

MICHAEL P. VICTORINO  
Mayor

LORI TSUHAKE  
Director

LINDA R. MUNSELL  
Deputy Director



DEPARTMENT OF HOUSING  
& HUMAN CONCERNS  
COUNTY OF MAUI  
2200 MAIN STREET, SUITE 546  
WAILUKU, MAUI, HAWAII 96793  
PHONE: (808) 270-7805  
June 26, 2020



Ms. Michele M. Yoshimura  
Budget Director, County of Maui  
200 South High Street  
Wailuku, Maui, Hawaii 96793

Honorable Michael P. Victorino  
Mayor, County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

For Transmittal to:

Honorable Alice L. Lee, Chair  
and Members of Maui County Council  
200 South High Street  
Wailuku, Hawaii 96793

Dear Chair Lee and Members:

**SUBJECT: GRANT REVENUE – DEPARTMENT OF HOUSING AND HUMAN CONCERNS – HOUSING PROGRAM – SECTION 8 HOUSING PROGRAM GRANTS**

In accordance with Ordinance No. 5099, Bill 64 (2020) Draft 1 Fiscal Year 2021 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) totaling \$25,600,000 for Section 8 Housing Program Grants, which includes our HUD held reserves and Administrative Fees for the calendar year 2021.

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

Sincerely,

A handwritten signature in blue ink, reading "Lori Tsuhako".

LORI TSUHAKE, LSW, ACSW  
Director of Housing and Human Concerns

Attachment

COUNTY COMMUNICATION NO. 20-338

APPROVED FOR TRANSMITTAL

Michael P. Victorino 6/29/20  
Mayor Date

RECEIVED  
2020 JUN 29 PM 3:01  
OFFICE OF THE  
COUNTY CLERK



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

OFFICE OF PUBLIC AND INDIAN HOUSING

Dear Executive Director:

**Subject: Housing Choice Voucher Program Calendar Year (CY) 2020 Renewal Funding Allocation**

The purpose of this letter is to advise public housing agencies (PHAs) of the CY 2020 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 Further Consolidated Appropriations Act, 2020, (P.L. 116-94) referred to hereafter as "the 2020 Act," enacted on December 20, 2019. HUD will publish a PIH Notice that describes the implementation of the 2020 Act in detail. This Notice will be posted at the following link:

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/hudclips/notices/pih](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/notices/pih).

Your agency's CY 2020 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 and provides estimated RAD 1 funding for the first full year of conversion and CY budget authority associated with tenant protection actions; the calculations are fully explained in the descriptions provided for this enclosure, and you are encouraged to review them thoroughly. Also included is Appendix I. Appendix I provides a list of funding increments for which the PHA is receiving an additional inflation factor in CY 2020 to support increased costs since the increments were initially funded. 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 2020 Act requires the Department to establish a new baseline for HAP funding eligibility, based on Voucher Management System (VMS) data for CY 2019 (January 1, 2019 through December 31, 2019). 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 February 22, 2020, the same date as the December 2019 data submission deadline. There will be no further appeals or adjustments to these data items, except at the direction of the Department.

The 2020 Act authorizes the Department to offset PHAs' CY 2020 renewal allocations based on excess amounts of restricted net position (RNP) and HUD-held program reserves. The Act provides that HUD shall use the funds from any such offset throughout CY 2020 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 **not** to exercise this offset authority in CY 2020. However, HUD may consider available reserves in the determination of need of, but not limited to, HAP set-aside funding adjustment applications.

For the months of January through May of 2020, your agency received HAP obligations based on an estimated CY 2020 renewal level. If your PHA has been under-obligated renewal funds through May 2020, based on the prorated funding eligibility indicated on Enclosure A (applicable only to non-MTW PHAs, MTW PHAs will receive a different eligibility enclosure), the additional amount due will be obligated in the immediate future. If your PHA has been over-obligated funds through May 2020, the June obligation will be reduced accordingly, so that your PHA is obligated the accurate amount for the year. HAP disbursements for January through May of 2020, and for the rest of the CY 2020, have and will be based on cash management procedures established in PIH Notice 2017-06.

Except for MTW PHAs, no HAP funds provided for a PHA under the 2020 Act may be used to incur in over leasing, 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. Therefore, 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 the Quality Assurance Division (QAD). Subsequent recalculation of CY 2020 funding eligibility will occur if a QAD or other HUD review demonstrates that costs were incorrectly reported, resulting in excess funding.

Finally, 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 by clicking on the following link: [Two-Year Tool and Instructions](#). Additionally, HAP Set-Aside funds are available in CY 2020 to address shortfalls, but in order to qualify, a PHA must have the shortfall confirmed by the Shortfall Prevention Team (SPT) and must initiate cost reduction steps. This process is detailed in the implementation notice referenced at the start of this letter.

If you have any questions concerning your CY 2020 HAP renewal funding, please contact your Financial Analyst (FA) at the Financial Management Center (FMC).

