



U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing

---

**Special Attention of:**

Public Housing Program Directors;  
Public Housing Agencies;

**Notice: PIH 2011 - 24 (HA)**

Issued: May 10, 2011  
Expires: This notice remains in effect until amended, revoked, or superseded.

Cross Reference: PIH 2009-33 (HA)

---

**SUBJECT:** Capital Fund Program Awards

**I. Purpose.**

This Notice provides public housing agencies (PHAs) and HUD Field Office staff with an overview of the Capital Fund Program awards process including the Capital Fund Program formula grant and, where applicable, the Replacement Housing Factor (RHF) grants(s). The Notice identifies general requirements for all PHAs as well as, specific requirements for qualified and non-qualified PHAs. The HUD PIH website for the Capital Fund Program is located at:

<http://www.hud.gov/offices/pih/programs/ph/capfund/index.cfm>

It is recommended that this website be bookmarked for future reference. The following items will be posted to the HUD PIH website when HUD is ready to distribute the annual Capital Fund Program awards:

- a listing of PHAs that received High Performer ratings
- a map identifying the Capital Fund Program grants;
- specific processing guidance;
- a timeline of key processing dates.

The Department will send each PHA an email (based on the addresses in the PIC system) with a link to the website when the Annual Contributions Contract (ACC) Amendments are available on the website. PHAs are responsible for maintaining the correct contact information for the PHA including the correct email address in PIC.

## **II. Requirements for All Public Housing Agencies.**

### **A. Pre submission Details**

- 1. Revision to the ACC Amendment Effective FY 2010.** A new provision was added to the ACC Amendment that states:

“HUD reserves the right to provide additional CFP assistance in this FY to the PHA. HUD will provide a revised ACC Amendment authorizing such additional amounts.”

This provision will permit HUD to provide additional CFP assistance to PHAs throughout this fiscal year (e.g., for distributing any recaptures to eligible PHAs). HUD will provide each PHA with a revised CFP ACC Amendment for every addition of assistance provided to the PHA in this fiscal year. We anticipate that the amount of the additional assistance will be minimal in relation to the overall grant. If these additional funds become available, HUD will notify you about the process for accepting/rejecting the funds. All funds accepted by the PHA this fiscal year will be subject to the same obligation start and end dates.

- 2. Board Resolution Required on File.** PHAs are required to have a copy of a Board Resolution on file approving the PHA’s Annual Plan, where appropriate, and the Five-Year Action Plan.
- 3. PHAs Rejecting a Capital Fund Grant.** If a PHA elects to reject any Capital Fund Program grant(s), the executive director must send a written statement to the local HUD Field Office which identifies the grant number and dollar amount of the grant(s) to be rejected. If a PHA does not send a written statement to the local HUD Field Office, the grant will be held in reservation until the next Capital Fund Program grants are awarded after which the grant will no longer be available to the PHA.

PHAs are required to have on file at the housing authority a resolution from the Board of Commissioners rejecting the Capital Fund grant(s) for the fiscal year.

### **B. Statutory Obligation and Expenditure Requirements**

- 1. Obligation and Expenditure Requirements in Section 9(j) of the Act.** Section 9(j) of the Act and 24 CFR 905.120 of the regulations require that a PHA obligate 90 percent of a Capital Fund Program grant within 2 years of the date the funds are made available and expend 100 percent of the grant within 4 years of the date the funds are made available. Failure to obligate 90 percent of the Capital Fund Program grant within 2 years of the date that funds are made available will result in penalties and sanctions. The Act and the regulation allow the Assistant

Secretary for Public and Indian Housing to approve an extension of the obligation deadline based on limited criteria.

**2. Extension of the Obligation Deadline.** The statute and the regulations allow the Secretary and the Deputy Secretary to approve extensions of the obligation deadline for Capital Fund Program grants. This approval authority has been delegated to the Assistant Secretary for Public and Indian Housing. The statute and the regulations establish two distinct sets of justifications which PHAs can use to request an extension. Extensions of the obligation deadline shall only be justified based on the criteria in Section 9(j) of the Act. Specifically, extensions of the obligation deadline may be granted if failure of the agency to obligate in a timely manner (section (9(j)(2)(A)(1)) is attributable to:

- Litigation;
- Obtaining approvals of the Federal Government or a State or local government;
- Complying with environmental assessment and abatement requirements;
- Relocating residents;
- An event beyond the control of the public housing agency; and
- Any other reason established by the Secretary by Notice in the Federal Register.

