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September 23, 2022

#### PH PROGRAM NEWS

#### PIH Posts Detailed Calculation Reports for October and November

HUD's Office of Public and Indian Housing (PIH) has posted detailed calculation reports for operating subsidy obligations for October and November 2022. The calculations are presented in the same format as obligation letters—the calculations are organized with all PHAs in the same state combined in a single file, which you can access through a map <a href="here">here</a>. The explanation and letters for October and November obligations were posted in August and September, respectively.

You'll find links to the explanation, letters, and calculations reports on the <u>2022 operating fund</u> <u>grant processing page</u> at the <u>operating fund website</u>.

# **HUD Posts Guidance on Ground Leases and Purchase Options to Establish LIHTC Site Control**

On the <u>Repositioning Frequently Asked Questions and Other Handouts</u> page, HUD's Office of Public and Indian Housing (<u>PIH</u>) has posted a document titled "<u>Guidance for Housing Finance Agencies (HFAs) and PHAs - Ground Leases and Purchase Options to Establish LIHTC Site Control."</u>

According to the document, dated September 2022, HUD is aware that PHAs have sometimes executed ground leases as a way to demonstrate site control when applying for low-income housing tax credits (LIHTCs) or tax-exempt bonds for redeveloping public housing property. In most states, execution of a ground lease, even if not recorded, constitutes a conveyance or disposition of the property, which triggers violations of the PHA's annual contributions contract (ACC) with HUD and possible environmental concerns under 24 CFR part 58.

To avoid a possible violation of the environmental requirements in 24 CFR part 58 and the annual contributions contract (ACC), a ground lease should not be executed when seeking redevelopment funding or low-income housing tax credit (LIHTC) allocations. This applies to all public housing properties subject to an environmental review under any HUD program, including but not limited to, Rental Assistance Demonstration (RAD), Section 18, and Section 22. Instead, an option to enter into a ground lease agreement should be executed.

More information can be found in the <u>guidance</u>, including the language that should be incorporated in the option agreement.

### **HCV PROGRAM NEWS**

### **HUD Awards More than 19,000 New Housing Choice Vouchers**

In a <u>press release</u> today, the Department of Housing and Urban Development (<u>HUD</u>) announced that it is awarding approximately 19,359 new housing choice vouchers (<u>HCV</u>s) to 1,945 PHAs across the country. According to the announcement, this will be the most expansive allocation of flexible new rental assistance in 20 years.

The Department is providing vouchers to nearly every community in the country. Some communities will receive their first allocation of new vouchers in decades. The total award amount is \$214,519,250. Funding for these vouchers was included in the FY 2022 Appropriations Act and was based on the President's FY 2022 budget request. Click <a href="here">here</a> to see the list of the awards.

## **HUD to Host Webinar on HCV Utilization Tools**

HUD has announced that it will host a webinar titled "HCV Utilization: Back by Popular Demand - TOOL TIME!" During the live web conference, HUD will go over the Two-Year Tool (TYT), the Payment Standard Tool (PST), and other spreadsheet-based HCV tools. The Department will talk about updates, uses, and anything else participants want to know. HUD recommends that participants bring questions, examples, and ideas as this will be an open call to answer all their questions. The webinar is scheduled for October 12, 2022, at 1:00 p.m. central time. To register, click <a href="here">here</a>.

You can find more information and watch previous webinars <u>here</u> on the <u>HCV website</u>.



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