

Capital Fund Recovery Competition (CFRC) NOFA  
Frequently Asked Questions #1  
As of May 15, 2009

General

Q1. Can a PHA apply for a CFRC grant if it is not a High Performer?

A1. Yes. If a PHA is not a High Performer the PHA can still apply for a CFRC grant, regardless of Category. The NOFA indicates (in the sections cited below) that High Performer status can be lifted, subject to the availability of funds and the applicant meeting other necessary requirements.

For Categories 1, 2 and 3: While an applicant PHA must be a High Performer in Round 1 in order to be funded during Round 1, Standard and qualifying Troubled PHAs can be funded during Round 2, subject to the availability of funds and that the applicant meets other necessary requirements. Applicants should review Section V.B.1.d(2) (pages 86-87) of the NOFA which refers to Round 2 and its criteria on lifting thresholds:

“(b) During Round 2, subject to the availability of funds, HUD will lift the funding request limits, category caps, and threshold criteria indicated in this section, one-by-one, and in the order listed below in (i) through (v). HUD will lift the first criteria (Capacity, High Performer) and fund the applications that become eligible as a result, based on Ordinal. If additional funds remain, HUD will next lift the second criteria, and so on, until no funds remain or until there are no eligible applications.

- (i) Capacity, High Performer (Threshold Requirements for All Applications).
- (ii) Capacity, Capital Fund Expenditure Rate (Threshold Requirements for All Applications).
- (iii) Leverage (Category Specific Threshold Requirement)
- (iv) Category funding caps
- (v) Funding Request Limits and Number of Applications Limits (if any) per PHA.”

For Category 4: After the July 21, 2009 deadline, if funds remain available after funding applications from High Performer applicants, Category 4 applications from Standard and qualifying Troubled PHAs can be funded during Round 2, subject to the availability of funds and that the applicant meets other necessary requirements.

See Section V.B.2.e (pages 90-91), Remaining Funds, for the specific language:

“e. **Remaining Funds.** If funds remain after funding the Category 4 applications in accordance with Section V.B.2 above, HUD will lift the funding request limits, category caps, and threshold criteria indicated in this section, one-by-one, and in the order listed below in (1) through (3). HUD will lift the first criteria (Capacity, High Performer) and fund the applications that become eligible as a result. If additional funds remain, HUD will next lift the second criteria, and so on, until no funds remain or until there are no eligible applications.

- (1) Capacity, High Performer (Threshold Requirements for All Applications).
- (2) Capacity, Capital Fund Expenditure Rate (Threshold Requirements for All Applications).
- (3) Funding request limits.

Q2: Is there a method by which Standard Performers, with exceptional situations, can provide evidence to HUD that the threshold should be lifted?

A2: No. The NOFA does not allow for a method - during Round 1 - by which standard performers, with exceptional situations, can provide evidence to HUD that the threshold should be lifted. Applicants should review Section V.B, 86-87 (for Categories 1, 2 and 3) of the NOFA which refers to Round 2, and pages 90-91, Remaining Funds (for Category 4). These places are where the NOFA states that High Performer status can be lifted, subject to the availability of funds and that the applicant meets other necessary requirements.

Q3. I am a Standard Performer. Do I have to wait to submit my application until Round 2?

A3. No. Applicants can submit an application during Round 1 that they know will qualify only under Round 2. The NOFA explains in Section V.B.1.d (1)(c) (page 86) the following: "Applicants are allowed to submit applications during Round 1 that could only qualify for funding under Round 2. Such applications would have priority (in terms of Ordinal) for funding during Round 2." [Reminder: There will only be Rounds for Categories 1, 2 and 3, which are threshold-based. Category 4 applications are rated and ranked and all Category 4 applications are due by July 21, 2009.]

Q4. I am designated as a Troubled PHA. Can I apply?

A4. Troubled PHAs can only apply ONLY if they meet the eligibility criteria of the NOFA (Section III.A.3, page 20) which states:

"3. Troubled Status. As of the NOFA publication date (date posted to HUD's website [May 7, 2009]), if HUD has designated your PHA as troubled, HUD will use documents and information available to it to determine whether you qualify as an eligible applicant. If designated as troubled, you may still be an eligible applicant if:

- a. The PHA is in receivership, either in HUD's possession or judicial receivership, and a private housing management agent has been selected (in accordance with 24 CFR part 902), or a receiver has been appointed and HUD determines the PHA to be capable of carrying out this grant program; or
- b. The PHA is designated as troubled principally for reasons that will not affect its capacity to carry out this grant program and HUD determines the PHA to be capable of carrying out this grant program."

