

The Office of Capital Improvements (OCI) is sending this e-mail to notify you that Notice PIH 2009-12 entitled, "Information and Procedures for Processing American Recovery and Reinvestment Act Capital Fund Formula Grants" has been posted. The Notice can be found at: <http://www.hud.gov/offices/pih/programs/ph/capfund/ocir.cfm>

The Notice provides additional guidance regarding the recent award of \$2.985 billion in Capital Fund formula grant funds pursuant to the Recovery Act, including uses (and restrictions on use) of funds.

In an earlier email, PHAs were instructed to sign ACC Amendments for the awarded funds and forward them to their respective Field Offices no later than Monday, March 9, 2009. The Department is obligating the funds by the Congressional 30 day deadline; the execution by the Field Office on March 18, 2009 constitutes an obligation. PHAs can expect to see their Recovery Formula grant funding in the LOCCS system by Monday, March 23, 2009. At that time, PHAs will be able to draw funds down subject to Field Office review. PHAs are to submit a Capital Fund Annual Statement form 50075.1 describing the specific activities that they will undertake with the Recovery Act Formula grant funds no later than April 10, 2009. In addition, PHAs will be required to submit a resolution from their governing Board with their Capital Fund Annual Statement for the Recovery Act grant funding. Once Field Offices have received Annual Statements and Board resolutions from PHAs, they will spread the budget line items in the LOCCS system so that PHAs will be able to draw funds as they normally do.

PHAs should pay particular note to the following information provided in the Notice:

Revised Process for Obtaining Public Comment on 5-Year Plan and Annual Plan

According to 24 CFR 903.17, the PHA's board of directors or similar governing board must conduct a public hearing to discuss the 5-Year Plan and/or Annual Plan and invite the public to comment on the plan. The regulation provides a 45-day notice period informing the public that the information is available for review and inspection and announcing the public hearing. For all PHAs accepting these grant funds (including MTW agencies), the Secretary is using the waiver authority in the Recovery Act to reduce this public notice period to 10 calendar days for PHAs amending their 5-Year Plan and/or Annual Plan due in part to these grant funds. This waiver provides for adequate notice, but does not limit the information and activities required to be performed by the PHA. This waiver also permits these PHAs to continue planning and ultimately obligation and expenditure of these funds as intended by the Recovery Act.

Alternate Procurement Requirements

For Recovery Act Capital Funds only, alternate procurement requirements shall be followed. This includes:

- PHAs shall give priority to Capital Fund Stimulus Grant projects that can award contracts based on bids within 120 days from February 17, 2009;
- Any requirements relating to the procurement of goods and services arising under state and local laws and regulations shall not apply to Capital Fund Stimulus Grants. PHAs shall instead follow the Part 85 requirements, and
- PHAs shall amend their procurement standards and policies as necessary in order to expedite and facilitate the use of the funds. This amended policy can be used only for procurements related to Capital Fund Stimulus Grants. This must be done in writing and consistent with PHA policies and procedures (such as Board approval) and labeled as Capital Fund Stimulus Grant Procurement Policy. Specifically, PHAs shall remove all procurement standards that are contrary to Part 85 or the Recovery Act. Where permitted by Part 85, PHAs may insert their own procedures provided that they are not contrary to the purposes of the Recovery Act.

PHAs are advised to read the Notice carefully and check the [Office of Capital Improvements Recovery](#) web page frequently (perhaps on a weekly basis) to obtain updated information. The OCI will endeavor to keep PHAs informed of significant developments by e-mail as well. PHAs that have questions about Recovery Act Capital Fund Formula grants should submit them via e-mail to the PIHOCI@HUD.GOV e-mail account. The Department is implementing Recovery Act funding rapidly, but at the same time it will take steps to maintain high standards of accountability.