

Silas (Event Producer) 00:00:00 Welcome and thank you for joining today's conference: Expiring HOME Funds – Addressing Unexpended Balances. Before we begin, please ensure you have opened your chat panel by using the chat icon located at the bottom of your screen. If you require technical assistance, you can send a chat message to the event producer and if you have content related questions throughout the presentation, you can send a message to all panelists in the chat panel. With that, I'll turn the call over to Peter Huber, Deputy Director, Office of Affordable Housing Program. Please go ahead.

Peter Huber 00:00:46 Good afternoon. Welcome to our webinar. We're here today to talk about an important topic, expiring HOME funds and how to address unexpended balances. Next slide. My name's Peter Huber. I'm the Deputy Director of the Office of Affordable Housing Programs for OAHP. Our office administers the HOME program, the HOME, ARP program, and the Housing Trust Fund program. I'm joined today by Danielle Frazier, Director of OAHP, Financial and Information Services division and staff from her division including Marcia Wadsworth Senior Affordable Housing Specialist, Alyssa McMorris Management and Program Analyst, and Jessica Suimanjaya Senior Affordable Housing Specialist. Next slide.

Peter Huber 00:01:42 So today we're going to provide you with an overview of expiring HOME grants. We'll discuss the period of availability to obligate and expend HOME funds. We'll present you with resources for identifying expiring HOME funds. We'll give you some tips for expending HOME funds before they expire and are recaptured by the United States Treasury. And we'll have some time at the end to answer your questions. Next slide. So, I'd like to move into the overview now, which I'd like to call the current state of expiring HOME funds. Next slide. Yeah, so according to HUD's Data System, the Integrated Disbursement and Information System or IDIS, as of May 22nd, 2023, a hundred and seventy-eight participating jurisdictions or PJs have undisbursed 2015 HOME funds. This includes 10 state participating jurisdictions and 168 local participating jurisdictions. There are currently a hundred or there, there are currently 17.3 million of undisbursed 2015 HOME funds. About 20% of that undisbursed amount is from state participating jurisdictions, and about 80% of that amount is from local participating jurisdictions. These funds will expire at the end of this federal fiscal year, so at the end of September 2023. You'll hear more about that as we move throughout this webinar. Of particular concern to HUD is that about 13 million of that 17 million of undisbursed 2015 HOME funds is currently uncommitted to activities. And as you know, funds must be committed to activities before they can be drawn down from your HOME investment trust fund treasury account.

Peter Huber 00:03:43 So there are 13 million in uncommitted 2015 HOME funds that must be first committed to activities and then drawn down before the end of the federal fiscal year. next slide. So to make things even more interesting, since HUD obligated these funds to participate in jurisdictions back in 2015, participating jurisdictions have been doing their business and subfunding and subgranting much of this funding. As the table shows on this slide, most of these undisbursed 2015 HOME funds are in the entitlement or EN sub fund, which are your regular HOME funds. However, many of these funds are in the CHDO Set Aside subfund or the CR subfund. And you'll notice over a million dollars of these expiring funds are in the SU subfund, which is your general subgrants to Subrecipients and state recipients. So today, the team will provide instructions about how to move these funds out of a subfund or subgrant, if you wish to be able to expend the funds before they expire.

Peter Huber 00:05:07 Another thing that I wanted to point out on this slide is that there's still quite a bit of uncommitted and undisbursed 2015 HOME funds in the administrative allowance or the AD subfund in IDIS. These are funds that the participating jurisdiction can use for its own administration and planning costs, and that's based on the HOME program's, 10% administrative allowance, which we often hear from participating jurisdictions is not enough to successfully administer the HOME program. So allowing these precious admin funds, as we call them, to expire before they're expended, sends the wrong message to Congress. And that leads me to my final point, which is that the need for additional affording additional affordable housing units is great, as you all know. So let's find a way, between HUD and PJs working together to expend these funds for affordable housing before they expire and are returned to the United States Treasury. Let us help you do that. So listen in for the next 45 minutes or so and hopefully if you're a participating jurisdiction that has expiring 2015 HOME funds, you'll come away with a way to expend those funds before the end of September 2023. And now I'd like to turn things over to Marcia to talk about the availability of HOME funds. Next slide.

Marcia Wadsworth 00:06:45 Hi, this is Marcia Wadsworth, and we just want to give you a little background on how we got to this point. And in order to get to this point, the funds have to be obligated first and to tell you about this, how this all comes to, to, to be at this point. The funds are appropriated by Congress and Congress establishes the availability for obligation of the program funds. And in 2015, they established a four-year period for obligation. So if any of you have been around before 2015, you may recall that the HOME funds were available for a three-year period of obligation. So they gave the program an extra year of obligation. So what that means is for four years, the funds could be obligated until from 2015 to the end of September of 2018.

Marcia Wadsworth 00:07:51 So how the HOME program doesn't have a problem with this, we're, we're okay with obligations and we're not talking about obligations at this point because all the funds are obligated. So we must talk about the expenditure of funds at this point. And Title 31 of the US code establishes the availability of funds to be expended and the US code established a five-year period for programs to spend the funds. So for the 2015 funds, they're available until September, September, you would think, September 30th, 2023. However, HUD accounting needs some time to close the books. So they've established a deadline of September 27th, 2023. So we are coming up on that deadline and we must tell you that come September, this close of business of September 27th, you cannot expend funds after this, this date. And because of this federal code, HUD has no authority to grant you an extension.

