

SPECIAL ATTENTION OF:

Office Directors of Public Housing; Regional Directors; Public Housing Agencies

NOTICE PIH 2022-09

Issued: April 11, 2022

Expires: This notice remains in effect until December 31, 2022.

Cross References: Notices PIH 2022-04; 2021-34; 2021-14; PIH 2018-16; and 82 FR 5458 (January 18, 2017).

Subject: Streamlined Regulatory Waivers for the Housing Choice Voucher (including Mainstream and Mod Rehab) Program.

1. Purpose

This Notice advises public housing agencies (PHAs) that they may apply for certain regulatory waivers that were originally offered as part of the Coronavirus Aid, Relief, and Economic Security Act (Public Law 116-136) (CARES Act) waivers announced in PIH <u>Notice 2021-14</u> and in PIH <u>Notice 2021-34</u> to provide continued flexibility during pandemic recovery. This Notice includes regulatory waivers specifically related to assisting PHAs in responding to ongoing fluctuations and disruptions in the rental market by providing more flexibility with establishing and applying payment standards and voucher search time policies.

PHAs must utilize the process set forth in this Notice to submit waiver requests and justification of good cause to trigger the streamlined HUD review. HUD has developed a streamlined process to respond to these waiver requests in accordance with Section 106 of the Department of Housing and Urban Development Reform Act of 1989. The use of this streamlined review only applies to waivers explicitly stated in <u>Section 3</u> of this Notice. Waiver requests under this Notice must be received by end of day on September 30, 2022.

2. Background

The CARES Act provided HUD with authority in the context of the public health emergency, to waive statutes and regulations (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment) for the Housing Choice Voucher (HCV) and Public Housing programs. These waivers provided PHAs with the flexibility to adjust program practices where necessary so they could prioritize mission critical functions. Most CARES Act waivers and alternative requirements contained in Notice <u>PIH 2021-14</u> expired on December 31, 2021; but specific previously exercised HCV waiver approvals may extend through 2022.

In recognition of the need to provide continued flexibility to PHAs to respond to the pandemic recovery, this Notice includes three of the five waivers previously eligible for expedited review¹. These three waivers will assist PHAs in managing ongoing challenges related to rental market fluctuations and the need for extended time for families to search for a unit with their voucher.

This Notice does not provide for an expedited review of requests. Instead, this notice provides instructions on a streamlined waiver process that would allow PHAs to continue to request specific regulatory waivers for the HCV (including Mainstream and Mod Rehab) programs.

3. Regulatory Waivers Eligible for Streamlined Processing

Using regulatory waiver authority provided in 24 CFR 5.110, HUD will consider requests to approve waivers listed in Table 1 when a PHA can justify good cause. Requests must be received by HUD on or before September 30, 2022, to receive streamlined processing.

Item	Waiver Name	Regulation	Summary of relief from
			HUD requirements
(1)	Increase in Payment Standard During HAP Contract Term	982.505(c)(4)	PHAs have the option to increase the payment standard for the family at any time after the effective date of the increase, rather than waiting for the next regular reexamination.
(2)	Term of Voucher: Extensions of Term	982.303(b)(1)	Allows PHAs to grant a family one or more extensions of the initial voucher term regardless of the policy described in the Administrative Plan. PHAs should ensure consistency with these requests and remain in compliance with the PHA's informally adopted interim standard.
(3)	Voucher Tenancy: New Payment Standard Amount	982.503(b)	PHAs may establish payment standards from 111 to 120 percent of the FMR.

Table 1. List of eligible streamlined regulatory waivers.

Additional Information about waiver (3) Voucher Tenancy: New Payment Standard Amount

Using regulatory waiver authority provided in 5.110, HUD will allow for a waiver of 982.503(b)(1)(i) and will establish an alternative requirement to allow the PHA to establish a payment standard amount for a unit size at any level between 90 percent and 120 percent (as opposed to 110 percent) of the published FMR or Small Area Fair Market Rent (SAFMR) for that unit size.

¹ See PIH Notices <u>2022-04</u> and <u>2021-34</u> - *Expedited Regulatory Waivers for the Public Housing and Housing Choice Voucher (including Mainstream and Mod Rehab) Programs*

Furthermore, for PHAs that are not in a designated SAFMR area or have not opted to voluntarily implement SAFMRs under 24 CFR 888.113(c)(3), HUD will allow for a waiver of 982.503(b)(1)(iii) and will establish an alternative requirement to provide exception payment standards for a ZIP code area above the basic range for the metropolitan FMR based on the HUD published SAFMRs. The PHA may establish an exception payment standard up to 120 percent (as opposed to 110 percent) of the HUD published SAFMR for that ZIP code area.