An extension under one of these criteria could be for a length of time deemed reasonable by HUD.

In addition to the six criteria identified in the previous paragraph, the statute and the regulations have a second set of criteria which allows the Secretary and the Deputy Secretary to approve extensions of the obligation deadline for Capital Fund grants for an additional period of time not to exceed 12 months (section 9(j)(2)(C)), based on the following:

- The size of the public housing agency;
- The complexity of the capital program of the public housing agency;
- Any limitations on the ability of the public housing agency to obligate the amounts allocated for the agency from the Capital Fund in a timely manner as a result of State or local law; or
- Such other factors as the Secretary determines to be relevant.

**3. Submission of PHA Requests for Extensions of the Obligation Deadline.** All requests for extensions of the obligation deadlines, regardless of fiscal year, must be received in Headquarters no later than 45 days prior to the obligation end date for the grant in question. Requests are to be submitted directly to Headquarters for review. A copy of the extension request should be sent to the local Field Office as a reference. The PHA may submit an advanced copy of its request for extension of the obligation deadline by emailing a PDF file to the Director, Office of Capital Improvements at [PIHOCI@HUD.gov](mailto:PIHOCI@HUD.gov). The subject line should indicate as

follows: Request for the Extension of the Obligation End Date for PHA name (housing authority code), for Capital Fund grant number. All PDF files must be followed by a hard copy of the request, which has been signed and dated by the executive director or other responsible party. Submit requests for an extension of the obligation deadline to the following address:

Director  
Office of Capital Improvements  
451 7<sup>th</sup> Street SW  
Room 4130  
Washington, DC 20410

- 4. Withholding and Sanctions for Noncompliance.** For PHAs that fail to comply with the obligation requirements, section 9(j) of the Act and 24 CFR section 905.120 require that HUD withhold the PHA's next Capital Fund Program grant(s) until the PHA obligates 90 percent of its past due grant. If the PHA cures its failure to comply with the obligation requirement during the year, HUD will release the withheld portion of the Capital Fund Program grant(s), less any penalty. The penalty for noncompliance will be to reduce the new Capital Fund Program grant(s) by 1/12 for every month the PHA was in noncompliance. Additionally, any grant that was not in compliance in a prior fiscal year that became known to HUD since the Department distributed Capital Fund Program grants will be subject to sanctions and penalties this fiscal year.

### **C. Environmental Review Requirements.**

All PHAs must meet the environmental review requirements of 24 CFR Part 50 or 24 CFR Part 58. Until the PHA has met the environmental review requirements, the Capital Fund Program grant will remain in the LOCCS initial budget. PHAs are permitted to obligate and expend for activities and work items that are either categorically excluded and not subject to compliance requirements under related environmental laws and authorities under 24 CFR 50.19(b) or exempt/categorically excluded from the environmental review requirements under 24 CFR 58.34(a) and 24 CFR 58.35(b). (For further guidance see Part 50 and Part 58.)

The following are examples of activities that do not require environmental review because: (1) under Part 50, they are categorically excluded from environmental assessment under the National Environmental Policy Act (NEPA) and not subject to compliance with related environmental laws (§50.19(b)); and (2) under Part 58, they are either categorically excluded from NEPA assessment and not subject to compliance with related laws (§58.35(b)) or exempt from environmental review (§58.34):

- Environmental studies;
- Inspections and testing of properties for hazards and defects;
- Administrative and management activities;

- Purchase of insurance and tools;
- Engineering and design costs;
- Assistance for temporary or permanent improvements that do not alter environmental conditions and are limited to protection, repair, or restoration activities necessary only to control or arrest the effects from disasters or imminent threats to public safety including those resulting from physical deterioration;
- Operating costs including maintenance, security, and purchase of equipment (e.g., vehicles, office furniture, and play equipment);
- Activities to assist homebuyers to purchase existing dwelling units or units already under construction;
- Affordable housing predevelopment costs that do not have a physical impact; and
- Under Part 58, a responsible entity may determine that an activity that is categorically excluded from NEPA assessment under 24 CFR 58.35(a) is exempt from all environmental review if there are no circumstances that require compliance with the related environmental laws and authorities.

