



U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

ELIGIBLE ACTIVITIES

JANUARY 2021



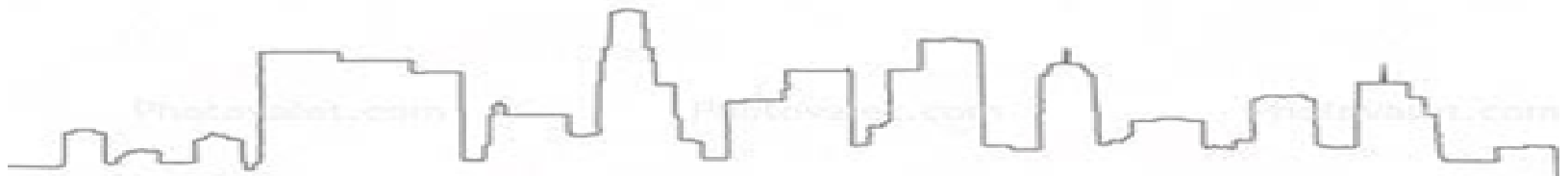
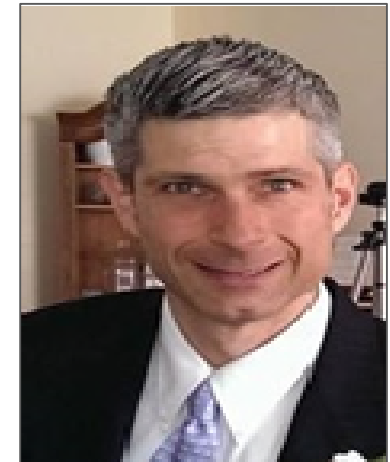
PRESENTERS



- Leandria Campbell, Housing Capital Improvement Specialist, Office of Capital Improvements



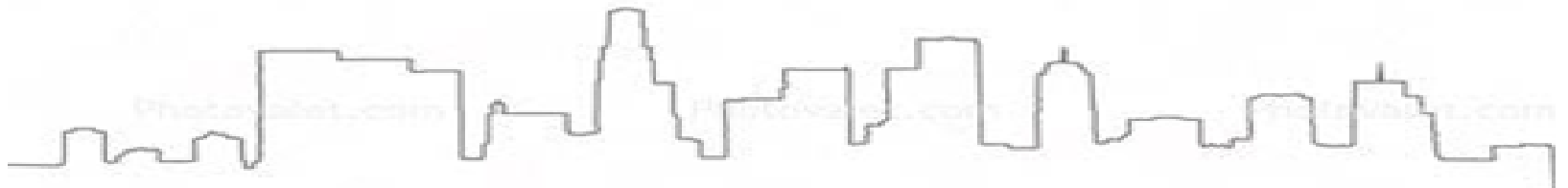
- Tom Shelton, Public Housing Revitalization Specialist, Office of Capital Improvements





AGENDA

- Budget Line Item Overview
- Eligible Activities
- Ineligible Activities and Costs
- Costs and Other Limitations





