

HCV 2-YEAR TOOL 101

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TOPIC OVERVIEW

- **Basics of HCV Optimization Efforts**
- **Funding Explanation**
- **Monitoring and Knowing Key Variables**
- **The 2-Year Tool**
- **Resources**



THE BASICS!

ITS NOT WHO YOU KNOW, ITS
WHAT YOU KNOW! 😊

STARTER ACRONYMS*

*(don't worry...there will be more!)

ACRONYM

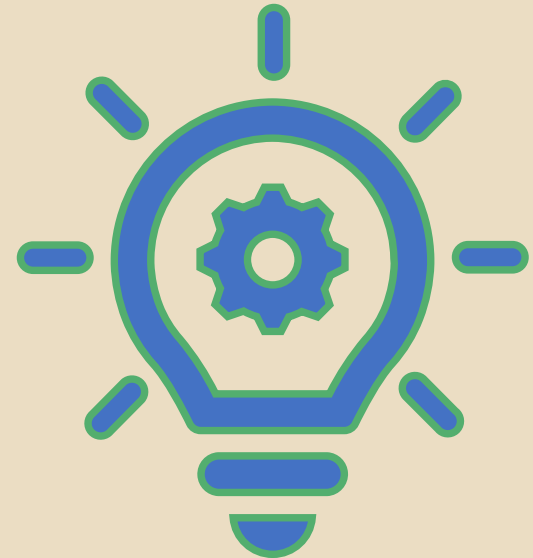
- PHA
- HCV
- TYT
- VMS
- ACC

“TRANSLATION”

- Public Housing Agency
- Housing Choice Voucher
- Two-Year Tool
- Voucher Management System
- Annual Contributions Contract (for HCV this refers to the number of vouchers the PHA has under contract with HUD)

WHY USE THE TOOL

- The tool will help you to analyze your utilization situation
- The tool allows you to use basic leasing and spending to forecast
- The tool allows you to test different possible scenarios using variables
- The tool helps you to make more informed leasing and spending decisions
- The tool will help you to optimize your HCV program



OBJECTIVES OF TYT

- Optimization: Serve the maximum number of families supportable by dollars or fully utilize funding within the ACC program size limitation
- Focus on using data to make sound decisions
- Gather accurate and timely data
- Develop and set leasing goals based on data and key variables
- Create projections and forecasts
- Identify barriers in reaching goals
- Monitor leasing goals
- Model next year's funding through scenario testing

HOW TO GET THE TOOL

- HUD's Office of Housing Choice Vouchers Website:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/Programs/hcv/Tools
 - You may be required to change some Internet or Excel settings such as protected view, macro settings, etc.
- Enter your PHA code (e.g. MN001) and click "Open Two-Year Tool"
- Upon creating a TYT, you will now get a pop-up box with information to consider regarding financial analysis and the effects of coronavirus, specifically information on earned income for the PHA
- Please see the "HCV Two-Year Tool Guide"
(<https://www.hud.gov/sites/dfiles/PIH/documents/Two-YearToolStep-by-Step.pdf>) for any technical issues or for basics in creating a tool
- You can also contact your local HUD Portfolio Management Specialist for assistance or to help populate the tool

NOTE ABOUT HUD'S ROLE

- HUD's purpose is to add value by enabling a more informed decision-making process on the part of the PHA to reach optimal performance
- HUD should facilitate discussions and explore options
- HUD should assist PHAs in framing decisions (these decisions sometimes involve trade offs) with good data, analysis, tools and program knowledge
- HUD can help PHAs to develop an informed strategy for both the current and the following year
- HUD should not direct an outcome on issuances or leasing...in the end it is the PHA's decision



FUNDING EXPLANATION

SHOW ME THE MONEY!! 😊

HCV FUNDING CALCULATION

- A PHA's HCV annual funding eligibility is determined by adding prior calendar year's expenses as reported in the VMS
- HUD applies an inflation factor to the expenses to account for an increase in costs
- HUD then compares the total eligibility nationally to the amount of funds appropriated under law and applies a proration factor if eligibility is higher than appropriated amount
- Simply put, the more money a housing authority spends, the higher its potential ***eligibility***
- If a housing authority significantly underspends, eligibility will be less the following year to house families

FUNDING EXAMPLE

- XYZ PHA spent \$1,000,000 last year housing eligible families
- HUD inflation factor has been determined as 1%
- PHA's total inflated eligibility is \$1,010,000
- However, HUD only has enough money to fund PHAs at 98% of eligibility based on the Appropriations Act, meaning that the PHA will receive \$989,800 in ABA/HAP to cover about \$1,010,000 in potential upcoming renewal expenses
- Note: Inflation rates are not factored into the amounts in the projections, but you can scenario test

HOW PHA RECEIVES FUNDS

- Each month, HUD advances Budget Authority to PHAs at the lesser of
 - 1/12th of the PHA's prorated eligibility
 - Cash management amount (more in 201 class)
- HUD also advances Administrative Fees to the PHAs in a similar manner based on the prior validated quarter's average leasing
- Actual administrative fees earned are tied to the number of families housed so what a PHA receives in advanced fees may not necessarily be what they earned
- PHAs are paid one of two fee rates based on the number of families housed (listed in tool)
 - Column A Rate is for the first 600 families per month (or up to 7200 UMLs)
 - Column B Rate is for any family housed over the first 600 per month (or more than 7200 UMLs)



HCV MONITORING

KEY VARIABLES

FORECASTING VARIABLES

- Turnover Rate
- Success Rates
- Lease-up Time
- Per Unit Cost (PUC)
- PUC Trends
- Payment Standard Changes

OTHER FORECASTING DATA

- Unit Months Leased (UML)
- Unit Months Available (UMA)
- Unit Utilization (UML as a percentage of UMA)
- HAP Expenses (HAP)
- Annual Budget Authority (ABA or BA)
- Budget Utilization (HAP as a percentage of ABA)
- Net Restricted Position (NRP)
- HUD-Held Reserves (HHR)
- Total Funding Utilization (HAP as a percentage of all funds)
- Admin Expenses
- Admin Fees
- Unrestricted Net Position (UNP)

TURNOVER RATE

- Also referred to as termination rate, end of participation rate, or attrition rate
- Refers to the average percentage of families that can be expected to leave the HCV program on an annual basis
 - Includes terminations, port-outs, and end-of-participations
 - Exhibits seasonality
 - Populated from PIC, but this doesn't factor all types in
- The amount used in the tool is participants leaving as a percent of all leased units

