


U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT


CAPITAL FUND GUIDEBOOK TRAINING

DAY 1 MODULE 2

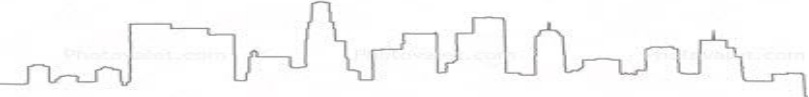
PLANNING, ANNUAL SUBMISSION AND DISTRIBUTION OF FUNDS
(CHAPTER 3)
AND
CAPITAL FUND FORMULA CALCULATION
(CHAPTER 4)



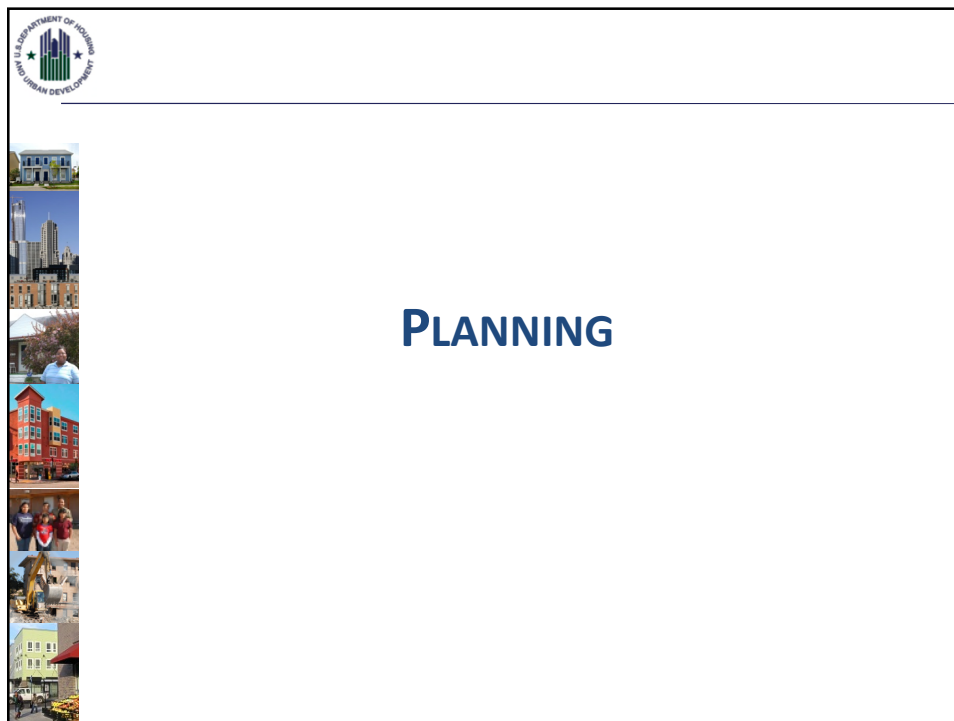
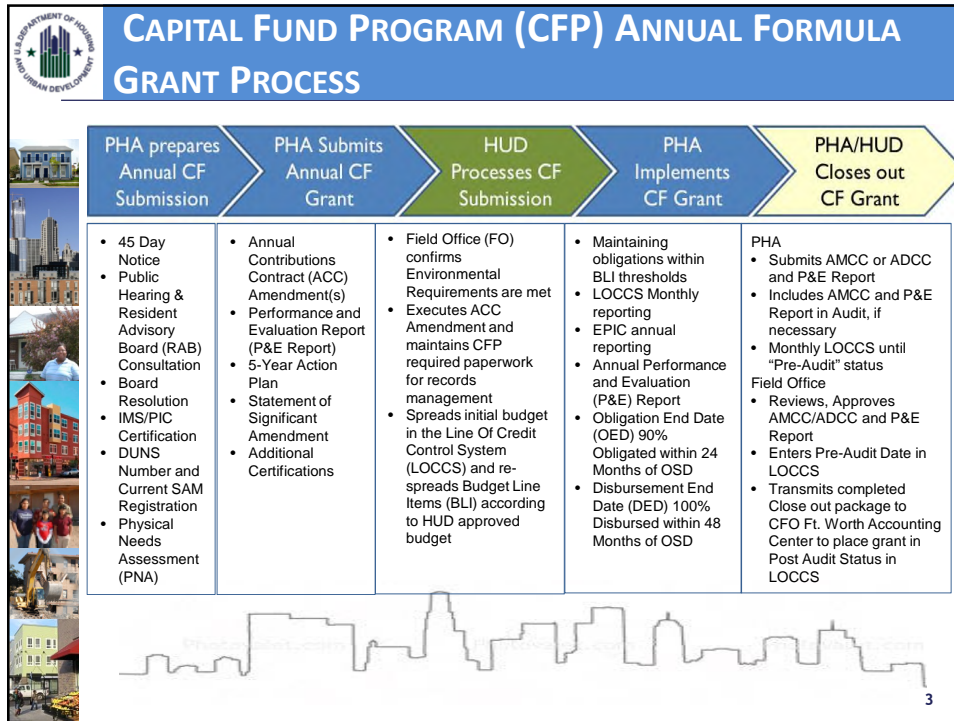
CHAPTER 3: TOPICS



