

CAPITAL FUND PROCESSING GUIDANCE FOR FY 2024 GRANT AWARDS

This notice provides Public Housing Agencies (PHAs) with guidance on the Capital Fund Program (CFP) Award process for Fiscal Year (FY) 2024. The Department of Housing and Urban Development (HUD) will send each PHA receiving Capital Funds an email notifying the PHA of the award of a CFP Grant. PHAs are responsible for maintaining the correct contact information, including the correct email address for the Executive Director, in the Inventory Management System/Public Housing Information (IMS/PIC) system.

How will PHAs receive their FY 2024 Capital Fund ACC Amendments?

HUD will post a master ACC (Annual Contributions Contract) Amendment that has been signed by the Deputy Assistant Secretary (DAS) for the Office Public Housing Investments (OPHI) fulfilling the requirement for a HUD signature on the ACC Amendment.

PHAs will download a spreadsheet Master ACC Amendment from the Office of Capital Improvements (OCI) website:

https://www.hud.gov/program_offices/public_indian_housing/programs/ph/capfund/2024pi

The PHA will then open the spreadsheet and select the PHA code. The spreadsheet will populate the grant specific information in the ACC Amendment.

How are PHAs able to sign the ACC Amendment?

PHAs must sign the ACC in order to receive grant funding. PHAs have the option to digitally sign, or to manually sign. The ACC must be signed, dated, and box #9 marked “Yes” or “No.” Should PHAs choose to digitally sign, they must use a valid electronic medium. Should PHAs choose to manually sign, they will scan the document to submit to HUD for approval. Regardless of choice, the signature must be by a person authorized to enter into agreements for the PHA.

What is required to obtain access to the 2024 Capital Fund Formula Grant?

- An Updated SAM registration/Unique Entity ID (UEI) Number
- OCI obligation of the award in the Line of Credit Control System (LOCCS)
- EPIC Approvals

Updated SAM registration/Unique Entity ID (UEI) Number

The UEI registration in the System for Award Management (SAM) is a requirement to receive federal awards, and the registration must be active. If you have an expired registration in SAM or there is a discrepancy between your UEI number and your Tax Identification Number (TIN), your FY 2024 CFP grant will not be obligated/awarded until the registration is updated.

PHAs without an active UEI in the System for Award Management (SAM) or TIN number in the LOCCS system should take immediate action to resolve these issues. Contact your FO for

assistance with resolving SAM/UEI number issues. Once the UEI registration is updated, HUD will obligate the funds and issue an ACC Amendment. Please note that the obligation end date of the FY 2024 grant will remain the same, so PHAs with expired UEI numbers will have less than 2 years to obligate the funds.

OCI obligation of the award in the Line of Credit Control System (LOCCS)

OCI will obligate the 2024 awards LOCCS up-front for PHAs with active Universal Entity Identifiers (UEIs) and Taxpayer Identification Numbers (TINs). Note that the Federal Government transitioned from using DUNS numbers to UEIs as of April 1, 2022.

What needs to be completed and/or approved in EPIC?

To comply with regulatory and Notice requirements to obtain access to FY 2024 CFP grant funds, PHAs must complete these actions in the EPIC system:

- All PHAs must have a HUD-approved CFP 5-Year Action Plan
- All PHAs must have a HUD-approved Initial Award Document Package for their 2024 CFP Formula grant
- All PHAs must submit an Annual Statement/Budget in EPIC for their 2024 CFP Formula grant

PHAs should submit their 5-Year Action Plan into EPIC covering FY 2024 to be approved the FO office as soon as possible if they have not already done so¹.

- ***For PHAs with rolling plans*** – the years should include FY 2024 -2027
- ***For PHAs with fixed plans*** – FY 2024 must be included as one of the years. Please note, the PHA may need to revise its plan to be sure that the work activities it needs to accomplish with FY 2024 funds are in the approved plan.

For more information visit the Capital Fund Program EPIC website, which has User Guides to assist PHAs with EPIC reporting

What Documents are required for the Initial Document Package in EPIC?

Instructions for how to use the Document Management Center are on the EPIC website (https://www.hud.gov/program_offices/public_indian_housing/programs/ph/capfund/epic).

When PHAs are notified that the grants are uploaded in EPIC (potentially a day or two after the grants are announced) they should begin creating and submitting their Initial Award Document Packages for review by their Field Office.

