Improve Rental Assistance

Goal Leader:
Dominique Blom, General Deputy Assistant Secretary for Public and Indian Housing
Goal Overview

Goal statement
- By September 30, 2023, maximize the reach of HUD’s rental assistance programs by increasing the occupancy rates to 96% in Public and Multifamily Housing programs and the budget utilization rate to 100% in the Housing Choice Voucher program.

Problem to Be Solved
- The COVID-19 pandemic and its economic aftermath have disrupted the operations of Public Housing Agencies (PHAs) and Multifamily property owners, and rental markets more broadly. This has adversely affected utilization and occupancy rates.
- The Department will leverage its tools to help PHAs and Multifamily owners improve performance as the pandemic’s effects subside, as leveraging rental assistance as a key tool in addressing people’s need for affordable housing.

What Success Looks Like
- Strengthen PHAs’ incentives and capacity to serve more households by, for example, continuing to provide technical assistance to help PHAs and Multifamily property owners to increase unit occupancy and voucher utilization; issuing a notice offering PHAs an expedited approval process for payment standard adjustments in 2022 to address rental market challenges exacerbated by the COVID pandemic and its aftermath; and publishing a proposed rule on the performance assessments for the Housing Choice Voucher and Public Housing programs.
- Ensure the units occupied by households receiving HUD assistance are safe and habitable by eliminating the backlog of inspections of Public Housing and Multifamily properties that have been delayed because of the COVID-19 pandemic and instituting the National Standards for the Physical Inspection of Real Estate (NSPIRE).
## Goal Targets

<table>
<thead>
<tr>
<th>By...</th>
<th><strong>We will...</strong></th>
<th>Key indicator(s)</th>
<th>Quantify progress</th>
<th>Frequency***</th>
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<tbody>
<tr>
<td>09/30/23</td>
<td>Increase occupancy rates in public housing properties to 96%</td>
<td>Public Housing Occupancy Rate</td>
<td>96%</td>
<td>94.93%</td>
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<tr>
<td>09/30/23</td>
<td>Increase occupancy rates in multifamily housing properties to 96%</td>
<td>Multifamily Housing Occupancy Rate</td>
<td>96%</td>
<td>94.27%</td>
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<tr>
<td>09/30/23</td>
<td>Increase budget utilization rates in the HCV program to 100%*</td>
<td>Housing Choice Voucher (HCV) Utilization Rate</td>
<td>100%*</td>
<td>96.2%</td>
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*The Housing Choice Voucher program performance target for FY23 is based on assumptions about the magnitude of program appropriations for FY22 and FY23. Budget utilization may be higher or lower than the target if actual appropriations differ significantly from these assumptions.

**Starting value is a point-in-time value as of the end of the fiscal year (9/30/21) for all three indicators.

***Indicators updated annually for the Strategic Plan and Annual Performance Plan. For the purposes of this report, quarterly data is provided.
Goal Team

<table>
<thead>
<tr>
<th>Office of Public and Indian Housing</th>
<th>Office of Housing, Multifamily Housing</th>
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<tbody>
<tr>
<td><strong>Senior Lead:</strong></td>
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<tr>
<td>• Dominique Blom (General Deputy Assistant Secretary,</td>
<td>• Jeffrey Little (Associate Deputy Assistant Secretary,</td>
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<tr>
<td>Office of Public and Indian Housing)</td>
<td>Office of Multifamily Housing)</td>
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<td><strong>Team Leads:</strong></td>
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<td></td>
<td>• Toby Halliday (Director, Office of Asset Management</td>
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<td><strong>Team Leads:</strong></td>
<td>and Portfolio Oversight)</td>
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<tr>
<td>• Dani Bastarache (Deputy Assistant Secretary, Office of</td>
<td>• Belinda Koros (Director, Assisted Housing Oversight</td>
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<tr>
<td>Public Housing and Voucher Programs)</td>
<td>Division)</td>
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<tr>
<td>• Felicia Gather (Deputy Assistant Secretary, Office of</td>
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<tr>
<td>Field Operations)</td>
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<tr>
<td>• Ash Sheriff (Deputy Assistant Secretary, Real Estate</td>
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<td>Assessment Center (REAC))</td>
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Goal Strategies

- Strengthen PHAs’ and Multifamily property owners’ incentives and capacity to serve more households.