- Planning
- Capital Fund Submission and Amendments
- Fund Disbursement



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 **CAPITAL FUND GRANT PLANNING REQUIREMENTS**

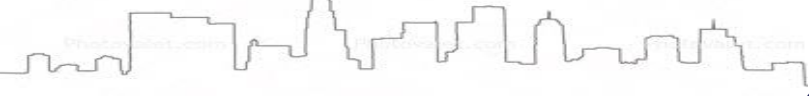

- Physical Needs Assessment
- Energy Audit
- 45 Day Notice
- Public Hearing & RAB Consultation
- Board Resolution approving 5-year action plan
- IMS/PIC Certification
- DUNS renewal in SAM




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 **REJECTION OF CAPITAL FUND GRANTS**


- To reject a Capital Fund Grant (including RHF) a PHA must:
 - Submit a written statement from the Executive Director to the FO – grant # and dollar amount.
 - Hold Board Resolution for the Capital Fund rejection on file.
- FO will hold grant in reserve for 90 days after Capital Fund Submission date, then the grant will no longer be available to the PHA.



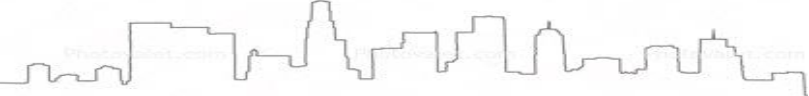
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CAPITAL FUND PLANNING CHECKLIST




Planning Action	Yes	N/A
Physical Needs Assessment (PNA)		
Energy Audit (complete within 5 years)		
Public Hearing (45 day notice)		
RAB Consultation		
Certification of IMS/PIC Data		
Board Resolution Approving 5-Year Action Plan		
DUNS Number		
Current SAM Registration		




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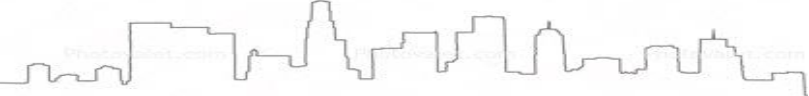
CAPITAL FUND SUBMISSION AND AMENDMENTS






DECOUPLING CAPITAL FUND SUBMISSION AND PHA PLAN

- PHAs that submit Annual Plans must include “statement of capital improvements needed” in Annual Plan not copy of 5-Year Plan.
- Must reference most recently approved 5-Year Action Plan in Annual PHA Plan
- Approved 5-Year Action Plan included in public hearing materials.
- FO does not review 5-Year Action Plan in Annual Plan review.

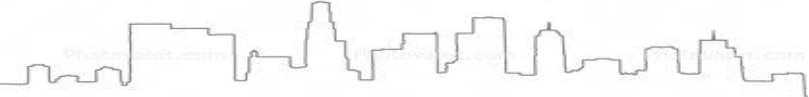


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CAPITAL FUND SUBMISSION, CONTINUED

Document
ACC Amendment
5-Year Action Plan/Budget
P&E Report
Statement of Significant Amendment
Additional Certifications



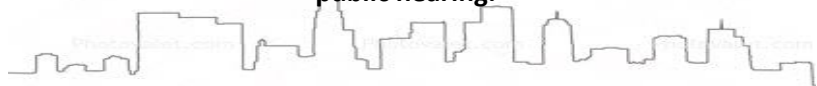
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SIGNIFICANT AMENDMENTS

- After "the approval process", PHA may amend the CF 5-Year Action Plan, but must go through "the approval process" again if a **significant amendment**
 - New demolition,
 - Disposition,
 - Home-ownership,
 - Capital Fund financing,
 - Development or mixed-finance proposal not already included in approved CF 5-Year Action Plan
 - RAD
 - **Does not include** addition of new work items.


A PHA can not add new work items without RAB comment and public hearing.




