds, applicants must justify or document actions specifically for administering the FUP/FYI. Under this notice, eligible activities/expenses could include, **but are not limited to:**

- Establishing a new/revised Memorandum of Understanding (MOU) with the PCWA and other partners;



- Working with community partners to establish and implement a system to identify eligible youth not currently within the PCWA's caseload in cooperation with the **Continuum of Care** (CoC), including integrating the prioritization and referral process for eligible youth not currently in the PWCA's system into the local CoC's coordinated entry process;
- Hiring temporary staff to process RFTA forms;
- Hiring temporary staff to conduct HQS inspections or pre-inspect units that FUP/FYI clients are likely to rent;
- Hiring temporary staff to provide FUP/FYI clients with housing search assistance;
- Hosting a "FUP/FYI Day," a one-stop resource for intake, issuing provisional vouchers, etc.;
- Hosting Landlord Recruitment Fairs and other activities to engage landlords to participate in FUP/FYI;
- Holding extra briefings for FUP/FYI clients;
- Other services to ensure that FUP/FYI clients can move into their new homes with a voucher in the shortest time period possible; and
- Training PCWA, CoC, and other community partners on FUP/FYI and the HCV Program.

#### **C. Category 3 – Disaster Related Special Fees**

In the event of a future allocation of disaster vouchers during CY 2021, PIH will provide eligibility and application guidance for disaster related vouchers' special fees at that time.

#### **D. Category 4 – Application for other Special Fees under The Secretary's Discretion**

##### **Purpose of the Secretary's Discretion Set-aside:**

The purpose of this set-aside is to provide Extraordinary Administrative Fee (EAF) to cover administrative expenses incurred as the result of a situation outside of the specific categories described within this notice. HUD will consider requests **for other unanticipated increases in Administrative Fees on a case-by-case basis**. Please note that requests for additional fees because of a lower national fee proration will not be accepted.

**Award Information.** HUD will reserve up to **\$5,000,000** for **other unanticipated increases in Administrative Fees on a case-by-case basis**.

**Eligible Activities/Expenses.** Activities and expenses considered eligible under Administrative Fees that are not covered under another special fee category are eligible for funding under the Secretary's Discretion.

**Due to the limited nature of Special Fee funds available, payments made directly to assisted families or individuals, such as transportation reimbursement, security deposit assistance, etc., are not considered eligible expenses.**

- 8. HUD-VASH Funding.** The 2021 Act provides **\$40,000,000** for new incremental vouchers for the HUD-VASH program. As provided by the 2021 Act, vouchers will be awarded based on geographic need and PHA administrative performance. HUD will issue comprehensive guidance on the 2021 HUD-VASH allocation at a later date.

All PHAs are responsible for tracking new units and funding for special purpose vouchers (SPVs), such as HUD-VASH vouchers, to include new incremental vouchers and renewals. HUD-VASH funds can only be used for the intended purposes and are not subject to MTW fungibility provisions.

- 9. Tribal HUD-VASH Renewals.** The 2021 Act provides up to **\$5,000,000 of the amounts for HAP Renewals** for the Tribal HUD-VASH program, which provides rental assistance and supportive services to Native American Veterans who are homeless or at-risk of homelessness living in Indian Country. Guidance on the Tribal HUD-VASH program is provided by HUD's Office of Native American Programs.

- 10. Mainstream Vouchers.** The 2021 Act provides **\$314,000,000** for renewal funding and administrative fees for Mainstream units. The renewal funding will be re-benchmarked during CY 2021. Renewals are calculated based on validated Mainstream Vouchers leasing and HAP expenses reported in VMS for the period January 1, 2020 to December 31, 2020. PHA funding for Mainstream units is limited to such calendar year eligibility and HUD-held Mainstream reserves. As with the regular voucher program, PHAs may not over-lease. (See Section 22, below, for more information on over-leasing.) As in previous appropriations Acts, the 2021 Act further clarifies that all existing Mainstream Voucher assistance shall be provided to non-elderly persons with disabilities upon turnover. [PIH Notice 2020-01](#) provides further guidance.

Administrative fees are disbursed based on the most recent Mainstream Voucher leasing data in VMS and fee reconciliations are performed on a quarterly basis. In addition, the 2021 Act requires that the administrative and other non-HAP expenses of the PHAs administering these vouchers shall be funded under the same terms and be subject to the same pro rata administrative fee reductions that apply to all other PHAs administering vouchers under the HCV Program. Consistent with the HCV Program, PHAs are not eligible to receive reimbursement for hard-to-house fees and audit costs.

All PHAs are responsible for tracking new units and new funding for SPVs. Mainstream funds can only be used for the intended purposes. These funds are not subject to MTW fungibility provisions.

The 2021 Act provides that the \$110 million HAP set-aside for regular HCVs may also be used to make adjustments to Mainstream Voucher renewal allocations for the following eligibility categories:

- (1) Category 1 – Prevention of Terminations Due to Insufficient Funding (Shortfall);
- (2) Category 2a – Unforeseen Circumstances; and
- (3) Category 2b – Portability.

Please see section 13 below for further details and the Mainstream PHA application requirements.

**11. Family Unification Program (FUP).** The 2021 Act provides **\$25,000,000** for new incremental voucher assistance for the FUP. Of this amount, **\$20,000,000** is limited to use on behalf of FUP-eligible youth under FYI, up to **\$10,000,000** of which may be made available non-competitively. HUD included the \$10,000,000 in the Foster Youth to Independence [Competitive Notice of Funding Availability \(NOFA\), published on January 19, 2021](#). Any amounts to be made available non-competitively will be announced through a PIH notice under the FYI initiative (See Section 6). The remaining **\$5,000,000** will be used to make awards under the 2019 FUP NOFA. These funds may be used on behalf of FUP-eligible families and FUP-eligible youth.

The 2021 Act also provides that any PHA administering voucher assistance appropriated in a prior Act under the FUP, or competitively under the 2021 Act, that determines that it no longer has an identified need for such assistance upon turnover, shall notify the Secretary, and the Secretary shall recapture such assistance from the agency and reallocate it to any other PHA(s) based on need for FUP voucher assistance. This includes assistance made available under the FYI initiative. In addition, HUD will review PHA's utilization of any non-competitive amounts and awards and will recapture and reallocate any unused amounts in accordance with the 2021 Act. HUD will implement these provisions through guidance at a later date.

All PHAs are responsible for tracking new units and new funding for Special Purpose Vouchers. FUP funds, including those made available under the FYI initiative, can only be used for the intended purposes. These funds are not subject to MTW fungibility provisions.

**12. Housing Stability Vouchers.** The 2021 Act provides **\$43,439,000** for new incremental vouchers targeted to individuals and families experiencing homelessness and those at-risk of homelessness as those terms are defined in the McKinney Vento Homeless Assistance Act. HUD will provide additional information at a later date.

**13. Instructions for Applying for Funds within the \$110 Million HAP Set-Aside.**

**HOW TO SUBMIT REQUESTS** - PHAs must submit requests via electronic mail (email) with the appropriate signed **Appendices F, G, H, I, and J** along with all required documentation and calculations (if applicable) must be submitted to HUD at the following [mailbox: 2021Set-AsideApplications@hud.gov](mailto:2021Set-AsideApplications@hud.gov).

The subject line of the email must include the following: **PHA Number, 2021 Set-Aside Application** (e.g., TX001, *2021 Set-Aside Application*).

HUD will automatically reject incomplete applications, including those missing signatures. PHAs may resubmit complete applications within the application acceptance period.

**Additional Information as the 2021 Set-aside Relates to the American Rescue Plan Act (ARPA)** - HUD has authority under ARPA (P.L. 117-2), which was enacted on

March 11, 2021, to address “adjustments in the calendar year 2021 section 8 renewal funding allocation, including mainstream vouchers, for public housing agencies that experience a significant increase in voucher per-unit costs due to extraordinary circumstances or that, despite taking reasonable cost savings measures, would otherwise be required to terminate rental assistance for families as a result of insufficient funding”. Accordingly, HUD will use its discretion to prioritize the 2021 HAP set-aside or ARPA funds for Shortfall Prevention and PUC Increases (referred to as Category 1 – Prevention of Terminations Due to Insufficient Funding (Shortfall) and Category 2a – Unforeseen Circumstances in this notice). Finally, the FMD will accept both Appendices under the 2021 HCV Funding Notice HAP set aside, Appendix F for Category 1 and Appendix G for Category 2a) and the forthcoming ARPA Notice for these purposes, to ensure PHAs do not have to resubmit applications under PUC Increase or Shortfalls.

## **SET-ASIDE CATEGORIES AND ELIGIBILITY AND SUBMISSION REQUIREMENTS:**

### **A. Category 1 – Prevention of Terminations Due to Insufficient Funding (Shortfall)**

This category of HAP set-aside is 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, also known as funding shortfalls. Note that there are two options related to shortfalls for which PHAs may be eligible for funding under this category: the regular HCV Program and/or Mainstream Vouchers.

**To be eligible for funding under this category, the PHA must meet the criteria outlined below and must submit 2021 Appendix F – PHA Application for Category 1, Prevention of Terminations Due to Insufficient Funding (Shortfall) and PHA Certification of Reasonable Cost Savings Measures Undertaken to Prevent Termination of HCV Participants Due to Insufficient Funds.**

In addition to preventing terminations in the regular HCV Program due to insufficient funding, this set-aside funding is also available to prevent terminations of Mainstream Vouchers. A PHA administering Mainstream Vouchers may apply for and receive shortfall funds in accordance with the requirements described below.

In cases where the Mainstream PHA also administers regular HCVs, the shortfall determination is program specific (e.g., in determining whether the PHA is in a confirmed shortfall with respect to Mainstream Vouchers, only Mainstream Voucher funding is taken into consideration, not the PHA’s regular HCV funding).

A PHA that is experiencing a shortfall in the regular HCV Program and Mainstream Vouchers must indicate the application is covering a request for funds for both Mainstream and regular HCVs by checking both boxes on Appendix F Set-aside funding awarded to the PHA is specific to either the Mainstream Vouchers or regular HCVs and may not be used interchangeably by the PHA. For example, shortfall funding awarded for Mainstream Vouchers may not be used for regular HCVs. HUD will indicate the specific amount and the type of voucher the funding is designated for in the award letter.

Note: In determining a shortfall for HCV and/or Mainstream Vouchers and the amount of funding to be provided, HUD will use the **HCV Two-Year Projection Tool**. PHAs should refer to **Appendix E** of the notice, which provides the criteria HUD will use to determine if the PHA has a HUD-confirmed shortfall and the calculation of the shortfall amount. HUD's Two-Year Forecasting Tool and the instructions for it can be found through a link on the [Office of Housing Vouchers](#) website.

Depending on the number of applications and amount of total eligibility, HUD reserves the right to prioritize awards for the Prevention of Terminations Due to Insufficient Funding (Shortfall) category and may need to prorate eligibility for other categories of the set-aside.

**In egregious situations, for PHAs not following HUD Shortfall Prevention Team (SPT) guidance on voucher reissuance, HUD reserves the right to further require a PHA to rescind recently issued vouchers to attain full set-aside eligibility.**

PHAs with specific questions related to the calculation and determination of a HUD-confirmed shortfall should contact the SPT [at: 2021ShortfallInquiries@hud.gov](mailto:2021ShortfallInquiries@hud.gov). The subject line of the email must include the PHA's number (for example, TX001).