- Determine the quality, health, and safety of the HUD rental assistance portfolio by significantly increasing physical inspections of Public Housing and Multifamily properties.
Key Indicators

This measure will track the occupancy rates of Public Housing and Multifamily units and the budget utilization rate for Housing Choice Vouchers (HCV), including vouchers for veterans (VASH) and family unification vouchers (FUP), but excluding Mainstream vouchers for people with disabilities.

**Occupancy rates in the Public Housing and Multifamily programs and utilization rate in the Housing Choice Voucher program**

*Prior to FY22 Multifamily occupancy was not utilized as a KPI and thus did not have a target for FY21 or before.

**The Housing Choice Voucher program performance indicators for FY21, FY22, and FY23 are for September of each year; the indicators for prior years are averages for the fiscal year. The performance target for FY23 is based on assumptions about the magnitude of program appropriations for FY22 and FY23. Budget utilization may be higher or lower than the targets if actual appropriations differ significantly from these assumptions.
Strengthen PHAs’ and Multifamily property owners’ incentives and capacity to serve more households

<table>
<thead>
<tr>
<th>Key Milestone</th>
<th>Milestone Due Date</th>
<th>Milestone Status</th>
<th>Comments</th>
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<tbody>
<tr>
<td>Issue a notice offering PHAs an expedited approval process for payment standard adjustments in 2022 to address rental market challenges exacerbated by the COVID-19 pandemic and its aftermath.</td>
<td>1/31/22</td>
<td>Completed</td>
<td>Notice PIH 2021-34 was published on 12/9/21. The notice allows PHAs to request an expedited waiver to establish voucher payment standards up to 120 percent of the Fair Market Rent (FMR).</td>
</tr>
<tr>
<td>Continue providing technical assistance to help PHAs and multifamily property owners increase unit occupancy and voucher utilization.</td>
<td>12/31/22</td>
<td>On-Track</td>
<td>On-call TA is available to PHAs to improve performance in HCV programs. Additional training is in development to expand Field Office capacity to analyze and address HCV utilization challenges as well as improve unit occupancy. MFH Resolution Specialists continue working with Multifamily property owners to increase unit occupancy.</td>
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<tr>
<td>Publish a proposed rule on the performance assessments for the Housing Choice Voucher and Public Housing programs.</td>
<td>9/30/23</td>
<td>On-Track</td>
<td>The SEMAP Working Group has been assembled and commenced activity. The PHAS working group commenced activities in February 2022. Both working groups are examining options for SEMAP and PHAS indicators that will incentivize HCV utilization and Public Housing occupancy.</td>
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Strengthen PHAs’ and Multifamily property owners’ incentives and capacity to serve more households

### Key Milestones

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<td>Establish a voucher budget utilization methodology for MTW agencies that is consistent with MTW flexibilities.</td>
<td>3/31/22</td>
<td>On-Track</td>
<td>In January 2022, the MTW office met with the MTW Collaborative to solicit feedback on methodology. HUD will finalize definition in Q2.</td>
</tr>
<tr>
<td>Finalize a detailed plan to update HUD information technology that improves the timeliness and completeness of key data, which measures the effectiveness of rental assistance programs.</td>
<td>9/30/23</td>
<td>On-Track</td>
<td>The IT plan for approved FY21 IT funds has been completed. HUD submitted, and Congress approved, the plan of FY21 IT funds for PIH’s Modernization for systems including NSPIRE, PIC, and eVMS. Updates to plan regarding FY22 budget request pending passage of FY22 appropriations bill.</td>
</tr>
<tr>
<td>Facilitate landlord outreach engagements applicable to all ten regions.</td>
<td>3/31/23</td>
<td>On-Track</td>
<td>An engagement strategy is being targeted for delivery in late FY22 and extend into FY 2023.</td>
</tr>
<tr>
<td>Host at least one virtual convening for each region to identify and implement strategies to increase utilization of vouchers for special populations such as veterans, foster youth, people with disabilities, and those eligible for emergency housing vouchers.</td>
<td>3/31/23</td>
<td>On-Track</td>
<td>Virtual convenings have occurred in 8 of 10 regions.</td>
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Determine the quality, health, and safety of the HUD rental assistance portfolio by resuming inspections.