SUCCESS RATE*

- Average percentage of vouchers issued that will result in a HAP Contract
- Can be impacted by policy decisions such as:
 - Payment Standards
 - Voucher Term Expirations
- Impacted by PHA performance such as:
 - Outreach
 - Rent Reasonableness Determinations
 - Briefing Info
 - Customer Service
- Impacted greatly by Market Conditions
- *Success Rate can sometimes mean something else to the PHA

LEASE-UP TIME

- Average amount of time that it will take from issuance of voucher to lease up
- What is your PHA's Voucher Term?
 - 30, 60, 90 (120?) days
 - Can have a direct impact on your success rate

PER UNIT COST

- The average cost per leased unit on the first day of the month
 - PUCs generally increase slowly and consistently
- Sudden PUC changes should be a warning
- Impacted by many factors...some controllable, most not:
 - Payment Standards
 - Utility Allowances
 - Participant Income
 - EIV Usage
 - Rent Reasonableness
 - Location and Market Conditions

UNRESTRICTED NET POSITION (UNP)

- Formerly UNA (Unrestricted Net Assets)
- RESERVE ACCOUNT aka Admin Reserves
- UNP (or UNA) are assets reserved to pay eligible Administrative Expenses
 - Accumulated from excess of the Administrative Fees Earned by the PHA
 - Total Administrative Fee revenue minus total HCV Administrative Expenses and any Fees used for eligible HAP or other HCV activities
 - Administrative Fee excess does not accumulate until the end of the PHA's Fiscal Year
 - Reported by PHAs in VMS as the UNP balance at the beginning of the FY plus any interest earned or fraud recovery collected minus amounts used

NET RESTRICTED POSITION (NRP)

- Formerly NRA (Net Restricted Assets)
- RESERVE ACCOUNT aka HAP Reserves
- NRP (or NRA) are assets reserved for use to pay eligible HAP expenses
 - Accumulated from excess of the allocated BA actually disbursed and received by the PHA
 - Total HAP revenue minus total HAP Expense
 - Reported by PHAs in VMS

HUD HELD RESERVES (HHR)

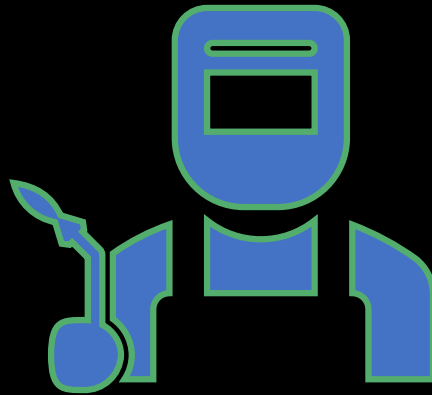
- Like NRP, HHR is assets reserved for use to pay eligible HAP expenses that is held by HUD
 - Accumulated from total HAP revenue not disbursed to the PHA from allocated/authorized ABA
 - Not reported in VMS!
 - The Financial Management Center (FMC) knows these amounts at any given time if you aren't tracking, but...
 - YOU SHOULD BE TRACKING!
 - PHAs can access through the FMC (see contact in Resources section)

ADMINISTRATIVE FEES AND ADMINISTRATIVE EXPENSES

- Admin Fees are funds provided by HUD to pay for the current Admin Expenses for operating the HCV program
- Fees are earned based on the number of units leased
- Fees are advanced as an estimated amount paid by HUD to PHAs monthly or quarterly
- PHA may use these fees to support program costs
- Admin Expenses are actual costs of operating the HCV program, including amounts paid to IPAs, Fee Accountants, etc.

IMPORTANT NOTE!!

- Administrative fees may be used to pay HAP, but HAP **cannot** be used to pay administrative expenses
- HAP dollars (including Reserves) can only be used for the following purposes:
 - Subsidy payments (HAP) to landlords on the voucher participant's behalf
 - Utility Reimbursements to Participants (URP), if applicable
 - Homeownership subsidy payments toward a participant's mortgage
 - Deposits into Family Self-Sufficiency (FSS) escrows for FSS participants
- Use of HAP dollars (including NRP or HHR) for any other purpose constitutes a misappropriation of funds and can result in sanctions or civil penalties



TOOL DEMONSTRATION

HOW DOES THIS DARN THING REALLY
WORK??

STARTING THE TOOL

Here is an example of a setting you may need to change (in this case select "Enable Content")

WARNING Some active content has been disabled. Click for more details. [Enable Content](#)

	A	B	C	D	E
1	Select PHA				
2	Enter PHA Code			Open Two-Year Tool	
3	Enter PHA Code				
4	Enter PHA Code				
5					
6					
7	OR				
8	Transfer PHA Selection				Open Two-Year Tool
9	Receiving PHA		Divesting PHA		
10					
11					
12					

Launch Projection Tool

CONSIDERATIONS

A few MORE things before we get going...

Offset PBV Attrition

The Two-Year Tool calculates attrition based on all leased units, including, when applicable, leased PBVs. Generally, attrition doesn't apply to the PBV program in the same way; when a PBV unit is vacated, it is then filled by the next family. To adjust for this, by clicking Yes, this will include in Column G (thus increasing leased units), the related PBV attrition. In other words, it offsets PBV attrition.

Offset PBV Attrition (if applicable)? ☒ Offset ☐ Don't offset

Stop! PUC Time!

Based on a strong per unit cost trend, this tool may automatically trend the per unit cost (PUC). This trend looks at the prior 12 months of PUC. You will see this in Column M of the Projection Tab. You may adjust this in Column M of the Projection Tab or in Cell D35 of the 'PUC.RB Analysis' tab.

Trend the PUC (if applicable)?

☒ I have a fever, and the only prescription... is more PUC Trending. ☐ Don't trend

Note: This trend does NOT include any trending from a loss of earned income. The user will need to adjust as appropriate.

FMcer?

