



U.S. Department of Housing and Urban Development

Capital Fund Training Session 1

Introduction to the Capital Fund Planning Process





Topics

Overview

Planning

EPIC 5-Year Action Plan

EPIC Capital Fund Submission



Background of The Capital Fund

Annual funding to PHAs for PH Units

Development

Financing

Modernization

Management improvements

- 2013: The Capital Fund Rule combined former legacy programs into the Capital Fund Program
- Modernization programs (24 CFR 968)
- Public Housing Development (24 CFR 941)
- Mixed Finance Development (24 CFR 941 subpart F)

- 2016: Capital Fund Guidebook
- <https://www.hud.gov/sites/documents/CAPITALFUNDGUIDEBOOKFINAL.PDF>



Capital Fund Programs

Formula

- Capital Fund Program (\$3.2 billion)

Competitive

- Emergency Safety & Security (\$10 Million)
- Lead-Based Paint Capital Funds (\$25 Million)
- Housing-Related Hazards Capital Funds (\$40 Million)
- Troubled/At Risk (\$15 Million)

Non-Competitive

- Emergency/Disaster (\$20 Million)
- Capital Fund Financing Program



Capital Fund Emergency/Natural Disaster Funds



The Program: PHAs that experience emergencies or non-presidentially declared natural disasters can apply for Capital Funds.



Key Requirements: \$20 million appropriated annually and grants are awarded on a first-come, first-served basis. The emergency/disaster must occur in the Federal Fiscal Year of funding.



Learn More: [Capital Fund Emergency/Natural Disaster Funding Webpage](#)



Capital Fund Financing Program (CFFP)



The Program: CFFP allows PHAs to borrow money through a loan or bond and pay debt service with future Capital Funds. Proceeds can be used for any activities eligible under the Capital Fund rule.



Key Requirement: Debt service is limited to 33% of the current year Capital Fund grant. The term is limited to 20 years.



Learn More: [Capital Fund Financing Program Webpage](#)



Competitive Programs

Emergency Safety & Security

- \$250k Maximum Grant
- Used for hard costs related to crime emergencies, CO detectors
- Approx. 60 grantees per year

Lead-Based Paint Capital Funds

- \$7.5 M maximum Grant
- Used to address lead based paint hazards
- Approx. 25 grantees per year

Housing-Related Hazards Capital Funds

- \$5 M maximum Grant
- Hazards such as CO, Mold, Radon, Fire Safety Devices
- Approx. 25 grantees per year

At-Risk Troubled Substandard

- \$3 M maximum grant
- \$250k minimum grant
- Address occupancy and physical inspection
- Approx. 5 grantees per year