UPDATED AND CURRENT BLI QUICK REFERENCE CHART



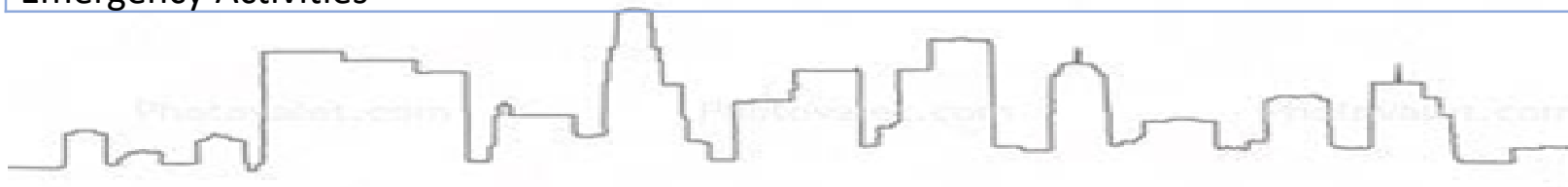
Capital Fund Activity	BLI
Development and Physical Work	
• Site Acquisition	1480
• Site Improvement	1480
• Dwelling Structure	1480
• Dwelling equipment, nonexpendable	1480
• Non-dwelling structures	1480
• Non-dwelling equipment	1480
• Demolition	1480
• CFFP Debt Service Payments	1501 (by PHA) 9000 (by LOCCS)
Soft Costs	
• Transfer to Operations*	1406
• Management Improvements	1408
• Resident Relocation and Mobility Counseling	1480
• Safety and Security	BLI for associated activity*
Other Costs	
• Administrative Costs	1410
• Capital Fund Program Fee	1410
• Audit	1480
• Fees and Costs, Legal	1480
• Homeownership	BLI for associated activity*
• Force Account Labor	BLI for associated activity*
• Physical Needs Assessment and Energy Audit	1480
• RAD and RAD Investment Activity	1503 and 1504
• Economic Self-Sufficiency (soft cost)	1408
• Economic Self-Sufficiency (capital expenditure)	BLI for associated hard cost activity*



ELIGIBLE ACTIVITIES

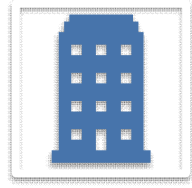
Eligible activities are divided into capital activities and management activities needed to maintain and manage the public housing inventory.

Capital Activities	Management Activities (Soft Costs)
Modernization	Management Improvements (1408- up to 10%)
Development	Operations (up to 20%)
Financing	Resident Relocation and Mobility Counseling
Vacancy Reduction	Homeownership
Non-routine Maintenance	Capital Fund Related Legal Costs
Planned code compliance	Administration (10%)
Demolition and reconfiguration	Audit
Safety and Security	Capital Fund Program Fee
Energy Efficiency	
Emergency Activities	

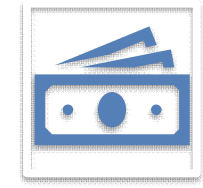




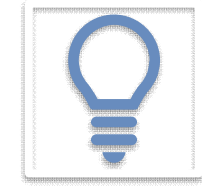
CAPITAL ACTIVITIES - MODERNIZATION



Dwelling/Non-dwelling Structures & Equipment



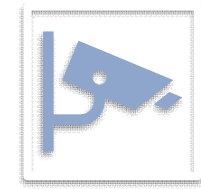
Site Acquisition & Site Improvement Costs



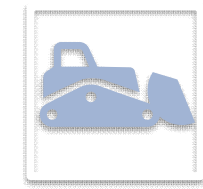
Energy Efficiency & Planned Code Compliance



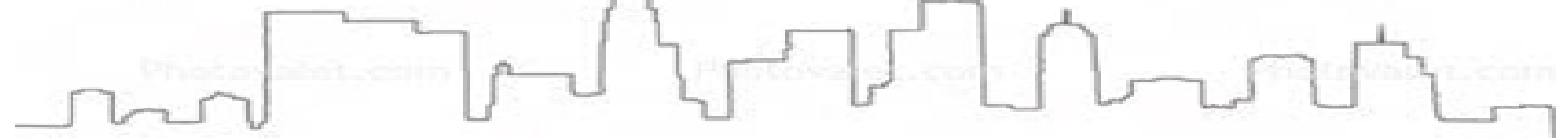
Non-routine Maintenance



Safety and Security Costs



Demolition & Reconfiguration



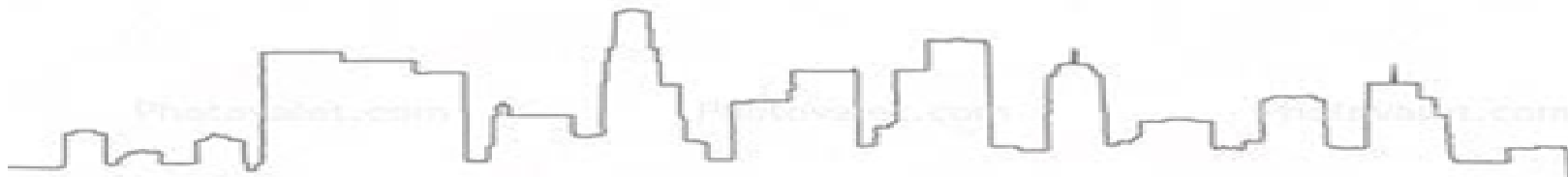


CAPITAL ACTIVITIES - DEVELOPMENT

Activities and related costs that add public housing units to a PHA's inventory

Development includes:

