



DEPARTMENT OF
HOUSING AND HUMAN CONCERNS
COUNTY OF MAUI

ALAN M. ARAKAWA
Mayor

CAROL K. REIMANN
Director

JAN SHISHIDO
Deputy Director

RECEIVED

2016 JUN 27 PM 2:31

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June 27, 2016

Honorable Alan M. Arakawa
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

For Transmittal to:

Honorable Michael White, Chair
and Members of Maui County Council
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

Carol K. Reimann 6/29/16
Mayor Date

2016 JUN 29 PM 2:41

RECEIVED

OFFICE OF THE
COUNTY CLERK

Dear Chair White:

SUBJECT: SECTION 8 HOUSING PROGRAM GRANT

In accordance with Ordinance No. 4334 Bill 62 (2016) Fiscal Year 2017 Budget, we are hereby transmitting to you a copy of the notice of grant award from the U.S. Department of Housing & Urban Development (HUD) for the calendar year 2016 in the amount of \$15,019,076 for Section 8 Housing Assistance Payments as well as the current balance in our HUD held reserves in the amount of \$1,935,281. In addition, we are also transmitting a copy of the notice regarding the increase of the Administrative Fee Proration from the U.S. Department of Housing & Urban Development for the calendar year 2016 in the amount of \$1,229,584 for Administrative Fees. The Administrative Fees have been increased from \$66.66 to \$69.99 per unit which gives us the annual amount listed above.

Thank you for your attention to this matter. Should you have any questions, please feel free to contact me at ext. 7805.

Sincerely,

Jan Shishido
CAROL K. REIMANN
Director of Housing and Human Concerns

Attachments

xc: Sananda K. Baz, Budget Director
Danilo Aagsalog, Director of Finance

COUNTY COMMUNICATION NO. 16-136



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

March 1, 2016

Dear Executive Director:

Subject: Housing Choice Voucher Program Calendar Year (CY) 2016 Renewal Funding Allocation

The purpose of this letter is to advise public housing agencies (PHA) of the CY 2016 Housing Assistance Payments (HAP) renewal funding allocations for the Housing Choice Voucher Program (HCVP). The funding allocations described herein are based on the requirements of the "Consolidated Appropriations Act, 2016" Public Law 114-113, ("the 2016 Act") enacted December 18, 2015. HUD will publish a PIH Notice that describes the implementation of the 2016 Act in detail. This Notice can be found at the following link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/notices/pih.

Your agency's CY 2016 HAP renewal funding is identified at the top of the Enclosure A provided with this letter. Enclosure A sets forth the funding calculations for your PHA; the calculations are fully explained in the Notes provided for this enclosure, and you are encouraged to review them thoroughly. If your agency is administering HUD Veterans Affairs Supported Housing (VASH) vouchers, the renewal of these vouchers is included in the overall renewal calculations. These vouchers are not renewed separately, other than for Moving to Work (MTW) agencies. PHAs must comply, however, with the statutory requirement that VASH vouchers may only be used to assist VASH-eligible participants, both initially and upon turnover.

The 2016 Act requires the Department to establish a new baseline for HAP funding eligibility, based on Voucher Management System (VMS) data for CY 2015 (January 1, 2015 through December 31, 2015). This practice is commonly referred to as re-benchmarking. Consistent with prior years, the Department provided PHAs with the opportunity to review and update all VMS data related to the funding calculations as detailed in this letter and the enclosure. The VMS data used is the data reported by each PHA and accepted in VMS as of the end of the data review period on January 26, 2016, the same date as the December 2015 data submission deadline. There will be no further appeals or adjustments to these data items, except at the direction of the Department.

The 2016 Act authorizes the Department to offset PHAs' CY 2016 renewal allocations based on excess amounts of net restricted position (NRP) and HUD-held program reserves. The Act provides that HUD shall use the funds from any such offset throughout CY 2016 to prevent the termination of rental assistance for families as the result of insufficient funding and to avoid or reduce the need for proration. The Department has decided to NOT exercise this offset authority in CY 2016. The Appropriations for 2016 are sufficient to allow nearly full funding of each PHA's eligibility; hence there is no need to offset prior year excess funds to raise the proration. Additionally, in the Department's view, due to the provisions of the HAP set-aside, there will be no terminations due to insufficient funds.

