

**ADDENDUM TO MEMORANDUM OF UNDERSTANDING FOR EMERGENCY
HOUSING VOUCHER PROGRAM (EHV)**

**BETWEEN MCALLEN HOUSING AUTHORITY (PHA)
AND TEXAS HOMELESS NETWORK (THN)
AND HIDALGO COUNTY URBAN COUNTY PROGRAM (HCUCP)**

STABILITY HOUSING VOUCHER PROGRAM (SV)

This Addendum to Memorandum of Understanding for Emergency Housing Voucher Program (the “**Addendum**”) is made and entered into effective as of July 01, 2023, by and between the McAllen Housing Authority (the “**PHA**”), the Texas Homeless Network (**THN**) and Hidalgo County Urban County Program (**HCUCP**).

WHEREAS, the PHA, THN and HCUCP entered into that certain Memorandum of Understanding for Emergency Housing Voucher Program dated July 27, 2021 (the “**MOU**”).

WHEREAS, pursuant to an allocation of award of seven (7) Stability Vouchers from the Department of Housing and Urban Development (HUD) to the PHA listed in Exhibit A, the PHA desires to have the MOU extended as per this Addendum.

WHEREAS, the PHA, THN and HCUCP wish to extend the terms of the MOU to cover the administration of the Stability Voucher (SV) program;

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises of the parties hereto, hereby acknowledged, the parties hereby agree as follows:

1. The MOU is hereby being extended for the limited purpose of administering and coordinating the Stability Voucher program. The goals, roles and responsibilities of each party will be as set forth in the MOU.
2. This Addendum may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement. In order to expedite the execution of this Addendum, a facsimile or e-mailed signature shall be binding and have the same effect as an original signature.

IN WITNESS WHEREOF, the parties have executed this Addendum effective as of the date set forth above.

Housing Authority:

McAllen Housing Authority,

By: _____

Name: Rodolfo "Rudy" Ramirez

Title: Executive Director

**Texas Homeless Network,
CoC Lead Agency**

By:

By: _____

Jim Ward, Director

Hidalgo Co. Urban County Program.,

By: _____

Steve de la Garza, Director

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



OFFICE OF PUBLIC AND INDIAN HOUSING

June 05, 2023

Rodolfo "rudy" Ramirez
 Executive Director
 MCALLEN HOUSING AUTHORITY
 2301 JASMINE AVE
 MC ALLEN, TX 78501-0000

Dear Executive Director:

I am pleased to notify you that your public housing agency (PHA) is eligible for an allocation of Stability Vouchers (SVs) and funding as authorized by The Consolidated Appropriations Act, 2021 (Public Law 116-260) (2021 Act). The Act allowed the Department of Housing and Urban Development (HUD) to make new incremental voucher assistance available to PHAs non-competitively. To encourage a community-wide commitment to the goal of ending homelessness in their communities, SVs should be administered in collaboration with your partnering Continuum of Care and/or Victim Service Provider listed below to serve eligible families in your jurisdiction.

Your PHA registered interest in Stability Vouchers using the criteria identified in PIH Notice 2022-24: Stability Voucher Program, and this letter provides the details of the funding awarded and information concerning the distribution of these funds.

The table below shows the number of units and the budget authority awarded. Please note that the budget authority awarded is prorated at 98.25 percent.

Partnering CoC/VSP	Number of Vouchers	Voucher Funding	SV Special Fee Funding
Texas Balance of State CoC	7	\$38,331	\$3,500

In accordance with PIH Notice 2023-07: Implementation of the Federal Fiscal Year (FFY) 2023 Funding Provisions for the Housing Choice Voucher (HCV) Program, HUD is providing PHAs administering the SV program with \$500 in special fees per SV awarded. Information regarding the eligible uses of the special fee may be found in Attachment A.

PHA Acknowledgement of SV Award

If your agency wishes to decline this award, a declination must be submitted to StabilityVouchers@hud.gov by noon (EST) on June 16, 2023, or they will be deemed accepted.

If your PHA accepts the award, the default effective date for the award will be July 1, 2023. If your agency would like a different effective date, please email StabilityVoucher@hud.gov by June 16, 2023, to request an alternative effective date. Alternative effective dates may be the first of any month beginning July 2023 through December 2023.

Similar to the regular voucher program, the awarded budget authority, number of units and SV special fees serve as a cap. Your PHA may only lease until it has reached the lower of its SV budget authority or the total number of SVs awarded. If your PHA still has SV funding available after leasing all awarded units, this extra funding will go into your PHA's Housing Assistance Payment (HAP) reserves. If you are on track to spend all of the awarded funding but still have SV units left, you must manage your funds in a responsible manner that will not result in a shortfall.