If the PHA intends to establish payment standards based on SAFMR when exercising this FMR waiver, and (a) is not in a designated SAFMR area; (b) was not previously approved as an opt-in SAFMR PHA; or (c) did not previously notify HUD of their use of SAFMR exception payment standards, then the PHA must follow the instruction in PIH Notice 2018-01.

All rent reasonableness requirements at 982.507 apply to HCV units, regardless of whether the PHA has established an alternative or exception payment standard.

A PHA may not apply the FMR waiver payment standard until it receives written approval from HUD. The FMR waiver payment standards generally are only applicable to the FY 2022 FMRs. However, PHAs with a pending FMR reevaluation who are required to continue to use the FY 2021 FMRs may request to use this waiver to go up to 120% of their applicable FMR. PHAs must revert to the basic range for FY 2023 FMRs unless the PHA requests and HUD approves an additional exception payment standard waiver under 24 CFR 5.110 or 24 CFR 982.503, as applicable.

HUD emphasizes that this is a temporary measure to address volatility as a direct result of the pandemic and will continue to assess its FMR methodology going forward.

4. Good Cause for Streamlined Regulatory Waiver Requests

A PHA must include justification of good cause in its waiver request. The good cause justification must include (a) why a PHA needs the waiver; (b) the impact on PHA operations or applicants if the waiver is not provided; and (c) the proposed waiver duration. Waiver duration should be limited to only the time necessary for a PHA to resume normal operations but may not exceed December 31, 2022. HUD may provide a shorter timeframe or other conditions as a part of an approval. PHAs must demonstrate a good cause justification to receive approval of the waiver.

Included below are some examples of good cause for waiver (1) Increase in Payment Standard During HAP Contract Term, and waiver (2) Term of Voucher: Extension of Term:

- Challenges with voucher success rate due to rental market fluctuations, local pandemic specific delays or limitations related to conducting a successful housing search.
- Increases in the length of time it takes for a family to successfully locate a unit.
- Increases in family rent burdens.
- Potential negative impacts to tenants or the onset of housing instability.

For waiver (3) Voucher Tenancy: New Payment Standard Amount a PHA must certify that it meets one of the following good cause reasons:

- (1) **HUD FMR Area Determined to Have Significant Rental Market Fluctuations:** The PHA's jurisdiction is in a FMR area identified by HUD to have significant rental market fluctuations, where an increase in PHA's payment standards up to 120 percent of the FMR may help the PHA more quickly respond to local circumstances. HUD has posted a list of such FMR areas. See the attached FMR area list.
- (2) Utilization Rate: Lower than 98 percent for the current year-to-date or more than a five percent reduction in utilization rate occurring between years 2019 and 2021. Utilization rate is the higher of unit months leased divided by unit months available, or total HAP spent divided by budget authority (including reserves).
- (3) **Timely Leasing of Vouchers:** Less than 85 percent of the vouchers that the PHA has issued in the last six months have leased.

Prior to submission for its waiver (3) request, the PHA must determine the budgetary impacts on its program and ensure they have the available budget authority to support increased payment standards. PHAs are encouraged to use the "<u>Payment Standard Tool</u>" to help determine the budgetary impacts.

5. Instructions for Submitting Streamlined Regulatory Waiver Requests

This section explains the process for submitting streamlined waiver requests and provides direction to PHAs on how to submit requests for processing. A PHA may request a waiver of the HUD requirements listed above and should include a justification that documents why the waiver is needed. No waiver(s) requested may be implemented unless written approval from HUD has been obtained. To ensure streamlined processing, PHAs should email its waiver requests to <u>PIH_Expedited_Waivers@hud.gov</u> with a copy to their local field office public housing directors. Each request must include:

- (1) An email subject line of: "Streamlined Pandemic Regulatory Waiver Request, [PHA name and code]."
- (2) Body of email should include:
 - PHA business address and name and email for point of contact.
 - Name and regulation from Table 1 of the waiver(s) being requested.
 - A PHA-specific justification for the waiver(s) that shows good cause.
 - Requested duration of the waiver(s).

Following submission, PIH will reply via email confirming that the request has been received. The PIH Program Office prepares a final determination for approval by its Assistant Secretary; and PHAs receive the signed response to the waiver request via email.

