



June 3, 2024

MAY FAQ

HCV and PH Question: Unemployment Income Received for Less than One Year

Q: Page 61 of Notice PIH 2023-27 states: “Income that has a discrete end date and will not be repeated beyond the coming year during the family’s upcoming annual reexamination period will be excluded from a family’s annual income as nonrecurring income. This does not include unemployment income and other types of periodic payments that are received at regular intervals (such as weekly, monthly, or yearly) for a period of greater than one year that can be extended.” Does this mean that if unemployment is to last for less than a year, it is excluded as nonrecurring income?

A: On October 10, 2023, we reached out to HUD with this question, and the answer we received was that “if the unemployment income will not be repeated beyond the coming year, and the family can document this, then it is excluded.”

However, as of May 9, 2024, HUD changed its interpretation. HUD now states that “unemployment income and other types of periodic payments are not considered nonrecurring income, unless explicitly excluded from income under 25 CFR 5.609(b), and thus they are included in annual income.”

Please note that anyone who has attended one of our HOTMA trainings should be aware of this new interpretation from HUD. We apologize for any inconvenience and confusion this may have caused.

HCV PROGRAM NEWS

HUD Publishes Final Rule Implementing Additional HOTMA HCV/PBV Provisions (5/7)

Today in the *Federal Register*, the Department of Housing and Urban Development ([HUD](#)) published a [final rule](#) that amends HUD's regulations to implement changes made by the Housing Opportunity Through Modernization Act of 2016 ([HOTMA](#)) to the Housing Choice Voucher ([HCV](#)) and the Project-Based Voucher ([PBV](#)) programs. Additionally, in response to public comments to the October 8, 2020, [proposed rule](#), HUD has also included additional regulatory changes intended to reduce the burden on PHAs, by either modifying requirements or simplifying and clarifying existing regulatory language. Among other changes, the final rule:

- Provides PHAs the option in the HCV program to use small area fair market rents (SAFMRs) in a nonmetropolitan area
- Clarifies requirements to the PHAs 5-year and annual plans
- Revises existing definitions and add new definitions
- Revises the requirements for the PHA administrative plan
- Makes changes to the information provided to families when they are selected
- Makes changes to the inspection requirements of units, related to the Housing Quality Standards (HQS) and the NSPIRE final rule
- Make changes in the applicability of HAP contracts for PBV projects
- Makes regulatory amendments to the PBV program cap and the PBV project cap and clarifies PBV units that are not subject to such caps
- Revises the PBV site selection standards, the PBV environmental reviews requirements, and the PBV site-based waiting lists requirements
- Establishes a statutory definition of PHA-owned unit
- Adds two new situations in which rent reasonableness must be redetermined
- Revises the applicability of the Davis-Bacon wage requirements
- Inserts references to obligations under Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act (ADA)

The effective date of the rule is **June 6, 2024**, except certain sections that are delayed indefinitely. Compliance dates, which differ depending on the provision, are listed in the [notice](#).

PIH Issues 2024 Funding Notice for Voucher Program (5/13)

Late last Friday HUD's Office of Public and Indian Housing ([PIH](#)) issued Notice [PIH 2024-16](#) to explain the funding provisions for the Housing Choice Voucher ([HCV](#)) program in the Consolidated Appropriations Act, 2024. As described in the 52-page notice, the 2024 Act provides:

- \$28,283,455,000 for HAP renewal funding. Section 4 of the notice explains the five-step process that the PIH office used to determine voucher renewal funding for PHAs in 2024.
- \$200 million for the HAP set-aside. As described in Section 11 of the notice, HUD has the authority to provide adjustments to PHA allocations for set-aside categories 1 through 7. Awards will be made to eligible PHAs in accordance with need, as determined by HUD, following an application by the PHA. Awards could be reduced, in

whole or in part, if PHAs have available reserves above a reasonable threshold, as defined by the Secretary, and/or prorated if the \$200 million is insufficient to cover all awards. Additionally, HUD reserves the right to fund one, some, or all categories and to prioritize categories with the greatest need and prorate the remaining categories depending on the amount of funds remaining.

- \$337 million for tenant protection vouchers (TPVs). In addition to providing replacement vouchers for occupied units as described in Notice [PIH 2018-09](#), HUD's current policy also provides replacement TPVs for vacant units that were occupied by an assisted family in the previous 24 months. However, depending on demand and funding availability, HUD may need to subsequently suspend the allocation of replacement TPVs for vacant units, and/or may need to reduce the initial increment term and associated funding to cover a period that is less than 12 months. You can find details on TPVs in Section 5 of the notice.
- \$2,770,935,000 for administrative and other expenses of PHAs administering the HCV program. Of the appropriated amount, no less than \$2,740,935,000 will be available for ongoing administrative fees and fees for new vouchers (see Section 6a) and up to \$30,000,000 will be made available to allocate to PHAs that need additional funds to administer their Section 8 programs (see Section 6c, *Special Fees*).
- \$742,941,000 for renewal funding and administrative fees for Mainstream units. Renewals are calculated based on validated Mainstream Voucher leasing and HAP expenses reported in VMS for the period January 1, 2023, to December 31, 2023.
- \$30 million for new incremental voucher assistance for the Family Unification Program (FUP). Of this amount, HUD plans to award \$5,000,000 through a notice of funding opportunity and the remaining \$25,000,000 is limited to use on behalf of FUP-eligible youth under the Foster Youth to Independence (FYI) initiative. In accordance with the 2024 Act, HUD will make these FYI funds available on a noncompetitive basis. HUD will implement guidance related to FUP at a later date.
- \$15 million for the HUD-VASH program. Of this amount, \$5,000,000 will be used for new incremental HUD-VASH vouchers, and \$10,000,000 has been made available for administrative fees and other HUD-VASH program costs under Notice [PIH 2024-10](#). The \$5,000,000 in new incremental funding will be added to the approximately \$72 million available from prior year funding for a total of approximately \$77 million to be made available for PHAs in 2024. Vouchers will be awarded based on geographic need and PHA administrative performance.