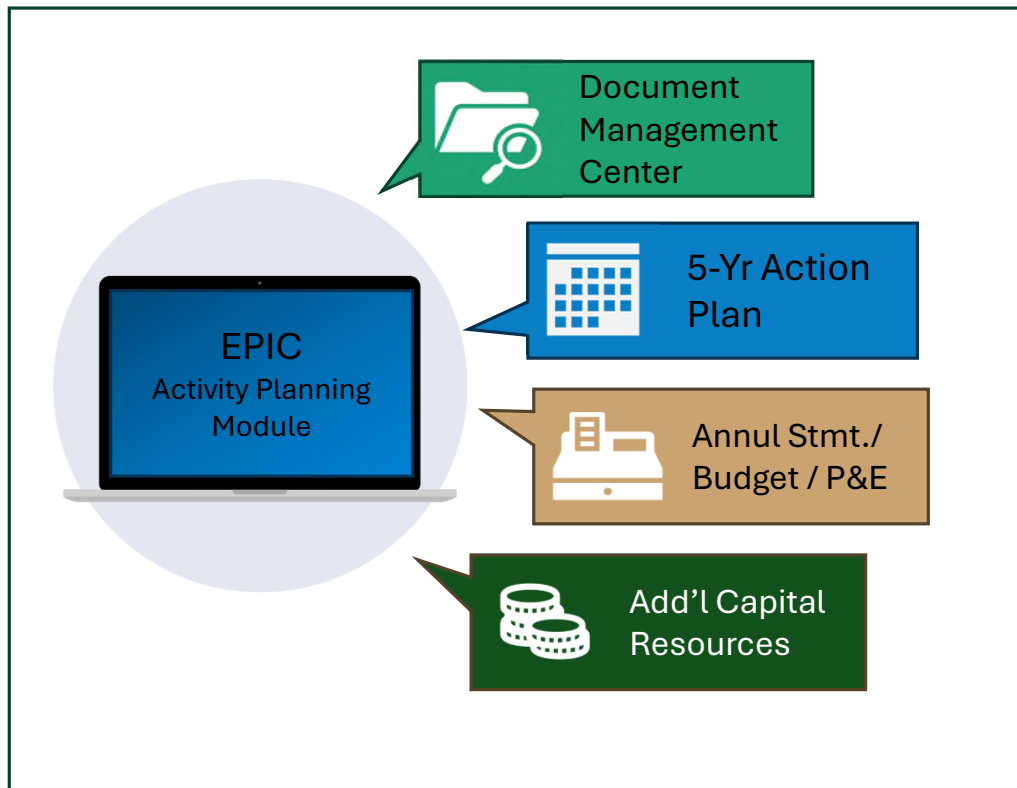
Based on most recent funding

Amounts and items are subject to change annually

Field Offices may not assist PHAs in applying for competitive grants



What is EPIC



EPIC is the system used to manage Capital Funds

- 5 Year Action Plans
- All required grant documents
- Annual Statements
- LOCCS Coordination