PHAs may continue to request other regulatory waivers as necessary to operate its HCV program; however, they will not be subject to the streamlined process. PHA waivers submitted under the streamlined process in this Notice should not be combined with waivers submitted under the standard process described in <u>PIH Notice 2018-16</u>.

6. For further information: Contact Alison Bell, Housing Voucher Management and Operations Division, Office of Public and Indian Housing, Department of Housing and Urban Development, 451 7th Street, SW, Room 4214, Washington, DC 20410-5000, or email to <u>PIH_Expedited_Waivers@hud.gov.</u>

/ s /

Dominique Blom General Deputy Assistant Secretary for Public and Indian Housing

H	HUD FMR Area Determined to Have Significant Rental Market Fluctuations	
1	Acadia Parish, LA HUD Metro FMR Area	
2	Akron, OH MSA	
3	Albany, GA MSA	
4	Albuquerque, NM MSA	
5	Allentown-Bethlehem-Easton, PA HUD Metro FMR Area	
6	Altoona, PA MSA	
7	Anchorage, AK HUD Metro FMR Area	
8	Anderson, IN HUD Metro FMR Area	
9	Anniston-Oxford-Jacksonville, AL MSA	
10	Anson County, NC HUD Metro FMR Area	
11	Asheville, NC HUD Metro FMR Area	
12	Athens-Clarke County, GA MSA	
13	Atlanta-Sandy Springs-Roswell, GA HUD Metro FMR Area	
14	Atlantic City-Hammonton, NJ MSA	
15	Augusta-Richmond County, GA-SC HUD Metro FMR Area	
16	Austin-Round Rock, TX MSA	
17	Baker County, FL HUD Metro FMR Area	
18	Bakersfield, CA MSA	
19	Battle Creek, MI MSA	
20	Beaufort County, SC HUD Metro FMR Area	
21	Bend-Redmond, OR MSA	
22	Billings, MT HUD Metro FMR Area	
23	Bloomington, IL MSA	
24	Boise City, ID HUD Metro FMR Area	
25	Bond County, IL HUD Metro FMR Area	
26	Box Elder County, UT HUD Metro FMR Area	
27	Bremerton-Silverdale, WA MSA	
28	Brunswick, GA MSA	
29	Burlington, NC MSA	
30	Butte County, ID HUD Metro FMR Area	
31	Butts County, GA HUD Metro FMR Area	
32	Callaway County, MO HUD Metro FMR Area	
33	Camden County, NC HUD Metro FMR Area	
34	Campbell County, TN HUD Metro FMR Area	
35	Cape Coral-Fort Myers, FL MSA	
36	Cape Girardeau, MO-IL MSA	
37	Chambers County, AL	
38	Charleston-North Charleston, SC MSA	
39	Charlotte-Concord-Gastonia, NC-SC HUD Metro FMR Area	
40	Chattanooga, TN-GA MSA	
41	Chester County, SC HUD Metro FMR Area	
42	Chilton County, AL HUD Metro FMR Area	

HUD FMR Area Determined to Have Significant Rental Market Fluctuations	
43	Clarendon County, SC HUD Metro FMR Area
44	Clarksville, TN-KY HUD Metro FMR Area
45	Cleveland, TN MSA
46	Coeur d'Alene, ID MSA
47	Colchester-Lebanon, CT HUD Metro FMR Area
48	Colorado Springs, CO HUD Metro FMR Area
49	Columbia, SC HUD Metro FMR Area
50	Cooper County, MO HUD Metro FMR Area
51	Cotton County, OK HUD Metro FMR Area
52	Craven County, NC HUD Metro FMR Area
53	Crestview-Fort Walton Beach-Destin, FL HUD Metro FMR Area
54	Cumberland, MD-WV MSA
55	Dallas County, MO HUD Metro FMR Area
56	Daphne-Fairhope-Foley, AL MSA
57	Davidson County, NC HUD Metro FMR Area
58	Deltona-Daytona Beach-Ormond Beach, FL HUD Metro FMR Area
59	Dover, DE MSA
60	Durham-Chapel Hill, NC HUD Metro FMR Area
61	East Stroudsburg, PA MSA
62	Easton-Raynham, MA HUD Metro FMR Area
63	Elkhart-Goshen, IN MSA
64	Elmira, NY MSA
65	Falls County, TX HUD Metro FMR Area
66	Fayette County, WV HUD Metro FMR Area
67	Fayetteville, NC HUD Metro FMR Area
68	Flagstaff, AZ MSA
69	Flint, MI MSA
70	Fort Lauderdale, FL HUD Metro FMR Area
71	Fort Wayne, IN MSA
72	Franklin County, VA HUD Metro FMR Area
73	Fresno, CA MSA
74	Fulton County, IL HUD Metro FMR Area
75	Gainesville, GA MSA
76	Gates County, NC HUD Metro FMR Area
77	Gem County, ID HUD Metro FMR Area
78	Gettysburg, PA MSA
79	Goldsboro, NC MSA
80	Grady County, OK HUD Metro FMR Area
81	Grand Rapids-Wyoming, MI HUD Metro FMR Area
82	Greensboro-High Point, NC HUD Metro FMR Area
83	Hanford-Corcoran, CA MSA
84	Haralson County, GA HUD Metro FMR Area