- Mixed-Finance Modernization
- Modernization uses (other than Management Improvements)
- Financing uses
- Development of non-dwelling space for administration that is a direct benefit to a public housing project and residents





CAPITAL ACTIVITIES: FINANCING

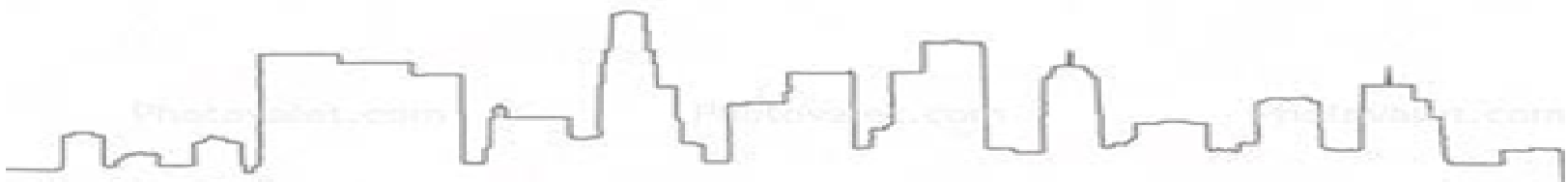


Debt and financing costs incurred by a PHA for Development or Modernization of Public Housing Projects

Public Housing in Mixed-Finance Development

Capital Fund Financing Program (CFFP)

Other PH use authorized under Section 30 of the 1937 Act.



CAPITAL ACTIVITIES – VACANCY REDUCTION



Physical improvements to reduce the number of vacant public housing units.



Excluding costs for routine vacant unit turnaround such as painting, cleaning, and minor repairs.



Vacancy reduction activities must remedy a defined vacancy problem as detailed in a vacancy reduction program in the PHA's 5-Year Action Plan.





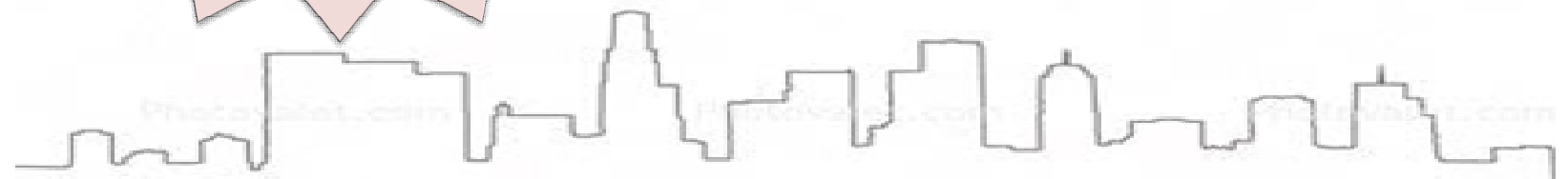
CAPITAL ACTIVITIES – EMERGENCY WORK

A Capital Fund Emergency is an unforeseen or unpreventable event that poses an immediate threat to the health and safety of the residents



Examples of Emergencies are elevator failures, boiler failure, water intrusion causing mold growth, sewer line failure, and severe electrical problems.

Emergency Work Does not need to be covered by an approved 5-Year Action Plan*





MANAGEMENT ACTIVITIES – OPERATIONS (BLI 1406) & ADMINISTRATION (BLI 1410)



PHAs may use limited Capital Funds for Items eligible under the Operating Fund.

