



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

Special Attention of:
Public Housing Agency Directors;
Public Housing Field Office Directors

Notice PIH 2023-10

Issued: April 21, 2023

Expires: This Notice supersedes Notice PIH 2022-05. This Notice remains in effect until amended, superseded, or rescinded. This Notice was amended June 14, 2023.

Cross References: Public Law No: 117-103, 116-260, Public Law 116-94, Public Law 113-76, Public Law 113-6, Public Law 112-55, Public Law 111-117, 24 CFR 905.200(b), 24 CFR 905.204, and Section 9(d) of the United States Housing Act of 1937

Subject: Emergency Safety and Security Grants Annual Funding Notification and Application Process

1. PURPOSE

This Notice provides guidance to public housing agencies (PHAs) on how to apply for Capital Fund Emergency Safety and Security Grants (ESSG) to fund safety and security emergencies. A “safety and security emergency” is defined as an emergency that may arise from: 1) an immediate need for funding by the PHA to implement safety and security measures necessary to address crime and drug-related activity; or 2) a safety emergency which requires the purchase, repair, replacement, or installation of carbon monoxide alarms/detectors, and or smoke/heat alarms/detectors.

2. BACKGROUND

Each year, funds within the Public Housing Fund appropriation are set aside to fund emergencies and natural disasters, specifically to address needs resulting from unforeseen or unpreventable emergencies and natural disasters, excluding Presidentially Declared disasters, occurring in the current fiscal year. Within the set-aside, Congress may appropriate specific funding to provide assistance to PHAs for emergency capital needs for safety and security, including measures necessary to address crime and drug-related activity.

Effective with PIH Notice 2019-22, the Department included the threat of carbon monoxide poisoning as a potential emergency safety need for public housing residents; and the Department may elect to include costs for the purchase, repair, replacement, or installation of carbon monoxide detectors as eligible activities for ESSG funding. The Department is also including purchase, repair, replacement, or installation of heat/smoke alarms/detectors as eligible activities for ESSG funding. PHAs are also reminded that emergency safety and security needs are eligible Capital Fund costs within annual formula Capital Fund grants.

The Department has the discretion to set aside a portion of the Emergency and Disaster Reserve specifically for emergency safety and security funding. The Department has the discretion to award funds beyond the initial set-aside amount if additional current year, or prior year, funding becomes available after initial grant awards are made. To the extent allowed by appropriations, HUD will use the same list of qualified applicants to make the additional awards.

3. GRANT AWARD LIMIT

PHAs may submit separate applications for funding to address crime and drug-related activity and for funding for the purchase, repair, replacement, or installation of carbon monoxide alarms/detectors, and/or smoke/heat alarms/detectors.

ESSG funding **will be limited to an overall total of \$250,000 per PHA per Federal Fiscal Year** (whether for security measures to address crime and drug-related activity and/or for the purchase, repair, replacement, or installation of carbon monoxide alarms/detectors, and or smoke/heat alarms/detectors). A PHA's funding award will be based on a number of factors including the proposal's cost estimate, the number of units identified within the application, as well as the description of the identified emergency safety and security need.

A PHA may submit an application for funding for one or more of its projects as long as its request does not exceed an overall total of \$250,000 per application cycle. A PHA is **ineligible** to receive emergency safety and security funding if it has previously received emergency safety and security funding for the same project(s) and for the same broad purpose (that is, crime and drug-related activity or the purchase, repair, replacement, or installation of carbon monoxide alarms/detectors, and/or smoke/heat alarms/detectors) for which the funds are currently being requested.

4. SUBMISSION REQUIREMENTS AND DEADLINE

PHAs will be notified of ESSG funding availability each fiscal year via electronic mail and a notice will be posted on the [OCI website](#) with the due date for applications.

PHAs will be given at least 6 weeks of notice prior to the due date from the time the electronic mail notifications are sent. PHAs seeking emergency safety and security funding must submit a completed application package (see Section 5 below for all of the documents and forms) by electronic mail delivery to the HUD [Office of Capital Improvements \(OCI\) mailbox](#).

The due date for applications will be posted on the [OCI website](#). All applications including any amendments to applications received by close of business on the due date will be reviewed for funding eligibility.

5. HOW TO APPLY

- A. Submit Form HUD-50075.1, Annual Statement (only Parts I and II):** Include data specific to the proposed Emergency Safety and Security grant. Do not submit information on the current PHA Annual Statement. The proposed work does not need to be included in the PHA's 5-year plan. Moving to Work (MTW) agencies may submit a grant budget in lieu of the HUD-50075.1.
- B. Provide a thorough yet concise description and/or explanation of how the PHA has experienced an increased threat to the health and safety of the public housing residents within the narratives requested below.**
1. PHAs **MUST** provide a thorough explanation of how the identified crime or drug-related activity at the PHA or in the close vicinity of the PHA has increased the threat to the health and safety of the public housing residents at the projects for which emergency safety and security improvements are proposed in the PHA application, or how the PHA has determined a safety emergency which requires the purchase, repair, replacement, or installation of carbon monoxide detectors or fire related detectors (described below).
 2. **All safety and security emergencies must have occurred or have been determined within the Federal Fiscal Year (October 1 —September 30) in which the funds were appropriated.**
 3. PHAs that apply for emergency safety and security funding are expected to have taken adequate safety and security measures to minimize and avoid costly emergency situations prior to requesting emergency safety and security funds. Whether a PHA's safety and security needs merit emergency safety and security funding, made available through this Notice, will be determined by the Department based on requirements described in this notice.
- C. Describe the activities that will be undertaken to correct the emergency and the estimated cost. Include a statement that the PHA has not previously received emergency safety and security funding for the project or projects for which the PHA is currently requesting emergency safety and security funding.**
- D. If the cost estimate exceeds the \$250,000 maximum grant size, the PHA must include documents indicating other funds, including Capital Funds, that are available to cover the proposal's additional costs. Funds must be from a source that is currently available to the PHA as of the date of application submission.**