The FMC will provide your PHA with an amended Annual Contributions Contract that reflects the obligation of funds and monthly disbursements amount to be scheduled. Initially, the first three months of disbursements will be automatically scheduled. Each disbursement will equal 1/12th of your award amount. Thereafter, monthly disbursements will be scheduled based on monthly SV expenses reported in the Voucher Management System (VMS). If your PHA has not leased any vouchers by month three, you will not receive additional disbursements until VMS data shows you are incurring HAP expenses. If at any time such disbursements are not sufficient to cover your monthly expenses, your PHA should contact your Financial Analyst at the FMC.

SV Program Administration Requirements

Your PHA must follow all HCV program requirements when administering the SV Program, including the regulations at 24 CFR part 982, and the requirements in [PIH Notice 2022-24: Stability Voucher Program](#). Your PHA is required to follow relevant statutes, regulations, and HUD guidance.

SV Reporting Requirements

To ensure that SV families are recorded properly, you must record "SV" on line 2n of the form HUD-50058 (Family Report). Remember to accurately record families who are homeless at admission on line 4c of the HUD-50058. To accurately report in VMS, enter your unit months leased (UML) and Housing Assistance Payments (HAP) expenses, MTW HAP expenses after the first of the month, and number of new vouchers issued but not under HAP contract as of the last day of the month in the "Housing Stability Voucher" fields.

Additional information regarding the SV Program can be found at:
https://www.hud.gov/program_offices/public_indian_housing/stability_voucher_program.

Please contact StabilityVouchers@hud.gov, if you have any questions.

Sincerely,

Danielle Bastarache

Danielle Bastarache

Deputy Assistant Secretary

Office of Public Housing and Voucher Programs

Attachment

Attachment A: Eligible Uses of SV Special Fees

SV Special Fees may include both (1) costs incurred by a PHA in carrying out administrative responsibilities under SV and HCV program regulations, and (2) other eligible expenses in administering the SV program:

- A. Administrative activities.** These activities include front-line, day-to-day operational activities including but not limited to applicant intake, lease-up activities, income determinations and reexaminations, unit inspections, disbursing HAP to landlords, as well as policy and operational planning and implementation, financial management, and HCV record-keeping and reporting. These activities also include the indirect overhead activities associated with operating the HCV program including but not limited to PHA management, human resources, legal, finance, accounting and payroll, information technology, procurement, and quality control. PHAs that operate using HUD's asset management central office cost center (COCC) are permitted to charge the HCV program to recover its central office costs, and those costs are eligible expenses of HCV administrative fees.

Administrative activities also include housing search assistance activities such as pre-move counseling, helping a family identify and visit potentially available units during their housing search, helping a family find a unit that meets the household's disability-related needs, providing transportation and directions, and assisting with the completion of rental applications. These activities also include post-lease up activities often related to housing search assistance efforts, such as post-move counseling and landlord/tenant mediation. These activities cover SV owner recruitment and outreach activities, including the costs associated with materials or webpages specifically geared to owners, as well as landlord liaison staff and associated expenses.

- B. Other eligible activities.** PHAs are responsible for carrying out all their administrative responsibilities under the program. In addition to its typical administrative costs, a PHA may choose to incur other expenses for activities designed to help assist SV families in leasing units under the program, which while not required, clearly will assist the PHA in achieving the mission and purpose of the SV program. A PHA may use its special fees to support these other activities, including to recruit and retain owners to participate in the SV program, should it have the resources available to do so.

When undertaking these activities, a PHA must first adopt a policy in the PHA administrative plan that governs the terms and conditions of the activity, including any limitations or eligibility criteria for these activities (e.g., to support homeless veterans, to support families leasing units in areas of opportunity, etc.). PHAs are reminded that they may not create policies, criteria, or methods of administration that result in discrimination against individuals with protected characteristics under fair housing and civil rights laws and regulations. As such, PHAs need to provide reasonable accommodations when necessary to policies established for these activities to ensure equal access to their programs and activities by individuals with disabilities. In addition, PHAs need to ensure policies, criteria, and the administration thereof, provides meaningful language access for persons with Limited English Proficiency (LEP).