☐ Yup

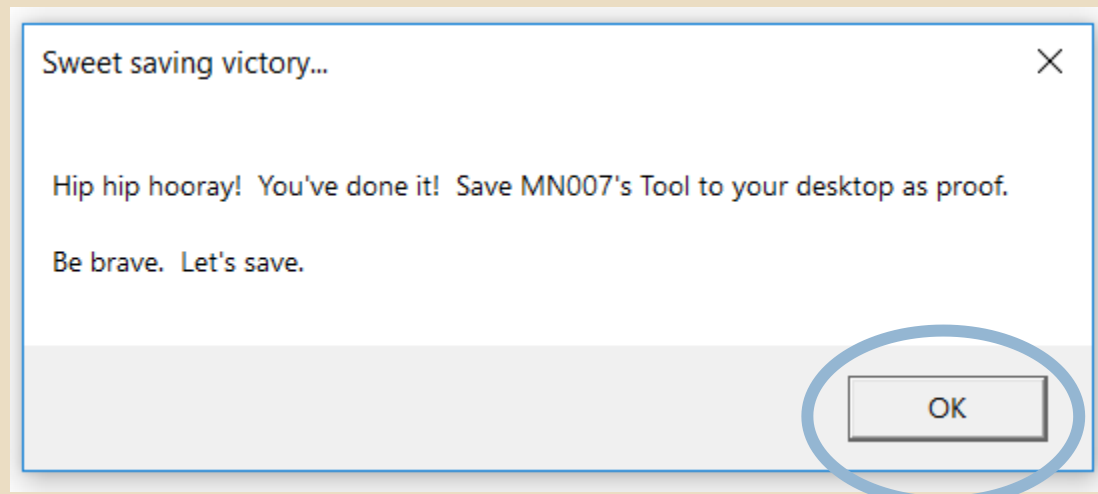
CHARGE!!

PBV Attrition Offset

PUC Trending

Click "CHARGE"

SAVING THE TOOL



TOOL (PAGE 1)

HCV Leasing and Spending Projection

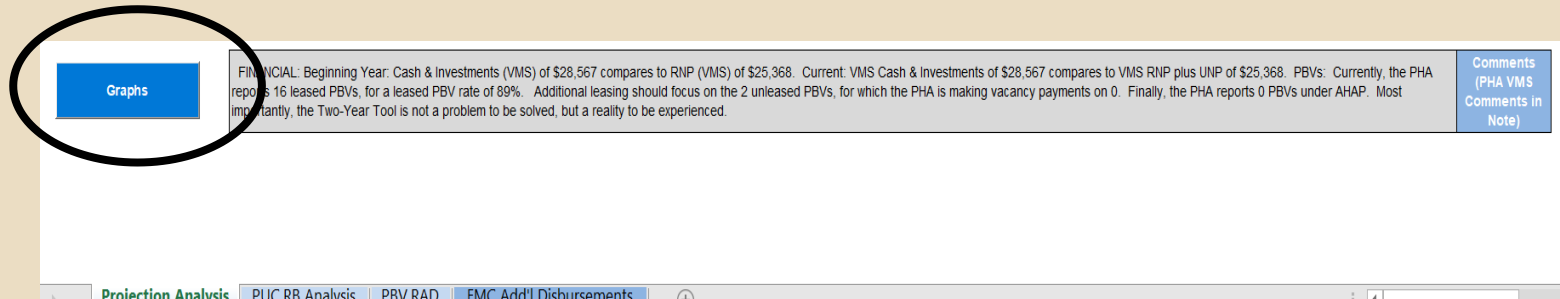
PHA Name				PHA Number		Utilization Report:				Utilization Report				Print		TYT Guide		TYT Videos	
ACC/Funding Information				Funding Proration/Offset Levels		Program Projection Variables				Leasing and Spending Outcomes: Current and Following Year Projections									
ACC	Current Year (2020)	Year 2 (2021)	Year 3 (2022)	HAP		Success Rate	70%	Annual Turnover Rate	14.2%	2020		2021							
Beginning ACC Vouchers	582	582	582	Year 2 (2021) Rebenchmark	100.0%					PIC EOP % as of 3/31/2020 (62 EOPs): 13.93%	UML % of ACC (UMA)	72.8%	63.2%						
Funding Components	Current Year (2020)	Year 2 (2021)	Year 3 (2022)	Year 3 (2022) Rebenchmark	100.0%	Time from issuance to HAP Effective Date (Current: 2.28 months)					HAP Exp as % All Funds	67.3%	77.1%						
Initial BA Funding (net offset)	\$2,453,314	\$2,116,534	\$1,873,452	Year 2 (2021) % "Excess" Reserves Offset	25.0%	% leased in 30 days	18%			Total Earned Income (Annual)	HAP Exp as % of Eligibility only	68.0%	86.8%						
Offset of HAP Reserves	\$0	\$41,546	\$0	Year 3 (2022) % "Excess" Reserves Offset	0.0%	% leased in 30 to 60 days	40%		3/31/2020	\$1,245,736	End of Year Results								
Set Aside Funding	\$0			Administrative Fees		% leased in 60 to 90 days	38%			\$1,245,736	Projected 12/31 Total HAP Reserves	\$313,575	\$556,657						
New ACC Units Funding	\$0	\$0	\$0	Year 1 (2020)	79.0%	% leased in 90 to 120 days	4%			Using 3/31 data, a 5% decrease in earned income means a increase in the PUC.	HAP Reserves as % of ABA (Start: 0.7%)	12.8%	20.3%						
Total ABA Funding Provided	\$2,453,314	\$2,116,534	\$1,873,452	Year 2 (2021)	80.0%	% leased in 120 to 150 days	0%				"Excess" Reserves Subject To Offset	\$168,184	\$471,996						
PHA Income	\$128	\$0							3/31/2020	0.8%	End of Year 3 Results (2022)								
Total Cash-Supported Prior Year-End Reserves	\$18,213	\$313,575	\$556,657	HUD-Held Reconciliation Cash Sufficiency Check						0.8%	4/30/2020	Projected Total HAP Reserves = \$556,657							
Total Funding				HUD-established CYE HHR	\$1	HUD-established CYE HHR													
Total Funding Available				HUD-estimated Net Excess Cash	\$18,212	\$36,439	PHA-Held Cash 12/31/2019 (VMS)				Administrative Fees Analysis	2020	2021						
				HUD-Reconciled	\$18,213	\$36,440	HUD-Reconciled (Cash Capped)			CARE\$ Act Admin Fee	<= 7,200 UMLs (No Proration)	> 7,200 UMLs (No Proration)	Admin Fees Earned (PY: \$301,761)	\$278,757	\$243,430				
				Lower of H17/H17 (May Override)	\$18,213		Lower of H17/H17 (May Override)			\$60,730	\$68.78	\$64.20	Expense	\$326,223	\$332,640				
				HUD-Reconciled Excess Cash VPHA RNP (12/31/2015)															
				HUD v. PHA difference: \$3.00 or 0% of Eligibility	\$18,209	<- VISEOY RNP ***** EOY Excess Cash ->	\$18,212				MINOT has a cost per UML of \$54.90 compared to its Earnings/UML & Size peer group of \$44.00 (a difference of 19.9%) and its state peer group (of all PHAs in the state) of \$61.97 (a difference of -12.9%).	Based on the most recent official (end of fiscal year) UNP: MINOT has a projected 2020 Calendar Year-End (CYE) UNP of (\$40,967) (or -17.9% of CY 2020 Earned Admin Fees) and a 2021 CYE UNP of (\$138,797) (or -57% of CY 2021 Earned Admin Fees).							