Marcia Wadsworth 00:09:06 So you must get your vouchers in, on or prefer preferably before the 27th to get them through the accounting system by the close of business on the 27th because after this time, HUD will relinquish, relinquish those funds to the US Treasury. They will sweep the funds. And this happens, this is going to, this happens every year, 2016, they'll, they'll have to be expended by the end of 2024. So, you may know, that, this is, this is the, the federal code. And you may recall that HOME regulations used to have their own five year expenditure period. But this is different because the HOME regs no longer has that five-year expenditure period. So it now reverts to the federal code for the five-year expiration, their five-year expenditure period. So that's very important. Now you want to read a little bit more about the US code and the actual details. You can look at our HUD Exchange and review the HOME Facts. It gives a little more detail and its volume 11 and number one that was, just put out last month. So next slide. Thank you.

Alyssa McMorris 00:10:31 Morning. My name is Alyssa McMorris. I'm just going to briefly walk through the two ways for you to get to the Expiring Funds report. Slide please. So the first option you have is downloading the report from the HUD Exchange website. These reports are updated monthly and as the annual deadline approaches, you will find that they will be updated more frequently. Slide. So you want to start out on the HOME main page of the HUD Exchange website to get to this report. So you'll want to slide, scroll down the screen. So next slide. And in the bottom right corner you will find a column that says Report, underneath those reports, that report column, you'll see a link that says expiring funds. So go ahead and select that slide. This will bring you to the expiring funds reports main page. I'll scroll all the way down to the bottom of the screen. And on the left side you'll see a filter by column and that will allow you to filter the, the reports available by the fiscal year. Currently it is displaying the 2015 fiscal year and on the right side you'll see a link to download that report. Please take note of the date that is listed on that link as well. That date represents the data from which, the date the data was pulled to create this report. Next slide.

Alyssa McMorris 00:12:15 This is what that report will look like, and we will go over what all this information means in a few minutes. So next slide. The other way you can get to this report is by running a PR 44 through Microstrategy. This report is accurate as of the prior business day and can also be filtered by the fiscal year, like the report we just saw on HUD Exchange, on the HUD Exchange website. It will also display the fund type and commitment status of those funds. Next slide. For this report you will need IDIS access, and you'll want to start out on the IDIS homepage. On the upper right-hand side you'll see a reports tab. After selecting that next slide, you'll be brought a new micro, new Microstrategy tab will appear and you will need to select the IDIS folder. Oh, I'm sorry, somebody couldn't hear me.

Alyssa McMorris 00:13:17 you'll need to select the IDIS folder. So next slide from the screen, you'll just need to go ahead and select the shared reports folder on the left side. After selecting that, you'll be brought to a screen that displays several different types of reports and folders, but you just want to go and find the PR 44 folder in the, it's displayed here in the top right-hand corner. So you can go ahead and select that one and then this will bring you to the expiring funds report. So once you select this, it will bring you to the filter options that you can select. So go ahead and select the PR 44 report and you'll be brought to this page. So this page, it displays the year option, it has to be changed, it will always default to 2009. So make sure you do change that to 2015. Next slide. And once it's changed to 2015, you can go ahead and select run report in the bottom left-hand corner.

Alyssa McMorris 00:14:28 So then you will have this report visible to you if you like, you can go ahead and view the report as it is shown, or you can select the icon in the toolbar with the little grid right there. And it will allow you to export this report into an Excel spreadsheet. So go ahead and select that. Here are your options. So this will allow for you, this will allow for you to choose what you want it to look like, some of the formatting options once it's exported to Excel. And once you've made your selections, you can go ahead and select export in the bottom right corner.

Alyssa McMorris 00:15:09 So this is what that report will look like once it's been exported to Excel. The first column will display the fiscal year. So as you can see it is displaying as 2015, which is the year we want to be looking at. And then it will also display the state and the second column, as well as the participating jurisdiction and any subrecipients as well. In the fourth column, fifth column over the fund type, it will display the type of funds that are being, that are up for commitments. And those will also state, so it'll say the administration funds, that'll specify by administration, entitlement, or any type of

subgrant. And then we get to, the part we really want to be looking at is the balance to commit. So this column displays the amount of HOME funds left that have not been committed to activities. Next column is the draw pending approval column.

Alyssa McMorris 00:16:16 And this will display funds that have, that have been requested to draw. So if this means if you see a pending draw, this means that you have, it hasn't been drawn out of LOCCS yet, it has been requested, but it has not been drawn out of LOCCS. So make sure that your parties have signed off in IDIS for this expenditure. It is waiting for your approval. The last column you see is the balance to draw. This is the balance that you are currently able to draw and commit to activities and next. And I believe that is all from me and I will be handing you guys off to Jessica.

Jessica Suimanjaya 00:16:58 Thank you so much, Alyssa. Okay. So now the expiring funds deadline has been explained to you. You've been pointed to a couple of resources by Alyssa that can help you determine whether you have any 2015 HOME funds at risk of expiration. Now we've reached the main part of this webinar, which is where we will be going over some tips for how you can make sure that you spend any 2015 HOME funds you still have by the September 2023 deadline, the deadline that Marcia went over earlier in this presentation. And we'll start with tip number one, which is make sure all of your 2015 HOME funds are committed. If you want to spend your 2015 funds, you need to first make sure they are committed to an activity in IDIS. HOME funds cannot be drawn down until they're first committed to an activity. And while this seems like it should be pretty obvious, like why do we even need to make this a tip, remember what Peter said earlier, that over 13 million of the 2015 HOME funds that are in danger of expiring this September are uncommitted.

Jessica Suimanjaya 00:18:06 So over 13 million is not yet committed to an activity in IDIS. So how do you know if you have some of these uncommitted HOME funds? How do you know if tip number one applies to you? Well, let's go back to the PR 44 report that Alyssa showed you earlier. So on this report you'll see a column titled Balance to Commit, which is highlighted on this slide. And you're going to want to scroll through this report and if you see a number in this column next to your name and that number is greater than \$0, that means you have uncommitted 2015 HOME funds. And it means that the first step that you need to take in order to expend your 2015 HOME funds is to take these uncommitted funds and commit them to an activity in IDIS. So now let's move on to tip number two. If you have unspent 2015 HOME funds that have the CR fund type, but you don't have any eligible CHDO costs to spend this money on between now and September, you can request a CR subfund reduction and convert these funds into the EN fund type.