E. For Crime and Drug Emergency Funding, PHAs should submit a narrative describing the increased threat to health and safety of residents. This description must focus on crime on the PHA property, not just crime in the city. The PHA must provide specific examples of crime occurring at the PHA or in close vicinity. The narrative must be from one of the following sources:

1. PHA officials, Resident Advisory Boards, or PHA security personnel;
2. Local Community Policing Organizations;
3. Local officials (e.g., business council executives, or city council executives); and
4. Local Crime Data for the current fiscal year that indicates an increased threat to the health and safety of residents. This must be from a recognized source including but not limited to:
 - a. Local law enforcement reports;
 - b. Uniform Crime Reports;
 - c. PHA police data;
 - d. PHA incident reports;
 - e. Newspaper articles (about crime on PHA property);
 - f. Internet crime data such as Neighborhood List Serves that lists types and numbers of offenses; andPHAs must indicate the source of the crime data in the narrative and must include a summary of the crime data by general crime category, (e.g., murders, assaults, property damage, and property break-ins).

F. For safety and security emergencies related to the threat to health posed by carbon monoxide and/or fire, PHAs should submit:

1. For Carbon Monoxide alarms/detectors: description of the presence and location of fuel-burning devices and/or attached garages; including a description of the proximity of the devices to the number of impacted dwelling units;
2. For Smoke/heat alarms/detectors: description of the threat to health and safety of residents posed by fire; and
3. The status of carbon monoxide alarms/detectors, and or smoke/heat alarms/detector in the potentially impacted units, including whether carbon monoxide alarms/detectors, and or smoke/heat alarms/detectors currently exist and, if so, the need for repair or replacement.

6. ELIGIBLE USES OF EMERGENCY SAFETY AND SECURITY FUNDING

Emergency Safety and Security grants can only be used to cover eligible expenses as defined below to address threats to resident safety caused by a safety and security emergency. Grants

must be used for Capital Fund eligible items that address an emergency capital need (see [24 C.F.R. § 905.200\(b\)](#), Eligible Activities of the Capital Fund). The capital need request must address the identified threat posed to the health and safety of a PHA's public housing residents by crime and drug-related activity, fire, or by the potential for carbon monoxide poisoning.

The intent of these grants is to provide one-time project-specific assistance for emergency safety and security items that could not be absorbed within the PHA's Capital Fund budget. Emergency Safety and Security eligible items must meet Uniform Physical Condition Standards (UPCS) and local code requirements for egress where necessary. Any physical modifications must comply with all applicable Federal accessibility requirements, including under Section 504 of the Rehabilitation Act, Title II of the Americans with Disabilities Act, and the Fair Housing Act.

A. Emergency Safety and Security grant funds may be used to purchase, install, repair, or replace capital needs items including, but not limited to:

1. Items that address the threat to safety posed by crime and drug-related activity:

- a. Security systems/cameras including digital video recorders, license plate readers, and secure Wi-Fi transmission of video signal. (Note: Per 2 C.F.R. § 200.216(a)(3) and Public Law 115-232, section 889, Safety and Security grantees are prohibited from using grant funds to purchase, lease, or renew or extend contracts for security equipment by the Huawei Technologies Company or the ZTE Corporation (or any subsidiary or affiliate of such entities)); Additionally, HUD has decided to prohibit video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities as mentioned in 2 CFR 200.216(a)(3)(i));
- b. Fencing;
- c. Lighting systems;
- d. Emergency alarm systems;
- e. Window bars;
- f. Deadbolt locks;
- g. Doors;
- h. Salaries for maintenance staff that is being utilized for Emergency Safety and Security grant eligible activities (e.g., to install, replace or repair carbon monoxide detectors, security camera systems, fencing, lighting systems, emergency alarm systems, doors, locks window bars pursuant to Force Account requirements [\(see 24 C.F.R §.905.314\(j\)\)](#)

2. Items that address the threat to health and safety posed by the presence of carbon monoxide and/or fire that are installed in accordance with the [International Fire Code 2018 standards](#). Devices can include:

- a. Carbon Monoxide Alarm: A single or multiple station alarm intended to detect carbon monoxide gas and alert occupants by a distinct audible signal (for common areas and accessible units should also have a visual alarm). It incorporates a sensor, control components and an alarm notification appliance in a single unit.
 - b. Carbon Monoxide Detector: A device with an integral sensor to detect carbon monoxide gas and transmit an alarm signal to a connected alarm control unit. Detectors can be hard wired or with sealed batteries.
 - c. Smoke/Heat Alarm: A single or multiple station alarm intended to detect smoke and/or heat and alert occupants by a distinct audible signal (for common areas and accessible units should also have a visual alarm). It incorporates a sensor, control components and an alarm notification appliance in a single unit.
 - d. Smoke/Heat Detector: A device with an integral sensor to detect smoke and/or heat and transmit an alarm signal to a connected alarm control unit. Detectors can be hard wired or with sealed batteries.
- Note: Smoke alarms must be sealed or hard-wired devices that meet the requirements of section 601 of Title VI, “Smoke Alarms in Federally Assisted Housing” in the Consolidated Appropriations Act, (Public Law 117-328 enacted December 29, 2022) which added section 3(a)(9) to of the United States Housing Act of 1937 (42 U.S.C. 1437a(a))
<https://www.congress.gov/117/bills/hr2617/BILLS-117hr2617enr.pdf>