TOOL (PAGE 2)

HCV Leasing and Spending Projection

2020	UMAs	Actual UMLs	Actual HAP	Vouchers Issued/Projected To Be Issued	Other Planned Additions/Reductions	New Leasing from Issued Vouchers	Estimated Attrition	UMLs: Actual/Projected	HAP: Actual/Projected	PUC: Actual/Projected	Manual PUC Override	Cumulative % Annual Leased	Cumulative % Eligibility Expended	Monthly UML %	Monthly ABA Expended %
Jan-20	562	446	\$189,884					446	\$189,884	\$426		76.8%	92.9%	76.8%	92.9%
Feb-20	562	447	\$189,732					447	\$189,732	\$424		76.7%	92.8%	76.8%	92.8%
Mar-20	562	0	\$0			0	-5.3	442	\$187,494	\$424		76.4%	92.5%	75.9%	91.7%
Apr-20	562	0	\$0			0	-5.2	437	\$185,262	\$424		76.1%	92.0%	75.0%	90.6%
May-20	562	0	\$0			0	-5.1	431	\$183,096	\$424		75.7%	91.5%	74.1%	89.6%
Jun-20	562	0	\$0			0	-5.1	426	\$180,936	\$424		75.3%	91.0%	73.2%	88.5%
Jul-20	562	0	\$0			0	-5.0	421	\$178,801	\$424		74.9%	90.5%	72.4%	87.5%
Aug-20	562	0	\$0			0	-5.0	416	\$176,691	\$424		74.5%	90.0%	71.5%	86.4%
Sep-20	562	0	\$0			0	-4.9	411	\$174,607	\$424		74.0%	89.5%	70.7%	85.4%
Oct-20	562	0	\$0			0	-4.9	407	\$172,547	\$424		73.6%	89.0%	69.8%	84.4%
Nov-20	562	0	\$0			0	-4.8	402	\$170,511	\$424		73.2%	88.5%	69.0%	83.4%
Dec-20	562	0	\$0			0	-4.7	397	\$168,600	\$424		72.6%	88.0%	68.2%	82.4%
Total	6,284	893	\$375,616	0	0	0	-50.0	5,383	\$2,158,280	\$425		72.5%	88.0%		
2021															
Jan-21	562					0	-4.7	392	\$166,512	\$424		67.4%	92.6%	67.4%	92.6%
Feb-21	562					0	-4.6	388	\$164,547	\$424		67.0%	92.0%	66.6%	91.5%
Mar-21	562					0	-4.6	383	\$162,606	\$424		66.6%	91.5%	65.8%	90.4%
Apr-21	562					0	-4.5	379	\$160,688	\$424		66.2%	91.0%	65.0%	89.4%
May-21	562					0	-4.5	374	\$158,792	\$424		65.8%	90.4%	64.3%	88.3%
Jun-21	562					0	-4.4	370	\$156,916	\$424		65.4%	89.9%	63.5%	87.3%
Jul-21	562					0	-4.4	365	\$155,067	\$424		65.1%	89.4%	62.8%	86.2%
Aug-21	562					0	-4.3	361	\$153,236	\$424		64.7%	88.9%	62.0%	85.2%
Sep-21	562					0	-4.3	357	\$151,430	\$424		64.3%	88.3%	61.3%	84.2%
Oct-21	562					0	-4.2	353	\$149,643	\$424		63.9%	87.8%	60.6%	83.2%
Nov-21	562					0	-4.2	348	\$147,876	\$424		63.5%	87.3%	59.9%	82.2%
Dec-21	562					0	-4.1	344	\$146,133	\$424		63.2%	86.8%	59.2%	81.3%
Total	6,284	0	\$0	0	0	0	-52.7	4,414	\$1,875,452	\$424		63.2%	86.8%		
0 cash		FINANCIAL: Beginning Year: Cash & Investments (VMS) of \$28,567 compares to RNP (VMS) of \$25,368. Current: VMS Cash & Investments of \$28,567 compares to VMS RNP plus UNP of \$25,368. PBVs: Currently, the PHA reports 16 leased PBVs, for a leased PBV rate of 89%. Additional leasing should focus on the 2 unleased PBVs, for which the PHA is making vacancy payments on 0. Finally, the PHA reports 0 PBVs under A/WP. Most importantly, the Two-Year Tool is not a problem to be solved, but a reality to be experienced.													Comments (PHA, VMS Comments in Note)

CREATE GRAPHS FROM DATA



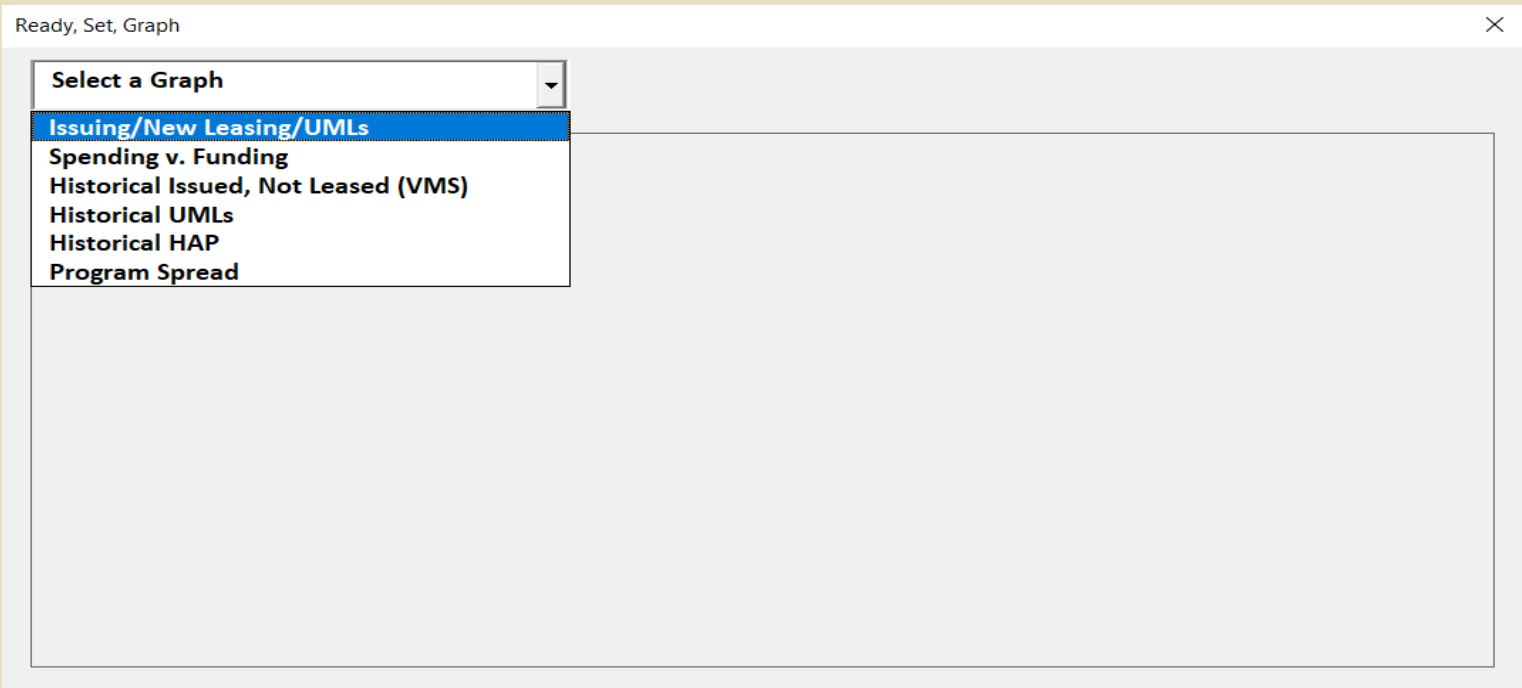
The screenshot shows a software interface with a top navigation bar. A blue button labeled 'Graphs' is circled in black. To its right is a text area containing financial data. Further right is a blue button labeled 'Comments (PHA VMS Comments in Note)'. Below the navigation bar is a tabbed interface with tabs for 'Projection Analysis', 'PUC.RB Analysis', 'PBV.RAD', and 'FMC Add'l Disbursements'.