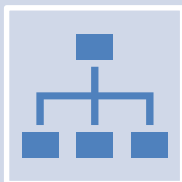
Funds used for BLI 1406 are obligated once the funds have been budgeted and drawn down by the PHA.

Administrative Costs that are necessary for the planning, design, implementation, and monitoring of the Capital Improvements and Management Improvements.

Capital Fund Program Fee costs associated with oversight and management of the CFP attributable to the HUD-accepted COCC .



MANAGEMENT ACTIVITIES – MANAGEMENT IMPROVEMENTS (BLI 1408)



Noncapital activities that are PHA-wide or site specific.



Eligible Activities only for the implementation period of physical improvements, unless a longer period is approved by HUD.



Must have clear link to correction of an identified management deficiency.





MANAGEMENT ACTIVITIES

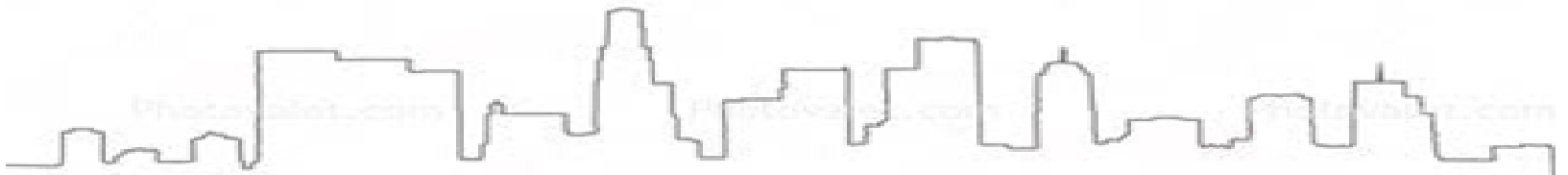


**Capital Fund Related
Legal costs**

**Capital Fund Program
Audit**

**Resident Relocation and
Mobility Counseling**

Homeownership Activities

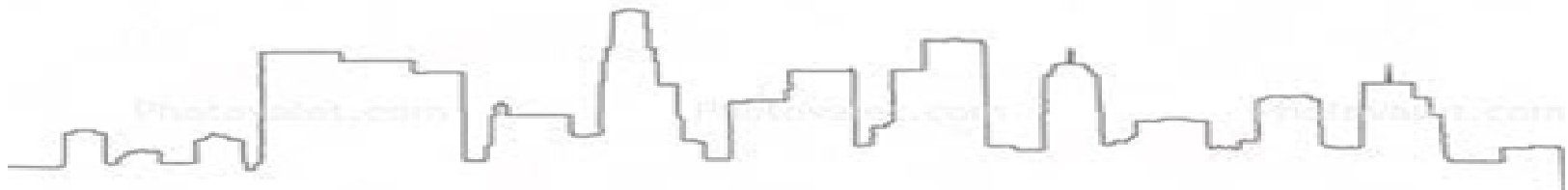




INELIGIBLE ACTIVITIES



- Not Related to Public Housing
- Not in 5-Year Action Plan
- More than Modest Design
- Fails to meet OMB Circular A-87/2 CFR Part 200 requirements
- Operating Assistance - except as provided through transfers to BLI 1406.
- Benefitting Other Programs
 - Eligible costs that exceed the amount directly attributable to the public housing units
- Duplicate Funding
- Other Activities and Costs that HUD may deny case-by-case

