



December 5, 2022

PH PROGRAM NEWS

PIH Issues Notice on CARES Act OpFund Closeout Procedures

Late last Friday HUD's Office of Public and Indian Housing ([PIH](#)) published Notice [PIH 2022-35](#) outlining the requirements PHAs must complete related to the end of the period of performance for supplemental operating funds provided through the CARES Act. The notice applies to PHAs, including MTW PHAs, administering the Public Housing program and is only relevant to CARES Act supplemental operating funds. Some key points are as follows:

- The notice revises the time available for PHAs to liquidate their CARES Act obligations to April 30, 2023. This change reflects the requirement that drawdowns may only be made to pay for immediate eligible expenses and will not affect the vast majority of PHAs that have obligated and disbursed 100 percent of their CARES Act funds during the period of performance, which expired on December 31, 2021.
- For PHAs that obligated CARES Act supplemental operating funds by December 31, 2021, but have not disbursed them yet, they must now do so no later than April 30, 2023.
- PHAs were required to submit an SF-425 for each CARES Act grant via the operating fund web portal, reporting on the status of CARES Act supplemental operating subsidy as of December 31, 2021. The deadline for this submission was May 31, 2022. Where a PHA's SF425 reported that all CARES Act supplemental operating subsidy had been obligated, and all those obligations liquidated by December 31, 2021, it is not required to submit additional SF425s.
- Some PHAs reported unliquidated obligations, where obligations that have already been incurred by a PHA have not yet been paid. If a PHA reported unliquidated obligations as of December 31, 2021, it is required to submit another SF-425 reporting on the status of CARES Act supplemental operating subsidy as of December 31, 2022. The deadline for this submission is April 30, 2023.
- PHAs are required to report any obligated funds that the PHA de-obligated (for example through a rebate, credit, or partial or full refund) to HUD. Such funds may not be re-obligated, but instead must be returned to HUD.
- HUD will recapture funds that were obligated but remain unliquidated as of April 30, 2023. Where a PHA reports unliquidated obligations on the SF-425 for the period ending December 31, 2022, in its review HUD will validate whether those obligations were liquidated by April 30, 2023.
- On April 30, 2022, any funds remaining in LOCCS were locked. To draw down CARES Act funds after April 30, 2022, PHAs are required to follow the process outlined in Section 7 of the notice to validate that the funds were obligated for eligible activities on or before December 31, 2021.

Further details can be found in the notice.

PIH Issues Notice on 2023 Operating Fund Grant Eligibility Calculations

HUD's Office of Public and Indian Housing ([PIH](#)) has also published Notice [PIH 2022-36](#) to provide instructions for calculating operating fund (OpFund) grants for calendar year (CY) 2023. Compared to Notice [PIH 2021-31](#) on the same subject, this notice includes the following changes and additions:

- Detailed utility documentation requirements for the UEL
- Adjusting the rolling base due to data distortion in reported utility consumption
- HUD initiated adjustments to the form HUD-52722 UEL calculation
- Removal of Energy Performance Contracts (EPC) incentives from the HUD-52722/HUD-52723 tools by HUD when a PHA fails to timely submit measurement and verification reports to HUD
- Removal of "other" as a utility category and unit of measure on the form HUD-52722
- A table identifying the cancellation date for grant years that have not been closed
- The System for Award Management (SAM) stopped using the DUNS number as an identifier. PHAs must have a Unique Entity Identifier (UEI) generated by SAM.

The HUD-52722/HUD-52723 tools and the instructions for completing them are posted to the [operating fund web portal](#). HUD posts other required documents, submission deadlines, and guidance materials related to various formula elements on the [2023 operating fund grant processing webpage](#). Failure to meet the posted submission deadline is a ground for HUD's denial of an operating subsidy grant to a PHA.

HUD will deploy HUD-52722/HUD-52723 tools for new projects and notify PHAs via email no later than June 15, 2023. To receive funding in 2023, PHAs must submit the tools using the operating fund web portal to the appropriate HUD field office no later than June 22, 2023. Submissions received after the deadline may not be considered for funding in CY 2023.

GENERAL NEWS

HUD Publishes Quarterly Regulatory Waivers

In a *Federal Register* [notice](#) today, the Department of Housing and Urban Development ([HUD](#)) published a list of the regulatory waivers that it granted during the second quarter of calendar year 2022. You'll find the waivers granted by the Office of Public and Indian Housing on page 74438 of the notice (PDF page 4). The PIH office granted the following waivers during the quarter:

- One involved waiving the regulation that states that any employee, or any contractor, subcontractor, or agent of the PHA, who formulates policy or influences decisions with respect to the program, may not have any direct or indirect interest in the HAP contract or in any benefits or payments under the contract during tenure or one year thereafter.
- Several involved allowing PHAs to grant a family one or more extensions of the initial voucher term regardless of the policy described in the administrative plan, as established in Notice PIH 2021-34.
- One involved allowing a PHA to provide different payment standards for demonstration participants, which will allow the PHA to ensure adequate payment standards in opportunity areas while maintaining enough funding to support its other vouchers.
- Several involved allowing PHAs to establish payment standards up to 120 percent of the fair market rent, as established in Notice PIH 2021-34.
- Several involved allowing PHAs to increase the payment standard during the housing assistance payment term, as established in Notice PIH 2021-34.
- Nine involved allowing PHAs to extend homeownership assistance for one additional year, as established in Notice PIH 2021-34.
- One involved permitting a PHA admit income-qualified families to RAD PBV-assisted units at the PHA apartment homes even if such families require zero assistance at admission.
- One involved waiving the requirement that applicants present documentation to verify SSNs of each household member prior to admission pursuant to a homeless preference.
- One involved waiving the regulation that requires the initial contract year be calculated from the first day of the first calendar month of the HAP contract term and the regulation that requires the PHA to redetermine the rent to owner upon the owner's request.
- One involved requesting a project-specific utility allowance for a project-based voucher (PBV) project.
- Two extended the term of the FSS contract of participation.
- One involved waiving the deconcentration bonus, with regards to the performance indicators that are used to assess PHA Section 8 management, for demonstration sites.
- Several involved allowing PHAs with a fiscal year end 3/31/22, 6/30/22, or 9/ 30/22 to request to waive Section Eight Management Assessment Program (SEMAP) if an indicator declines as a result of operational disruptions and from its adoption of one or more CARES Act waivers.



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