



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

April 23, 2019

Ms. Jennifer Hall
Executive Director
Ann Arbor Housing Commission
2000 S. Industrial
Ann Arbor, MI. 48104

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 2019. If you comply with all of the conditions of this letter and are still projected to have a shortfall in CY 2019, 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 2019-08, we are making eligibility for any available shortfall HAP Set-Aside funds contingent on PHAs taking the actions as outlined below by **April 23, 2019**, 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 2019 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 2018 or CY2019. These special-purpose vouchers include VASH, Family Unification Program (FUP), Non-Elderly Disabled (NED), and Tenant Protection vouchers initially awarded in 2018 and/or 2019.
 - Where the PHA is leasing under the HUD-VASH program, up to the baseline level of units under all HUD-VASH allocations (not just recent allocations), including turnover of HUD-VASH vouchers.
 - 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 2019. 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. 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 D to Notice PIH 2019-08 published April 18, 2019.

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 Robert.C.Pierce@hud.gov.

Sincerely,



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

Enclosure