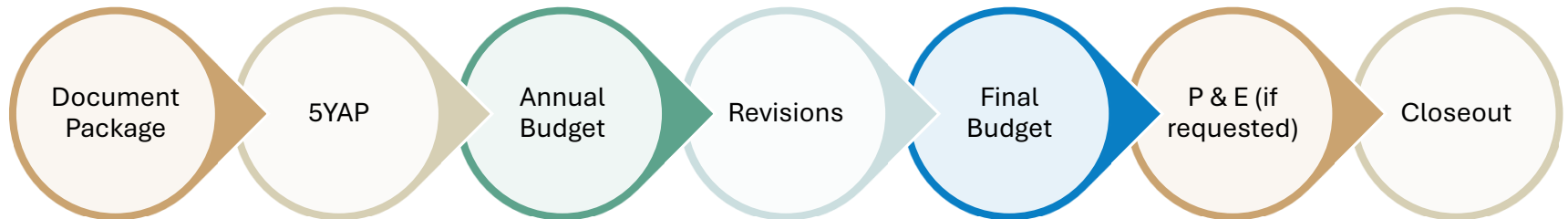


CFP Grant Lifecycle

Steps to Receive a CFP Grant



Steps Reported In EPIC

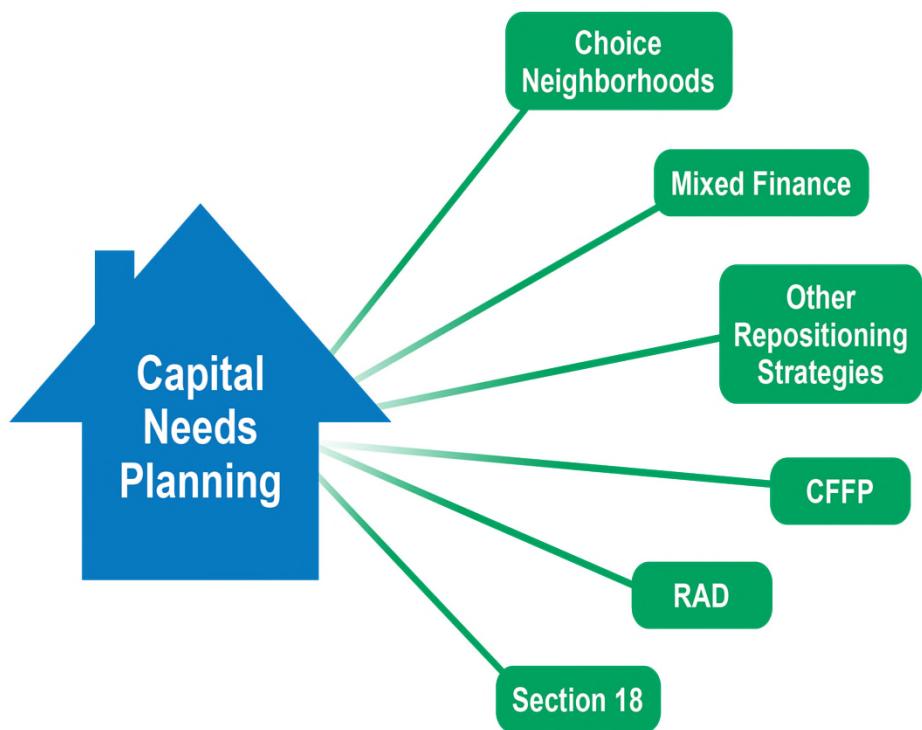




Capital Planning



CAPITAL PLANNING – Capital Fund Strategic Planning



Considerations

Property conditions, vacancies, unit turnover, system lifecycles

Community needs

Financial resources available

Long and short-term goals and strategies

Policies and programs

Procurement cycle, use of contractors or force account labor



Evaluating Capital Needs

PNA, CNA and Energy Audit

Review the PHAS score

Review the progress since the last 5YAP

Outside contractors to come up with the PNA/CNA is an eligible cost

Energy audits can help reduce utilities costs



Capital Fund 5-Year Action Plan Vs. PHA Plans

Capital Five-Year Action Plan (Part 905)	PHA Five-Year Plan (Part 903)
Covers 5 years of Capital Funding – deadline varies by choice of Fixed or Rolling Plan and Federal Appropriation.	Covers 5 PHA Fiscal Years – due 75 days before PHA FYE on a specific schedule.
Specific to PHA’s modernization efforts to ensure the long-term physical and social viability of the PHA.	PHA's mission, goals and objectives and progress the PHA has made in meeting the goals and objectives.



All PHAs must hold a public hearing on their Capital Fund Submission/5-Year Action plan every year.

This public hearing may be combined with the PHA Plan public hearing which must be held annually for both qualified and non-qualified PHAs.



UEI Number and Current SAM Registration



SAM.GOV is a GSA-owned system for all recipients of Federal Financial Assistance. [Help?](#)

PHAs must have a Unique Entity Identifier (UEI) issued through SAM.GOV

PHAs must renew their SAM registration annually

PHAs must change a UEI or Tax Identification Number (TIN) through SAM.GOV

SAM registration is automatically checked and updated daily in LOCCS

HUD cannot obligate funds in LOCCS without current SAM registration

Changes to UEI or TIN are not automatically updated in LOCCS: those changes must be reported to cfoaccounting@hud.gov

EPIC only sees grants that have been obligated



Capital Fund Annual Hearing

Under § 905.300 All PHAs must hold an annual public hearing to discuss their draft CFP Five-Year Action Plan.

45 days before the public hearing, the PHA must provide the draft Five-Year Action Plan to the residents and the Resident Advisory Board (RAB).

PHAs shall conduct reasonable outreach activities to encourage broad public participation.

The hearing must be conducted at a location that is convenient to the residents served by the PHA.

This applies to PHAs who choose a Fixed or Rolling Plan.

The hearing that covers the Five-Year Action Plan may be the same as the PHA Plan hearing or may be separate.

The PHA must consider the comments from the residents, the public, and the RAB.



Environmental



Compliance with the National Environmental Policy Act of 1969 (NEPA)



Prior to obligating and expending Capital Funds, the PHA must obtain environmental clearance per 24 CFR Parts 50 and 58.



For specific guidance on environmental compliance, please see Notice PIH 2016-22.

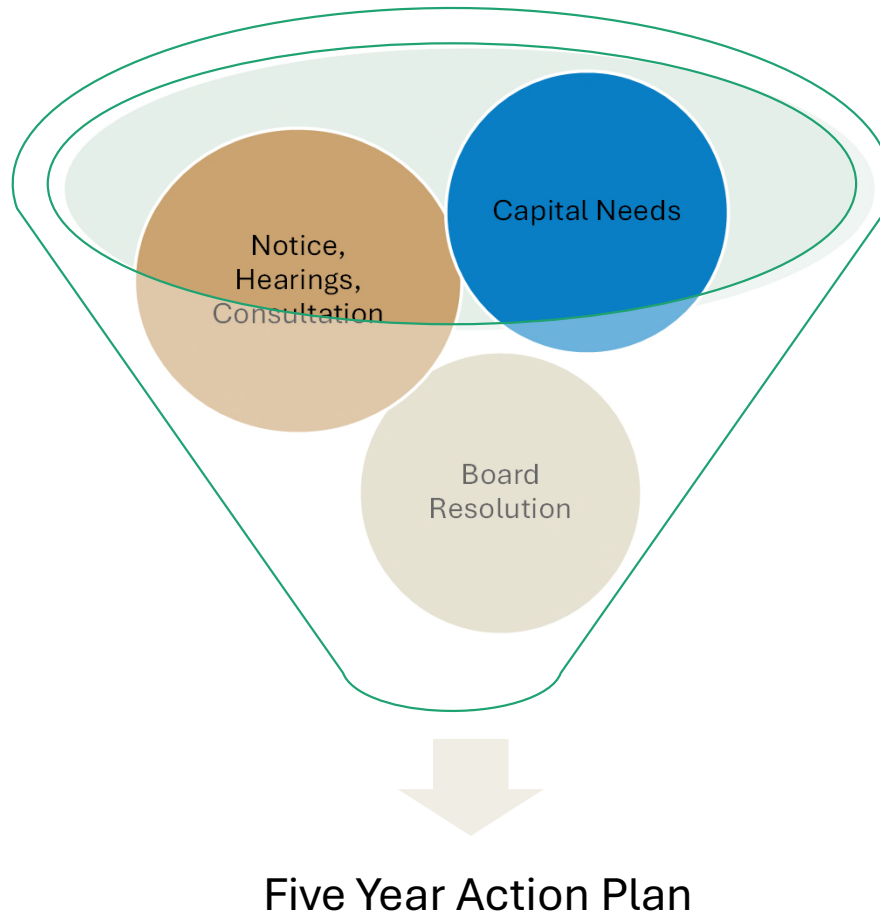
PIH Notice 2016-22 Appendix A: Certain eligible CFP expenses have undergone Environmental Review by HUD and are not subject to further review, under Part 50.



