

Housekeeping

- Remain muted during the webinar unless invited to unmute.
- Questions can be entered in the Q&A section throughout the presentation and will be addressed at the end and at intervals during the webinar.
- This webinar is being recorded and will be posted on the HUD Exchange website at a later date.





Preventing Shortfall in HCVs During a Pandemic



Agenda

- Introduction
- Determining your PHA's current contributors and causes related to Shortfall
- Funding
- Tools and Strategies for PHAs
 - HUD funding can assist with shortfall issues
 - Identify shortfall causes and solutions
 - Available tools and strategies for consideration
 - Quality control and data for reporting



Introduction

- Shortfall creates challenges for PHAs
 - Contributors & causes related to shortfall
 - Tools & strategies to avoid shortfall
 - Data quality & accuracy



Shortfall

- What is shortfall?
- Reasons for Shortfall?
 - Absence of analytics
 - Over leasing
 - Increased per unit costs (PUC)
 - Excessive Utility Allowance



Implications of Shortfall (cont.)

- Short Term
 - Temporarily stop issuing vouchers or don't absorb ports
- Long Term
 - Unable to meet the housing needs of the community



Poll: Determine Your PHA's Current Housing Funding Needs

- Are you at utilization capacity?
- Is your PUC growing?
- Have you performed a rent reasonableness study?
- Are you experiencing an influx of interim changes due to job loss?



Share With Us!

- Have you experienced a growing per-unit cost (PUC) during the COVID-19 pandemic?
- Can you identify the causes?



Determine Your PHA's Issues to Prevent Shortfall

- Rent reasonableness
- Interim changes
- Data consistency and quality
 - Voucher Management System (VMS)
 - PIH Information Center (PIC)
- Two-year Tool (TYT)
- Per-unit Cost (PUC)
- Mobility and portability



Poll: Determine Your PHA's Needs

- Do you have dedicated staff watching the numbers?
- Do you use TYT?
- Do you frequently update VMS data?
- Do you conduct quality control (QC) on your data?
- Do you work closely with Finance?
- Are you one of the authorities needing shortfall funding?



Share With Us!

- What factors do you think are the most important to prevent HAP shortfall?



An aerial photograph of a dense forest, viewed from a high angle. The image is overlaid with a color gradient that transitions from a deep blue at the top to a vibrant green at the bottom. The text "Let Us Dive Deeper" is centered in the middle of the image in a white, sans-serif font.

Let Us Dive Deeper

HUD Set Aside Funding

- 2021-10 Notice on Implementation of HCV Funding, which includes set-aside funds for Shortfall
- Several categories (VASH and Shortfall)
- Determine your eligibility



HUD Set Aside Funding (cont.)

- Important: Instructions and Deadlines
- Submit to: 2021Shortfallapplications@hud.gov
- Funds can only be used for its intended purposes



Example: HUD Guidance When Encountering Shortfall

- HUD FMC Shortfall Prevention Team uses shortfall questionnaire to:
 - Define the issue
 - Create a mitigation strategy
 - Assess shortfall amount
- Major categories:
 - Current conditions and projection variables
 - EIV Report
 - Financial information
 - Cost Savings and Estimates



Example: HUD Guidance When Encountering Shortfall – Action Plan

- Action plan developed once shortfall is determined by HUD Shortfall Prevention Team
- Action items included in example:
 - PHA ceases issuing vouchers to new applicants
 - PHA stops absorbing new portable families and billing until further notice
 - PHA denies Port Outs or moves to higher-cost areas unless receiving PHA will absorb
 - Fully reconcile RNP with FMC
 - Ask receiving PHAs to absorb Port Outs
 - Perform rent reasonableness
 - Use PIC and EIV to uncover fraud and HAP overpayments



Example: Release from HUD FMC Shortfall Prevention Team Monitoring

- Debrief occurs and additional tools are provided to aid PHA
 - Sample 1
 - Provided separate TYT with projections compared to VMS and reconciled within \$3 for RNP
 - Updated for VASH vouchers on street and added additional PUC increase due fluctuation in the PUC during the year



Example: Release from HUD FMC Shortfall Prevention Team Monitoring (cont.)

- Sample 2
 - Provided a separate TYT with projections including vouchers on the street
 - HPA expense compared against VMS, and VMS variance was due to not adding the retroactive expenses that needed to be added to VMS
 - Due to falling PUC, PUC was only adjusted by \$1 each month
 - Additional provision made for turnover in VASH
 - Projection showed that PHA will no longer be shortfall, and there was a release from oversight



What Else Can You Do? Tools for PHAs

Tools

- VMS/PIC/TYT
- Analysis of trends
 - Leasing data
 - PUC
 - Ports



Additional Tools

- Review for:
 - Utility allowance excess
 - PIC and EIV to uncover Fraud



Other Tools and Observations

- During pandemic, need for housing due to homelessness or loss of income will rise increasing the demand on housing
- Ask districts or states that serve your ports to absorb them and remove the pressure on your budget
- It is not recommended that you temporarily restrict moves to higher cost areas unless you don't do not have any resources to cover the port
- You cannot deny or delay rent increases for landlords



Rent Reasonableness

- Comparability vs. market study
- Rent controls in your area
- Maintain process
- Frequent updates



Interim Changes

- Processing interim changes due to loss of income
- Backlog
- Watch your trends and causes
- Use your Two-Year Tool (TYT) for frequent updates





Discussion: Let's Hear from You

An aerial photograph of a dense residential neighborhood, showing numerous houses and streets. The image is overlaid with a color gradient that transitions from a deep blue at the top to a vibrant green at the bottom. The text 'In closing - Reminders' is centered in the middle of the image in a white, sans-serif font.

In closing - Reminders

Voucher Management System (VMS)

- Utilization
- Quality Control (QC) data
- Frequently update to reflect current and accurate data
- Don't forget retros
- Reconcile to general ledger



PIH Information Center (PIC)

- Do you have errors?
- Quality control (QC)
- Clean up data
- Inaccurate reporting affects funding



Two-Year Tool (TYT)

- Adjust through attrition rate
- Understand your PUC
- Use as your forecast tool



Poll

- Does TYT help you in the decision-making process?
- Are you comfortable with all tabs?
- Has it helped you to redirect your business strategy?
- Do you need more training?



Mobility and Move

- Option and choice effect
- When to enforce limitations
- Ask receiving jurisdiction to absorb in high-rent districts
- RAD conversions after 2 years and mobility
- Analyze your numbers



More Resources

- PIH Notice 2021-10: Implementation of the Federal Fiscal Year (FFY) 2021 Funding Provisions for the Housing Choice Voucher Program, and Availability of FFY 2020 Housing Assistance Payments (HAP) Set-Aside Funds refer to category 1:
<https://www.hud.gov/sites/dfiles/OCHCO/documents/2021-10pihn.pdf>
- Moves and Portability
https://www.hud.gov/sites/dfiles/PIH/documents/HCV_Guidebook_Moves_and_Portability.pdf
- TYT Training:
https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/Tools
- Cost-saving Notice:
<https://www.hud.gov/sites/documents/PIH2011-28.PDF>



Additional Questions

- Send TA service requests to hudcc.trainings@iem.com
- Subject line: PHA COVID-19 TA Post-training Follow-up Question
- Include in body of email:
 - Requester name
 - Requester PHA
 - Training topic (include training attended)
 - Specific issue and/or question (be brief)
 - Email and phone number



Thank You

