



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

OFFICE OF PUBLIC AND INDIAN HOUSING

SPECIAL ATTENTION OF:

Public Housing Agencies; Public Housing HUB Office Directors; Public Housing Program Center Directors; Regional Directors; Field Office Directors; Resident Management Corporations

NOTICE PIH 2024-03

Issued: January 29, 2024

Expires: This notice remains in effect until amended, superseded, or rescinded

Cross References: 24 CFR 990.145, Notices PIH 2010-2; PIH 2010-6; PIH 2010-25; and PIH 2016-13

Subject: Guidance on Inventory Management System/PIH Information Center (IMS-PIC) Sub-Module Reporting and Validation.

1. Purpose

The purpose of the guidance in this notice is to ensure that Public Housing Agencies (PHAs) maintain and submit accurate, timely, and reliable unit designations in the IMS-PIC Development Sub-Module. The IMS-PIC collects information about PHA developments, buildings, and units; therefore, information entered by PHAs into the IMS-PIC Development Sub-Module must be accurate since such information impacts their performance scores and funding levels.

2. Background

HUD continues to collaborate with PHAs to increase the occupancy rate in the public housing program. The strategy for achieving this goal includes re-occupying modernized and vacant units and improving the process by which PHAs request HUD-approved vacancies.

An important step in the efforts to increase occupancy is to ensure that data in the IMS-PIC Development Sub-Module is accurate. With an accurate inventory, HUD can allocate targeted technical assistance to PHAs that have a significant number of vacant units.

Also, HUD relies on IMS-PIC data to determine eligible unit months (EUMs) for Operating Fund Grant calculations. Therefore, to ensure accurate calculations of Operating Fund Grant eligibility, it is essential that each PHA's Unit Tenant Status report is consistent with information provided in the IMS-PIC data resource.

Pursuant to 24 CFR Part 990, full Operating Fund eligibility is provided for occupied units and HUD-approved vacancies. To ensure accurate funding, PHAs must provide current IMS-PIC data.

The unit status categories identified in this notice are also used to calculate Financial Data Schedule (FDS) Line items 11190 Unit Months Available and 11210 Unit Months Leased. For further details, PHAs should refer to Accounting Brief #17 at <https://www.hud.gov/sites/documents/ACCTBRIEF17.PDF>

3. Applicability

This notice applies to PHAs administering the Public Housing program, including PHAs that participate in the Moving to Work (MTW) Demonstration.

4. Updates to Notice PIH-2021-35

This notice replaces Notice PIH-2021-35, updating several provisions to include key considerations related to Over-Income Tenants, clarification of unit modernization, and units affected by Natural Disasters in the following sections:

- A. Sub-section 5.4.1c – *Non-Assisted Tenant Over-Income*: 24 CFR 960.507 establishes new requirements for PHAs to adhere to the requirements of Section 103 of the Housing Opportunity Through Modernization Act of 2016 (HOTMA) regarding continued occupancy for Over-Income tenants.
- B. Sub-Section 5.4.3a – *Undergoing Modernization*: Adds clarification for correctly categorizing units undergoing modernization.
- C. Sub-Section 5.4.3d – *Natural Disaster*: Provides resources and further guidance for disaster-impacted properties regarding disaster readiness and submission waivers.

5. Unit Tenant Status Categories and Sub-Categories

The IMS-PIC Development Sub-Module categorizes units by Unit Tenant Status Categories and Sub-Categories. PHAs should be aware that most categories and sub-categories require written approval from HUD. Guidance for each category and sub-category is provided in the ensuing sub-sections:

5.1 General. Table 1 identifies available Unit Tenant Status Categories and Sub-Categories, types of approvals required for each Sub-Category, and specifies whether units in a Sub-Category are eligible for the full Operating Fund grant. In Table 1, the column entitled “Maximum Term of Initial Approval” specifies the maximum initial duration for which a Field Office may approve a unit tenant status before any renewals. These units may only remain in a Sub-Category for as long as they satisfy the required criteria, even if the duration is shorter than the Field Office’s approval period. If there is a need for a longer period or extensions not noted in the chart HUD may grant extensions.

5.2 How to obtain -user approval in IMS-PIC. To change the status of a unit to a Unit Tenant Status Sub-Category, a PHA must have HUD approval in IMS-PIC. The PHA should observe the following protocol:

- a. The PHA must submit a written request along with and accompanying documentation to the HUD Field Office (Director or designee). The PHA must explain the reason for the change and provide a schedule for placing units back online into *Occupied-Assisted Tenant*. At the same time, the PHA is to provide the Field Office with all required documentation for the requested change. (The PHA must scan and email documents to the Field Office.)

Note: In place of an approved Annual Plan, Qualified PHAs using Capital Funds for modernization must provide documentation that the action was included in a Capital Fund submission for discussion at the annual public hearing required pursuant to 24 CFR 905.300. Qualified PHAs not using Capital Funds for the modernization must provide documentation that the action is included in an approved five-year PHA Plan. See 24 CFR 903.3(c) for the definition of Qualified PHA.

- b. The Field Office will determine whether the PHA's requested change is permitted use for public housing units and whether the proposed category is appropriate, issuing either an approval or denial letter.
- c. Upon receipt of an approval letter, the PHA can request the change to the new Unit Tenant Status Sub-Category in IMS-PIC. The IMS-PIC system will automatically generate an email to the Field Office once the request is submitted in IMS-PIC. If a PHA places units in the *Non-Dwelling* or *HUD-Approved Vacancy* Sub-Categories in the IMS-PIC system prior to receiving a written approval letter from the HUD Field Office, the Field Office will reject the request but allow the PHA to re-submit the request using the procedures outlined herein. Note that unlike the Non-Dwelling and Vacant Sub-categories, the Occupied Unit Tenant Status Sub-Category does not require HUD approval in IMS-PIC. However, PHAs are required to obtain HUD approval before selecting them.
- d. The PHA should expect a response that the request has been either accepted or denied within 30 calendar days from the date that all required documentation is received by the HUD Field Office.