B. Non-Eligible Uses

- 1. Any equipment that is purchased, leased, or contracted for security that is produced by the Huawei Technologies Company, ZTE Corporation, Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities)
- 2. Patrol cars
- 3. Salaries for PHA security staff
- 4. Automated surveillance and facial recognition technology
- 5. Security Patrol Contracts or payment to local law enforcement for additional security or purchase of equipment for local police
- 6. Budget Line Item (BLI 1410) Administrative expenses
- 7. Transferring emergency safety and security funding to Operations (BLI 1406) budget line item.

8. Ongoing monitoring fees for security equipment/systems (i.e., gunshot detection system monitoring, security alarm system monitoring) and ongoing service or maintenance contracts for emergency safety and security related equipment or systems

7. FUNDING

Applications received by the due date will be reviewed to assess whether they meet the eligibility criteria of this notice. In particular, the Department will assess the safety and security needs of each PHA through a review of the application submissions as described in Section 5. All applicants will be notified of the Department's funding decisions. Should set-aside funding available exceed the amount of funding requested by the due date for eligible applications, all on-time eligible applications may be funded. Eligible applications will be funded until the set-aside is exhausted.

Should funding requested as a result of eligible applications exceed available funds, the Department will select eligible applications for funding through a lottery process designed to achieve a broad national distribution of funds, based on the Departmental Regions (Regions 1 through 10). At a minimum, set-aside funding would fund at least one application in each Region, assuming eligible applications from each Region and sufficient available funds.

8. REQUIREMENTS FOR FUNDING

A. A PHA faced with a safety and security emergency may be eligible for funding provided that the PHA is in compliance with Fair Housing and Civil Rights Laws, which encompass the Fair Housing Act and related authorities. Recipients and their subrecipients must comply with all applicable fair housing and civil rights requirements in 24 CFR 5.105(a), including, but not limited to, the Fair Housing Act; Title VI of the Civil Rights Act of 1964; Sections 504 and 508 of the Rehabilitation Act of 1973; Title II and Title III of the Americans with Disabilities Act of 1990. Section 109 of the Housing and Community Development Act of 1974, Age Discrimination Act, Architectural Barriers Act, Title IX of the Civil Rights Act of 1964, Executive Orders 11063, 12892, 12898, and 13166 may also apply.

B. A PHA is ineligible to receive funding under this Notice if it has received any of the following charges, cause determinations, lawsuits, or letters of findings, and the outstanding civil rights matter is not resolved to HUD's satisfaction before the application deadline:

1. The PHA has been charged with a systemic violation of the Fair Housing Act or received a cause determination from a substantially equivalent state or local fair housing agency concerning a systemic violation of a substantially equivalent state or local fair housing law proscribing discrimination because of race, color, religion, sex, national origin, disability, or familial status;

2. The PHA is a defendant in a Fair Housing Act lawsuit filed by the Department of Justice alleging a pattern or practice of discrimination or denial of rights to a group of persons raising an issue of general public importance pursuant to 42 U.S.C. 3614(a);
3. The PHA is a defendant in any other lawsuit filed or joined by the Department of Justice, or in which the Department of Justice has intervened, or filed an amicus brief or statement of interest, alleging a pattern or practice or systemic violation of Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974, the Americans with Disabilities Act, or a claim under the False Claims Act related to fair housing, nondiscrimination, or civil rights generally including an alleged failure to affirmatively further fair housing;
4. The PHA has received a letter of findings identifying systemic noncompliance under Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974, or the Americans with Disabilities Act;
5. The PHA has received a cause determination from a substantially equivalent state or local fair housing agency concerning a systemic violation of provisions of a state or local law proscribing discrimination in housing based on sexual orientation or gender identity; or
6. The PHA has received a cause determination from a substantially equivalent state or local fair housing agency concerning a systemic violation of a state or local law proscribing discrimination in housing based on lawful source of income.
7. HUD will determine if actions to resolve the charge, cause determination, lawsuit, or letter of findings taken before the application deadline date will resolve the matter. Examples of actions that may be sufficient to resolve the matter include, but are not limited to:
 - a. Current compliance with a voluntary compliance agreement signed by all the parties;
 - b. Current compliance with a HUD-approved conciliation agreement signed by all the parties;
 - c. Current compliance with a conciliation agreement signed by all the parties and approved by the state governmental or local administrative agency with jurisdiction over the matter;
 - d. Current compliance with a consent order or consent decree;
 - e. Current compliance with a final judicial ruling or administrative ruling or decision; or
 - f. Dismissal of charges.

