



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

OFFICE OF PUBLIC AND INDIAN HOUSING

Dear Executive Director:

2018 Housing Choice Voucher Program (HCVP) Renewal Awards:

The purpose of this letter is to communicate the calendar year (CY) 2018 Housing Choice Voucher (HCV) renewal funding, and steps you must take to support the funding process. The Department is currently operating under a Continuing Resolution (CR) until January 19, 2018, H.R.1370 -Further Additional Continuing Appropriations Act, 2018. HUD would typically have 60 days to calculate the PHAs' renewal funding and send renewal award notifications once a full year CR or Appropriations Act is enacted. In order to assist you in operating your program until a definitive funding level is known for 2018 HUD offers the following guidance.

HUD has evaluated two 2018 funding possibilities that result in a range of Housing Assistance Payments (HAP) and Administrative Fee proration levels. For instance, HUD could receive an Appropriations Act, whereby Congress implements HCV funding based on either the Senate or House Appropriations Committees' budget priorities. The Department has evaluated these funding scenarios based on both the TBRA Senate Bill - **HR S.1655**, passed by the Committee on July 27, 2017, and the TBRA House Bill - **H.R. 3353**, introduced in House on July 21, 2017. The estimated HAP prorations are 98.810% and 95.301%, respectively. The Administrative Fees prorations are anticipated at 76.153% for the Senate Bill and 70.233% for the House Bill. You can click on the links provided here to see the texts of the aforementioned bills. Senate Bill - <https://www.congress.gov/bill/115th-congress/senate-bill/1655/text>, and House Bill - <https://www.congress.gov/bill/115th-congress/house-bill/1353/text>.

As always, the proration levels described above were calculated by estimating the full HCV program need for 2018 and comparing the program need to the available funding. To estimate program need, we estimate increases in units leased and changes in per unit cost, and then apply an inflation factor. HUD will publish the annual inflation factors in the Federal Register when the full year funding is known, either through a full year CR or an Appropriations Act.


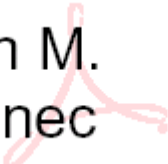
HUD anticipates that funding eligibility for non-Moving to Work (non-MTW) agencies will continue to be based on actual and eligible HCV HAP expenses incurred during CY 2017, as reported by your PHA in the Voucher Management System (VMS). The renewal funding eligibility for MTW agencies will be in accordance with the terms of their individual MTW agreements.

Therefore, PHAs should assess their projected leasing and spending starting with the 99% proration and then 95% proration, and should model alternative proration scenarios. The PHAs must consider such assessment by using the HUD Two-Year Forecasting Tool. This tool can be generated directly by PHAs by downloading a spreadsheet from this [forecasting tool link](#), entering the PHA number and launching a forecasting populated with VMS data and funding information. The default proration is 99%, but can be changed by the user to the 95% scenario, and the projection includes your specific PHA's inflation factor. PHAs should plan for 2018 by also looking at the impact in 2019 of where they project to end 2018. In doing so, PHAs can model differing 2019 funding proration level possibilities.

HUD staff will be assessing projected spending and leasing using the above assumptions. PHAs may hear from HUD staff in particular if, given those assumptions, a shortfall or significant leasing potential is projected.

HUD encourages discussions with your local Field Office staff and FMC Financial Analyst during this time of funding uncertainty. Please contact them if you have any questions.

Sincerely,

 **Milan M.
Ozdinec** 

Signature
Valid

Digitally signed
by Milan M.
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Milan Ozdinec
Deputy Assistant Secretary
Office of Public Housing and Voucher
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