Department of Housing and Urban Development

Agency Priority Goal | Action Plan | FY 2024 – Q2

Improve Rental Assistance

Goal Leader:

Dominique Blom, General Deputy Assistant Secretary for Public and Indian Housing

Goal Overview

Goal statement:

- o By September 30, 2025, 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:

- o 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 occupancy rates and affected the rental market.
- o The Department will leverage its tools to help PHAs and Multifamily owners improve performance as the pandemic's effects subside, leveraging rental assistance as a key tool in addressing people's need for affordable housing.

What success looks like:

- o 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; implementing Small Area Fair Market Rent Expansion in collaboration with HUD's Office of Policy Development and Research; and publishing a proposed rule on the performance assessments for the Housing Choice Voucher and Public Housing programs.
- o Ensure the units occupied by households receiving HUD assistance are safe and habitable by inspecting troubled Public and Multifamily Housing properties using the National Standards for the Physical Inspection of Real Estate (NSPIRE). NSPIRE prioritizes the detection and elimination of in-unit health and safety hazards.

Goal Targets

Achievement statement		Key indicator(s)	Quantify progress			Frequency
By…	**We will…**	**Name of indicator**	**Target value**	**Starting value**	**Current value**	**Update cycle**
9/30/25	Increase occupancy rates in public housing properties to 96%	Public Housing Occupancy Rate	96%	94.83%	94.77%	Quarterly
9/30/25	Increase occupancy rates in multifamily housing properties to 96%	Multifamily Housing Occupancy Rate	96%	94.66%	94.53%	Quarterly
9/30/25	Increase budget utilization rates in the HCV program to 100%	Housing Choice Voucher (HCV) Utilization Rate	100%	TBD*	TBD*	Quarterly

*HUD is calculating the FY24 HCV budget utilization baseline and current value in light of recent FY24 appropriations. Data is expected by late May. At the end of FY23, the HCV budget utilization was 101.98%, exceeding the goal of 100%.

Goal Team

Office of Public and Indian Housing

Senior Lead:
- Dominique Blom (General Deputy Assistant Secretary, Office of Public and Indian Housing)

Team Leads:
- Danielle Bastarache (Deputy Assistant Secretary, Office of Public Housing and Voucher Programs)
- Felicia Gaither (Deputy Assistant Secretary, Office of Field Operations)
- Ryan LaFollette (Acting Deputy Assistant Secretary, Real Estate Assessment Center (REAC)

Office of Housing, Office of Multifamily Housing

Senior Lead:
- Ethan Handelman (Deputy Assistant Secretary, Office of Multifamily Housing Programs)

Team Leads:
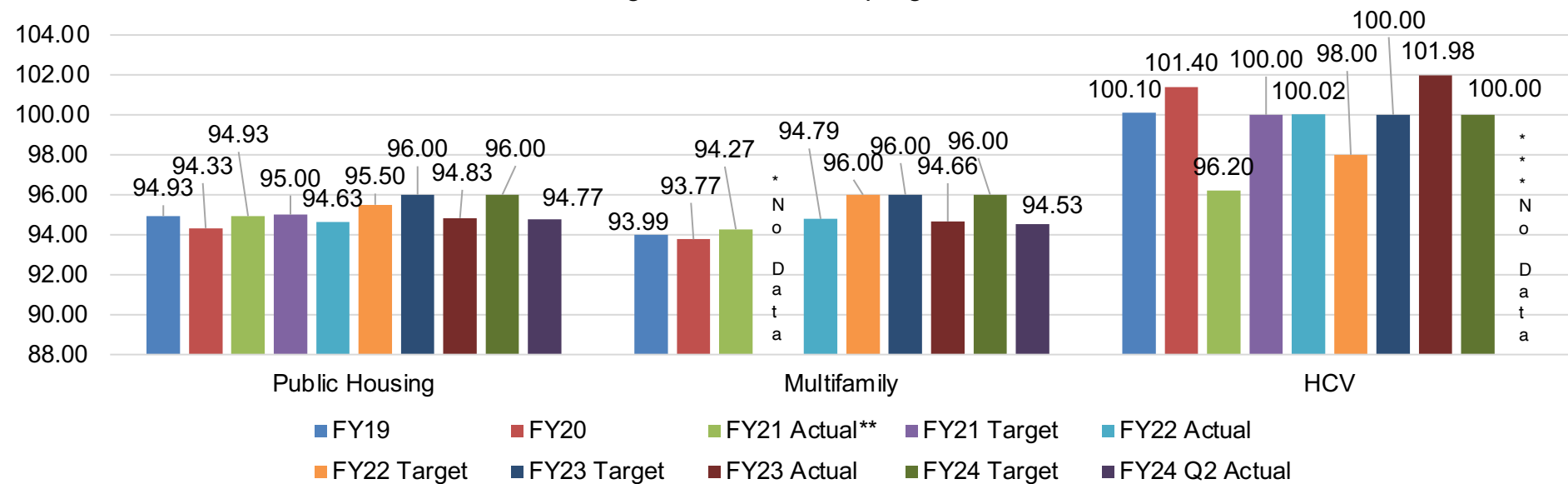- Jennifer Larson (Director, Multifamily Asset and Counterparty Oversight Division)