### Key Milestones

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<td>Clear the inspection backlog resulting from operational impacts during the COVID-19 pandemic.</td>
<td>9/30/2023</td>
<td>On-Track</td>
<td>To achieve this milestone, REAC must complete one or more inspections for each property across the portfolio to eliminate the backlog by 9/30/2023. In effect over 32,138 physical inspections must be completed by 9/30/2023. REAC completed over 4,100 physical inspections in Q1 FY22 for a total of just over 9,200 since June 1, 2021. Procurement timeliness is key to providing performing contracts and equipment to maintain milestone requirements. PIH is closely managing procurement delays and funding issues for physical inspections and technology supporting inspections. This milestone is also dependent on FY23 congressional appropriations.</td>
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<tr>
<td>Implement National Standards for the Physical Inspection of Real Estate (NSPIRE).</td>
<td>9/30/2023</td>
<td>On-Track</td>
<td>The NSPIRE Proposed Rule Public Comment adjudication has been completed and provided to OGC. NSPIRE Standards were compiled to contain feedback from a variety of workshops and webinars with the public, as well as review sessions with the respective program offices. The initial NSPIRE IT solution was developed, tested, and rolled out for the NSPIRE Demonstration. Procurement delays and resourcing issues are being closely managed.</td>
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As December 31, 2021, Public Housing occupancy is 94.7% and Multifamily occupancy is 95.24%. As of November 30, 2021, Housing Choice Voucher annual budget utilization is 97.1%. We are continuing to work with PHAs and multifamily owners on strategies to increase occupancy and utilization. This quarter, progress has been made on all milestones associated with this APG.

PIH recently issued a notice that allows PHAs to more easily establish higher voucher payment standards, which is helpful for PHAs and families in tight markets where it is difficult to use vouchers. Notice PIH 2021-34, Expedited Regulatory Waivers for the Public Housing and Housing Choice Voucher (including Mainstream and Mod Rehab) Programs, allows PHAs to request an expedited waiver to establish voucher payment standards up to 120 percent of the Fair Market Rent (FMR). The ability to establish payment standards more closely aligned to current rent is crucial to being able to use all available federal resources to provide housing to people experiencing homelessness, seniors, individuals with disabilities, and families with children. This is a temporary measure to address volatility as a direct result of the pandemic. HUD will continue to assess its FMR methodology going forward.

In addition, this quarter REAC completed 4,100 physical inspections, for a total of just over 9,200 physical inspections completed since June 1, 2021. Achieving the goal of completing all past due and current due physical inspections by the end of FY23 is dependent on timely procurement of contracts for inspectors, equipment, and IT. This goal is also dependent on FY23 congressional appropriations. PIH is closely managing procurement delays and funding issues for physical inspections and technology supporting inspections.
Public Housing Occupancy

- **Description:** The percentage of Public Housing units that are occupied at the end of a fiscal year, based on Management Assessment Subsystem (MASS) Occupancy in PHAS

- **Data source:** Inventory Management System/Public and Indian Housing Information Center (IMS/PIC).

- **Calculation method:** Occupancy Rate is calculated using a data set of all units under an Annual Contribution Contract (ACC) and the following equation: The number of units leased divided by the number of units available (excluding those 1) uninhabitable for reasons of modernization, court litigation, natural disaster, casualty loss, or market conditions, 2) approved for special uses, and 3) approved for removal from inventory, etc.). Leased units are defined as units occupied by assisted tenants and units occupied by non-assisted tenants. The formula is: units leased / (units available - (uninhabitable + special uses + approved for removal))

- **Data quality (limitations/advantages of the data):** Generally, the data are high quality at a national level. PHAs self-report inventory and occupancy data in HUD’s IMS/PIC using Form HUD 50058. Changes to unit use categories are approved by local HUD field offices. PHAs annually certify the accuracy of Public Housing building and unit counts within IMS/PIC system. There may be some temporary errors for specific unit statuses at some PHAs due to PHA-staff input errors.

