



Public Housing Repositioning
Wednesday Webinar Series:

Public Housing Program Closeout

November 18, 2020



Presenters

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Why are we here?

The goal of this webinar series is to help explain and discuss common issues in the repositioning process.

Today's call will focus on:

Public Housing Program Closeout

- ✓ What does “Public Housing Closeout” mean
- ✓ Repositioning options that require closeout
- ✓ Considerations before closeout
- ✓ How to closeout a Public Housing Program



Webinar Topics	Date
Developing a Repositioning Strategy	May 13, 2020
Options for Scattered-Site Units	June 3, 2020
Options for 50-and-Under PHAs	June 24, 2020
RAD and Section 18 Blends	July 22, 2020
Resident Considerations	August 12, 2020
Streamlined Voluntary Conversion	September 2, 2020
Options for Obsolete Units	September 30, 2020
Common PHA Board Questions	October 28, 2020
Public Housing Program Closeout	November 18, 2020
Project-Based Voucher Overview	December 2, 2020

All webinars will be recorded and posted at www.hudexchange.info



Need additional Repositioning resources?



- There are additional repositioning handouts and training materials available on the HUD Repositioning Website: https://www.hud.gov/program_offices/public_indian_housing/repositioning
- [Introduction to Repositioning Webinar series](#) is available on HUD Exchange

What does “Public Housing Program Closeout” mean?

The removal of the Public Housing Annual Contributions Contract through transfer, consolidation or termination



The Public Housing Authority (PHA) will still exist.
PHAs are locally established government entities.
There are lots of PHAs that don't operate a Public Housing Program.



What does “Public Housing Program Closeout” mean? (Cont’d)

- Your PHA cannot develop new public housing units regardless of its "Faircloth Limit".
- Your PHA needs a plan for its remaining Public Housing funding grants, Public Housing assets, Public Housing property, and Public Housing Central Office Cost Center (COCC).

Want to learn more? Check out the [Faircloth FAQs](#) document on [the Repositioning Website](#)



When is Public Housing program closeout **required**?

- Section 18 disposition (**50 units and under justification**)
- Section 22 Streamlined Voluntary Conversion (250 units and under)
- RAD (streamlined processing for 50 units and under)
- RAD (where all public housing units are converted and PHA has no authority to develop new units under Faircloth)

****Public Housing program Close-out is OPTIONAL (PHA discretion) when a PHA removes all of its current public housing units under other repositioning tools and has Faircloth Authority and a plan to develop new public housing units. (PHA must be aware of Period of Performance of funds, which can require fiscal close outs – Slide 15.)***



Things to consider before Public Housing Program Closeout

PHAs need to consider what they want to do with Public Housing Program assets:

Personal Property and Equipment: If property is associated with a project, it may be transferred as part of a real estate transfer/repositioning action (Section 18, RAD). PHAs should negotiate the transfer of personal property at the project level as part of repositioning.

Public Housing funds: may only be transferred to a repositioning property as part of a RAD conversion. PHAs may transfer funds to another PHA in order to support their RAD conversion in accordance with the “PHA Partnerships” provision (Section 1.5.L) of RAD Notice (Rev 4).



Things to consider before Public Housing Program Closeout

What about non-dwelling property?

RAD. The PHA can only include the non-dwelling property if the property supports the RAD project and will be owned by the same entity as the RAD units and included in the RAD use agreement.

Section 18. The PHA can only include the non-dwelling property if the property will be disposed of (transferred). The disposition may be to the same or to a different entity than the entity that will receive the property with the units.

Section 22 – Streamlined Voluntary Conversion (SVC). The PHA can include the non-dwelling property as part its SVC application. The PHA may propose to retain (outside of public housing restrictions) or dispose of (transfer) the property.



Things to consider before Public Housing Program Closeout

Keep in mind, you may still get more Public Housing Program funds AFTER units are removed under Section 18.

If a PHA repositions units via Section 18 (Demo/Dispo) they may be eligible to receive an Asset Repositioning Fee (ARF) and Demolition/Disposition Transition Funding (DDTF) (if they have an eligible use).



