



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

OFFICE OF PUBLIC AND INDIAN HOUSING

May 6, 2022

Dear Executive Director:

Subject: Mainstream Vouchers- Calendar Year (CY) 2022 Renewal Funding Allocation

The purpose of this letter is to advise your agency of the CY 2022 renewal funding allocation for the Mainstream Vouchers.

The 2022 Act's appropriated amount for the Mainstream Vouchers should fully support the **HAP renewal eligibility** at 100%. The 2022 Mainstream Vouchers renewal eligibility calculation for your agency is provided in Enclosure A to this letter.

To calculate your agency's Mainstream Vouchers renewal funding eligibility for CY 2022, the Department has established a new baseline based on the Voucher Management System (VMS) data for the Mainstream Vouchers for CY 2021 (January 1, 2021 through December 31, 2021), adjusted for new 2021 Mainstream Vouchers increments' first-time renewals, and will apply the 2022 renewal funding inflation factor. This practice is commonly referred to as re-benchmarking. The VMS data used is the data reported by each PHA for the Mainstream Vouchers and accepted in VMS as of February 18th, 2022.

It is each PHA's responsibility to retain the appropriate records to support VMS submissions for the collected periods, as they are subject to on-site review by HUD. VMS data is subject to review by our Quality Assurance Division (QAD), and subsequent recalculation of CY 2022 Mainstream Vouchers renewal funding eligibility will occur if a QAD review demonstrates that costs were incorrectly reported, resulting in excess funding.

Additionally, HUD continues to disburse HAP based on current cash management procedures. The Department is required to control disbursement of funds to PHAs in such a way as to ensure that PHAs do not receive federal funds before they are needed, as described in *Treasury Financial Manual*, Volume 1, Part 4A-2045.10 – Cash Advances – Establishing Procedures for Cash Advances: “*It is the responsibility of grantor agencies to monitor the cash management practices of their recipient organizations to ensure that Federal cash is not maintained by them in excess of immediate disbursing needs. Agencies must establish systems and procedures to assure that balances are maintained commensurate with immediate disbursing needs, [and] excess balances are promptly returned to the Treasury.*”

To ensure compliance with cash management requirements, PIH continues to determine HAP disbursements based on the PHA's latest validated HAP expenses for Mainstream Vouchers as reported in VMS and will reconcile based on actual CY 2022 validated HAP expenses, in accordance with PIH Notice 2017-06 (or successor). In the event that the PHA's calculated monthly disbursement(s) is short to meet the monthly HAP need, the PHA should contact their Financial Analyst at the Financial Management Center for a funding adjustment.

Note that PHAs administering Mainstream Vouchers cannot engage in over-leasing (leasing above the total authorized units), consistent with the Housing Choice Voucher Program.

Calculations are not included herein for CY 2022 administrative fees (admin fees). Admin fees will continue to be paid for the Mainstream Vouchers solely based on leasing as of the first of each month and reported in VMS. Monthly fee advances are provided, based on estimated earnings, and are reconciled once actual leasing is reported. National eligibility for the quarter is compared to one-quarter of the appropriations available for Mainstream Vouchers administrative fees, and all PHAs' fee earnings are prorated at the same percentage of eligibility as in the HCV program. This proration is required by the Consolidated Appropriations Act, 2022 (the 2022 Act). Admin Fee rates for CY 2022 will be posted on the Department's web site to enable PHAs to estimate eligibility. An announcement will be made when they become available on HUD's website:

https://www.hud.gov/program_offices/public_indian_housing/programs/hcv

If you have any questions concerning your CY 2022 Mainstream Vouchers renewal funding, please contact your Financial Analyst at the Financial Management Center.

Sincerely,

Miguel A. Fontáñez

Digitally signed by Miguel A. Fontáñez
DN: CN = Miguel A. Fontáñez, C = US,
O = Housing Voucher Financial
Management Division, OU = Director
Reason: I am approving this document

Miguel A. Fontáñez
Director,
Housing Voucher Financial
Management Division

Enclosure

SUMMARY - CY 2022 MAINSTREAM VOUCHERS RENEWAL FUNDING

| | | |
|--|-------------------------------------|---------------------|
| 1 PHA NUMBER | <u>MI064</u> | |
| 2 PHA NAME | <u>ANN ARBOR HOUSING COMMISSION</u> | |
| 3 SUMMARY OF FUNDING ELIGIBILITY | | |
| 4 TOTAL MAINSTREAM PROGRAM HAP EXPENSES REPORTED IN VMS FOR CY 2021 | | <u>\$ 1,342,085</u> |
| 5 TOTAL UMLS REPORTED IN VMS FOR CY 2021 | | <u>1,565</u> |
| 6 TOTAL UMAS | | <u>2,787</u> |
| a. IF OVERLEASED, NUMBER OF UMLS DEDUCTED FROM ELIGIBILITY | | <u>0</u> |
| b. UNINFLATED PUC | | <u>\$857.56</u> |
| c. COST OF OVERLEASED UNITS (PUC X OVERLEASED UNITS) | | <u>\$ -</u> |
| 7 MAINSTREAM PROGRAM RENEWAL ELIGIBILITY AFTER REDUCTION FOR COST OF OVERLEASED UNITS | | <u>\$ 1,342,085</u> |
| 8 INFLATION FACTOR | | <u>1.02747</u> |
| 9 CY 2022 RENEWAL FUNDING AT 100% | | <u>\$ 1,378,952</u> |
| <i>CY Renewal Funding difference is due to rounding</i> | | |
| 10 RENEWAL FUNDING INFLATOR ADJUSTMENT FOR NEW INCREMENTS | | <u>\$ 5,219</u> |
| 11 TOTAL MAINSTREAM PROGRAM RENEWAL FUNDING FOR CY 2022 | | <u>\$ 1,384,171</u> |
| 12 CY 2022 INFLATED PUC | | <u>\$881.12</u> |