



American Recovery and Reinvestment Act of 2009
Department of Housing and Urban Development
Program-Level Plan
Public Housing Capital Fund (Competitive)

a. FUNDING TABLE:

ACTIVITY	FUNDING LEVEL
Creation of Energy Efficient, Green Communities	\$600,000,000.00
Gap Financing for Projects that are Stalled Due to Financing Issues	\$200,000,000.00
Public Housing Transformation	\$100,000,000.00
Improvements Addressing the Needs of the Elderly and/or Persons with Disabilities	\$95,000,000.00
Deliver training, technical assistance, monitoring, enforcement, research and evaluation activities	\$5,000,000.00
TOTAL	\$1,000,000,000.00

b. OBJECTIVES:

HUD's Recovery Act funds support three themes that align with the broader goals of the Recovery Act: (1) promoting energy efficiency and creating green jobs, (2) unlocking the credit markets and supporting shovel-ready projects, and (3) mitigating the effects of the economic crisis and preventing community decline. HUD's overriding objective in support of these goals is the creation and preservation of jobs.

The Recovery Act includes a \$4 billion appropriation for the Public Housing Capital Fund, to be used for capital and management activities for public housing agencies (PHAs), as authorized under Section 9 of the United States Housing Act of 1937 ("the 1937 Act"), as amended. The Recovery Act requires that \$1 billion of these funds be distributed through a competitive process.

The expected benefits of this program are to: 1) create jobs; 2) transform public housing into energy efficient, green communities; 3) redevelop distressed public housing; 4) address the needs of public housing residents that are elderly and disabled; and 5) provide funding for public housing projects that lack the private capital to proceed with development. The program will meet these objectives by rehabilitating, developing, and retrofitting public housing units and providing employment for construction workers and skilled laborers. In meeting these objectives, the program will support economic recovery, reduce greenhouse gas emissions and consumer energy costs, preserve and create affordable housing, reduce community blight, and provide more accessible housing and services to the elderly and disabled.

c. ACTIVITIES:

Kinds and scope of projects and activities to be performed: The purpose of this program is to provide an additional \$995 million to PHAs for capital and management activities as authorized under section 9 of the 1937 Act in accordance with four funding categories: (1) Improvements Addressing the Needs of the Elderly and/or Persons with Disabilities; (2) Public Housing Transformation; (3) Gap Financing for Projects that are Stalled due to Financing Issues; and (4) Creation of Energy Efficient, Green Communities.





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HUD has structured each category to target specific needs for Capital Funds. Each category has its own thresholds, requirements and performance measures. The competition imposes certain funding limits and thresholds on each category and sometimes on multiple categories. The competition provides funding limits for each program category as shown in the table above.

The first three NOFA categories will be funded on a threshold basis, by Ordinal, Category and Round, subject to thresholds. The NOFA establishes multiple rounds of funding that lift funding limits and threshold requirements one-by-one over time if there are insufficient successful applications to consume the funding available under the funding limits and thresholds. The NOFA treats the fourth category differently. The NOFA still applies funding limits and thresholds to the fourth category, but rather than awarding funds on a threshold basis, by Ordinal, Category and Round, the NOFA establishes scoring criteria for the fourth category. HUD will rate applications for funding in the fourth NOFA category and fund them in rank order. If there are insufficient successful applications to consume the funding available under the funding limits and thresholds for the fourth category, the NOFA removes the funding limits and thresholds and continues to award funding in rank order. At different points in the process, the NOFA shifts unused funding from one category to another. Successful applicants are subject to additional requirements imposed by the Recovery Act and by this NOFA.

The funding provided under the Recovery Act will enable 3,124 PHAs in fifty states, Washington D.C., Guam, Puerto Rico and the Virgin Islands to compete for priority investments, including investments that leverage private sector funding or financing for renovations and energy conservation retrofits. The types of activities will vary dependent on the PHAs specific needs and assessments. Specific activities are those eligible under the Capital Fund, which include physical improvements such as new building systems (heat, water, electrical), structural systems (roofs, exteriors) and other renovation and rehabilitation work that corrects building deficiencies and improves living conditions for public housing families.

Many PHAs find the repair and/or renovation of existing public housing units does not always meet the needs of its residents nor does it enable the public housing project to blend into the existing community. In these instances, the PHA may consider the development of new housing either at a demolished site or elsewhere. It is important to note that the development process does take time to implement; therefore, PHAs need to consider the time factor in undertaking this process.

