



U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

CAPITAL FUND OVERVIEW

DECEMBER 2020





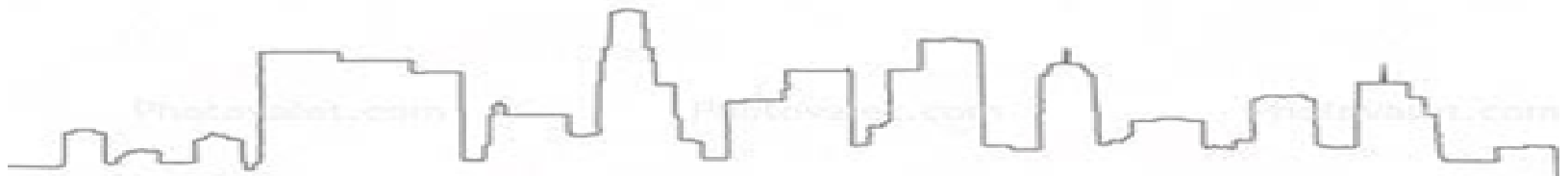
PRESENTERS



- Chris Granger, Housing Capital Improvement Specialist, Office of Capital Improvements



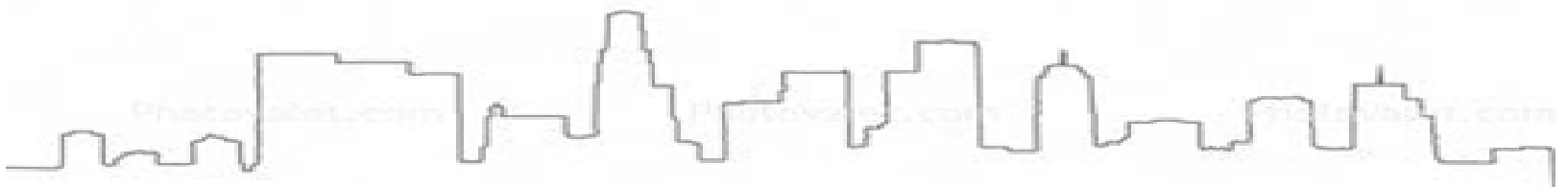
- Leandria Campbell, Housing Capital Improvement Specialist, Office of Capital Improvements





AGENDA

- Background and History of the Capital Fund Program
- What Programs Are Under The Capital Fund Program
- Recorded Training Content





BACKGROUND

➤ The Capital Fund

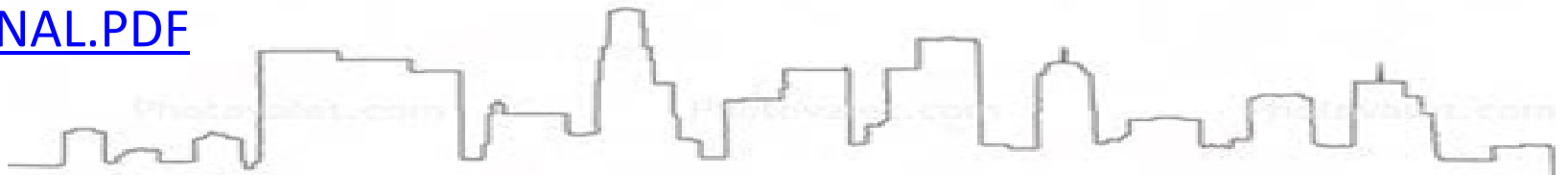
- Provides funds, annually, to Public Housing Agencies (PHAs) for the development, financing, and modernization of public housing developments and for management improvements.

➤ In 2013, final regulation combined and streamlined former legacy programs into the Capital Fund Program:

- Modernization programs (24 CFR 968)
- Public Housing Development (24 CFR 941)
- Mixed Finance Development (24 CFR 941 subpart F)