Jessica Suimanjaya 00:19:16 And the hope is that you'll be able to spend these funds more easily by September if they are EN funds. Now the reason we can reduce the CR requirement is because the Consolidated Appropriations Act of 2019 suspended the 24-month CHDO reservation requirement. And if the CR funds are not committed to eligible CHDO projects after those 24 months, those CR funds may be used for any HOME project and are no longer restricted to CHDO projects. So how do you request this? How do you ask for a CR subfund reduction? To make this request, you just need to send an email to your CPD rep at the field office and ask them to lower your 2015 CR requirement in IDIS. Your rep will forward this request to their OAHP desk officer to process the request on your behalf. So another question you might have now is how do you know if this tip applies to you?

Jessica Suimanjaya 00:20:09 How can you tell if you have 2015 CR funds that are eligible for this subfund reduction? Well, again, we're going to go back to the PR 44 report that Alyssa showed us earlier,

but this time we'll focus on the column called Fund Type, which again has been highlighted in yellow on this slide. And again, you're going to scroll through the report and if you see a CR next to your name in the fund type column, then you have 2015 funds that are eligible for a CR subfund reduction and tip number two applies to you. And this tip especially applies to you if you think it'll be easier for you to spend your 2015 funds as EN, entitlement, funds instead of CR. So just a recap to request a CR subfund reduction, you just need to send an email request to your field office. Your CPD rep will then ask their OAHF desk officer to process the CR reduction in IDIS on your behalf.

Jessica Suimanjaya 00:21:04 And once that's done, how can you tell as a PJ when this request has been completed? Well, your field office is going to let you know, but in case you're really anxious, you're impatient, you really want to know right away, you will be able to tell by logging into IDIS and reviewing your 2015 CHDO Reserve or CR subfund screen, which looks like this. And what you're going to look for here is the regulatory minimum field which is highlighted on the screenshot. So you can see in this example that the regulatory minimum is now \$0. It's no longer 15% of your grant amount. This means that your CR requirement has been reduced and those funds can now be moved over to EN. So how do you move the funds over to EN? This does not happen automatically. To convert the CR funds to EN, you will need to reduce the authorized amount of any 2015 CR subgrants. You have to then reduced the authorized amount of the 2015 CR subfund, once you reduce the CR subfund, so once you've completed step number two on the slide, then the CR funds will automatically become EN. So remember to do these two steps in IDIS or else the funds will retain that CR fund type.

Jessica Suimanjaya 00:22:19 And now that brings us to tip number three. Now for some of you, you may very well have a number of drawdowns you can make between now and September, but the draws you can make may not be for activities that are funded with 2015 funds. So for example, maybe you have upcoming draws, but it's for an activity funded with 2020 funds. Well, if you find yourself in this situation, then tip number three could apply to you. So number three is to swap the funding on your activities before making a drawdown to in order to utilize your 2015 HOME funds. So in the example we mentioned previously, we said that maybe the next drawdown you can make is for an activity funded with 2020 HOME funds. So what you could do before making that drawdown is to edit the funding for that activity and replace the 2020 HOME funds with 2015 HOME funds instead, so that when you do finally make the drawdown, you'll be using up these about to expire 2015 funds.

Jessica Suimanjaya 00:23:19 Now there are a couple of limitations with this strategy that I do want to point out. The shifting of funds is only permissible if it is consistent with your applicable con plans and action plans and the written agreement for the activity. So again, using the example that I used before, if you are planning on replacing 2020 HOME funds in an activity with 2015 HOME funds, you would need to make sure that the activity is consistent with your 2015 action plan. If it's not or you're not sure if it is, then you should consult with your CPD rep at the field office because swapping the funds for this activity may require an amendment to your plan or plans. Similarly, the activity you are considering using for this funding, funding swap has its own written agreement. And if that written agreement specifically calls for the use of a certain year's funds and that year is not 2015, then you cannot swap out the funds for the activity, you would need to first amend the written agreement.

Jessica Suimanjaya 00:24:16 So hopefully that is clear to everyone. But once you've determined that you can shift the funds for your activity because it is consistent with your con plan and your action plan and your written agreement, then you can go ahead and make those activity funding changes in IDIS.

Just keep in mind that when you are moving funds from one activity to another, it may require you to also move the funds from one subfund to another or one subgrant to another. Now let's talk more about how you move funds from one activity to another. And this may be a super easy process, or it may be kind of hard depending on the activities that you're using. So if the 2015 funds are uncommitted, in other words they are not already committed to an activity in IDIS like we talked about earlier, then it's pretty easy to use this money to fund an activity.

Jessica Suimanjaya 00:25:04 But what if the funds, the 2015 funds are already committed to an activity in the system? Well, if you want to put them towards another activity, one you're about to make a draw on, then you're going to have to find those 2015 funds first, which means you're going to have to find the activity that those 2015 funds were committed to. And then you're going to have to uncommit the funds from that original activity and then you can put them towards the activity you're about to make a draw on. So a common question we get from PJs is, well I committed those funds a long time ago and I can't remember which activities those 2015 funds are in now, how do I find out where I put them? Well one report you can use is the PR 70. The PR 70 is a report that you can run in IDIS that will show you all of your 2015 home commitments by activity ID.

Jessica Suimanjaya 00:25:59 This report is super helpful, but it can be a little bit tricky to run. So we're going to go over how to run and read that report right now. So from the IDIS login screen, you'll click the Reports tab and that will take you to a screen that looks like this. From here you'll click on the view reports link from the menu on the left-hand side of the screen and that will take you to the Microstrategy Reports page. You'll click on the shared reports icon and that will take you to the page where all the microstrategy reports are, from here, scroll down and click on the PR 70 folder. In this folder you're going to see three different versions of the PR 70 report and you're going to want to click on the version on the top left that is called activity funding Detail audit history report. So the one with a big, long name.