The NOFA provides specific details on the competition requirements, which includes priority for investments that leverage private sector funding and financing for renovations and energy conservation retrofit investments. The need to reduce energy consumption along with reducing carbon footprints has necessitated energy saving initiatives, including the use of energy-saving appliances such as those labeled Energy Star to protect the environment through superior energy efficiency. Other activities may include weatherization efforts and the use of fuel efficient heating and air conditioning systems. PHAs can use energy audits to assess how much energy each unit or building consumes and to evaluate what measures can be taken to promote energy efficiency in their heating, cooling and hot water systems.





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Project/Activity: PHAs will provide improvements which address the needs of the elderly and/or persons with disabilities.

Description: These improvements are to include making units fully accessible in accordance with Uniform Federal Accessibility Standards (UFAS). Improvements to non-dwelling areas must be made accessible and subject to ADA-compliance.

Funding: \$95,000,000.00

Project/Activity: PHAs will redevelop public housing that is distressed and a blighting influence on the surrounding community.

Description: These grants should address the blighting factors of the public housing through either renovation of the public housing or through demolition and redevelopment of new public housing or a mixture of public housing and non-public housing on the site.

Funding: \$100,000,000.00

Project/Activity: PHAs will use funds for gap financing for projects that are stalled due to financing issues.

Description: The purpose is to provide funding to positively impact the availability of affordable rental housing by filling the capital investment gap for redevelopment or replacement housing projects which are ready to proceed but are stalled due to the inability to obtain anticipated private capital.

Funding: \$200,000,000.00

Project/Activity: PHAs will facilitate transformational energy efficiency and “green” retrofits to substantially increase energy efficiency and environmental performance of public housing properties.

Description: The funding is to facilitate transformational energy efficiency and “green” retrofits to substantially increase energy efficiency and environmental performance of public housing properties and thereby reduce energy costs, generate resident and PHA energy savings, and reduce Green House Gas emissions attributable to energy consumption. This will be accomplished by funding competitive proposals received from eligible PHAs that respond to one of the two options available under this category.

Funding: \$600,000,000.00

Project/Activity: Deliver training, technical assistance, monitoring, enforcement, research and evaluation activities.

Description: HUD will hire staff, build systems and capacity and work with grantees to ensure effective and efficient implementation.

Funding: \$5,000,000.00





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d. CHARACTERISTICS:

Type of Financial Award: B - Project Grants

Funding Amount: \$995,000,000.00

Methodology for Award Selection: Award selection will be made based on the competitive process described in the Activities section above.

Type(s) of Recipients: Other Public Institutions/Organizations

Type(s) of Beneficiaries: Individual/Family, Low Income, Child (6-15)

Estimated dollar amount of Federal in-house activity: \$5,000,000.00

e. DELIVERY SCHEDULE:

Milestone Description: The key milestones for the competitive grants include issuing the Notice of Funding Availability (NOFA), the application deadline, the funding awards, the obligation of funds by grantees and the expenditure of funds by grantees.

Milestone: HUD announces funding awards June-August 2009

Expected Completion Date: 8/31/2009

Milestone: HUD obligates 100% of funds to grantees

Expected Completion Date: 9/30/2009

Milestone: Grantees obligate 100% of funds

Expected Completion Date: 9/29/2010

Milestone: Grantees spend 60% of funds

Expected Completion Date: 9/29/2011

Milestone: Grantees spend 100% of funds

Expected Completion Date: 9/29/2012



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f. ENVIRONMENTAL REVIEW COMPLIANCE

AREA OF COMPLIANCE	ACTIVITY
Compliance with National Environmental Policy Act (NEPA)	The requirements of 24 CFR Parts 50 and 58 regarding environmental reviews, including when they are required and when they need to be submitted, continue to apply for projects using Recovery Act funding.
Compliance with National Historic Preservation Act and related statutes	PHAs are expected to comply with all regulatory requirements as applicable to historic preservation. PHAs are encouraged to work with communities and other entities in this regard.
Milestones dependent on environmental review process	Defining milestones is dependent on the specific rehabilitation/redevelopment project.
Potential impact of environmental reviews on project implementation	The requirements of 24 CFR Parts 50 and 58 regarding environmental reviews, including when they are required and when they need to be submitted, continue to apply for projects using Recovery Act funding.

g. MEASURES:

All targets for job creation and retention and units developed and rehabilitated do not take into consideration the fact that additional funds may be leveraged, which may understate our projections. HUD is continuing to identify and evaluate the impact of leveraged funds on its targets.

Measure: Funds obligated by grantees

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Dollars

Explanation of Measure: Quantifies efficiency and timeliness by measuring the dollar amount of funds obligated by grantees on a quarterly basis.

Actual: TBD

Goal Lead: Jeffrey Riddel

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.