➤ In 2016 HUD published the Capital Fund Guidebook –

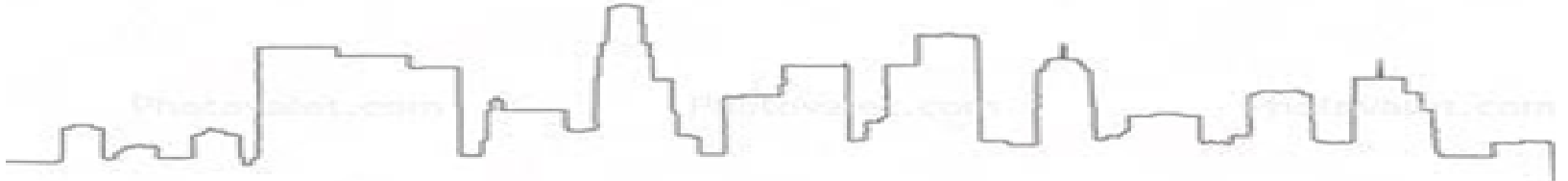
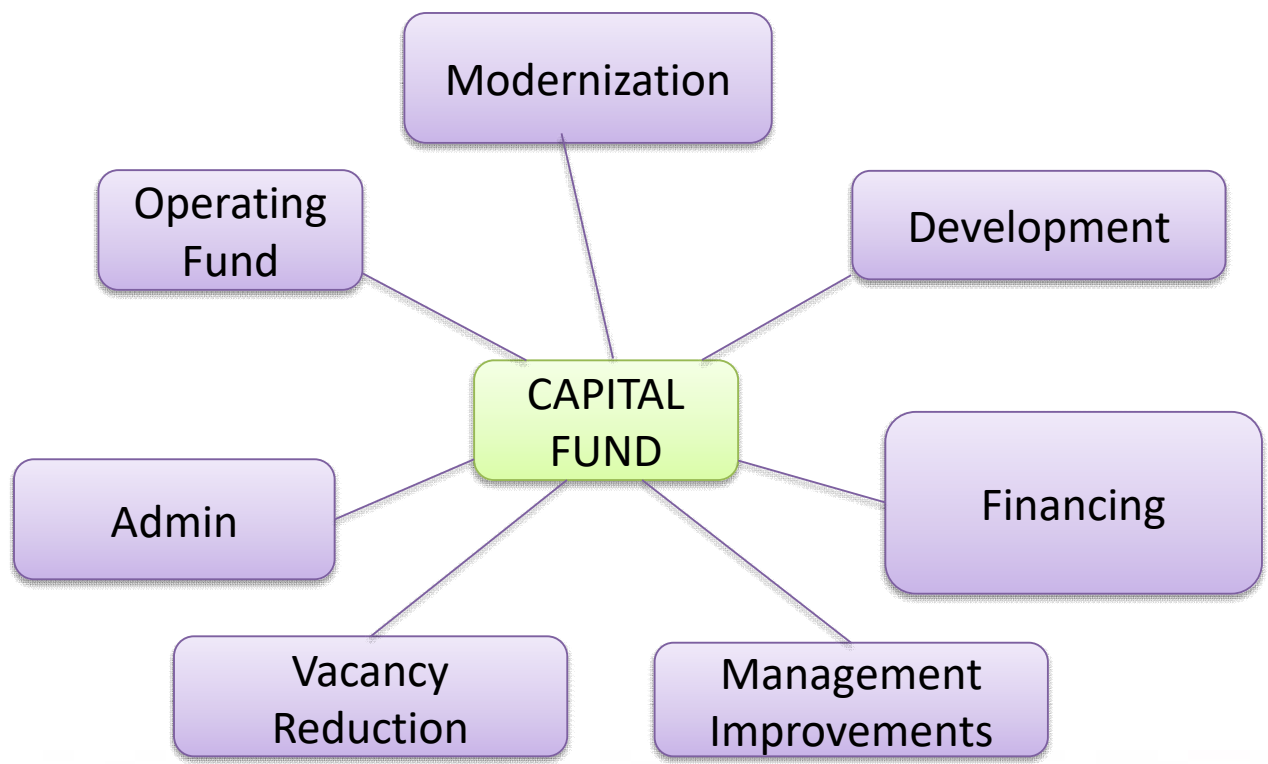
<https://www.hud.gov/sites/documents/CAPITALFUNDGUIDEBOOKFINAL.PDF>