### **III. Requirements for Non-qualified Public Housing Agencies.**

#### **A. Retrieval and Signing of the ACC Amendments**

- 1. Definition of Non-qualified PHAs.** Any public housing agency that does not meet the definition of a qualified PHA as defined in section IV, paragraph (a)(1).
- 2. ACC Amendments and the Capital Fund Annual Statement.** Non-qualified PHAs, must submit three original signed and dated ACC Amendments for each Capital Fund grant(s), along with the Capital Fund Annual Statement (form HUD-50075.1 OMB no. 2577-0226 expires 4/30/2011) Part I, Summary and Part II, Supporting Pages, to the local HUD Field Office. The eligible activities on the Annual Statement have changed; therefore, it is imperative that PHAs use this new Capital Fund form. Non-qualified PHAs are required to submit the Annual Statement for the first time as part of the PHA Annual Plan which is due 75 days before the beginning of the PHA's fiscal year, as required in §903.5(b).

For non-qualified public housing agencies that submitted the form HUD-50075.1 Part I and Part II with the PHA Annual Plan, this submission will be a revised budget based on the actual funding amount which was posted to the web.

- 3. Public Housing Agencies Performance and Evaluation Report Requirements.** All non-qualified public housing agencies are annually required to prepare and submit a Performance and Evaluation Report (form HUD-50075.1) for all open grants with the Annual Plan. (An open grant is a grant for which a final Actual Modernization Cost Certificate (AMCC) has not been submitted, and the Field Office has not entered a preaudit date in LOCCS). Non-qualified PHAs are required to submit the Performance and Evaluation Report on open grants as part

of the PHA Annual Plan which is due 75 days before the beginning of the PHA's fiscal year, as required in §903.5(b).

4. **Proposed Work Items and the Five-Year Action Plan.** All work items contained in the Annual Statement must be included in the HUD-approved Capital Fund Five-Year Action Plan.

#### **IV. Requirements for Qualified Public Housing Agencies.**

##### **A. Retrieval and Signing of the ACC Amendments.**

1. **Definition of a Qualified Public Housing Agency.** As defined by the Housing and Economic Recovery Act (HERA) of 2008, "A qualified public housing agency is a public housing agency meeting the following requirements: (1) the sum of public housing dwelling units administered by the public housing agency and the number of vouchers under Section 8(o) of the Act is 550 or fewer, and (2) the public housing agency is not designated as a troubled PHA under section 6(j)(2) and does not have a failing score under the Section 8 Management Assessment Program (SEMAP) during the prior 12 months."
2. **ACC Amendments and the Capital Fund Annual Statement.** In order to have access to their Capital Fund grant, qualified PHAs must submit three original signed and dated ACC Amendments for each Capital Fund grant(s), along with the Capital Fund Annual Statement (form HUD-50075.1 OMB no. 2577-0226 expires 4/30/2011) Part I, Summary and Part II, Supporting Pages, to the local HUD Field Office. The eligible activities on the Annual Statement have changed; therefore, it is imperative that PHAs use this new Capital Fund form.

Qualified PHAs must submit to the local HUD Field Office along with the fiscal year's ACC Amendment<sup>1</sup> the following items:

- Annual Statement Parts I & II;
- Capital Fund Five-Year Action Plan;
- Amendments to the Capital Fund Five-Year Action Plan, if any;
- Performance and Evaluation Report (see paragraph 4 below);
- Certification of Payments - form HUD-50071; and
- Copy of the Civil Rights Certification - form HUD-50077-CR .

The information in the Annual Statement is required for the HUD Field Office staff to enter the PHA's budget into the Line of Credit Control System (LOCCS) and to monitor compliance with HUD's requirements under Section 9.

---

<sup>1</sup> Qualified PHAs do not submit these materials to HUD as part of the PHA's Annual PHA Plan 75 days prior to the commencement of the PHA's fiscal year because qualified PHAs are not required to submit an Annual PHA Plan based on HERA.

3. **Annual Statement for Qualified PHAs.** The Annual Statement Parts I & II for qualified PHAs shall be approved by the PHA's Board of Commissioners and signed and dated by the Executive Director before submission to HUD. HUD approval of the Annual Statement for qualified PHAs is no longer required. However, the HUD Field Office is required to verify that the information and/or forms submitted by the PHA are complete and that the submission is on the correct OMB approved form. In addition, the Field Office will review the Annual Statement to determine whether the PHA is in compliance with appropriate regulatory and statutory limitations for the Capital Fund Program or other federal requirements such as the environmental review (Part 50 or Part 58), Section 504 disability requirements, wage rates and relocation. Qualified PHAs are required to revise and/or correct any information that is not in compliance, and HUD has the authority to impose administrative sanctions until the appropriate revisions are made.
4. **Public Housing Agencies Performance and Evaluation Report Reports.** Qualified PHAs that are in compliance with section 9(j) of the Act and 24 CFR 905.120 of the regulations are required to prepare a Performance and Evaluation Report for all open grants and keep it on file at the PHA.