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2009 Projections			2010 Projections		
Original Program Target	Revised Program Target	Target (incremental change in performance)	Original Program Target	Revised Program Target	Target (incremental change in performance)
N/A	N/A	\$995,000,000	N/A	N/A	\$0

Measure: Funds expended by grantees

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Dollars

Explanation of Measure: Quantifies efficiency and timeliness by measuring the dollar amount of funds expended by grantees on a quarterly basis.

Actual: TBD

Goal Lead: Jeffrey Riddel

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

2009 Projections			2010 Projections		
Original Program Target	Revised Program Target	Target (incremental change in performance)	Original Program Target	Revised Program Target	Target (incremental change in performance)
N/A	N/A	\$0	N/A	N/A	\$248,750,000

Measure: Number of Jobs Created or Retained

Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: FTEs

Explanation of Measure: Tracks the number of jobs created or retained through Program activity each quarter.



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Actual: TBD

Goal Lead: Jeffrey Riddel

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

2009 Projections			2010 Projections		
<u>Original Program Target</u>	<u>Revised Program Target</u>	<u>Target (incremental change in performance)</u>	<u>Original Program Target</u>	<u>Revised Program Target</u>	<u>Target (incremental change in performance)</u>
N/A	N/A	0	N/A	N/A	1,197

Measure: Number of Affordable Housing Units Developed

Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Housing Units

Explanation of Measure: Measures Program success in contributing to HUD's goals of supporting shovel-ready projects and increasing the quality of housing stock by tracking the number of new affordable housing units developed each quarter.

Actual: TBD

Goal Lead: Jeffrey Riddel

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

2009 Projections			2010 Projections		
<u>Original Program Target</u>	<u>Revised Program Target</u>	<u>Target (incremental change in performance)</u>	<u>Original Program Target</u>	<u>Revised Program Target</u>	<u>Target (incremental change in performance)</u>
N/A	N/A	0	N/A	N/A	293

Measure: Number of Affordable Housing Units Rehabilitated



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Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Housing Units

Explanation of Measure: Measures Program success in contributing to HUD's goals of supporting shovel-ready projects and increasing the quality of housing stock by tracking the number of affordable housing units rehabilitated each quarter.

Actual: TBD

Goal Lead: Jeffrey Riddel

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

2009 Projections			2010 Projections		
<u>Original Program Target</u>	<u>Revised Program Target</u>	<u>Target (incremental change in performance)</u>	<u>Original Program Target</u>	<u>Revised Program Target</u>	<u>Target (incremental change in performance)</u>
N/A	N/A	0	N/A	N/A	4,043

Measure: Number of units receiving energy conservation/green improvements

Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Housing Units

Explanation of Measure: Measures Program success in contributing to HUD's goals of increasing the quality of housing stock and increasing energy efficiency by tracking the number of units receiving energy conservation and/or other green improvements each quarter.

Actual: TBD

Goal Lead: Jeffrey Riddel

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.



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2009 Projections			2010 Projections		
Original Program Target	Revised Program Target	Target (incremental change in performance)	Original Program Target	Revised Program Target	Target (incremental change in performance)
N/A	N/A	0	N/A	N/A	4,336

h. MONITORING AND EVALUATION:

Description of Agency Periodic Review of Partners' progress:

(1) Data Collection and Reporting

- a. Spend Plans: PHA plans identify how the grantee intends to use the funds. After award, but before gaining access to funds, the grantees must submit a plan on planned uses of funds. PHAs must submit a report (Annual Statement Parts I and II) which details the proposed tasks to be implemented, based on the funding awarded. The Field Office receives the report which is used to monitor the grant obligations and expenditures.
- b. Financial Reports: HUD has two financial reports that will be generated and analyzed on a weekly basis. These include a Summary Financial Report that indicates the amount of funds for each program, and a Funding Notification Report, which shows the amount of funding by program for every jurisdiction, including local governments and some states.
- c. Quarterly Recipient Reports: The cornerstone of HUD's monitoring and evaluation system is the project and contract data collected from grantees. The Recovery Act specifically requires data collection fields for grantees and contractors. In addition to these data, HUD will also collect program-specific measures from grantees (e.g., number of units rehabilitated, etc.).
- d. Sample Survey of Outcomes: HUD will generate a random sample of grantees and will survey them to identify outcomes.

(2) Ongoing Grantee Management: HUD categorizes grantees by risk, then monitors and allocates interventions, including training, technical assistance and if warranted, disciplinary action, accordingly. Recovery Act funds awarded through the competition will be considered a component of the PHA's Recovery Act funds, and as such will be subject to the same monitoring and oversight strategy and approach as for the formula. Training and technical assistance will be provided through on-site review, including corrective action for areas of non-compliance. Actions for non-compliance include locking grants to prevent access until corrective actions are completed.