5 Year Action Plan




CFP Five Year Action Plan



Five Year Action Plan



5-Year Action Plan – Where to Begin?

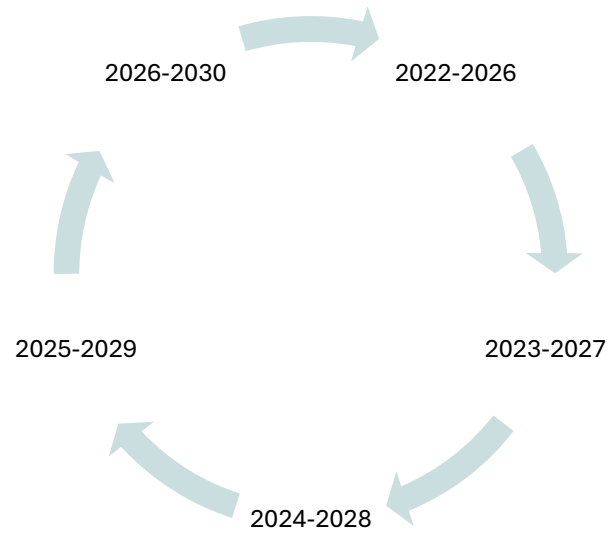
 » Copy Forward

From the 5-Year Action Plan Reporting Homepage, PHAs use the copy forward icon under Options to create the next 5-Year Plan using the last approved 5YAP.

1. Type of Plan: Fixed Plan Rolling Plan

- 2022 - 2026
- 2027 - 2031
- 2032 - 2037
- 2038 - 2043

The user will select a Fixed Plan or Rolling Plan
Note: EPIC defaults to Previous Plan Type





Drafting The 5-Year Action Plan

The PHA should estimate funding for the next 5 years.

Estimated Awards vs. Planned Projects

- How much funding do you think you will have for the next five years?
- Based on the funding available and your capital needs, develop your priority list.
- Are you missing any items that are critical based on community needs/wants?
- What source year will you use to pay for each activity?

It is important to remember “when you plan to do work” is separate from the “funding source” or “grant year” you use to do it.



5 Year Action Plan – Work Activities

- When drafting the 5-Year Action Plan, PHAs will use the applicable BLI, then further refine that BLI by sub-category.
- For example, if a PHA plans to do a kitchen renovation, all those activities would fall under 1480, Dwelling Unit Interior, under that main category, there will be subcategories for the PHA to select such as:

- Cabinets
- Flooring
- Appliances
- Windows

- This helps the PHA in defining all work items that will be addressed.





5-Year Action Plan – Work Activities

Work Categories [\(Click to Expand\)](#)

8. Work Categories:

- Administration (1410)
- Bond Debt Obligation (9001)
- Contract Administration (1480)
- Debt Service Bond Payment-Paid by HUD (9000)
- Debt Service Bond Payment-Paid by PHA (1501)
- Dwelling Unit - Conversion (1480)
- Dwelling Unit - Demolition (1480)
- Dwelling Unit-Development (1480)
- Dwelling Unit-Exterior (1480)
- Dwelling Unit-Interior (1480)
- Dwelling Unit-Site Work (1480)
- Loan Debt Obligation (9002)
- MTW (1492)
- Management Improvement (1408)

Work Categories [\(Click to Expand\)](#)

- Management Improvement (1408)
- Non-Dwelling Construction - Mechanical (1480)
- Non-Dwelling Construction-New Construction (1480)
- Non-Dwelling Equipment-Expendable/Non-Expendable (1480)
- Non-Dwelling Exterior (1480)
- Non-Dwelling Interior (1480)
- Non-Dwelling Site Work (1480)
- Operations (1406)
- Preparing for Coronavirus (1509)
- Preventing Coronavirus (1509)
- RAD (1503)
- RAD Funds Pre Closing (1480)
- RAD Investment Activity (1504)
- RAD-CPT (1505)
- Responding to Coronavirus (1509)

Work Categories [\(Click to Expand\)](#)