Want to learn more about ARF and DDTF? Check out the [DDTF and ARF Summary](#) on [the Repositioning Website](#).

Things to consider before Public Housing Program Closeout

Keep in mind, final program audits and legal reviews cost money.



PHAs should plan for Public Housing Program closeout costs and record-keeping as part of their Public Housing Closeout decision.

Things to consider before Public Housing Program Closeout

- PHAs should plan for the end of the Central Office Cost Center (COCC). The COCC is an element of the Public Housing Program.
- The PHA should identify a source of revenue to address Other Post-Employment Benefits (OPEB) and other Public Housing Program legacy costs.

To learn more, see the [Pension and Administrative Considerations](#), on the [Repositioning Website](#).



Things to consider before Public Housing Program Closeout

Once a PHA has zero Public Housing units, the eligible Public Housing Program expenses becomes limited to things like:



- Accounting and legal costs associated with the Public Housing Program closeout
- PHA Public Housing Program liabilities
- Maintenance or site remediation of any Public Housing property prior to disposition
- Record keeping for three years or otherwise in compliance with 2 CFR 200

Additional things to consider

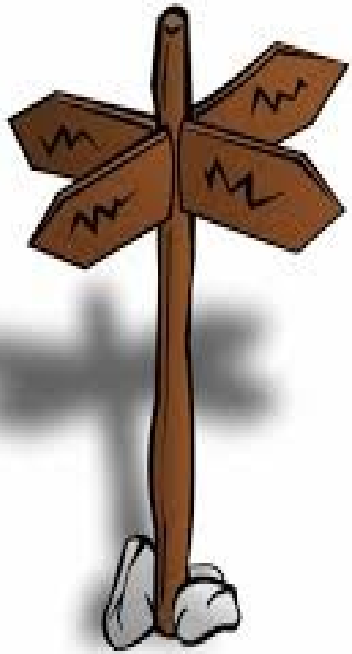
PHAs must keep in mind that Public Housing grants have a Period of Performance. Grant Funds and Program Income may not be used after the Period of Performance has expired, and a fiscal close out is required:



- Operating Fund grants and program income are based on removal of last ACC unit
- Capital Funds grants are based on the grant award date

To learn more, see the [Repositioning and Public Housing Funds](#), on the [Repositioning Website](#).

Options for Public Housing Program Closeout



Option 1: Transfer the remaining assets to another PHA as part of a Public Housing Program Transfer or Consolidation. (See PIH Notice 2014-24).

Option 2: Develop and implement a disposition plan for remaining central PHA personal and real property. Repay grant funds and program income to HUD (See PIH Notice 2019-13.)

First step in the closeout process

Form HUD-5837



HUD will request this as part of any PIC removal application that brings a PHA to zero ACC units.

A. General PHA Information

PHA Identification Number and Name:	
PHA Fiscal Year End:	
Expected date of removal of last ACC unit:	
Does the PHA intend to closeout its public housing program or develop new ACC units in the future?	<input type="checkbox"/> Closeout public housing program <i>Fill out Section B & D only</i> <input type="checkbox"/> Develop new ACC Units <i>Fill out Section C & D only</i>

