



December 17, 2020

HCV PROGRAM NEWS

HUD Publishes AAFs for Section 8 Contract Rents

In a *Federal Register* [notice](#) today, the Department of Housing and Urban Development ([HUD](#)) published the notice of 2021 annual adjustment factors (AAFs) for Section 8 contract rents. These AAFs apply to all units in two categories of Section 8 programs:

- **Category 1**—the new construction, substantial rehabilitation, and moderate rehabilitation programs
- **Category 2**—the loan management and property disposition programs

The contract rent AAFs do **not** apply to the Housing Choice Voucher ([HCV](#)) program. The factors are based on a formula using residential rent and utility cost changes from the most recent annual Consumer Price Index ([CPI](#)) survey. The 2021 HCV inflation factors will be published at a later date in a separate *Federal Register* notice.

The 2021 contract rent AAFs are not actually included in today’s notice, but have been posted on the [AAF page](#) at the [HUD User website](#). A link to the AAF tables is also provided in the notice.

The AAFs are published in two tables, each with two columns. For instructions on how to find the appropriate AAF, see section IV of the notice and, if necessary, the [area definitions table](#). The 2021 contract rent AAFs are effective today, December 17, 2020.

HUD Updates List of Eligible Uses of CARES Act Funding

Last week HUD revised the [list of eligible activities](#) for the Coronavirus Aid, Relief, and Economic Security (CARES) Act administrative fee funds for the Housing Choice Voucher ([HCV](#)) program. As you know, the CARES Act provided \$1.25 billion in supplemental HCV program appropriations to enable PHAs to prevent, prepare for, and respond to COVID-19. New eligible uses or revisions to current eligible uses, which are marked in red in the document, are as follows:

- Relocation of PHA staff and participating families to health units or other designated units for vaccination.
- Hiring of temporary employees to maintain program operations due to coronavirus.
- Costs related to office improvements, including improved systems for teleworking and/or rental of additional space, to ensure social distancing and other CDC recommended measures.
- One-time utility deposits to assist families in securing units.

CHOICE NEIGHBORHOODS NEWS

HUD Awards Nearly \$5 Million in Choice Neighborhoods Planning Grants

In a [press release](#) yesterday, HUD announced that it is awarding nearly \$5 million to 11 communities across the country to help create plans to redevelop severely distressed HUD-assisted housing and revitalize neighborhoods. The funds are being provided under the [Choice Neighborhoods planning grants](#). A complete list of awardees and the amounts they will receive can be found in the [press release](#). To read the summaries of the grants, click [here](#).

Planning grants are two-year grants that assist communities with severely distressed public or HUD-assisted housing in developing a successful neighborhood transformation plan and building the support necessary for that plan to be successfully implemented.

GENERAL NEWS

HUD Publishes Final Rule on Faith-Based Organizations

On December 14, we reported that the Department of Housing and Urban Development ([HUD](#)) and the Department of Justice ([DOJ](#)) announced in two [press releases](#) a final rule titled “Equal Participation of Faith-Based Organizations in the Federal Agencies’ Programs and Activities.” Today HUD has officially published the [final rule](#) in the *Federal Register*.

The rule implements various executive orders and amends federal regulations, including HUD regulations, to “provide clarity regarding the rights and obligations of faith-based organizations participating in the agencies’ federal assistance programs and activities.” HUD had published a [proposed rule](#) regarding its own programs and activities on February 13, 2020. Other than making the final rule applicable to other federal agencies in addition to HUD, the final rule makes few changes from the proposed rule.

You can find more details in the [final rule](#), which was issued by HUD in conjunction with the Agency for International Development and the Departments of Justice, Labor, Homeland Security, Education, Health and Human Services, Veterans Affairs, and Agriculture.



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