PHAs applying for shortfall funding must send their application to [2021Shortfallapplications@hud.gov](mailto:2021Shortfallapplications@hud.gov). The subject line of the email must include the PHA's number and the words "Shortfall Application" (for example, TX123 Shortfall Application - HCV) and indicate if the application is for the regular HCV Program and/or Mainstream Vouchers or both.

**SUBMISSION: Appendix F as applicable.**

**DEADLINE: The application period will remain open.** PHAs may apply at any time during the application period. PHAs that receive set-aside funds based on their current HAP costs may find additional funding is needed later in the year; however, they do not need to reapply to receive additional funding. The SPT will automatically determine the PHA's eligibility for additional funding and HUD will provide the additional funding in accordance with its established set-aside funding priorities and available funding. PHAs that have concerns about potential shortfalls should be in contact with the HUD field office or SPT, regardless of whether they are currently in a shortfall situation.

- B. Category 2a -Unforeseen Circumstances:** PHAs should be aware that an unforeseen circumstance is an occurrence within or after the re-benchmarking period which the PHA could not reasonably have anticipated and which was out of the PHA's control. Funding adjustments for this category are based on cost increases occurring in CY 2021. Mainstream Vouchers are eligible to apply for this category of set-aside funding.

- i. **PHA Eligibility.** The 2021 Act provides that the cost increase must be significant, as defined by the Secretary, for the PHA to be eligible for the unforeseen circumstance's category of the CY 2021 set-aside. HUD is establishing the following criteria for significant cost increase:

The PHA's latest validated 2021 PUC per VMS must be 102 percent or greater than the PUC HUD used to determine the PHA's CY 2021 renewal funding (the CY 2021 Renewal PUC) to be eligible for funding.

- ii. **Funding Award Calculations for PHAs.** For PHAs (both Non-MTW and MTW), the funding award amount will be calculated as follows:

- a. HUD determines the difference between the increased PUC and the PHA's CY 2021 HAP renewal PUC. The increased PUC is calculated by dividing HAP costs by unit months leased (UMLs) for the most recent month of total HAP based on the most recent month provided by the PHA as part of the application. The PHA's CY 2021 HAP renewal PUC is located in the 2021 HCV renewal **Enclosure A**, line 28, described as *CY 2021 Inflated Per Unit Cost*. MTW PHA's PUC information is located by the prorated eligibility amount on the PHA's renewal enclosure.
- b. The difference is then multiplied by the PHA's most recent month's UMLs and then by the remaining months in 2021 to determine the total funding amount.

In the absence of PUC and UML data provided by the PHA, HUD will use the most recent validated VMS data available to calculate PHA eligibility.

**PHA Example: Unforeseen Circumstances HAP Set-aside Award**

1	Most Recent Month's PUC provided by the PHA (in this example, July's PUC)	\$500		In the absence of the PHA providing the most recent month's PUC, HUD will use the most recent validated month of VMS reporting
2	PHA's CY 2021 PUC (2021 HCV Renewal <b>Enclosure A</b> , line 28 for Non-MTW, described as <i>CY 2021 Inflated Per Unit Cost</i> )	\$405		MTW renewal enclosures have a different format. PUC information can be found by the prorated eligibility amount.
3	Difference between the PUCs		\$95	
4	Is the difference between the 2 PUCs 2% or greater than the CY 2021 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 the most recent validated month of VMS reporting

6	Unit months leased (Line 5 * 6 Months)		1,800	Multiplied by the number of month's remaining in CY 2021.
7	<b>Total Request (Line 3 * Line 6)</b>		<b>\$171,000</b>	

In this example the PHA's PUC increased 23 percent which meets the eligibility criteria for application review due to significant increased costs. The PHA is eligible for \$171,000. The next step is to ascertain if this is a Priority Application (the PHA's HAP Program Reserve is less than two-months' worth of HAP) or a Regular Application to determine when the funding will be made available.

- iii. Priority Status.** If the PHA's CY 2020 end of year HAP reserve is less than the amount needed to cover two (2) months of the PHA's average CY 2021 HAP expenses, the PHA application qualifies for priority status. For this exercise, HUD determines the amount of PHA HAP reserve by taking the PHA's reconciled December 31, 2020 HAP reserve balance and adjusting it to account for the validated CY 2021 VMS data for HAP expenses and the budget authority disbursed to the PHA for the same period. HUD will then take the most recent validated month of expenses from VMS or the expense data provided by the PHA (if it was included within their application) and adjust it by adding a 2 percent margin to calculate adjusted HAP expenses. The adjusted reserve balance is divided by the adjusted HAP expenses to determine if the PHA reserve balance is less than the equivalent of two (2) months of HAP expenses.

HUD will fully fund the priority applications before considering applications that do not qualify as priority applications. If funding is insufficient to fully fund the priority applications, HUD will prorate the funding awards for the priority applications and will not fund non-priority applications. If there is funding remaining after the priority applications have been fully funded, HUD will prorate the funding for the non-priority applications if the remaining funding is insufficient to fully fund those applications.

PHA's with **four (4)** months or more of reserves will not be considered for any funding under this category at this time.

**SUBMISSION: To be eligible for funding under this category, a PHA must submit the following:**

- a. Completed Appendix G Application for \$110 Million Set-Aside for Category 2a – Unforeseen Circumstances** to include PUC information with the provided tables.
- b.** If the PHA is applying for a PUC increase related to an unforeseen circumstance other than COVID-19, the PHA must also include a written narrative describing the unforeseen circumstances that significantly increased renewal costs in CY 2021. This narrative is not required if the unforeseen circumstance is related to COVID-19.

For applications under the unforeseen circumstances Category 2a, it is important to note that PHAs must submit all items (a. and b.) above by the application deadline for

the application to be considered. **Failure to provide any of the required documents and information will result in denial of the application.**

**DEADLINE: No later than 5 p.m., per the PHA's time zone, Friday, May 14, 2021.**

- B. **Category 2b -Portability:** To be eligible for funding under this category, the PHA must have experienced a significant increase in renewal costs due to portability for tenant-based rental assistance under Section 8(r) of the Act.

The 2021 Act provides that the set-aside is also available to assist PHAs that have experienced a significant increase in Mainstream renewal costs due to portability. A PHA may apply for and receive set-aside funds for Mainstream Vouchers under this portability category.

In cases where the Mainstream PHA also administers the regular HCVs, the increased cost due to portability determination is voucher funding specific (e.g., for Mainstream Vouchers, HUD will consider only Mainstream Voucher portability costs and Mainstream funding, not the PHA's regular HCV portability costs and HCV funding). A PHA that is experiencing increased renewal costs due to portability for both the regular HCVs and their Mainstream Vouchers must check off both types on their application attachment.

Set-aside funding awarded to the PHA is voucher specific and may not be used interchangeably by the PHA. For example, HAP set-aside portability funding awarded for Mainstream Vouchers may not be used for their regular HCVs.

To determine eligibility and calculate funding under this category for regular HCVs, HUD will compare the average HAP Per Unit Cost (PUC) for the re-benchmarking period (January 1, 2020 to December 31, 2020) to the average Port-out Vouchers HAP PUC based on year-to-date reporting in PIC (as of April 1, 2021). If the portability average HAP exceeds 110% of the HCV Program-wide average HAP PUC for the re-benchmarking period, the PHA will be eligible for set-aside funding. The difference between the portability average PUC and 110% of the program-wide average PUC is multiplied by the year-to-date total unit months leased (UML) for the "Port Vouchers Paid" reported in PIC, extrapolated to 12 months.

To determine eligibility and calculate funding under this category for Mainstream Vouchers, HUD will follow the same process, only all the PUCs and UMLs used will be for Mainstream Vouchers instead of the regular HCVs.

**SUBMISSION:** HUD calculates eligibility under this category, therefore, no additional documentation will be required or accepted other than **Appendix H**, which must be completed, signed and submitted by the deadline date.

**DEADLINE: No later than 5 p.m., per the PHA's time zone, Friday, May 14, 2021.**



**C. Category 3 -PBVs:** To be eligible for funding under this category, a PHA must show that vouchers were withheld from use during the CY 2020 re-benchmarking period to be available to meet a commitment for PBV assistance under Section 8(o)(13) of the Act. Adjustments only apply to vouchers withheld pursuant to a PBV Agreement to Enter into a Housing Assistance Payments Contract (AHAP) for newly constructed or rehabilitated housing. Adjustments do **not** apply to existing housing, as there is no waiting period for existing housing PBV commitments and accordingly, there is no need to withhold vouchers for such commitments. Adjustments will not be made under any circumstances for units under an AHAP commitment that, when added to units under lease for CY 2020, exceed the PHA's baseline units under ACC for CY 2020. (The PHA would not have been able to lease those withheld vouchers during CY 2021 due to the restriction on over-leasing.)

Mainstream Vouchers are not eligible for set-aside funds under category 3-PBVs.

The 2021 Act provides that in addition to vouchers that were not in use during the previous 12-month period in order to be available to meet a PBV commitment, an adjustment may also be made for "...a funding obligation not yet expended in the previous calendar year for a MTW-eligible activity to develop affordable housing for an agency added to the MTW demonstration under the expansion authority provided in section 239 of the Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2016 (division L of Public Law 114-113)." However, because the first PHAs selected for the MTW expansion under the 2016 Act did not formally join the MTW demonstration until CY 2021, no such MTW-eligible activity funding obligation could have been made in CY 2020. Consequently, this expansion MTW PHA adjustment will not factor into the FY 2021 HAP renewal set-aside funding award process. It is anticipated that this category will be available in CY 2022, subject to appropriations. Additional information will be provided at a later date.

**SUBMISSION:** PHAs are to submit the documents below as follows:

1. **AHAP:** For **each** PBV commitment for which a request is being made under this category, the PHA **must provide**, from [Part 1 of the executed Agreement to Enter into a HAP Contract \(AHAP\) for New Constructions/Rehabilitation](#), the following:
  - a. The page which identifies the parties to the AHAP (both the Housing Authority and the owner);
  - b. Identification of the project;
  - c. Section 1.1A which identifies the effective date of the agreement;
  - d. Section 1.1B which identifies the date of the commencement of the work;
  - e. Section 1.1C which identifies the time for completion of the work;
  - f. Exhibit C which identifies the units by size and applicable initial contract rents for the units to be project-based;
  - g. If the project is to be completed in stages: Exhibit E that identifies the schedule of completion of stages (if applicable). (This exhibit shall identify the units in each stage.); and

- h. Signature page that provides the signature of both the Housing Authority and the owner and the dates the AHAP was signed.

2. **HAP Contract:** To be eligible for set-aside funding, the HAP contract must be executed within CY 2021. If the HAP Contract **has not been executed** by the application submission date, the PHA must state when the HAP contract will be executed. If the **HAP contract has been executed** by the application submission date, the PHA **must provide**, from [PART 1 of the HAP Contract for New Constructions or Rehabilitation](#), the following:

- a. The page which identifies the parties to the HAP Contract (both the Housing Authority and the owner);
- b. Exhibit A which identifies the total number of units in the project covered by the HAP Contract; the initial Contract Rent to owner, and the number and description of the contract units;
- c. If the project is to be completed in stages: in addition to item b. described in the above AHAP section that states the requirement for the “identification of the project”, Exhibit A must also identify the units to be completed in each phase covered by the HAP Contract;
- d. Exhibit B which identifies the services, maintenance and utilities to be provided by the owner;
- e. Exhibit C which identifies the utilities available in the contract unit, including a listing of utility services to be paid by the owner (without charges in addition to the rent to owner) and utilities to be paid by the tenant;
- f. Section 2a which identifies the initial term of the contract; and
- g. Signature page which provides the signature of both the Housing Authority and the owner and the dates the HAP was signed.