- Dwelling Unit-Interior (1480)**
 - Appliances
 - Bathroom Counters and Sinks
 - Bathroom Flooring (non cyclical)
 - Call-for-Aid Systems
 - Commodes
 - Electrical
 - Flooring (non routine)
 - Interior Doors
 - Interior Painting (non routine)
 - Kitchen Cabinets
 - Kitchen Sinks and Faucets
 - Mechanical
 - Other
 - Plumbing
 - Tubs and Showers



Work Activity Information

1. Title:

2. Description:

3. Force Account: Yes No

4. Cost:

5. Projected Year:

Affected Developments/AMPs [\(Click to Expand\)](#)

6. Affected Developments/AMPs:

	Development Number	Development Name	Total ACC Units
<input type="radio"/>	N/A	Not associated with any specific development	N/A
<input checked="" type="radio"/>	PA064000001	MCCALLUM MANOR	70

Work Categories [\(Click to Expand\)](#)

- Dwelling Unit-Interior (1480)
 - Appliances
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 - Bathroom Flooring (non cyclical)
 - Call-for-Aid Systems
 - Commodes
 - Electrical
 - Flooring (non routine)

Work Activity Details



Submission



Capital Fund Annual Submission



Every year the annual capital fund processing guidance is published on the office of capital improvements website: www.hud.gov/program_offices/public_indian_housing/programs/ph/capfund



This includes The Annual Contributions Contract (ACC) Amendment and other certifications, which make up the Initial Award Package.



The processing guidance defines the specific set of documents called the capital fund annual submission.



Documents

All PHAs

Amendment to ACC (HUD-53012)

Board Resolution

RAB Comments

Significant Amendment

Certification of Payments to Influence Federal Transactions (HUD 50071)

24 CFR 905.300

Qualified PHAs

Civil Rights Certification (HUD-50077-CR)

A statement certifying that the PHA conducted a public hearing

Non-Qualified PHAs

Certification of Public Hearing (HUD-50077-ST-HCV-HP)

As Needed

Other documents as required by the grant

Lobbying Form SF-LLL



MTW PHAs (The Original 39 PHAs)



Standard MTW Agreement establishes planning, annual submission, and distribution of funds requirements.

- Must submit a 5-Year Capital Fund Action Plan.
- Contents of the CFP Annual submission is established by MTW Agreement.





What is a Significant Amendment?

Significant Amendment

There are automatic triggers for a Significant Amendment.

The PHA must also create and adopt its own local policy that defines what it constitutes a Significant Amendment

24 CFR 905.300 (b) (1) (iii)

Demolition

Disposition

New
Development

Home-
ownership

Capital Fund
Financing
(CFFP)



Initial Package in the Document Management Center

Once a grant is obligated, the PHA may create the Document Package

Each Individual grant needs a Document Package

PHAs should refer to the guidance for specific grant types for additional documents required

Showing 0 to 0 of 0 entries

Create New Document Package

Legend

Edit Package(s) View Logs

DM2 » Create New Document Package

Document Package Details

Package Type : Select Package Type

Award Year : Select Award Year

Award ID : Select Award

LOCCS Grant ID



Initial Package Document Management Center

Document Package File Upload

The maximum single file size allowed for upload is 50MB. Maximum file size uploads may take in excess of 4 hours on a cable modem connection to upload, depending on connection speed.
WARNING: Closing your browser will cancel the upload process. Please do not close your browser window until the upload has been confirmed complete.

Choose File No file chosen

Package Type:



Document Package File Upload

The maximum single file size allowed for upload is 50MB. Maximum file size uploads may take in excess of 4 hours on a cable modem connection to upload, depending on connection speed.
WARNING: Closing your browser will cancel the upload process. Please do not close your browser window until the upload has been confirmed complete.

Choose File 2019 LBP HA...-22pdf (1).pdf

Finished Uploading File

Package Type:

Document Type:

Document Description:

The PHA will be prompted to upload their documents.

The PHA will select the document type and document description.



Submitting a Package

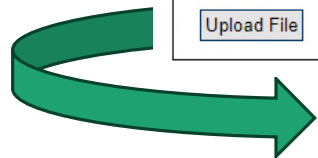
Document Package Information

Award ID : NE26P10150122
Date Created : 04/17/2023
Package Type : Initial Award
Status : Created

Initial Award

Document Package

File Name
Initial Award (submittal folder and file list)
Form HUD-53012 (CFP ACC Amendment)
Certification of Compliance w/Public Hearing
HUD form 50071, Certification of Payments to Influence Federal Transactions
Civil Rights Certification
Lobbying Form - SFLLL (if required in accordance with the form's instructions)
HUD-Form-Sflll.pdf (Uploaded on 04/17/2023 10:11 AM by SMITH, TEST 101) [Delete]
Statement of Significant Amendment
Other



This is where PHAs need to upload their documents



Document Check

The Document Log shows comments about the status of packages


- Was it signed?
- Were the correct ACC boxes checked?
- Were the forms submitted expired?
- Are forms missing?