Graphs

FINANCIAL: Beginning Year: Cash & Investments (VMS) of \$28,567 compares to RNP (VMS) of \$25,368. Current: VMS Cash & Investments of \$28,567 compares to VMS RNP plus UNP of \$25,368. PBVs: Currently, the PHA reports 16 leased PBVs, for a leased PBV rate of 89%. Additional leasing should focus on the 2 unleased PBVs, for which the PHA is making vacancy payments on 0. Finally, the PHA reports 0 PBVs under AHAP. Most importantly, the Two-Year Tool is not a problem to be solved, but a reality to be experienced.

Comments (PHA VMS Comments in Note)

Projection Analysis | PUC.RB Analysis | PBV.RAD | FMC Add'l Disbursements



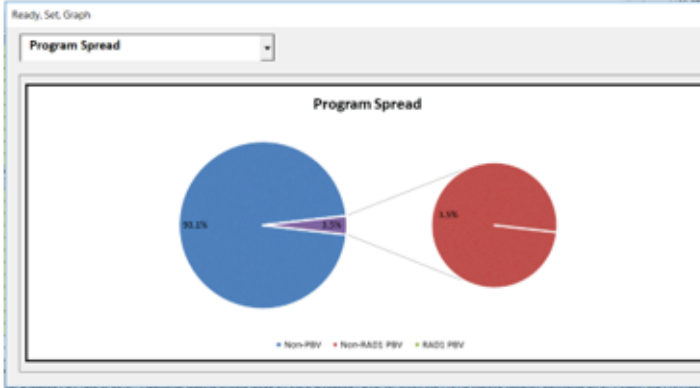
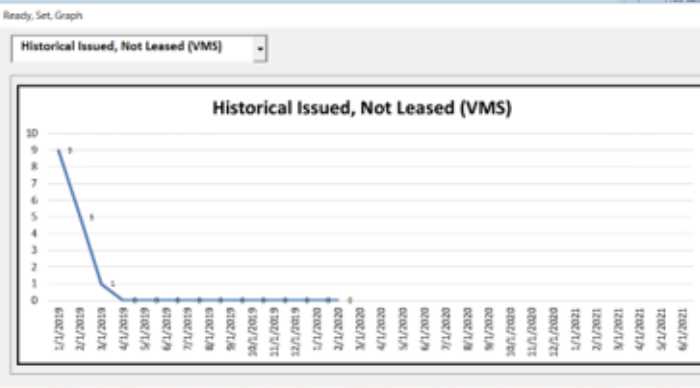
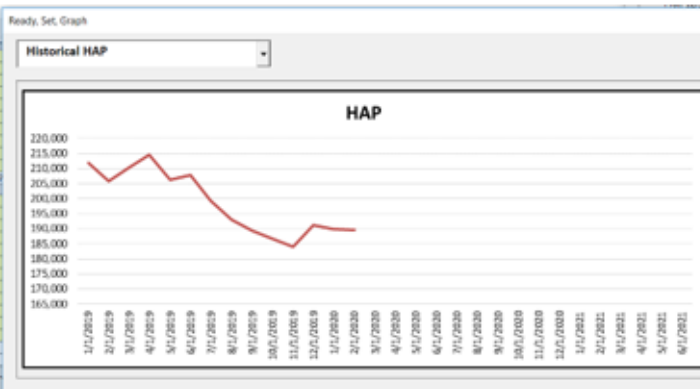
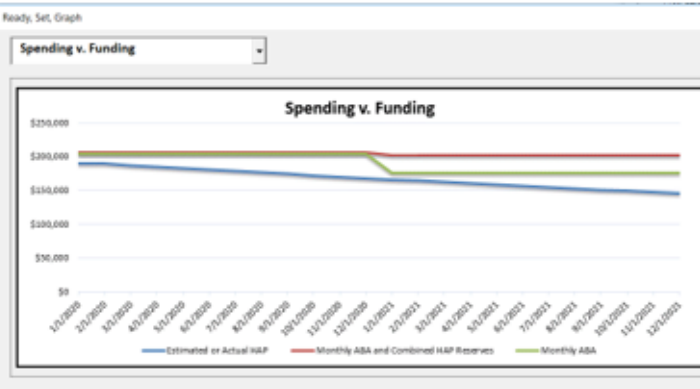
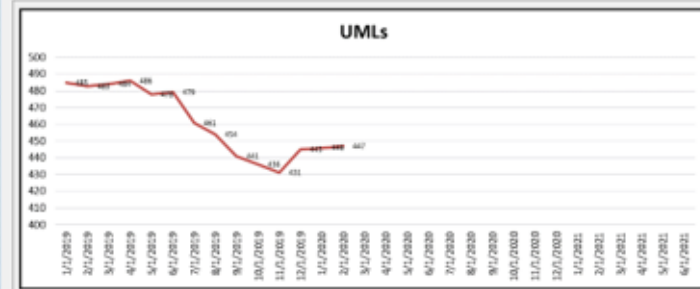
The screenshot shows a dialog box titled 'Ready, Set, Graph'. It contains a dropdown menu labeled 'Select a Graph' with a list of options. The first option, 'Issuing/New Leasing/UMLs', is highlighted in blue. The other options are 'Spending v. Funding', 'Historical Issued, Not Leased (VMS)', 'Historical UMLs', 'Historical HAP', and 'Program Spread'.

