

MTW HCV Utilization Methodology

<p>HUD Original Methodology (Jan 2022)</p>	<p style="text-align: center;"><u>% Budget Authority Spent</u> Budget Authority + Reserves</p>	
<p>MTW Collaborative Proposed Methodology (March 2022)</p>	<p style="text-align: center;"><u>% Budget Authority Spent</u> Budget Authority + (Reserves-Obligated-Committed-Minimum Operating Reserve))</p>	<p><i>Obligations:</i> defined as a binding agreement, such as a legal contract, Board Resolution, 5-Year Capital Plan, MTW Annual Plan, or approved agency budget, that dedicates an outlay of expenditure of funds, immediately or in the future for a specific eligible MTW activity.</p> <p style="text-align: center;">Example: A Board Resolution to dedicate \$5M to acquire family-size rent units by FYE 2023, or \$32M for a construction loan for a specific property expected to close in the next six months, or \$1M to convert maintenance fleet to electric over the next 5 years.</p> <p><i>Commitments:</i> the setting aside or earmarking of HCV funds in anticipation of a dedication or obligation for eligible MTW activities in the future.</p> <p style="text-align: center;">Example: Setting aside \$5 million of HCV funds for a future to-be-defined acquisition program. Or \$32 million for a construction loan pool.</p>
<p>HUD Updated Methodology (April 2022)</p>	<p style="text-align: center;"><u>HAP + non-HAP MTW Expenses</u> Annual Budget Authority + (HCV Reserves – Obligations** - Minimum Reserves)</p>	<p><i>Obligations:</i> defined as a legally binding agreement that will require an outlay of expenditure of funds, immediately or in the future for the eligible MTW activity to which funds were committed.</p> <p><i>Commitments:</i> the setting aside or earmarking of HCV funds in anticipation of an obligation for eligible MTW activities in the future.</p>