EPIC will not allow PHAs to submit an Annual Statement/Budget for the FY 2024 grant until the Field Office (FO) has approved the document package in EPIC. An Annual Statement/Budget will trigger the budget line item spread in LOCCS. PHAs should assemble the documents which will be submitted in EPIC when the CFP grants are uploaded into EPIC.

¹ See 24 CFR 905.300. The submission must be available to the RAB, and a notice of public hearing must be published no more than 45 days prior to the public hearing.

PHAs are responsible for submitting the most recently approved OMB version of each form, and the correct form based on the size of the PHA.

The following documents should be in the submission, signed and dated, and applicable for the 2024 fiscal year:

- ☐ 2024 Capital Fund Formula ACC Amendments (Board approved if required)
- ☐ Lobbying Form – SFLLL (If applicable)
- ☐ HUD Form 50071, Certification of Payments to Influence Federal Transactions (if applicable).
- ☐ Certification of Compliance with Public Hearing - PHA must *submit* a copy of one of the following:
 - ***For Non-Qualified PHAs:*** form HUD-50077-ST-HCV-HP includes this certification.
 - ***For Qualified PHAs:*** A statement certifying that the PHA conducted a public hearing in compliance with 24 CFR Part 905, signed and dated by the Executive Director.

Y / N Was the public hearing conducted in FY 2024
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- ☐ Civil Rights Certification - PHA must have a copy of one of the following:
 - ***For Non-Qualified PHAs:*** form HUD-50077-ST-HCV-HP
 - ***For Qualified PHAs:*** HUD form HUD-50077-CR

Additionally, PHAs must submit the following:

Written Statement Defining Significant Amendment/Modification to a CFP 5-Year Action Plan.

Each PHA must submit a written statement defining the criteria the PHA will use for determining a significant amendment or modification to the CFP 5- Year Action Plan. In addition to the criteria established by the PHA, a proposed demolition, disposition, homeownership, Capital Fund Financing, development, or mixed finance proposal is considered by HUD to be significant amendment to the CFP 5-year Action Plan based on the Capital Fund Final Rule. This must be submitted as a separate written statement.

Recommendations and Comments Received during the Public Hearing and Resident Consultation.

The PHA is required to hold a public hearing and meet with the Resident Advisory Board (RAB) to advise residents of the proposed CFP 5-Year Action Plan covering FY 2024. The PHA may elect to conduct the annual public hearing at the same time as the hearing for the PHA Plan or hold the hearing at a separate time specifically to cover the CFP 5-Year Action Plan.

The PHA must include a copy of the comments and recommendations that were received during the public hearing and resident consultation. The PHA must also include a description of how it addressed the recommendations from the RAB and any comments from the public before it submits the CFP 5-Year Action Plan to HUD.

Moving To Work (MTW) PHAs: MTW PHAs should refer to the submission requirements outlined in their MTW agreement with HUD. The requirements for MTW PHAs may not align with the requirements above.

Additional Information Regarding the FY 2024 Capital Fund Grants:

Prohibition regarding Procurement of Security Equipment produced by Huawei Technologies Company or ZTE Corporation.

Per 2 C.F.R. § 200.216 and Public Law 115-232, section 889, Capital Fund Program grantees are prohibited from using grant funds to purchase, lease, or renew or extend contracts for security equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).

Reimbursement of CFP Eligible Activities Funded with other Sources.

PHAs are not permitted to use any amount of a CFP grant to reimburse for eligible Capital Fund activities that were funded from another source. All Capital Fund obligations, expenditures, and disbursements must be recorded to the grant.

Flexibility for Capital Fund Amounts.

Starting with FY 2015 CFP awards, the limitation on Capital Funds used for Operating Fund eligible activities under BLI 1406 is increased from 20% to 25%, as identified in paragraph 2 of the FY 2024 CFP ACC Amendment.

A PHA with less than 250 public housing units, that is not designated as troubled under PHAS, may continue to use up to 100% of its annual CFP grant in BLI 1406 for activities that are eligible under the Operating Fund at 24 CFR Part 990, except that the PHA must have determined that there are no debt service payments, significant Capital Fund needs, or emergency needs that must be met prior to transferring 100% of its Capital Funds to Operating Fund purposes. A PHA may not use funds under BLI 1406 for CFP modernization activities. Those activities are to be reported under BLI 1480.

Waiver for Anticrime and Antidrug Activities for Large PHAs (those owning/operating 250 or more public housing units).