5.3 HUD Approval Letters and Term. Most Categories and Sub-Categories require the PHA to receive a signed HUD Approval Letter as part of the approval process. Approval Letters identify the units affected and the duration of the approval (or Term), except for Market Conditions, which identify the percentage of units at a PHA that are impacted. PHAs are reminded that even though an Approval Letter may be for up to an enumerated number of years (e.g., two or three), a unit may remain in a Sub-Category only if it

continues to satisfy the conditions of that Sub-Category.

The HUD Field Office may issue renewal Approval Letters for a Unit Tenant Status Sub-Category for additional periods. However, all renewals require the PHA to provide documentation and updates (if applicable) supporting the claim for the specified Sub-Category.

The HUD Field Office may require the PHA to meet milestones to be considered for a renewal of an approved vacancy. “Milestones” are steps that a PHA takes to move a unit back into *Occupied-Assisted Tenant*. Such milestones are to be articulated in the original Approval Letter. The HUD Field Office requires appropriate milestones on a case-by-case basis and, at least annually, reviews progress toward achieving milestones. If a PHA does not meet the milestones or has insufficient cause for missing the milestones, the HUD Field Office will not approve the PHA’s request to renew at the end of the initial approval period or may require the PHA to place the unit in the *Vacant* category.

5.4 Unit Tenant Status Categories and Sub-Categories. PHAs must ensure that a unit meets the substantive requirements of a Unit Tenant Status Sub-Category for the entire period that it is in that Sub-Category in IMS-PIC. Each Sub-Category corresponds to one of four categories: *Occupied*, *Vacant*, *Vacant HUD Approved*, and *Non-Dwelling*.

5.4.1 *Occupied*: All leased units must be included in one of the following Sub-Categories:

- a. *Assisted Tenant*: This Sub-Category is for units housing families eligible for the Public Housing program. The Sub-Category is populated and updated automatically when PHAs submit a form HUD-50058 or form HUD-50058 MTW. PHAs are reminded that these submissions must be made no later than 60 calendar days from the effective date of any action recorded on line 2b of the form HUD-50058 or form HUD-50058 MTW (see Notice PIH-2011-65 (HA)).

If a PHA has a family, which at the time of initial occupancy, met the income requirements but subsequently becomes over-income, the PHA has discretion, under 24 CFR 960.507, to permit the family to remain in the unit. See Notice PIH-2023-03 for further information. If the family remains in the unit, the unit must remain in the *Non-Assisted Tenant* Sub-Category, and the PHA must continue to submit a form HUD-50058 or form HUD-50058 MTW for that family. Refer to the *Non-Assisted Tenant* Sub-Category for additional information.

- b. *Employee*: This Sub-Category is for units occupied by full-time, non-assisted PHA employees that are required to live on-site due to the nature of their work duties. Because this Sub-Category does not require HUD approval in IMS-PIC, but requires HUD approval

generally, the PHA must obtain an Approval Letter from the Field Office that designates the unit number occupied by the employee and describes the terms and conditions of the employee's tenancy before they are permitted to select this Sub-Category in IMS-PIC. If the PHA no longer requires the employee to live in the designated unit, or the employee no longer needs to live in the unit to perform work duties, the PHA must reclassify the unit and place it back into the public housing inventory for eligible families. PHAs may contact their HUD Field Office to renew Approval Letters for this Sub-Category if the unit continues to meet the substantive requirements of the Sub-Category at the end of the approved term.

- c. *Non-Assisted Tenant Over-Income*: This Sub-Category is for units occupied by two types of families, Over-Income at Initial Occupancy and Non-Public Housing Over-Income (NPHOI) Family. Below provides further information on the two types of families who could occupy units with the Non-Assisted Tenant Over-Income Sub-Category and how these units must be categorized in IMS/PIC.

Over-Income at Initial Occupancy (24 CFR 960.503)

Units occupied by a family whose annual income exceeds the limit for a low-income family at the time of initial occupancy and who meets all conditions described in 24 CFR 960.503 are categorized as *Non-Assisted Tenant Over-Income*. Only PHAs with less than 250 units may admit over-income families at initial occupancy subject to the conditions in 24 CFR 960.503. *Non-Assisted Tenant Over-Income* units must be leased in accordance with terms outlined in the PHA's plan (Annual Plan for non-qualified PHAs, and Five-Year Plan for qualified PHAs). PHAs must obtain Approval Letters from the HUD Field Office to place units in this sub-category.

PHAs that have units categorized as *Non-Assisted Tenant Over-Income* as described above should continue to market their housing stock to eligible, low-income families so that these units can return to income-eligible program participants pursuant to 24 CFR 960.503. If a family in one of these units becomes income eligible at some point after moving in, the family may apply for public housing assistance. If the family is determined eligible, the PHA and the family can execute a public housing lease, and the family would become a Public Housing program participant. At that point, the unit would be properly categorized as *Occupied – Assisted Tenant*.

Because this Sub-Category does not require HUD approval in the IMS-PIC but requires HUD approval generally for the use of units as

described above, PHAs must receive an Approval Letter for all *Non-Assisted Tenant Over-Income* units before they are permitted to select the Sub-Category in IMS-PIC. PHAs may contact their HUD Field Office to renew Approval Letters for this Sub-Category if the unit meets the substantive requirements of the Sub-Category at the end of the approved term.

Non-Public Housing Over-Income Family under Section 103 of HOTMA (24 CFR 960.507) Units occupied by an NPHOI family, as described in 24 CFR 960.102 and 24 CFR 960.507 under the new requirements for continued occupancy in the public housing program are also categorized as *Non-Assisted Tenant Over-Income*. An NPHOI family is a family that has exceeded the over-income limit for 24 consecutive months who remains in a public housing unit, as allowed by PHA policy, pays the alternative rent, as defined in PIH-2023-03(HA), section 8. NPHOI families are no longer public housing program participants and are, therefore, unassisted tenants.

