



**U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**  
**CAPITAL FUND GUIDEBOOK TRAINING**

**DAY 1 MODULE 3**

**REPLACEMENT HOUSING FACTOR (RHF)/  
DEMOLITION & DISPOSITION TRANSITIONAL FUNDING (DDTF)**  
(CHAPTER 5)

**EMERGENCY, NON-PRESIDENTIALLY DECLARED NATURAL DISASTER AND  
SAFETY SECURITY GRANTS**  
(CHAPTER 8)

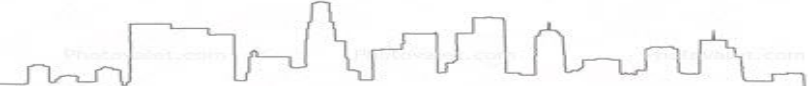
**DEMONSTRATION PROGRAMS –RAD AND MTW**  
(CHAPTER 10)




**REPLACEMENT HOUSING FACTOR (RHF) BACKGROUND**

- PHAs received Replacement Housing Factor (RHF) funds for development or acquisition of ACC units to replace ACC units lost through HUD-approved demolition or disposition.
- Capital Fund Rule, effective November 2013, created Demolition and Disposition Transitional Funding (DDTF) to replace RHF gradually over a 5-year period.

**Note: Not all units removed from the inventory are eligible for RHF or DDTF. Eligibility depends on several additional factors.**





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## REPLACEMENT HOUSING FACTOR (RHF) ELIGIBILITY FOR 1<sup>ST</sup> AND 2<sup>ND</sup> INCREMENTS


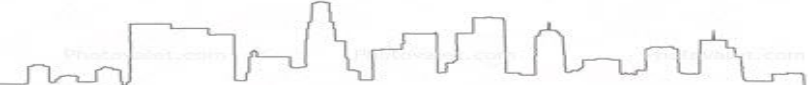
1 <sup>st</sup> Increment RHF Eligibility	2 <sup>nd</sup> Increment RHF Eligibility
<p><b>PHA was automatically eligible for a First Increment RHF grant if it met the following requirements:</b></p> <ul style="list-style-type: none"> <li>PHA reported in IMS/PIC the removal of units from inventory due to HUD approved demolition or disposition.</li> <li>The PHA has not received funding for public housing units that will replace the lost units from Disposition Proceeds, or under Public Housing Development, HOPE VI, Choice Neighborhoods Initiative, or programs that otherwise provide for replacement with public housing units.</li> <li>The PHA is not troubled.</li> </ul>	<p><b>PHA was eligible to receive Second Increment RHF if continued to meet 1st Increment Eligibility requirements and the following requirements:</b></p> <ul style="list-style-type: none"> <li>A commitment of funds (other than public housing funds), for replacement housing</li> <li>Project-by-Project basis. For example, the PHA cannot count leverage requirement at Development A towards the leverage requirement at Development B.</li> <li>Leverage generated for a First Increment RHF grant counts only if such funds are used in the same development as the Second Increment RHF grant.</li> </ul>



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## ELIGIBLE USES FOR RHF GRANTS


- Development of new public housing units (under ACC) including:
  - Acquisition of additional units**
  - Construction of new ACC units**
  - On-site and off-site infrastructure**
  - Administrative costs** up to 3 percent of the total of Capital Funds in a development project budget can be in BLI 1410-Administration.



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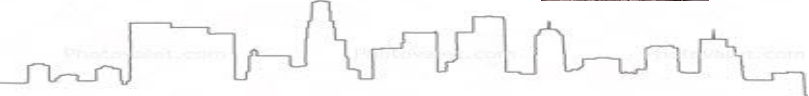
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## DEMOLITION AND DISPOSITION TRANSITIONAL FUNDING (DDTF)




- PHAs that removed ACC units from inventory on or after July 1, 2012, are eligible for 5 years of DDTF, but not for RHF grants.
- DDTF funds are added to the regular Capital Fund formula grants and considered one grant, not separate grants.
- DDTF fund rules are same as formula grants.
- Eligible uses include:
  - Modernization of existing ACC units;
  - Development of new ACC units; and
  - Any eligible formula grant activities.