Qualified PHAs that are not in compliance with section 9(j) of the Act and 24 CFR 905.120 of the regulations are required to prepare and submit the Performance and Evaluation Report for all open grants at the time the ACC Amendment is submitted to the Field Office.

5. **Proposed Work Items and the Five-Year Action Plan.** All work items contained in the Annual Statement must be included in the HUD-approved Capital Fund Five-Year Action Plan. Qualified PHAs that are proposing to undertake new work items that are not in an approved Capital Fund Five-Year Action Plan are required to revise/amend their Five-Year Action Plan. Section 9(d)(1) of the Act establishes the Department's authority to collect information necessary to implement and monitor the Capital Fund Program.

## V. **Submission of the Capital Fund Annual Statement.**

**ACC Amendment Due Date.** The ACC Amendments and the Annual Statement(s), must be received in the HUD Field Office by the date identified in the year specific Capital Fund Time Line which is posted to the web. Any ACC Amendment(s) that are received in the Field Office after the due date will have the same obligation start date. Consequently, PHAs that do not submit their ACC Amendment(s) by the due date will be given a second deadline to submit the signed ACC Amendment to the Field Office. If the PHA fails to meet the second deadline the funds will not be available to the PHA. HUD will dereserve these funds.

## VI. **LOCCS Requirements for All PHAs.**

**LOCCS Initial Budget.** The systems will automatically spread the initial budget for all Capital Fund grants as follows:

<b>LOCCS Initial Budget</b>			
BLI 0100-Reserved Budget	70% of the grant authorized amount	undisbursable	Contact Field Office
BLI 1408-Management Improvement	20% of the grant authorized amount	disbursable	Auto review if greater than 20%
BLI 1410-Administration	10% of grant authorized amount	disbursable	Auto review if greater than 10%

**VII. Processing of Capital Fund Grants Once Awarded.**

**A. HUD Field Offices Spread Capital Fund Budgets with an Approved Annual Plan and Environmental Review.** In order to ensure that PHAs have funds available as quickly as possible, HUD Field Offices will spread the Capital Fund budgets for the Capital Fund grants based on the deadline established in the specific guidance posted to the website. The Field Offices will be notified by email when to begin spreading the budgets in LOCCS.

Some funding requests are subject to the completion of Environmental Review Requirements described in paragraph 4.b. prior to the PHA’s commitment (i.e., obligation) of funds and expenditures of funds. The Field Office will be able to immediately spread the budget for: (1) qualified PHAs with an Annual Statement and an approved Environmental Review and (2) non-qualified PHAs with an approved Annual Plan and an approved Environmental Review. Once the Field Office has spread the budgets for these grants in LOCCS, the PHAs can proceed to voucher expenditures.

If the PHA has an approved Annual Plan or an Annual Statement but the Environmental Review is unapproved, the grant must remain in the LOCCS Initial Budget until the Environmental Review is approved.

**B. PHAs without an Annual Statement or Approved Annual Plan or an approved Environmental Review.** A qualified PHA without an Annual Statement or a non-qualified PHA without an approved Annual Plan will only be able to request funds from BLI 1408, Management Improvements and BLI 1410, Administration.

Some funding requests are subject to the completion of Environmental Review Requirements described above prior to the PHA’s commitment (i.e., obligation) of funds or expenditures of funds. If the PHA wants to expend from any other budget line item, the PHA must meet all necessary Environmental Review Requirements prior to submission of documentation to support the requested expenditure to the HUD Field Office for review. The Field Office will ensure that all the necessary Environmental Review Requirements have been met prior to reviewing the PHA’s documentation. Once the Environmental Review Requirements have been met, the



Field Office will review the submitted documentation to support the expenditure and approve or reject the request based on the documentation.

If the requested documentation is approved, then the Field Office will update the appropriate budget line item authorizations for the amount of the requested expenditure. The Field Office must notify the PHA of the approval or rejection of the request. If the request is approved, the Field Office updates the authorization and the PHA can voucher for the expense supported by the documentation.