C. Economic Opportunities for Low-and Very Low-income Persons (Section 3).

Recipients of emergency safety and security assistance under the Capital Fund must comply with Section 3 of the Housing and Urban Development Act of 1968 (Section 3), 12 U.S.C. 1701u (Economic Opportunities for Low- and Very Low-Income Persons in Connection with Assisted Projects), and the HUD regulations at 24 CFR part 75. The regulations at 24 CFR part 75 implementing Section 3 ensure, to the greatest extent feasible, that training, employment, contracting and other economic opportunities be directed to low- and very low-income persons, especially recipients of government assistance for housing, and to businesses that provide economic opportunities to low-and very low-income persons where a proposed project is located. HUD encourages recipients to search the national Section 3 Business Registry to find local businesses that prioritize hiring Section 3 residents.

D. Personally Identifiable Information (PII). HUD is required to safeguard PII, in accordance with the E-Government Act of 2002 and the Privacy Act of 1974, as amended. PII is any data that could potentially be used to identify a particular person. Examples include a full name, Social Security number, driver's license number, bank account number, passport number, and email address.

9. EPIC DOCUMENT PACKAGE FOR PHAS AWARDED SAFETY AND SECURITY GRANTS UNDER THIS NOTICE

A. PHAs that are awarded Safety and Security Grants must submit the following forms in the EPIC Document Package:

1. **Form HUD-50071, Certification of Payments to Influence Federal Transactions**
2. **Standard Form (SF)-LLL, Disclosure of Lobbying Activities.** Note: This form is available at [Forms.gov](https://www.forms.gov). Depending on the amount of appropriated funds received, PHAs must submit the certification in Appendix A to 24 CFR Part 87 even if they have not participated in any lobbying activities, per 24 CFR Part 87. PHAs must submit Appendix B to Part 87 (SF-LLL) if the PHA has agreed to make any payment using non-appropriated funds which would be prohibited and if paid for with appropriated funds.
3. **Certification of Compliance with PHA Plans and Related Regulations.** PHAs are required to submit one of the following:
 - a. **For PHAs with 250 units or more:** Form HUD-50077-ST-HCV-HP, PHA Certifications of Compliance with PHA Plans and Related Regulations (Standard, Troubled, HCV-Only, and High Performer PHAs).
 - b. **For PHAs with less than 250 units:** HUD-50077-CRT-SM, Certification of Compliance with PHA Plans and Related Regulations (Small PHAs).

In lieu of submitting a new form, PHAs may provide a copy of the HUD-50077-ST-HCV-HP or HUD-50077-CRT-SM, from the most recent PHA Plan submission (do not submit entire PHA Plan).

4. MTW agencies may submit a copy of the MTW certifications of compliance submitted with the most recent MTW Agency Plan.
5. **A statement certifying that the PHA is in compliance with the civil rights threshold requirements set forth at Section 8.B. of this Notice.**

10. MANAGING EMERGENCY SAFETY AND SECURITY GRANTS

Emergency Safety and Security grants should be managed in the same manner as grants provided by the Department for unforeseeable or unpreventable emergencies (see [24 C.F.R. § 905.204](#)). Therefore, PHAs have **1 year to obligate** and **2 years to expend** Emergency Safety and Security grant funds. If the PHA receives funding in excess of the costs incurred to address the safety and security emergency, the PHA must notify the Department and return the excess funds.

11. PROJECTS WITH A RENTAL ASSISTANCE DEMONSTRATION (RAD)

CONTRACT FOR HOUSING ASSISTANCE PAYMENTS (CHAP) NOT ELIGIBLE

Projects that have a CHAP for the project are not eligible for Emergency Safety and Security funding. If a PHA receives a CHAP for conversion of a project after receiving emergency safety and security funding and prior to fully expending the grant, the PHA will be required to return all unexpended funds. If a PHA receives a CHAP for partial conversion of a project after receiving emergency safety and security funding and prior to fully expending the grant, the PHA will not be allowed to expend any additional funds on the units to be converted and will be subject to a partial recapture of funds.

12. PAPERWORK REDUCTION ACT

The information collection requirements contained in this document are approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 2510-3520). In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number. The OMB control number for the Capital Fund is: 2577-0157.

13. CONTACT INFORMATION

For general questions, please call the Office of Capital Improvements at 202-402-4799 (TTY 800877-8339) or send an email to safetyandsecurityquestions@hud.gov. Please email a copy of the application in **Portable Document Format (.pdf)** with all applicable documents listed in **Section 5** above to the PIH OCI at PIHOCI@hud.gov.



Richard J. Monocchio
Principal Deputy Assistant Secretary
Public and Indian Housing

CAPITAL FUND PROCESSING GUIDANCE FOR FY 2023 GRANT AWARDS

This notice provides Public Housing Agencies (PHAs) with guidance on the Capital Fund Program (CFP) Award process for Fiscal Year (FY) 2023. The Department of Housing and Urban Development (HUD) will send each PHA receiving Capital Funds an email notifying the PHA of the award of a CFP Grant. PHAs are responsible for maintaining the correct contact information, including the correct email address for the Executive Director, in the Inventory Management System/Public Housing Information (IMS/PIC) system.

How will PHAs receive their FY 2023 Capital Fund ACC Amendments?

HUD will post a master ACC (Annual Contributions Contract) Amendment that has been signed by the Deputy Assistant Secretary (DAS) for the Office Public Housing Investments (OPHI) fulfilling the requirement for a HUD signature on the ACC Amendment.

PHAs will download a spreadsheet Master ACC Amendment from the Office of Capital Improvements (OCI) website
(https://www.hud.gov/program_offices/public_indian_housing/programs/ph/capfund/2023pi).