Please note that in both a. and b., HUD determines the PHA to be capable of carrying out the proposed grant program.

Q5. How do I know whether my PHA is a High Performer or what its Capital Fund expenditure rate is?

A5. As published in the NOFA (page 22), see the following website for a listing of PHA High Performer designations and my PHA's Capital Fund Expenditure Rate:  
<http://www.hud.gov/offices/pih/programs/ph/capfund/ocir.cfm> (which can also be accessed from [www.hud.gov/recovery](http://www.hud.gov/recovery)).

Q6. After today's webcast, where can I email my questions on the CFRC NOFA?

A6. All questions on the CFRC NOFA should be emailed to at [PIHOCl@hud.gov](mailto:PIHOCl@hud.gov). Please note we will also be posting Frequently Asked Questions to the following website:

<http://www.hud.gov/offices/pih/programs/ph/capfund/ocir.cfm> (which can also be accessed from [www.hud.gov/recovery](http://www.hud.gov/recovery)).

Q7. My PHA is a small PHA. Can I partner with a few other PHAs in my area and submit an application together?

A7. No. As stated in Section II.F (page 19), "Combined applications are not allowed. Each application can only apply for one Category and may target only one project to be modernized/rehabilitated or developed."

Q8. Do Davis-Bacon wage rate requirements apply to the CFRC grants?

A8. Yes. As stated on Section VI.B.3.j (page 112) of the NOFA (under Award Administration Information; Administrative, Program and National Policy Requirements; Administrative Requirements):

"j. Prevailing Wages and Federal Labor Standards. Federal labor standards are applicable to CFRC grants. These labor standards involve the payment of not less than prevailing wage rates, and may include overtime requirements (premium pay for hours worked over 40 in a workweek), and recordkeeping and reporting requirements.

(1) Davis-Bacon wage requirements apply to the activities funded with CFRC grant funds. The PHA must obtain the appropriate Davis-Bacon wage decision, which sets forth the minimum wage rates that may be paid to construction laborers and mechanics. This wage decision and provisions requiring compliance with federal labor standards must be included in any bid specifications and construction contracts. Development work undertaken directly by the PHA, with its own employees, is also subject to Davis-Bacon wage requirements.

(2) HUD-determined wage rates are applicable to all maintenance laborers and mechanics engaged in the operation of revitalized housing.

(3) Exclusions. Under Section 12(b) of the 1937 Act, prevailing wage requirements do not apply to individuals who:

(a) Perform services for which they volunteered;

(b) Do not receive compensation for those services or are paid expenses, reasonable benefits, or a nominal fee for the services; and

(c) Are not otherwise employed in the work involved (24 CFR Part 70).

(4) If other federal programs are used in connection with CFRC activities, federal labor standards requirements apply to the extent required by the other federal programs on portions of the project that are not subject to Section 12 of the 1937 Act. Where other federal programs and funding are mixed in the CFRC activity, Section 12 of the 1937 Act would apply to the entire activity."

Q9. Is the Per Unit Amount based on the size of the individual project being targeted or the size of the PHA? For example, if a PHA comprised of 500 units targets a single project of 100 units for the purpose of "Improvements Addressing the Needs of the Elderly and/or Persons with Disabilities,"

can that PHA apply for a total of \$1,250,000 for the specific project or is the PHA limited to \$250,000 with respect to that specific project?

- A9. The Per Unit Amount is based on the size of the PHA's inventory. Section II.C.1 of the NOFA provides the maximum grant amount(s) HUD will award a single PHA during Round 1 for the Improvements Addressing the Needs of the Elderly and/or Persons with Disabilities NOFA category - regardless of the number of applications they are submitting for that Category.

In the example the NOFA provides, a medium-sized PHA with an inventory of 500 public housing units wishes to submit multiple applications under the NOFA Category of Improvements Addressing the Needs of the Elderly and/or Persons with Disabilities. The most HUD will award for all of the applications the PHA submits - under this one Category - is a cumulative total of \$1,250,000 (\$2,500 X 500 units), while the grant award limitation is in effect. (HUD will lift this limitation at a point in the process after the completion of Round 1 as described in Section V.B. of this NOFA). Please note that the maximum grant amount limitations per PHA only apply to applications for the NOFA Category in question. Amounts awarded to a PHA pursuant to other NOFA categories do not count toward the maximum grant amount limitations for the Category in question.

