



August 3, 2020

HCV PROGRAM NEWS

PIH Issues Guidance on HAP Supplemental Funding

Last Friday HUD's Office of Public and Indian Housing ([PIH](#)) issued Notice [PIH 2020-17](#) to provide guidance on the allocation, eligibility, and submission requirements of the supplemental Housing Choice Voucher ([HCV](#)) and [Mainstream](#) housing assistance payments (HAP) portion of appropriations provided through the Coronavirus Aid, Relief, and Economic Security (CARES) Act. As you know, the CARES Act provided an additional \$1.25 billion for the HCV program to enable PHAs to prevent, prepare for, and respond to COVID-19, including the \$400 million in HAP funding discussed in the notice. Highlights of the notice include the following:

- The supplemental HAP funding is available for PHAs that either (1) experience a significant increase in voucher PUC due to extraordinary circumstances, or (2) who despite taking reasonable cost-saving measures would otherwise be required to terminate rental assistance for families as a result of insufficient funding.
- PHAs applying under the first category who previously submitted applications for CY 2020 HAP renewal set-aside funding under Category 2A-Unforeseen Circumstances due to PUC increases triggered by COVID-19 must resubmit those funding requests in accordance with the notice. PHAs applying under the second category do not have to resubmit a Shortfall Funds application under the notice if they have previously applied under the CY 2020 HAP renewal set-aside ([PIH 2020-04](#)). However, PHAs that have not submitted applications for shortfall funds as of the date of PIH 2020-17 must do so in accordance with the requirements of the new notice (see Appendix D), as it supersedes PIH 2020-04.
- PHAs with a PUC (based on the most recent month of total HAP expenses and leasing) that is 102 percent or greater than the PUC HUD used to determine the PHA's CY 2020 renewal funding and who meet the application submission requirements specified in the notice are eligible for funding under the first category. Applications under this category may be submitted through **October 31, 2020**. Funding award calculations are provided in Section 3.A.viii. of the notice. Application submission requirements are provided in Section 3.A.ix.

- To be eligible for funding under the second category, the PHA must meet the criteria outlined in Section 3.B. of the notice and must submit Appendix D – PHA Application for Shortfall Funds and PHA Certification of Reasonable Cost Savings Measures Undertaken to Prevent Termination of HCV Participants Due to Insufficient Funds. Appendix D serves as the application and outlines the submission requirements. The application period will remain open.

Further details, including the period of availability, ineligible expenses, and reporting requirements, can be found in the [notice](#).

PIH Issues Notice on Second Award of CARES Act Admin Fee Funding

Last Friday, HUD's Office of Public and Indian Housing ([PIH](#)) issued Notice [PIH 2020-18](#) to further implement the funding provisions for the HCV and Mainstream programs provided through the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Notice PIH 2020-18 covers the second round of administrative fee appropriations totaling \$472 million and provides an updated list of eligible expenses. Below are some highlights:

- HUD will allocate the funding as a single disbursement at the beginning of August 2020. The amount of funding PHAs will receive is calculated by multiplying the total unit months leased (UML) reported in the Voucher Management System (VMS) for the month of May by the CY 2020 administrative fee rates, times two, prorated at approximately 117 percent, to distribute the remaining funds equally between all PHAs.
- As with the previous round of supplemental admin fee funding, the funds may only be used for two purposes: 1) any currently eligible HCV (including Mainstream voucher) administrative costs during the period that the program is impacted by coronavirus, and 2) new coronavirus-related activities, including activities to support or maintain the health and safety of assisted individuals and families, and costs related to the retention and support of participating owners. Currently eligible HCV administrative costs can include necessary upgrades to information technology or computer systems to enhance telework capacities and overtime pay for PHA staff to carry out HCV program responsibilities.
- Two of the previous eligible activities have been modified. One change involves procuring cleaning supplies and/or services to maintain safe and sanitary HCV units including common areas *and in-unit cleaning of all Project-Based Voucher (PBV) assisted units*. The other involves relocation of *PHA staff and* participating families to health units or other designated units for testing, hospitalization, or quarantine, or transportation to these locations to limit the exposure that could be caused by using mass transportation.
- PHAs requesting approval to cover other COVID-19-related activities not included in the list and not currently eligible as regular HCV administrative costs must send the request and an explanation of the proposed activity to the Financial Management Center mailbox. Instructions are detailed in Section 5 of the notice.

The notice applies to PHAs administering HCV programs and PHAs participating in the Moving to Work ([MTW](#)) Demonstration. Further details can be found in the [notice](#).

MTW PROGRAM NEWS

PIH Issues Reminder for Timely 50058 Submissions

Last Friday via email blast, the Public Housing Financial Management Division (PH-FMD) issued a reminder in preparation for the [CY 2021 Operating Fund Grant](#) process for PHAs to submit any actions recorded on lines 2a and 2b of the form HUD-50058 or HUD-50058 MTW no later than 60 calendar days from the effective date. The reminder notes that this requirement is consistent with guidance provided in Notice [PIH 2011-65](#). PIH waived the 60-day deadline for PHAs that implemented waivers and alternative requirements explained in Notice [PIH 2020-05](#). PHAs that implement waivers and alternative requirements may submit forms HUD-50058 or HUD-50058 MTW no later than 90 calendar days from the effective date.

RAD PROGRAM NEWS

HUD Announces Post-Conversion Resources

Last Friday via RADBlast!, the Department of Housing and Urban Development ([HUD](#)) announced that it has posted a new [Post-Conversion Approval Processing Guide](#) to the [RAD Resource Desk](#). The purpose of the guide is to provide information to owners and PHAs on how to process post-closing issues that may arise after conversion under the Rental Assistance Demonstration ([RAD](#)), some of which required HUD approval. The document covers various scenarios and how to handle each case. HUD intends to continue updating the document as new scenarios arise.

The email also states that properties that had previously converted to Project-Based Rental Assistance ([PBRA](#)) or Project-Based Voucher ([PBV](#)) contracts through RAD prior to calendar year 2020 may be eligible to receive funds made available through the CARES Act:

- For PBRA properties, Notice [H 2020-8](#) authorizes supplemental payments that may cover additional cleaning and disinfecting, additional staff, face coverings, and other expenses to help keep properties safe for residents. The notice allows owners to submit payment requests for expenses incurred between March 27, 2020, and July 31, 2020. Requests are due to HUD or the Contact Administrator by **August 5, 2020**.
- For PBV, the PIH Office published Notices [PIH 2020-08](#) and [PIH 2020-18](#), which address HUD's allocation methodology for the administrative fee portion of the CARES Act appropriation and establish new eligible activities to prevent, prepare for, or respond to coronavirus that may be funded with these supplemental administrative fee amounts. PIH has also published Notice [PIH 2020-17](#), which describes HUD's allocation methodology for the HAP portion of the CARES Act appropriation and the PHA eligibility and application submission requirements.

HUD has stated that it will provide forthcoming guidance regarding the availability of Operating Fund CARES Act funds for public housing properties that have converted or that will convert in CY 2020 and that are still supported through public housing appropriations.

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