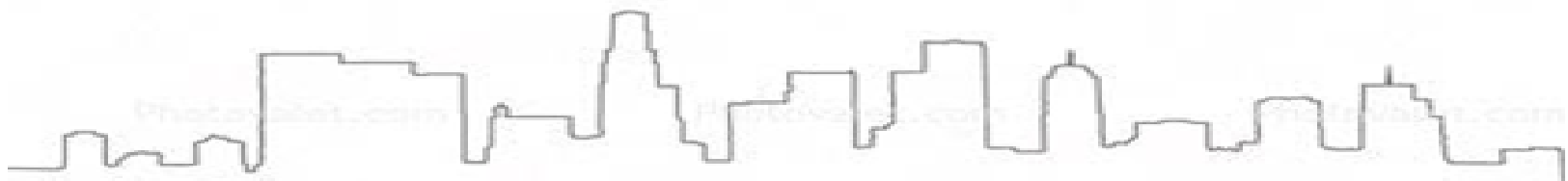




INELIGIBLE SOFT COSTS



- Do not upgrade or improve the operation or management of the PHA's public housing programs, energy conservation, physical improvements or identified major deficiencies.
 - Security guard salaries or ongoing security services
 - General remedial education for staff or residents
 - Job counseling or placement, etc.
 - Supportive services – resident coordinators, case managers, nurses, tutors, etc.
 - Health and wellness or educational enrichment or recreation activities for residents.





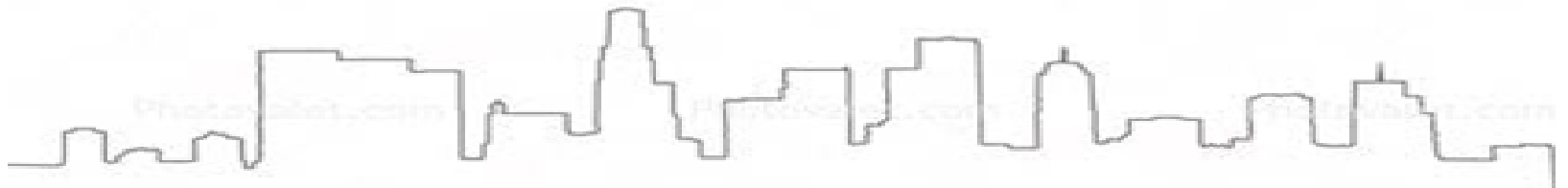
INELIGIBLE ACTIVITIES: VEHICLES

Passenger Vehicles

- Generally **NOT ELIGIBLE**
- Operating Fund expense

Non-passenger Vehicles

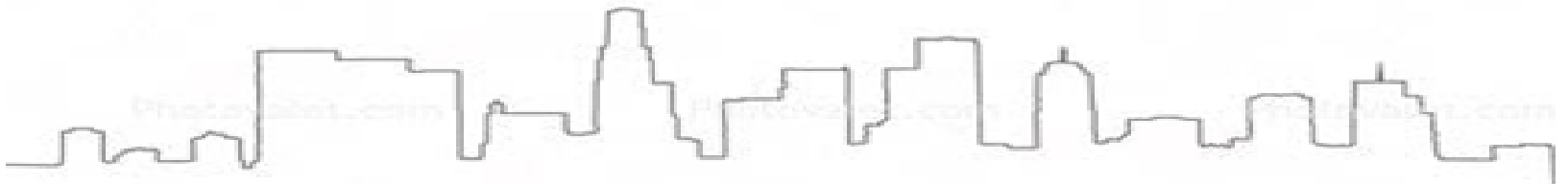
- Mowers, trucks, cars and snow removal equipment generally **NOT ELIGIBLE**
- **routine maintenance** items **eligible** under the **Operating Fund**





INELIGIBLE ITEMS : VEHICLES – EXCEPTION-

- Vehicles may be purchased using Management Improvement funds only under limited circumstances
- **Passenger Vehicles & Non Passenger Vehicles may be purchased when they are** required for staff or force account to perform Capital Fund activities **exclusively**
 - A vehicle for the ED to travel to scattered sites
 - A truck used to haul modernization equipment
 - **If the vehicle is used for any other purposes, it MUST be prorated with that program**



COST AND OTHER LIMITATIONS

- Modernization Cost Limits – Under 90% of applicable TDC/ Reasonable Cost with exceptions
- Modernization Fee Cap – no more than 10%
- Development - administrative cost limit by AM-PHA = 3% of the total project budget (up to 6% with HUD approval)
- CFP Fee (for AM PHAs) - a percentage of the annual Capital Fund formula grant(s) amount with exclusions





COST AND OTHER LIMITATIONS, CONT.

