



U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

Special Attention of:
Regional and Field Office Directors of Public
Housing; Section 8 Financial Management
Center; Public Housing Agencies Administering
Housing Choice Voucher Programs; Regional
Directors; State and Area Coordinators

Notice PIH-2007-17

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Cross References:

HUD Notices PIH 2006-12,
PIH 2006-29, PIH 2006-37,
PIH 2007-3, and PIH 2007-4

Subject: Disaster Voucher Program (DVP) -- Extension of the DVP and Revised Term for the Waiver of Tenant Contribution

1. **Purpose.** This Notice informs DVP administering public housing agencies (PHAs) that the DVP has been extended beyond its previous sunset date of September 30, 2007. In addition, the time period for the waiver of the normally applicable voucher program tenant rent contribution requirements for DVP families has been changed. The waiver of the tenant's rent contribution now applies to all DVP families until December 31, 2007.

With the exception of the revised policies covered by this Notice, the operating requirements and guidance set forth in HUD Notices PIH 2006-12, PIH 2007-3, and other notices on the DVP remain in effect.

2. **Background.** Division B of the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006, (Public Law No. 109-148, enacted on December 30, 2005), appropriated approximately \$390 million to HUD for temporary rental voucher assistance for certain families displaced by Hurricanes Katrina and Rita (i.e., the DVP). HUD Notice PIH 2006-12, Disaster Voucher Program (DVP) Operating Requirements – Rental Assistance for HUD-Assisted Families and Special Needs Families Displaced by Hurricanes Katrina and Rita, was issued on February 3, 2006. The DVP Operating Requirements were subsequently augmented and revised by HUD Notices PIH 2006-29; PIH 2006-37, and PIH 2007-3. HUD Notice PIH 2007-4 extended HUD Notice PIH 2006-12 through February 28, 2008.

The U.S. Troop Readiness, Veteran's Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007, (Public Law No. 110-28) was enacted into law on May 25, 2007. Section 4801 of Public Law No. 110-28 amends Public Law No. 109-148 with respect to the length of time that HUD is authorized to waive the voucher requirements for income

eligibility and tenant contribution under Section 8(o) of the United States Housing Act of 1937. As a result, HUD may waive the normally applicable tenant contribution and income eligibility provisions of the voucher program for the DVP until December 31, 2007.

The new law also amends section 901 of Public Law No. 109-148. Section 901 originally provided that HUD may authorize PHAs in the most heavily impacted areas of Louisiana or Mississippi that were subject to the federal disaster declarations in connection with Hurricanes Katrina or Rita to combine funding under section 8(o) with public housing funding under sections 9(d) and 9(e) of the United States Housing Act of 1937 for calendar year 2006. Public Law No. 110-28 amends section 901 to allow HUD to authorize the combined use of voucher funding under 8(o) with public housing funding under section 9(d) and 9(e) of the United States Housing Act of 1937 in calendar year 2007 as well as calendar year 2006.

Guidance for eligible PHAs on the combined use of voucher and public housing funding for calendar year 2007 will be forthcoming. However, unlike calendar year 2006, PHAs may not temporarily convert any participant family currently assisted under its regular voucher program to the DVP during calendar year 2007 to “free-up” section 8(o) funding for fungibility purposes. Any family currently receiving regular voucher assistance under the pre-disaster PHA regular voucher program will continue to receive such regular voucher assistance for the duration of calendar year 2007. This includes those tenant-based voucher families that reverted back to the regular voucher program from the DVP on January 1, 2006, in accordance with HUD Notice PIH 2006-29.

3. Revised DVP Sunset Dates and DVP New Admission Deadline.

The previous DVP termination date of September 30, 2007, is rescinded. There are now two separate and distinct categories of DVP participants with respect to when the DVP will end.

(A) December 31, 2007 -- End of the DVP for pre-disaster tenant-based voucher families.

In the case of pre-disaster tenant-based voucher families receiving DVP assistance, the DVP shall end on December 31, 2007. These families will end participation in the DVP at such time and revert to the regular voucher program effective January 1, 2008.

HUD will issue subsequent guidance detailing the process by which these pre-disaster tenant-based voucher families will return to tenant-based assistance, including streamlined portability billing and absorption procedures.

(B) June 30, 2008 – Projected end of the DVP for pre-disaster public housing, project-based, and pre-disaster homeless and special needs housing DVP families.

In the case of families that were displaced by the disasters from public housing or the covered project-based assistance programs, or were pre-disaster homeless and Special Needs housing families, DVP assistance will continue beyond December 31, 2007.

The length of the extension of DVP will be dependent on the availability of funding and the number of families assisted. HUD is projecting that there will be sufficient DVP funding remaining in September 2007 that the DVP will be able to continue through at least June 30, 2008, for this category of families.