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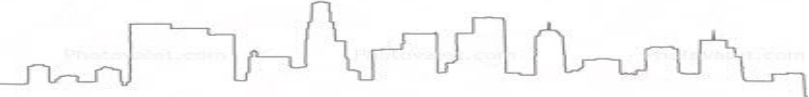


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## RHF AND DDTF COMPARISON



Comparison of RHF to DDTF		
	RHF	DDTF
Accumulation	Yes.	No. Same obligation and expenditure requirements as the Capital Fund formula grant.
Eligible Activities	Development of replacement public housing units.	Any Capital Fund eligible activity.
Funding Delivery	Stand-alone RHF grant each year; separate ACC Amendments.	Included in the PHA's annual Capital Fund formula grant.
Years of Funding	5 or 10	5



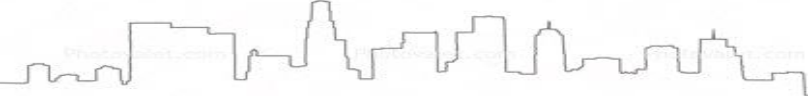
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RHF/DDTF TRANSITION, CONTINUED

Summary of RHF to DDTF Transition		
Status	Applicable RHF Funds.	Applicable DDTF Funds.
PHAs that removed units on or after July 1, 2012	None.	5 Years.
PHAs that received Years 1-4 of First Increment RHF funding in FFY 2013	For the remaining years of the First Increment RHF grants (through Year 5).	5 Years (if eligible for Second Increment RHF grants), for Years 6-10.
PHAs that received Years 6-9 of Second Increment RHF funding in FFY 2013	For the remaining years of the Second Increment RHF grants.	None.

All the rules regarding eligible and ineligible uses of RHF funds remain in effect during the transition years.




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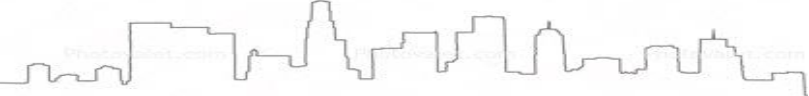
## U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

### CAPITAL FUND GUIDEBOOK TRAINING


### EMERGENCY, NON-PRESIDENTIALLY DECLARED NATURAL DISASTER AND SAFETY/SECURITY GRANTS (CHAPTER 8)

 **OVERVIEW:**  
**EMERGENCY, NON-PRESIDENTIALLY DECLARED NATURAL DISASTER**

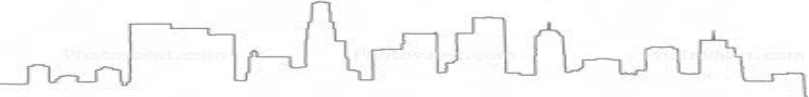

- Emergency and Non-Presidentially Declared Natural Disaster funds are Congressionally Mandated set aside of Capital Fund Program (CFP).
- Authorized by annual appropriation.
- Permits HUD to use a *portion* of the set-aside for safety and security funding.
- Grants cover capital needs arising from emergencies and non-presidentially declared natural disasters within current fiscal year (FY) of request.
- First-come, first-serve.
- Insurance coverage, which is required by the ACC, should be a PHA's primary source of funding for repair or replacement costs associated with Emergencies and Non-Presidentially Declared Natural Disasters.




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 **WHAT IS AN EMERGENCY?**

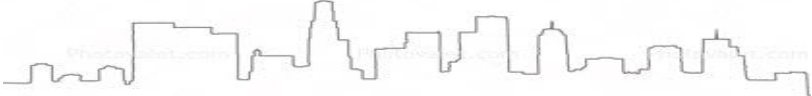


- An unforeseen or unpreventable event or occurrence that poses an immediate threat to the health and safety of the residents.
- Must be corrected within one year of funding.
- Examples are sewer and plumbing line failures, boiler and chiller system failures, severe electrical problems, foundation shifting, elevator failures.




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 **WHAT IS A DISASTER?**

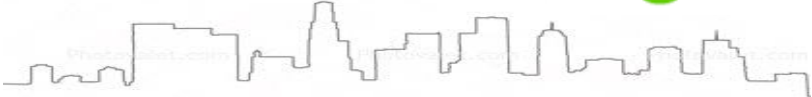


- An extraordinary event, such as an earthquake or hurricane, affecting public housing property owned and managed by a PHA.
- Excludes areas covered by a Presidentially-Declared Natural Disaster (i.e. Hurricane Sandy).
- PHAs are eligible for permanent reconstruction assistance through the Federal Emergency Management Agency (FEMA) for Presidentially-Declared Natural Disasters.
  - If the PHA or Field Office is unsure whether the affected Public Housing Property is located in a Presidentially-Declared disaster area, it should contact Headquarters for a determination.




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 **EMERGENCY AND NATURAL DISASTER GRANTS – ELIGIBLE USES**

- Costs associated with the repair or replacement of a public housing project - only damaged within the same FY as the request and as result of an Emergency or Natural Disaster in a non-presidentially declared disaster area.
- Relocation and the cost to provide temporary housing to public housing residents (i.e. hotel, moving van rental, temporary storage, boxes.) until public housing units can be repaired.