The PHA will then open the spreadsheet, select the PHA code (causing the spreadsheet to prepopulate the grant specific information in the ACC Amendment) and then sign the ACC Amendment. Unlike previous years, PHAs now have the option to sign with a valid electronic signature. Alternatively, PHAs can print out the ACC Amendment, affix a written signature to it and then scan the signed ACC Amendment. Ultimately PHAs will upload the signed ACC Amendment to a Document Package in the Energy and Performance Information Center (EPIC) system as explained later in this processing guidance. Note that PHAs will sign the ACC Amendment with a signature by a person authorized to enter into agreements for the PHA.

- **OCI will obligate the awards in the Line of Credit Control System (LOCCS) upfront.** For PHAs with active Universal Entity Identifiers (UEIs) or Taxpayer Identification Numbers (TINs), the FY 2023 CFP awards will appear in LOCCS. Note that the Federal Government transitioned from using DUNS numbers to UEIs as of April 1, 2022.
- **PHAs will submit signed ACC Amendments and other required forms electronically in EPIC.** Instructions for how to use the Document Management Center are on the EPIC website
(https://www.hud.gov/program_offices/public_indian_housing/programs/ph/capfund/epic). EPIC will not allow PHAs to submit an Annual Statement/Budget for the FY 2023 grant (triggering the spread of funds in LOCCS) until the FO has approved the document package in EPIC.

What can PHAs do now?

- PHAs must sign the ACC Amendments and have Board approved if required.
- PHAs without active UEI in the System for Award Management (SAM) or TIN numbers in the LOCCS system should take immediate action to resolve these issues.

- PHAs should submit their 5-Year Action Plan into EPIC covering FY 2023 to be approved the FO office as soon as possible.
 - For PHAs with rolling plans – the years should include FY 2023 -2027
 - For PHAs with fixed plans – FY 2023 must be included as one of the years. Please note, the PHA may need to revise its plan to be sure that the work activities it needs to accomplish with FY 2023 funds are in the approved plan.
- PHAs should assemble the following documents which will be submitted in EPIC when the CFP grants are uploaded into EPIC:
 - Written Statement Defining Significant Amendment/Modification
 - Lobbying Form - SFLLL
 - Certification of Compliance w/Public Hearing (HUD-50077-ST-HCV-HP for non-qualified PHAs or a statement for qualified PHAs)
 - Certification of Payments to Influence Federal Transactions - Form 50071
 - Civil Rights Certification
 - If Non-Qualified PHAs, prepare HUD form HUD-50077-ST-HCV-HP
 - If Qualified PHA, prepare HUD form HUD-50077-CR

When PHAs are notified that the grants are uploaded in EPIC they should begin creating and submitting their Initial Document Packages for review by their Field Office. PHAs are responsible for submitting the most recently approved OMB version of each form, and the correct form based on the size of the PHA.

EPIC:

For FY 2023 CFP awards, all PHAs are required to submit a CFP 5-Year Action Plan that covers FY 2023 in EPIC. A 5-Year Action Plan will be either Fixed or Rolling.

Please note: If a PHA has *never* created a 5YAP in EPIC, the user will need to create a new 5YAP using the green plus sign, this icon will only be available to a PHA user if a 5YAP has never before been created in EPIC. If a PHA has a previously created 5YAP then they must use the Copy Forward function.

Rolling 5-Year Action Plans: Covers a rolling, five-year period. A new plan is created every year and the current year becomes year one of each new rolling plan. For example, a PHA with a Rolling Plan is currently operating under a plan covering 2022 through 2026. The PHA would use the copy forward function to create a new CFP 5-Year Action Plan in EPIC. EPIC will automatically create a plan with a starting year of 2023, and the PHA will create and/or edit information on work activities for 2023 through 2027.

Fixed 5-Year Action Plans: Covers a static, five-year period. The same plan is used for 5 years even after the first year has passed. A new plan is created (copied forward) when the PHA completes the 5th year on the current plan. The PHA would use the copy forward function to create a new CFP 5-Year Action Plan in EPIC. EPIC will automatically create a plan with the correct starting year, and the PHA will create and/or edit information on work. If a new plan is not yet due, then the PHA would use their existing approved Plan. For example, suppose a

PHA is currently operating under a Fixed CFP 5-Year Action Plan for FYs 2021 through 2025. The PHA would not be required to submit a new CFP 5-Year Action Plan in EPIC for the FY 2023 CFP award, but would revise the existing plan as needed to reflect changes. PHAs are still required to conduct an annual CFP hearing to receive resident feedback and provide proof of board approval and certifications of compliance with annual CFP hearing procedures regardless of whether they are using rolling or fixed 5-Year Action plans.

5-Year Action Plan Approved in EPIC. To be authorized to spend FY 2023 CFP Grants, PHAs must have a CFP 5-Year Action Plan that includes FY 2023 approved in EPIC.

PHAs will use the approved 5-Year Action Plan as the basis for their 2023 Annual Statements/Budgets. HUD Field Offices (FOs) review and approve or withhold approval, as appropriate for each PHA's 5-Year Action Plan in EPIC. PHAs with an approved 5-Year Action Plan in EPIC may revise amounts to reflect actual awards and may "funge", or reschedule, approved activities from one year to another without seeking additional FO approval. PHAs funging or rescheduling work activities should remain in compliance with statutory and regulatory requirements for obligations and expenditures. Once the FO has approved a CFP 5-Year Action Plan in EPIC, a PHA may continue to modify the plan to reflect changing circumstances and decisions: while many modifications, such as adjusting estimated amounts, do not require additional FO approval, other changes, such as the addition of new work activities, will require FO review and approval in EPIC. Such changes will trigger a Revision in the system.