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

Attachment

**Calculation of Calendar Year 2020 Renewal Funding  
Housing Choice Voucher Program**

1 HA Number: HI004

2 HA Name: COUNTY OF MAUI

**CY 2020 Renewal Funding**

3 CY 2020 HCV Renewal Funding After Amounts Owed to HUD \$21,584,073

**CY 2020 Non-Renewal Funding**

4 CY 2020 Non-Renewal Funding (TPVs, VASH, etc.) to Date \$119,245

5 CY 2020 Estimated RAD 1 Funding For First Full Year After Conversion \$0

6 CY 2019 Proration Increase \$414

7 Total CY 2020 HCV Renewal and Non-Renewal Funding \$21,703,732

**ELIGIBILITY**

8 Total Unit Months Leased per VMS - CY 2019 18,437

9 Total Unit Months Available - CY 2019 17,868

10 Capping Percentage 97%

11 Total CY 2019 HAP Expenses per VMS \$21,700,787

12 Total CY 2019 Capped HAP Expenses (Line 11 x Line 10) \$21,031,060

13 Renewal Funding Inflation Factor 1.03249

14 Inflated Eligibility Sub-Total (Line 12 x Line 13) \$21,714,359

15 First Time Renewals - Appendix I \$0

16 Transfers In or Out \$0

17 Total DHAP Eligibility \$0

18 Total Renewal Eligibility (Line 14 + Line 15 + Line 16 + Line 17) \$21,714,359

19 Proration Factor 0.99400

20 Prorated Eligibility (Line 18 x Line 19) \$21,684,073

**FUNDING**

21 Total CY 2020 Renewal Funding \$21,584,073

22 Renewal Funding Obligations, January through May 2020 \$8,433,910

23 Remaining to Obligate for CY 2020 prior to reduction for funds due to HUD (Line 21 - Line 22) \$12,150,163

24 Reduction for Funds due to HUD \$0

25 Remaining to Obligate for CY 2020 after reduction for funds due to HUD (Line 23 - Line 24) \$12,150,163

26 Total Eligibility Through May 2020 \$8,993,364

27 Additional Obligations Due Through May, 2020 (Line 26 - Line 22, if Line 26 is higher; else 0) \$0

28 Excess Obligations Through May, 2020 (Line 22 - Line 26, if Line 26 is higher; else 0) \$440,546

29 CY 2020 Inflated Per Unit Cost \$1,201.37

This value is calculated as total inflated VMS Expenses, minus HAP Costs After the First of the Month, divided by total Unit Months Leased.

30 Comments

### HCV Leasing and Spending Projection

PHA Name	County of Maui	PHA Number	H1004	Utilization Report:		HCV Utilization Report January 2020				Print	TYT Guide	TYT Videos	
						Save	Access Additional Tools	Disclaimer					
ACC/Funding Information				Funding Proration/Offset Levels		Program Projection Variables				Leasing and Spending Outcomes: Current and Following Year Projections			
	Current Year (2020)	Year 2 (2021)	Year 3 (2022)			Success Rate	70%	Annual Turnover Rate	13.0%				
Beginning ACC Vouchers	1,489	1,499	1,499	Year 2 (2021) Rebenchmark	100.0%	PIC EOP % as of 3/31/2020 (182 EOPs) 12.69%							
	Current Year (2020)	Year 2 (2021)	Year 3 (2022)	Year 3 (2022) Rebenchmark	100.0%								
Initial BA Funding (net offset)	\$21,584,487	\$21,284,510	\$19,659,342	Year 2 (2021) % 'Excess' Reserves Offset	25.0%	Time from Issuance to HAP Effective Date (Current: 2.28 months)		12/31/2019 Total Earned Income (Annual)	HAP Exp as % of Eligibility only				
Offset of HAP Reserves	\$0	\$0	\$0	Year 3 (2022) % 'Excess' Reserves Offset	0.0%	% leased in 30 days	16%	\$14,182,000					
Set Aside Funding	\$0					% leased in 30 to 60 days	40%	Using 3/31 data, a 6% decrease in earned income means a ___ increase in the PUC.	Projected 12/31 Total HAP Reserves		\$488,085	\$2,124,094	
New ACC Units Funding	\$119,245	\$10,840	\$0			% leased in 60 to 90 days	38%		HAP Reserves as % of ABA (Start: 0.3%)	2.2%	10.0%		
Total ABA Funding Provided	\$21,703,732	\$21,295,351	\$19,659,342	Year 1 (2020)	79.0%	% leased in 90 to 120 days	4%	"Excess" Reserves Subject To Offset	\$0	\$1,266,859			
PHA Income	\$10,387	\$0		Year 2 (2021)	81.0%	% leased in 120 to 150 days	0%	1.0%	12/31/2019 Results (2022)				
Total Cash-Supported Prior Year-End Reserves	\$58,477	\$488,085	\$2,124,094	HUD-Held Reconciliation Cash Sufficiency Check									
Total Funding				HUD-established CYE HHR	\$0	HUD-established CYE HHR					\$4,527,789	23.0%	Projected Total HAP Reserves Reserves % BA
Total Funding Available	\$21,772,596	\$21,783,438	\$21,763,436	HUD-estimated Net Excess Cash	\$58,477	\$3,884,714	PHA-Held Cash 12/31/2018 (VMS)	Administrative Fees Analysis		See Detail	2020	2021	
				HUD-Reconciled	\$58,477	\$3,884,714	HUD-Reconciled (Cash Capped)	<= 7,200 UMLs (No Proration)	> 7,200 UMLs (No Proration)	Admin Fees Earned (PY: \$1,763,562)	\$1,641,000	\$1,516,054	