For the months of January through March of 2016, your agency received HAP obligations based on the CY 2015 renewal funding. If your PHA has been under-obligated renewal funds through March 2016, based on the prorated funding eligibility indicated on Enclosure A, the additional amount due will be obligated in the immediate future. If your PHA has been over-obligated funds through March 2016, the April 2016 obligation will be reduced accordingly, so that your PHA is obligated the accurate amount for the year.

Disbursements for January through March of 2016 have been based on PHA actual HAP expenses per the most recent data validated in the Voucher Management System (VMS). Disbursements for this period will be reconciled once VMS data through March is submitted and validated. At that time, if your PHA has been under-disbursed funds to date, based on your actual expenses, and the PHA requires additional disbursements to cover those expenses, the PHA may request funds, up to the total funds available for the PHA. The under-disbursement will not otherwise be disbursed, as HUD assumes many or most PHAs will have already requested funds as needed in the period between their expenditures and the reconciliation. If your PHA has been over-disbursed, the excess will be collected via reduced disbursements in the following month(s). Please keep in mind that obligated renewal funds are being disbursed only as needed. Disbursements for future months will continue to be calculated per the most recently validated HAP expenses from VMS.

Enclosure A documents the CY 2016 renewal budget authority allocation and non-renewal budget authority currently obligated and available. The forthcoming CY 2015 reconciliation will document the HUD-held program reserve balance. Upon review of total funds available from these sources as well as the remaining NRP funds being held by the PHA and anticipated HAP expenses for the CY 2016, any PHA that anticipates a shortfall of HAP funds should immediately contact its HUD field office to review the data and determine if the PHA needs to begin working with the Shortfall Prevention Team (SPT). HAP Set-Aside funds are available in CY 2016 to address shortfalls, but in order to qualify, a PHA must have the shortfall confirmed by the SPT and must initiate cost reduction steps. This process is detailed in the implementation notice referenced at the start of this letter.

With the exception of MTW PHAs, no HAP funds provided for a PHA under the 2016 Act may be used to support a greater number of unit months than are provided for in the PHA's annual contributions contract (ACC). PHAs are also reminded that CY 2016 HAP funds shall only be used for eligible CY 2016 HAP expenses and those of future years. The funds shall not be used to support prior year deficits or provide for administrative expenses, nor may they be loaned or transferred to cover other program obligations, such as Low-Rent and/or Capital Fund programs. MTW PHAs may use funds in accordance with their approved plans.

It is each PHA's responsibility to retain the appropriate records to support VMS submissions for the collected periods, as they are subject to on-site review by HUD. VMS data, as well as requested adjustments to that data, are subject to review by our Quality Assurance Division (QAD), and subsequent recalculation of CY 2016 funding eligibility will occur if a QAD or other HUD review demonstrates that costs were incorrectly reported, resulting in excess

funding.

Calculations are not included herein for CY 2016 administrative fees. Pursuant to the 2016 Act, fees are again being paid solely on the basis of leasing as of the first of each month. Fee rates for CY 2016 have been posted on the Department's web site to enable PHAs to estimate eligibility:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hc_v. Monthly fee advances are provided, based on estimated earnings, and are reconciled once actual leasing is reported. National eligibility for the quarter is compared to one-quarter of the appropriations available, and all PHAs' fee earnings will be prorated at the same percentage of eligibility. A final proration will be calculated once data for all 12 months of 2016 is validated.

It is strongly recommended that PHAs utilize the Two-Year Forecasting tool on the HUD web site, in consultation with their local HUD field office, to ensure that correct variables for the PHA are entered into the tool to arrive at the most accurate forecast to enable the PHA to maximize leasing while avoiding the need to terminate assistance to any households. The tool and instructions can be found at

http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hc_v.

If you have any questions concerning your CY 2016 HAP renewal funding, please contact your Financial Analyst at the Financial Management Center.

