



**U.S. Department of Housing and Urban Development
Office of Public and Indian Housing**

Special Attention of:
Section 8 Public Housing Agencies;
Regional and Field Office Directors
of Public Housing; Section 8 Financial
Management Center

Notice PIH 2006-32 (HA)

Issued: August 21, 2006

Expires: August 31, 2007

Cross References: HUD Notice PIH
2005-9

Subject: Public Housing Agency (PHA) Cost-Savings Initiatives in the Housing Choice
Voucher (HCV) Program

1. Purpose. This Notice reinstates applicable sections of PIH Notice 2005-9 in regard to cost-savings measures and provides additional guidance on prudent financial management in the HCV program. The applicable sections of PIH Notice 2005-9 are 3.a., 3.b., 3.c., 3.e., 3.f and 4.a. through 4.e. with the exception of references to calendar year 2005.
2. Portability. Although a PHA may opt to deny portability moves as described in Section 3.c. of PIH Notice 2005-9, it must demonstrate that it will not have sufficient funding to serve currently assisted families. Only if the PHA would be unable to avoid terminations of HCV assistance to remain within its budgetary allocation for housing assistance payments (HAP) would a PHA be justified in denying portability to a higher cost area where the receiving PHA will not absorb the family.
3. Cost-savings Regulatory Waivers. As with portability, in order for a PHA to request a regulatory waiver regarding implementing lower payment standards before the second annual reexamination and/or not increasing utility allowances during its calendar year, it must provide sufficient documentation to Headquarters. Such documentation must include average monthly HAP costs in the calendar year as supported by data entered (or to be entered) in the Voucher Management System (VMS) and average monthly turnover as supported by data in the Public Housing Information Center (PIC).
4. Underutilization. As required by recent Appropriations Acts, PHAs are provided with a fixed allocation of HCV budget authority for the calendar year. In addition, during the calendar year, a PHA may not lease more than its contracted units times twelve. Conversely, underutilization is an issue because less than the maximum number of families will receive HCV assistance. If a PHA underutilizes its funds, in addition to realizing decreased scores under the Section Eight Management

