

# American Recovery and Reinvestment Act of 2009

Department of Housing and Urban Development

Program-Level Plan

Public Housing Capital Fund (Formula)

## a. FUNDING TABLE:

ACTIVITY	FUNDING LEVEL
PHAs will develop or rehabilitate public housing units	\$2,985,000,000.00
Deliver training, technical assistance, monitoring, enforcement, research and evaluation activities	\$15,000,000.00
TOTAL	\$3,000,000,000.00

## 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 \$3 billion of these funds be distributed by the same formula used for amounts made available in fiscal year 2008, except that the Secretary of HUD has the discretion not to allocate funding to public housing agencies currently designated as troubled or to public housing agencies that elect not to accept such funding. The Recovery Act requires that PHAs give priority to capital projects that can award contracts based on bids within 120 days from the date the funds are made available to the PHAs. Under this program, PHAs will give priority consideration to the rehabilitation of vacant rental units, and prioritize projects that are already underway or included in the five year Capital Fund plans required by Act 42 U.S. C 1437-1 (a).

The expected benefits of this program are to preserve and create jobs and enhance the quality, longevity, and energy efficiency of public housing. The program will meet these objectives by renovating, retrofitting and modernizing public housing units and providing employment for construction workers and skilled laborers. In meeting its objectives, the program will support economic recovery, reduce greenhouse gas emissions and consumer energy costs, and preserve and create public housing that is affordable to lower income families.

## c. ACTIVITIES:

Kinds and scope of projects and activities to be performed: The Recovery Act provided \$3 billion in formula funds for public housing agencies to renovate and modernize the public housing stock. This funding will enable 3,124 Public Housing Authorities in fifty states, Washington D.C., Guam, Puerto Rico and the Virgin Islands to expand the level of rehabilitation performed and to increase the number of units mod-





# American Recovery and Reinvestment Act of 2009

Department of Housing and Urban Development

Program-Level Plan

Public Housing Capital Fund (Formula)

ernized. The types of activities will vary based on each PHA's specific needs and its assessment of priorities. Specific activities are those eligible under the Capital Fund, which include physical improvements such as new building systems (heat, water and electrical), structural systems (roofs and exteriors) and other renovation and rehabilitation work that corrects building deficiencies and improves living conditions for public housing residents.

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.

PHAs are expected to also undertake activities resulting in improved energy efficiency, reduced energy costs, and a lower carbon footprint. Activities include the use of Energy Star labeled appliances, weatherization, 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.

Project/Activity: PHAs will develop or rehabilitate public housing units.

Description: 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. PHAs may also consider the development of new housing at a demolished site or elsewhere.

Funding: \$2,985,000,000.00

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: \$15,000,000.00

#### **d. CHARACTERISTICS:**

Type of Financial Award: A - Formula Grants

Funding Amount: \$2,985,000,000.00

Methodology for Award Selection: The Recovery Act requires that these funds be distributed by the same formula used for amounts made available in fiscal year 2008, except that the Secretary of HUD has



# American Recovery and Reinvestment Act of 2009

Department of Housing and Urban Development

Program-Level Plan

Public Housing Capital Fund (Formula)

the discretion not to allocate funding to public housing agencies currently designated as troubled or to public housing agencies that elect not to accept such funding.

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: \$15,000,000.00

## e. DELIVERY SCHEDULE:

Milestone Description: The key milestones for the formula grants include the allocation of formula awards by HUD, the obligation of funds by HUD to grantees, the obligation of funds by grantees and the expenditure of funds by grantees.

Milestone: HUD allocates formula funds to grantees

Expected Completion Date: 2/25/2009

Milestone: Grantees obligate 100% of funds

Expected Completion Date: 3/17/2010

Milestone: Grantees spend 60% of funds

Expected Completion Date: 3/17/2011

Milestone: Grantees spend 100% of funds

Expected Completion Date: 3/17/2012

## 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.



# American Recovery and Reinvestment Act of 2009

Department of Housing and Urban Development

Program-Level Plan

Public Housing Capital Fund (Formula)

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.

