

CHAPTER 4

CHAPTER 4. LIST APPROVAL, FUND RESERVATION, AND ACC EXECUTION

4-1. PROCESSING PROCEDURES FOR LIST AND NOTIFICATION LETTER APPROVALS.

a. The PC&R shall prepare the Section 8 Housing Assistance Payments Program ACC/HAP Contract List (List), Form HUD-5041C (Appendix 7); the Notification of Application Approval Letter (Appendix 8), based on information provided by the MHR; and the Project Accounting Data Sheet (PAD), Form HUD-52540 (Appendix 9).

(1) For the Existing Housing Program:

- (a) The amount of budget authority (AC amount multiplied by 15) shall be calculated on the basis of a fifteen-year term for all new Existing Housing projects and entered on the List in Part F, Remarks.
- (b) For each FMR area, a separate List shall be prepared for each non-Recently Completed Housing application and each Recently Completed Housing application.
- (c) Previous Lists shall not be amended unless additional funds are determined necessary in accordance with Chapter 6.
- (d) If the application attachments have been submitted, the format in Appendix 8-1 shall be used for the Notification Letter. If attachments have not been submitted, the format in Appendix 8-2 shall be used.

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(2) For the Moderate Rehabilitation Program:

- (a) The amount of budget authority (AC amount multiplied by 15) shall be calculated on the basis of a fifteen-year term for each Moderate Rehabilitation project and entered on the List in Part F, Remarks. A List shall be prepared for each project, which can include units in more than one FMR area but may not include units in both metropolitan and nonmetropolitan areas. See paragraph 3-9 for information concerning the calculation of contract authority.
- (b) All Moderate Rehabilitation units approved for a PHA in the same fiscal year will constitute one project unless metropolitan and nonmetropolitan contract authority is utilized, in which case two projects will be established. If more than one application for units is approved in a single fiscal year, the List for the

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project initially approved in that fiscal year shall be amended to indicate a single project (utilizing metropolitan or nonmetropolitan contract authority) for that fiscal year with the unit count and AC commitment for that project(s) being the total or all units for which contract authority is reserved during the fiscal year. Different project numbers will be assigned, and separate Lists shall be prepared for units approved in different fiscal years (see Section 882.403).

(c) If the application attachments have been submitted, the format in Appendix 8-3 shall be used for the Notification Letter. If attachments have not been submitted, the format in Appendix 8-4 shall be used.

b. The PC&R shall transmit a memorandum signed by the MHR recommending approval, together with the List, the Notification Letter, the PAD, and the complete file, to the Housing Director for review. If appropriate, the Housing Director shall recommend that the Area Manager approve the List and the PAD and sign the Notification Letter.

c. The PC&R shall telephone the AHDS to obtain a List number and transmit the List, the PAD, and the Notification Letter to the Area Manager for signature.

d. If the Area Manager concurs with the recommendation, the Area Manager shall approve the List and the PAD and sign the Notification Letter. The List and Letter shall not be dated. However, during the last month of the fiscal year, the Area Manager shall sign and date the Notification Letter. In any case, the Letter shall not be dispatched to the PHA until after Congressional clearance.

4-2. RESERVATION OF CONTRACT AUTHORITY PROCEDURES.

a. The PC&R shall mail a copy of the signed, undated (unless during the last month of the fiscal year) Notification Letter and the PAD to the Regional Accounting Division (RAD).

b. The RAD shall reserve the funds as of the date the PAD is received and within 24 hours, by rapid communication, notify the Field Office, Attention: Housing Director, of the project number, number of units, amount of contract and budget authority reserved for the project and reservation date. For

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the last month of the fiscal year only, RAD shall use the date of the Notification Letter as the reservation date.

c. The Field Office must notify the RAD of any increase, decrease, or cancellation of contract authority, budget authority, or units by processing an amended List and PAD, following the same procedures as for the reservation of funds. The Field Office shall notify the PHA in writing of any such action.

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4-3. CONGRESSIONAL NOTIFICATION PROCEDURES.

a. Upon receipt of RAD confirmation, Form HUD-416.2 shall be dispatched to the Assistant Secretary for Legislation and Intergovernmental Relations via facsimile transmission. The original HUD-416.2 shall be forwarded via airmail to the Notification Division, Office of Assistant Secretary for Legislation and Intergovernmental Relations.

b. Field Offices are authorized to release the Notification Letter after five working days, provided that the Office of Assistant Secretary for Legislation and Intergovernmental Relations has not telephoned the Field Office to request that action be delayed. Field Offices are cautioned against announcing any approval actions until clearance is obtained or five working days have elapsed.

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4-4. DISTRIBUTION OF DOCUMENTS.

a. The PC&R shall dispatch the Notification Letter to the PHA with the HUD-approved leasing schedule for Existing Housing, or rehabilitation and leasing schedule for Moderate Rehabilitation. For Existing Housing, the schedule shall include target dates by calendar quarters specifying the number of units to be leased by the end of each three-month period. For Moderate Rehabilitation, the schedule shall include target dates by calendar quarters specifying the number of units expected to be under HAP Agreements and the number of units expected to be leased by the end of each three-month period. A list of HUD-held properties (to be provided by Loan Management) available for rent within the area must also be included with Existing Housing Notification Letters.