For more information visit the Capital Fund Program EPIC [website](#), which has User Guides to assist PHAs with EPIC reporting.

In order to spread or re-spread Budget Line Items (BLI) in LOCCS, PHAs submit an Annual Statement/Budget or Annual Statement/Budget Revision in EPIC. LOCCS will be updated to reflect the changes within a few business days without any action on the part of FOs. EPIC may prevent the submission of Annual Statements/Budgets that do not comply with all requirements, including ceilings on certain BLIs and restrictions on the use of BLIs specific to debt service and to the Rental Assistance Demonstration (RAD) program. PHAs should continually update Annual Statements/Budgets in EPIC to reflect the planned spending on specific work items as needed, even if the work categories fall under the same BLI. PHAs should submit a final Annual Statement/Budget, and/or Performance and Evaluation Report (P&E) if requested by HUD, reflecting final expenditure amounts and Work Activities and select the "Mark as Final" option when they have expended all of the grant funds they intend to expend on a grant.

Updated SAM registration/Unique Entity ID (UEI) Number. The UEI registration in the System for Award Management (SAM) is a requirement to receive federal awards, and the registration must be active. If you have an expired registration in SAM or there is a discrepancy between your UEI number and your Tax Identification Number (TIN), your FY 2023 CFP grant will not be obligated/awarded until the registration is updated. Contact your FO for assistance with resolving SAM/UEI number issues. Once the UEI registration is updated HUD will obligate the funds and issue an ACC Amendment. Please note that the obligation end date of

the FY 2023 grant will remain the same, so PHAs with expired UEI numbers will have less than 2 years to obligate the funds.

What documents do PHAs have to submit to HUD in the EPIC Document Package?

- ☐ FY 2023 Capital Fund ACC Amendment
- ☐ Lobbying Form - SFLLL

- ☐ Certification of Compliance w/Public Hearing: (PHA must have a copy of one of the following.)

For Non-Qualified PHAs - HUD form HUD-50077-ST-HCV-HP includes this certification

☐ Y / N Was the public hearing conducted in FY 2023

For Qualified PHAs - A statement certifying that the PHA conducted a public hearing in compliance with 24 CFR Part 905, signed and dated by the Executive Director.

☐ Y / N Was the public hearing conducted in FY 2023

- ☐ HUD form 50071, Certification of Payments to Influence Federal Transactions (if applicable)

- ☐ Civil Rights Certification: (PHA must have a copy of one of the following.)

For Non-Qualified PHAs - HUD form HUD-50077-ST-HCV-HP

For Qualified PHAs - HUD form HUD-50077-CR

- ❖ *Qualified PHAs must submit a separate statement certifying that a public hearing was held.* For Non-Qualified PHAs, this certification is included in the HUD form HUD-50077-ST-HCV-HP.
- ❖ HUD Form 50071 is only applicable if the PHA paid for lobbying activities.
- ❖ The PHA is required to hold a public hearing and meet with the Resident Advisory Board (RAB) to advise residents of the proposed CFP 5-Year Action Plan covering FY 2023. The PHA may elect to conduct the annual public hearing at the same time as the hearing for the PHA Plan.
- ❖ *Civil Rights Certification and Lobbying Form SFLLL.* If the PHA has already submitted these forms, please submit a duplicate copy with the EPIC Document Package.

Additionally, PHAs must submit the following:

Written Statement Defining Significant Amendment/Modification to a CFP 5-Year Action Plan. Each PHA must submit a written statement defining the criteria the PHA will use for determining a significant amendment or modification to the CFP 5- Year Action Plan. In addition to the criteria established by the PHA, **a proposed demolition, disposition, homeownership, RAD conversion, Capital Fund Financing, development, or mixed finance proposal is considered by HUD to be significant amendment to the CFP 5-year Action Plan** based on the Capital Fund Final Rule. This must be submitted as a separate written statement.

Recommendations and Comments Received during the Public Hearing and Resident Consultation. The PHA must include a copy of the comments and recommendations that were received during the public hearing and resident consultation. The PHA must also include a description of how it addressed the recommendations from the RAB and any comments from the public before it submits the CFP 5-Year Action Plan to HUD.

Moving To Work (MTW) PHAs: MTW PHAs should refer to the submission requirements outlined in their MTW agreement with HUD. The requirements for MTW PHAs may not align with the requirements above.

Additional Information Regarding the FY 2023 Capital Fund Grants:

Prohibition regarding Procurement of Security Equipment produced by Huawei Technologies Company or ZTE Corporation. Per 2 C.F.R. § 200.216 and Public Law 115-232, section 889, Capital Fund Program grantees are prohibited from using grant funds to purchase, lease, or renew or extend contracts for security equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).