Ready, Set, Graph

Select a Graph

- Issuing/New Leasing/UMLs
- Spending v. Funding
- Historical Issued, Not Leased (VMS)
- Historical UMLs
- Historical HAP
- Program Spread

GRAPHS



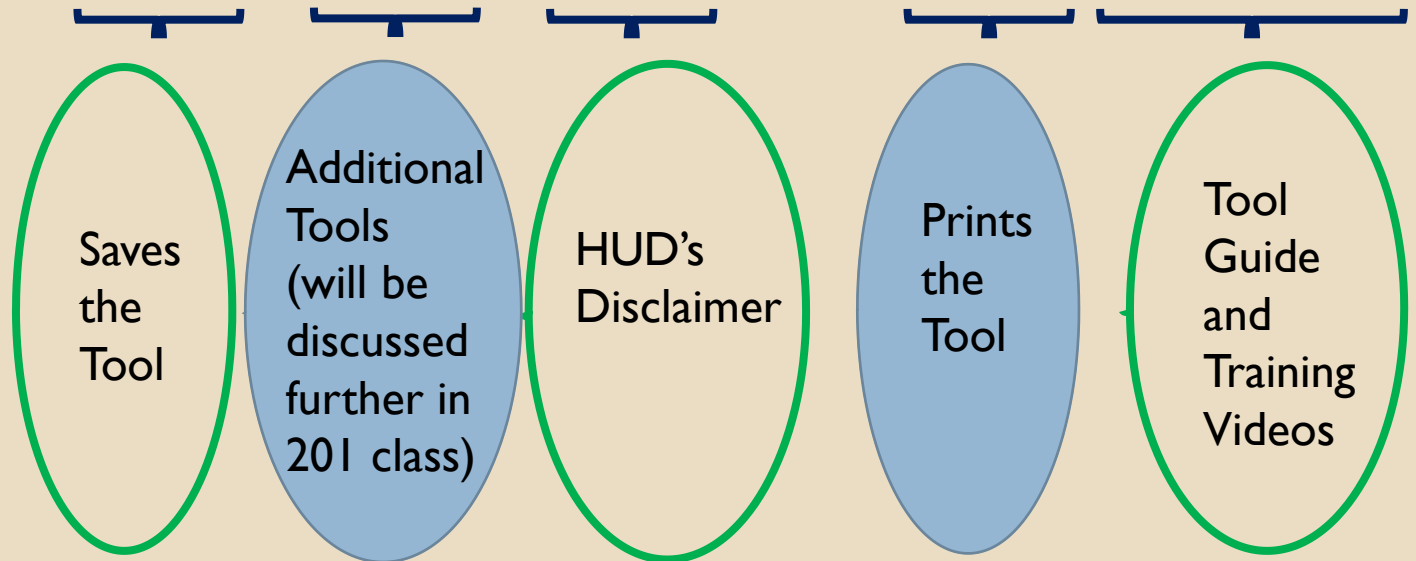
“FLOATING” OUTCOMES

This “floating” *Summary Outcomes* box will be available regardless of where you are in the tool so you can keep an eye on the results of any scenario testing or plans you enter into the tool

Summary Outcomes			×
Year-End Outcomes			
	2020	2021	
UML % of ACC (UMA)	77.3%	71.0%	
HAP Exp as % All Funds	92.7%	85.5%	
HAP Exp as % of Elig.	93.4%	91.9%	
Proj. 12/31 Total Reserves	\$180,280	\$358,386	
HAP Reserves - % ABA	7.3%	15.7%	

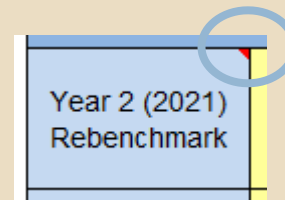
TOOL OPTIONS

Utilization Report:	UtilizationReport	Print	TYT Guide	TYT Videos
Save	Access Additional Tools	Disclaimer		



DATA ENTRY TIPS!

- Data entry should be done in yellow cells
 - Actual HAP and UML cells' color changes once entered
- Dark blue “buttons” will cause a pop-up
 - For example, selecting the **Disclaimer** button will bring up HUD's disclaimer in a pop-up window
- Comment flags for key columns
 - Put cursor over red corner of cell for additional explanation



RUNNING THE NUMBERS

- Tool populates data points from HUD systems
- User should populate UMLs and HAP expenses (see next slide)
- User needs to populate variable data or update/revise any incorrect variables
 - Need to master estimating variables based on historic data, experience, tracking, and trending
- User should populate vouchers issues, planned to be issued, and other additions and/or reductions

CURRENT DATA UPDATES

2018	UMAs	Actual UMLs	Actual HAP	Vouchers Issued/Projected To Be Issued
Jan-18	112	101	\$65,007	
Feb-18	112	100	\$66,344	
Mar-18	112	100	\$63,867	
Apr-18	112	101	\$63,666	
May-18	112	101	\$61,587	
Jun-18	112	97	\$59,340	
Jul-18	112	96	\$56,297	
Aug-18	112	97	\$57,583	
Sep-18	112	96	\$56,690	
Oct-18	112	105	\$63,953	
Nov-18	112	0	\$0	
Dec-18	112	0	\$0	
Total	1,344	994	\$614,634	0
2019				
Jan-19	112			
Feb-19	112			
Mar-19	112			
Apr-19	112			
May-19	112			
Jun-19	112			
Jul-19	112			
Aug-19	112			
Sep-19	112			
Oct-19	112			
Nov-19	112			
Dec-19	112			
Total	1,344	0	\$0	0

- **Actual UMLs** and **Actual HAP** populated by the Tool are from a certain snapshot in VMS that could be several months old
- Not only will any recent or current months not be populated, any prior month corrections in the VMS may not be populated
- To best forecast, you should enter any VMS changes, updates, and known current or future data into the actuals