As noted above, for FY 2024 the limitation in section 9(g)(1) of the 1937 Act is increased from 20% to 25%. For FY 2024, upon a PHA's request to HUD the Secretary may waive this limitation to allow PHAs to fund activities authorized under section 9(e)(1)(C) of the 1937 Act which allows PHAs to use Operating Funds for anticrime and antidrug activities, including the costs of providing adequate security for public housing residents, including above-baseline police service agreements.

The PHA *must* provide the following information and documentation along with its waiver request, in a thorough and concise narrative form:

- ☐ Identify the amount above 25% of the FY 2024 CFP award both in dollars and by percentage the PHA seeks to transfer to BLI 1406 Operations
- ☐ Identify and describe the threat that crime and drug-related activity poses to health and safety of PHA's public housing residents
 - Describe whether this is a new threat, ongoing, or increased threat
 - Include the most recent crime data of the PHA's locality (e.g., town, city, parish, or county) from a recognized source such as local law enforcement or Uniform Crime Reports that lists types and numbers of offences (may include as an attachment)
- ☐ Identify the applicable projects(s)
- ☐ Identify and describe the specific anticrime and antidrug activities the PHA plans to undertake, including the costs of such activities
- ☐ *Optional Attachments:* The PHA may also wish to include supporting narrative or agreements from one or more of the following:
 - Resident Advisory Boards or PHA security personnel;
 - local Community Policing Organizations; OR
 - local officials (e.g., business council executives, or city council executives).

PHA Plan Submission.

To comply with the requirements of 24 CFR 903.7(g), PHAs are required to include a statement of capital improvements needed in the PHA Annual Plan. To satisfy that requirement, a PHA must reference its latest HUD approved CFP 5-Year Action Plan covering the current Fiscal Year in its PHA Plan, prior to submission of the PHA Annual Plan. PHAs can reference the form by including the following language in Section 8.0 of the PHA Plan Template: "See HUD Form 50075.2 approved by HUD on XX/XX/XXXX."

Environmental Review.

In accordance with the changes in process announced in [Notice 2016-22](#), all activities at project site(s) assisted or to be assisted by HUD must receive environmental clearance before the PHA takes any choice-limiting actions or obligates any funds. HUD has made a programmatic determination under Part 50 that the operating activities listed in Appendix A of Notice 2016-22 are not subject to further environmental review; for any other activities, PHAs must request and receive clearance from either a Responsible Entity or HUD.

HUD FOs are not required to withhold approval of CFP 5-Year Action Plans or place manual holds on CFP grants in LOCCS, pending receipt of environmental clearance documentation. Even though FOs are permitted to approve CFP 5-Year Action Plans without confirming environmental clearance, the Work Activity Description in a PHA's CFP 5-Year Action Plan must provide sufficient specificity to facilitate effective HUD FO review of the plan and subsequent environmental review monitoring. Specificity is required so that FOs staff can

determine the level of environmental review required for a given work activity. PHAs are encouraged to enter information in the Description field on the scope of the activity (e.g., number of units impacted). For example, for a work activity covering roof replacement, a sufficient description may read: "Installing new 20-year roof, as well as gutters and soffits, at low-rise building containing 5 Public Housing units." A work description simply stating "Roof" would be insufficient because it does not indicate whether the activity will cover full-scale replacement of the roof or simply patching portions of the roof, a distinction with implications for the level of environmental review required.

PHAs Rejecting a Capital Fund Grant.

If a PHA elects to reject any CFP grant(s), the Executive Director must send a written statement to the local HUD FO which identifies the grant number(s) and dollar amount(s) of the grant(s) to be rejected. PHAs are also required to have on file a resolution from its board rejecting the CFP grant(s) for the fiscal year.

Build America, Buy America (BABA) requirements for CFP 2024 Formula Grants.

CFP 2024 Formula Grants *may be subject to the requirements of the Build America Buy, America Act (BABA) which was enacted on November 15, 2021, as part of the Infrastructure Investment and Jobs Act (Public Law 117–58), unless waived by the Department: refer to HUD's BABA webpage for further information* (https://www.hud.gov/program_offices/general_counsel/build_america_buy_america)."

Additional Information.

If you have any questions or need additional information, please contact the FO staff in your jurisdiction. For assistance from PIH Headquarters, OCI, you may email your questions to PIHOCI@hud.gov.

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