3. **Completed and signed Appendix I, PBV Data** (for each project-based commitment).

**DEADLINE: No later than 5 p.m., per the PHA’s time zone, Friday, May 14, 2021.**

**E. Category 4 -HUD-VASH:** For PHAs administering HUD-VASH vouchers that can demonstrate a need for adjustment funding for at least one of the following situations:

- 1. ***PUC Increase***: For PHAs whose program-wide funded CY 2021 HAP PUC is less than their current HUD-VASH HAP PUC, based on their latest HUD-VASH HAP expenses in CY 2021. HUD will calculate eligibility under this category. Eligibility is determined by comparing the highest HUD-VASH PUC for CY 2021 to the program-wide funded prorated HAP PUC, then multiplying the difference between the PUCs by the funded UMLs.
- 2. ***Leasing Increase***: For PHAs whose total HUD-VASH leasing for CY 2021 will exceed the leasing level included in their renewal funding, plus the leasing that will be supported by the RNP and HUD-Held Program Reserves, HUD will calculate eligibility under this category. Eligibility is determined by adding

UMLs for all the CY 2021 validated VMS data available to a projection for the remainder of the CY and comparing that total to the initial funded HUD-VASH UMLs (limited to 100% of the PHAs UMAs), then multiplied by the CY 2021 PUC.

**SUBMISSION: No additional documentation will be required or accepted other than a completed and signed Appendix H.**

**DEADLINE: No later than 5 p.m., per the PHA's time zone, Friday, October 1, 2021 or until funding is depleted.**

**F. Category 5 – Lower-than-average Leasing:** To be eligible for funding under this category, the PHA must be leasing a lower-than-average percentage of their authorized vouchers, have low amounts of budget authority in their net restricted asset accounts and HUD-held programmatic reserves, relative to other agencies and are not participating in the MTW demonstration.

Eligibility for this category of set-aside funding will be determined using December 31, 2020 leasing and reserves, by first separating PHAs by size, small (0 – 249 units), medium (250 – 499 units) and large (500 or more units). Second, determining the average leasing as well as average reserves based on PHA size. Next, the eligibility will be limited to PHAs that are below both the 25<sup>th</sup> percentile of average leasing and below the 25<sup>th</sup> percentile of median reserves based on PHA size. Regardless of PHA size, awards will be capped at \$2 million and may not exceed the PHA's authorized units.

**PHAs must lease additional vouchers with this award.** If PHAs need assistance with the number of vouchers for reissuance, they may contact their local Field office representative. The field will be able to assist with developing a leasing plan to maximize the use of this award. PHAs receiving awards under the Lower-than-average Leasing category that also experience a Shortfall in CY 2021, please see the list of exceptions provided in Appendix F.

**Note:** The link that accompanies this notice provides a list of PHAs that are eligible to apply for this category of set-aside funding.

The award amount will be determined by HUD's calculation of PHA need.

**SUBMISSION:** To be eligible for funding under this category, a PHA must submit the following:

- a. Signed Appendix H** Application for \$110 Million Set-Aside for Category 5 – *Lower-than-Average Leasing*;
- b.** A written narrative that describes leasing need. This narrative will include the following:
  1. The amount of inventory of units in their jurisdiction, with the source of this information identified;
  2. The total number of families on their waiting list; and

3. Assertion that the PHA has the administrative capacity to issue the vouchers and get the families into the units.

**DEADLINE: No later than 5 p.m., per the PHA's time zone, Friday, May 14, 2021.**

**NOTE:** PHAs that apply for Category 5 set-aside funding may come in for Extraordinary Administrative Fees under the Secretary's Discretion, limited to PHAs that do not have the required administrative capacity nor the administrative reserves necessary to get these vouchers leased. Please refer to the following section for details on how to apply: *Section 7. Funding for Administrative Costs, B. Special Fees, 5. Special Fees Needed for Administration of Section 8 Tenant-Based Rental Assistance Program, D. Category – 4 – Application for Other Special Fee Under The Secretary's Discretion.*

- G. Category 6 – Disaster:** To be eligible for funding under this category, the PHA must have experienced increased costs or loss of units in an area for which the President declared a disaster under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170 et seq.) in CY 2020 or CY 2021, except for the COVID-19 declaration. The funding provided through this category will address the impact disasters have had on CY 2021 expenses.

**1. Loss of Units Due to Disaster.** This adjustment is provided to assist the PHA in increasing the number of families under lease, not to exceed 100% of the PHA's authorized units, to help address housing needs in the impacted community. HUD will use the most recently reported and validated month's VMS data to determine the number of units currently under lease. HUD will use the higher of: (1) the PHA's most recently reported and validated month's VMS data or (2) the three-month average for the most recent reported and validated VMS data to determine the PUC to calculate the funding adjustment. However, if the PHA requests and HUD approves the PHA's request for an increased PUC, the approved PUC will be used to calculate the increased leasing adjustment, as well as to make the increased PUC adjustment for the PHA's HCV Program as a whole.

**SUBMISSION: To be eligible for funding under the Loss of Units due to Disaster category, a PHA must submit the following:**

- a. **Appendix J CY 2021 Housing Choice Voucher Program Request for Disaster Set-aside;**
- b. Written narrative, detailing the impact of the disaster that has caused a loss of units, the PHA's assessment of the availability of rental housing stock in the PHAs jurisdiction, a description of any plans in the jurisdiction to increase the availability of rental stock, which may include the PHA's plan to project-base additional vouchers to increase the supply of units available to voucher families, and the number of families currently on the PHA's HCV waiting list and if the waiting list is currently open or closed;
- c. Evidence to support the narrative; and
- d. The number of months impacted in CY 2021 by the loss of units.

**2. Increased Costs.** The PHA may request an adjustment for a higher PUC. The requested PUC must be higher than the higher of the most recent reported and validated PUC in VMS or the most recent three-month average reported and validated in VMS. The requested adjustment must be supported by documentation that the PHA is required to include with their application. For example, the PHA may provide data supporting the higher requested PUC by providing PIC data for recent new admissions and/or recent movers or other data supporting its request for a funding adjustment.

**SUBMISSION: To be eligible for funding under this category, a PHA must submit the following:**

- a. **Appendix J CY 2021 Housing Choice Voucher Program Request for Disaster Set-aside;**
- b. Written narrative detailing the impact the disaster had in causing the increased costs, the PUC requested;
- c. Evidence to support the narrative (how the requested PUC was determined); and
- d. The number of unit months impacted by the increased costs.

For applications under the disaster category, category 6, it is important to note that PHAs must submit all items (a. through e.) above by the application deadline for the application to be considered. **Failure to provide any of the required documents, including the PHA calculation of the increased costs, will result in denial of the application.**

**DEADLINE: No later than 5 p.m., per the PHA's time zone, Friday, October 1, 2021 or until funding has been depleted. The Secretary reserves the right to accept additional applications for this category of HAP Set-aside for Presidentially Declared Disasters that occur after October 1, 2021.**

### **Quick Reference and Timeline Sheet for HAP Set-Aside Funds:**

<b>Category</b>	<b>Deadline</b>	<b>PHAs must submit</b>	<b>Are Mainstream Vouchers Eligible?</b>
1. Shortfall Funds	Will remain open	<ul style="list-style-type: none"> <li>2021 Appendix F</li> </ul>	Yes
2a. Unforeseen Circumstances	05/14/2021	<ul style="list-style-type: none"> <li>2021 Completed Appendix G</li> <li>Written narrative describing the U/C in cases where the U/C is not related to COVID-19</li> </ul>	Yes
2b. Portability	05/14/2021	<ul style="list-style-type: none"> <li>2021 Appendix H</li> </ul>	Yes
3. PBV	05/14/2021	<ul style="list-style-type: none"> <li>2021 Appendix H</li> <li>Appendix I for each project</li> </ul>	No

AHAP For **each** PBV project:

- Identification of the project; from Part 1 of the AHAP;
- The page that identifies the parties to the AHAP (both the Housing Authority and the owner);
- Section 1.1A which identifies the effective date of the agreement;
- Section 1.1B which identifies the date of the commencement of the work;
- Section 1.1C which identifies the time for completion of the work;
- Exhibit C which identifies the units by size and applicable initial contract rents for the units to be project-based;
- If the project is to be completed in stages: Exhibit E which identifies the schedule of completion of stages (if applicable) (This exhibit shall identify the units in each stage); and
- Signature page which provides the signature of both the Housing Authority and the owner and the dates the AHAP was signed.

HAP Contract: To be eligible for set-aside funding, the HAP contract must be executed within CY2021. If the HAP Contract **has not been executed** by the application submission date, the PHA must state when the HAP contract will be executed. If the HAP **contract has been executed** by the application submission date, the PHA **must provide**, from [PART 1 of the HAP Contract for New Constructions or Rehabilitation](#), the following;

- The page which identifies the parties to the HAP Contract (both the Housing Authority and the owner);
- Exhibit A which identifies the total number of units in the project covered by the HAP Contract; the initial Contract Rent to owner, and the number and description of the contract units;
- If the project is to be completed in stages: in addition to item b. described in the above AHAP section that states the requirement for the “Identification of the project”, Exhibit A must also identify the units to be completed in each phase covered by the HAP Contract;
- Exhibit B which identifies the services, maintenance and utilities to be provided by the owner;
- Exhibit C which identifies the utilities available in the contract unit, including a listing of utility services to be paid by the owner (without charges in addition to the rent to owner) and utilities to be paid by the tenant;
- Section 2a which identifies the initial term of the contract; and
- Signature page which provides the signature of both the Housing Authority and the owner and the dates the HAP was signed.