B. Public Housing Program Closeout Information

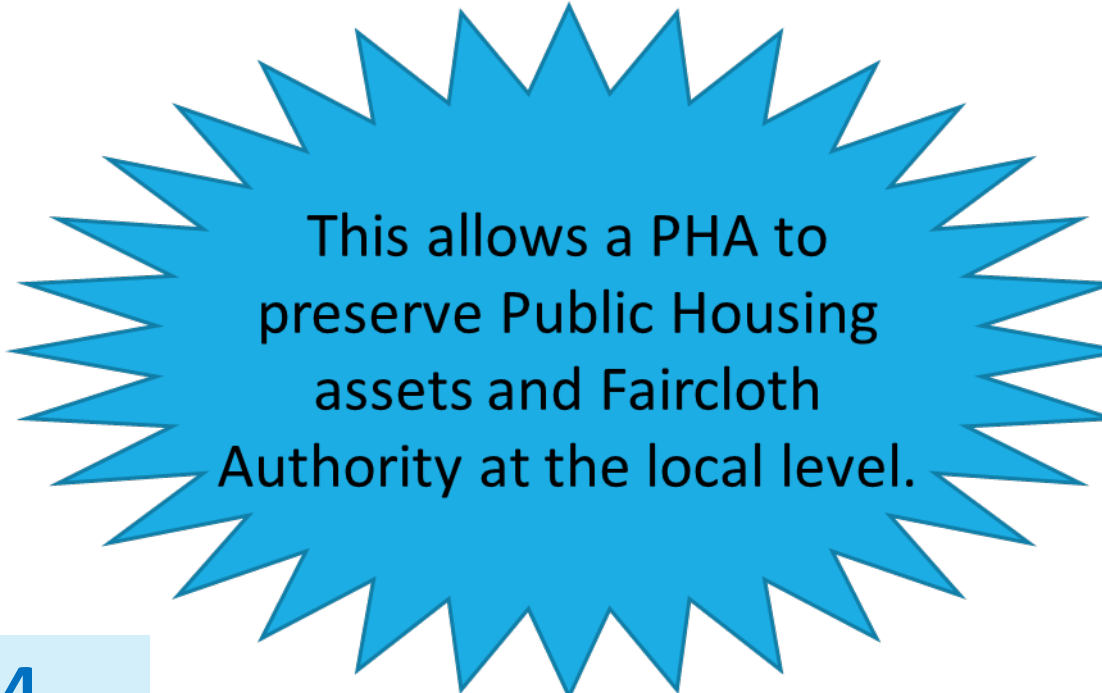
Will the PHA have any Non-Dwelling Public Housing Real Property after it removes its last public housing unit? If yes, which removal action does the PHA intend to pursue to dispose of the remaining Public Housing Real Property?	<input type="checkbox"/> Yes <input type="checkbox"/> Section 18 Application <input type="checkbox"/> Retain under 2 CFR part 200.311 <input type="checkbox"/> Transfer to 3rd Party <input type="checkbox"/> Other <input type="checkbox"/> No
Does the PHA have (or reasonably anticipate) any outstanding public housing litigation, claims, compliance reviews, monitoring reviews, PHA or MTW Plan reviews, audits, and/or fair housing or other civil rights complaints to resolve?	<input type="checkbox"/> Yes – explain in Section D <input type="checkbox"/> No
Will the PHA comply with all required closeout activities, including submission of board resolution, legal opinion, and quarterly financial reports as specified in PIH 2016-23 (or subsequent guidance)?	<input type="checkbox"/> Yes <input type="checkbox"/> No



How to Closeout: Transfer a Public Housing Program

Key Requirements:

- Board Resolution (from receiving and donating PHA)
- Legal Opinion that receiving PHA can claim jurisdiction and compliant with local law
- Final Program Closeout Audit
- Resolution of claims



This allows a PHA to preserve Public Housing assets and Faircloth Authority at the local level.

To learn more, read [PIH Notice 2014-24](#) and contact you local PIH Field Office




How to Closeout: Terminate your Public Housing ACC

Key Requirements:

- Board Resolution
- Legal Opinion
- SF425 showing \$0 Public Housing Program funds remaining
- Final Program Closeout Audit showing \$0 in Public Housing Assets
- Removal of all Public Housing Real Property (Non-dwelling) (Section 18, PIH Notice 2016-20)
- PHA must follow 2 CFR 200 requirements to dispose of remaining Central Public Housing Personal Property