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>
\$2,350,000,000	\$2,479,397,872	\$129,397,872	\$2,150,000,000	\$5,005,602,128	\$2,855,602,128

Measure: Funds expended by grantees

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing



# American Recovery and Reinvestment Act of 2009

Department of Housing and Urban Development

Program-Level Plan

Public Housing Capital Fund (Formula)

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)
\$2,350,000,000	\$2,648,500,000	\$298,500,000	\$2,150,000,000	\$2,747,000,000	\$597,000,000

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.

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	1,460	N/A	N/A	2,872



# American Recovery and Reinvestment Act of 2009

Department of Housing and Urban Development

Program-Level Plan

Public Housing Capital Fund (Formula)

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>
984	1,109	125	900	1,150	250

Measure: Number of Affordable Housing Units Rehabilitated

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.



# American Recovery and Reinvestment Act of 2009

Department of Housing and Urban Development

Program-Level Plan

Public Housing Capital Fund (Formula)

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)
110,218	124,218	14,000	100,838	128,838	28,000

**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.

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)
31,688	35,813	4,125	28,991	37,241	8,250

## h. MONITORING AND EVALUATION:

### (1) Data Collection and Reporting

- a. Spend Plans: After award, but before gaining access to funds, the grantees must submit a plan on how to use their 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.





# American Recovery and Reinvestment Act of 2009

*Department of Housing and Urban Development*

*Program-Level Plan*

*Public Housing Capital Fund (Formula)*

- 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, private dollars leveraged, 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 has separated PHAs into two broad categories for risk, troubled PHAs and non-troubled PHAs. PHAs are designated troubled by the Real Estate Assessment Center (REAC). This designation is based on the PHA's score in four performance indicators: physical condition of properties, financial condition of PHA, management operations of a PHA and resident service and satisfaction. To ensure troubled PHAs meet Recovery Act requirements, HUD will provide increased monitoring and oversight which will include, but not be limited to the following: being placed on zero threshold for Recovery Act funds to prevent the drawdown of funds without HUD approval, review of compliance with Recovery Act requirements, monthly progress updates and remote and on-site visits. In addition to specialized HUD teams providing assistance, there will also be HUD contract support provided when appropriate. For PHAs that were not designated troubled by REAC, HUD will conduct routine monitoring, which can include remote and on-site reviews and technical assistance as necessary, in order to ensure PHAs meet Recovery Act requirements and adjust monitoring strategy based on a PHA's performance. Any PHAs found to be in non-compliance with Recovery Act requirements will be subject to corrective action which could include additional technical assistance, require HUD approval of all transactions related to the Recovery Act funds or recapture funds, as necessary.

## **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





# American Recovery and Reinvestment Act of 2009

*Department of Housing and Urban Development*

*Program-Level Plan*

*Public Housing Capital Fund (Formula)*

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.



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

**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"> <li>• One staff member will have a financial background and will specialize in grant accounting.</li> <li>• One staff member will specialize in program, policy, regulation, and guidance development.</li> <li>• 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.</li> <li>• One engineer to spot check Field Office monitoring performs quality control on PNAs, and to develop policies with regard to energy efficiency.</li> </ul>	October 2009



# American Recovery and Reinvestment Act of 2009

Department of Housing and Urban Development

Program-Level Plan

Public Housing Capital Fund (Formula)

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"> <li>Funds have been marked to contract for automated spreadsheets, and databases to capture ARRA required reporting and monitoring data.</li> <li>Hire Additional Staff for automation</li> </ul>	October 2009
	<p>Lack of Written Policies and Procedures</p>	<ul style="list-style-type: none"> <li>Complete Comprehensive Grant Program Guidebook.</li> <li>Complete proposed rule to combine CFR rules.</li> <li>Prepare comprehensive guidance and training for Field Offices and PHAs.</li> </ul>	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.