Category	Deadline	PHAs must submit	Are Mainstream Vouchers Eligible?
		<b>Note: Failure to provide the required documentation listed above will result in denial of the application for funds under this category.</b>	
4. HUD-VASH	10/1/2021	<ul style="list-style-type: none"> <li>Appendix H with a. and/or b. marked.               <ul style="list-style-type: none"> <li><b>a. Per Unit Cost Increase:</b> For PHAs whose program-wide funded CY 2021 HAP PUC is less than their current HUD-VASH HAP PUC based on their latest HUD-VASH HAP expenses in CY 2021, HUD will calculate eligibility under this category. Therefore, no additional documentation will be required or accepted other than Appendix H, which must be completed, signed and submitted by the deadline date. <b>and/or</b></li> <li><b>b. Leasing Increase:</b> For PHAs whose HUD-VASH leasing for CY 2021 will exceed the leasing level included in their renewal funding, plus the leasing that will be supported by the RNP and HUD-Held Program Reserves, HUD will calculate eligibility under this category. Therefore, no additional documentation will be required or accepted other than Appendix H, which must be completed, signed and submitted by the deadline date.</li> </ul> </li> </ul>	No
5. Lower-than-Average leasing	05/14/2021	<ul style="list-style-type: none"> <li><b>Signed Appendix H</b> Application for \$110 Million Set-Aside for Category 5 – <i>Lower-than-Average Leasing</i>;               <ul style="list-style-type: none"> <li>A written narrative that describes leasing need. This narrative will include the following:                   <ul style="list-style-type: none"> <li>The amount of inventory of units in their jurisdiction, to include the source of this information;</li> <li>The total families on their waiting list; and</li> <li>Assertion that the PHA has the administrative capacity to get the families into the unit.</li> </ul> </li> </ul> </li> </ul> <b>result in a rejection of the PHA's application for Lower-than-Average leasing.</b>	No

Category	Deadline	PHAs must submit	Are Mainstream Vouchers Eligible?
6. Disaster	10/1/2021	<ul style="list-style-type: none"> <li><b>Loss of Units Category of Disaster: Completed Appendix J CY 2021 Housing Choice Voucher Program Request for Disaster Set-aside;</b></li> <li>Written narrative, detailing the impact of the disaster that has caused a loss of units, the PHA's assessment of the availability of rental housing stock in the PHAs jurisdiction, a description of any plans in the jurisdiction to increase the availability of rental stock, which may include the PHA's plan to project-base additional vouchers to increase the supply of units available to voucher families, and the number of families currently on the PHA's HCV waiting list and if the waiting list is currently open or closed;</li> <li>Evidence to support the narrative; and</li> <li>The number of months impacted in CY 2021 by the loss of units.</li> <li><b>Increased Costs Category of Disaster: Completed Appendix J CY 2021 Housing Choice Voucher Program Request for Disaster Set-aside;</b></li> <li>Written narrative detailing the impact the disaster had in causing the increased costs, the PUC requested;</li> <li>Evidence to support the narrative (how the requested PUC was determined); and</li> <li>The number of months impacted in CY 2021 by the loss of units.</li> </ul> <p><b>Failure to provide the items identified above, WILL result in a rejection of the PHA's application for Disaster.</b></p>	No

#### **14. FY 2020 HAP Set-Aside Funds – PUC Increases due to Unforeseen Circumstances – Round 2: ELIGIBILITY AND SUBMISSION REQUIREMENTS**

**A. Background.** The Further Consolidated Appropriations Act, 2020 (P.L. 116-94, approved December 20, 2019), referred to hereafter as “the 2020 Act,” authorized HUD to set-aside up to \$100 million of the HAP renewal appropriations to make funding adjustments to PHAs’ renewal funding allocations for certain specified reasons. One of the eligible categories for set-aside HAP funding under the 2020 Act was an adjustment for PHAs that experienced a significant increase, as determined by the Secretary, in renewal costs of vouchers resulting from unforeseen circumstances or portability. [PIH Notice 2020-04](#), Implementation of the FFY 2020 Funding Provisions for the HCV Program, issued March 31, 2020 provided details about the set-aside categories, eligibility requirements and submission deadlines. The deadline to submit an application for a funding adjustment for a significant increase in voucher costs resulting from unforeseen circumstances (category 2a under PIH Notice 2020-04) was May 15, 2020.



Increased costs attributable to portability were addressed through a separate application and funding process, 2b-Portability, under the PIH Notice-2020-04.

Approximately \$60 million remains from the \$100 million originally set aside by HUD for funding adjustments to PHA's CY 2020 renewal funding allocations in accordance with the 2020 Act. Due to the unprecedented increase in voucher costs during CY 2020 and the continued impact of the COVID-19 pandemic, HUD has decided to provide a second round of funding for Category 2a, Unforeseen Circumstances ("Second Round 2020 Unforeseen Circumstances"). PHAs that experienced significant increases in their 2020 HAP costs may be eligible to apply for and receive funding from the CY 2020 set-aside funding under this second round.

This Second Round 2020 Unforeseen Circumstances funding is available to provide adjustments for increased costs that the PHA experienced in CY 2020. PHAs that experience increased costs in CY 2021 must apply for an adjustment for those increased costs from the CY 2021 HAP set-aside (see section 13.B., Category 2a, above). Since this funding is being awarded after the calendar year for which the funding adjustment is being made, HUD is revising the process set forth for in PIH Notice 2020-04 for both the application requirements and the methodology by which the PHA's funding eligibility is calculated. HUD will use the PHA's actual HAP expenses as reported and validated in VMS for CY 2020 to determine the adjustment necessary to cover the increased costs.

**B. Applications.** PHAs will be considered for Second Round 2020 Unforeseen Circumstances funding in one of two ways:

- (1) **Unfunded CARES Act applications.**<sup>8</sup> In this instance, the PHA previously submitted an eligible application for CARES Act supplemental HAP funding for HCV PUC increases in accordance with [PIH Notice 2020-17](#) but the application was not funded because there was insufficient CARES Act funding remaining to do so. These PHAs will automatically be considered for Second Round 2020 Unforeseen Circumstances funding. However, to be eligible for this funding, the PHA's increased costs in CY 2020 must meet the increased cost threshold described below. Additionally, the PHA's funding award is subject to all the requirements, including the funding calculation and priority status determination, outlined later in this section.

Mainstream Vouchers are not eligible for adjustments under the 2020 set-aside. Consequently, requests for Mainstream Voucher PUC adjustments are not eligible for Second Round 2020 Unforeseen Circumstances funding, regardless of whether the PHA previously submitted an unfunded CARES Act application under PIH Notice

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<sup>8</sup> Congress appropriated \$400 million in supplemental HAP funding in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (Public Law 116-136), enacted on March 27, 2020. This supplemental HAP funding was made available for PHAs that either (1) experience a significant increase in voucher 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. HUD issued PIH Notice 2020-17, CARES Act – Housing Choice Voucher (HCV) Program Housing Assistance Payments (HAP) Supplemental Funding, on July 30, 2020, which provided information on how PHAs could apply that funding. The CARES Act supplemental HAP funding has been awarded in accordance with that notice, however, HUD was unable to fund all eligible applications for increased PUC because the need exceeded the available funding.

2020-17. PHAs that submitted a CARES Act application that covered both regular HCV and Mainstream Vouchers will be considered for Second Round 2020 Unforeseen Circumstances funding but only with respect to the 2020 increased costs for their regular vouchers.

- (2) **Appendix K application submitted by the PHA.** All other PHAs may choose to apply directly for Second Round 2020 Unforeseen Circumstances funding in accordance with the application submission requirements listed below, with the exception of PHAs wishing to apply for increased costs for Mainstream Vouchers. Mainstream Vouchers are not eligible to receive 2020 HAP set-aside funds.

The PHA may apply for funding for its HAP cost increase in CY 2020 if the unforeseen circumstance was COVID-19 or if the unforeseen circumstance was unrelated to COVID-19.

**Application submission requirements.** The PHA must submit:

- A completed and signed **Appendix K, Second Round CY 2020 HAP Set-Aside Remaining \$60 Million for Category 2a— Unforeseen Circumstances**, which is attached to this notice.
- If the PHA is applying for a PUC increase related to an unforeseen circumstance other than COVID-19, the PHA must also include a written narrative describing the unforeseen circumstances that significantly increased renewal costs in CY 2020. This narrative is not required if the unforeseen circumstance is COVID-19.

**DEADLINE:** No later than 5 p.m., per the PHA's time zone, Friday, May 14, 2021.

**HOW TO SUBMIT REQUESTS - PHAs must submit requests via electronic mail (email) with the signed Appendix K along with all required documentation (if applicable) [to: 2020COVIDHCV@hud.gov](mailto:2020COVIDHCV@hud.gov).**

**The subject line of the email must include the following: PHA Number, CY 2020 Set-Aside Application – Second Round (e.g., TX001, CY 2020 Set-Aside Application – Second Round).**

- C. Increased Cost Threshold.** The 2020 Act provides that the cost increase must be significant, as determined by the Secretary, for the PHA to be eligible for set-aside funding due to unforeseen circumstances. For the Second Round 2020 Unforeseen Circumstances funding, HUD is establishing the following criteria for the cost increase to be significant:

The PHA's CY 2020 Actual PUC (based on total HAP expenses divided by the total UMLs reported and validated in VMS) must be 102 percent or greater than the PUC HUD used to determine the PHA's CY 2020 renewal funding allocation (the CY 2020 Renewal PUC) to be eligible for funding.

**D. Funding Award Calculations for PHAs.** The funding award amount will be calculated as follows:

HUD determines the difference between the PHA's CY 2020 Actual PUC and the PHA's CY 2020 HAP renewal PUC.

- The PHA's Actual 2020 PUC is calculated by dividing the total CY 2020 HAP costs by total CY 2020 UMLs.
- The PHA's CY 2020 HAP renewal PUC is found in the 2020 HCV renewal Enclosure A on line 29, where it is described as the CY 2020 Inflated PUC.

The amount by which the PHA's CY 2020 Actual PUC exceeds the PHA's CY 2020 Renewal PUC is multiplied by the PHA's CY 2020 UMLs to determine the preliminary funding amount.

If the PHA was previously awarded funding under either the CY 2020-Unforeseen Circumstances category or the CARES Act HAP Supplemental Funding for PUC Increases, the preliminary funding amount will be reduced by the amount of the previous funding award(s) to determine the PHA's funding eligibility.

**Example Funding Eligibility Calculation**

1	PHA's Actual 2020 PUC	\$800	
2	PHA's CY 2020 PUC (2020 HCV Renewal Enclosure A, line 29, described as CY 2020 Inflated Per Unit Cost)	\$705	
3	Difference between the PUCs	\$95	
4	Is the difference between the two PUCs 2% or greater than the CY 2020 PUC (Line 1 divided by Line 2, must be greater than 1.02)?	13.4% (800/705=1.134)	Yes
5	CY 2020 Unit Months Leased	4800	
6	Eligible Funding (Line 3 * Line 5)	\$456,000	
7	Previously Awarded CARES Act HAP Supplemental Funding and 2020 Set-aside Round One Unforeseen Circumstances	\$0	
8	Funding eligibility (Line 6 – Line 7)	\$456,000	

**E. Priority Status.** If the PHA's CY 2020 end of year HAP reserve is less than the amount that would have been needed to cover two (2) months of the PHA's average CY 2020 HAP expenses, the PHA's application qualifies for priority status. For this exercise, HUD determines the amount of PHA's HAP reserve based on the PHA's reconciled 12/31/2020 HAP reserve balance. HUD will then divide the total validated 2020 HAP expenses from VMS by 12 to determine the CY 2020 average monthly HAP expenses. If that amount multiplied by 2 exceeds the 2020 HAP reserve balance, the PHA application qualifies for Priority Status.

HUD will fully fund the priority applications before considering applications that do not qualify as priority applications. If funding is insufficient to fully fund the priority applications, HUD will prorate the funding awards for the priority applications and will not fund non-priority applications. If there is funding remaining after the priority applications have been fully funded, HUD will prorate the funding for the non-priority applications if the remaining funding is insufficient to fully fund those applications.

**15. Moving To Work Agencies.** The original 39 MTW agencies' renewal funding is determined pursuant to their Standard MTW Agreements and appropriations requirements. HUD is directed by the 2021 Act to apply the same proration factor to the HCV HAP renewal allocations and administrative fee eligibility for MTW agencies as is applied to all other PHAs. All MTW agencies may utilize their funds in accordance with their Standard MTW Agreements or the MTW Operations Notice.

**16. Excluded Programs.** The provisions implemented by this notice do not apply to renewal funding for the Moderate Rehabilitation Program or Single Room Occupancy (SRO).