## **VIII. Fungibility of Capital Fund Grants.**

**Fungibility among the Capital Fund Formula and Prior Year Capital Fund Formula Grants.** As defined in 24 CFR 968.305, fungibility is a concept which permits the PHA to substitute any work from the latest approved Five-Year Action Plan to any previously approved Annual Statement and to move work items among approved modernization budgets without prior HUD approval. A PHA can move obligations among open Capital Fund formula grants as long as all of the following conditions are met:

- The work item to be moved must be listed in the PHA's HUD approved Five-Year Action Plan;
- The work item must be in a budget line item that appears in both year's HUD budgets (e.g., a work item in BLI 1460 can only be moved to BLI 1460 of the other year's grant);
- For cases in which fungibility involves a new work item, any request for an amendment of the Five-Year Action Plan to include the work item must be submitted to the Field Office prior to the obligation deadline;
- The obligation of the work item to be moved must occur during the obligation time frame of the grant to which the work item is to be moved; and
- The Capital Fund Program grant is an open grant i.e., the PHA does not have a pre-audit date.

Any other questions regarding fungibility should be directed to Headquarters to determine eligibility.

## **IX. Replacement Housing Factor Grants Requirements.**

**A. General Eligibility Requirements.** The Capital Fund Program regulation at 24 CFR 905.10(k) provides that a PHA may receive RHF grants for public Housing demolished or disposed of with HUD approval for the purpose of development of replacement housing. All replacement housing must be undertaken in accordance with public housing development regulations found in 24 CFR Part 941.

A PHA is eligible for RHF funding if the PHA did not receive funding for public housing from public housing development, Major Reconstruction of Obsolete Public Housing (MROP), HOPE VI or other programs that would otherwise provide

replacement housing. Public housing units removed from the inventory for homeownership, eminent domain, or unit conversion reconfiguration are not eligible for RHF grants. Eligible PHAs automatically receive the first Five-Years (1<sup>st</sup> increment) upon removal from PIC of the units approved for demolition or disposition. PHAs are eligible for a second Five-Years of funding (i.e., 2<sup>nd</sup> increment) if they meet the regulatory requirements for eligibility of a second increment.

RHF grants are a type of Capital Fund Program grant and therefore, they are subject to the all relevant Federal regulations including the environmental review requirements described in the section entitled “Environmental Review Requirements” and to the obligation and expenditure requirements of section 9(j) of the Act and 24 CFR 905.120.

- B. Accumulation of RHF Grants.** PHAs may elect to accumulate 2, 3, 4, or 5 consecutive years of RHF grants in order to have sufficient funds to develop (e.g., new development or acquisition) replacement housing. In order to accumulate funds, a PHA must submit a RHF Plan to the Field Office for approval. In this instance the obligation end date for all the RHF grants being accumulated will be established based on the number of years accumulation.
- C. Not Accumulating RHF Grants.** If the PHA is not planning to accumulate its RHF grants prior to obligating it for development activity, the PHA is not required to submit an RHF Plan for HUD approval. The obligation and expenditure dates for RHF grants that are not being accumulated are 2 years for the obligation of 90 percent of the grant and 4 years for full expenditure in the same way the deadlines are set for the PHA’s formula Capital Fund grants.
- D. First Increment RHF Plan.** The RHF Plan must specify the following:
1. The intention to accumulate RHF grants for up to five consecutive years and the establishment of a later obligation deadline, giving the reason(s) why the PHA needs to do so (e.g., because the funds will be used in a multi-phase development).
  2. The number of years of grants the PHA is accumulating (up to Five-Years).
  3. The grants, including estimated amounts, by fiscal year (and grant number if known) the PHA is accumulating, including any expected future years of funding.
  4. A description of how the PHA is using the funds consistent with the terms of RHF (i.e., the development of public housing ACC units, or the acquisition of land and/or buildings for the purpose of developing public housing ACC units, in accordance with 24 CFR Part 941).

The PHA must revise its RHF Plan if the RHF funding ends earlier than anticipated.

- E. Second Increment RHF Plan.** If the PHA fails

to submit a Second Increment RHF Plan, the funds for the entire Five-Years (i.e., the second increment) will not be awarded, and the PHA is no longer eligible for any associated future RHF funds associated with that particular demolition and/or disposition application. The ACC amendment for the current year's second increment RHF grant will not be executed, the grant will be de-reserved and the affected units will become ineligible for further RHF funding.