(3) Longer Term Evaluation and Research: HUD will (1) collect administrative data from all grantees on pre- and post-audit utility records, energy conservation measures and green measures, energy audits, final contractor bids; (2) conduct field evaluations on 10-20 projects focusing on verification of pre- and post-retrofit consumption (through independent methods, retrofit product selection, installation quality and performance, and building performance; and (3) release a report on energy savings and cost effectiveness in this program.





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i. and j. TRANSPARENCY AND ACCOUNTABILITY:

With respect to reporting, OMB has issued detailed guidance on the requirements for recipients of the Recovery Act funds. Specifically, each prime and first tier recipient is required to report specified information to HUD 10 days after the end of each calendar quarter. This includes but is not limited to a detailed list of all projects and activities for which Recovery Act funds were obligated or expended, an evaluation of the completion status of the project or activity, and an estimate of the number of jobs created or retained. In addition to the overarching requirements of the Recovery Act, HUD has also identified a number of program-specific measures that will be collected through this reporting process.

HUD expects that the transparency requirements of the Recovery Act, specifically the requirement to publish both spending and recipient performance reports, will create accountability amongst its managers and grantees. That said, HUD will establish additional internal management controls to create a greater level of accountability for performance. The HUD Recovery Act program management team will work with the leads of the program and cross-cutting teams to prepare a bi-weekly program snapshot report for the steering committee to review with the Deputy Secretary and Secretary. Drawing from the program and risk management plans, the reports will include summary-level quantitative financial and programmatic performance measures and targets, key milestones, and issues or risks. Interim spending and performance targets will be set to ensure that annual objectives from the program plans are met. Performance data will be summarized by grantee risk category, as defined in the agency's risk management plan. Performance measure targets and milestones that are missed, or that are in jeopardy of being missed, will be accompanied by an explanation of the reasons why, including any issues affecting progress and the specific plan for their resolution or mitigation. The report will also identify specific grantees with performance issues, and summarize the actions being taken to address them. In addition to the bi-weekly reporting, each program team will meet with the Secretary, Deputy Secretary and Steering Committee on a monthly basis to review a more detailed set of Recovery Act performance measures. On a quarterly basis, these monthly meetings will include updated grant recipient data described above.



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k. BARRIERS TO EFFECTIVE IMPLEMENTATION

Phase	Barrier/Concern	Proposed Solution	Targeted Resolution Date
Pre-Implementation	<p><u>Staffing Resources:</u></p> <p>Staffing levels appear to be less than adequate to manage the additional reporting burden by the ARRA. Staffing resources are needed to handle increased PHA Monitoring.</p>	<p>Hiring 5 additional staff during the latter part of 2009 at the PIH-OCI level.</p> <ul style="list-style-type: none"> • One staff member will have a financial background and will specialize in grant accounting. • One staff member will specialize in program, policy, regulation, and guidance development. • Two staff members will work on information technology systems in order to track compliance with ARRA obligation and expenditure requirements, as well as integrate data from different sources. • One engineer to spot check Field Office monitoring performs quality control on PNAs, and to develop policies with regard to energy efficiency. 	October 2009



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Phase	Barrier/Concern	Proposed Solution	Targeted Resolution Date
Post-Implementation	<p><u>Systems Capability:</u></p> <p>HUD program systems do not currently collect required sub-recipient, jobs or environmental review data, and other data required for reporting to Recovery.gov is contained in multiple HUD program and financial systems</p>	<ul style="list-style-type: none"> Funds have been marked to contract for automated spreadsheets, and databases to capture ARRA required reporting and monitoring data. Hire Additional Staff for automation 	October 2009
	<p>Lack of Written Policies and Procedures</p>	<ul style="list-style-type: none"> Complete Comprehensive Grant Program Guidebook. Complete proposed rule to combine CFR rules. Prepare comprehensive guidance and training for Field Offices and PHAs. 	October 2009

I. FEDERAL INFRASTRUCTURE INVESTMENTS:

This program does not invest in Federal infrastructure. However, for HUD's programs that include construction or rehabilitation or are Federal investments in privately owned housing: New buildings and major renovations financed through formula grants are required to meet local energy codes. New construction and major renovations financed through some competitive grant programs will, in the case of single family homes, be built to the standard for Energy Star for New Homes (15 percent more efficient than the 2004 International Residential Code); or in the case of multifamily buildings to exceed ASHRAE (American Society of Heating, Refrigeration, and Air-conditioning Engineers) Code 90.1 2007, Appendix G, by 20 percent. HUD's competitive program requirements also ensure that new construction and major renovations follow sustainable design and green construction principles to (1) optimize energy efficiency and performance; (2) employ integrated design principles (and controls); (3) protect and conserve water; (4) enhance indoor air quality; and (5) reduce environmental impact of materials used.