- Administrative Cost Limits (for non-AM PHAs) – Up to 10%
- Management Improvement Cost Limits – Up to 10%
- Allocation of Costs with Other Programs - limited to amount directly attributable to public housing program.
- RMC Activities – no Capital Funds for RMC run project, unless under contract with PHA.

LIMITATION



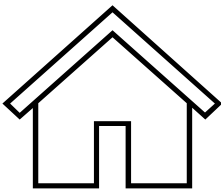


COST AND OTHER LIMITATIONS, CONT.

- Capital Funds may ONLY be used for Operating Fund purposes if it is included in the **approved** 5-Year Action Plan
- A portion of Operating Fund may be used for Capital Fund activities.

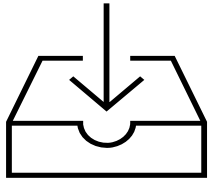


Capital Fund Activities

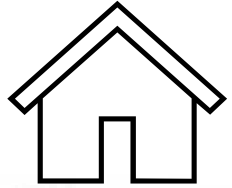


20%
←→
PHAs 250+

Operating Fund Activities

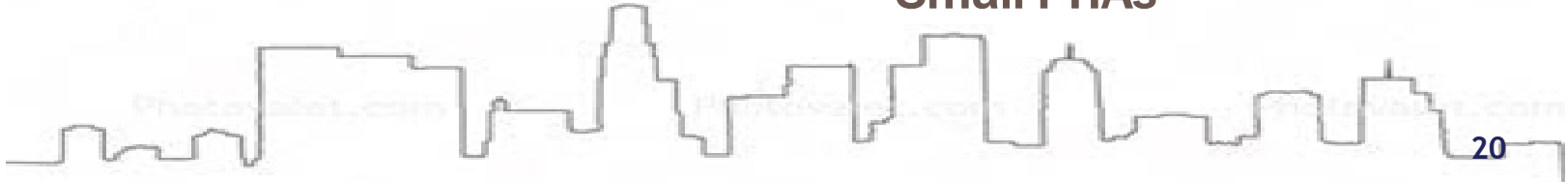
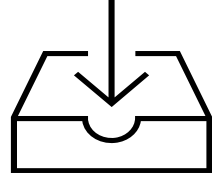


Capital Fund Activities



100%
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Small PHAs

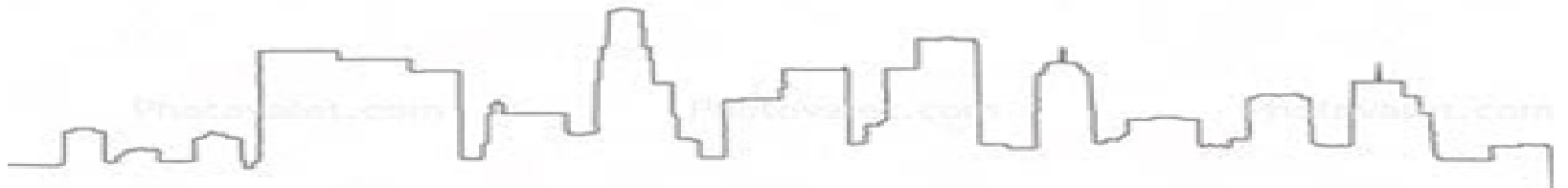
Operating Fund Activities





COST AND OTHER LIMITATIONS, CONT.

- Total Development Cost (TDC) Limit – calculated and published by HUD annually
- HUD-calculated Cap (HCC) on use of Public Housing Capital Fund Assistance for dwelling unit hard costs – calculated and published by HUD annually
- Community Renewal Costs - allowable development costs, other than HCC
- PHAs may request an exception from the TDC limit for select activities





QUESTIONS

For questions or concerns send an email to

PIHOICI@hud.gov

For more information on Eligible Activities see
Chapter 2 of the Capital Fund Guidebook:

[https://www.hud.gov/sites/documents/CAPITALFUN
DGUIDEBOOKFINAL.PDF](https://www.hud.gov/sites/documents/CAPITALFUN
DGUIDEBOOKFINAL.PDF)