Thus, in the example above, \$1,250,000 is the most CFRC grant funding a PHA could receive (whether submitting one or multiple applications) under the Category of Improvements Addressing the Needs of the Elderly and/or Persons with Disabilities. However, applicants must remember that they must comply with the Budget, Leverage and Financing Thresholds of the NOFA (which includes TDC/HCC requirements), as well the Funding Restrictions found in Section IV.D of the NOFA.

- Q10. Can a PHA target the same project with two separate applications from two different categories, provided that each threshold condition is addressed? For example, can both the Public Housing Transformation category and the Creation of Energy Efficient, Green Communities both target a single project?

- A10. Yes. A PHA can target the same project with two separate applications for two different categories, provided that each threshold condition is addressed. However, please note that Section VI.A.3 of the NOFA states the following: "Adjustments to Funding. HUD will not fund any portion of your application that is not eligible for funding under this program, does not meet the requirements of this NOFA, or may be duplicative of other funded programs or activities. Only the eligible portion of your application will be funded."

- Q11. My PHA does not meet all the threshold requirements of Round 1. Do we have to wait to submit an application until Round 2?

- A11. No. Applicants can submit an application during Round 1 that they know will qualify only under Round 2. The NOFA explains in Section V.B.1.d (1)(c) (page 86) the following: "Applicants are allowed to submit applications during Round 1 that could only qualify for funding under Round 2. Such applications would have priority (in terms of Ordinal) for funding during Round 2." [Reminder: There will only be Rounds for Categories 1, 2 and 3, which are threshold-based. Category 4 applications are rated and ranked and all Category 4 applications are due by July 21, 2009.]

Q12: Can the Funding Request Limits in Section II.C of the NOFA be lifted?

A12: Yes. The Funding Request Limits can be lifted in accordance with the criteria of Section V.B. That is, subject to funding availability, Funding Request Limits can be lifted in Round 2 for Categories 1, 2 and 3 (see Section V.B.1.d(2) (pages 86-87)) and under the terms of the Remaining Funds section for Category 4 (See Section V.B.2.e (pages 90-91)).

Q13: Can the Number of Applications Limits in Section II.E of the NOFA be lifted?

A13: Yes. The Number of Applications Limits (if any) can be lifted in accordance with the criteria of Section V.B. That is, subject to funding availability, Number of Applications Limits can be lifted in Round 2 for Categories 1, 2 and 3 (see Section V.B.1.d(2) (pages 86-87)). There is not a limit on the total number of applications an applicant can submit for Category 4, Creation of Energy Efficient, Green Communities.

Q14: Must applicants use Grants.gov in order to submit their applications?

A14: No. Applicants do not, and must not, use Grants.gov in order to submit their applications. Applicants must follow the instructions of the NOFA in Section IV., "Application and Submission Information." The Office of Capital Improvements has created an electronic application and submission process for the CFRC grant program.

Q15: Can I submit a paper copy of my application?

A15: No. Applicants are not allowed to submit to HUD a paper copy of their application. Applications must be submitted electronically. Only electronic applications will be reviewed. Applicants must follow the instructions of the NOFA in Section IV., "Application and Submission Information." The Office of Capital Improvements has created an electronic application and submission process for the CFRC grant program.

Q16: Where can I download the Power Point slides from the webcast on the CFRC NOFA on Tuesday, May 12, 2009?

A16: The Power Point slide presentation from that webcast may be accessed from this webpage: <http://www.hud.gov/recovery>. Under the "Resources" header on the right-hand side of the page, click on the link for "Public Housing Capital Fund."

Q17: Under Capacity (Section III.C.2.d of the NOFA, "Threshold Requirements for All Applications"), must my PHA meet BOTH the High Performer threshold requirement and the Capital Fund Expenditure Rate threshold requirement, or must I meet only one of them?

A17: PHAs must meet BOTH the High Performer threshold requirement and the Capital Fund Expenditure Rate threshold requirement in order to be funded during Round 1 for Categories 1, 2 and 3; or during initial consideration for Category 4. As noted elsewhere in these FAQs, subject to funding availability in accordance with Section V.B, the High Performer threshold requirement and the Capital Fund Expenditure Rate threshold requirement can be lifted in Round 2 for Categories 1, 2 and 3 (see Section V.B.1.d(2) (pages 86-87)) and under the terms of the Remaining Funds section for

Category 4 (See Section V.B.2.e (pages 90-91)). Be reminded that all other threshold requirements apply except those that may be lifted in accordance with the NOFA sections above.