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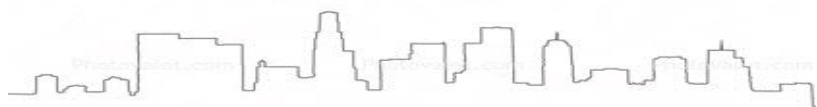
FUND DISBURSEMENT



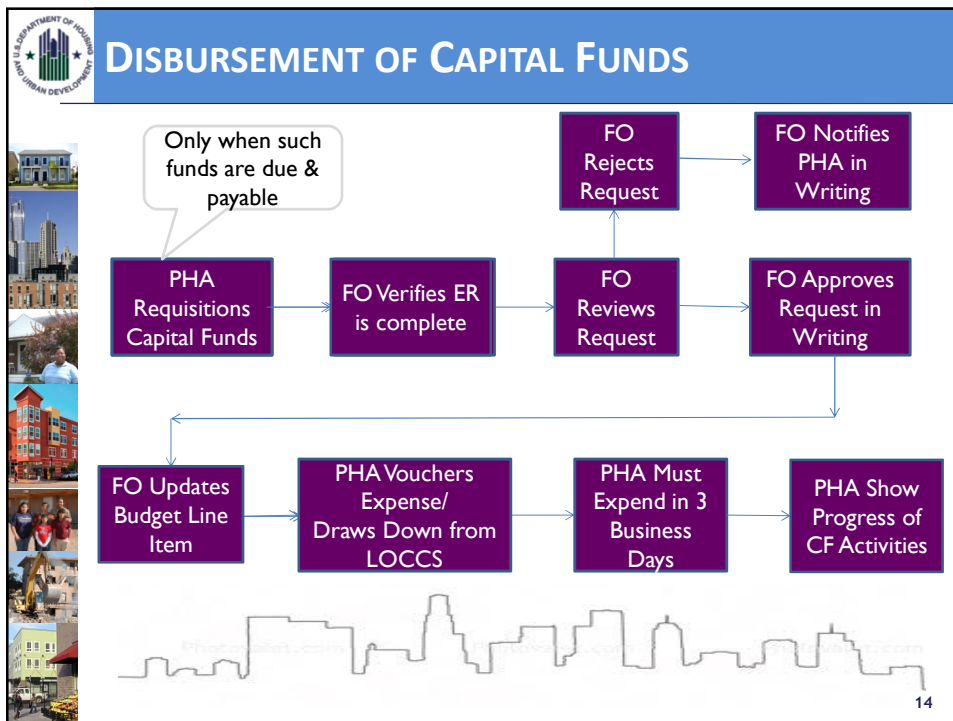



LOCCS INITIAL BUDGET

LOCCS Initial Budget			
BLI 0100 – Reserved Budget	FFY2015 - 74% of the grant authorized amount	Not disburseable	Contact Field Office
BLI 1408 – Management Improvements	2014 – 18%	Disburseable	Auto-review if greater than the percentage permitted for the FY
	2015 – 16%		
	2016 – 14%		
	2017 – 12%		
	2018 and later - 10%		
BLI 1410 – Administrative Costs	10% of grant authorized amount	Disburseable	Auto-review if greater than 10%



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 **MTW PHAs**

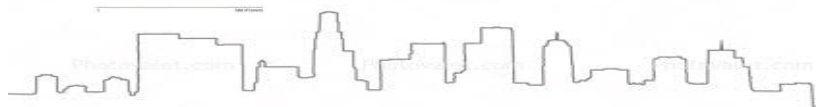
- Standard MTW Agreement establishes planning, annual submission, and distribution of funds requirements.
- Submit Annual MTW Plan and Annual MTW Report.
 - Timing and contents established by MTW Agreement.

Moving to Work (MTW)
2015 Annual Plan


for the Housing Authorities of the
County of Santa Clara and
the City of San José

April 15, 2015
Revised September 3, 2015






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URBAN DEVELOPMENT**

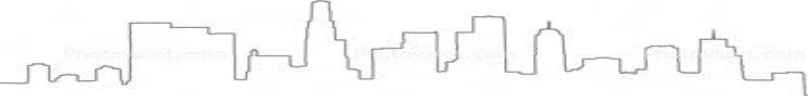
CAPITAL FUND GUIDEBOOK TRAINING

**CAPITAL FUND FORMULA CALCULATION
(CHAPTER 4)**




CHAPTER 4: TOPICS


- General Capital Fund Formula Overview
- How Can PHAs Ensure Capital Fund Grant Accuracy?
 - PIC/IMS Certification
 - Review Faircloth Limits
 - Review High Performer List
- What should PHAs do after Capital Fund grant announcements?