PHAs must categorize units occupied by NPHOI families as *Non-Assisted Tenant Over Income* in IMS-PIC. These units must be leased in accordance with terms outlined in the PHA's Admissions and Continued Occupancy Policy (ACOP). Use of this Sub-Category for NPHOI families does not require HUD approval in IMS-PIC.

- d. *Police Officer*: This Sub-Category may only be used for units housing Police Officers who would not otherwise be eligible for public housing occupancy. In the PHA Plan (Annual Plan for non-qualified PHAs, and Five-Year Plan for qualified PHAs), the PHA must identify the unit numbers to be occupied as well as the terms and conditions of the Police Officers' tenancies. Under 24 CFR 960.505, PHAs must provide the HUD Field Office with a statement indicating that occupancy by Police Officers is necessary to increase security for public housing residents. The terms and conditions of the Police Officer's tenancy must be included in the PHA Plan, along with a statement that such occupancy is needed to increase security for public housing residents. Because this Sub-Category does not require HUD approval in IMS-PIC, but requires HUD approval generally, the PHA is required to obtain HUD Approval Letters for each unit occupied by a Police Officer before the PHA is permitted to select this Sub-Category in IMS-PIC. The unit must be used as a full-time dwelling unit, and a written lease must be executed for the unit. An example of additional documentation that may be required is an MOU between the PHA and local law enforcement agencies or a User Agreement.

Units that house Police Officers who must actively provide security to (including patrolling) the development(s) as a condition of tenancy may be eligible for the full Operating Fund Grant. If the community conditions that created the need to house Police Officers in the development cease to exist, the PHA must make these units available to eligible program participants.

PHAs must obtain Approval Letters for this Sub-Category from the HUD Field Office

- e. *MTW Neighborhood Services*: This Sub-Category is for public housing units reserved for MTW agencies to use for non-public housing purposes. *MTW Neighborhood Services* units may be used: (i) to offer onsite supportive services to families via a third-party service provider; (ii) to house families being assisted via local, non-traditional MTW activities (i.e., assisted outside of Sections 8 and 9 of the U.S. Housing Act of 1937—the Act, subject to Notice PIH 2011-45 or successor notice); or (iii) for other purposes approved in the Annual MTW Plan. Examples include but are not limited to, a medical respite care program serving persons experiencing homelessness, a moving-on housing program, and an emergency housing program coupled with onsite supportive services. This *MTW Neighborhood Services* sub-category is to be used when eligible families are occupying (i.e., residing in) a unit. Eligible families are those whose incomes are at or below 80 percent of the local Area Median Income. There is no limitation pursuant to this Notice on the number of units that may be placed in this unit status category.

The PHA must request an Approval Letter from the HUD Field Office and request a change in IMS-PIC to designate *MTW Neighborhood Services* units. The PHA must provide the HUD Field Office with appropriate documentation and the current approved Annual MTW Plan that supports the PHA's intent to use the unit for an eligible MTW purpose. If the Annual MTW Plan does not specify the units to be placed under the *MTW Neighborhood Services* Sub-Category, the Approval Letter must list the specific unit numbers. Renewals for *MTW Neighborhood Services* units should be granted if the activity in the unit remains a part of the current year's approved Annual MTW Plan. If the time specified in the Approval Letter expires and the unit remains unoccupied, the proper Sub-Category for each of the units is Vacant, and the PHA must manually move the unit into Vacant status.

- f. *Occupied - Unauthorized*: These are units that house families that are ineligible for public housing. PHAs and Field Offices must examine each unit in this Sub-Category, determine how to use the unit for an authorized public housing purpose, and then immediately do so. Use of this category should be extremely rare. If used at all, it should only be for a very limited period, and the FO should follow up with the PHA on an ongoing basis until the unit is removed from this category. If a PHA must place a unit into the *Unauthorized Sub-Category* temporarily, the PHA is required to obtain an Approval Letter prior to changing the unit tenant status in IMS-PIC. The request should state the justification for the status change, such as the unit is being occupied by an unauthorized “squatter” and eviction proceedings are ongoing. Approval Letters for this Sub-Category will be issued for only enough time to permit the PHA to return the unit to an authorized public housing purpose. The approval period will be determined on a case-by-case basis in the HUD Field Office.

5.4.2 Vacant: These are all unoccupied dwelling units that do not house families participating in the public housing program and do not fit into any of the HUD-approved vacancy Sub-Categories.

- a. *Vacant*: The *Vacant* status can only be initiated by the submission of a form HUD-50058 or form HUD-50058 MTW End of Participation action when the unit was previously occupied by an assisted tenant. If the unit was in any other Sub-Category, a PHA may manually place a unit into the *Vacant* status in IMS-PIC. When a unit no longer satisfies the necessary conditions for an *Occupied*, *Non-Dwelling*, or *Vacant HUD Approved* Unit Tenant Status as detailed within this notice, the PHA must manually move the unit into *Vacant*.

5.4.3 Vacant HUD Approved: Under 24 CFR 990.145, PHAs are eligible to receive Operating Fund grant funding for certain vacant public housing units that are under ACC. Each of these approved vacancies requires that the PHA request an Approval Letter from the HUD Field Office and request a change in IMS-PIC. Only after the Approval Letter is signed should the PHA request a change in IMS-PIC. Approval by the HUD Field Office of the request in IMS-PIC is subject to the PHA previously having received an Approval Letter by the HUD Field Office.

PHAs may contact their HUD Field Office to renew Approval Letters for this Sub-Category if the unit continues to meet the substantive requirements of the Sub-Category at the end of the approved term and any agreed-upon milestones have been met. If the PHA chooses to request a renewal of the Approval Letter, it must submit supporting documentation outlining why the extended period is appropriate. If the period specified in the Approval Letter expires, and the unit remains unoccupied, the proper Sub-Category for each of these units is *Vacant*,

and the PHA must manually move the unit into *Vacant*.