Sincerely,

Miguel A. Fontáñez

Digitally signed by Miguel A. Fontáñez
DN: CN = Miguel A. Fontáñez, C = US, O = Housing
Voucher Financial Management Division, OU = Director
Reason: I am approving this document

Miguel A. Fontáñez
Director
Housing Voucher Financial
Management Division

**Calculation of Calendar Year 2016 Renewal Funding
Housing Choice Voucher Program**

| | | | |
|------------------------------------|--|----------------|---------------------|
| 1 | HA Number: | HI004 | |
| 2 | HA Name: | COUNTY OF MAUI | |
| CY 2016 Renewal Funding | | | |
| | CY 2016 HCV Renewal Funding (from line 15 below) | \$15,019,076 | |
| CY 2016 Non-Renewal Funding | | | |
| | CY 2016 Non-Renewal Funding (TPVs, VASH, etc.) to Date | \$0 | |
| | CY 2016 Estimated RAD 1 Funding (see Comment) | \$0 | |
| | Total CY 2016 HCV Renewal and Non-Renewal Funding | | \$15,019,076 |
| <u>ELIGIBILITY</u> | | | |
| 3 | Total Unit Months Leased per VMS - CY 2015 | 15,095 | |
| 4 | Total Unit Months Available - CY 2015 | 17,568 | |
| 5 | Capping Percentage (see Notes) | 100.00% | |
| 6 | Total CY 2015 HAP Expenses per VMS | \$15,082,119 | |
| 7 | Total CY 2015 Capped HAP Expenses (Line 5 x Line 6) | \$15,082,119 | |
| 8 | Renewal Funding Inflation Factor | 1.000 | |
| 9 | Inflated Eligibility Sub-Total (Line 7 x Line 8) | \$15,082,119 | |
| 10 | First Time Renewals | \$0 | |
| 11 | Transfers In or Out | \$0 | |
| 12 | Total DHAP Eligibility | \$0 | |
| 13 | Total Renewal Eligibility (Line 9 + Line 10 + Line 11 + Line 12) | \$15,082,119 | |
| 14 | Proration Factor | | 0.99582 |
| 15 | Prorated Eligibility (Line 13 x Line 14) | | \$15,019,076 |

PHA Name
PHA Number

HI004

COUNTY OF MAUI

This enclosure is intended to provide the accumulated Program Reserves as of December 31, 2015

PART I: TOTAL FUNDS AVAILABLE

| | | |
|----|---|--------------|
| 1 | 2015 Prorated Renewal Eligibility | \$14,688,282 |
| 2 | Non-Renewal funds (TP actions, VASH, RAD1, RAD2, etc.) | \$31,551 |
| 3 | Program Reserves as of December 31, 2014 | \$2,460,831 |
| 4 | Prior Period Adjustment Calendar Year 2014 (If this amount is due the PHA [a negative amount] and funds on Line 3 are available, a disbursement has been made in June, 2015.) | -\$195,625 |
| 5 | Program Reserves After Prior Period Adjustment as of December 31, 2014 (Line 3 + Line 4 With Minimum of \$0) | \$2,265,206 |
| 6 | Divested PHA Excess Funds Remitted Directly to Receiving PHA | \$0 |
| 7 | Receipt of Funds (PHA Remitted Funds to HUD) | \$0 |
| 8 | Fraud Recovery & FSS Forfeitures, January - December 2015 | \$32,361 |
| 9 | CY 2012 offset due in CY 2015 | \$0 |
| 10 | CY 2013 excess shortfall funds taken in 2015 | \$0 |
| 11 | Total Funds Available in CY 2015 (Sum of Lines 1, 2, and 5 through 10) | \$17,017,400 |

