



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

Special Attention of:
Office Directors of Public Housing;
Regional Directors; Public Housing
Agencies.

Notice PIH 2012 – 35 (HA)

Issued: August 21, 2012

Expires: December 31, 2012

Cross References:
PIH 2012-9

**SUBJECT: Federal Fiscal Year 2012 Funding Provisions for the Housing Choice
Voucher Program – Award of Remaining Set-Aside Funds**

1. **Purpose**

This Notice announces the process that HUD will use to award the limited amount of funding remaining from the FFY 2012 Housing Assistance Payments (HAP) set-aside (approximately \$15 million) that was not awarded under the initial application process previously set forth in Notice PIH 2012-9. The set-aside funds are provided in the “Consolidated and Further Continuing Appropriations Act, 2012” (PL 112-55), referred to hereinafter as “the 2012 Act”, enacted on November 18, 2011. The 2012 Act establishes a maximum \$103 million dollar set-aside from the HAP renewal account for specific purposes.

2. **Background**

The 2012 Act provides that up to \$103 million of the appropriated renewal funding shall be available only: (1) to adjust 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 tenant-based rental assistance resulting from unforeseen circumstances or from portability under section 8(r) of the Act; (2) for vouchers that were not in use during the 12-month period in order to be available to meet a commitment pursuant to section 8(o)(13) of the Act; (3) for adjustments for costs associated with Veteran’s Administration Supportive Housing (VASH) vouchers; and (4) for incremental tenant-based voucher assistance for eligible families currently assisted under the Disaster Voucher Program (DVP) as authorized by Public Law 109-148 under this heading and the Disaster Housing Assistance Payments (DHAP) for Hurricanes Ike and Gustav on the condition that such vouchers will not be re-issued when families leave the program.

The Department reviewed all applications in all categories that were received by the deadline date of March 27, 2012, and has determined the eligibility and funding in each case. The

funding awarded to the eligible applicants did not exceed available funding; therefore, no pro-ration was applied. Eligible PHAs received funding allocations in June of 2012. HUD will award the remaining funds, **approximately \$15 million**, as set forth in this Notice and in accordance with the requirements of the 2012 Act.

3. **Re-Opening of Requests for Funding for all categories**

HUD will re-open the Set-aside for applications for all categories identified in Section 2 above, with the exception of Category (4) DVP/DHAP Ike which is being separately coordinated.

4. **Eligibility for All Categories**

In all instances, a PHA that applies for funds under any of the categories must, by the time of receipt of the application for the remaining Set-aside funds by HUD, have a shortfall in CY 2012 as confirmed by HUD and must be actively working with HUD (e.g., the HUD Shortfall Prevention team or their Office of Public Housing local Field Office) on addressing the shortfall.

5. **Additional Criteria – Eligibility for Category (1), Unforeseen Circumstances**

- A) The PHA has an approvable unforeseen circumstance that is documented according to the submission requirements in Section 9 below; **and**
- B) The PHA must provide a narrative describing the unforeseen circumstance and its impact to the assisted families, **and**
- C) The approvable unforeseen circumstance has caused an increase in the current HAP per unit cost (PUC) which exceeds the CY 2012 prorated funded PUC; **and**
- D) The PHA must provide the number or percentage of families affected by the unforeseen circumstance that were assisted during the CY 2011 rebenchmarking period or the number or percentage of families affected by the unforeseen circumstance during the latter part of CY 2011 and/or through the CY 2012; **and**
- E) The PHA must provide a calculation of the increased costs. Failure to provide a calculation will result in denial of the application.

6. **Additional Criteria - Eligibility for Category 1(a) 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.

To calculate eligibility under this category, the Department will compare the average HAP PUC for the rebenchmarking period (1-1-2011 to 12-31-2011) to the average HAP PUC for "Port Vouchers Paid" during the rebenchmarking period, both based on reporting in VMS. If

the portability average HAP exceeds 110% of the program-wide average HAP PUC for the rebenchmarking period, the PHA will be eligible for set-aside funding. The difference between the portability average PUC and 110 percent of the program-wide average PUC will be multiplied by the total unit months leased for the “Port Vouchers Paid” reported in VMS during the rebenchmarking period to determine funding eligibility.

The Department will calculate eligibility under this category; therefore, **no additional documentation will be required or accepted other than Attachment A, which must be completed, signed and submitted by the deadline date.**

7. **Additional Criteria - Eligibility for Category (2), Project-Based Vouchers**

To be eligible for funding under this category, a PHA must show that vouchers were not in use during the CY 2011 rebenchmarking in order to be available to meet a commitment for project-based voucher assistance under section 8(o)(13) of the Act. Adjustments will apply only to vouchers withheld pursuant to a project-based voucher commitment for newly constructed or rehabilitated housing. Adjustments **will not** apply to existing housing as there is no waiting period for existing housing project-based voucher commitments; therefore, there is no need to withhold vouchers. Adjustments will not be made under any circumstances for those units under an AHAP commitment that, when added to units under lease for CY 2011, exceed the PHA’s baseline units under ACC for CY 2011.

(The PHA would not have been able to lease those shelved vouchers during CY 2011 due to the restriction on over-leasing.)