- a. *Undergoing Modernization*: This Sub-Category is only intended for vacancies resulting from project or unit level modernization, where the unit is required to be vacant to accomplish the modernization. For example, renovating the kitchen/bathroom where it would leave the tenant without either facility would require the unit to be vacant, whereas replacing the siding would generally not require the unit to be vacant.

A unit may be eligible for this Subcategory when either the PHA plans to modernize the unit or when modernization is underway. This includes modernization as part of RAD and Section 18 Demolition/Disposition repositioning efforts.¹

For a unit to qualify for this subcategory due to RAD repositioning efforts, evidence of a continued repositioning strategy, such as a RAD Commitment to Enter into a Housing Assistance Payment (CHAP) agreement, RAD Conversion Commitment (RCC), or an approved Financing Plan (FP) must be received and verified by the Field Office within thirty 30 calendar days of the award of the CHAP.

To qualify for this subcategory due to Section 18 Demolition/Disposition repositioning efforts, supporting documentation of the repositioning strategy, such as (1) an IMS/PIC Removal Application, (2) the PHA's repositioning narrative, (3) an approved PHA or Annual Plan describing the demolition/disposition strategy, or (4) an approved five-year Capital Fund action plan detailing the demolition/disposition strategy must be received and verified by the Field Office within thirty 30 calendar days of the IMS/PIC Removal Application submission to the Special Application Center (SAC).

In collaboration with the local Field Office, the PHA should confirm each unit status for those units under the Difficult Development Areas (DDA) match the unit categorization as identified in IMS/PIC before submitting the IMS/PIC Removal Application. The unit status confirmation is achievable by comparing the PHA's internal reporting with HUD's Unit Status Report.

Per 24 CFR 990.145 (a)(1)(ii) a unit may be eligible for this subcategory if it is vacant to accomplish planned modernization work. Such modernization work could be planned to be accomplished with Capital, Operating Funds (for PHAs with fewer than 250 Public

¹ A Guide to Public Housing Repositioning, available at https://www.hud.gov/sites/dfiles/PIH/documents/Guide_Repositioning_Medium_Large_PHAs.pdf

Housing units under ACC), non-federal funds, be part of a planned Mixed Finance Modernization transaction, to include Section 18 Demolition/Disposition, or a planned conversion to RAD (see Notice PIH-2023-19 (HA)). Such units may be placed in this category due to planned modernization for no more than two years. When the PHA's repositioning efforts cease or stall up to two years from the date of the unit status change, the PHA and Field Office should identify the next steps for accurately recategorizing the unit.

Per 24 CFR 990.145(a)(1)(i), once modernization has begun, the unit may remain in this category if construction is on schedule and the requirement for the unit to be vacant to accomplish the modernization activity remains. Once the work that required the unit to be vacant has been completed, even if additional modernization work continues, the unit must be either re-occupied by an eligible family or placed in vacant status².

To qualify to be placed in this approved vacancy category, the planned modernization must be included in a PHA Plan (Annual Plan for non-qualified PHAs, and Five-year Plan for qualified PHAs), a HUD approved Capital Fund Submission (24 CFR 905.300), if Capital Funds are being used for modernization. PIC only contains one category, Undergoing Modernization, for these two types of approved vacancy (Undergoing Modernization – Unit Not Under Construction, and Undergoing Modernization – Contract awarded). The PHA must select Undergoing Modernization for either option. If the unit is not under construction, only an approved PHA plan will be required. If the PHA has awarded a contract, the additional documentation that may be required could include a copy of the contract or a Notice to Proceed. The HUD Approval Letter will differentiate between the type of approval provided.

- b. *Court Litigation:* Per 24 CFR 990.145(b)(1), this Sub-Category is intended for units that must be vacant either due to litigation, such as a court order or settlement agreement that is legally enforceable, or units vacant in order to meet regulatory and statutory requirements to avoid potential litigation and units under voluntary compliance agreements with HUD or other voluntary compliance agreements acceptable to HUD (e.g., units that are being held vacant as part of a court-order, HUD-approved desegregation plan, or voluntary compliance

² Units that are categorized as Demo-Dispo Draft or Demo-Dispo Proposed count towards the Management Assessment Subsystem (MASS) occupancy, like other occupied units. Units that are categorized as Demo-Dispo-Approved and sub-categorized as Vacant will not count towards the MASS calculation. Units that are categorized as Demo-Dispo-Approved and sub-categorized as Occupied will count towards the occupancy calculation.

agreement requiring modifications to the units to make them accessible pursuant to 24 CFR part 8).

To obtain an Approval Letter, the PHA must provide written explanations along with sufficient documentation that the unit meets the criteria described immediately above. Acceptable examples may include copies of court orders, settlement agreements, and other litigation-related documents. If the unit is vacant to meet regulatory or statutory requirements to avoid litigation, a copy of the regulation, regulatory notices, or statutes. PHAs must be aware that end-dates to litigation, settlement agreements, and compliance agreements are often difficult to anticipate. Therefore, HUD Field Office Approval Letters may provide an expiration date that is beyond the end-date of the actual case or agreement. In those instances, units may only remain in this Sub-Category until the end of the actual case or agreement. Upon the end of the actual case or agreement, the PHA must reclassify the unit and place it back into the public housing inventory for eligible families.

- c. *Natural Disaster*: Per 24 CFR 990.145(b)(2), this Sub-Category is for units that are vacant and uninhabitable due to a presidentially declared, state-declared, or other declared disaster. This Sub-Category is applicable for all units that are vacant due to any type of declared disaster, including disasters that are not caused by natural occurrences.

