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HUD issues guidance on emergency housing vouchers funded in American Rescue Plan

By Deborah VanAmerongen

On May 5, 2021, HUD issued [Public & Indian Housing \(PIH\) Notice 2021-15](#), which describes the process HUD is using to allocate approximately 70,000 emergency housing vouchers (EHVs) to public housing agencies (PHAs) and gives operation guidance on how the EHV's are to be utilized. The EHV's were funded with a \$5 billion appropriation in the American Rescue Plan (ARP) adopted March 11, 2021.

Eligibility for these EHV's is limited to individuals and families who are (1) homeless; (2) at risk of homelessness; (3) fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking; or (4) recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability. These vouchers will function similarly to HUD's tenant-based (housing choice) Section 8 voucher program, but the ARP authorized HUD to waive statutory and regulatory provisions in order to facilitate the administration of these monies.

HUD is allocating the 70,000 EHV's to PHAs according to a formula laid out in PIH Notice 2021-15.¹ All awardees were notified on their allocations on May 10 and HUD is encouraging all PHAs to accept their entire allocation. PHAs have until May 24 to accept their allocation. If some PHAs decline all or a portion of their award, HUD may recapture those vouchers and reallocate them to other PHAs.

Because the EHV's can only be used for populations that meet the criteria above, and HUD is providing several waivers of "standard" Section 8 voucher rules, the PHAs will have to segregate these funds and do separate reporting on their use. In addition to the typical administrative fees that PHAs receive to cover eligible expenses, PHAs will be eligible for additional fees for each EHV they administer. These include: a preliminary fee per voucher to cover start-up costs; an initial placement fee to cover initial lease-up costs and expedited issuance fees for vouchers leased in less than four months or in four to six months; and a services fee to design a menu of services to best address the leasing challenges inherent in this program. The services fee could be used for purposes

¹ See the [list of awardees](#).

such as housing search assistance, tenant-readiness, payment of application fees, moving costs, holding fees, purchasing essential household items, renter's insurance, and security and utility deposit assistance. The services fee can also be used to incentivize landlord participation in the program through outreach, recruitment, and payment of incentive and/or retention payments.

PHAs are required to enter into an MOU with their local Continuum of Care (COC) within 30 days of receiving the EHV funding to provide referrals to the PHA of qualifying individuals. PHAs also must survey their existing Section 8 voucher waiting list for eligible applicants. PHAs will create a separate EHV waiting list.

Among the provisions of the regular Section 8 voucher program that HUD is waiving or adjusting for the EHV program are: allowing for a longer initial search term, allowing pre-inspection for HQS, use of recent income verification, and allowing for a lease term of less than 12 months. Perhaps the most important change specific to this program is allowance for use of a payment standard up to 120% of FMR in competitive markets, and PHAs can apply to HUD for authorization to go above 120% of FMR.

The ARP provides that after September 30, 2023, a PHA may not reissue the EHV when assistance for an assisted family ends. This means that when an EHV participant (a family that is receiving rental assistance under this program) leaves the program for any reason, the PHA may not reissue that EHV to another family unless it does so no later than September 30, 2023. The funds appropriated for the EHV program are available for obligation by HUD only until September 30, 2030, and will be cancelled as a matter of law on September 30, 2035. For these reasons, EHV's cannot be utilized as project-based assistance.

It is possible that, given the administrative complexities of this program, some PHAs, particularly those allocated a small number of vouchers, may decline to participate in this program. For larger PHAs due to receive a substantial number of vouchers, it is expected they will accept the allocation, and these EHV's could provide some relief for the strain on existing voucher programs by serving these designated populations with this additional pot of funding.

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