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 **EMERGENCY AND NATURAL DISASTER GRANTS – INELIGIBLE USES**

Cost of **routine and preventative maintenance**, such as routine unit turnaround, janitorial services, elevator service, extermination of rodents and pests, etc.

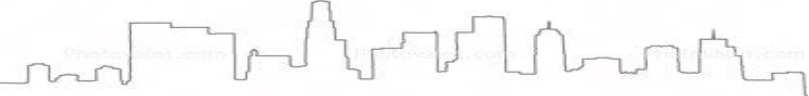


- Emergency cannot result from lack of routine maintenance.

**1406 Transfers to Operations:**


- Operations costs are not capital needs!

**Management Improvements (BLI 1408):**

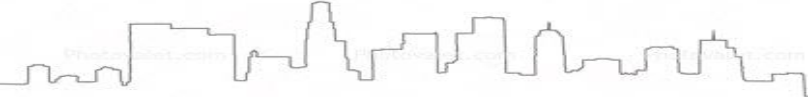

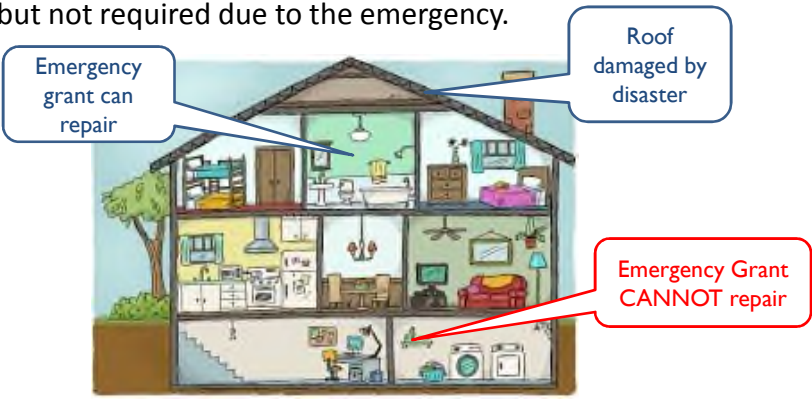
- Upgrades to PHA computer systems, adding security guards, purchase new software, etc.




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 **EMERGENCY AND NATURAL DISASTER GRANTS – INELIGIBLE USES, CONT.**

➤ Items normally replaced as part of a modernization effort, but not required due to the emergency.




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 <b>EMERGENCY AND DISASTER GRANTS APPLICATION REQUIREMENTS</b>	
Sections	Description
Transmittal Letter	<ul style="list-style-type: none"> <li>From PHA submitting application</li> </ul>
Narrative	<ul style="list-style-type: none"> <li>Public housing projects(s) affected by the natural disaster or emergency,</li> <li>Date of the natural disaster or emergency,</li> <li>Detailed description of the damages caused by the natural disaster or emergency</li> <li>Activities to correct emergency/disaster caused conditions</li> <li>Sources of available funds</li> <li>Demonstration that PHA does not otherwise have the funds to correct.</li> </ul>
Cost Estimate	Independent Third Party Damage/Cost Estimate
Certifications	<ul style="list-style-type: none"> <li>Certification for Contracts, Grants, Loans and Cooperative Agreements (Form HUD-50071)</li> <li>PHA Certifications of Compliance with the PHA Plans and Related Regulations (Form HUD-50077) for “non-qualified” PHAs</li> <li>Civil Rights Certification (Form HUD-50077-CR) for “Qualified” PHAs</li> </ul>

 <b>EMERGENCY AND DISASTER GRANTS APPLICATION REQUIREMENTS</b>	
Sections	Description
Annual Statement	Annual Statement for Emergency/Disaster Grant (Form HUD-50075.1, Sections I and II)
Standard Forms	Standard Form (SF-LLL), Disclosure of Lobbying Activities
Budget	Identify all sources of available funds (e.g., insurance proceeds, unobligated capital funds, other Federal or State assistance, etc. in HUD required format)
Insurance Letter	Written statement or letter from the PHA’s insurance company attesting that the insurance company will not approve claims for any of the damage described in the PHA’s narrative
PHA Certification	Statement of PHA certifying that is has exhausted its Capital Funds or has committed those funds to other public housing activities or capital improvements





EMERGENCY AND NATURAL DISASTER ROLES



**PHA**

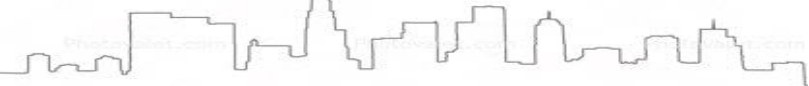
- Assess the need and submit a HUD-compliant application to the Field Office.
- Submit effective Declarations of Trust (DOTs) -(form HUD-52190).
- Ensure general requirements, such as procurement and environmental requirements are met.
- Obligated and Expend funds on time and closeout the grant.

