

Pt. 905

24 CFR Ch. IX (4-1-15 Edition)

participation of the Homebuyers in the management of the Development and representation of the Homebuyers in their relationships with the Authority, and for other purposes; and

WHEREAS, the _____ Homebuyers Association (“Association”) fully represents the Homebuyers of the Development;

NOW, THEREFORE, this agreement is entered into by and between the Authority and the Association and they do hereby agree as follows:

1. The Association, whose Articles of Incorporation are attached hereto and made a part hereof, is hereby recognized as the established representative of the Homebuyers of the Development and is the sole group entitled to represent them as tenants or Homebuyers before the Authority;

2. For each fiscal year, the Authority shall make available funds to the Association for its normal expenses, in such amounts as may be available to the Authority for such purposes and subject to whatever applicable HUD regulations;

3. The Association shall be entitled to the use of office space in _____ at the Development without charge by the Authority for such use;

4. The Authority and the officers of the Association shall meet at a location convenient to both parties on the _____ (day) of each month to discuss matters of interest to either party;

5. In the event the parties later agree that the Association should assume management responsibilities now held by the Authority, a contract for such purpose will be negotiated by _____ the Association; _____ terminate upon dissolution of the Association.

IN WITNESS HEREOF, the parties have executed this Agreement on _____, 19____.

Local Housing Authority _____
By (Official Title) _____
Homebuyers Association _____
By (Official Title) _____
WITNESSES: _____

PART 905—THE PUBLIC HOUSING CAPITAL FUND PROGRAM

Subpart A—General

- 905.100 Purpose, general description, and other requirements.
- 905.102 Applicability.
- 905.104 HUD approvals.
- 905.106 Compliance.
- 905.108 Definitions.
- 905.110 Incorporation by reference.

Subpart B—Eligible Activities

- 905.200 Eligible activities.
- 905.202 Ineligible activities and costs.
- 905.204 Emergencies and natural disasters.

Subpart C—General Program Requirements

- 905.300 Capital fund submission requirements.
- 905.302 Timely submission of the CF ACC amendment by the PHA.
- 905.304 CF ACC term and covenant to operate.
- 905.306 Obligation and expenditure of Capital Fund grants.
- 905.308 Federal requirements applicable to all Capital Fund activities.
- 905.310 Disbursements from HUD.
- 905.312 Design and construction.
- 905.314 Cost and other limitations.
- 905.316 Procurement and contract requirements.
- 905.318 Title and deed.
- 905.320 Contract administration and acceptance of work.
- 905.322 Fiscal closeout.
- 905.324 Data reporting requirements.
- 905.326 Records.

Subpart D—Capital Fund Formula

- 905.400 Capital Fund formula (CF formula).

Subpart E—Use of Capital Funds for Financing

- 905.500 Purpose and description.
- 905.505 Program requirements.
- 905.507 Streamlined application requirements for standard and high-performing PHAs.
- 905.510 Submission requirements.
- 905.515 HUD review and approval.

Subpart F—Development Requirements

- 905.600 General.
- 905.602 Program requirements.
- 905.604 Mixed-finance development.
- 905.606 Development proposal.
- 905.608 Site acquisition proposal.
- 905.610 Technical processing.
- 905.612 Disbursement of Capital Funds—predevelopment costs.

Subpart G—Other Security Interests

- 905.700 Other security interests.

Subpart H—Compliance, HUD Review, Penalties, and Sanctions

- 905.800 Compliance.
- 905.802 HUD review of PHA performance.
- 905.804 Sanctions.

AUTHORITY: 42 U.S.C. 1437g, 42 U.S.C. 1437z-2, 42 U.S.C. 1437z-7, and 3535(d).

SOURCE: 65 FR 14426, Mar. 16, 2000, unless otherwise noted.

Subpart A—General

SOURCE: 78 FR 63770, Oct. 24, 2013, unless otherwise noted.

§ 905.100 Purpose, general description, and other requirements.

(a) *Purpose.* The Public Housing Capital Fund Program (Capital Fund Program or CFP) provides financial assistance to public housing agencies (PHAs) and resident management corporations (RMC) (pursuant to 24 CFR 964.225) to make improvements to existing public housing. The CFP also provides financial assistance to develop public housing, including mixed-finance developments that contain public housing units.

(b) *General description.* Congress appropriates amounts for the Capital Fund in HUD's annual appropriations. In order to receive a Capital Fund grant, the PHA must:

(1) Validate project-level information in HUD's data systems, as prescribed by HUD;

(2) Have an approved CFP 5-Year Action Plan;

(3) Enter into a Capital Fund Annual Contributions Contract (CF ACC) Amendment to the PHA's Annual Contributions Contract (as defined in 24 CFR 5.403) with HUD; and

(4) Provide a written certification and counsel's opinion that all property receiving Capital Fund assistance is under a currently effective Declaration of Trust (DOT) and is in compliance with the CF ACC and the Act.

(c) *Informational requirements.* Section 905.300 of this part describes the information to be submitted to HUD for the CFP. HUD uses the CF formula set forth in § 905.400 of this part, along with data provided by the PHA and other information, including, but not limited to, the high-performance information from the Real Estate Assessment Center (REAC) and location cost indices, to determine each PHA's annual grant amount. HUD notifies each PHA of the amount of the grant and provides a CF ACC Amendment that must be signed

by the PHA and executed by HUD in order for the PHA to access the grant. After HUD executes the CF ACC Amendment, the PHA may draw down funds for eligible costs that have been described in its CFP Annual Statement/Performance and Evaluation Report or CFP 5-Year Action Plan.

(d) *Eligible activities.* Eligible Capital Fund costs and activities as further described in subpart B of this part include, but are not limited to, making physical improvements to the public housing stock and developing public housing units to be added to the existing inventory. With HUD approval, a PHA may also leverage its public housing inventory by borrowing additional capital on the private market and pledging a portion of its annual Capital Funds for debt service, in accordance with § 905.500 of this part.

(e) *Obligation and expenditure requirements.* A PHA must obligate and expend its Capital Funds in accordance with § 905.306 of this part. The PHA will directly employ labor, either temporarily or permanently, to perform work (force account) or contract for the required work in accordance with 24 CFR part 85. Upon completion of the work, the PHA must submit an Actual Modernization Cost Certificate (AMCC) or Actual Development Cost Certificate (ADCC) and a final Performance and Evaluation Report (in accordance with § 905.322 of this part) to HUD to close out each Capital Fund grant.

(f) *Financing and development.* Section 905.500 of this part regulates financing activities using Capital Funds and Operating Funds. Section 905.600 of this part contains the development requirements, including those related to mixed-finance development, formerly found in 24 CFR part 941. Section 905.700 of this part describes the criteria for the use of Capital Funds for other security interests. Section 905.800 of this part addresses PHA compliance with Capital Fund requirements and HUD capability for review and sanction for noncompliance.

§ 905.102 Applicability.

All PHAs that have public housing units under an Annual Contributions Contract (ACC), as described in 24 CFR