For units that have suffered damage due to a disaster, PHAs must file insurance claims with their carriers and complete the rehabilitation work to bring the units back online as soon as possible. The unit may only remain in this Sub-Category for as long as it should reasonably take to rehabilitate the unit. If the PHA determines that it will not rebuild the unit, it must inform the HUD Field Office as soon as this determination is made. At this point, the unit no longer qualifies for this Sub-Category and pursues an application for Demolition.

For units that have not suffered physical damage due to a disaster, the unit must clearly demonstrate the significant circumstance(s) that prevent unit rehabilitation from occurring. For example, when material availability is drastically limited and prevents repairs from being completed, or agency essential worker policies prevent maintenance staff from repairing units, and/ or other circumstances that drastically reduce the ability of unit turnover. Standard unit turnover with typical construction delays is ineligible for this Sub-Category. Units may only

remain in this Sub-Category for as long as the disaster reasonably continues to cause vacancies.

To obtain an Approval Letter, the PHA must provide the HUD Field Office with copies of proclamations or official statements by the President, Governor, or relevant official. Supporting documentation should also state what area was affected, the effective date, and the cause of the disaster. In addition, a PHA may need to provide a condemnation order or red tag, making all or part of a unit unsafe or uninhabitable.

Periodically, it can take longer for PHAs to submit post-disaster requests due to emergent factors such as power outages, staff evacuations, and conducting physical assessments. To address post-disaster requests, the Federal registry directs PHAs to submit a regulatory waiver detailing the need and circumstances surrounding the delayed submission.

The HUD Field Office may provide reasonable extensions to the submission timeline for this category. The Approval Letter specifies the duration the unit is eligible for the Sub-Category.

Resources are provided below to assist PHAs in navigating natural disasters.

- i. Public Housing Agency Disaster Readiness, Response, and Recovery Guidebook³
- ii. A Disaster Resource Template⁴
- iii. HUD's Office of Capital Improvements webpage provides up-to-date guidance on Emergency funding, including Natural Disasters. FAQs, webinar presentations, and prior notices related to Emergency Capital Funds.
- iv. The Special Applications Center (SAC) webpage offers guidance, training, and FAQs specific to public housing

³ Public Housing Agency Disaster Readiness, Response, and Recovery Guidebook. https://www.hud.gov/sites/dfiles/PIH/documents/PHA-D3R_Guidebook.pdf.

⁴ Disaster Resource Template

<https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Ffiles.hudexchange.info%2Fresources%2Fdocuments%2FPHA-Disaster-Readiness-Plan-Template.docx&wdOrigin=BROWSELINK>

property damaged or destroyed by casualty loss or natural disaster.

State and local emergency responders, and various partners, such as state or local housing and community development offices, nonprofit organizations, and local for-profit entities, can play a pivotal role in community disaster response and recovery efforts. Connecting with local partnerships and PHAs will serve as viable housing resources.

FEMA is authorized to fund the permanent repair of all PHA facilities that suffer damage resulting from a Presidentially declared disaster. FEMA may also provide emergency assistance during non-presidentially declared natural disasters.

- d. *Casualty Loss*: This section replaced Section 7 of Notice PIH-2016-13. Pursuant to 24 CFR 990.145, these are damaged and uninhabitable units that remain vacant due to delays in settling insurance claims. Provided the PHA timely submitted insurance documentation, and the insurance company did not settle the claim in a timely manner, the Casualty Loss Sub-Category covers the period between the date a unit becomes uninhabitable due to the casualty until the date the claim is settled.

To obtain an Approval Letter, the PHA must provide the HUD Field Office with documentation indicating that an insurance claim has been filed in a timely manner and that there has been some delay in adjusting the claim. Supporting documentation should also state what units are affected. Before or after the settlement of its claim, whether there is a delay in settling the claim, the PHA may request to place the unit in Vacant Undergoing Modernization if the units meet the Undergoing Modernization criteria per 24 CFR 990.145 and listed above. Because of the time limitations on units being placed in the Undergoing Modernization subcategory, PHAs may consider seeking HUD approval to place units in the Casualty Loss subcategory in the event of a delay in settling their insurance claim.

PHAs should be aware that Notice PIH-2016-13 provides consolidated guidance and references for PHAs that have experienced a casualty.

- e. *Market Conditions*: Pursuant to 24 CFR 990.240 PHA may submit appeals to HUD. Appeals are voluntary and must cover an entire portfolio, not single projects. However, the Assistant Secretary for Public and Indian Housing (or designee) has the discretion to accept appeals of less than an entire portfolio for PHAs with greater than 5,000 public housing units.

Pursuant to 24 CFR 990.245, a PHA may appeal to receive Operating Fund grants for units that are vacant due to changing market conditions, after a PHA has taken aggressive marketing and outreach measures to rent these units. For example, a PHA could appeal if it is in an area experiencing population loss or economic dislocations. Examples of qualifying economic dislocation would include oversaturation of affordable housing, market obsolescence of the public housing property as compared to competing properties, lack of job growth, or circumstances that create a lack of demand for affordable housing, such as, a high crime rate that have portfolio level impacts on the ability of a PHA to market and lease up units may qualify under the changing market conditions appeal category. PHAs must provide a detailed explanation of how crime activity at the PHA or within the vicinity of the PHA has increased the threat to the health and safety of the Public Housing residents and applicants, adversely impacting the PHA's occupancy. Supporting documentation for measuring high crime include, but are not limited to, the most recent crime data of the PHA's locality from a reputable source (e.g., local law enforcement or Uniform Crime Reports).⁵

Increases in unemployment, by itself, would not qualify for market conditions, as it would increase the population of low-income households in the community, increasing demand for affordable housing.