**HUD Field Office**


- Review application and forward to Headquarters.
- Monitor the obligation and expenditure of grant funds.
- Monitor the grant through closeout.

**HUD Headquarters**

- Approve the request subject to availability of funds, in the order in which requests are received and deemed appropriate.
- Issue an approval letter, field office memo, and CF ACC amendment.
- Ensure funds are committed and process ACC to obligate funding.

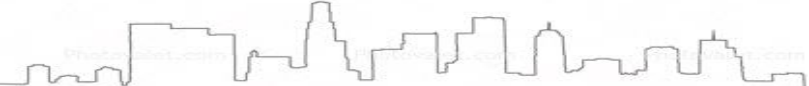


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DISASTER APPLICATION TYPES

Preliminary Disaster Application	Final Disaster Application
Damages pose immediate threat to resident health and safety; and/or	No immediate threat to resident health and safety; and
Immediate repairs required to preserve the property; and	No immediate repairs required to preserve the property; and
No third-party cost estimate; Have initial cost estimate (not detailed); and/or	Detailed, independent third-party cost estimate; and
Other sources of funds not known (State funds, insurance proceeds, FEMA.)	Other sources of funds are known



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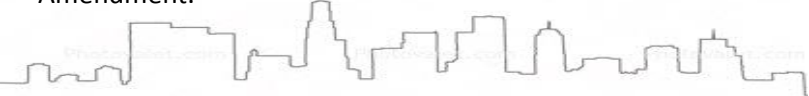


## EMERGENCY AND NATURAL DISASTER GRANTS


### OBLIGATION, EXPENDITURE AND SANCTIONS

Emergency Grant	Non-Presidentially Declared Natural Disaster Grant
12 months to obligate 90%. <b>HUD will recapture unobligated portion if PHA fails OED.</b>	24 months to obligate 90%. <b>HUD will recapture unobligated portion if PHA fails OED.</b>
24 months to expend 100%. <b>HUD will recapture undisbursed portion if PHA fails EED.</b>	48 months to expend 100%. <b>HUD will recapture undisbursed portion if PHA fails EED.</b>
Closely monitored by the FO	

- HUD Field Office will send an ACC Amendment to recapture the unobligated/unexpended portion of the grant.
- The HUD HQ OCI will recapture the balance of unobligated/unexpended funds in LOCCS upon receipt of executed ACC Amendment.



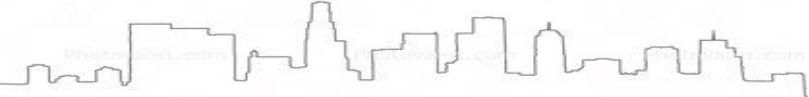
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## EMERGENCY SAFETY AND SECURITY GRANTS

- A subset of Emergency and Natural Disaster Grants.
- For capital improvements related to a crime emergency at PHA occurring in the FY of funding.
  - FY16 funding requirements in PIH Notice 2014-09.
- Grants limited to \$250,000 per PHA (one time funding per AMP).
- HUD will only accept one application per PHA, per federal fiscal year (given the limited funding).

**NOTE:** *A long-standing problem is not a Safety and Security Emergency because it is not unforeseen and it is likely preventable.*

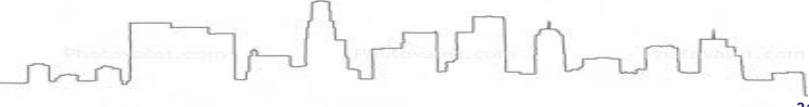


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## EMERGENCY SAFETY AND SECURITY GRANTS

Eligible Costs	Ineligible Costs
Security systems/cameras, including recorders	Salaries for PHA staff, including security staff
Fencing	Patrol Cars
Lighting Systems	Security patrol contracts or payment to local law enforcement for additional security patrols
Emergency Alarm Systems	Administrative Costs (BLI 1410)
Window Bars	Transfers to Operations (BLI 1406)
Deadbolt Locks	
Doors	




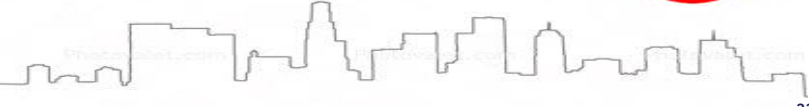
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## EMERGENCY SAFETY AND SECURITY GRANT INELIGIBILITY

➤ A PHA is ineligible to receive safety and security funding:

- If it has previously received safety and security funding for the same development(s) for which funds are requested.
- If it has any cause determinations, lawsuits, letters or findings that have not been resolved to HUD's satisfaction.