Q18: Do regular Capital Fund obligation and expenditure deadlines apply to these CFRC grant funds?

A18: No. The obligation and expenditure requirements found at section 9(j) of the 1937 Act regarding the obligation and expenditure of Capital Funds do not apply. The Recovery Act provides for alternate obligation and expenditure deadlines (and penalties) as follows:

1. PHAs must obligate 100 percent of the grant funds awarded under this NOFA within 1 year of the date on which funds become available to the PHA for obligation (which is the effective date of the ACC amendment). If a PHA fails to comply with the 1-year obligation requirement, HUD will recapture all remaining unobligated funds awarded to the PHA .
2. PHAs must expend at least 60 percent of the grant funds within 2 years of the date on which funds become available to the PHA for obligation (which is the effective date of the ACC amendment). If a PHA fails to comply with the 2-year expenditure requirement, HUD will recapture the balance of the funds awarded to the PHA.
3. PHAs must expend 100 percent of the grant funds within 3 years of the date on which funds become available to the PHA for obligation (which is the effective date of the ACC amendment). If a PHA fails to comply with the 3-year expenditure requirement, HUD will recapture the balance of the funds awarded to the PHA.

Q19: Can my PHA get an extension of the obligation and/or expenditure requirements?

A19: No. Extension of the obligation and expenditure deadlines are not permitted under the Recovery Act. Additionally, if a PHA fails to obligate any of its other Capital Fund grants during this time, an extension of the obligation deadline for that grant will not be granted based solely on the justification that the PHA was engaged in obligating Recovery Act funds, as it does not meet the criteria established in section 9(j) of the 1937 Act.

Q20: For Categories 1, 2 and 3, must my PHA meet the leverage threshold requirement as well?

A20: PHAs must meet the leverage threshold requirement in order to be funded during Round 1 for Categories 1, 2 and 3. Subject to funding availability in accordance with Section V.B, the Leverage threshold requirement can be lifted in Round 2 for Categories 1, 2 and 3 (see Section V.B.1.d(2) (pages 86-87)). The threshold requirement is as follows: "Leverage for applications submitted for Round 1 consideration only. The applicant must certify that it has leveraged non-public housing funds for the application at a ratio of not less than \$.25 of non-public housing funds to \$1.00 of CFRC grant funds. The leveraged non-public housing funds must comply with the definition of firmly committed.... The leverage commitment documents must be kept on file by the applicant. Applications without the required amount of leverage commitments submitted during Round 1 will be held for consideration until Round 2." Be reminded that all other threshold requirements apply except those that may be lifted in accordance with the NOFA section above.

NOFA Category 1

No questions at this time

## NOFA Category 2

Q1: Is Category 2 (Public Housing Transformation) meant to replace the HOPE VI program for 2009?

- A1: No. Category 2 (Public Housing Transformation) does not replace HOPE VI for FY 2009. There are FY 2009 HOPE VI funds that Congress has appropriated to HUD which HUD must award, thus HUD will be publishing a FY 2009 HOPE VI NOFA. Applicants should review the criteria for Category 2 for its objectives and threshold requirements. When developing the scale of their plan, applicants should also consider the time constraints from the Recovery Act that apply to the CFRC funds:
1. PHAs must obligate 100 percent of the grant funds awarded under this NOFA within 1 year of the date on which funds become available to the PHA for obligation (which is the effective date of the ACC amendment). If a PHA fails to comply with the 1-year obligation requirement, HUD will recapture all remaining unobligated funds awarded to the PHA .
  2. PHAs must expend at least 60 percent of the grant funds within 2 years of the date on which funds become available to the PHA for obligation (which is the effective date of the ACC amendment). If a PHA fails to comply with the 2-year expenditure requirement, HUD will recapture the balance of the funds awarded to the PHA.
  3. PHAs must expend 100 percent of the grant funds within 3 years of the date on which funds become available to the PHA for obligation (which is the effective date of the ACC amendment). If a PHA fails to comply with the 3-year expenditure requirement, HUD will recapture the balance of the funds awarded to the PHA.

## NOFA Category 3

Q1: My PHA wants to apply for Category 3 (Gap Financing for Projects that are Stalled due to Financing Issues), and wishes to include demolition as part of the grant. What if my PHA has a demolition application into the SAC but has not received approval? Is that sufficient to meet the threshold requirement?

