



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

OFFICE OF PUBLIC AND INDIAN HOUSING

January 18, 2022

Dear Executive Director,

CY 2022 Housing Choice Voucher Program (HCV) Program Renewal Awards:

The purpose of this letter is to communicate to public housing agencies (PHAs) administering the Housing Choice Voucher (HCV) Program the current status of program funding, projections for calendar year (CY) 2022 renewal funding, and the steps PHAs must take to support the funding process. This letter also provides important information about your PHAs monthly Housing Assistance Payments (HAP), Administrative Fee (AF) disbursements, and the projected HAP and AF proration based on the Draft Fiscal Year (FY) 2022 Senate and House of Representatives Appropriations Bills, for the HCV Program and Mainstream Vouchers.

The Department is currently operating under the Continuing Resolution (CR) H.R. 6119 – *Further Extending Government Funding Act*, which is effective until February 18, 2022. Under the CR, HUD has obligated funding to PHAs as follows:

- January and February 2022 HAP obligations at 98.5% proration of estimated CY 2022 eligibility,
- January and February 2022 AF obligations at 84% proration of estimated CY 2022 eligibility, and
- For PHAs administering Mainstream Vouchers, both HAP and AF for January and February 2022 have been obligated at 100% and 84%, respectively.

Accordingly, PHAs should expect timely HAP and AF disbursements for the HCV Program and Mainstream Vouchers for February 2022. PHAs will receive notification from the Financial Management Center when March 2022 funds have been obligated.

CY 2022 Estimated HAP and Administrative Fee Prorations:

The Department has evaluated CY 2022 funding possibilities per the draft [Senate](#) and [House](#) Bills that most recently passed committee. **Both the draft Senate and House Bills would provide funding at an estimated 100% HAP proration,** with the House Bill providing funding for an estimated 90% AF proration and the draft Senate Bill providing funding for an estimated 93% AF proration. As for budget authority for new vouchers, the House bill proposes approximately \$1.3 billion in new special purpose vouchers including funding for Tenant Protection actions and \$1 billion to assist approximately 130,000 households at risk of homelessness, victims of domestic violence and human trafficking. The draft Senate bill proposes \$255 million for new special purpose vouchers including Tenant Protection actions and \$75 million in new incremental vouchers for families with young children.

As always, the proration levels described above are at the national level, and they were calculated by estimating the full HCV program renewal need for CY 2022 and comparing the program renewal need to the available funding as proposed by the Senate and House of Representative Bills. To estimate the program renewal need, HUD considered HAP costs reported in the Voucher Management System (VMS) through August 2021 extrapolated through December 2021, adjusted for first time renewals and applied a national average inflation factor (3.73%). However, the local inflation factors that will used to calculate

each individual PHA's CY 2022 eligibility may significantly differ from the national average. PHAs' preliminary CY 2022 inflation factors are already set in the Two-Year Forecasting Tool (TYT), and the HAP proration factor is set to 100%. For this reason, it is recommended that PHAs consider the projections in the TYT, while assessing desired leasing levels in CY 2022. PHAs should plan for CY 2022 by also looking at the impact in CY 2023. The TYT can be accessed directly by downloading a spreadsheet from this [forecasting tool link](#), entering the PHA number and launching a forecasting populated with VMS data and funding information.

HUD staff will be evaluating budget and leasing utilization considering the above proration assumptions. Consequently, some PHAs may hear from HUD staff if, given those assumptions, a shortfall or significant leasing potential is projected. For information on budget and leasing trends, reserve balances, program admissions, attrition, per unit cost (PUC), and more, PHAs may access the [HCV Data Dashboard](#).

VMS Costs and Leasing Review Period:

The Department anticipates that the CY 2022 renewal eligibility for non-Moving to Work (non-MTW) PHAs will continue to be based on actual and eligible HAP costs incurred and reported in VMS during CY 2021. Therefore, all PHAs should begin reviewing the completeness and accuracy of their CY 2021 costs and leasing reported in VMS at this time. The deadline to submit CY 2021 costs and leasing adjustments in VMS, if needed, is **January 28, 2022**. As for MTW PHAs, their HAP renewal eligibilities will continue to be in accordance with the terms of their individual MTW agreements.

Should you have any questions about the TYT, please do not hesitate to contact your Field Office representative. Otherwise, please reach out to your FMC Financial Analyst for any HCV Program funding related inquiries.

Sincerely,

Danielle L. Bastarache

Digitally signed by Danielle L. Bastarache
DN: CN = Danielle L. Bastarache,
C = US,
Reason: I am approving this document

Danielle Bastarache
Deputy Assistant Secretary
Office of Public Housing and Voucher
Programs