Vacancies approved for changing market conditions are assigned to the entire PHA portfolio. The PHA must demonstrate that its public housing portfolio's vacancy rate is higher than it otherwise would be due to market conditions. Approvals will be on an Operating Fund reporting period basis, for the entire reporting period. The Field Office could look at public housing occupancy in the wider region to determine

⁵ Notice PIH 2022-05

what the base vacancy rate is. In this case, assume that the wider vacancy rate is 3% but the PHA is experiencing a vacancy rate of 5%. Assuming a 1,000-unit PHA, it would have 12,000 EUMs. The first 360 EUMs (12k x 3%) would be placed on line 11 of the 52723. The next 240 EUMs (12k x 2%) would be placed on line 10. Any vacancies beyond that would be placed on line 11. PHAs must ensure that their IMS-PIC unit status data meets these requirements on a reporting period basis.

Field Office approval of Market Conditions appeals is limited to two-year (24 CFR 990.245(d)) Operating Fund grant reporting periods. As soon the development ceases to meet the criteria of this Sub-Category, it is the PHA's responsibility to ensure that any units vacant for Market Conditions are re-classified in the appropriate Sub-Category. PHAs that are unable to occupy units due to changing market conditions should evaluate the unit's condition and status (e.g., family or elderly), and determine what can be done to maximize potential resident pools, or whether repositioning their portfolio is the optimal solution. The HUD Field Office will only approve a PHA's request to place units in this Sub-Category in IMS-PIC after a successful appeal. Approvals may not be retroactive. Guidance for submitting appeals can be found in the Operating Fund Grant Processing Notice, published each year.

5.4.4 Non-Dwelling: Non-dwelling units are public housing dwelling units that a PHA may use for special purposes other than housing an eligible, low-income family.

- a. *Special Use* units that are vacant, reconfigured, demolished, or sold must not be placed into these categories. If a PHA reconfigures a unit pursuant to 24 CFR 905.400(f)(3), it should change the ACC, Capital Fund and Operating Fund indicators to 'No' in PIC. Examples of reconfigured units include: 1) A PHA installs an elevator shaft, removing a line of residential units to do so; all the units in that line would be considered reconfigured; 2) A PHA permanently reconfigures residential units to create administrative offices.

Prior to using any of these Sub-Categories, a PHA must request an Approval Letter from the HUD Field Office and a change in IMS-PIC. Only after the Approval Letter is signed will the HUD Field Office approve the request in IMS-PIC. PHAs may contact their HUD Field

Office to renew Approval Letters for this Sub-Category if the unit continues to meet the substantive requirements of the Sub-Category at the end of the approved term and any agreed-upon milestones have been met. If the PHA chooses to request a renewal of the Approval Letter, the PHA must submit supporting documentation outlining why the extended period is appropriate. If the period specified in the Approval Letter expires, and the unit remains unoccupied, the proper Sub-Category for each of these units is *Vacant*, and the PHA must manually move the unit into *Vacant*.

Except for *MTW Neighborhood Services* units, PHAs may receive approval for up to two (2) *Special Use* units for every 100 public housing units based on total units under ACC. PHAs that currently have more than 2 *Special Use* units per 100 public housing units should work to return those units to the public housing portfolio. (Each of those units presents an opportunity to house an eligible, low-income family.) However, PHAs, Resident Councils, and Resident Advisory Boards (RABs) may appeal to their local HUD Field Office to receive approval for additional *Special Use* units above the 2 per 100 public housing units. The PHA, Resident Council, or RAB must demonstrate that the additional unit is necessary to provide sufficient public housing resident services to meet the need of the development.

- a. *Special Use Anti-Drug/Crime*: To convert a dwelling unit to this status, a PHA must submit documentation demonstrating its plan to use the unit on a regular, on-going basis to provide drug or crime prevention assistance or services to the residents and the surrounding neighborhood. Permissible uses include on-site drug counselor, police sub-stations, on-site security office, or an office for a tenant organization with the mission of eliminating drug use in the community. These are non-dwelling units that cannot be occupied, therefore, PHAs may not house Police Officers in these units as full-time residents. If a PHA wishes to house a Police Officer full time for drug or crime deterrent purposes, it must lease the unit under the *Police Officer* category. Also, PHAs may not use these units as transitional housing for drug or crime rehabilitation. The regulatory citation for this Sub-Category is found at 24 CFR 990.145(a)(2).
- b. *Special Use Self Sufficiency Activities*: To convert a dwelling unit to this status, a PHA must submit documentation demonstrating its plan to use the unit on a regular, on-going

basis to provide services or assistance to residents in becoming self-sufficient. The unit may be used as a job-training center or similar tenant-focused service center and may be operated by PHA staff or a partner organization. The regulatory citation for this Sub-Category is found at 24 CFR 990.145(a)(2).

- c. *Special Use Other Resident Activities*: To convert a dwelling unit to this status, a PHA must submit documentation demonstrating its plan to use the unit on a regular, on-going basis as part of a program for public housing resident services that are not otherwise covered in the other “Special Use” categories. For example, in buildings with a large elderly population, a PHA might wish to place a unit in this category so that it can have a medical practitioner or other service provider on-site. This Sub-Category must not be used for units that should be categorized in *Resident Amenities*, as described below. The regulatory citation for this Sub-Category is found at 24 CFR 990.145(a)(2).
- d. *MTW Neighborhood Services*: This Sub-Category is for units that are public housing units reserved for MTW agencies to use for non-public housing purposes. *MTW Neighborhood Services* units may be used: (i) to offer onsite supportive services to families via a third-party service provider; (ii) to house families being assisted via local, non-traditional MTW activities (i.e., assisted outside of Sections 8 and 9 of the U.S. Housing Act of 1937—the Act), subject to Notice PIH 2011-45 or successor notice); or (iii) for other purposes approved in the Annual MTW Plan. Examples include, but are not limited to, a medical respite care program serving persons experiencing homelessness, a moving-on housing program, and an emergency housing program coupled with onsite supportive services. Eligible families are those whose incomes are at or below 80 percent of the local Area Median Income. There is no limitation pursuant to this Notice on the number of units that may be placed in this unit status category. This *MTW Neighborhood Services* sub-category is to be used for allowable non-dwelling purposes only, as defined in this paragraph.

