



Utilizing Public Housing Capital and Operating Funds for Broadband Activities

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Agenda

1. Introduction

Robert Mulderig, Deputy Assistant Secretary, Office of Public Housing Investments

2. Use of Capital Funds

Leandria Campbell, Housing Capital Improvements Specialist

Chris Granger, Housing Capital Improvements Specialist

3. Use of Operating Funds

Todd Thomas, Director, Office of Public Housing Programs

4. Q&A

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**Leandria Campbell & Chris Granger,
Housing Capital Improvements Specialists
Office of Capital Improvements**



Connectivity as a Capital Fund Management Improvement

- Limited to 10% of your Capital Fund
- Can be related to upgrading or improving operation or management of the PHA's public housing properties or correcting documented management deficiencies

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How capital funds can support connectivity



**Building updates to support broadband internet
and wi-fi**



Purchase and install equipment



**Facilitate programs to improve the
empowerment/economic self-sufficiency of public
housing residents, tenant accommodations and
training to operate internet equipment**

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How Capital Funds Can Support Connectivity/ Eligible Activities:

Capital Funds
Neighborhood Network Computer Centers or Shared/Common Spaces
Establishment and initial operation of a Neighborhood Network computer center or shared/common computer center to include purchase of: <ul style="list-style-type: none">• Computers and computer equipment• Equipment upgrades• Space renovations• Computer internet connection and utilities• Digital literacy training costs and related training• Insurance
Resident Council Funds
Can be used for the same internet connectivity expenses as referenced under the Capital Fund.

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How Capital Funds Can Support Connectivity/ Eligible Activities (Cont'd)

Capital Funds
Individual Units
<ul style="list-style-type: none">• Installation of, or upgrades to broadband infrastructure and hardware equipment such as modems, switches or Wi-Fi extenders• Equipment that would allow for the establishment of Wi-Fi (or mesh) networks/or upgrades to such equipment• Wiring of individual units• Installation of special directional antennae to extend wireless internet connectivity from PHA management offices to PHA properties, to enable households to make use of the office wireless signal for free connectivity• Installation of satellite/cellular receivers to connect properties to wireless broadband• Routers, hotspots* and modems for individual units (but not internet service)

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AConnectivity Activities that are Ineligible Under Capital Fund –BUT Eligible Under the Operating Fund:

- On-going costs of operating computer centers in public housing, such as on-going internet fees, equipment. Staff salaries, on-going operation of computer literacy programs for residents, routine network maintenance.
- On-going costs for individual unit connectivity, such as on-going internet services, maintenance of equipment, staff expenses, maintenance of routers, hotspots, modems, etc.



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Capital Funds for Operating Fund Activities

- The statute and regulations allow PHAs to use a percentage of annual CFP grants for activities that are eligible under the Operating Fund (BLI 1406 Activities)
- Limited to 20% for most PHAs
- Must be in the approved 5-Year Action Plan
- Small non-troubled PHAs may use up to 100% with FO approval if certain requirements are met, including no significant Capital needs within the PHAs units



Vs.



Todd Thomas, Director Office of Public Housing Programs



Use of Operating Funds

- PHAs receive annual operating subsidy for operations, as described in Section 9 of the 1937 U.S. Housing Act.
- Per 9(e) this funding can be used for:
 - Procedures and systems to maintain and ensure the efficient management and operation of public housing units;
 - Providing adequate security for public housing residents;
 - Activities to provide for management and participation in the management and policymaking of public housing by public housing residents; and
 - Costs of operating computer centers in public housing through a Neighborhood Networks initiative.

Neighborhood Networks

- Language added in 1995 but authority still available to Public Housing Agencies (PHAs)
- Neighborhood Networks include:
 - “computer centers in and around public housing... for the purpose of enhancing the self-sufficiency, employability, and economic self-reliance of public housing residents by providing them with onsite computer access and training resources”
- For example, during the COVID pandemic, Neighborhood Networks included “virtual” computer centers, with Wi-Fi in the building or common areas and loaner mobile devices (laptops, tablets) to help residents access job training courses.
- https://www.hud.gov/program_offices/public_indian_housing/programs/ph/ross/aboutnn

Authorized Use of Operating Funds

- Based on Section 9(e), PHAs may use Operating Funds to provide computer internet services to residents of public housing **both in their units and in common areas.**
- The use of Operating Funds for internet services or other related services will not increase a PHA's eligibility for Operating Funding
- Operating funds can also be used for established Neighborhood Network centers, to include:
 - Ongoing internet connection fees and utilities;
 - Computers and computer equipment (as upkeep/maintenance);
 - Staff salary;
 - Insurance;
 - Other activities related to operating the computer center (e.g., training programs); and
 - Network maintenance and security expenses.

Additional Uses of Operating Funds

- Internet computer service for residential units and common areas;
- Ongoing maintenance of:
 - PHA-purchased broadband equipment and wiring;
 - PHA-purchased Wi-Fi/mesh network equipment;
 - PHA-purchased satellite/cellular receivers;
 - PHA-purchased in-unit routers, hotspots, and modems; and
- Related staff expenses.
- None of the above can be used to fund entertainment services. Use of Op Funds for internet service will not alter future formula eligibility calculations for subsidy allocation. **Broadband is not part of a utility allowance.**
- Resident council funds (24 CFR 990.190(e) and 24 CFR 964) may also be used under the same conditions.

CARES Act Funds

- **The Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020** provided supplemental Operating Funds and authorized funding for new activities to:
 - Support or maintain the health and safety of assisted individuals and families; and
 - Support education and childcare for impacted families.
- For Broadband/Internet Access, this included:
 - Devices for students to learn, such as laptops or tablets
 - Internet service for units with school-aged children
 - Wi-Fi routers or provided mobile hotspots for loan
 - Loaned devices for residents to access telehealth visits

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