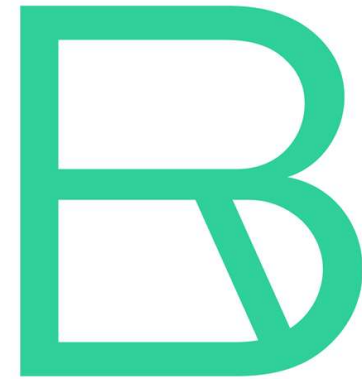
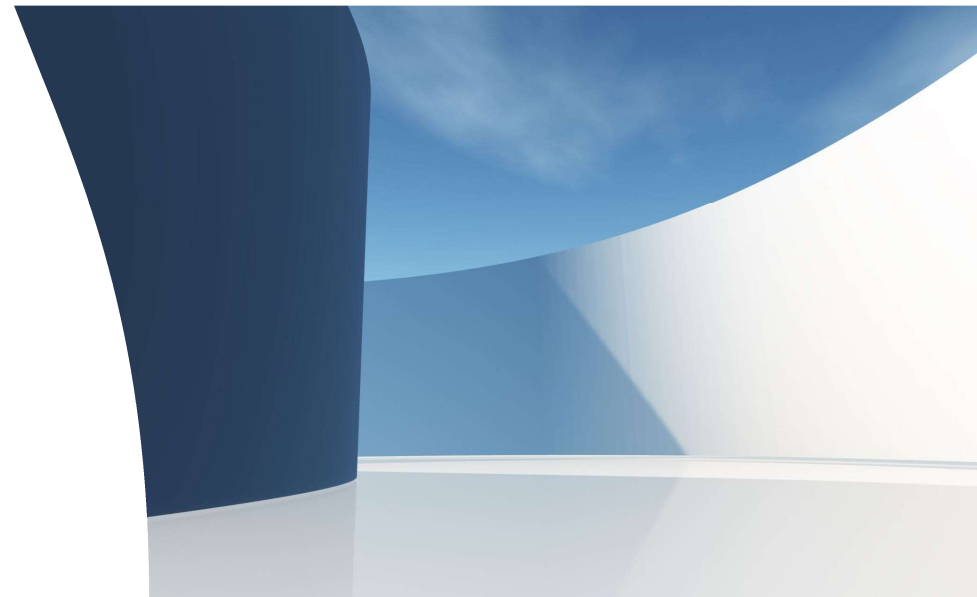


# Two Year Tool



IAHA Maintenance & Management  
Clinic - 2024



# Goals of the TYT

- Provide leasing scenarios to maximize utilization of Annual Budget Authority for HCV Program
- Prevent underutilization of funding leading to offset of funding
- Prevent overutilization of funding leading to shortfall
- Monitor Per Unit Cost



# General Overview

- Provides baseline vouchers and leased vouchers at a monthly view of 24 months
- Most PHAs will not be able to lease at baseline due to limited funding provided by HUD.
- A PHA could lease over their baseline in any one month but can't exceed their annual baseline voucher count.
- Data that populates into the TYT comes from VMS.

# Benefit of Two Years?

- The leasing activity in the current year will have a direct impact on the following year's activity and funding levels.
- Concentrating lease up efforts at certain parts of the year will have varying effects on what can be done the following year.



# Offset

- When HAP reserves exceed a threshold determined by HUD
- Following year funding is reduced and the excess is redistributed to other PHAs
- Negatively impacts PHA's ability to grow the HCV program.



# Shortfall

- When HAP expense exceeds Annual Budget Authority and HHR
- Requires shortfall funding from HUD to prevent termination of families from program
- Comes with a closer watch on the program from HUD along with more regular meetings
- Required to halt leasing and pull vouchers off the street

# What To Target?

- The goal is to have around 2 weeks of HAP reserves at the end of a calendar year.
- This allows for a small cushion if variables in the projection change.
- Will nearly maximize funding for the following year while allowing for room to gradually increase leasing the following year.



# HUD-HELD RESERVE (HHR)

- HUD established cash management procedures in 2012 that changed how PHAs accumulated RNP
- They established HHR to eliminate PHA's accumulating their Annual Budget Authority evenly throughout the year
- VMS reporting now points out "excess" RNP and HUD will periodically transfer funds to the PHA's HHR
- The funds still belong to the PHA
- If HHR exceeds a PHA's upcoming needs, HUD will offset these amounts from future disbursements and reduce a PHA's HHR balance

# Variables

- These factor into the TYT, but are outside of the PHAs control:
  - Per Unit Cost (PUC)
  - Success Rate
  - Time from Issuance
  - Attrition Rate
  - Portability

# Where to Access

- The TYT can be accessed at the following link:
- [https://www.hud.gov/program\\_offices/public\\_indian\\_housing/programs/hcv/Tools](https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/Tools)
- It is typically updated monthly to pull in another month's VMS data.

- **HCV Monthly Summary (Updated - November 2023 Data)**

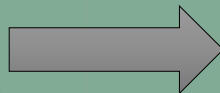
This zip file contains monthly (and annual) utilization update program.

NOTE: Not all links may work in the PDFs, due to its dual purp

- **HCV Two-Year Tool Guide**

This file contains step-by-step instructions for using the Two

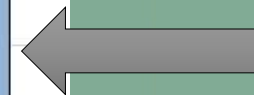
- **HCV Two-Year Projection Tool (Updated 1/25/2024)**



# Where to Access

- It will then download the Utilization Report.

	A	B	C	D	E
1	<b>Select PHA</b>				
2	Enter PHA Code	IL000	Open Two-Year Tool		
3					
4					
5					
6					
7					
8	or				
9	<b>Transfer PHA Selection</b>				
10	Receiving PHA		Combo!		Divesting PHA
11					



# Generating the TYT

This will then generate your PHAs TYT

Recommended to update monthly as it is not a perfect projection tool. It provides a general road map and targets/timing for waitlist pulls.