- A1: No. Under Category 3 Section V.A.3.b(2)(h) (page 56) of the NOFA requires: “(h) Demolition/Disposition, if applicable. If the proposed activity includes the demolition and/or disposition of public housing, the PHA must have received demolition and/or disposition approval from HUD no later than the date of the publication of the NOFA. This must be demonstrated in the application.” The date of publication of the NOFA was May 7, 2009. If applicants proposing demolition and/or disposition under their CFRC Category 3 grant did not have demolition and/or disposition approval from HUD by that date, they would not meet this threshold requirement.

## NOFA Category 4

Q1: May I use another “Green” standard other than the amended Mandatory Enterprise Green Communities Criteria provided in the NOFA?

A1: No. This NOFA, specifically Category 4 (Creation of Energy Efficient, Green Communities), Option 1, uses an amended Mandatory Enterprise Green Communities Criteria, as provided in the NOFA. Section V.A.4.b(3)(a) (page 64) states:

“(i) Mandatory Enterprise Green Communities Criteria. Applicants applying under Option 1, as described above, must provide substantial rehabilitation or new construction that meets the certification requirements of the Mandatory Enterprise Green Communities Criteria as evidenced by the self certification of the Mandatory requirements of the Green Communities Criteria Checklist, as amended in this NOFA. Applicants will certify to these criteria in their application....Accordingly, HUD is using the Enterprise Green Communities Criteria Checklist for purposes of this NOFA. It is not the intention of HUD to create a separate green certification system or steer business toward Enterprise or to give an advantage to certain PHAs. PHAs that have grants, loans and/or tax credit equity through Enterprise will not necessarily receive funding under this NOFA; rather they must respond to and be assessed against the criteria of this NOFA as would any other applicant. In turn, PHAs that receive funding under this NOFA will not necessarily receive grants, loans and/or tax credit equity from Enterprise; rather they must apply for such assistance in accordance with the necessary processes required by Enterprise as would any other applicant. Further, the use of the Enterprise Green Communities Criteria Checklist in this NOFA shall not prevent subsidiaries of Enterprise from participating as contractors or consultants to the PHAs that apply for funding under this NOFA.”

Q2: Is there a leverage threshold requirement for Category 4?

A2: No. There is not a leverage threshold requirement for Category 4. However, there is a leverage rating factor for Category 4 for which applicants may earn a varying amount of points depending on the amount of leverage they have firmly committed.

Q3: What do you mean by fully accessible under UFAS as stated in Category 1, “Improvements Addressing the Needs of the elderly and/or Persons with Disabilities”?

A3: HUD has identified the Uniform Federal Accessibility Standards (UFAS) as the applicable standard of accessibility for purposes of complying with Section 504 of the Rehabilitation Act of 1973 (Section 504): Title II of the Americans with Disabilities Act of 1990 (See 24 C.F.R. 8.3; 8.32 and Appendix A to 24 C.F.R. 40). For HUD guidance on UFAS compliance please see PIH Notice 2006-13:

<http://www.hud.gov/offices/adm/hudclips/notices/pih/06pihnotices.cfm> and for UFAS standards and guidelines:

<http://www.access-board.gov/ufas/ufas-html/ufas.htm>

Q4: Is there technical guidance available for public housing authorities that want to provide green development and energy efficiency in their projects?

A4: Following are a list of web sites that provide information on energy efficiency information as well as green resources:

HUD Energy Efficiency Retrofit Checklist provides an overview of strategies that will provide savings in energy consumption :

<http://www.hud.gov/offices/pih/programs/ph/phecc/>

Green Communities Criteria including supporting information on green development strategies:

[www.greencommunitiesonline.org](http://www.greencommunitiesonline.org)

Green Rehab Strategies:

[http://www.bayarealisc.org/bay\\_area/resources/publications\\_8392/green\\_10365/index.shtml](http://www.bayarealisc.org/bay_area/resources/publications_8392/green_10365/index.shtml)

US Green Building Council & LEED info: <http://www.usgbc.org/>

Green building Materials: <http://www.green2green.org/>

EPA green building technique & materials: <http://www.epa.gov/greenbuilding/>

Energy Star: <http://www.energystar.gov/>

HUD Utility Benchmarking Tool & Energy Efficiency Info:

<http://www.hud.gov/offices/pih/programs/ph/phecc/ubenchtool.cfm>

Renewable Energy: <http://www.eere.energy.gov/>

[http://www.energysavers.gov/renewable\\_energy/](http://www.energysavers.gov/renewable_energy/)

General Energy Info: <http://www.energy.gov/>

Energy Savings: <http://www.energysavers.gov/>