- **Validation, verification, and improvement of measure:** Through the annual Capital Fund certification process, errors in physical inventory information are identified in IMS/PIC. PHAs are required to correct errors before certifying the accuracy of the data for each development. When a PHA encounters errors that the PHA staff or HUD field office staff cannot correct, the PHA is required to inform the Real Estate Assessment Center Technical Assistance Center help desk and to enter the help desk ticket number and a comment in their certification. MASS is applicable to AMP, PHA, FO, Network, is assessed daily and includes MTW agencies and mixed-finance properties.
Data Accuracy & Reliability

Multifamily Housing Occupancy Rate

• **Description:** The percentage of Multifamily Housing units that are occupied at the end of a fiscal year.

• **Data source:** Tenant Rental Assistance Certification System (TRACS), more specifically, HUD Form 52670 “The Housing Owner's Certification and Application for Housing Assistance Payments” submitted monthly to TRACS for the payment of rental assistance.

• **Calculation method:** Percentages are determined from the units counts on the monthly voucher using the following equation: 

\[
\text{Occupancy Rate} = \frac{\text{subsidized units} + \text{market units}}{\text{total unit count}}
\]


• **Validation, verification, and improvement of measure:** Contract Administration Oversight Monitors (CAOMs) conduct manual reviews of voucher data comparing it to tenant records. Any reporting errors must be corrected within a negotiated period.
Data Accuracy & Reliability

Housing Choice Voucher (HCV) Utilization Rate

- **Description:** The percentage of new budget authority that housing agencies spend in each year for housing assistance payments as of the end of the fiscal year.

- **Data source:** Voucher Management System (VMS) and HUDCAPS.

- **Calculation method:** HCV Budget Utilization Rate is the total housing assistance payments (HAP) divided by total new budget authority (ABA) awarded in each fiscal year. Calculation excludes new budget authority for new tenant protection and incremental vouchers awarded during the year. Data for Mainstream vouchers and Moving to Work agencies are also excluded.

- **Data quality (limitations/advantages of the data):** HUD enters new budget authority amounts for each public housing agency into HUDCAPS. Public housing agencies report housing assistance payments (HAP) into VMS, which is subject to human (data-entry) error. The Department, however, has instituted “hard edits” for entries in the system. A “hard edit” is generated when a public housing agency enters data that are inconsistent with prior months’ data input. If there is an issue that cannot be resolved successfully, the transaction is rejected, and the public housing agency is required to re-enter the correct information. This process provides additional assurance that the reported data are accurate.

- **Validation, verification, and improvement of measure:** Aside from the “hard edit” process mentioned above, the HCV program uses four other means to ensure the accuracy of data: 1) HUD uses a voucher funds and unit utilization projection tool that enables the Department and public housing agencies to forecast voucher utilization and better manage the Voucher program. 2) The Housing Choice Voucher Financial Management Division performs routine data-validation checks of the VMS data after the monthly database has been submitted to HUD Headquarters for management reporting purposes. 3) Data inconsistent with prior months’ data are resolved with the public housing agency. 4) Corrections are entered directly into VMS to ensure accuracy.
Additional Information

**Contributing Programs**

Organizations:
- Office of Public and Indian Housing (PIH)
  - Office of Public Housing and Voucher Programs (OPHVP)
  - Office of Field Operations (OFO)
  - Real Estate Assessment Center (REAC)
  - Moving to Work (MTW)
- Office of Multifamily Housing (MFH)
- Office Field Policy and Management (FPM)
- Office of General Counsel (OGC)
- Office of Chief Procurement Officer (OCPO)
- Office of the Chief Information Officer (OCIO)

Program Activities:
- Training and Technical Assistance
- IT Modernization

Regulations:
- National Standards for the Physical Inspection of Real Estate (NPSIRE)
- Section Eight Management Assessment Program (SEMAP)
- Public Housing Assessment System (PHAS)

Policies:
- Notice PIH 2021-34 - Voucher Payment Standard up to 120% of FMR

**Stakeholder / Congressional Consultations**
The Department has consulted and will continue to consult with residents, public housing agencies, multifamily property owners, industry group leaders, and Congressional staff to improve rental assistance.