DM1 » Document Management



Document Package List

Show entries

Award Year

 » **View Logs** entries

Legend

 » Edit Package(s)  » View Logs

Document Package Log for DE01H00150120

Status	Comments
Accepted	ACC Amendment Signed and Dated.
Submitted	Document Package Submitted
Draft	There are 3 ACCs attached, 2 have yes for paragraph 9 & PHA under Corrective Action Order and one that is No & Which is correct? If yes please provide a copy of the Corrective Action Order
Submitted	Document Package Submitted
Submitted	Document Package Submitted
Draft	PHA checked Yes to Box in Paragraph 9, but did not include corrective action order.
Submitted	Document Package Submitted
Draft	PHA checked yes in Paragraph 9, but did not attach a corrective action order.
Submitted	Document Package Submitted
Draft	Document Package Created



Thank you!

Next session we will go into more eligibility detail.

Thank you!





Questions



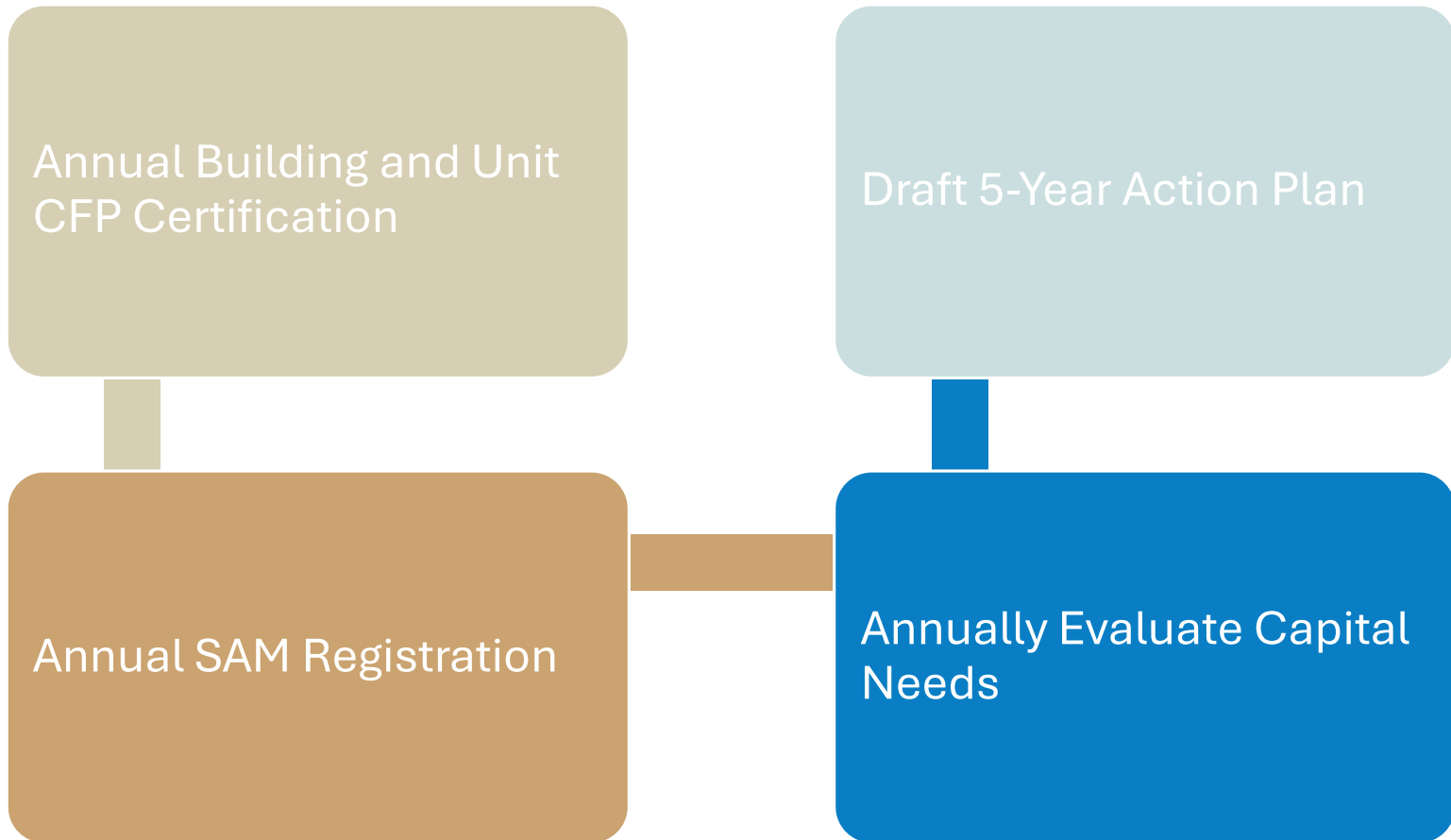
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- Additional Trainings can be found here:
https://www.hud.gov/program_offices/public_indian_housing/programs/ph/capfund/learningtools