Jessica Suimanjaya 00:26:55 And when you do, you will be taken to the first page of prompts for this report. You're going to find your name from the prompted grantee hierarchy menu, then select it by moving it to the right and then you can click on run report. This will take you to the second page of prompts. From here you're going to select your 2015 HOME grant from the menu. Because remember, we are looking for where your 2015 HOME funds are committed. Once you run the report, export it to Excel like Alyssa showed you earlier, and then you're going to get a report that looks something like this. This is the PR 70 report, and it shows all of your 2015 HOME commitments. So all the activities that have been funded with 2015.

Jessica Suimanjaya 00:27:46 Now the information you are interested in is in the last column of this report. So you're going to scroll all the way to the right, look at a column called activity balance, now what you're looking for here in this column is an amount that is greater than \$0 because you are looking for 2015 HOME funds that have been committed to an activity but have not yet been disbursed. So scroll down until you find a row with an amount that is greater than \$0. So in this example here, this is an activity that has over \$24,000 in 2015 funds committed to it that have not yet been expended. And to find out what the activity ID is for this activity, all you have to do is scroll to the left and find the activity ID under the column called IDIS Activity ID. And in this example, it's activity 1316.

Jessica Suimanjaya 00:28:38 So now you know which IDIS activity has 2015 HOME funds committed to it. You can verify this by logging into IDIS and checking the activity funding screen for this activity,

which is shown here. So this is the activity funding screen for activity 1316. And you can see highlighted in yellow on the screen, confirmation that these 2015 funds are indeed committed to activity 1316 but not yet disbursed. So that's one obstacle out of your way. You should now easily be able to find out which IDIS activities your 2015 HOME funds are in. Now all you have to do is move them from one activity to another, and preferably one you are about to make a drawdown for. But sometimes that can be easier to say than actually do. We often get questions from PJs who are having trouble moving funds from one activity to another. And usually what happens is they move the funds out of one activity so they uncommit the funds, but then when they go to put the funds into another activity, they can't find the money anymore.

Jessica Suimanjaya 00:29:44 It doesn't appear to be available to commit. And this freaks a lot of people out. So they think that, you know, maybe HUD has taken the funds early, but the money is there. It's just most likely sitting in a subgrant, or a subfund and it just needs to be moved in order to be used for the activity that you want. So let's talk a little bit about how activity funding works in IDIS and hopefully once you have a good understanding of this, it will help you to become an expert in defunding and refunding activities in IDIS. So let's all take a look at this chart I've put together.

Jessica Suimanjaya 00:30:22 It demonstrates the relationship between your HOME grant, its subfunds, the subgrants created under each subfund, and then finally your HOME activities. Okay, so first you have your HOME grant that's at the very top and that's what starts everything off. Now your HOME grant is divided up into different subfunds. That's the second row of this chart. You can see there's a little circle for EN, CR, AD, and SU. Those are different fund types or subfunds in IDIS. Now you can also divide up a subfund into different subgrants. That's the third level of this chart with the orange text. Now subgrants are funds set aside for a specific entity or organization. So a subgrant would be set up for a specific CHDO or a specific subrecipient. And then underneath that is where your activities are set up. That's the fourth level on this chart here at the very bottom.

Jessica Suimanjaya 00:31:16 Now once your activities are set up, they can be funded with funds from a subgrant. And when you do this, you're basically taking the funds from the subgrant and dividing them up into even smaller pots by putting them into a specific activity. Now let's say you want to move funds from activity 99 to activity 100. Now because these two activities are funded with the same subgrant, the subgrant for CHDO number two, using the same fund type or subfund, which is CR, it's very easy to uncommit the funds from Activity 99 and then just recommit them to activity 100, right? It's just a one step process. But what happens when the two activities you want to move funds between are not funded using the same subgrant or subfund, let's say instead what you want to do is move funds from activity 100 to activity 101. Now in this case the two activities are funded by different subgrants.

Jessica Suimanjaya 00:32:13 One is funded from a subgrant for CHDO number two, the other activity is funded with a subgrant from subrecipient number one. Now the two activities are also funded with different fund types. One is CR, the other is SU. Now, when the subfunds and subgrants don't match up, you can't just uncommit the funds from Activity 100 and then immediately put them in activity 101. To move the funds between these two activities, you need to first uncommit the funds from Activity 100. Then you have to remove the funds from the subgrant for CHDO number two. Then you have to take the funds out of the CR subfund and then put them into the SU subfund.

Jessica Suimanjaya 00:32:57 Then you have to add the funds into a subgrant for Subrecipient number one, and then, and then you can finally put them into Activity 101, right? So as you can see, that was a

really long, complicated process with a lot of steps, but it is doable and it's helpful sometimes to make yourself a little map or chart like this so that you can kind of retrace your steps if you've lost track of the money at a certain stage. But if this was just too overwhelming for you, you still can't figure it out. Then we also have tip number four, which is to reach out to HUD for help. You can always contact your CPD rep at the field office for assistance with this or the HUD exchange, ask a question. They're super helpful with activity funding questions. And if you're a rep listening to this webinar and you're kind of stumped, you need guidance too, you also can reach out to AAQ or your OAHP desk officer who will be able to sort everything out. And that pretty much wraps up our webinar. So I think at this point I'll turn things over to Danielle to open up the Q&A session.

Danielle Frazier 00:34:07 Thank you, Jessica. Great presentation, everyone. And we are actually combing through all of the questions that you guys have so generously entered into the Q&A and Teresa is going to help me ask these questions and direct them to the people who could answer these questions best for you. Thanks, Teresa.