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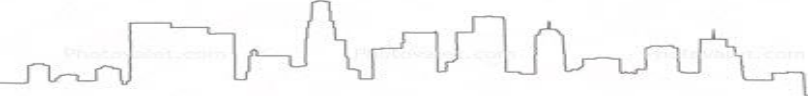
## EMERGENCY SAFETY AND SECURITY GRANTS OBLIGATIONS, EXPENDITURES AND SANCTIONS

### Emergency Grant



12 months to obligate 90%. **HUD will recapture unobligated portion if PHA does not meet OED requirements.**

24 months to expend 100%. **HUD will recapture undisbursed portion if PHA does not meet EED requirements.**

Closely monitored by the FO.




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# U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

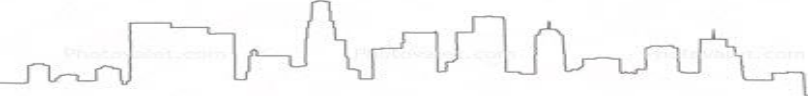
## CAPITAL FUND GUIDEBOOK TRAINING

### DEMONSTRATION PROGRAMS – RAD AND MTW (CHAPTER 10)




## RENTAL ASSISTANCE DEMONSTRATION (RAD)

- Authorized by the 2012 Appropriations Act, as amended
- Units move to a Section 8 platform with a long-term contract.
- Upon HUD approval of application PHA executes a Commitment to enter into a Housing Assistance Payments Contract (CHAP).
- Reduction of current/future Capital Fund grants.
- Following RAD conversion to Section 8 no Capital Funds, including RHF and DDTF funds, for that project after the initial year of conversion.

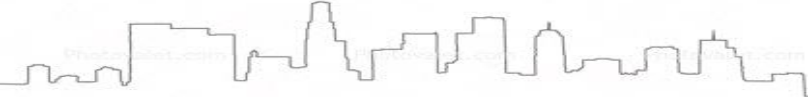



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## CAPITAL FUND USES UNDER RAD


- Predevelopment costs for RAD conversion up to \$150,000.
  - PHAs must prepare an amended Capital Fund Budget for the applicable annual grant in order to use some or all of it for a RAD conversion.
- May retain Capital Funds for units that remain in the public housing inventory and do not convert to RAD:
  - Submit a budget revision requesting transfer of Capital Funds designated for RAD units to BLI 1503 and 1504.
  - Retain remaining Capital Funds in appropriate BLIs.



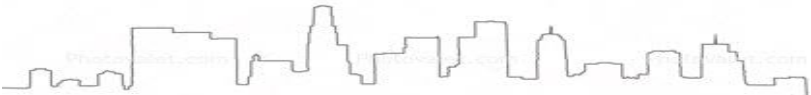

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## RAD RESOURCES




- PIH Notice 2012-32(HA), Rev-2.  
[http://portal.hud.gov/hudportal/documents/huddoc?id=PIHNotice2012-32\\_062015.pdf](http://portal.hud.gov/hudportal/documents/huddoc?id=PIHNotice2012-32_062015.pdf)
- RAD Resource Desk website: [www.radresource.net](http://www.radresource.net)



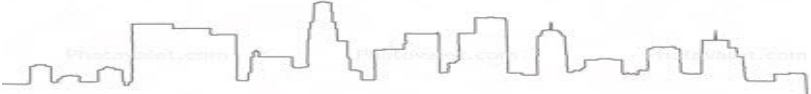

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## MOVING TO WORK (MTW) BASICS



- Planning Requirements
- RHF – Expanded Use
- Capital Fund Submission in MTW Plan
- LOCCs and Disbursement of Funds – 1492 BLI
- Obligation and Expenditure Deadlines Still Apply
- MTW website or MTW Office at [mtw-info@hud.gov](mailto:mtw-info@hud.gov)



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The slide features a blue header with the text "WRAP UP AND QUESTIONS" in white. On the left side, there is a vertical collage of eight small images: the U.S. Department of Housing and Urban Development logo, a modern building, a city skyline, a street scene, a person, a red brick building, a group of people, and a house. In the center, a yellow sticky note with the handwritten text "Wrap Up!" is displayed. At the bottom, a white silhouette of a city skyline is shown against a light background.