For each project-based voucher commitment for which a request is being made under this category, the PHA must provide:

- An executed Agreement to Enter into a HAP Contract (AHAP), in its entirety, **including all exhibits**;
- If the Housing Assistance Payments (HAP) Contract has been executed by the time of the submission of this request for adjustment, the executed HAP Contract, in its entirety, **including all exhibits**, must also be submitted;
- If the HAP Contract has not been executed, the PHA must state that the HAP Contract has not yet been executed;
- **These documents, along with the completed and signed Attachment A, and the completed and signed Attachment B (for every project based commitment) must be submitted by the deadline date.**

8. **Additional Criteria - Eligibility for Category (3) VASH**

A) The PHA has VASH vouchers that were initially leased for the first time in CY 2011; **and** the PHA is unable to sustain the leasing of these VASH; **or**

B) PHAs whose program-wide funded CY 2012 HAP PUC is less than their current VASH HAP PUC based on their latest VASH HAP expenses in CY 2012 and the PHA is unable to cover the increased VASH PUC costs.

- C) A calculation must be provided by the PHA. Failure to provide a calculation will result in denial of the application.

9. **Submission Requirements**

To be eligible for consideration of funds under category (1), 1(a), (2), and/or (3), the PHA must complete and submit Attachment A to this Notice - Application for the \$103 million set-aside, **along with the required documentation identified in Sections 5, 6, 7 and/or 8, including the PHA calculation of increased costs (for the Unforeseen Circumstances and VASH categories)**. For Category (2) only, PHAs must also submit Attachment B to this Notice. Please mark the applicable category (1), 1(a), (2), and/or (3); provide the required documentation as identified in each applicable section; ensure signature by the appropriate PHA official; and submit the request to the Department at the address below:

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

The PHA's request must be received at the above address no later than close of business (5:00 p.m. EDT), September 7, 2012.

It is recommended that requests be sent using overnight mail (USPS Express Mail, UPS, Fed Ex, DHL, etc.) that requires signature upon delivery. Hand-delivered or standard delivery mail will be accepted; however, it is important to note that non-expedited mail (including Priority Mail from the Postal Service) has no guaranteed delivery time and is subject to the Department's security screening, which can delay delivery. Requests will only be accepted at the above location; requests delivered to other locations **will not** be accepted. Requests not received on time **will not** be processed. Faxes and electronic submissions **will not** be accepted.

HUD will review the situation of each PHA that submits a request by the deadline date of **September 7, 2012**, based on the criteria and submission requirements above, and will award the remaining set-aside funds based on need, as determined by HUD. If determined necessary by HUD, the awards may be pro-rated. In completing this process, HUD reserves the right to request additional information from any PHA that HUD is considering under this Notice. In order to expedite completion of this process and disbursement of the funds, any requests must be responded to by a PHA within 3 days.

Once the evaluation is completed, all PHAs who submitted requests will be notified with their results.

In the event that funds are remaining after all eligible applications are funded, the remaining funds will be distributed nationally on a pro-rated basis for the purpose for which they were appropriated, contract renewals.

10. **Additional Information**

An unforeseen circumstances is an unexpected event and one not in the PHA's control. Unforeseen circumstances must have resulted in higher HAP costs for CY 2012 (higher rents, and/or lower participant income).

Examples of unforeseen circumstances include but are not limited to the following:

- Natural disaster
- Economic event
- Government action (e.g. decreased benefits)

Situations that are **not** unforeseen circumstances for funding include but are not limited to the following:

- PHA normal increase in payment standards
- PHA normal utility allowance increase
- PHA misuse of funds / poor management
- PHA plan to increase leasing / reach baseline
- PHA Administrative needs / reduced fee funding

11. **Quality Assurance**

The Department will continue to deploy Quality Assurance (QA) teams to conduct on-site reviews of PHAs to ensure the integrity of PHA-reported data for the HCV program. It is each PHA's responsibility to retain the appropriate records to support their VMS submissions. VMS data is subject to review by the QAD and subsequent recalculation of funding will occur if a QAD review demonstrates that costs were incorrectly reported, resulting in excess funding.

Paperwork Reduction Act

The additional information collection requirements contained in this document are approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520). The OMB control number is 2577-0169. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

Further Information

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

/s/

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

**ATTACHMENT A – Application for Remaining Funds Under the 2012 Set-Aside
CY 2012 Housing Choice Voucher Program**

Name of PHA: _____
 PHA Number: _____
 Executive Director: _____

CHECK ALL BOXES THAT APPLY

- _____ **Category (1): Unforeseen Circumstances.**
 _____ **Category 1(a): Portability**
 _____ **Category (2): Project-Based Vouchers**
 _____ **Category (3): HUD-VASH**

Applications and supporting documentation must be submitted by the deadline date established in Section 9 of this Notice and should be submitted to:

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

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

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

 Signature of Executive Director and Date

 Contact Name and Phone Number

**Attachment B -
Project-Based Commitment Data - Calendar Year 2011**

HA Number	
HA Name	

PROJECT-BASED COMMITMENTS

If the PHA had project-based (PB) commitments during CY 2011 for which vouchers were withheld from leasing, the PHA must report for each month the number of vouchers withheld from leasing.

The PHA must complete a separate Attachment B for each PBV commitment.

Project Identification	NUMBER OF VOUCHERS WITHHELD FOR THIS PROJECT BASED COMMITMENT ONLY											
	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	June 2011	July 2011	Aug 2011	Sept 2011	Oct 2011	Nov 2011	Dec 2011

PHA Certification: I hereby certify that all information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Convictions may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012, U.S.C. 3729, 3802)

Executive Director Signature Date

PHA Contact

Executive Director Name

Phone Number