



May 10, 2024

PH PROGRAM NEWS

PIH Issues Operating Fund Shortfall Funding Notice

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

HCV PROGRAM NEWS

PD&R Explains 2024 Renewal Funding Inflation Factors

In a *Federal Register* [notice](#) today, HUD’s Office of Policy Development and Research ([PD&R](#)) announced the 2024 renewal funding inflation factor (RFIF) [data set](#) for the Housing Choice Voucher ([HCV](#)) program.

Inflation factors incorporate economic indices to measure the expected change in per unit costs (PUC) for the HCV program. Today’s notice provides the following explanation of the 2024 inflation factors:

The notice apportions the expected percent change in national per unit cost (PUC) for the HCV program, 7.38 percent, to each PHA based on the change in fair market rents (FMRs) for their operating area to produce the FY 2024 RFIFs. HUD’s FY 2024 methodology differs in part from that used in FY 2023. HUD has refined the national PUC forecast by changing the gross rent component in a manner that weights projected recent mover rents as measured by the FMR with an independent forecast of all-mover rents as measured by the Consumer Price Index (CPI).

The applicability date is **May 10, 2024**.

GENERAL NEWS

HUD Clarifies Treatment of Unemployment Income under HOTMA

On October 10, 2023, NMA queried HUD regarding the treatment of unemployment income under HOTMA. Specifically, we asked whether unemployment income lasting less than a year would be excluded as nonrecurring income. On February 8, 2024, HUD responded 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. The agency 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.



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