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 inspecting all troubled or high-risk Public Housing and Multifamily properties due for an inspection in FY 2024.

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

Legend:
- FY19
- FY20
- FY21 Actual**
- FY21 Target
- FY22 Actual
- FY22 Target
- FY23 Target
- FY23 Actual
- FY24 Target
- FY24 Q2 Actual

Public Housing values: 94.93, 94.33, 94.93, 95.00, 94.63, 95.50, 96.00, 94.83, 96.00, 94.77

Multifamily values: 93.99, 93.77, 94.27, *No Data, 94.79, 96.00, 96.00, 94.66, 96.00, 94.53

HCV values: 100.10, 101.40, 96.20, 100.00, 100.02, 98.00, 100.00, 101.98, 100.00, ***No Data

*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.

***HUD is calculating the FY24 HCV budget utilization baseline and current value in light of recent FY24 appropriations. At the end of FY23, the HCV budget utilization was 101.98%, exceeding the goal of 100%.

Key Milestones

Strategy: Strengthen PHAs' and Multifamily property owners' incentives and capacity to serve more households

Milestone Summary				
Key Milestone	**Milestone Due Date**	**Milestone Status**	**Change from last quarter**	**Comments**
Publish a proposed rule on the performance assessments for the Housing Choice Voucher and Public Housing programs.	~~12/31/2023~~ 9/30/2024	Delayed	N/A	The proposed rule for PHAS entered the Department's clearance process in Q2 2024. The proposed rule for SEMAP is expected to enter the Department's clearance process in Q3 2024. HUD has considered options for SEMAP and PHAS indicators that will incentivize HCV utilization and Public Housing occupancy.
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.	~~9/30/2023~~ 6/30/2024	Complete	Previously 'On-Track'	The Office of Public and Indian Housing's IT modernization plan was finalized in July 2023. The Office of Multifamily Housing's IT vendor delivered a detailed IT modernization plan for iREMS on 3/29/2024. .
Initiate the iREMS modernization project.	9/30/2024	On-Track	N/A	The Office of Multifamily Housing expects to initiate the iREMS modernization project by 9/30/24.

Key Milestones

Strategy: Strengthen PHAs' and Multifamily property owners' incentives and capacity to serve more households