HUD FMR Area Determined to Have Significant Rental Market Fluctuations	
85	Harnett County, NC HUD Metro FMR Area
86	Harrisburg-Carlisle, PA MSA
87	Harrisonburg, VA MSA
88	Haywood County, NC HUD Metro FMR Area
89	Hickory-Lenoir-Morganton, NC MSA
90	Hillsborough County, NH (part) HUD Metro FMR Area
91	Hinesville, GA HUD Metro FMR Area
92	Hoke County, NC HUD Metro FMR Area
93	Holland-Grand Haven, MI HUD Metro FMR Area
94	Howard County, MO HUD Metro FMR Area
95	Hudspeth County, TX HUD Metro FMR Area
96	Huntington County, IN
97	Huntsville, AL MSA
98	Iberia Parish, LA HUD Metro FMR Area
99	Idaho Falls, ID HUD Metro FMR Area
100	Ionia County, MI HUD Metro FMR Area
101	Iredell County, NC HUD Metro FMR Area
102	Jackson, MI MSA
103	Jacksonville, FL HUD Metro FMR Area
104	Jacksonville, NC MSA
105	Jefferson City, MO HUD Metro FMR Area
106	Johnstown, PA MSA
107	Jones County, NC HUD Metro FMR Area
108	Kershaw County, SC HUD Metro FMR Area
109	Killeen-Temple, TX HUD Metro FMR Area
110	King and Queen County, VA HUD Metro FMR Area
111	Kingsport-Bristol-Bristol, TN-VA MSA
112	Kingston, NY MSA
113	Knoxville, TN HUD Metro FMR Area
114	Lafayette, LA HUD Metro FMR Area
115	Lake Havasu City-Kingman, AZ MSA
116	Lakeland-Winter Haven, FL MSA
117	Lamar County, GA HUD Metro FMR Area
118	Lampasas County, TX HUD Metro FMR Area
119	Lancaster County, SC HUD Metro FMR Area
120	Las Vegas-Henderson-Paradise, NV MSA
121	Lima, OH MSA
122	Lincoln County, GA HUD Metro FMR Area
123	Lincoln County, NC HUD Metro FMR Area
124	Lincoln County, OK HUD Metro FMR Area
125	Logan, UT-ID MSA
126	Long County, GA HUD Metro FMR Area

HUD FMR Area Determined to Have Significant Rental Market Fluctuations		
127	Macon County, TN HUD Metro FMR Area	
128	Macon-Bibb County, GA HUD Metro FMR Area	
129	Macoupin County, IL HUD Metro FMR Area	
130	Manchester, NH HUD Metro FMR Area	
131	Marshall County, MS HUD Metro FMR Area	
132	Matanuska-Susitna Borough, AK HUD Metro FMR Area	
133	Maury County, TN HUD Metro FMR Area	
134	Memphis, TN-MS-AR HUD Metro FMR Area	
135	Meriwether County, GA HUD Metro FMR Area	
136	Miami-Miami Beach-Kendall, FL HUD Metro FMR Area	
137	Michigan City-La Porte, IN MSA	
138	Midland, MI MSA	
139	Mobile, AL HUD Metro FMR Area	
140	Moniteau County, MO HUD Metro FMR Area	
141	Monroe County, GA HUD Metro FMR Area	
142	Montcalm County, MI HUD Metro FMR Area	
143	Morgan County, GA HUD Metro FMR Area	
144	Morgan County, TN HUD Metro FMR Area	
145	Muncie, IN MSA	
146	Muskegon, MI MSA	
147	Myrtle Beach-North Myrtle Beach-Conway, SC HUD Metro FMR Area	
148	Naples-Immokalee-Marco Island, FL MSA	
149	Nashua, NH HUD Metro FMR Area	
150	New Bedford, MA HUD Metro FMR Area	
151	New Haven-Meriden, CT HUD Metro FMR Area	
152	Newport-Middleton-Portsmouth, RI HUD Metro FMR Area	
153	North Port-Sarasota-Bradenton, FL MSA	
154	Norwich-New London, CT HUD Metro FMR Area	
155	Ocala, FL MSA	
156	Oconto County, WI HUD Metro FMR Area	
157	Ogden-Clearfield, UT HUD Metro FMR Area	
158	Okmulgee County, OK HUD Metro FMR Area	
159	Oktibbeha County, MS	
160	Orlando-Kissimmee-Sanford, FL MSA	
161	Ottawa County, OH HUD Metro FMR Area	
162	Palm Bay-Melbourne-Titusville, FL MSA	
163	Palm Coast, FL HUD Metro FMR Area	
164	Pamlico County, NC HUD Metro FMR Area	
165	Parke County, IN HUD Metro FMR Area	
166	Pawnee County, OK HUD Metro FMR Area	
167	Peach County, GA HUD Metro FMR Area	
168	Pender County, NC HUD Metro FMR Area	