CFP Grant Lifecycle – Preparing for the grant





CFP Grant Lifecycle – Receiving the grant



Provide a 45-day Notice and Comment Period



Annual Hearings, Consultation and Board Resolution



Environmental



Annual CFP Submission Documents



What Is EPIC?

HUD's Energy and Performance Information Center



Active Modules

Core Activity Energy Module	Activity Planning Module	User and Group Tools
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Welcome to EPIC

https://portalapps.hud.gov/app_epic/

Users will also see the EPC and Development of New Housing but those are not currently active. The PNA tab allows PHAs to download their PIC data.



Capital Fund Emergency/ Natural Disaster Funds Success Story



Macon Housing Authority, MO experienced a failure of their two obsolete boilers, air handlers and piping systems in its 60 unit, 4-story development.

The PHA had an engineering study conducted to determine the best alternative to move forward with. A direct replacement would have costed \$3.7M.

The PHA secured \$1.5M to replace the obsolete boiler system with individual mini-split units.





Mixed-Finance Success Story

South Lowell, Denver, CO

2012 renovation of 66 public housing units, originally built in 1973, plus 30 newly constructed units

96 public housing/LIHTC units total

Financing included LIHTC equity and capital funds, an energy performance contract loan and program funds from the Denver Housing Authority

\$12.8 million in public housing funds leveraged \$6.4 million in private and other public funds

South Lowell – Before Redevelopment



South Lowell – Before Redevelopment





CFFP Success Story



Denver Housing Authority used CFFP to issue bonds in the amount of \$16,300,000 to modernize 359 public housing units at 3 developments: Hirschfield Towers, Mulroy Apartments, and Walsh Annex.

Capital Improvements:

- Apartment reconfiguration
- Plumbing and sewer replacement
- HVAC replacement
- Roof replacement

EPC:

The PHA also paired this work with an Energy Performance Contract and 4% Low Income Housing Tax Credits to raise another approximately \$37 million.



Non-Competitive



Emergency Disaster

- First Come First Serve
- \$20 M Annually
- No official maximum grant
- For unpreventable or unpredictable emergency or disaster conditions