Other eligible expenses related to the leasing of units and recruitment/retention of SV owners are as follows:

i. Owner incentive and/or retention payments. The PHA may make incentive (e.g., signing bonuses) or retention payments to owners that agree to initially lease their unit to an SV family and/or renew the lease of a SV family. If a PHA chooses to offer incentive or retention payments, it must adopt a policy that governs when the offer of such payments is appropriate. The PHA may design the owner incentive payments to meet its specific needs (such as limiting the incentive payments to new owners or owners in high opportunity neighborhoods or structuring all or part of the payment as a damages or unpaid rent mitigation fund, where the owner receives the mitigation payment only if the security deposit is insufficient to cover damages and other amounts owed under the lease). The PHA may choose to condition the offer of the owner incentive/retention payment on the owner's agreement to abide by certain terms and conditions. For example, these conditions may include working with the PHA (or intervention services providers partnering with the PHA) should lease violations or other tenant-related issues arise during the assisted tenancy before taking action to evict the tenant.

Owner incentive/retention payments are typically made as a single payment at the beginning of the lease term (or at lease renewal if a retention payment). However, PHAs may establish the frequency upon when such payments may be made with the exception that owner incentive payments may not be made on an ongoing monthly basis. Owner incentive payments are not housing assistance payments, nor can they effectively serve to supplement ongoing, monthly housing assistance payments. Owner incentive payments are not part of the rent to owner, nor are they taken into consideration when determining whether the rent for the unit is reasonable.

If the PHA chooses to make incentive payments over time to the owner (rather than a single payment) any agreement or understanding between the PHA and the owner must be separate and apart from the housing assistance payments (HAP) contract, and the HAP contract may not be conditioned or amended to make any reference to that agreement or any future landlord incentive or retention payment.

ii. Security deposit assistance. The PHA may provide security deposit assistance for the family. The amount of the security deposit assistance may not exceed the actual security deposit required by the owner or the maximum security deposit allowed under applicable state and/or local law. The PHA may pay the security deposit directly to the owner or may pay the assistance to the family provided the PHA verifies the family paid the security deposit.¹¹ The PHA may place conditions on the security deposit assistance, such as requiring the owner or family to return the security deposit assistance to the PHA at the end of the family's tenancy (less any amounts retained by the owner in accordance with the lease). Security deposit assistance returned to the PHA remains restricted to SV special fee eligible uses (if returned before the end of the PHA fiscal year in which the administrative fee used to fund the deposit was received) or SV administrative fee reserve eligible uses, as applicable.

iii. Utility deposit assistance/utility arrears. The PHA may provide utility deposit assistance for some or all of the family's utility deposit expenses. Assistance can be provided for deposits (including connection fees) required for the utilities to be supplied by the tenant under the lease. The PHA may choose to pay the utility deposit assistance directly to the utility company or may pay the assistance to the family, provided the PHA verifies the family paid the utility deposit. The PHA may place conditions on the utility deposit assistance, such as requiring the utility supplier or family to return the utility deposit assistance to the PHA at such time the deposit is returned by the utility supplier (less any amounts retained by the utility supplier). In addition, some families may have large balances with gas, electric, water, sewer, or trash companies prior to admission to the SV program that will make it difficult if not impossible to establish services for tenant-supplied utilities. The PHA may also provide the family with assistance to help address these utility arrears to facilitate leasing and their admission to the SV program. Utility deposit assistance that is returned to the PHA remains restricted to SV administrative fee eligible uses (if returned before the end of the PHA fiscal year in which the administrative fee used to fund the deposit was received) or SV administrative fee reserve eligible uses, as applicable.

iv. Application fees/non-refundable administrative or processing fees/refundable application deposit assistance/broker fees. The PHA may choose to assist the family with some or all of these expenses and may limit the amount of assistance provided for each individual expense.

v. Holding fees. In some markets, it is not uncommon for an owner to request a holding fee that is rolled into the security deposit after an application is accepted but before a lease is signed. The PHA may cover part or all of the holding fee for units where the fee is required by the owner after a tenant's application has been accepted but before the lease signing. The PHA and owner must agree how the holding fee gets rolled into the deposit and under what conditions the fee will be returned. Furthermore, owners need to accept responsibility for making needed repairs to a unit required by the initial housing quality standards (HQS) inspection and can only keep the holding fee if the family is at fault for not entering into the lease.

vi. Renter's insurance (if required by the lease). The PHA may assist the family with some or all of the cost of renter's insurance but only in cases where the purchase of renter's insurance is a condition of the lease and is also required of unassisted families on the premises. PHAs need to exercise caution with respect to the frequency of when the renter's insurance assistance payments are made when such assistance is provided directly to the family.⁴ For example, providing such assistance on a regular, recurring basis (such as on a monthly basis) to the family would impact the family's income calculation.