Further details can be found in the [notice](#).

PIH Posts 2024 Admin Fee Rates (5/30)

HUD's Office of Public and Indian Housing ([PIH](#)) has posted the [2024 administrative fee tables](#) for the Housing Choice Voucher ([HCV](#)) program. As the [document](#) accompanying the tables explains, there are two fee rates for each PHA, Column A and Column B. As usual, the Column A rate applies to the first 7,200 unit months leased in calendar year (CY) 2024, and the Column B rate applies to all remaining unit months leased in CY 2024. These fees apply to PHA-owned units as well as to units not owned by PHAs.

According to the document, advanced administrative fees for June through October 2024 were at 91% proration. The final proration level will be established at the end of the calendar year. PIH addresses administrative fee rates for portability in a separate [document](#).

You'll find the links to the 2024 administrative fee tables and the accompanying guidance on [this page](#). You will find the link to the 2024 portability admin fee rates on [this page](#).

PH PROGRAM NEWS

PIH Issues Operating Fund Shortfall Funding Notice (5/10)

Late yesterday HUD's Office of Public and Indian Housing ([PIH](#)) issued Notice [PIH 2024-15](#), "Implementation of Public Housing Operating Fund Shortfall Funding from Federal Fiscal Year (FFY) 2024 Appropriations." The 2024 Appropriations Act set aside \$25 million to assist PHAs experiencing or at risk of financial shortfalls. The notice provides guidance on eligibility, the application process, and other requirements for participating in the program. Compared to Notice [PIH 2023-18](#) on the same subject, yesterday's notice includes the following changes and additions:

- PHAs that were awarded FY 2022 shortfall grants but did not submit a shortfall improvement plan by the due date will not be eligible to receive FY 2023 shortfall funding
- PHAs that were awarded FY 2022 shortfall grants but did not submit either their budget or actuals by the due date will not be eligible to receive FY 2023 shortfall funding
- HUD will not adjust the shortfall calculation to factor in increases in Tenants Accounts Receivables (TARS). HUD is removing the TARS adjustment that was applied to eligibility determinations in 2022 and 2023. The policies that were in place during the pandemic that impacted the ability of PHAs to regularly collect rents have ended and PHAs are expected to move towards a regular cadence of rent collection.
- PHAs that are currently under a repayment agreement with HUD for ineligible uses of operating subsidy or program income are not eligible for shortfall
- PHAs that received 2023 shortfall funding are not eligible for 2024 shortfall funding

On the [2024 Operating Fund Shortfall Funding](#) webpage, HUD published a [list](#) showing eligible PHAs and the amount they are eligible to receive. It also shows PHAs that are ineligible to receive shortfall funding and the reason for their ineligibility. Eligible PHAs may

apply for shortfall funding through the [Public Housing Portal](#) by 5:00 p.m. Eastern time on **June 7, 2024**.

HUD Revises FY 2024 Capital Fund Processing Guidance (5/17)

On the [2024 Capital Fund Processing Information](#) webpage, the Office of Capital Improvements (OCI) has posted a revised version of the FY 2024 Capital Fund processing [guidance](#) for PHAs. As explained in the webpage, the document has been updated to reflect the following changes:

Page 3 - Updates the forms required for the Capital Fund submission as follows:

- HUD Form 50071, Certification of Payments to Influence Federal Transactions (if applicable)
- Certification of Compliance with Public Hearing - PHA must submit a copy of one of the following:
 - For Non-Qualified PHAs: form HUD-50077-ST-HCV-HP includes this certification

Page 5 - Removes the following language:

“Large PHAs seeking to place more than 25% of FY 2024 Capital Funds onto 1406 Operations for anticrime and antidrug activities ONLY must request a waiver in writing addressed to the Director of the Office of Capital Improvements, David.Fleischman@HUD.gov, , and your local HUD Field Office. Requests may also be e-mailed to PIHOCl@hud.gov.”

You'll find a link to the guidance and other Capital Fund materials [here](#) at OCI's website.



For help with your PIH Alert subscription, email [Lizbeth Perez](mailto:Lizbeth.Perez). For questions and comments on content, email [Olga Vélez](mailto:Olga.Vélez). To view or post job announcements at our website, click [here](#). To view our seminar calendar, click [here](#). To read the NMA blog, click [here](#).



Nan McKay & Associates, 1810 Gillespie Way, Suite 202, El Cajon, CA 92020, USA, 1-800-783-3100

[Unsubscribe](#) [Manage preferences](#)