

September 2022

The contents of this document, except when based on statutory or regulatory authority or law, does not have the force and effect of law and is not meant to bind the public in any way. This document is intended only to provide clarity to the public

This document Provides answers to frequently asked questions regarding the use of Public Housing Funds for repositioning. Please contact your local PIH Field Office or email Repositioning@hud.gov if you have questions.

Energy Performance Contract (EPC). Since PHAs receive Operating Subsidy to pay the EPC debt, the PHA must address the EPC debt in the SAC Section 18 Demolition and Disposition Approval process.

EPC Debt: When a PHA demolishes or disposes of Public Housing units which benefited from energy conservation measures installed as part of an EPC, prepayment of the EPC debt will most often be required. The PHA should establish its plans for addressing the EPC debt associated with EPC in conjunction with the development of their repositioning plans. If a PHA does not have sufficient EPC expertise on staff to determine the impact of the disposition or demolition on the EPC debt and EPC cash flow, they may need to procure such expertise. PHAs are required to submit EPC documentation for HUD's issuance of an amended EPC approval letter, which will identify the balance of EPC debt that can remain with public housing, as part of the demolition or disposition process.

Disposition: SAC approval will state that the PHA cannot dispose/close on the conversion of units, and HUD will not release the DOT until the EPC debt is repaid in the amount determined by HUD. PHAs should submit the EPC Review Package (identified below) a minimum of 60 business days before their planned closing date.

Demolition: Submit a complete EPC Review Package for an EPC Approval Letter at the time of submission of the DDA Section 18 demolition application, or no later than 60-business days prior to when the SAC demolition is anticipated. SAC will not approve the application until the EPC debt is repaid.

EPC Approval Letter: PHAs must obtain a revised EPC Approval letter when the cumulative change is 5% or greater for units removed from the EPC and 10% or greater cumulative change in EPC costs or savings since the most recent EPC Approval Letter. Review time will take 45 business days from the time of receiving all the documentation necessary for the review. The best practice is to submit a complete EPC Review Package at the same time of submitting a Demolition or Disposition Application, or no later than 60-business days prior to when the EPC Approval Letter is required. Failure to supply all documentation can delay the process. PHA's should give themselves enough time and utilize the necessary expertise (e.g. consultants or ESCOs) to gather needed information for complete EPC review package.

Documentation: The PHA should submit documentation for the EPC Review Package as defined at https://www.hud.gov/sites/dfiles/PIH/documents/RAD_EPC_FAQs.pdf to the Energy Branch at PIHEnergyBranch@hud.gov. PHA's should give themselves enough time and utilize the necessary expertise to gather needed information for complete EPC review package.