**17. HCV Financial Management.** HUD is focused on ensuring that PHAs appropriately manage their HCV Programs within the funding provided for the CY and existing Restricted Net Position (RNP) and HUD-Held Program Reserves. PHAs are encouraged to use the Two-Year Forecasting Tool to assist them in their budgeting and leasing plans.

**18. HAP Disbursements and Frontloading.** PHAs receive monthly disbursements from their budgetary allocations in accordance with the cash management procedures in [PIH Notice 2017-06](#). PHAs may request a frontload when monthly disbursements and available RNP and HUD-held reserves will not cover expenses for the month. PHAs may request a frontload via the two-year tool or by submitting a request to the FMC FA. PHAs will be required to provide HAP expenses not yet reported in VMS and actual HAP expenses for the period requested. The frontload will be limited to the amount necessary to cover the actual HAP expenses. PHAs in need of a frontload during the year and have excess SPV funding available in their RNP, will be provided with a frontload that does not consider their available SPV funds as SPV funds may only be used for their intended purposes. PHAs must remember that frontloading early in the CY affects the amounts available in later months in the CY.

**19. Use of HAP and HAP RNP/HUD-Held Program Reserves.** PHAs are reminded that funds in the HAP RNP account and HUD-Held Program Reserves shall only be used for eligible HAP needs in the current CY. CACC requires PHAs to use HAP funding to cover housing assistance payments. HAP and/or PHA reserves (HAP RNP and HUD-held reserves) shall not under any circumstances be used for any other purpose, such as to cover administrative expenses or be loaned, advanced, or transferred (referred to as operating transfers due to/due from) to other component units or other programs such as the Low-Rent (Public Housing) program. Use of HAP for any purpose other than eligible HAP needs is a violation of law, and such illegal uses or transfers may result in sanctions and possible declaration of breach of the ACC. Current year funding may not be used for prior year costs, including by MTW agencies.

In instances where a PHA is found to have misappropriated HAP and/or HAP RNP/HUD-held reserve funds by using the funds for any purpose other than valid HAP expenses for units up to the baseline, HUD requires the immediate return of the funds to the HAP or HAP RNP/HUD-

held reserves account. HUD may take action, including suspension and debarment, against a PHA or any party that has used HAP funds and/or the HAP RNP/HUD-held reserves account for non-HAP purposes.

**20. Uses of Administrative Fees.** For proper uses and reporting of Administrative Fees and UNP (formerly known as Unrestricted Net Assets (UNA) or as the “administrative fee reserve”), please refer to PIH Notice 2015-17: *Use and Reporting of Administrative Fee Reserves*.

**21. VMS/FASS Reporting and Data Integrity.** PHAs must continue to submit required financial documents including, but not limited to, monthly VMS and annual FASS electronic submissions. PHAs that do not submit the required data by the reporting deadline may be sanctioned as provided by 24 CFR 982.152(d), and in accordance with the procedures outlined in PIH Notice 2021-08 or any successor notice. PHAs that fail to meet the submission requirements may be subject to administrative actions, including but not limited to, an imposition of a penalty against the PHA’s monthly administrative fees until the PHA complies with these requirements. This penalty represents a permanent reduction for the current CY that shall not be reversed.

**22. Prohibition on Over-leasing.** The 2021 Act prohibits the use of appropriated HAP funds by any PHA, except for PHAs in the MTW demonstration, to lease units above their CACC baseline units during any CY, even if the PHA has sufficient budget authority (BA) and/or RNP to support the additional units. If a PHA engages in over-leasing, it must identify other eligible sources to pay for the over-leasing, and the PHA must take immediate steps to eliminate any current over-leasing. Renewal funding allocations will not include over-leased units. Renewal funding eligibility will be reduced based on the number of over-leased unit months and the average PUC during the re-benchmark period. PHAs must still report all over-leasing in VMS and must also report \$0 HAPs in the appropriate categories in VMS.

**23. Use of Outside Sources of Funds.** HUD issued [PIH Notice 2013-28](#), *Guidance on the Use of Outside Sources of Funds in the HCV Program*. HUD recommends that all PHAs carefully review the information contained in the notice.

**24. 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.

**25. Further Information.** Any questions concerning this Notice should be directed to 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/

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Dominique Blom  
General Deputy Assistant Secretary  
for Public and Indian Housing

Appendix AFurther Consolidated Appropriations Act, 2021 (Public Law 116-260)**Tenant-Based Rental Assistance – Overall Funding and Renewals:**

For activities and assistance for the provision of tenant-based rental assistance authorized under the United States Housing Act of 1937, as amended (42 U.S.C. 1437 25 et seq.) (in this title “the Act”), not otherwise provided for, \$21,777,439,000, to remain available until expended, which shall be available on October 1, 2020 (in addition to the \$4,000,000,000 previously appropriated under this heading that shall be available on October 1, 2020), and 5 \$4,000,000,000, to remain available until expended, which shall be available on October 1, 2021: Provided, That the amounts made available under this heading are provided as follows: (1) \$23,080,000,000 shall be available for renewals of expiring section 8 tenant-based annual contributions contracts (including renewals of enhanced vouchers under any provision of law authorizing such assistance under section 8(t) of the Act) 14 and including renewal of other special purpose incremental vouchers: Provided, That notwithstanding any other provision of law, from amounts provided under this paragraph and any carryover, the Secretary for the calendar year 2021 funding cycle shall provide renewal funding for each public housing agency based on validated voucher management system (VMS) leasing and cost data for the prior calendar year and by applying an inflation factor as established by the Secretary, by notice published in the Federal Register, and by making any necessary adjustments for the costs associated with the first time renewal of vouchers under this paragraph including tenant protection and Choice Neighborhoods vouchers: Provided further, That none of the funds provided under this paragraph may be used to fund a total number of unit months under lease which exceeds a public housing agency’s authorized level of units under contract, except for public housing agencies participating in the Moving to Work (MTW) demonstration, which are instead governed in accordance with the requirements of the MTW demonstration program or their MTW agreements, if any: Provided further, That the Secretary shall, to the extent necessary to stay within the amount specified under this paragraph (except as otherwise modified under this paragraph), prorate each public housing agency’s allocation otherwise established pursuant to this paragraph: Provided further, That except as provided in the following provisos, the entire amount specified under this paragraph (except as otherwise modified under this paragraph) shall be obligated to the public housing agencies based on the allocation and pro rata method described above, and the Secretary shall notify public housing agencies of their annual budget by the latter of 60 days after enactment of this Act or March 1, 2021: Provided further, That the Secretary may extend the notification period with the prior written approval of the House and Senate Committees on Appropriations: Provided further, That public housing agencies participating in the MTW demonstration shall be funded in accordance with the requirements of the MTW demonstration program or their MTW agreements, if any, and shall be subject to the same pro rata adjustments under the previous provisos: Provided further, That the Secretary may offset public housing agencies’ calendar year 2021 allocations based on the excess amounts of public housing agencies’ net restricted assets accounts, including HUD-held programmatic reserves (in accordance with VMS data in calendar year 2020 that is verifiable and complete), as determined by the Secretary: Provided further, That public housing agencies participating in the MTW demonstration shall also be subject to the offset, as determined by the Secretary, excluding amounts subject to the single fund budget authority provisions of their MTW agreements, from the agencies’ calendar year 2021 MTW funding allocation: Provided further, That the Secretary shall use any offset referred to in the previous two provisos throughout the calendar year to prevent the termination of rental assistance for families as the result of insufficient funding, as determined by the Secretary, and to avoid or reduce the proration of renewal funding allocations: Provided further, That up to \$110,000,000 shall be available only: (1) for adjustments in the

allocations for public housing agencies, after application for an adjustment by a public housing agency that experienced a significant increase, as determined by the Secretary, in renewal costs of vouchers (including Mainstream vouchers) resulting from unforeseen circumstances or from portability under section 8(r) of the Act; (2) for vouchers that were not in use during the previous 12-month period in order to be available to meet a commitment pursuant to section 8(o)(13) of the Act, or an adjustment for a funding obligation not yet expended in the previous calendar year for a MTW-eligible activity to develop affordable housing for an agency added to the MTW demonstration under the expansion authority provided in section 239 of the Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2016 (division L of Public Law 114–113); (3) for adjustments for costs associated with HUD–Veterans Affairs Supportive Housing (HUD–VASH) vouchers; (4) for public housing agencies that despite taking reasonable cost savings measures, as determined by the Secretary, would otherwise be required to terminate rental assistance for families, including Mainstream families, as a result of insufficient funding; (5) for adjustments in the allocations for public housing agencies that (i) are leasing a lower-than average percentage of their authorized vouchers, (ii) have low amounts of budget authority in their net restricted assets accounts and HUD-held programmatic reserves, relative to other agencies, and (iii) are not participating in the Moving to Work demonstration, to enable such agencies to lease more vouchers; and (6) for public housing agencies that have experienced increased costs or loss of units in an area for which the President declared a disaster under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170 et seq.): Provided further, That the Secretary shall allocate amounts under the previous proviso based on need, as determined by the Secretary;

**Tenant Protection:**

\$116,000,000 shall be for section 8 rental assistance for relocation and replacement of housing units that are demolished or disposed of pursuant to section 18 of the Act, conversion of section 23 projects to assistance under section 8, the family unification program under section 8(x) of the Act, relocation of witnesses (including victims of violent crimes) in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency, enhanced vouchers under any provision of law authorizing such assistance under section 8(t) of the Act, Choice Neighborhood vouchers, mandatory and voluntary conversions, and tenant protection assistance including replacement and relocation assistance or for project-based assistance to prevent the displacement of unassisted elderly tenants currently residing in section 202 properties financed between 1959 and 1974 that are refinanced pursuant to Public Law 106–569, as amended, or under the authority as provided under this Act: Provided, That when a public housing development is submitted for demolition or disposition under section 18 of the Act, the Secretary may provide section 8 rental assistance when the units pose an imminent health and safety risk to residents: Provided further, That the Secretary may provide section 8 rental assistance from amounts made available under this paragraph for units assisted under a project-based subsidy contract funded under the “Project-Based Rental Assistance” heading under this title where the owner has received a Notice of Default and the units pose an imminent health and safety risk to residents: Provided further, That to the extent that the Secretary determines that such units are not feasible for continued rental assistance payments or transfer of the subsidy contract associated with such units to another project or projects and owner or owners, any remaining amounts associated with such units under such contract shall be recaptured and used to reimburse amounts used under this paragraph for rental assistance under the previous proviso: Provided further, That of the amounts made available under this paragraph, at least \$5,000,000 may be available to provide tenant protection assistance, not otherwise provided under this paragraph, to residents residing in low vacancy areas and who may have to pay rents greater than 30 percent of household income, as the result of: (A) the maturity of a HUD-insured, HUD held or section 202 loan that requires the permission of the Secretary prior to loan prepayment; (B) the expiration of a rental assistance contract for which the tenants are not



eligible for enhanced voucher or tenant protection assistance under existing law; or (C) the expiration of affordability restrictions accompanying a mortgage or preservation program administered by the Secretary: Provided further, That such tenant protection assistance made available under the previous proviso may be provided under the authority of section 8(t) or section 8(o)(13) of the United States Housing Act of 1937 (42 U.S.C. 81437f(t)): Provided further, That the Secretary shall issue guidance to implement the previous provisos, including, but not limited to, requirements for defining eligible at-risk households within 60 days of the enactment of this Act: Provided further, That any tenant protection voucher made available from amounts under this paragraph shall not be reissued by any public housing agency, except the replacement vouchers as defined by the Secretary by notice, when the initial family that received any such voucher no longer receives such voucher, and the authority for any public housing agency to issue any such voucher shall cease to exist: Provided further, That the Secretary may only provide replacement vouchers for units that were occupied within the previous 24 months that cease to be available as assisted housing, subject only to the availability of funds;