CAPITAL FUND IN RELATION TO LOW-RENT

The Capital Fund is a critical component of the Low-Rent Public Housing Program





HISTORY



US Housing Act

- Public Housing Established

1937

Housing and Community Development Act

- CIAP

1980

Housing and Community Development Act

- MROP

1992

1969

HUD Act – Brook Amendment

- Capped Rent at 25% income
- Authorized Operating subsidies

1987

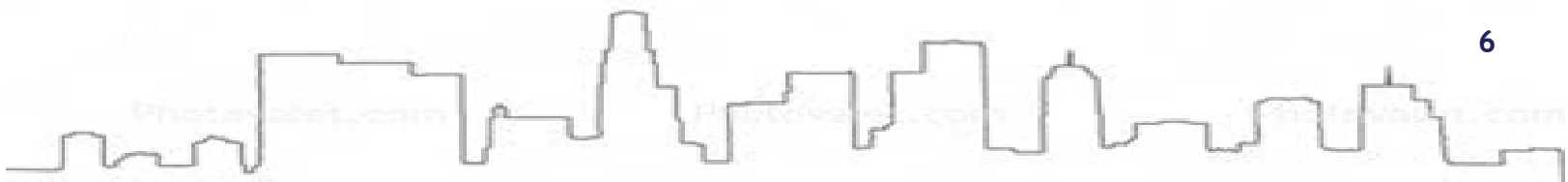
Housing and Community Development Act

- Comp Grant

1998

QHWRA

- Cap Fund + Operating Fund established





HISTORY



2008 – Housing and Economic Recovery Act

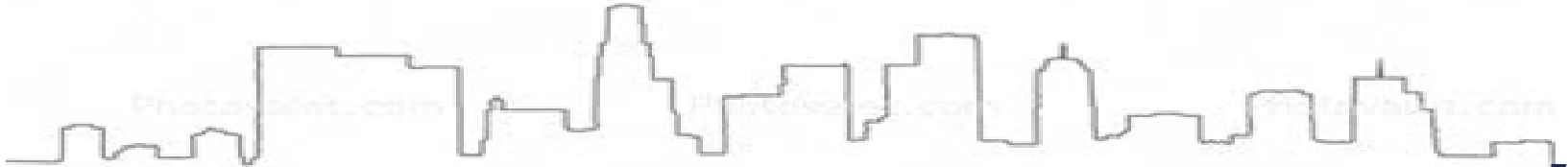
- Established regulatory relief to Qualified PHAs from submitting a PHA Annual Plan.
- An annual submission is still required of all PHAs in order to effectively calculate Capital Funds and monitor the use of grant funds.
- The Capital Fund Submission decoupled from the PHA Plan submission as a result of HERA

2009 - American Recovery and Reinvestment Act

- \$2.985 billion distributed according to standard CFP formula
- \$995 million NOFA for competitive awards

2016 – Housing Opportunity through Modernization Act

- PHAs can use up to 20% of Operating Subsidy for Capital Fund Activities



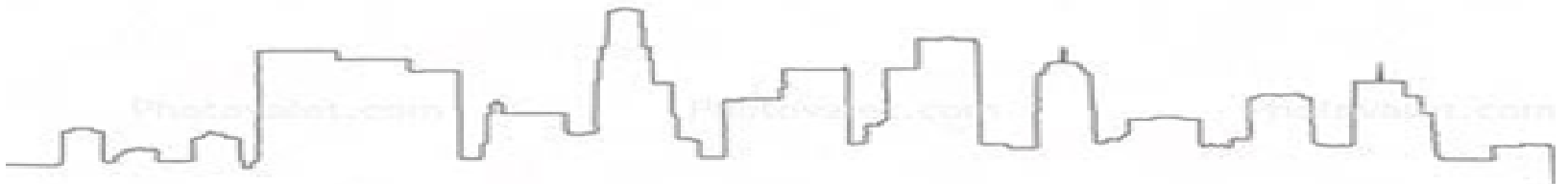


CAPITAL FUND PROGRAMS

- Formula
 - Capital Fund Program

- Competitive
 - Emergency Safety & Security
 - Lead-Based Paint Capital Funds
 - Housing-Related Hazards Capital Funds

- Non-Competitive
 - Emergency/Disaster
 - Capital Fund Financing Program
 - Receivership Capital Funds





COMPETITIVE

Emergency Safety & Security

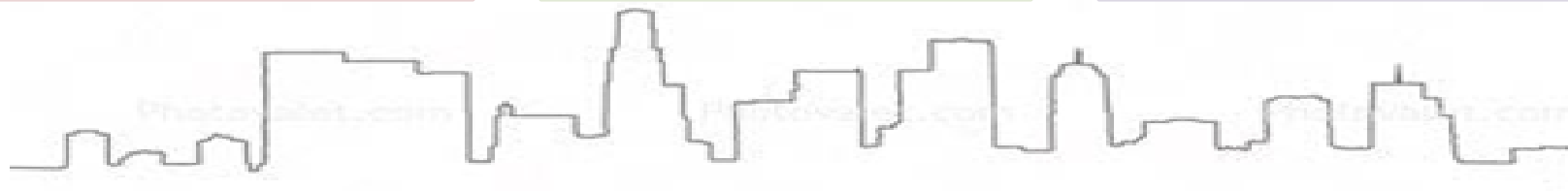
- Competitive Notice
- \$10 M Annually
- \$250k Maximum Grant
- Funds are used for hard costs to address Crime Emergencies
- Approx. 60 grantees per year