Teresa Palacio 00:34:28 Sure, no problem. Marcia, our first question is for you. So what if I submit a voucher after September 27th?

Marcia Wadsworth 00:34:39 Unfortunately, if you submit it after September 27th, it will be rejected. So you will not be able to spend those funds that you were planning on spending.

Teresa Palacio 00:34:52 What if I submit a voucher on September 27th?

Marcia Wadsworth 00:34:57 If you submit it on September 27th and all the approvers have approved it as it goes through your chain, then by the close of business of September 27th, it will make it to Fort Worth accounting and to the accounting system, which is locks and it should process.

Teresa Palacio 00:35:21 Thank you, Marcia. Jessica, the next two I believe are you. so the first one is what if I have a CL or CO fund?

Jessica Suimanjaya 00:35:33 thanks Teresa. So I'm going to assume this is about the moving funds from one activity to another. so we can go back to the chart that we were working with before and it doesn't really matter what the fund type is of the two activities that you were trying to move funds between. What matters is whether the fund types and subgrants don't match. The process is similar, but we could be moving funds from an activity funded with SU to an activity that's funded with CO, again, it doesn't really matter. You can use the same process. Yes,

Teresa Palacio 00:36:15 You're cutting out a little bit. So I'm not sure if everyone can hear you.

Jessica Suimanjaya 00:36:21 Okay, I can repeat that. So if we go back to this graphic that summarizes the process of moving funds between a CR funded activity and an SU funded activity, the same process applies regardless of what fund types the two activities are funded with. Doesn't matter if it's CL or CO or CR and SU. The important thing to keep in mind here is that this is the process you use when the fund types for the two activities do not match, but the process itself doesn't change based on the different fund types involved.

Teresa Palacio 00:36:57 Thanks Jessica. I think, and like I said before, the next one is also for you. So if I have funds in AD, can I move those too?

Jessica Suimanjaya 00:37:08 Yes, that's a great question. so for home, the 10% requirement for AD is a ceiling. It's not a floor. That means you don't have to spend 10% of your HOME grant on admin. You can spend 5%, you can spend 9%, you could spend 0%, you just can't spend 11%. Does that make sense? So that's what we mean when we say it's a ceiling. You can always go under the 10%, you just cannot go over the 10. So if you have 2015 AD funds available to spend, but you don't have any eligible home admin costs, then you are more than welcome to reduce the authorized amount of your AD subfund and move those funds over to EN and spend that money on HOME project costs.

Teresa Palacio 00:37:53 Great, thank you. Danielle, the next question is for you. Will this PowerPoint be available to the participants in, as a link?

Danielle Frazier 00:38:03 yes. This presentation will be available probably within a week or two. Once we get the audio and visual back, we will post those onto the expiring funds webinar page that we have posted on the HUD dot gov as well as the HUD exchange page. And you, we will send out a listserv message to let everybody know.

Teresa Palacio 00:38:24 Thank you. The next one is also for you Danielle. So what if the PR 44 isn't showing up for me as an option

Jessica Suimanjaya 00:38:34 If the PR

Danielle Frazier 00:38:35 44 isn't showing up? one, you have to make sure you are a home user home, a PJ, a PJ, or a field office rep, and that you are a home user. If you're not a home PJ or you're a p you're a user for a different program, then the PR 44 won't show up. if you're still having issues and it's not and you're not able to find it, please contact your field office rep or you can contact us at headquarters, and we will see what is happening. But in the interim, I do want to stress that we do have the other option, which is to review the expiring funds reports. The expiring funds report we have on the HUD Exchange webpage. It's under the HOME program page under reports, as Alyssa pointed out at the very beginning of her presentation. So if Jessica, you want to maybe we can scroll back on that screen real quickly to the main page of the expiring funds report and people can see where it's at. And you can, you can access that report. Currently we are just posting it monthly. However, as we get closer to the deadline, we start to post it weekly and then we also start to post it daily. So you'll be able to access that report and if for some reason you're not able to access that as usual, please just contact your desk officer or contact us at headquarters. does anyone else have,

Jessica Suimanjaya 00:40:06 Yeah, sorry, I just have one clarifier to that. The PR 44 not showing up is actually a common problem we have for some reason, for some users, the PR 44 isn't enabled or attached to your user id. If you are one of those people, can you just put your user ID in the chat? We'll collect them and then enable them through our contractor. And then you should see the PR 44 report next time you log into MicroStrategy. And we'll just make a running list. If you don't get to put your user ID in the chat, you can always email your desk officer, like Danielle said, or your rep, and then we'll collect it and then process the request later. Thank you.

Teresa Palacio 00:40:51 Thanks Jessica. Peter, I believe this next question is for you. What if some of a PJ's funds that show up on the PR 44 also have a message that says this activity has been blocked by HUD due to it not meeting the four-year comp project completion deadline?

Peter Huber 00:41:12 Yeah, that's a good question. so I think most of you probably know, the HOME program has a four-year project completion deadline, which means that, project home projects have to be completed, four years within four years of project commitment. And so, I think it's the IDIS PR 46 report that shows the flagged activities. And if your activity is showing up on that under the involuntarily terminated flag, it has not met the four-year project completion requirement for home. And if you have not been in contact with your CPD rep in your field office about that specific project, you should reach out to them and discuss the details of that project. You, you're right, though, you, as long as that project is blocked in IDIS for not meeting that four-year completion requirement, you will not be able to draw down any funds committed to that activity.