**Administrative Fees:**

\$2,159,000,000 shall be for administrative and other expenses of public housing agencies in administering the section 8 tenant-based rental assistance program, of which up to \$30,000,000 shall be available to the Secretary to allocate to public housing agencies that need additional funds to administer their section 8 programs, including fees associated with section 8 tenant protection rental assistance, the administration of disaster related vouchers, HUD–VASH vouchers, and other special purpose incremental vouchers: Provided, That no less than \$2,129,000,000 of the amount provided in this paragraph shall be allocated to public housing agencies for the calendar year 2021 funding cycle based on section 8(q) of the Act (and related Appropriation Act provisions) as in effect immediately before the enactment of the Quality Housing and Work Responsibility Act of 1998 (Public Law 105–276): Provided further, That if the amounts made available under this paragraph are insufficient to pay the amounts determined under the previous proviso, the Secretary may decrease the amounts allocated to agencies by a uniform percentage applicable to all agencies receiving funding under this paragraph or may, to the extent necessary to provide full payment of amounts determined under the previous proviso, utilize unobligated balances, including recaptures and carryover, remaining from funds appropriated to the Department of Housing and Urban Development under this heading from prior fiscal years, excluding special purpose vouchers, notwithstanding the purposes for which such amounts were appropriated: Provided further, That all public housing agencies participating in the MTW demonstration shall be funded in accordance with the requirements of the MTW demonstration program or their MTW agreements, if any, and shall be subject to the same uniform percentage decrease as under the previous proviso: Provided further, That amounts provided under this paragraph shall be only for activities related to the provision of tenant-based rental assistance authorized under section 8, including related development activities;

**Mainstream Vouchers:**

\$314,000,000 for the renewal of tenant based assistance contracts under section 811 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013), including necessary administrative expenses: Provided, That administrative and other expenses of public housing agencies in administering the special purpose vouchers in this paragraph shall be funded under the same terms and be subject to the same pro rata reduction as the percent decrease for administrative and other expenses to public housing agencies under paragraph (3) of this heading: Provided further, That upon turnover, section 811 special purpose vouchers funded under this heading in this or prior Acts, or under any other heading in prior Acts, shall be provided to non-elderly persons with disabilities;

**Tribal HUD-VASH Renewals:**

Of the amounts provided under paragraph (1) up to \$5,000,000 shall be for rental assistance and associated administrative fees for Tribal HUD–VASH to serve Native American veterans that are homeless or at-risk of homelessness living on or near a reservation or other Indian areas: Provided, That such amount shall be made available for renewal grants to recipients that received assistance under prior Acts under the Tribal HUD–VASH program: Provided further, That the Secretary shall be authorized to specify criteria for renewal grants, including data on the utilization of assistance reported by grant recipients: Provided further, That such assistance shall be administered in accordance with program requirements under the Native American Housing Assistance and Self-Determination Act of 1996 and modeled after the HUD–VASH program: Provided further, That the Secretary shall be authorized to waive, or specify alternative requirements for any provision of any statute or regulation that the Secretary administers in connection with the use of funds made available under this paragraph (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment), upon a finding by the Secretary that any such waivers or alternative requirements are necessary for the effective delivery and administration of such assistance: Provided further, That grant recipients shall report to the Secretary on utilization of such rental assistance and other program data, as prescribed by the Secretary: Provided further, That the Secretary may reallocate, as determined by the Secretary, amounts returned or recaptured from awards under the Tribal HUD–VASH program under prior Acts to existing recipients under the Tribal HUD–VASH program;

**HUD-VASH Program:**

\$40,000,000 for incremental rental voucher assistance for use through a supported housing program administered in conjunction with the Department of Veterans Affairs as authorized under section 8(o)(19) of the United States Housing Act of 1937: Provided, That the Secretary of Housing and Urban Development shall make such funding available, notwithstanding section 203 (competition provision) of 4this title, to public housing agencies that partner with eligible VA Medical Centers or other entities as designated by the Secretary of the Department of Veterans Affairs, based on geographical need for such assistance as identified by the Secretary of the Department of Veterans Affairs, public housing agency administrative performance, and other factors as specified by the Secretary of Housing and Urban Development in consultation with the Secretary of the Department of Veterans Affairs: Provided further, That the Secretary of Housing and Urban Development may waive, or specify alternative requirements for (in consultation with the Secretary of the Department of Veterans Affairs), any provision of any statute or regulation that the Secretary of Housing and Urban Development administers in connection with the use of funds made available under this paragraph (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment), upon a finding by the Secretary that any such waivers or alternative requirements are necessary for the effective delivery and administration of such voucher assistance: Provided further, That assistance made available under this paragraph shall continue to remain available for homeless veterans upon turn-over;

**Family Unification Program:**

\$25,000,000 shall be made available for the family unification program as authorized under section 8(x) of the Act: Provided, That the amounts made available under this paragraph are provided as follows: (A) \$5,000,000 shall be for new incremental voucher assistance: Provided, That the assistance made available under this subparagraph shall continue to remain available for family unification upon turnover; and (B) \$20,000,000 shall be for new incremental voucher assistance to assist eligible youth as defined by such section 8(x)(2)(B): Provided, That assistance made available

under this subparagraph shall continue to remain available for such eligible youth upon turnover: Provided further, That of the total amount made available under this subparagraph, up to \$10,000,000 shall be available on a noncompetitive basis to public housing agencies that partner with public child welfare agencies to identify such eligible youth, that request such assistance to timely assist such eligible youth, and that meet any other criteria as specified by the Secretary: Provided further, That the Secretary shall review utilization of the assistance made available under the previous proviso, at an interval to be determined by the Secretary, and unutilized voucher assistance that is no longer needed shall be recaptured by the Secretary and reallocated pursuant to the previous proviso: Provided further, That for any public housing agency administering voucher assistance appropriated in a prior Act under the family unification program, or made available and competitively selected under this paragraph, that determines that it no longer has an identified need for such assistance upon turnover, such agency shall notify the Secretary, and the Secretary shall recapture such assistance from the agency and reallocate it to any other public housing agency or agencies based on need for voucher assistance in connection with such specified program or eligible youth, as applicable;

#### **Homeless Vouchers-Domestic Violence:**

\$43,439,000 shall be for incremental rental voucher assistance under section 8(o) of the United States Housing Act of 1937 for use by individuals and families who are homeless, as defined in section 103(a) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302(a)), at risk of homelessness, as defined in section 401(1) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11360(1)), fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, or stalking, or veterans and families that include a veteran family member that meet one of the preceding criteria: Provided, That assistance made available under this paragraph shall continue to remain available for such eligible individuals and families upon turnover: Provided further, That the Secretary shall make such funding available, notwithstanding section 203 of this title (competition provision) to public housing agencies that partner with eligible continuums of care or other entities as designated by the Secretary, based on geographical need of such assistance, public housing agency administrative performance, and other factors as specified by the Secretary: Provided further, That the Secretary shall review utilization of the assistance made available under the preceding proviso, at an interval to be determined by the Secretary, and unutilized voucher assistance that is no longer needed shall be recaptured by the Secretary and reallocated pursuant to the preceding proviso: Provided further, That, the Secretary shall give preference to applicants that demonstrate a strategy to coordinate assistance with services available in the community: Provided further, That none of the funds provided in this paragraph may be used to require people experiencing homelessness to receive treatment or perform any other prerequisite activities as a condition for receiving shelter, housing or other services: Provided further, That the Secretary shall issue guidance to implement the preceding proviso; and

#### **Tracking of Special Purpose Vouchers:**

The Secretary shall separately track all special purpose vouchers funded under this heading.

## Appendix B

## CY 2021 Offset Reallocation

HA Number:

HA Name:

**CY 2020 End of Year Reserves****PROTECTED CATEGORIES**

- A. Difference between the PHA's Eligibility and Prorated Eligibility**
- B. CY 2021 Amounts needed to fully lease VASH units**
  - Unfunded VASH UMAs (Capped)
  - VASH PUC
  - Total Unfunded VASH UMAs Protected**
- C. Difference between higher of December 2020 UMLs x 12 or CY 2020 UMLs up to baseline on units under CACC**
  - December UMLs (Capped)
  - Inflated PUC
  - Total December UMLs Protected**
- D. CY 2020 New incremental BA- 1/2 of Eligibility**
- E. CY 2020 Set Aside Protection- 1/2 of Eligibility**
- F. CARES Act HAP Awards protection- Total Eligibility**
- G. Portion of CY 2021 Renewal Eligibility (Based on units under CACC):**
  - 4% - 500 and above units*
  - 6% - 250 to 499 units*
  - 12% - Less than 250 units*
- H. PHAs with CY 2020 inflation factors that were higher than the CY 2020 national weighted average inflator**
  - Difference of CY 2020 Inflated Renewal Funding compared to CY 2021 Inflated Renewal funding is protected
- I. Protect 1/2 of RAD 1 HAP for Projects in their 1st Full of Year of Funding during CY 2020**
- J. Total Funds Available for Offset**
- K. Offset Amount (*Total Funds Available for Offset x determined %*)**
- . Prorated Eligibility After Offset**

PHA's that received 2020 Shortfall Set-Aside funds are exempt from this offset.

PHA's that received 2020 Lower-than-average Leasing funds are exempt from this offset.

## Appendix C

**CY 2021 Housing Choice Voucher Program  
Special Fees**

**Application for \$30 Million Set-Aside for some Categories of Special Fees 1 – HUD-VASH;  
2 – FUP; 3 – Disaster; and/or 4 – Secretary's Discretion**

Name of PHA: \_\_\_\_\_

PHA Number: \_\_\_\_\_

Executive Director: \_\_\_\_\_

**CHECK ALL BOXES THAT APPLY**

\_\_\_\_\_ **HUD-VASH**

\_\_\_\_\_ **FUP**

\_\_\_\_\_ **Disaster-Related**

\_\_\_\_\_ **Special Fees Under The Secretary's Discretion**

**Documentation requirements and Deadlines for each of the above categories are contained within the document this page is attached.**

**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. I also certify that should funding be awarded under any of the selected special fee categories per this page, that I will keep clear and organized records on how all awarded the funds were spent should HUD request to review the outcomes of this fee funding. Warning: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802).

