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

OFFICE OF PUBLIC AND INDIAN HOUSING

Special Attention of:

Directors of HUD Regional and
Field Offices of Public Housing;
Agencies that Administer the
Emergency Housing Voucher Program

Notice PIH 2022-06 (HA)

Issued: March 10, 2022

Cross Reference: Notice PIH 2021-15

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until amended, superseded, or rescinded.

SUBJECT: Emergency Housing Vouchers – Reallocation of Awards

1. Purpose

This notice explains HUD’s process for reallocating Emergency Housing Voucher (EHV) awards that are voluntarily returned to HUD. As part of this process, the notice updates the award allocation formula found in section 4 of the Notice PIH 2021-15 in connection with the reallocation of these EHV awards.

2. Background

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (P.L. 117-2, hereafter referred to in this notice as “the ARP”) into law, which provides over \$1.9 trillion in relief to address the continued impact of the COVID-19 pandemic on the economy, public health, State and local governments, individuals, and businesses.

Section 3202 of the ARP appropriates \$5 billion for new incremental EHV’s, the renewal of those EHV’s, and fees for the cost of administering the EHV’s and other eligible expenses defined by notice to prevent, prepare, and respond to coronavirus to facilitate the leasing of the emergency vouchers, such as security deposit assistance and other costs related to retention and support of participating owners.

Eligibility for these EHV’s is limited to individuals and families who are (1) homeless; (2) at risk of homelessness; (3) fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking or human trafficking; or (4) recently homeless and for whom providing rental assistance will prevent the family’s homelessness or having high risk of housing instability. ARP requires that HUD allocate EHV’s in accordance with a formula that includes public housing agency capacity and ensures geographic diversity, including with respect to rural areas. After September 30, 2023, a PHA may not reissue the EHV when assistance for a participating family ends (i.e., the family leaves the program for any reason).

HUD issued Notice PIH 2021-15 on May 5, 2021, to provide operating requirements to PHAs administering the EHV program. On May 10, 2021, HUD notified PHAs of their EHV funding eligibility based on the allocation formula outlined in Notice PIH 2021-15. PHAs had until May 24, 2021, to accept or decline their EHV allocation and any remaining vouchers were reallocated by HUD per the process described in Notice PIH 2021-15. Allocations were made on June 2, 2021. HUD issued Notice PIH 2021-20 on June 30, 2021, which instructed PHAs to report EHV household participation data in HUD's existing Information Management System/Public Housing Information Center (IMS/PIC) system.

After EHV allocations were awarded by HUD on June 2, 2021, some PHAs have opted to return their EHV award to HUD. The purpose of this Notice is to explain the process HUD will use to reallocate any EHV awards that are voluntarily returned to HUD. In this reallocation process, HUD will use the results of the EHV formula to distribute these allocations while updating the capacity component of the formula to maximize the number of households that may be served by this emergency program.

HUD intends to issue a separate notice in 2022 that will describe the process HUD will use to revoke and reallocate EHV awards for a PHA's failure to use vouchers promptly. Additional information on this revoke reallocation process is in section 14 of Notice PIH 2021-15.

3. Process for Notifying HUD of Voluntary Return of EHV Award

PHAs that wish to return all or part of their EHV award must first notify ehv@hud.gov. The PHA will then work with their assigned Financial Analyst in the Office of Housing Voucher Program, Financial Management Center (FMC) to identify any associated EHV program funds which must be returned to HUD in connection with the return of the EHV award. PHAs are reminded that EHV program funds, including Housing Assistance Payments (HAP), Service Fees, and Administrative Fees are restricted to EHV program activities and may not be used to support any other PHA activities. Any portion of EHV funds utilized for non-EHV activities or otherwise inappropriately used must be repaid by the PHA. Additionally, PHAs are required to cooperate with the FMC and any other HUD team tasked with determining funds that must be returned. Failure to supply required financial or other records may result in a determination of breach or default of the Consolidated Annual Contributions Contract (form HUD-52520).

4. Reallocation of Returned EHV Awards

HUD's reallocation formula is based on the initial award formula described in Section 4 of Notice 2021-15. In the initial award formula, HUD created a dual formula structure that provides the highest allocation of vouchers for a PHA based on the higher of an estimate of homeless need and an estimate of at-risk of homelessness need. To ensure geographic diversity, HUD adjusted the formula so that each state had a base allocation. In situations

where a PHA was below the minimum threshold to receive a voucher allocation, the additional vouchers were provided to the state PHA.

The reallocation formula is a function of a PHA's initial formula allocation and newer information on its capacity to implement the EHV program as measured through EHV utilization. Specifically, the reallocated vouchers will only be available for high-capacity PHAs that have a high utilization rate of EHV's (95 percent or higher). Among those PHAs that are high utilizers, the formula allocation will be proportional to their leased EHV's among all leased vouchers of PHAs with high utilization rates.

EHV utilization is based on the EHV leasing data as reported in HUD's Inventory Management/Public Housing Information Center (IMS/PIC) system. HUD will begin using the IMS/PIC data for EHV reallocation purposes 30 days following the issuance of this notice.

To maximize the number of households served by the EHV program, HUD will promptly reallocate returned awards on an ongoing basis according to the following steps:

- HUD will begin with the same data and distribution of initial EHV awards as described in Section 4 of PIH 2021-15 that accounted for homeless and at-risk of homelessness need and ensured geographic diversity, including with respect to rural areas.
- To update the measure of PHA capacity, HUD will separate PHAs that have utilized (i.e., submitted a Form HUD 50058 or Form HUD 50058-MTW indicating that a EHV household is leased) at least 95 percent of their EHV award allocation according to the latest available data in the IMS/PIC system. These PHAs will be separated into an EHV high-capacity group.
- Considering only the PHAs in this EHV high-capacity group, HUD will calculate an additional EHV new incremental amount based on the proportion of the total EHV vouchers, amongst the EHV high-capacity group, each PHA has utilized.
- The minimum number of additional vouchers a PHA may receive is 10.
- PHAs that are selected according to this formula will be notified by HUD and given the opportunity to accept or decline the additional allocation of vouchers.
- Confirmation of the new allocation of vouchers will be completed by HUD's Financial Management Center (FMC) upon receipt of the amended Annual Contributions Contract (ACC).

5. **Continuation of EHV Administrative Fees and Funding for Other Eligible Expenses**

PHAs that accept an additional allocation of EHV's under this process will receive the following EHV fees as described in Section 6 of Notice PIH 2021-15.

PHAs will be allocated administrative fees as follows:

- a. **Issuance Reporting Fee.** PHAs will receive \$100 for each new incremental EHV that is leased if the PHA reported the voucher issuance data in the IMS/PIC system within 14 days of the voucher issuance date.

- b. **On-going Administrative Fee.** PHAs will receive an on-going administrative fee for the additional EHV's consistent with section 6.c. of Notice PIH 2021-15.
- c. **Service Fee.** PHAs will receive \$3,500 for each additional EHV they accept. The eligible uses of these fees will be limited to activities described in Notice PIH 2021-15.

5. **Further Information**

Question concerning this notice should be submitted by email to the following HUD mailbox: ehv@hud.gov.

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Dominique Blom
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Public and Indian Housing