Milestone Summary				
Key Milestone	**Milestone Due Date**	**Milestone Status**	**Change from last quarter**	**Comments**
Implement information technology improvements for the Enterprise Voucher Management System (eVMS) and the Housing Information Portal (HIP).	~~6/30/2024~~ 10/30/2024	Delayed	Previously 'On-Track'	HUD expects to have the majority of PHAs using HIP by 10/30/2024 and eVMS by Q2 FY25. PIH reached agreement with OCIO on a migration plan to transition from IMS/PIC to HIP by 10/15/24. Due to the relationship between eVMS and HIP, PIH is pausing the eVMS onboarding of PHAs until after the completion of the IMS/PIC to HIP migration. It is estimated that PHAs will resume eVMS onboarding in Q1 FY25, and all PHAs will be onboarded into eVMS by the end of Q3 FY25.
Publish final rules on the performance assessments for the Housing Choice Voucher and Public Housing programs	~~9/30/2024~~ 6/30/2025	Delayed	N/A	The proposed rule for PHAS entered the Department's clearance process in Q2 2024. The proposed rule for PHAS is expected to enter the Department's clearance process in Q3 2024. The timeline for publishing the final rules has been adjusted to align with the updated timeline for publishing the proposed rules.

Key Milestones

Strategy: Determine the quality, health, and safety of the HUD rental assistance portfolio by resuming inspections.

Milestone Summary				
Key Milestone	**Milestone Due Date**	**Milestone Status**	**Change from last quarter**	**Comments**
Clear the inspection backlog resulting from operational impacts during the COVID-19 pandemic.	~~9/30/2023~~ ~~3/31/2024~~ 9/30/2024	Delayed	Delayed from 3/14/2024 to 9/30/2024	HUD completed 100% of Public Housing inspections as of 9/30/2023. As of 3/31/2024, 97% of Multifamily Housing inspections have been completed. The remaining Multifamily Housing inspections are expected to be completed by 9/30/2024. Most of these inspections are for Multifamily insured properties; the inspections are completed by the lenders, not HUD. HUD is focused on supporting lenders in their transition to NSPIRE and on mitigating delays due to lack of inspectors.
Analyze preliminary outcomes of NSPIRE.	9/30/2024	On-Track	N/A	Over 2,500 NSPIRE inspections have been completed since NSPIRE was launched in July 2023 for Public Housing and in October 2023 for Multifamily Housing. HUD has started analyzing NSPIRE inspection data and will continue to analyze results as more inspection data becomes available.

Narrative – FY 24 Q2

HUD is focused on enhanced strategies to help Public Housing Authorities (PHAs) and Multifamily property owners increase occupancy and reach a national occupancy rate of 96 percent. While the goal was not reached in FY23, occupancy held steady despite shortages in property staffing, materials, and construction trade labor. PHAs and Multifamily owners across the country worked hard to streamline unit turnover, repairs, and rehabilitation despite resource constraints, helping house additional families and keep occupancy rates stable.

HUD began NSPIRE inspections in August 2023 for Public Housing and in October 2023 for Multifamily properties. Since then, over 2,500 properties have been completed using the NSPIRE standards, including over 600 (out of 1,700) properties that were troubled last year. NSPIRE establishes a single inspection standard for all units under HUD's Public Housing, HCV, Multifamily, and Community Planning and Development (CPD) programs. NSPIRE's focus is on the areas that impact the health and safety of residents the most.

As of March 21, 2024, 97% of physical inspections have been completed, making progress towards our goal of clearing the inspection backlog resulting from operational impacts during the COVID-19 pandemic. HUD completed 100% of these Public Housing inspections by 9/30/23 and expects that the remaining Multifamily Housing inspections will be completed by 9/30/24.

Data Accuracy & Reliability

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: (subsidized units + market units) / total unit count.
- **Data quality (limitations/advantages of the data):** The data owners submit for each monthly voucher include number of units: [1] subsidized; [2] vacant; [3] market rate; [4] abated; and [5] total units in contract.
- **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. CAOMs are HUD employees who serve as the primary point of contact for PBCAs. CAOMs are also the primary recipients for all reporting deliverables provided by the PBCAs.

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, Emergency Housing 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:

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

Program Activities:

- o Training and Technical Assistance
- o IT Modernization

Regulations:

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

Policies:

- o Notice PIH 2021-34 - Voucher Payment Standard up to 120% of FMR
- o Notices PIH 2022-09 and 2022-30 – Voucher Payment Standard submissions extended
- o Notice PIH 2022-18 – Use of Voucher Administrative Fees for other expenses to assist with leasing units

8

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.