Peter Huber 00:42:13 And as well, you would not be able to move funds out of that activity, reduce the funding and then, move the funding to another activity. So yeah, you're going to want to have that discussion with your field office sooner rather than later in an attempt to change those, to save those 2015 funds. And, Teresa, if I can, I just wanted to add on to the question that came in about the admin funds. I think this question specifically in the chat was from Joanna, and this was about whether the 15, the unexpended 2015 admin funds count toward the admin cap. they do, however, home admin funds, and this is something that may be a little bit different from other programs, and that's why I wanted to highlight it. HOME admin funds are available for eligible admin costs until they are expended or until that grant expires. So if you have unexpended admin funds, you can expend them now for eligible admin costs, and you're going to want to do that before the end of the fiscal year. Otherwise, as Jessica mentioned, you can always move them out of the AD subfund into EN or, or some other subfund.

Teresa Palacio 00:43:39 Thank you, Peter. Marcia and/or Danielle, I believe this question is for you. If you can please explain what LOCCS is for those who may not know?

Danielle Frazier 00:43:53 Sure. So LOCCS is the line of credit system that HUD uses in order to provide each PJ each grantee with funding. It's the payment system that sends funds to the PJs. Once you do a draw down in IDIS, it sends it to your HOME account. And just so you guys know, to clarify, IDIS communicates with LOCCS on a nightly basis. Every evening it sends batches over from IDIS into LOCCS, letting them know that a draw has been approved. A draw has been, a voucher has been requested that a voucher has been approved. So please make sure, especially where you saw on the report where it said pending balances to those draws have been, those vouchers have been created, but you must go in and have someone approve those vouchers. In addition to that, that balance in that column is actually in addition to the next column on the expiring funds report, which is balanced to draw. So in actuality, you have both of those columns that you'll need to draw, expend before the end of the deadline. So LOCCS just provides the funding source, whereas IDIS provides the data and information into LOCCS.

Teresa Palacio 00:45:16 Thank you. Danielle, Jessica, these next two questions are for you. I'm not sure, you might need a little more, more background for the first one, but I'm, I'm just going to ask it. Can funds be moved from CHDO to the HOME program?

Jessica Suimanjaya 00:45:34 Yes. I think they're talking about moving funds from the CHDO Reserve, the CR Fund type to entitlement. They're both subfunds under the HOME program, and we could, if, if you want to refer back to tip number two where we were talking about asking for a CR subfund reduction can go back to that slide if it'll help. So if you have funds that are the CR Fund type and you want to move it over to the EN Fund type, you just have to request a CR subfund reduction, submit an email request to your CPD rep at the field office, and they will forward this request to their OAHF desk

officer for processing. And again, it doesn't automatically move the funds. This process does not automatically move the funds over CR to EN. You have to then go into IDIS and reduce the authorized amount of any 2015 CR subgrants. You have to reduce the authorized amount of any 2015, of your 2015 CR subfund. Once you reduce the authorized amount of the subfund, it will automatically convert the funds to EN. If you want to move it into another fund type, let's say SU, then you would just create an SU fund type, move the funds from EN into the SU fund type.

Teresa Palacio 00:47:09 The next question for you, Jessica, is about how long does the process take to transfer CR money to EN?

Jessica Suimanjaya 00:47:16 Okay, so that's a good question. The process of sending your email to the rep and then forwarding it to the desk officer, that should only take a couple days. As soon as your OAHF desk officer gets it, we can process it within a day or two. Now, the part where you have to reduce your 2015 CR subgrants and the process where you have to reduce the authorized amount of the 2015 CR subfund, that's up to you. You could do it right now in five minutes, or you could do it five weeks from now. That, the time on that really depends on how quickly you want to move, but you control that timeline. It's when you log into IDIS and make those changes.

Teresa Palacio 00:48:01 Thank you. The next question is for, sorry, there's a lot of questions, Danielle and or Peter. So what if you are only able to commit or draw down a portion of your total expiring funds? Is that okay?

Peter Huber 00:48:25 yeah, I can take that. This is Peter. yeah, I mean, it's okay. You're not going to be penalized, but you will lose those funds. So, the funds will be recaptured by the treasury and you know, there's no way to get those funds back for you or for anyone else. So that's why we're, you know, spending the time here to try to help, PJs identify the funds and then come up with a plan to get them expended. But, you know, as far as there being any kind of penalty or anything, the answer is no.

Teresa Palacio 00:49:03 Thank you. Peter Jessica, we have another one for you. We have unexpended 2015 admin funds. As we expend them, do they count toward our admin cap, and can they be used for activities instead of admin?

Jessica Suimanjaya 00:49:19 Yes, I think we answered that. I answered that in the sense that yes, if you do not have admin costs you want to spend or costs you need to pay out between now and September, you can move them out of the AD subfund and into EN and spend them on HOME project costs. Peter also clarified that it's okay to spend your 2015 home AD funds now, even though it is not, it is no longer 2015. And I think maybe the confusion with that is because for CDBG that is not how they spend their admin, you know, beyond that year, you can no longer spend that year's admin funds, but that is not how we measure the HOME AD requirement. If you have funds in the AD fund type in your 2015 grant, you can spend them as admin now. It doesn't mean you have less 2022 admin to spend, or less 2023 admin to spend.

Teresa Palacio 00:50:20 Thanks Jessica. Peter, I think this one is for you. It's about program income. So, PJ has \$100 left in 2015 funds, but over 2 million in PI. It says mostly from more recent fiscal years. Is there any way to get that last \$100 spent?

Peter Huber 00:50:46 so yeah, this is a, actually a really good question and something that we didn't really cover, I don't think in today's webinar. so program income, because it's not part of your treasury

account, it's not part of your grant, it's not subject to this requirement or it's not subject to recapture by the US Treasury at the end of the federal fiscal year. So your program income will still be there, even if it's attached to 2015, even if your 2015 home grant expires and any funds are swept by treasury. So you can continue to spend your program income and just, you know, be aware that HOME has a little bit different rules when it comes to program income. But since I think 2017 when we did an interim rule for grant-based accounting, the HOME program allows you to accumulate program income throughout your program year and then include that in the following year's annual action plan as available resources.