Lead-Based Paint Capital Funds

- Competitive NOFO
- \$25 M Annually
- \$5 M maximum Grant
- Funds are used to address Lead-Based Paint hazards
- Approx. 25 grantees per year

Housing-Related Hazards Capital Funds

- Competitive NOFO
- \$20 M in 2020
- \$4 M maximum Grant
- Funds are used to address hazards such as CO, Mold, Radon, Fire Sprinkler failure, pests, and other housing-related hazards
- New program, no funds have been awarded yet





NON-COMPETITIVE



Emergency Disaster

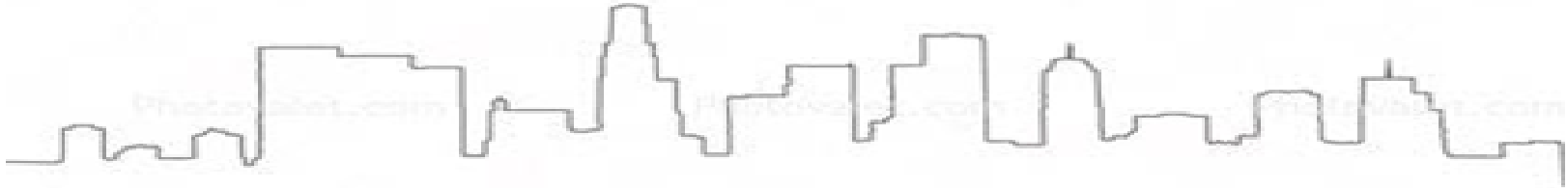
- First Come First Served, Awards made through an underwriting process
- \$20 M Annually
- No official maximum grant
- Funds are used to address unpreventable or unpredictable emergency or disaster conditions.
- Approx. 20 grantees per year

Capital Fund Financing Program

- Transactions approved through an underwriting process
- Not a traditional grant program
- PHAs are permitted to borrow against future Capital Fund awards and use a percentage of future Capital Funds to pay the debt service
- Bond and/or loan proceeds are treated as Capital Funds
- Over \$20 Billion leveraged

Receivership Capital Funds

- \$34.6 M in FFY 2020
- No official maximum grant
- Only PHAs under receivership or federal monitorship may apply.
- Eligible work items must address an unpreventable emergency or safety & security need.





RECORDED TRAINING CONTENT

- Vignette 1: Capital Fund Overview
- Vignette 2: Eligible Activities
- Vignette 3: Planning, Annual Submission, Distribution of Funds and EPIC
- Vignette 4: Capital Fund Formula Calculation
- Vignette 5: General Program Requirements & Compliance
- Vignette 6: Obligations, Budget Revisions, Expenditures and Closeout
- Vignette 7: Emergency, Non-Presidentially Declared Natural Disaster, and Emergency Safety/Security Grants
- Vignette 8: Lead-Based Paint and Housing-Related Hazards Grants
- Vignette 9: Public Housing Development/Security Interests and Financing Activities
- Vignette 10: Demonstration Programs – RAD and MTW





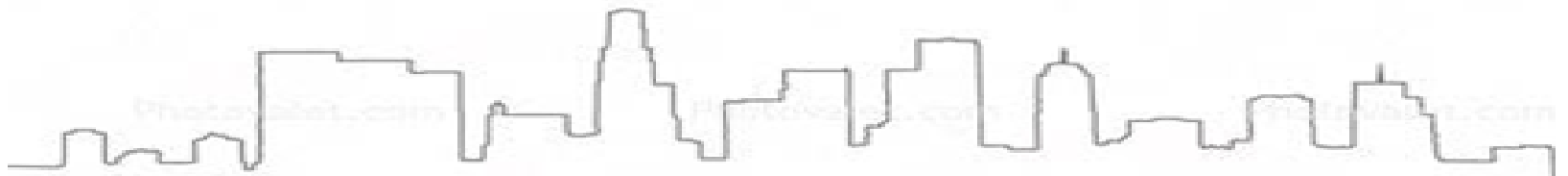
QUESTIONS

For questions or concerns send an email to

PIHOI@hud.gov

For more information on the Capital Fund Overview see
Chapter 1 of the Capital Fund Guidebook:

[https://www.hud.gov/sites/documents/CAPITALFUNDGUIDEB
OOKFINAL.PDF](https://www.hud.gov/sites/documents/CAPITALFUNDGUIDEB
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