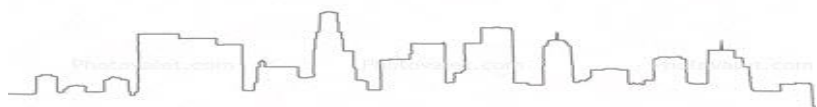
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GENERAL CAPITAL FUND FORMULA OVERVIEW

 **FORMULA SUMMARY**


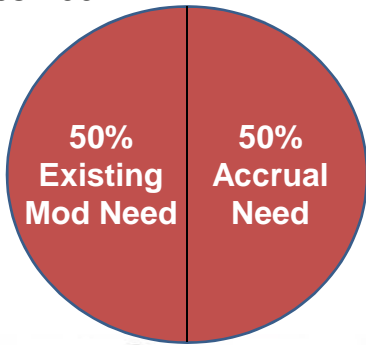
- The Capital Fund Formula is data driven, so data accuracy is key!
- The Formula Share for each PHA is based on its modernization and accrual needs relative to those of all other PHAs. In dividing up the “pie” of funds, PHAs are impacted by changes in other PHAs as well as their own.
- The application of Capping and High Performer bonuses transform the initial share calculations.




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 **HOW ARE CAPITAL FUND GRANTS CALCULATED?**

- HUD calculates each PHA’s share of capital funds using the mathematical formulas described in 24 CFR Part 905.400.



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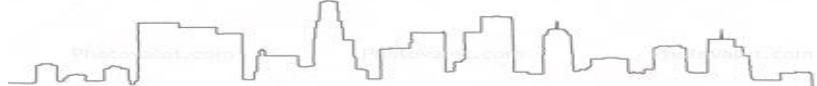
FORMULA SHARE

- Development shares for each need type are calculated.


Development Modernization Need Share = $\frac{\text{Development Mod Need}}{\text{Total Mod Need of All Developments Nationally}}$

Development Accrual Need Share = $\frac{\text{Development Accrual Need}}{\text{Total Accrual Need of All Developments Nationally}}$

- Development share = 50% * Modernization Share + 50% * Accrual Share




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CAPPING AND HIGH PERFORMER BONUSES


- The shares initially assigned to each PHA are then adjusted to factor in High Performer Bonus and to implement the “Capping” requirement.
- High Performing PHAs under the PHAS system are awarded a “bonus” of up to 5%.




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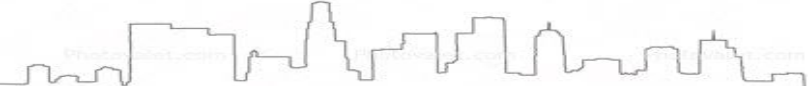
HOW CAN PHAS ENSURE CAPITAL FUND GRANT ACCURACY?




HOW CAN PHAS ENSURE CAPITAL FUND GRANT ACCURACY?



✓	Action	Timing
✓	Maintain accurate PIC data	On-going
✓	PIC Certification	July/August
✓	Check Faircloth List	Notification from HUD and web posting
✓	Check High Performer List	Notification from HUD and web posting

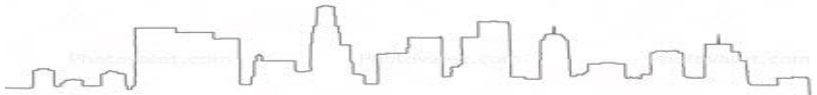


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PIC CERTIFICATION

- PHAs should maintain accurate information in PIC.
- Annual PIC Certification process is when PHA Executive Directors certify to the information inventory information in PIC.
- Rejections are required when the certification information cannot be corrected by the deadline.

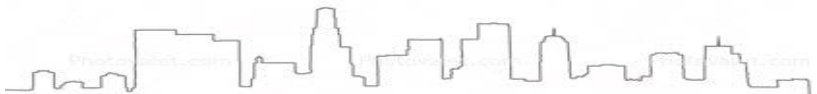


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CHECK THE FAIRCLOTH LIMITS

- The Faircloth Limit identifies the maximum number of units under ACC that can be funded by the CF formula
- PHAs that exceed their Faircloth ceiling will have a reduction in funds.


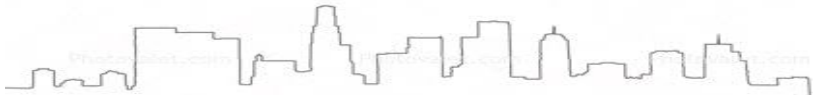


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CHECK THE HIGH PERFORMER LIST

- The High Performer list identifies PHAs that are High Performers based on REAC PHAS Scores.
- Note that the determination of High Performer status may not be based on the most recent PHAS score issued to each PHA.


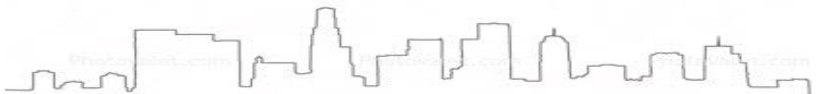


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WHAT SHOULD PHAS DO AFTER CAPITAL FUND GRANT ANNOUNCEMENTS?

- Review, sign, return ACC Amendment
- Check Development Per Unit Funding Report
- Follow up with OCI about any issues (PIHOCl@HUD.gov)
- Spread CF grant funds in LOCCS



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WRAP UP AND QUESTIONS