FY 2023 High Performer Designations. Pursuant to 9(d)(2)(E) of the United States Housing Act of 1937 (1937 Act) and 24 CFR 905.400(l), OCI adjusts formula allocations to award up to a 5% bonus to PHAs that are designated as High Performer PHAs under the Public Housing Assessment System (PHAS). In previous years the Department indexed the PHAS High Performer designations that it used to calculate a Capital Fund formula allocation to designations determined for a specific Federal Fiscal Year. For the FY 2022 formula calculation, the Department shifted its methodology as noted in last year's processing guidance:

*“... the Department is shifting to using the most recent High Performer designation determined as of the **date of the appropriation** [emphasis added] of funding for the Capital Fund.”*

For FY 2023, the Department is further adjusting its methodology to shift from using the most recent High Performer designations as of the *date of the appropriation* to using *June 30 of the previous fiscal* year so as to align with the reporting date used for Capital Fund Certification in the IMS/PIC system. The Department anticipates using this updated methodology in future years.

Reimbursement of CFP Eligible Activities Funded with other Sources. PHAs are not permitted to use any amount of a CFP grant to reimburse for eligible Capital Fund activities that were funded from another source. All Capital Fund obligations, expenditures, and disbursements must be recorded to the grant.

Notification of Closeout or Future Public Housing Development (HUD-5837). This form is notification to HUD of a PHA's intention to either closeout from the public housing program or develop new public housing units. Such removal may be through any applicable law or HUD

program, which may include Sections 18, 22, 33, 32 of the 1937 Act or the Rental Assistance Demonstration (RAD) program.

Flexibility for Capital Fund Amounts. Starting with FY 2015 CFP awards, the limitation on Capital Funds used for Operating Fund eligible activities under BLI 1406 is increased from 20% to 25%, as identified in paragraph 2 of the FY 2023 CFP ACC Amendment.

A PHA with less than 250 public housing units, that is not designated as troubled under PHAS, may continue to use up to 100% of its annual CFP grant in BLI 1406 for activities that are eligible under the Operating Fund at 24 CFR Part 990, except that the PHA must have determined that there are no debt service payments, significant Capital Fund needs, or emergency needs that must be met prior to transferring 100% of its Capital Funds to Operating Fund purposes. A PHA may not use funds under BLI 1406 for CFP modernization activities. Those activities are to be reported under BLI 1480.

Waiver for Anticrime and Antidrug Activities for Large PHAs (those owning/operating 250 or more public housing units). As noted above, for FY 2023 the limitation in section 9(g)(1) of the 1937 Act is increased from 20% to 25%. For FY 2023 the Secretary may waive this limitation to allow PHAs to fund activities authorized under section 9(e)(1)(C) of the 1937 Act which allows PHAs to use Operating Funds for anticrime and antidrug activities, including the costs of providing adequate security for public housing residents, including above-baseline police service agreements.

Large PHAs seeking to place more than 25% of FY 2023 Capital Funds onto 1406 Operations for anticrime and antidrug activities **ONLY** must request a waiver in writing addressed to the Director of the Office of Capital Improvements, 451 7th St. SW, Washington, DC 20410, and the local FO. Requests may also be e-mailed to PIHOCI@hud.gov.

The PHA *must* provide the following information and documentation along with its waiver request:

In thorough and concise narrative form,

- ☐ Identify the amount above 25% of the FY 2023 CFP award both in dollars and by percentage the PHA seeks to transfer to BLI 1406 Operations
- ☐ Identify and describe the threat that crime and drug-related activity poses to health and safety of PHA's public housing residents
 - Describe whether this is a new threat, ongoing, or increased threat
 - Include the most recent crime data of the PHA's locality (e.g., town, city, parish, or county) from a recognized source such as local law enforcement or Uniform Crime Reports that lists types and numbers of offences (may include as an attachment)
- ☐ Identify the applicable project(s)
- ☐ Identify and describe the specific anticrime and antidrug activities the PHA plans to undertake, including the costs of such activities
- ☐ *Optional Attachments:* The PHA may also wish to include supporting narrative or agreements from one or more of the following:
 - Resident Advisory Boards or PHA security personnel;

- local Community Policing Organizations; OR
- local officials (e.g., business council executives, or city council executives).

PHA Plan Submission. In order to comply with the requirements of 24 CFR 903.7(g), PHAs are required to include a statement of capital improvements needed in the PHA Annual Plan. To satisfy that requirement, a PHA must reference its latest HUD approved CFP 5-Year Action Plan covering the current Fiscal Year in its PHA Plan, prior to submission of the PHA Annual Plan. PHAs can reference the form by including the following language in Section 8.0 of the PHA Plan Template: “See HUD Form 50075.2 approved by HUD on XX/XX/XXXX.”

Environmental Review. In accordance with the changes in process announced in [Notice 2016-22](#), all activities at project site(s) assisted or to be assisted by HUD must receive environmental clearance before the PHA takes any choice-limiting actions or obligates any funds. HUD has made a programmatic determination under Part 50 that the operating activities listed in Appendix A of Notice 2016-22 are not subject to further environmental review; for any other activities, PHAs must request and receive clearance from either a Responsible Entity or HUD.

HUD FOs are not required to withhold approval of CFP 5-Year Action Plans or place manual holds on CFP grants in LOCCS, pending receipt of environmental clearance documentation. However, HUD FOs may elect to do so as part of enhanced monitoring.

Even though FOs are permitted to approve CFP 5-Year Action Plans without confirming environmental clearance, the Work Activity Description in a PHA’s CFP 5-Year Action Plan must provide sufficient specificity to facilitate effective HUD FO review of the plan and subsequent environmental review monitoring. Specificity is required so that FOs staff can determine the level of environmental review required for a given work activity. PHAs are encouraged to enter information in the Description field on the scope of the activity (e.g., number of units impacted). For example, for a work activity covering roof replacement, a sufficient description may read: “Installing new 20-year roof, as well as gutters and soffits, at low-rise building containing 5 Public Housing units.” A work description simply stating “Roof” would be insufficient because it does not indicate whether the activity will cover full-scale replacement of the roof or simply patching portions of the roof, a distinction with implications for the level of environmental review required.

