



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

OFFICE OF PUBLIC AND INDIAN HOUSING

March 6, 2025

Dear Executive Director:

Subject: Emergency Housing Voucher Program Renewal Funding Allocation

The purpose of this letter is to advise public housing agencies (PHAs) of their estimated Emergency Housing Voucher (EHV) Program Housing Assistance Payment (HAP) Renewal Funding Allocation for calendar year (CY) 2025, as well as to obligate the corresponding funds. Guidance on EHV renewal funding is included in PIH Notice 2021-15, Emergency Housing Vouchers – Operating Requirements, Section 7. B. Renewal Funding Process.

The Allocation specified in the attached enclosure is an estimate. The Department of Housing and Urban Development (HUD) is validating costs and leasing reported in the Voucher Management System (VMS) for the month of December 2024 and prior month corrections reported for CY 2024. In late April 2025, the Financial Management Division (FMD) will issue final 2025 EHV HAP renewal funding enclosures that reflect any adjustments identified during CY 2024 data validation.

This final allocation will obligate all EHV HAP funds that remain available to HUD under the American Rescue Plan Act of 2021 (P.L. 117-2). After this final allocation, the Department will provide no additional EHV CY HAP Renewal funding allocations to PHAs, but the amount allocated is anticipated to extend beyond the end of CY 2025 and those remaining amounts will be available to cover HAP costs in 2026. Furthermore, while these EHV funds are being obligated to your PHA, you should manage your EHV program with the expectation that no additional funding from HUD will be forthcoming. The Department may issue guidance to further adjust funding allocations in a future PIH Notice.

Determining the 2025 Estimated HAP Renewals

Your agency's estimated CY 2025 EHV HAP renewal funding is identified at the top of Enclosure A provided with this letter. Enclosure A also sets forth the EHV HAP funding calculations for your PHA, as well as a full description of the calculations. You are encouraged to review Enclosure A thoroughly. HUD is adjusting the renewal allocation as provided in PIH Notice 2021-15 (Emergency Housing Voucher – Operating Requirements, issued May 5, 2021). Appendix I provides the calculations related to this adjustment, which affects the amount of available EHV program reserves that are considered in the renewal funding calculation. Specifically, the Department protected program reserves whenever the PHA's December 2024 EHV PUC was higher than the 2024 EHV average PUC. The difference in PUC is protected for all authorized units.

The process for determining the PHA's estimated 2025 EHV renewal funding is described below:

- (1) The HAP funding baseline was established based on the PHA's actual EHV leasing and cost data reported in VMS for CY 2024. HUD 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. PIH used validated costs and leasing data that each PHA reported in VMS before the January 22, 2025 deadline. There will be no further appeals or adjustments to these data items (other than the data validation cited above), except at the direction of the Department.
- (2) We then applied the Renewal Funding Inflation Factor (RFIF) used in the HCV program, adjusted for localities, to the PHA's EHV HAP funding baseline described above. The Office of Policy, Development and Research (PD&R) will likely publish the RFIF on the dataset website during the month of May 2025. HUD also capped 2025 EHV HAP renewals for any over leasing in CY 2024.
- (3) The Department reconciled the PHA's EHV restricted net position (RNP) and undisbursed obligations held by HUD (HHR). HUD adjusted the CY 2025 renewal allocation based on the calculated year-end EHV RNP and EHV HHR after protections. The amount of protected reserves was equal to the difference between the December 2024 PUC and the PHA's 2024 EHV average PUC (if the former was higher), applied to all authorized units. The Department adjusted PHA's final renewal allocation by the amount of reserves remaining after this protection. This offset adjustment allows HUD to extend the EHV HAP funding as long as possible by taking the available HAP funding PHAs have already received into account when determining the final renewal allocation. Some PHAs are not receiving additional EHV obligations for CY 2025 because they have undisbursed obligations and RNP available to cover the calculated EHV HAP renewals.
- (4) Starting with the CY 2024 renewal allocations, the Department also took into consideration the number of EHV's that have turned over and cannot be reissued because of the statutory prohibition on reissuance of turnover vouchers after September 30, 2023. Where applicable, HUD also adjusted the renewal allocation based on the number of vouchers that were reallocated to other PHAs due to the PHA's failure to lease its authorized vouchers. Further guidance about leasing EHV vouchers will be forthcoming through PIH Notice in 2025.

The Department obligated the remaining HAP budget authority available based on calculated need with no proration. Fully spent, these funds should, with prudent and responsible program management, fund the PHA's EHV program through CY 2025 and well into CY 2026.

Final EHV HAP Renewals

In April, HUD expects to issue a final EHV HAP renewal enclosure that will reflect funding adjustments associated with the end of CY 2024 data validation. PHAs should expect very minor adjustments from the amount presented in the preliminary enclosure attached.

The Department will continue announcing monthly HAP actual disbursements and PHAs may contact their respective FMC Financial Analysts (FA) for additional HAP when needed. Similarly, if PHAs face HAP shortfalls approaching the end of CY 2025, they can submit a request to their FMC FAs to “borrow” from their 2026 HAP undisbursed obligations to make them whole for CY 2025. Consequently, funds borrowed from its 2026 HAP obligations will not be available for CY 2026. Additional guidance on leasing and available funding will be provided through PIH Notice at a later date.

Although this is the final EHV HAP renewal allocation, the ARP Act provides that obligated EHV program funds do not expire until September 30, 2035. PHAs that implement cost-saving measures may continue to utilize EHV HAP program reserves until September 30, 2035. HUD will provide additional information on options for managing EHV's going forward at a later date through PIH Notice.

As a reminder, Congress appropriated EHV Program funds separately from the regular HCV program; therefore, these funds shall not be used for the regular HCV Program or Mainstream Vouchers. EHV HAP funds can only be expended for EHV eligible purposes. EHV HAP funds may not roll into the regular HCV restricted net position (RNP) and must be tracked and accounted for separately as EHV RNP.

Also, EHV administrative fees and funding for other eligible expenses permitted by PIH Notice 2021-15 may only be used in support of the EHV's and cannot be used for regular HCVs. EHV funding may not be used for the repayment of debts, or any amounts owed to the Department by program participants including, but not limited to, those resulting from Office of Inspector General, Quality Assurance Division or other monitoring review findings.

If you have any questions concerning your EHV 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

Attachment