Peter Huber 00:51:54 So PI does not have to be, expended before treasury funds in, in that way. It does have to be expended before treasury funds if program income and treasury funds are both committed to the same activity. So if you have an activity that has program income and let's say EN funds, you would have to draw down the PI first, and IDIS enforces that rule, so you don't even really have to think about it. But if you have, if you have let's say 2015 HOME funds and 2015 PI, you would have to, commit the PI before you committed the EN funds. But you wouldn't necessarily have to draw it if they were committed to two different activities. So hopefully that helps clarify that.

Teresa Palacio 00:52:52 Thank you, Peter.

Peter Huber 00:52:53 Yeah, I just, I'm sorry to interrupt. I just saw one of them late, late, questions coming in, understanding that PI has to be spent before old money. So again, I would suggest that you take a look at, the five hundreds section of, 24 CFR part 92, just to get an understanding of the rules around the commitment and expenditure program income and how they're a little bit different for HOME than for perhaps other programs like CDBG. And if you continue to have questions about that, I would definitely reach out to your CPD rep in your field office.

Teresa Palacio 00:53:35 Thanks, Peter. Jessica, this one's for you. What is a good report that will show you, how much you have in any of your fund types? So if you want to see what's in EN, CR, AD, SU, for any year, what report would you recommend people review that?

Jessica Suimanjaya 00:54:00 That's a good question. Peter might have another report that he likes to use, but you could use the PR 35, that gives you a summary of your HOME grant by fiscal year, and then it tells you how much is available to commit, available to subgrant, by fund type. So EN, SU, CR whatever fund type, any subfunds that you've created, it will show you any subgrants that have been created under it and how much is available to commit and available to draw under each subgrant. So again, that's the PR 35.

Peter Huber 00:54:32 Yeah, I, I agree. I think the PR 35 is great because it goes into a little more detail than some of the other reports. The PR 27 status of HOME grants report is another one. But there you're only going to see the subfunds by year and the amount authorized, committed, and disbursed you, you won't see any subgrants under those sub funds. So that's, I think, the advantage of the PR 35 as opposed to the PR 27, the PR 35 shows those subgrants.

Jessica Suimanjaya 00:55:08 And I think another note we probably want to point out is do not use the PR 01. I know it has similar fields to the PR 35 that say like, available to commit, but it doesn't take into account subgranted funds. So those numbers are not necessarily accurate for the HOME program.

Teresa Palacio 00:55:27 Thank you. So the next question is, whether or not there are any tips for activities that would be a quick way to use the funds between now and the deadline?

Peter Huber 00:55:46 yeah, I mean that's, that's a tough one. you know, I think as we pointed out at the very beginning that, you know, if you don't have these funds committed to activities now, you know, we're at the end of May, you only have a couple of months to get them under commitment and then get them expended. you know, some, some activities that seem to move ahead more quickly might be, homeowner rehab or homebuyer activities or even, you know, for instance, down payment assistance or even tenant based rental assistance if that's part of your, program and you have that included in your, consolidated plan. But, you know, these are, these are questions that you are definitely going to want, want to have, or these are conversations that you're definitely going to want to have with your field office. They would probably, probably be better equipped to help you with your specific situation.

Teresa Palacio 00:56:48 Thanks, Peter. this next one I think is for Marcia and or Peter, again, <laugh>. historically, what percentage of unused obligated HOME funds have been returned to Treasury?

Marcia Wadsworth 00:57:06 It is very minimal. I would say maybe less than 2% at the most. So we've, we've been very lucky with how HOME funds get spent, but we don't like to lose any funds, so that's really why we're having this conversation today.

Teresa Palacio 00:57:27 Thank you, Marcia. I believe that is, those are the questions that we're going to be able to get through today. Danielle, are you seeing anything else that you think we might be able to answer?

Danielle Frazier 00:57:41 I, I, you know, what I'm trying to quickly scroll through as well. here's one, which is, actually, I'll ask this one since I see it, which is actually interesting because it's the opposite. are we able to convert EN funds to CR? So Jessica and Peter, do you want to take that?

Jessica Suimanjaya 00:58:05 Sure. I, I mean the process would be kind of the same as what we discussed just in reverse. I don't see any reason why you couldn't move any of the funds from EN to CR. If that's what you can make draws on between now and September, then yes, we encourage you to move those funds over from the EN fund type to the CR.

Danielle Frazier 00:58:28 Yeah, I'd also add, I mean, there is no maximum percentage requirement for CHDO obviously. So if you wanted to do more than 15%, you could, I mean, I would only suggest that you move them from EN to CR if you actually have an active CHDO project that is going to be able to commit and expend those funds by the deadline and it is an actual CR project. If not, then you're going to be in the same boat that you're in, which is that you still need to, commit and expend those funds. the, the other question is, what's the difference between EN, SU, SG? You

Peter Huber 00:59:13 Want to take that one Jessica? I can, or I can,

Jessica Suimanjaya 00:59:17 I'm sorry. Can you repeat that question again? Danielle, what,

Danielle Frazier 00:59:21 What is the difference between EN, SU and SG clear guidance on if I can move to SU before an activity is determined?

Jessica Suimanjaya 00:59:34 Okay, so I don't know what the SG fund type is. It might be for another program. And then we're just getting them mixed up. EN, as Peter explained before, is the entitlement fund type that's most of your HOME funds. SU is the fund type that you are supposed to use if you have an activity that is being carried out by a subrecipient or a state recipient. So yes, if you have a activity

that is moving forward that you have draws that you want to make on that is being carried out by a state recipient or a subrecipient, then yes, go ahead and move the funds from EN to SU.