PHAs Rejecting a Capital Fund Grant. If a PHA elects to reject any CFP grant(s), the Executive Director must send a written statement to the local HUD FO which identifies the grant number(s) and dollar amount(s) of the grant(s) to be rejected. PHAs are also required to have on file a resolution from its board rejecting the CFP grant(s) for the fiscal year.

Additional Information. If you have any questions or need additional information, please contact the FO staff in your jurisdiction. For assistance from PIH Headquarters, OCI, you may email your questions to PIHOCI@HUD.gov.

Dear Executive Director,

Today HUD's Office of Capital Improvements (OCI) is announcing the award of more than **\$3.2** billion in Fiscal Year (FY) 2023 Capital Fund Program (CFP) Formula Grant Awards to **2,770** housing authorities in all 50 states, as well as the District of Columbia, Guam, Puerto Rico and the U.S. Virgin Islands. We are so pleased to notify you of your agency's award!

Please visit the FY 2023 Capital Fund Processing Information Web page at the link below to view a list of awards by PHA and to review guidance on the processing of these grant awards. The ACC Amendment for your PHA's FY 2023 Capital Fund grant is attached to this e-mail.

https://www.hud.gov/program_offices/public_indian_housing/programs/ph/capfund/2023pi

If you have any questions after viewing the processing guidance, please contact your local HUD Field Office or send an email to PIHOCI@HUD.gov with "Capital Fund Processing" as the subject.

Thank you for the important work you do on behalf of your residents and community. We look forward to partnering with you to put these funds to work improving Public Housing units nationwide and ensuring they provide decent, safe and healthy homes for their residents.

Sincerely,

David Fleischman, Director
Office of Capital Improvements



Notice of Due Date for Application Submission

FY23 Capital Fund Emergency Safety and Security Applications and

New Notice PIH Notice 2023-10 —

Applications Due Wednesday June 28, 2023

On April 21, 2023, HUD issued **PIH Notice 2023-10** (the "Notice"), which sets forth the Emergency Safety and Security annual funding notification and application process. The Notice remains in effect until amended, superseded or rescinded. Per paragraph 4 of the Notice, HUD is notifying PHAs that FY23 Emergency Safety and Security applications will be due no later than the **close of business 5:00pm Eastern Daylight Time (EDT) Wednesday, June 28, 2023, (see last paragraph below for submission requirements)**

Procurement Prohibition on Security Equipment produced by Huawei Technologies Company or ZTE Corporation:

New Prohibition regarding Procurement of Security Equipment produced by Huawei Technologies Company or ZTE Corporation: Per 2 C.F.R. § 200.216 and Public Law 115-232, section 889, Safety and Security grantees are prohibited from using grant funds to purchase, lease, or renew or extend contracts for security equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).

Smoke/heat alarms and detectors added as an Eligible Expense

Previously HUD allowed combination smoke/Carbon monoxide detectors/alarms. With Notice 2023-10 HUD is allowing stand-alone **heat/smoke alarms/detectors** as an eligible expense.

Available Funding

The Consolidated Appropriations Act, 2023, ("2023 Appropriations Act") (Public Law No: 117-328) was enacted on December 29, 2022. The 2023 Appropriations Act maintains the set-aside of Capital Funds for emergencies and natural disasters at \$50 million along with other set-asides. The 2023 Appropriations Act requires that not less than \$10 million of the set-aside for emergency capital needs be used for necessary safety and security measures to address crime and drug-related activity and the threat of carbon monoxide poisoning in public housing. HUD will fund \$10 million of Safety and Security Capital Fund grants in FY23. Per the Notice, HUD has the flexibility to hold separate competitions for Safety and Security grants for carbon monoxide detectors and Safety and Security grants for crime prevention measures. However, as in FY20, FY21, and FY22, HUD is electing to hold one competition for both carbon monoxide detector and crime prevention grants. Each PHA is limited to a total grant award of \$250,000 for FY23 Safety and Security grants. HUD will treat

separate applications for carbon monoxide detectors and /or heat/smoke alarms/detectors and crime prevention measure as a single application for purposes of conducting the lottery.

Link to notice PIH Notice 2023-10:

[2023-10 ESSG Final \(hud.gov\)](#) (if the link does not work type the following into the address line of your web browser: <https://www.hud.gov/sites/dfiles/PIH/documents/2023PIH10.pdf>)

PHAs should review the Notice thoroughly to fully understand the requirements for these funds. If a PHA has eligible activities (see Paragraph 6 of the Notice) and decides it wishes to apply for available funds, it should refer to Paragraph 5 of the Notice for the application submission requirements. There is no separate application that needs to be submitted, only the submission requirements in Paragraph 5 of the Notice.

Per the Notice, please submit a .PDF copy of the application **(in one, single .PDF file)** with all applicable documents listed in Paragraph 5 of the Notice to the PIH OCI mailbox - PIHOCI@hud.gov. For general questions, please call the Office of Capital Improvements at 202-402-4799 (TTY 800-877-8339) or send an email to: safetyandsecurityquestions@hud.gov

HUDPIH-516391410-364(365) Last updated 04/24/2023