The PHA must request an Approval Letter from the HUD Field Office and request a change in IMS-PIC to designate *MTW Neighborhood Services* units. The PHA must provide the HUD

Field Office with appropriate documentation and the current approved Annual MTW Plan that supports the PHA's intent to use the unit for an eligible MTW purpose. If the Annual MTW Plan does not specify the units to be placed under the *MTW Neighborhood Services* Sub-Category, the Approval Letter must list the specific unit numbers. Renewals for MTW Neighborhood Services units should be granted if the activity in the unit remains a part of the current year's approved Annual MTW Plan. If the time specified in the Approval Letter expires and the unit remains unoccupied, the proper Sub-Category for each of the units is *Vacant*, and the PHA must manually move the unit into *Vacant* status.

- e. *Administrative Uses*: To convert a dwelling unit to this status, a PHA must submit documentation demonstrating its plan to use the unit on a regular basis for PHA business activities, such as office space, maintenance facilities and storage. The PHA must demonstrate that administrative use is necessary to its operations and that it has considered alternatives that would not reduce units available for occupancy.
- f. *Resident Amenities*: To convert a dwelling unit to this status, a PHA must submit documentation demonstrating its plan to use the unit to provide resident amenities. Permissible uses include but are not limited to laundry rooms, vending machine areas, resident storage, or recreation rooms.
- g. *Non-dwelling Unauthorized*: Units in a non-dwelling status that do not fit into one of the above categories. PHAs and Field Offices must examine each unit in this sub-category and determine a timeline for when the unit will be brought online for occupancy by an eligible family or for an otherwise authorized use, and then adhere to that timeline.

6. Importance of Timely and Accurate Submissions

PHAs must update their IMS-PIC Development Sub-Module data when the status of a unit changes. Unless a different timing is identified in this Notice for a particular unit status category, it is the PHA's responsibility to submit data no later than **60 calendar days** from the effective date of unit tenant status change to ensure accurate calculation of the Operating Fund and Capital Fund formulas. Because the HUD Approval letter and PIC submission have been de-coupled, where approval letters must be obtained PHAs must submit written requests to Field Offices along with accompanying documentation no later than 30 calendar days after the requested effective date. PHAs are also responsible for submitting accurate *Effective Dates* for Unit Tenant

Status changes. If a HUD Field Office determines that a PHA's proposed *Effective Date* is incorrect, the HUD Field Office will reject the submission so that a new transaction with the proper *Effective Date* can be created.

Because of the interdependency between the IMS-PIC Development Sub-module and the form HUD-50058, PHAs should follow guidance in Notice PIH-2011-65. HUD has determined that reports must be submitted no later than **60 calendar days** from the effective date of any action recorded on line 2b of the form HUD-50058 or form HUD-50058 MTW.

HUD also recommends that all PHAs submit the form HUD-50058 and form HUD-50058 MTW records with effective dates of June 30 (or earlier) that impact a unit's status in the Development Sub-module (for example, a New Admission record that when transmitted will designate a unit as "Unit Occupied by Assisted Tenant") by August 29 (60 calendar days after June 30th), to ensure accurate funding of Operating Fund grants. PHAs should be aware that HUD pulls unit status data from IMS-PIC at the end of August the year before the Operating Fund Grant funding year to pre-populate Section 2 of the form HUD-52723 for the forthcoming funding year.

7. Demo-Dispo Approved

Once a PHA has submitted an inventory removal application (other than Homeownership), the Special Applications Center (SAC) has entered the approval date, and the unit is vacant or becomes vacant with an end of participation (EOP) action, a unit is automatically put into this Sub-Category by the IMS-PIC system. Units cannot be placed into this status manually in IMS-PIC. Units approved for Homeownership that are not occupied by an assisted tenant should be manually classified in the *Vacant* unit tenant status. PHAs must direct all requests to place units in this category through HUD's SAC. The SAC's website has detailed procedural guidance for demo-dispo inventory removal application. To access the SAC website, click on the link below:

https://www.hud.gov/program_offices/public_indian_housing/centers/sac

8. Job Aids

These are instructions that enable users to navigate the IMS-PIC Development Sub-Module. They are intended as informal, technical guidance to help users complete the activities specified in each Sub-Module. To access the Job Aids Home Page, click on the link below:

https://www.hud.gov/program_offices/public_indian_housing/systems/pic/ts

9. Further Information

For further information about this notice, contact the nearest HUD Office of Public Housing within your state. Locations of these offices are available on HUD's website at <http://www.hud.gov>.



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

Table 1: IMS-PIC Categories

Category	Subcategory	Approval Letter from HUD Required for Approval in IMS-PIC	Additional Documentation Needed	Examples of Additional Documentation HUD may require supporting the request	Maximum Term of Initial Approval	Eligible for Full Operating Fund Grant?	Eligible for Approval Term Extension or Renewal?
Occupied	Assisted Tenant	No	N/A	N/A	N/A	Yes	N/A
	Employee ⁶	Yes	Yes	Document describing the terms and conditions of the employee's tenancy	3 years	No	Yes
	Non-Assisted Tenant Over Income ⁶ <i>At initial occupancy</i>	Yes	Yes	Approved PHA Plan ⁷	3 years	No	Yes, until an eligible public housing tenant is identified per 24 CFR § 960.503
	Non-Assisted Tenant Over Income <i>For continued occupancy under Section 103 of HOTMA</i>	No	No	N/A	N/A See Notice PIH 2023-03 (HA)	No	Once a family has exceeded the over-income limit for 24 consecutive months, the PHA must follow requirements in 24 CFR § 960.507

⁶ Units Occupied by an employee, non-assisted tenant over-income or police officer: These are sub-Categories that do not require HUD approval in IMS-PIC, however PHAs are required to obtain written HUD approval before selecting them in PIC.