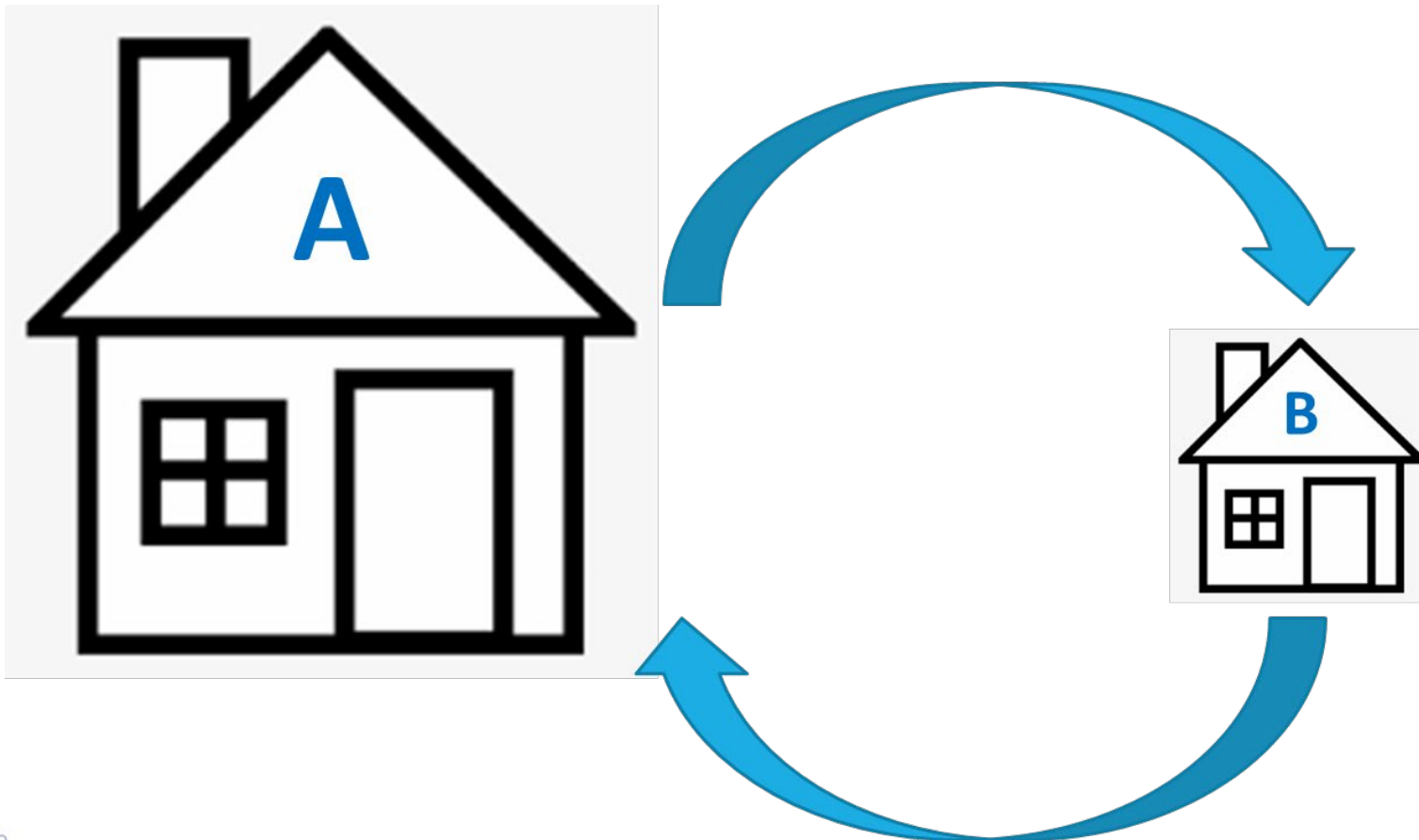
These need to be submitted to the local PIH Field Office



To learn more, read [PIH Notice 2019-13](#) and contact your local PIH Field Office



When would a Transfer be Good?



PHA A is serving as a Project Based Voucher (PBV) HCV administrator for PHA B's property.

PHA B transfers their remaining Public Housing program (assets, Faircloth Limit, and liabilities) into PHA A.

Still want more?

- **Check out the Public Housing Program Closeout Website.**
https://www.hud.gov/program_offices/public_indian_housing/repositioning/closeout
- **Check out the Public Housing Repositioning Website.**
https://www.hud.gov/program_offices/public_indian_housing/repositioning
- **Contact your Local Public Housing Field Office.**
PIH Field Offices can help you complete your RAD application, and provide additional assistance explaining the conversion options.
- **Email Repositioning@hud.gov**



Questions?