ACC & FUNDING

- **ACC and BA Funding** includes data for the current year ACC units and funding (years 2 & 3 are estimated amounts)
- **Offset of HAP Reserves** is entered if an offset in the current year is made
- **Set Aside Funding** if any is awarded to PHA
- **New ACC Units** allocated during the year are entered in the New ACC Units tab and are used in the Projection Analysis tab (will allocate the subsidy and increase ACC to the correct month/year & modify rebenchmarking of funding)
- **Total ABA Funding Provided** for the year
- **PHA Income** from other sources such as interest earned, fraud recoveries, etc.
- **Total Cash Supported Prior Year End Reserves** based on reconciled year end reserves
- **Total Funding Available** includes all funds listed above

ACC/Funding Information			
ACC	Current Year (2020)	Year 2 (2021)	Year 3 (2022)
Beginning ACC Vouchers	582	582	582
Funding Components	Current Year (2020)	Year 2 (2021)	Year 3 (2022)
Initial BA Funding (net offset)	\$2,453,314	\$2,116,534	\$1,873,452
Offset of HAP Reserves	\$0	\$41,546	\$0
Set Aside Funding	\$0		
New ACC Units Funding	\$0	\$0	\$0
Total ABA Funding Provided	\$2,453,314	\$2,116,534	\$1,873,452
PHA Income	\$128	\$0	
Total Cash-Supported Prior Year-End Reserves	\$18,213	\$313,575	\$556,657
Total Funding			
Total Funding Available	\$2,471,655	\$2,430,109	\$2,430,109

NOTE ON LEASING LIMIT

- PHAs cannot lease more than their baseline Annual Contributions Contract (ACC) units, multiplied by 12 (UMA), on a calendar year basis
- In this example, the PHA has an ACC baseline of 582 units and 6984 unit months available (582×12)
- This PHA may not lease more than 6984 unit months on an annual basis
- PHAs cannot over-lease units even if they have sufficient funding

ACC/Funding Information			
ACC	Current Year (2020)	Year 2 (2021)	Year 3 (2022)
Beginning ACC Vouchers	582	582	582

2020	UMAs	Actual UMLs	Actual HAP
Jan-20	582	446	\$189,884
Feb-20	582	447	\$189,732
Mar-20	582	0	\$0
Apr-20	582	0	\$0
May-20	582	0	\$0
Jun-20	582	0	\$0
Jul-20	582	0	\$0
Aug-20	582	0	\$0
Sep-20	582	0	\$0
Oct-20	582	0	\$0
Nov-20	582	0	\$0
Dec-20	582	0	\$0
Total	6,984	893	\$379,616

FUNDING PRORATIONS

Estimates for:

- Re-benchmarking funding
- Potential Offset
- Admin Fee Earnings

Funding Proration/Offset Levels	
<i>HAP</i>	
Year 2 (2021) Rebenchmark	100.0%
Year 3 (2022) Rebenchmark	100.0%
Year 2 (2021) % 'Excess' Reserves Offset	25.0%
Year 3 (2022) % 'Excess' Reserves Offset	0.0%
<i>Administrative Fees</i>	
Year 1 (2020)	79.0%
Year 2 (2021)	80.0%

VARIABLES

- Enter **Success Rate**
- Enter **Annual Turnover Rate**
- Enter % **of leased** vouchers that reach HAP contract within **30, 60, 90, 120 days** of Issuance (must add to 100%)
 - Tool will calculate this into average or **Current** time

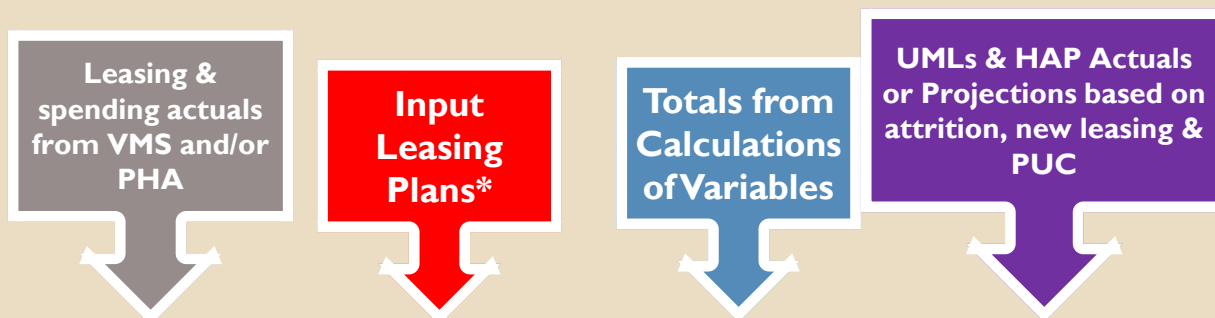
Program Projection Variables			
<u>Success Rate</u>	70%	Annual Turnover Rate	14.2%
			PIC EOP % as of 3/31/2020 (62 EOPs): 13.93%

Time from Issuance to HAP Effective Date (Current: 2.28 months)	
% leased in 30 days	18%
% leased in 30 to 60 days	40%
% leased in 60 to 90 days	38%
% leased in 90 to 120 days	4%
% leased in 120 to 150 days	0%

SUCCESS RATE TRACKER

J5	X	✓	f	1																			
	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
1	?s	Enter First Year				2021											2022						
2	Issuance Month	VOs Issued	VOs Leased	VOs Failed	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July
3	Jan-21	5	3 (yet)	1		0	2	1	0														
4	Feb-21	5	3	2			1	1	1														
5	Mar-21	5	3 (yet)	1				3	0	1													
6	Apr-21		0																				
7	May-21		0																				
8	Jun-21		0																				
9	Jul-21		0																				
10	Aug-21		0																				
11	Sep-21		0																				
12	Oct-21		0																				
13	Nov-21		0																				
14	Dec-21		0																				
15	Jan-22		0																				
16	Feb-22		0																				
17	Mar-22		0																				
18	Apr-22		0																				
19	May-22		0																				
20	Jun-22		0																				
21	Jul-22		0																				
22	Aug-22		0																				
23	Sep-22		0																				
24	Oct-22		0																				
25	Nov-22		0																				
26	Dec-22		0																				
27	Total	15	3	4	0	0	3	5	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0