HUD FMR Area Determined to Have Significant Rental Market Fluctuations	
169	Pensacola-Ferry Pass-Brent, FL MSA
170	Phoenix-Mesa-Scottsdale, AZ MSA
171	Polk County, MO HUD Metro FMR Area
172	Port St. Lucie, FL MSA
173	Providence-Fall River, RI-MA HUD Metro FMR Area
174	Punta Gorda, FL MSA
175	Putnam County, IN HUD Metro FMR Area
176	Raleigh County, WV HUD Metro FMR Area
177	Raleigh, NC MSA
178	Reading, PA MSA
179	Reno, NV MSA
180	Riverside-San Bernardino-Ontario, CA MSA
181	Roane County, TN HUD Metro FMR Area
182	Rockingham County, NC HUD Metro FMR Area
183	Rowan County, NC HUD Metro FMR Area
184	SacramentoRosevilleArden-Arcade, CA HUD Metro FMR Area
185	San Diego-Carlsbad, CA MSA
186	Santa Fe, NM MSA
187	Savannah, GA MSA
188	ScrantonWilkes-Barre, PA MSA
189	Sharon, PA HUD Metro FMR Area
190	Sierra Vista-Douglas, AZ MSA
191	Smith County, TN HUD Metro FMR Area
192	Spokane, WA HUD Metro FMR Area
193	Springfield, MO HUD Metro FMR Area
194	St. Louis, MO-IL HUD Metro FMR Area
195	Stevens County, WA HUD Metro FMR Area
196	Stewart County, TN HUD Metro FMR Area
197	Stockton-Lodi, CA MSA
198	Sullivan County, IN HUD Metro FMR Area
199	Sumter, SC HUD Metro FMR Area
200	Tampa-St. Petersburg-Clearwater, FL MSA
201	Tate County, MS HUD Metro FMR Area
202	Taunton-Mansfield-Norton, MA HUD Metro FMR Area
203	Teller County, CO HUD Metro FMR Area
204	Toledo, OH HUD Metro FMR Area
205	Tucson, AZ MSA
206	Tunica County, MS HUD Metro FMR Area
207	Tyler, TX MSA
208	Vermilion Parish, LA HUD Metro FMR Area
209	Virginia Beach-Norfolk-Newport News, VA-NC HUD Metro FMR Area
210	Visalia-Porterville, CA MSA

HUD FMR Area Determined to Have Significant Rental Market Fluctuations		
211	Waco, TX HUD Metro FMR Area	
212	Wakulla County, FL HUD Metro FMR Area	
213	Walton County, FL HUD Metro FMR Area	
214	Warner Robins, GA HUD Metro FMR Area	
215	Warren County, NJ HUD Metro FMR Area	
216	Washington County, AL HUD Metro FMR Area	
217	Waterbury, CT HUD Metro FMR Area	
218	Weirton-Steubenville, WV-OH MSA	
219	Wenatchee, WA MSA	
220	West Palm Beach-Boca Raton, FL HUD Metro FMR Area	
221	Westerly-Hopkinton-New Shoreham, RI HUD Metro FMR Area	
222	Wheeling, WV-OH MSA	
223	Wilmington, NC HUD Metro FMR Area	
224	Winston-Salem, NC HUD Metro FMR Area	
225	Yates County, NY HUD Metro FMR Area	
226	York-Hanover, PA MSA	
227	Yuma, AZ MSA	