



Asset Repositioning Fee CY 2017 Implementation Guidance Public Housing Agencies (PHAs)

General Guidance

Asset Repositioning Fee (ARF) eligibility amounts will be determined based on Public and Indian Housing (PIH) Information Center (PIC) source data and ARF business rules. This document outlines policy for implementing ARF timeline and funding protocols. It is critical to ensure that ARF is correctly calculated in the first year of eligibility. After the revisions deadline in the first year of ARF eligibility, ARF data, primarily the DDAP, may not be changed.

1. Guidance for determining ARF eligibility and amounts is located at (i) 24 CFR 990.190(h); Notice PIH-2011-18 (HA); and Notice PIH-2016-19. In addition to the HUD-52723, PHAs are required to submit ARF related documentation to their local Field Offices (FOs).
2. For non-homeownership the ARF timeline and ARF eligibility is calculated on a DDAP basis.
3. PHA with ARF eligibility for homeownership, eligibility and the ARF timeline are based on the last sale date on a building basis.
4. ARF eligibility is prepopulated in Section 3, Part A, Line 14 and is editable by PHAs. Unit months for ARF units that remain under the ACC are included in Section 2 Line 12 of the 52723. Units that remain under the ACC but have reached the end of their ARF timeline are reported in Section 2 Line 13 of the 52723. If the ARF eligibility prepopulated in Section 3, Part A, Line 14 is changed, the prepopulated data in Section 2 will likely need to be changed as well. Because a unit cannot be ARF eligible and eligible for regular Operating Subsidy, it is likely that multiple lines would need to be changed.
5. Where PHA ARF determinations differ from the prepopulated unit status data in Section 2 of the HUD-52723, or from the ARF eligibility prepopulated in the Section 3, Part A, Line 14 in the HUD-52723, PHAs should contact their FOs for guidance.
6. In accordance with Notice PIH-2016-19, PHAs shall submit supporting documentation detailing the ARF calculation to the FO. Included in this documentation should be an Excel worksheet showing how the PHA derived its ARF eligibility.

ARF Eligibility

Key data elements from the PIC are used to calculate ARF eligibility. Most of these data elements are in the Inventory Removal module (IRM), which is locked to edit by PHAs. To make changes, PHAs must contact their FOs to request a change.

1) DDAP Approval Date

This is the approval date of a DDAP recorded by HUD. PHAs should retain a copy of the approval letter and store it in a manner that is readily accessible.

2) DDAP Type

The type of approved demolition/disposition action

3) Units and Buildings Included in the DDAP

Units and buildings recorded in HUD's source data system

4) Number of Days to Relocation

The number of days to relocation is recorded in HUD's source data system.

- When completing an inventory removal application, the PHA is to indicate the number of days after HUD approval of the DDAP, which the PHA expects to begin relocation of residents.
- When units are occupied as of the DDAP approval date, the number of days to relocation must be at least 90 days.
- When residents voluntarily move-out before 90 days, this is not considered the official beginning of PHA required relocation, and therefore does not impact the days to relocation field in the DDAP. This could occur, for instance, if all residents find homes to rent with a Section 8 House Choice Voucher and voluntarily choose to relocate to these homes prior the full 90-day notice period; or if residents voluntarily choose to move to new public housing units prior to the full 90-day notice period in order to be in their units before the start of the school year.
- When units are vacant on the day of DDAP approval, the number of days to relocation is zero.
- The DDAP approval date plus the number of days to relocation equals the relocation date.
- After a DDAP is approved, PHAs and FOs can no longer make changes to "relocation dates" directly in the PIC source data, but instead must follow the process detailed below to ensure that changes needed to ensure accurate data in PIC and accurate calculation of ARF are made.

- When reviewing ARF eligibility, the FO should validate the relocation date and the first move out date.

5) Date of Last HO Sale

For homeownership, the ARF timeline applies to the DDAP/project/building combination. The ARF timeline is “triggered” by the last unit in a building sold, and ARF eligibility is calculated on a that same basis for each building in the DDAP.

6) Determining ARF Eligibility and Correcting Errors

- a. Using the above data, HUD will determine ARF eligible unit months and eligibility for each approved DDAPP at each project and establish the ARF timeline – “trigger” date, ARF start date, and ARF end date – for the DDAP. These determinations result in the number of eligible ARF units pre-populated in the Section 2 Line 12 of the HUD-52723. They also result in the ARF eligibility pre-populated in the Section 3 Line 14 of the HUD-52723.
- b. To the extent that PHA calculations of ARF differ with the data published in the HUD-52723, FOs and PHAs should review these data elements to identify the cause of the variance. PHAs should work with their FOs to ensure that ARF eligibility is accurately included in the 52723, and that relevant PIC data is accurate.