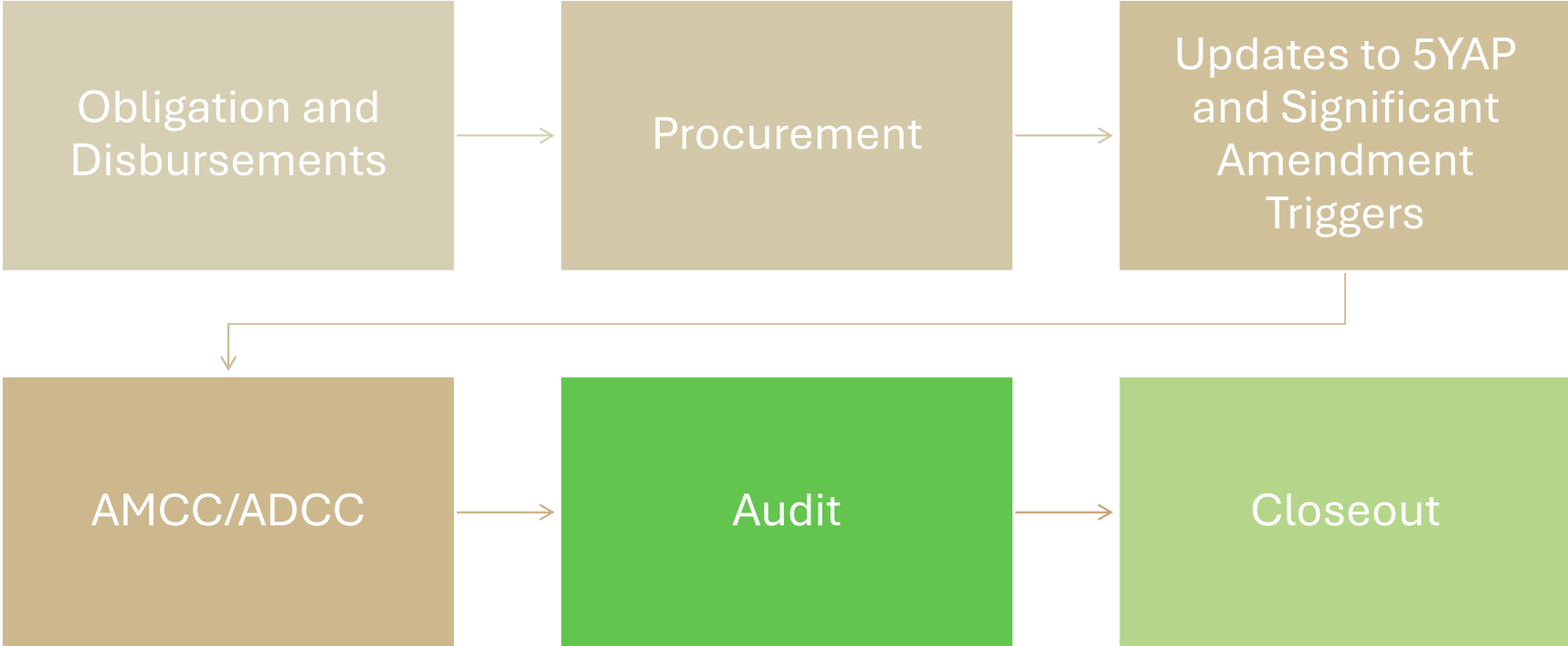


Capital Fund Financing Program

- Can borrow against future Capital Fund and use a percentage of future Capital Funds for the debt service
- Bond and/or loan proceeds treated as Capital Funds
- Over \$20 Billion leveraged



CFP Grant Lifecycle – Grant Monitoring & Closeout





Public Housing Reinvestment



Public Housing Reinvestment Opportunity

Capital Fund Emergency/Natural Disaster Funds

- https://www.hud.gov/program_offices/public_indian_housing/programs/ph/capfund/emfunding

Mixed-Finance Development

- <https://www.hud.gov/mixedfinance>

Capital Fund Financing Program (CFFP)

- https://www.hud.gov/program_offices/public_indian_housing/programs/ph/capfund/cffp



Capital Fund Emergency/Natural Disaster Funds



The Reinvestment Opportunity: PHAs that experience emergencies or non-presidentially declared natural disasters can apply for Capital Funds.



Key Requirements: \$20 million appropriated annually and grants are awarded on a first-come, first-served basis. The emergency/disaster must occur in the Federal Fiscal Year of funding.



Learn More: [Capital Fund Emergency/Natural Disaster Funding Webpage](#)



Mixed-Finance Development



The Reinvestment Opportunity: Mixed Finance Development allows PHAs to develop public housing units that are not exclusively PHA-owned. This allows public housing to be developed using Low-Income Housing Tax Credits and other sources.



Key Requirement: Mixed Finance developments often include non-public housing units by design. However, HUD Capital and Operating Funds can only support the public housing units (i.e., pro rata test). Must meet HUD TDC Limits.



Learn More: [Mixed-Finance Public Housing Webpage](#)



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Key Requirement: Debt service is limited to 33% of the current year Capital Fund grant. The term is limited to 20 years.



Learn More: [Capital Fund Financing Program Webpage](#)



Public Housing Property Solutions Panels Will Offer PHAs More Options



One-hour discussion with HUD staff on tools a PHA can use to develop, reposition, rehabilitate and/or redevelop public housing properties.



Builds upon the repositioning panels **BUT** allows PHAs to discuss repositioning to Section 8 OR rehab/redevelopment under Section 9



Phase I of the Panels will be rolled out in **Regions VI and VII**



PIH Field Office staff have a critical role to play in making these new panels a success.



How Will Public Housing Property Solutions Panels Help PHAs?

PHAs receive tailored assistance from HUD staff to help identify strategies to address needs or meet strategic goals.

These expanded panels will allow HUD to serve more customers by giving PHAs the chance to speak with HUD experts about how to achieve their goals regardless of whether they want to remain in the public housing program.



When Would a PHA Request a Panel?

A PHA may want to submit a request for a panel to the Field Office if it has...

- Properties with consistently substandard NSPIRE scores;
- A desire to reposition its inventory from Public Housing to Section 8 (through RAD, Section 18, a RAD/S18 blend, or Streamlined Voluntary Conversions);
- Properties facing operating shortfalls and or extensive capital needs that cannot be covered with Public Housing Capital Funds alone;
- Large reserves that it wants to use to rehabilitate properties;
- A desire to develop public housing or Faircloth-to-RAD units;
- A desire to tap into energy efficiency and climate resilience funding and programs; and/or
- Other challenges and/or goals related to its public housing portfolios' physical needs and financial sustainability.



Thank you!

Next session we will go into more eligibility detail.

Thank you!





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