⁷ Pursuant to 24 CFR 903.7. In place of an approved Annual Plan, Qualified PHAs using Capital Funds for the modernization must provide documentation that the action was included in a Capital Fund submission for discussion at the annual public hearing required pursuant to 24 CFR 905.300. Qualified PHAs not using Capital Funds for the modernization must provide documentation that the action is included in an approve five-year PHA Plan. See 24 CFR 903.3(c) for the definition of Qualified PHAs.

Category	Subcategory	Approval Letter from HUD Required for Approval in IMS-PIC	Additional Documentation Needed	Examples of Additional Documentation HUD may require supporting the request	Maximum Term of Initial Approval	Eligible for Full Operating Fund Grant?	Eligible for Approval Term Extension or Renewal?
Occupied Contd.	Police Officer ⁶	Yes	Yes	Approved PHA Plan. ⁷ A Memorandum of Understanding (MOU), or other forms of contractual agreement, between the PHA and local Law Enforcement Agencies, or Use Agreements.	3 years	Yes, for Police Officers that provide security to the PHA as a condition of residency	Yes
	MTW Neighborhood Services ⁸	Yes	Yes	Signed Service Provider Agreement and the current approved Annual MTW Plan that supports the PHA's intent to use the unit for an eligible MTW purpose.	5 years	Yes	Yes
	Unauthorized ⁹	Yes	Yes	Justification	Case by Case	No	N/A
Vacant	Vacant	No	No	N/A	N/A	Yes, for a limited number per 24 CFR 990.150	N/A
Vacant-HUD Approved	Undergoing Modernization ¹⁰ (Not Under Contract)	Yes	Yes	Approved PHA Plan ⁷	2 years	Yes	No

⁸ MTW Neighborhood Services units are only available to the initial 39 MTW Agencies under the MTW Standard Agreement. The use of this sub category is not authorized by the MTW Operations Notice that governs MTW Expansion Agencies due to the 2016 Appropriations Act which states: "No public housing agency granted this designation through this section shall receive more funding under sections 8 or 9 of the United States Housing Act of 1937 than it otherwise would have received absent this designation."

⁹ Occupied – Unauthorized: These Sub-Categories only exist to reflect how units are being used by PHAs. Both Sub-Categories capture unit uses that do not fit in one of the above authorized categories. However, PHAs and Field Offices must examine each unit in these sub-categories, determine a timeline for when the unit will be brought online for occupancy by an eligible family or for an otherwise authorized use, and then adhere to that timeline.

¹⁰ IMS-PIC has only one Undergoing Modernization category for these two types of approved vacancies. See further explanation in section 5.4.3 of this notice.

Category	Subcategory	Approval Letter from HUD Required for Approval in IMS-PIC	Additional Documentation Needed	Examples of Additional Documentation HUD may require supporting the request	Maximum Term of Initial Approval	Eligible for Full Operating Fund Grant?	Eligible for Approval Term Extension or Renewal?
Vacant HUD Approved Contd.	Undergoing Modernization ¹⁰ (Contract Awarded)	Yes	Yes	Approved PHA Plan. ⁷ A copy of the contract for the modernization work, which identifies the unit address and an estimated timeline for completion. A copy of the Purchase Order or Notice to Proceed are also acceptable.	2 years	Yes	Yes – If Construction is on Schedule
	Court Litigation	Yes	Yes	A copy of a court order or settlement agreement; or a copy of a voluntary compliance agreement with HUD.	3 years	Yes	Yes
	Natural Disaster	Yes	Yes	Federal or State Disaster Declaration; Copy of Condemnation Order or red tag marking all or part of the unit unsafe and uninhabitable.	3 years	Yes	Yes
	Casualty Loss	Yes	Yes	A copy of an insurance claim filed by the PHA for damage to the unit(s), including an identification of the date submitted.	3 years	Yes	No
	Market Conditions	Yes	Yes	Refer to https://www.hud.gov/sites/documents/PHA_GUIDANCE_APPEALS.PDF for examples of additional documentation.	2 years	Yes	Yes

Category	Subcategory	Approval Letter from HUD Required for Approval in IMS-PIC	Additional Documentation Needed	Examples of Additional Documentation HUD may require supporting the request	Maximum Term of Initial Approval	Eligible for Full Operating Fund Grant?	Eligible for Approval Term Extension or Renewal?
Non-Dwelling	Special Use: Anti-Drug/Crime	Yes	Yes	Documentation demonstrating its plan to use the unit on a regular, on-going basis to provide drug or crime prevention assistance or services to the residents and the surrounding neighborhood.	5 years	Yes	Yes
	Special Use: Self Sufficiency Activities	Yes	Yes	Documentation demonstrating its plan to use the unit on a regular, on-going basis to provide services or assistance to residents in becoming self-sufficient.	5 years	Yes	Yes
	Special Use: Other Resident Activities	Yes	Yes	Documentation demonstrating a plan to use the unit on a regular, on-going basis as resident services that are not otherwise covered in the other “Special Use” categories e.g., in elderly buildings, a unit may have a medical practitioner.	5 years	Yes	Yes
	MTW Neighborhood Services ⁸	Yes	Yes	Documentation demonstrating plan to use the unit on a regular basis for PHA business activities, such as office space, maintenance facilities and storage.	5 years	Yes	Yes
Non-							

Category	Subcategory	Approval Letter from HUD Required for Approval in IMS-PIC	Additional Documentation Needed	Examples of Additional Documentation HUD may require supporting the request	Maximum Term of Initial Approval	Eligible for Full Operating Fund Grant?	Eligible for Approval Term Extension or Renewal?
Dwelling Contd.	Administrative Uses	Yes	Yes	Documentation demonstrating plan to use the unit on a regular basis for PHA business activities, such as office space, maintenance facilities and storage.	5 years	No	Yes
	Resident Amenities	Yes	Yes	Documentation demonstrating a unit plan to provide resident amenities e.g., laundry rooms, vending machine areas, resident storage, or recreation rooms.	5 years	No	Yes