Danielle Frazier 01:00:14 Thank, thank you. as I'm scoring through, apologize anyone? Yeah,

Peter Huber 01:00:20 I, I see a question and I saw maybe a couple questions in the chat about, folks that were new or people that had new staff that were attending today and, you know, folks that were new and a little bit confused about some of this. I think a good place to start, and this isn't necessarily going to help you with the topic of this webinar today, but if you're new to the HOME program or you don't have a lot of background in the HOME program, I think a good place to start is the eBuilding HOME training that we have on our website on HUD Exchange. It's a self-paced, you know, do it as you have time to do it type of training. It's the basic HOME training that we have and it's entirely online and self-paced, like I said. So it's, again, it's eBuilding HOME and, I highly recommend that for all, HOME practitioners, even those that have been around for a while. It's always good to have a refresher and to, understand some, some of these, some of these concepts and terms and, and things that, you may have forgotten or rules, or rules and requirements that you may have forgotten over time. So definitely highly recommend eBuilding HOME.

Teresa Palacio 01:01:40 Thanks, Peter. I think we have time for two or three more questions. so the first one is, what is the process to reduce the authorized amount of the 2015 CR subgrants?

Jessica Suimanjaya 01:01:58 If you mean the specific buttons you need to click and the screens you need to go on. We didn't cover that in a demo for this webinar, so,

Peter Huber 01:02:08 So I, I think Jessica, maybe the question is, if they're requesting to move CR into EN, how long does that process take? I, I'm guessing maybe that's the question. and I would say, yeah, from the time that you make the request to your field office to the time that we actually do the system change in IDIS, I mean, it could be a couple of days, it could be as quickly, maybe as even the same day. It just depends. But it's not a process that takes a lot of time. and once we do the actual system work, it literally takes, you know, a couple of minutes on our end to do the system work.

Teresa Palacio 01:02:51 Thank you. our next question is, is the CR 15% requirement still calculated cumulatively, can CR authorized amount be reduced to zero for some years?

Peter Huber 01:03:06 this is my favorite question of the day of, you made my day bring it up. The cumulative method. We have a, a longtime HOME person out there. So, no compliance with the CHDO reservation requirement is not calculated cumulatively, it's calculated on a grant specific basis. So 15% of every grant has to be set aside for projects that are owned, developed, or sponsored by CHDOs. However, I think Jessica, I think it was Jessica that went over the fact that after two years, so after your, grant has been obligated for two years, so that would be your CHDO reservation, requirement deadline two years after the grant's been obligated, those funds no longer have to be used for CHDO projects. So after two years you can move those funds or request to have those funds moved out of the CR subfund into the entitlement subfund and use them on, non CHDO home projects. So, hopefully that helps clear, clear that up a little bit.

Teresa Palacio 01:04:20 Thanks, Peter. This next one is for Danielle. Can you provide an example of the reduction processes via IDIS?

Danielle Frazier 01:04:31 Well, unfortunately we only have a few minutes left on this presentation. However, I think that if that's something that people really are interested in and need more than what we post for the webinar, we certainly can provide an example through an FAQ or a quick, HOME Facts. That shouldn't be a problem to just kind of walk through the step-by-step process. And we can get that posted on the expiring funds report page as well.

Teresa Palacio 01:05:00 Thanks, Danielle. Peter, our last one is for you. Will HUD penalize cities in the future by reducing their entitlement grant amounts when they have a pattern of having their funds recaptured?

Peter Huber 01:05:16 Yeah1, I mean, mean, the answer to this question is no. There, you know, we allocate HOME funds by formula. So your formula allocation is dependent on the formula factors outlined in the HOME regulation. You know, taking into account your population and the demographics of your jurisdiction. So, you know, there's not, there's not a reason why, HUD will lower, your future allocations based on the fact that you've had funds expire over time. And keep in mind, you know, 20, we've been talking about this, because, and I think we may, maybe Marsha mentioned this early on, 2014 funds expired back in 2021. and that was because of a change in the period of availability for HOME funds. So last year in September 2022, there were no HOME funds that expired. And so, you know, we, I don't want to say we took a year off from expiration, but you know, we wanted to make sure that folks, because we didn't have an expiring grant last year, folks didn't kind of forget about this.

Peter Huber 01:06:33 but, you know, HOME funds have been expiring at the end of every fiscal year since the 20, the 2002 grant. So, you know, this is not a new requirement or a new phenomenon at the end of every fiscal year except for 2022. Since 2002 HOME funds have expired. And so this is going to continue. You know, some PJs have lost funds, some PJs have never lost funds. And I think it just depends on your specific circumstance. But, to answer the question, there is no penalty, or future penalty for, you know, for having funds expire.

Teresa Palacio 01:07:21 Thank you, Peter. I think that's all the questions we have time for Danielle. I'm going to hand it back to you for any, closing remarks you'd like to make.

Danielle Frazier 01:07:35 Thank you Jessica. I do see that some more questions are coming in. Unfortunately, we are running out of time. We will grab these questions and then provide answers and we will post those on the webinar page that we have on HUD dot gov as well as HUD exchange for this home expiring funds webinar, that we are presenting today. In addition, it does look like there's a fair number of people that are not able to access the PR 44 just based on the number of people that are putting their user IDs in the chat. So we will collect that information and ensure that everyone is able to access that report, the PR 44. But I do want to stress once again that we do post it currently on the HUD Exchange page, on the homepage under expiring funds report, and we will be, posting it more frequently now than once a month since it seems that everyone is really interested in that. so we will try and post that more often. And if anyone has any issues or questions, obviously, contact your CPD rep or give, contact us here at headquarters. Anybody else have anything?

Peter Huber 01:08:53 Thanks everyone for your participation and great questions.

Danielle Frazier 01:08:56 Yeah. Thank you, everyone.

Silas (Event Producer) 01:09:03 That concludes our conference. Thank you for using event services.  
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