\_\_\_\_\_  
Signature of Executive Director and Date

\_\_\_\_\_  
Contact Name and Phone Number

## Example Budget Justification

## Appendix D

Description	Budget FYE 6/30/22	Proposed HUD-VASH Extraordinary Fees	TOTAL FY22 BUDGET WITH PROPOSED EXTRA FEES
<b>RECEIPTS</b>			
AMIN FEE EARNED	1,028,855	52,749	1,081,604
INTEREST ON RESERVE	800		800
OTHER	10,000		10,000
<b>TOTAL OP RECPTS</b>	<b>1,039,655</b>	<b>52,749</b>	<b>1,092,404</b>
<b>EXPENSE</b>			
ADMIN SALARIES	607,254	-	607,254
EMP BENEFITS	268,410	-	268,410
TEMP HUD-VASH COORDINATOR		35,360	35,360
LEGAL	2,000		2,000
TRAINING	10,000	3,784	13,784
AUDIT & ACCOUNTING	5,000		5,000
PHONES/MOBILE PHONES	10,000	600	10,600
POSTAGE	8,000	1,147	9,147
OFFICE SUPPLIES & EQUIP.	12,000	1,033	13,033
PUB. & MEMBERSHIPS	3,500	-	3,500
FSS EXPENSES	10,200	-	10,200
PORTABLE ADMIN FEE	16,500	-	16,500
SUNDRY ADMIN	22,000		22,000
EXTRA HUD-VASH ACTIVITIES:		10,825	10,825
HUD-VASH DAY 3600			
LANDLORD RECRUIT 2400			
TRANSPORTATION 4825			
INSURANCE	10,359	-	10,359
<b>TOTAL ADMIN EXP</b>	<b>985,223</b>	<b>52,749</b>	<b>1,037,972</b>
CONTRACTS	35,000	-	-
<b>TOTAL ORDINARY MAINT</b>	<b>35,000</b>	-	-
<b>TOTAL OPERATING EXP</b>	<b>1,020,223</b>	<b>52,749</b>	<b>1,072,972</b>
<b>RESIDUAL RCPT/DEF</b>	<b>19,432</b>	-	<b>19,432</b>
HSG ASSIST PYMTS	9,453,345		
HSG FUNDS RECEIVED	9,453,345		
RESTRICTED FUNDS	-		
<b>Calculation of Admin Fees earned @95% Lease Rate</b>			
Total # of HCV (PUM)	1,444	1,372	16,462
	<b>Col A Rate</b>	<b>Col B Rate</b>	<b>Proration Rate</b>
Unit Months 7,200		9,262	
CY 2021: \$82.19		\$76.72	79%
			<b>Admin Fee</b>
			\$1,028,855

## Appendix E

### Calculation of HUD-Confirmed Shortfall and Shortfall Amount

The amount that a PHA will be eligible to receive from the \$110,000,000 set-aside will be calculated by HUD, using HUD's Two-Year Forecasting Tool (see link) and the most recent validated voucher leasing and expense data available in VMS at the time the PHA's application is reviewed, including any updated information supplied by the PHA. HUD's Two-Year Forecasting Tool can be found at the [Office of Housing Choice Vouchers](#) website that includes a link to the two-year tool instruction page.

The two-year tool compares all resources available (including CARES Act HAP for PUC increases) to support the PHA's HAP payments in CY 2021 with actual HAP expenses for 2021 projected through the end of the CY based upon the best information available.

Resources are calculated using the HUD-calculated RNP as of 12/31/2020, the HUD-held reserve as of 12/31/2020, the PHA's actual Renewal Annual Budget Authority (ABA) for 2021, and any new voucher incremental funding applicable to CY 2021 or set-aside amounts awarded or expected to be awarded in 2021.

HAP expenses are calculated based on current leasing and expense data, projected through the end of CY 2021; the PHA's suspension of general voucher issuance; and projected attrition based on actual attrition for the 12 months prior to the PHA's request for set-aside funds, adjusted for accuracy if the PHA has more recent information that will impact the attrition rate in future months, as reported in PIC, and considering any updated information supplied by the PHA.

The requirement to suspend general voucher issuance is subject to the following exclusions:

1. Vouchers issued to current HCV participants to allow them to move.
2. The reissuance of turnover vouchers lost to attrition only during the period the PHA is impacted by COVID 19; however, PHAs must not exceed the number of units leased at the time of the SPT confirmed shortfall. This unit cap may only be exceeded by the SPVs listed in item 4 below and vouchers reissued from the Lower-than-average Leasing award.

In general, a PHA may reissue the turnover voucher to a family from the PHA waiting list, except for eligible VASH turnovers where a referral is provided by the Veterans Administration Medical Centers (VAMC), issue the voucher to a family moving from a Project-Based Voucher (PBV) unit in accordance with 24 CFR 983.261, or use the voucher to absorb a family under portability. However, a PBV family that has the right to move in accordance with 24 CFR 983.261 and wishes to do so has priority for the turnover voucher.

3. Instances in which the PHA is leasing 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.

4. Vouchers issued to program applicants under special-purpose voucher increments awarded in CY 2020 or CY 2021. These special-purpose vouchers (SPVs) include Family Unification Program (FUP), Non-Elderly Disabled (NED), Foster the Youth to Independence (FYI) Initiative, and Tenant Protection vouchers initially awarded in 2020 and/or 2021, to include Set-aside funding.
5. Project-Based Vouchers (PBV) under the Rental Assistance Demonstration (RAD) 1, in their first full year of funding through the HCV Program.
6. PHAs may allow applicants to move into PBV units to allow the PHA to meet its contractual obligation to fill PBV AHAP units being placed under HAP for the first time, and PBV units currently under HAP that are vacated by program participants.
7. Vouchers issued pursuant to the settlement of litigation (“Litigation Vouchers”) against a PHA. PHAs must request approval to continue leasing Litigation Vouchers and submit supporting documentation. HUD will review and decide on a case-by-case basis using the supporting documentation received as the basis for the decision.
8. Vouchers issued using funds awarded under the Lower-than-average Leasing HAP Set-Aside category.
9. The Secretary reserves the right to consider additional exceptions on a case-by-case basis.

PHAs cannot issue vouchers and/or execute HAP contracts for families that do not meet any of the exceptions through the end of CY 2021, or until advised in writing by the SPT that they no longer have a shortfall.

The application period for shortfall set-aside funding will remain open until SPT has reconciled Shortfalls for all PHAs for CY 2021, subject to funding availability. PHAs that receive set-aside funds based on their current HAP costs are encouraged to maintain contact with the SPT to ensure all shortfall needs are met. Similarly, PHAs that do not initially qualify for shortfall funding because they have suspended leasing and expect to decrease leasing by attrition are also encouraged to maintain contact with the local Field Office and the SPT if the attrition fails to resolve their shortfall.

All PHAs applying for the shortfall set-aside must be working with HUD’s SPT at the time of their application. The SPT will review the PHA’s funding available for 2021 and their leasing and expense data to date, to determine whether the PHA has a shortfall and the amount needed to resolve the shortfall. The PHA will continue to work with the SPT throughout the year to monitor the PHA’s financial position and to implement cost savings measures outlined in [PIH Notice 2011-28](#) or a superseding notice published by HUD to



decrease the possibility of an increased shortfall. PHAs must adhere to the eligibility requirements detailed in Section 13 of this Notice or a superseding notice.

Factors considered by the SPT to determine the amount of a potential shortfall will be determined as follows:

- a. **Cash Supported Total Reserves as of 12/31/2020:** SPT will use the Cash Supported Total Reserves as of 12/31/2020, which consists of the HUD-Held Reserve, and the lower of HUD-Estimated RNP, PHA Reported RNP as of 12/31/2020, or the actual amount of cash on hand to support the RNP. If there is a discrepancy with any of these amounts the PHA will be required to provide documentation as requested before this adjustment will be made.
- b. **CARES Act HAP awards for PUC increases:** Unspent but available until December 31, 2021.
- c. **HUD-held reserve as of 12/31/2020:** SPT will use the balance reported to SPT by HUD's FMC.
- d. **2021 Renewal ABA:** Actual renewal ABA awards for CY 2021.
- e. **SPV and tenant protection funding and set-asides:** FMC will provide amounts to be made available to the PHA in CY 2021 for special-purpose voucher and tenant protection funding increments applicable to any portion of CY 2021, and for any set-aside funding previously awarded in CY 2021. If necessary, the SPT will make adjustments to the shortfall set-aside award to ensure that new increment funding for Mainstream, SPVs, Lower-than-average Leasing Set-aside, and/or TPVs remains available to lease the newly awarded number of SPVs and/or TPVs, rather than being used to cover the general shortfall.
- f. **Unit months leased:** The unit months leased (UML) for CY 2021 will be projected by taking the number of units reported in VMS in the last month available and projecting that number through the end of the year. Reductions to projected leasing will be made to adjust for attrition, in accordance with the annual turnover rate used in the two-year tool. This rate is derived from the PHA's PIC data on families end of participation (EOP). Increases to projected leasing will be made for vouchers issued prior to the date of the notification by the SPT of a potential shortfall and for additional leasing resulting from the admission of families described in exception categories 2 and 3 above – families receiving new special-purpose vouchers, and families moving into new or vacant PBV units. No adjustments will be made for mover families who receive vouchers in accordance with category 1 above.

- g. Total HAP expense:** Total HAP expense for CY 2021 will be based on a projection of the unit months leased for CY 2021 (described in e above) at the per-unit cost taken from the PHA's most recent VMS report, and considering any updated information supplied by the PHA. If the PHA's PUC increases in future months, and the PHA again determines that it is in danger of a shortfall, an additional shortfall award may be made without the need to reapply.
- h. Vouchers issued or projected to be issued:** The number of vouchers issued as of the date of notification by the SPT of a potential shortfall, as shown in the PHA's VMS report, will be used to determine future leasing, if any, from vouchers issued prior to the date of notification by the SPT of a potential shortfall. **PHAs can only reissue turnover vouchers after receiving SPT notification of a potential shortfall** to maintain their leasing levels during the period the program is impacted by COVID-19. Planned issuances for vouchers exempt from the suspension will be shown in the months they will be issued. The projected HAP costs for these units will be affected by the voucher success rate provided by the PHA and average time from issuance of the voucher to the HAP effective date. HUD has the right to suspend leasing altogether if necessary.
- i. Other Planned Additions or Reductions to Leased Units:** This field incorporates into the leasing schedule other planned additions to leasing with fixed start dates, such as the dates that PBV units currently under AHAP are scheduled to come under HAP. The calculated HAP cost for these units is not subject to the success rate calculation.
- j. 2021 Year-End Total HAP Reserve Balance:** Any PHA with a negative projected 2021 year-end balance will be considered a shortfall PHA. PHAs with year-end balances of \$0 or above will not be considered shortfall PHAs or eligible to receive shortfall set-aside funds.
- k. Available UNP and Other Non-Federal Cash:** In cases where the needed shortfall amount is hard to determine due to factors like many potential voucher lease ups still to occur, rapidly changing PUCs, unclear attrition rates, etc., the SPT will consider the availability UNP or other non-federal cash that the PHA could use to temporarily cover HAP payments and may reduce the shortfall award amount accordingly. If the shortfall award does not fully meet the need, the PHA then has UNP or other non-federal funds to ensure all landlords get paid on time, and the SPT can provide an additional shortfall award at the appropriate time to make the HCV or Mainstream Vouchers whole, allowing the PHA to repay the UNP or other non-federal account for the amount borrowed to pay landlords on time." This would reduce the number of shortfall awards that are estimated and end up more than the PHA actually needed.

## Appendix F

## CY 2021 Housing Choice Voucher Program – Application for Funds from the \$110 Million Set-Aside

**PHA Application for Category 1, Prevention of Terminations Due to Insufficient Funding (Shortfall) and PHA Certification of Reasonable Cost Savings Measures Undertaken to Prevent Termination of HCV Participants Due to Insufficient Funds.**

Name of PHA: \_ \_ PHA Number: \_\_\_\_\_

Executive Director: \_\_\_\_\_

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

Please check Regular HCV Program and/or Mainstream Vouchers for the program/vouchers impacted by the Shortfall. The application must be signed by the appropriate PHA official.

