

August 29, 2022

## **HCV PROGRAM NEWS**

## PIH Issues Notice on Allocation and Admin Fees for New Incremental HCVs

Late last Friday HUD's Office of Public and Indian Housing (PIH) issued Notice PIH 2022-29 titled "Allocation and Special Administrative Fee for New Incremental Housing Choice Vouchers," which explains HUD's process for awarding approximately 19,700 new housing choice vouchers (HCVs) to public housing agencies (PHAs). As the document states, these new HCVs are not special purpose vouchers, rather, they are regular HCVs. Additionally, the notice sets forth PHAs' eligibility for administrative fees and fees for other eligible expenses, the housing assistance payments funding award process, and the process for rejecting an allocation of these vouchers.

Below are some highlights of the notice:

- To be eligible to receive an HCV funding allocation, a PHA must currently administer the HCV program through an existing consolidated annual contributions contract with HUD.
   Nonprofit agencies that only administer HCV Mainstream vouchers are not eligible.
- HUD's allocation formula is designed to direct HCVs to areas where there is
  demonstrated need among extremely low income and very low-income renter households
  and ensure that there is representation of both rural and urban areas. Section 4 of the
  notice explains the data and indicators that were used to develop the allocation formula.
- Once HUD has calculated the HCV allocation, it will notify eligible PHAs of their HCV award. The notification will specify the number of vouchers allocated to the PHA and will provide specific instructions regarding how the PHA may decline the allocation. Section 5 of the notice establishes the acceptance/declination process.
- In order to help PHAs expeditiously lease these vouchers, HUD is using a portion of the appropriation, \$30 million administrative fee set-aside, to provide a one-time special fee. This is a special fee in addition to those listed in Notice PIH 2022-14. Section 6 of the notice describes how PHAs will be allocated administrative fees.
- These vouchers will be renewed and must be reported monthly into the Voucher Management System in the same manner as voucher and administrative fees are renewed and reported for a PHA's regular HCV program.
- The funding from these awards must exclusively be used for the leasing of new
  admissions to the HCV program. It cannot be used for HCV renewals or for the
  accumulation of reserves. PHAs are required to track the initial leasing of these vouchers
  and spending to document that these funds were used for leasing new admissions.

Further details can be found in the notice.



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