



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING  
Quality Assurance Division  
HCV Shortfall Prevention Team

June 1, 2020

Jennifer Hall  
Executive Director  
Ann Harbor Housing Commission  
727 Miller Avenue  
Ann Arbor, Michigan 48103

Dear Ms. Hall

This is your official notification of the Shortfall Prevention Team (SPT) Specialist's confirmation of a projected shortfall in your HCV Program for CY 2020. We have tried to incorporate potential effects of the COVID-19 pandemic into the projection, but the situation is unprecedented and fluid and our projections will be inaccurate to some extent, but the currently available data indicates it is prudent that your HCV Program take some cost savings measures given the potential shortfall. If you comply with all of the conditions of this letter and are still projected to have a shortfall later in CY 2020, you will be eligible for any Category 1 Set-Aside funds that may be available to prevent the termination of HCV participants due to insufficient funds.

Under PIH Notice 2020-04, we are making eligibility for any available shortfall HAP Set-Aside funds contingent on PHAs taking the actions as outlined below by **June 1, 2020**, in order to minimize the shortfall funding required. You are required to take the following reasonable cost-savings measures in order to be eligible for the HAP Set-Aside funding made available in the final 2020 appropriation to prevent the termination of families due to insufficient funding:

1. Cease issuing vouchers to applicants. This requirement does not apply to the following:

- Families that are participants and were issued a voucher to move to a different unit when the move is involuntary or results in the same or lower HAP expenses,
- Vouchers issued to program applicants under special purpose voucher increments awarded in CY 2019 or CY 2020. These special purpose vouchers include VASH, Family Unification Program (FUP), Non-Elderly Disabled (NED), and Tenant Protection vouchers initially awarded in 2019 and/or 2020, to include set-aside funding.
- Vouchers issued to applicants moving into Project-Based Voucher (PBV) units to allow the PHA to meet its contractual obligation to fill PBV AHAP units being placed under HAP for the first time, and PBV units currently under HAP that are vacated by program participants. However, tenant-based vouchers are not to be issued to participants living in PBV units, who are requesting a voluntary move with a tenant-based voucher after the date of notification by the SPT of a potential shortfall.
- Vouchers issued pursuant to the settlement of litigation ("Litigation Vouchers") against a PHA. PHAs must request approval to continue leasing Litigation Vouchers and submit supporting documentation. HUD will review and decide on a case-by-case basis using the supporting documentation received as the basis for the decision.

2. Cease absorbing portable vouchers.
3. Implement all other cost saving measures identified by the SPT on your action plan within the timeframe specified in the action plan.

Failure to comply with the requirements above will affect your eligibility for any shortfall Set-Aside funds made available for CY 2020. If at any time during the year, the SPT Specialist determines that your PHA is no longer in need of HAP Set-Aside funding to prevent the termination of families, your PHA may resume leasing activities. Your SPT Specialist will confirm this status for you in writing.

The SPT projected your funding shortfall using the Two-Year Forecasting Tool and a copy of the tool demonstrating your projected shortfall is enclosed for your records. (Again, please understand the projection may not be fully accurate as the COVID-19 pandemic is a uniquely abnormal situation, and the full effects on your HCV program are still unknown.) Should your PHA wish to receive any potential HAP Set-Aside funding, you will need to submit an application for those funds in addition to taking the cost cutting measures listed above. The application is available as Attachment E to PIH Notice 2020-04 published March 31, 2020.

Lastly, a blank Two-Year Tool and Step-by-Step Guide can be found by choosing this link to the [Office of Housing Choice Vouchers](#) website. If you have any questions, please contact your SPT specialist at [Valarie.A.Calhoun@hud.gov](mailto:Valarie.A.Calhoun@hud.gov).

Sincerely,



Karen Schleper  
Supervisory Program Analyst  
Quality Assurance Division  
HCV Shortfall Prevention Team

Enclosure