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b. A copy of the Notification letter shall be sent to the chief executive officer of the locality.

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- c. The PC&R shall send copies of the List and Notification Letter to the AHDS and the AHMB. PC&R shall place the original List in the project file and transmit the file to the Field Office Counsel for preparation of the ACC.

4-5. APPLICATIONS NOT APPROVED. Immediately after issuing Notification letters to PHAs with approved applications, the MHR shall originate, for the Area Manager's signature, a Letter to each applicant not approved detailing the reasons for rejection of the application. A copy of any such letter shall be sent by PC&R to the Field Office Divisions involved in the Section 8 Program, including the Field Office Counsel, as well as to the Director, Office of Regional Housing.

4-6. DELAYED SUBMISSION OF APPLICATION ATTACHMENTS.

- a. For the Existing Housing Program, if the application attachments were not included in the PHA's initial submission, and are submitted after List approval, PC&R shall forward them as follows: Administrative Plan to FH&EO and AHMB; the EOHP to FH&EO and AHMB; and the Form HUD-52667, Allowance for Tenant-Furnished Utilities and Other Services, and the financial estimates (Forms HUD-52671, 52672, and 52673) to AHMB. Responsibilities for the review of these documents are described in paragraph 3-5 d. Field Office review of the application attachments shall be completed within three weeks of submission. The FH&EO and AHMB reviews of the attachments shall be completed within three weeks of submission. The FH&EO and AHMB reviews of the attachments shall be forwarded through the MHR and PC&R to the Housing Director.

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- b. For the Moderate Rehabilitation Program, if the application attachments were not included in the PHA's initial submission, are are submitted after List approval, PC&R shall forward them as follows: Administrative Plan to CPD, FH&EO, MHR, and AHMB; EOHP to FH&EO and AHMB; and the Form HUD-52667 and the financial estimates to AHMB. Responsibilities for the review of these documents are described in paragraph 3-5 e and Appendix 26. The CPD, MHR, and FH&EO reviews of the Administrative Plan shall be sent to the AHMB, which shall coordinate and consolidate the reviews. Field Office review of the application attachments shall be completed within four weeks of submission for the initial project application and within three weeks for all subsequent applications. The AHMB's consolidated review of the Administrative Plan, FH&EO's and AHMB's reviews of the EOHP, and the AHMB's review of the Form HUD-52667 and the financial estimates shall be forwarded through the MHR and PC&R to the Housing Director.

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c. If the attachments (including revisions) are not acceptable to the reviewing offices despite concerted Field Office efforts to assist the PHA, the Housing Director, with the concurrence of the Area Manager, shall direct the MHR to:

(1) Initiate processing of an amended List and PAD to reduce or cancel the reserved funds.

(2) Prepare a letter for the signature of the Area Manager to the PHA amending the previous Notification Letter and explaining the reason for cancellation or reduction in funds.

(3) Any such cancellation or reduction of funds shall follow the procedures identified in paragraph 4-2 c.

4-7. ANNUAL CONTRIBUTIONS CONTRACT PROCESSING PROCEDURES.

a. Within five working days of receipt of the approved List, the Field Office Counsel shall prepare the ACC and transmit it to PC&R.

(1) For the Existing Housing Program:

(a) The ACC Part I shall list all projects by project number and List number, but shall show only the sum of the number of units (by size) for all current Lists, and shall have a single maximum dollar amount and one ACC reserve account for all the units.

(b) Each Existing Housing ACC Part I shall be assigned an ACC Part I number, which will identify both the ACC Part I and the PHA's Existing Housing Program. (see Appendix 6).

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(2) For the Moderate Rehabilitation Program.

(a) The ACC Part I shall list all projects by project number, List number and date, number of units by size, total authorized AC, and effective date. A separate project account shall be maintained for each project.

(b) Each Moderate Rehabilitation ACC Part I shall be assigned an ACC Part I number which will identify both the ACC Part I and the PHA's Moderate Rehabilitation Program (see Appendix 6).

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b. Upon receipt of the prepared ACC, PC&R shall prepare a transmittal letter and after it is signed by the Housing Director send it with the ACC to the PHA.

c. When the PHA returns the executed ACC, it shall be reviewed and approved by the Field Office Counsel before being sent to the Housing Director for signature.

(1) The Field Office Counsel shall verify the compliance status of the PHA with the FH&EO Director.

(2) If attachments have been submitted after application approval, the Housing Director shall not sign the ACC until approval of the attachments by the appropriate reviewing offices indicated in paragraph 3-5. The PC&R shall transmit to RAD an executed copy of the ACC and copies of the List and Form HUD-52673.

d. A copy of the fully executed ACC and approved financial estimates shall be transmitted through PC&R to the PHA.