\_\_\_\_\_ **Shortfall applies to the Regular HCV Program, and/or**

\_\_\_\_\_ **Shortfall applies to Mainstream Vouchers**

I, \_\_\_\_\_, hereby certify to 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 as **of the date of notification by the SPT of a potential shortfall**. Please note that this restriction **does not apply to:**

- Vouchers issued to current HCV participants to allow them to move.
- The reissuance of turnover vouchers lost to attrition only during the period the PHA is impacted by COVID 19; however, PHAs may not exceed the number of units leased at the time of the SPT confirmed shortfall. This unit cap may only be exceeded by the SPVs listed in the 4<sup>th</sup> bullet point within this list and vouchers reissued from the Lower-than-average Leasing award.

In general, a PHA may reissue the turnover voucher to a family from the PHA waiting list, except for eligible VASH turnovers where a referral is provided by the VAMC, issue the voucher to a family moving from a PBV unit in accordance with 24 CFR 983.261, or use the voucher to absorb a family under portability. However, a PBV family that has the right to move in accordance with 24 CFR 983.261 and wishes to do so has priority for the turnover voucher.

- Instances in which the PHA is leasing 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.

- Vouchers issued to program applicants under special-purpose voucher increments awarded in CY 2020 or CY 2021. These SPVs include FUP, NED, FYI Initiative, and Tenant Protection vouchers initially awarded in 2020 and/or 2021, to include Set-aside funding.
- PBVs under the Rental Assistance Demonstration (RAD) 1, in their first full year of funding through the HCV Program.
- PHAs may allow applicants moving into PBV units to allow the PHA to meet its contractual obligation to fill PBV AHAP units being placed under HAP for the first time, and PBV units currently under HAP that are vacated by program participants.
- Vouchers issued pursuant to the settlement of litigation (“Litigation Vouchers”) against a PHA. PHAs must request approval to continuing leasing Litigation Vouchers and submit supporting documentation. HUD will review and decide on a case-by-case basis using the supporting documentation received as the basis for the decision.
- Vouchers reissued using awards under Lower-than-average Leasing HAP Set-Aside category.
- The Secretary reserves the right to consider additional exceptions on a case-by-case basis.

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: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802).

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Signature of Executive Director and Date

---

Contact Name and Phone Number

CY 2021 Housing Choice Voucher Program and Mainstream Vouchers

Appendix G

**Application for \$110 Million Set-Aside for Category 2a – Unforeseen Circumstances**

Name of PHA: \_\_\_\_\_

PHA Number: \_\_\_\_\_

Executive Director: \_\_\_\_\_

**CHECK ALL BOXES THAT APPLY in Sections 1 & 2. Complete the table(s) that applies to this request. PHAs applying under both programs must ensure they complete each table with the data that applies to that program. Ensure completion of the month of your request. Ensure that you check the appropriate box in Section 2 on the applicable circumstance for the PHA's application.**

**SECTION 1:****Category 2a: Unforeseen Circumstances for Mainstream Vouchers.**

Total HAP Expenses and UMLs for the month of \_\_\_\_\_, 2021

Most recent month of Total HAP Expenses	UMLs for the most recent month of HAP Expenses	HAP Expenses divided by UMLs = PUC
\$		\$

**Category 2a: Unforeseen Circumstances for the HCV Program.**

Total HAP Expenses and UMLs for the month of \_\_\_\_\_, 2021

Most recent month of Total HAP Expenses	UMLs for the most recent month of HAP Expenses	HAP Expenses divided by UMLs = PUC
\$		\$

**SECTION 2:****Unforeseen Circumstance is due to COVID-19; or,**

**Unforeseen Circumstance is due to a circumstance unrelated to COVID-19,**  
**which is described within the PHA's attached narrative.**

**Documentation requirements and Deadlines for each of the above categories are contained in Section 13 of this notice.**

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

**Certification:** I, \_\_\_\_\_, hereby certify that the HCV Program and/or Mainstream Vouchers experienced increased renewal costs in CY 2021 due to the unforeseen circumstances of COVID-19 or those described in the attached narrative, as applicable.

I additionally hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802).

Signature of Executive Director and Date

Contact Name and Phone Number

## Appendix H

## CY 2021 Housing Choice Voucher Program

**Application for \$110 Million Set-Aside for Category 2b – Portability; 3 – Project-Based Vouchers; 4 - HUD-VASH; and/or 5 – Lower-than-average Leasing.**

Name of PHA: \_\_\_\_\_

PHA Number: \_\_\_\_\_

Executive Director: \_\_\_\_\_

**CHECK ALL BOXES THAT APPLY**

\_\_\_\_\_ **Category 2b: Portability (Please also check a. and/or b. below as applicable):**

\_\_\_\_\_ a. Regular HCV Program, and/or

\_\_\_\_\_ b. Mainstream Vouchers

\_\_\_\_\_ **Category 3: Project-Based Vouchers.**

\_\_\_\_\_ **Category 4: HUD-VASH (Please also check a. and/or b. below, as applicable):** \_\_\_\_\_ **a. Per Unit**

**Cost Increase:** PHAs whose program-wide funded CY 2021 HAP PUC is less than their current HUD-VASH HAP PUC based on their latest HUD-VASH HAP expenses in CY 2020, and/or

\_\_\_\_\_ **b. Leasing Increase:** PHAs whose total HUD-VASH leasing for CY 2021 will exceed the leasing level included in their renewal funding plus the leasing that will be supported by the RNP and HUD-Held Program Reserves.

**Category 5: Lower-than-average Leasing.**

**Documentation requirements and Deadlines for each of the above categories are contained in Paragraph 13 of this notice.**

**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: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802).

Signature of Executive Director and Date

\_\_\_\_\_

Contact Name and Phone Number

\_\_\_\_\_

## Appendix I

CY 2021 - \$110 MILLION SET-ASIDE - PBV DATA - (Page 1 of 2)

NOTE: PLEASE COMPLETE APPENDIX I FOR EACH PROJECT FOR WHICH PBV SET-ASIDE FUNDING IS BEING REQUESTED

PHA#:	PHA NAME:
-------	-----------

# ____ of ____ PROJECTS	PROJECT NAME:
-------------------------	---------------

PROJECT TYPE:	NEW CONSTRUCTION:	REHABILITATION:
---------------	-------------------	-----------------

NOTE: EXISTING HOUSING IS INELIGIBLE FOR THIS CATEGORY

INFORMATION ON AHAP:	EFFECTIVE DATE OF AHAP:
	#OF DAYS FROM EFFECTIVE DATE OF HAP TO PROJECT COMPLETION DATE:
	END DATE (DATE OF NEW CONSTRUCTION/REHAB COMPLETION DATE):

PERIOD ALLOWED:	Jan-20	Feb-20	Mar-20	Apr-20				May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
# OF UNITS:															

UNIT SIZE	CONTRACT RENT	GROSS RENT	UTILITIES INCLUDED IN GROSS RENT Y/N	# OF UNITS
BEDROOM				

(Page 2 of 2)

BEDROOM				
BEDROOM				
BEDROOM				
BEDROOM				
BEDROOM				

COMMENTS:

**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: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802).

SIGNATURE OF EXECUTIVE DIRECTOR:

DATE:

CONTACT NAME AND PHONE #:




**CY 2021 Housing Choice Voucher Program Request for Disaster Set-aside**

Name of PHA: \_\_\_\_\_

PHA Number: \_\_\_\_\_

Executive Director: \_\_\_\_\_

The PHA may request both the additional leasing adjustment and the per unit cost adjustment or may request only one adjustment. Please check the boxes that apply.

Presidentially Declared Disaster that impacted your PHA:

\_\_\_\_\_

☐ **Loss of Units**

Units loss, needing funding: \_\_\_\_\_

The number of CY 2021 months impacted by the loss of units: \_\_\_\_\_

☐ **Increased Costs**

Requested PUC Amount: \_\_\_\_\_

The number of CY 2021 months impacted by the loss of units: \_\_\_\_\_

**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: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802).

\_\_\_\_\_  
Signature of Executive Director and Date

\_\_\_\_\_  
Contact Name and Phone Number

**Second Round CY 2020 HAP Set-Aside Remaining \$60 Million for Category 2a— Unforeseen Circumstances**

**Adjustments for Increased Costs from CY 2020 Category 2a - Unforeseen Circumstances**

Name of PHA: \_\_\_\_\_

PHA Number: \_\_\_\_\_

Executive Director: \_\_\_\_\_

**CHECK ALL BOXES THAT APPLY**

\_\_\_\_\_ **Category 2a: Unforeseen Circumstances**

Unforeseen Circumstance is due to COVID-19.

\_\_\_\_\_ Unforeseen Circumstance is due to a circumstance unrelated to COVID-19, which is described within the attached narrative.

**Documentation requirements and Deadlines for each of the above categories are contained in Section 14 of this notice.**

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

**Certification:** I, \_\_\_\_\_, hereby certify that the HCV Program experienced increased renewal costs in CY 2020 due to the unforeseen circumstances of COVID-19 or those described in the attached narrative, as applicable.

I additionally hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802).

\_\_\_\_\_  
Signature of Executive Director and Date

\_\_\_\_\_  
Contact Name and Phone Number

## EXHIBIT B

### SCOPE OF WORK

Subcontractor will utilize FUP/FYI Special Fees to support Orange County United Way's WelcomeHomeOC landlord incentive program in housing the Santa Ana Housing Authority's FYI voucher holders.

WelcomeHomeOC helps homeless individuals with rental vouchers to secure housing in private market apartments with the goals of (1) increasing available rental units through landlord outreach, engagement and incentives, (2) reducing the length of time between voucher issuance and lease up, (3) assisting PHA's to increase voucher lease up success rate and (4) permanently housing homeless households.

FUP/FYI Special Fees will support necessary administrative expenses incurred to increase lease-up success rates or decrease the time it takes for a family to locate and move-in to a unit.

Subcontractor will provide the following eligible activities with the \$84,017.00 in FUP/FYI Special Fees funding:

- Staff to provide FUP/FYI clients with housing search assistance
- Landlord Recruitment activities to engage landlords to participate in the FUP/FYI program

Contractor shall make payments to Subcontractor not to exceed \$14,002.83 for each FUP/FYI voucher leased, up to the maximum amount of eligible funding.

Subcontractor will provide quarterly reports and invoices to the Contractor. Contractor is responsible for reporting and recording of awarded Special Fees as part of the PHA's HCV administrative financial records under CFDA 14.871

## EXHIBIT C BUDGET

September 20, 2021

CA093  
CITY OF SANTA ANA HSG AUTH  
20 CIVIC CENTER PLAZA  
P.O. BOX 22030  
SANTA ANA, CA 92701

Dear Executive Director:

SUBJECT: Calendar Year (CY) 2021 Housing Choice Voucher (HCV) Program Special Fees

This letter is to notify you that funds have been obligated for CY 21 HCV Program Special Fees per the award letter dated September 15, 2021. This is a one-time award and has been automatically disbursed in a lump sum. No action is required by your PHA to receive the disbursement.

The specific information concerning the obligation(s) for your public housing agency (PHA) is identified below.

<b>Funding Increment Number</b>	<b>Budget Authority</b>	<b>Effective Date</b>	<b>Term (months)</b>	<b>Category</b>
CA093AF0144	\$84,017	9/1/2021	1	Special Fees -FUP
CA093AF0145	\$84,017	9/1/2021	1	Special Fees-HUD-VASH