HUD is further extending the DVP for these families due to the differences between tenant-based and project-based assistance.¹ While the resumption of a pre-disaster tenant-based family's regular voucher assistance is not dependent on the availability of a specific unit, families that were residing in public housing or other project-based units must wait for the availability of an actual unit for their pre-disaster housing assistance to resume. Due to the magnitude of the destruction wrought by Hurricanes Katrina and Rita and other complicating factors that have impacted the pace of rebuilding on the Gulf Coast, repairs to some pre-disaster public housing and project-based units (and in some cases the final decisions with respect to rebuilding such units or providing alternative housing solutions) may not be completed by December 31, 2007.

(C) New Admission Deadline for the DVP of September 1, 2007.

No additional families may be admitted to the DVP after September 1, 2007.² The DVP PHA is encouraged to make contact with any family that has registered with the DVP PHA for DVP assistance but not yet leased a unit and advise the family of the pending admission deadline for DVP assistance. Note that the normally applicable income eligibility requirements of the voucher program are waived for admission to the DVP (see HUD Notice PIH 2006-12, section 4(g) for information on PHA determination of family eligibility).

HUD will issue separate guidance on the process by which funding will be obligated for the continuation of DVP assistance for impacted families. In the interim, please note that it will be imperative for the DVP administering PHA to ensure that the data recorded in the Disaster Information System (DIS) is accurate and up-to-date.

4. Revised Term of Suspension of Tenant Contribution under the DVP.

Division B of the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006 (Public Law No. 109-148), originally provided HUD with the authority to waive the normally applicable voucher program tenant contribution for DVP participants for up to 18 months. Public Law No. 110-28 amended this provision by changing the time period for which HUD may waive these requirements from "up to 18 months" with "until December 31, 2007". Consequently,

¹ As noted earlier, HUD is also extending DVP assistance for those DVP families that qualified because they were sleeping on the streets or in other places not meant for human habitation in one of the Federally declared disaster areas between August 21 - 28, 2005 (for Hurricane Katrina) or September 16 - 23, 2005 (for Hurricane Rita).

² In order to extend the DVP beyond September 2007, HUD must obligate the DVP funding to the PHAs no later than September 30, 2007. HUD will obligate the remaining DVP funding to the PHAs based on family and cost data reported in the Disaster Information System (DIS) as of September 1, 2007. No DVP funding will be available to assist additional families after HUD obligates the remaining funding based on where families are currently assisted as of September 1, 2007.

HUD has extended the waiver authority provided for all statutory and regulatory requirements related to tenant rent contribution until December 31, 2007.

As a result, all statutory and regulatory requirements related to tenant rent contribution for any family assisted under the DVP, regardless of the length of the family's participation in the DVP to date, are now waived until December 31, 2007. This means that the monthly housing assistance payment (HAP) shall continue to be calculated differently under the DVP than it is under the regular voucher program for all DVP families until January 1, 2008.

Until January 1, 2008, the monthly DVP housing assistance payment for any DVP participant family continues to equal the lesser of:

1. the monthly gross rent; or
2. the applicable PHA payment standard amount established for the PHA's regular voucher program in accordance with 24 CFR 982.503.

Housing assistance payments for all DVP families must be recalculated in accordance with regular voucher program rules effective January 1, 2008. The PHA must conduct an examination of family income in order to adjust the housing assistance payment to reflect the family's payment of the family share of rent based on normally applicable voucher program requirements effective January 1, 2008.

HUD realizes that the examination of family income and recalculation of the monthly HAP for these DVP families, coupled with the similar effort necessary to return the former tenant-based voucher families to the regular voucher program effective January 1, 2008, will represent a significant administrative burden for those DVPPHAs assisting large numbers of DVP families. PHAs with heavy DVP caseloads are therefore encouraged to commence work on income reexaminations of DVP families as soon as possible to comply with the January 1, 2008 effective date. For example, a PHA may wish to conduct the income examination and verification process for DVP families immediately and apply the results to the January 1, 2008 payment calculation (unless a subsequent adjustment is necessary to reflect a change in income reported by the family in accordance with PHA policies).

HUD recognizes that PHAs with large numbers of DVP participants may not have time or be able to verify every family's reported income through an independent source method (e.g., UIV; third party written; or third party oral) in order to apply the results of the reexamination to the regular voucher HAP subsidy calculation effective January 1, 2008. As a result of the tight time constraints and the number of reexaminations resulting from the DVP subsidy formula change and the DVP transition back to the regular voucher program, the PHA is authorized to rely on document review or the family declaration or certification in order to comply with the January 1, 2008 effective date. This exception to the normal hierarchy of verification method and the requirement to make at least two attempts to obtain third party

documentation applies only to the initial income recertification necessary to transition the family subsidy calculation back to the regular voucher program rules effective January 1, 2008. In such instances the PHA must document the use of this exception as the justification for these lower verification methods in the tenant file.

5. **Paperwork Reduction Act Statement** The information collection requirement contained in this notice have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520), and assigned OMB control number 2577-0169. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a valid control number.
6. **Additional Information**. Any questions related to this notice should be addressed to the Housing Voucher Management and Operations Division at (202) 708-0477.

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Orlando J. Cabrera, Assistant Secretary
for Public and Indian Housing