



Asset Repositioning Fee (ARF) Implementation Guidance Public Housing Agencies (PHAs)

General Guidance

Asset Repositioning Fee (ARF) unit and funding eligibility amounts will be determined based upon PIC data and ARF business rules. This document outlines policy for implementing ARF timeline and funding protocols.

1. Pertinent authorities for ARF include: (i) 24 CFR 990.190(h); (ii) Notice PIH-2011-18; and the Operating Subsidy (OpSub) Notice for the current funding year (Notice PIH-2015-20). The Operating Subsidy Notice requires PHAs to submit ARF related documentation to FOs along with their submission of Op Sub tools. PIH Notices can be found on HUDCLIPS. HUDCLIPS can be found by googling 'HUDCLIPS.'
2. ARF unit-month data have been pre-populated in Section 2 of the HUD-52723 form and are not editable by Public Housing Agencies (PHAs). ARF Eligibility for non-homeownership is prepopulated in Section 3, Part A, Line 14 and is editable by PHAs. In 2016, ARF eligibility for homeownership has not been prepopulated into the HUD-52723.
3. For non-homeownership, where PHA ARF determinations differ from the prepopulated unit status data in Section 2 of the 52723, or from the ARF eligibility prepopulated in the Section 3, Part A, Line 14 in the HUD-52723, PHAs should contact their Field Offices (FOs) for guidance.
4. PHA with ARF eligibility for Homeownership should contact their FOs for guidance in all instances.
5. For Homeownership, Notice PIH-2011-18 permits PHAs to establish the ARF timeline by utilizing either the last move out in a building or the disposition of the last unit in a building. HUD advises PHAs to elect the disposition date since electing the last move out date could cause the units to stop receiving funding before they are sold.

ARF Eligibility

Certain key data elements from PIC are used to calculate ARF eligibility. Most of these data elements are in the Inventory Removal module (IRM), which is locked to edit by PHAs. To make changes, PHAs must contact their FOs to request a change.

1) Demo/Dispo Application (DDAP) Approval Date

The HUD approval date of a DDAP is recorded by HUD in the PIC IRM.

2) **DDAP Type**

The type of approved demo/dispo action is recorded in the PIC IRM.

3) **Units and Buildings Included in the DDAP**

Units and buildings included in a DDAP are recorded in the PIC IRM.

4) **Number of Days to Relocation**

The number of days to relocation is recorded in the PIC demo/dispo module. The DDAP approval date plus the number of days to relocation equals the **relocation date**..

- a. When completing an inventory removal application, the PHA indicates the number of days after HUD approval of the DDAP that the PHA expects to begin relocation of residents.
- b. Where units are occupied as of the DDAP approval date, the number of days to relocation must be at least 90 days.
- c. When the actual relocation start date changes from what was submitted in the DDAP, the PHA **must request that the relocation date be changed**, otherwise, the PHA's ARF and other OpSub funding will be calculated incorrectly. PHAs should call in a PIC ticket per the OpSub Notice and email their FO Director and appropriate staff, providing documentation supporting the change. Move-out data in PIC must be consistent with the relocation date. When there are occupied units, normally PIC will show clusters of move-outs beginning shortly after the relocation date.

5. **Date of First Move-out (or Last Homeownership Move-out/Sale) After the Relocation Date**

- a. The dates that units were vacated (i.e., move-outs) are recorded in the PIC HUD-50058 module. Where units remain occupied as of the relocation date, calculation of the ARF timeline is "triggered" by the first DDAP-related move-out after the relocation date. The first move-out after the relocation date is considered the first DDAP related move-out. For homeownership DDAPs, ARF is "triggered" by the last DDAP-related move-out, or last homeownership sale, after the relocation date.

6. Determining ARF Eligibility and Correcting Errors

- a. Using the above data, HUD will determine ARF eligible unit months and eligibility for each approved DDAP at each project and establish the ARF timeline – “trigger” date, ARF start date, and ARF end date – for the DDAP.

These determinations result in the number of eligible ARF units pre-populated in the HUD-52723. For non-homeownership, they also result in the ARF eligibility pre-populated in the HUD-52723.

- b. To the extent that PHA calculations of ARF differ with the data published in the 52723, FOs and PHAs should review these data elements to identify the cause of the variance. PHAs should contact their FO and call in a PIC Ticket per Notice PIH-2013-16 as needed.