PART II: CALENDAR YEAR 2015 THROUGH DECEMBER 31, 2015, CASH RECONCILIATION

| | | |
|----|---|--------------|
| 12 | HUDCAPS Disbursements to your PHA, January - December 2015 | \$14,837,688 |
| 13 | CY 2014 Overpayment Collection | \$0 |
| 14 | Divested PHA Cash on Hand (Line 6) (Amount is Negative if Divested PHA Reconciliation Shows Cash Shortage and Program Reserves Available Prior to Transfer) | \$0 |
| 15 | Fraud Recovery & FSS Forfeitures, January - December 2015 | \$32,361 |
| 16 | Total Income (Line 12 + Line 13 + Line 14 + Line 15) | \$14,870,049 |
| 17 | PHA Reported HAP Expenses, January - December 2015 | \$15,082,119 |
| 18 | Unit Months Available CY 2015 | 17,568 |
| 19 | Unit Months Leased CY 2015 | 15,095 |
| 20 | Overleasing Ratio | 100.0% |
| 21 | Allowable HAP Expenses CY 2015 (Line 17 x Line 20) | \$15,082,119 |
| 22 | Cash Excess/(Shortage) (Line 16 less Line 21) | (\$212,070) |
| 23 | CY 2014 Prior Period Adjustment (Line 4) After Reduction for Prior Year Shortage | -\$195,625 |
| 24 | Net Cash Excess / (Shortage) (Line 22 + Line 23) | (\$407,695) |
| 25 | VMS Reported RNP (NRA) as of December, 2015 (For Information Only) | \$159,370 |
| | VMS Reported UNP (UNA) as of December, 2015 (For Information Only) | \$1,211,871 |
| | VMS Reported Cash as of December, 2015 (For Information Only) | \$1,371,240 |

PART III: HUD-HELD FUNDS BALANCE

| | | |
|----|---|--------------|
| 26 | Available Reserves (Line 3) (Raised to \$0 if Line 3 is Negative) | \$2,460,831 |
| 27 | Remitted Funds (Line 7) | \$0 |
| 28 | CY 2015 Renewal Obligations | \$14,688,282 |
| 29 | CY 2015 Non Renewal Obligations (Line 2) | \$31,551 |
| 30 | CY 2015 Total HUD Held Funds and Obligations (Sum of Lines 26 through 29) | \$17,180,664 |
| 31 | CY 2014 Overpayment Collection (Line 13) | \$0 |
| 32 | Disbursements January - December 2015 | \$14,837,688 |
| 33 | Total HUD-Held Funds as of December 31, 2015 (Line 30 Less Lines 31 and 32) | \$2,342,976 |
| 34 | Estimated HUD-Held Funds After Line 24 is Paid or Collected (Negatives Raised to \$0) | \$1,935,281 |

Comments: Renewal BA data included is current as of April 21, 2016, VMS data for January, 2015, through December, 2015, is current as of January 26, 2016. Cash excess will be offset beginning June, 2016. Please contact your FMC Financial Analyst immediately if your PHA is in need of additional HAP funds.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

PRINCIPAL DEPUTY ASSISTANT SECRETARY
FOR PUBLIC AND INDIAN HOUSING

MAY 26 2016

Dear Executive Director:

Subject: CY 2016 Administrative Fee (Admin Fee) Pro-ration – Housing Choice Voucher (HCV) Program

On behalf of Secretary Castro, and the nearly 2.2 million low-income families assisted by the HCV Program, thank you for the work you do, and your continuous participation in HUD's Housing Choice Voucher Program. The Department is well aware of the effects of the reduced administrative fee proration across the board for housing agencies administering the HCV program. In accordance with the Consolidated and Further Continuing Appropriations Act, 2016 (P.L.114-113), HUD continues to identify additional funds that can be reprogrammed to increase the national proration.

We are pleased to inform you that HUD has identified additional funds to make available to support ongoing fees for the public housing agencies (PHAs) administering the HCV program. Consequently, future administrative fee advances will be at 84% proration. Additionally, the first quarter calendar year 2016 administrative fee reconciliation will reflect the increased proration.

If you have any question, please do not hesitate to contact the Housing Voucher Financial Management Division at PIH.Financial.Management.Division@hud.gov, or contact your respective Financial Analyst at the Financial Management Center.

Sincerely,

Lourdes Castro Ramirez
Principal Deputy Assistant Secretary