



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

OFFICE OF PUBLIC AND INDIAN HOUSING

April 29, 2022

Dear Executive Director:

Subject: Housing Choice Voucher HAP Reconciliation – January through December 2021

The purpose of this letter is to provide to your public housing agency (PHA) the Housing Assistance Payments' HAP reconciliation as of December 31, 2021. The reconciliation entails the comparison of HAP funds disbursed to your PHA and HAP expenses that your PHA reported in the Voucher Management System (VMS) for the months of January through December 2021. The HAP reconciliation enclosure also portrays the total estimated HUD-held reserves as December 31, 2021, after reconciliation. The VMS information was due to HUD on January 28, 2022.

In this instance, the total PHA-held balance includes a combination of restricted net position (RNP) and the unspent balances from CARES Act HAP and ARP HAP adjustment funding, which are not being reported as RNP in the Financial Data Schedule or VMS, if applicable. This reporting is unique for the December 31, 2021, HAP reconciliation and June 30, 2021, mid-year HAP reconciliation. HUD will not report the CARES Act and ARP HAP adjustment funding unspent balances in the HAP Non-MTW reconciliation statements.

The specific calculations for your PHA are provided and explained on the HAP reconciliation and Descriptions, which are both enclosed to this letter. Please review this information carefully, as it is critical to your planning for the remainder of CY 2022.

Note that if the **PHA-held funds**, including unspent CARES Act HAP and ARP HAP, identified on Line 19 are a positive amount, HUD will reduce HAP disbursements beginning in June 2022, which compels PHAs to use CARES Act HAP funds first and ARP HAP adjustment funding, which expire on December 31, 2021, and June 30, 2022, respectively, and any other accumulated RNP, in lieu of providing additional 2022 HAP budget authority. The 2022 HAP budget authority will accumulate into the PHAs HUD-held funds. None of the unspent CARES Act HAP or ARP HAP adjustment funding will accumulate as HUD-held funds or considered as HAP program reserves, consistent with reporting requirements provided in PIH Notice 2020-24 for CARES Act funds and PIH Notice 2021-23 for ARP HAP adjustment funding.

If, however, the PHA determines that additional funds are needed because of the scheduled reductions, please note that HUD-held funds will continue to be available to your PHA for future HAP needs upon request to your assigned Financial Analyst at the FMC. Otherwise, if the PHA-held funds identified on Line 19 are a negative amount, a payment will automatically be disbursed up to the amount available on Line 19 (HUD-held funds). Any shortage not covered by HUD-held funds must be covered by the PHA with approved outside sources of funds.

Finally, if the HUD-held funds identified on Line 19 are a negative amount, this means the PHA has received funds from available CY 2022 budget authority, which indicates that the PHA is overspending budget authority for the twelve-month period. PHAs in this instance, should be cognizant of the

need to stay within available resources for the calendar year.

Should you have any questions concerning this reconciliation, please do not hesitate to 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

PHA Name
PHA Number

ANN ARBOR HOUSING COMMISSION
MI064

This enclosure is intended to provide the accumulated Program Reserves as of December 31, 2021

PART I: December 31, 2020 Program Reserves (HUD-Held & PHA-Held)

1	December 31, 2020, HUD-Held Funds	\$269	
2	Prior Period Adjustments / Corrections to Line 1	\$0	
3	Adjusted December 31, 2020, HUD-Held Funds (Line 1 + Line 2)		\$269
4	Calculated PHA-Held HAP Funds as of December 31, 2020, (or Deficit)	\$931,149	
5	Prior Period Adjustments / Corrections to Line 4	-\$24,129	
6	Adjusted PHA-held Funds as of December 31, 2020, (or Deficit) (Line 4 + Line 5)		\$907,020
7	Program Reserves as of December 31, 2020 (HUD-held and PHA-held) (Line 3 + Line 6)		\$907,289

PART II: Total Funds Available for Calendar Year 2021

8	Program Reserves as of December 31, 2020 (Line 7)	\$907,289
9	2021 Prorated Renewal Eligibility	\$17,403,352
10	Non-Renewal funds (TP actions, VASH, RAD1, RAD2, etc.) *	\$38,528
11	Fraud Recovery & FSS Forfeitures, January - December, 2021	\$81,774
12	Total Funds Available in CY 2021 (Sum of Lines 8 through 11)	\$18,430,943

PART III: CY 2021 Activity (January - December, 2021)

	HUD-Held	PHA-Held
13	Beginning Balances	\$907,020
14	Prorated Obligations *	\$17,441,895
15	Disbursements *	\$15,563,848
16	Allowable HAP Expenses from line 25 *	\$16,572,935
17	VMS Reported Fraud Recovery & FSS Forfeitures	\$81,774
18	Adjustments (If Applicable)	\$0
19	Balances through December, 2021 *	-\$20,293

PART IV: Over Leasing Calculation

20	HAP Expenses as reported in VMS as of February 22, 2022*	\$16,572,935
21	Unit Months Available CY 2021	23,256
22	Unit Months Leased January - December, 2021	20,843
23	Overleased Unit Months CY 2021 (Line 22 less Line 21 if PHA is Overleased)	0
24	Disallowed HAP for Overleased Units	\$0
25	Allowable HAP Expenses January - December, 2021 (Line 20 Less Line 24) *	\$16,572,935

December, 2021, PHA Reported Restricted Net Position (RNP) - For Information Only	-\$355,893
December, 2021, PHA Reported Unrestricted Net Position (UNP) - For Information Only	-\$83,322
December, 2021, PHA Reported Cash / Investment - For Information Only	\$0

***If your PHA received awards under the CARES Act HAP for PUC increases or Shortfall Prevention in CY 2021, then Obligations, Disbursements, VMS Expenses and PHA-held Balances in this statement include CARES Act HAP supplemental funds. However, CARES Act HAP (and fees) supplemental funding must follow accounting and reporting guidance provided in PIH Notice 2020-24. Unspent CARES Act HAP or Fee supplemental funds shall not be reported as RNP or UNP. CARES Act HAP supplemental funding will be segregated later in the year.**