A PHA must submit an RHF Plan for its first and second increments of RHF funding. However, a PHA may use first and second increment funding in the same development. The second increment RHF Plan must be submitted in accordance with the schedule posted on the Capital Fund webpage.

A second increment RHF Plan must specify:

1. The intention to accumulate RHF grants for up to five consecutive years and the establishment of a later obligation deadline, giving the reason(s) why the PHA needs to do so (e.g., because the funds will be used in a multi-phase development).
2. The number of years of grants the PHA is accumulating (up to Five-Years).
3. The grants, including estimated amounts, by fiscal year (and grant number if known) the PHA is accumulating, including any expected future years of funding.
4. The PHA must specify that it is using the funds to develop public housing units.
5. A statement confirming that the Capital Fund Five-Year Action Plan and Capital Fund Annual Statement have been approved by the local Field Office.
6. A statement confirming that the PHA's Annual Plan, if applicable<sup>2</sup>, has been approved by the local Field Office.
7. A statement affirming compliance with obligation and expenditure deadlines for all Capital Fund grants.
8. Proof of firm financial commitment(s) for substantial additional funds, other than public housing funds, equaling at least one-third of the total RHF funds it will receive in the second Five-Year increment. If the PHA does not demonstrate a firm commitment at the time of the second increment RHF Plan submission, the local HUD Field Office will issue an approval contingent upon securing the funds prior to the submission of the development proposal, and will suspend the second increment grants until such a time that the PHA demonstrates the financial commitment through submission of a revised plan. These funds must be firmly committed prior to the execution of the (mixed finance) ACC Amendment. For additional information see paragraph F below.

The PHA must revise its RHF Plan if any factor that affects its RHF funding causes RHF funding to end earlier than anticipated. If the RHF funding ends earlier than

---

<sup>2</sup> Based on the Housing Economic Recovery Act (HERA) of 2008 Qualified Public Housing Agencies are exempt from the requirement to submit an Annual Plan.

expected, the obligation end date will be affected because not as many years of funding will be accumulated.

**F. Leverage for Second Increment RHF Funding.**

1. In accordance with HUD regulations at 24 CFR 905.10(i)(2)(ii), as a prior condition of a PHA's receipt of the second increment of RHF funding, a PHA must obtain a commitment of substantial additional funds, other than public housing funds, for replacement housing, as determined by HUD. This standard is met where a PHA leverages an amount of non-public housing funds equal to at least equal one-third of the total RHF funds in the second five-year increment.
2. HUD realizes that at the beginning the development process the PHA may not have a final determination of leverage. A PHA must provide as much information as possible regarding its plans to leverage. PHAs must use funds other than public housing funds for leveraging. Examples include the following: Community Development Block Grant (CDBG) funds, tax credits, State or local grants, private mortgage-secured loans and other debt, donations and contributions, and housing trust funds.
3. In addition, leveraging may include funds borrowed by the PHA through such sources as bank loans and bond issuances (through the Capital Fund Financing Program (CFFP)) that are to be repaid with RHF funds. When borrowing funds, a PHA may pledge up to 100 percent of the RHF funds towards payment of debt service. For reference, HUD has typically permitted PHAs to pledge up to one-third of their annual Capital Fund grants for financing. Headquarters must approve any pledge of RHF funds or other Capital Funds by a PHA.

**G. First and Second Increment RHF Plans.** For a First or Second Increment RHF Plan a PHA cannot:

- include a grant for accumulation that is already included in another approved RHF Plan;
- accumulate more than five consecutive federal fiscal years, or
- include first and second increment grants in one accumulation.

Since PHAs do not automatically receive second increment RHF and PHAs must meet certain regulatory requirements to be eligible for Second Increment, the First Increment RHF Plans can only include first increment grants and Second Increment RHF Plans can only include second increment grants. However, a PHA may chose to use First and Second Increment funding in the same development.

- X. **Additional Information.** If you have any questions or you need additional information, please contact the Field Office staff in your jurisdiction. For assistance from PIH Headquarters, Office of Capital Improvements, you may email your questions to [PIHOCI@HUD.gov](mailto:PIHOCI@HUD.gov).

\_\_\_\_\_  
/s/  
Sandra B. Henriquez, Assistant Secretary  
for Public and Indian Housing