PROJECTIONS & ACTUALS



2020	UMAs	Actual UMLs	Actual HAP	Vouchers Issued/Projected To Be Issued	Other Planned Additions/Reductions	New Leasing from Issued Vouchers	Estimated Attrition	UMLs: Actual/Projected	HAP: Actual/Projected	PUC: Actual/Projected	M:
Jan-20	582	446	\$189,884					446	\$189,884	\$426	
Feb-20	582	447	\$189,732					447	\$189,732	\$424	
Mar-20	582	0	\$0			0	-5.3	442	\$187,494	\$424	
Apr-20	582	0	\$0			0	-5.2	437	\$185,282	\$424	
May-20	582	0	\$0			0	-5.1	431	\$183,096	\$424	
Jun-20	582	0	\$0			0	-5.1	426	\$180,936	\$424	
Jul-20	582	0	\$0			0	-5.0	421	\$178,801	\$424	
Aug-20	582	0	\$0			0	-5.0	416	\$176,691	\$424	
Sep-20	582	0	\$0			0	-4.9	411	\$174,607	\$424	
Oct-20	582	0	\$0			0	-4.9	407	\$172,547	\$424	
Nov-20	582	0	\$0			0	-4.8	402	\$170,511	\$424	
Dec-20	582	0	\$0			0	-4.7	397	\$168,500	\$424	
Total	6,984	893	\$379,616	0	0	0	-50.0	5,083	\$2,158,080	\$425	

LEASING PLANS

- **Vouchers Issued or Projected to be Issued** only enter in the month they are issued or planned to be issued. Don't double count. HUD may review with VMS which is a cumulative figure until actuals/projections can be obtained from PHA.
- **Other Planned Additions/Reductions** adds straight to projections through PBV leasing or absorbing future ports as the Receiving PHA and reduces straight to projections through absorption of ports from a Receiving PHA (need to make a negative number). No variables are factored in here.
- **New Leasing from Issued Vouchers** only looks at *Vouchers Issued/Projected to be Issued* and factors in the variables of success rate and lease up times.

Vouchers Issued/Projected To Be Issued	Other Planned Additions/ Reductions	New Leasing from Issued Vouchers	Estimated Attrition	UMLs: Actual/Projected
				446
12				447
15		2	-5.3	443
14		5	-5.2	443
15		9	-5.2	447
		10	-5.3	452
		8	-5.3	455
	6	4	-5.4	460
	2	0	-5.4	457
	-3	0	-5.4	449
	8	0	-5.3	451
		0	-5.3	446
56	13	39	-53.1	5,397

PUC OVERRIDE

Manual PUC Override allows projections using different PUC from that month forward or different PUC each month

UMLs: Actual/Projected	HAP: Actual/Projected	PUC: Actual/Projected	Manual PUC Override
446	\$189,884	\$426	
447	\$189,732	\$424	
443	\$188,135	\$424	
443	\$188,144	\$424	
447	\$189,811	\$424	
452	\$194,380	\$430	\$430
455	\$202,500	\$445	\$445
460	\$204,731	\$445	
457	\$203,393	\$445	
449	\$199,658	\$445	
451	\$200,863	\$445	
446	\$198,493	\$445	
5,397	\$2,349,724	\$435	

LEASING & SPENDING OUTCOMES

- **UML % of ACC (UMA)** shows the projected utilization of vouchers
- **HAP Exp as % of All Funds** shows projected spending as a % of all funds available (from previously explained balances)
- **HAP Exp as % of Eligibility Only** shows projected spending as a % of only the annual allocated budget authority
- **Projected 12/31 Total HAP Reserves** shows projected reserves (UNP & HHR) at the end of current CY and the next CY
- **HAP Reserves as % of ABA (start X%)** shows projected (and “start” of year) reserves as a % of the PHA’s annual budget authority
- **Excess Reserves Subject to Offset** shows projected estimate of how much of the PHA’s year-end reserve balance may be subject to offset
- **End of Year 3 Results** shows the same as above but even further out and more estimated Year 3 end.

Leasing and Spending Outcomes: Current and Following Year Projections		
	2020	2021
UML % of ACC (UMA)	72.8%	63.2%
HAP Exp as % All Funds	87.3%	77.1%
HAP Exp as % of Eligibility only	88.0%	86.8%
End of Year Results		
Projected 12/31 Total HAP Reserves	\$313,575	\$556,657
HAP Reserves as % of ABA (Start: 0.7%)	12.8%	26.3%
"Excess" Reserves Subject To Offset	\$166,184	\$471,996
End of Year 3 Results (2022)		
\$805,336	43.0%	Projected Total HAP Reserves ===== Reserves % BA

ADMIN OUTCOMES

Administrative Fees Analysis See Detail				2020	2021
CARES Act Admin Fees	<= 7,200 UMLs (No Proration)	> 7,200 UMLs (No Proration)	Admin Fees Earned (PY: \$301,761)	\$276,757	\$243,430
\$60,730	\$68.78	\$64.20	Expense	\$326,223	\$332,640
MN007 has a cost per UML of \$54.90 compared to its Earnings/UML & Size peer group of \$44.00 (a difference of 19.9%) and its state peer group (of all PHAs in the state) of \$61.97 (a difference of -12.9%).			Expense %	117.9%	136.6%
			Based on the most recent, official (end of fiscal year) UNP, MN007 has a projected 2020 Calendar Year-End (CYE) UNP of (\$49,587) (or -17.9% of CY 2020 Earned Admin Fees) and a 2021 CYE UNP of (\$138,797) (or -57% of CY 2021 Earned Admin Fees).		

- Projected Admin Fees Earned for current and following year
- Projected Admin Expenses for current and following year

FORECASTING FOR STABILITY

- Projecting leasing and spending
- Projecting funding based on rebenchmarking
- Modeling potential funding by scenario-testing
- Focusing on key variables
- Developing and testing leasing plans
- Reviewing and testing PUC changes
- Making choices!



RESOURCES

WHERE TO GET HELP

RESOURCES

- Public and Indian Housing One-Stop Tool (POST)
 - https://www.hud.gov/program_offices/public_indian_housing/post
- HUD's Office of HCV Website
 - https://www.hud.gov/program_offices/public_indian_housing/programs/hcv
- HCV Utilization Tools Website
 - https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/Tools
- HCV 2-Year Tool Step-by-Step Guide
 - <https://www.hud.gov/sites/dfiles/PIH/documents/Two-YearToolStep-by-Step.pdf>
- PIH Notices
 - https://www.hud.gov/program_offices/public_indian_housing/publications/notices

ADDITIONAL RESOURCES

- Your HUD PIH Portfolio Management Specialist
 - Aaron, Jared, Julie, Laura, Mark, Matt, Morgan, or Ryan!
- Your Financial Management Center Analyst
 - Currently Luan Mazreku (Luan.Mazreku@hud.gov) for most MN PHAs
 - Different FA for MTW PHAs
- Your Fellow PHAs
 - We are all in this together! 😊



QUESTIONS?

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