

U. S. Department of Housing and Urban Development

Office of Public and Indian Housing

Special Attention of: NOTICE PIH 2003-33 (HA)

Public Housing Program Directors; Issued: December 19, 2003

PIC Coaches;

Public Housing Agencies;

Expires: December 31, 2004

**SUBJECT: Implementation of the Public and Indian Housing Information Center (PIC)
Demolition/Disposition Sub-module and Data Collection for Public Housing
Unit Removals**

A. Overview:

Effective with the issuance of this Notice, PHAs will be required to use a new sub-module in PIC to submit applications to the Special Applications Center (SAC) for units they are proposing to take out of the inventory of public housing, and to promptly record the removal of all such approved units after the action has taken place. HUD Field Offices must confirm in the PIC Demolition/Disposition sub-module the removal of units in order for their change in status to take effect in PIC. The purpose of this Notice is to instruct PHAs and Field Office staff about their obligations to maintain up-to-date information in PIC, tracking the inventory of public housing units, and about the transition to the use of the PIC system for this purpose.

B. Applicability:

The new sub-module in PIC for demolition/disposition and homeownership will serve as the initiation point for applications under Section 18 (demo/dispo), Homeownership, DeMinimis, Eminent Domain, and Mandatory/Voluntary Conversion, as well as the entry of actual data for removal of approved units. This sub-module will serve as the single vehicle that the SAC will use to receive, approve or disapprove, and track unit removals under all of these categories. While this Notice immediately implements the PIC sub-module, the SAC will continue to accept paper applications for any of the activities listed here, for 45 days after the publication of this Notice.

C. Background

Since the Integrated Business System (IBS) was taken off-line in September 2002, SAC staff has been entering application data in PIC. The approval documents for these programs that have been sent out have referenced the requirement for PHAs to report actual data into PIC as the activity takes place, once the implementation of the demolition/disposition sub-module happens. Data for most applications for actions that were approved earlier, but where demolitions or sales had not been completed (or recorded) at the time IBS was taken off line, has also been uploaded to PIC, based on an effort by a team of Field staff in the fall of 2002. For this latter group, full, individual applications were not created in PIC, but units have been marked as either approved for removal from the public housing inventory (“DemoDispo-Approved”), or as already “Removed from

D. PHA Responsibility:

As public housing units are actually demolished and sold, PHAs must remove them from the inventory in this new sub-module. PHAs are also required to do this for the close to 30,000 units that have been uploaded to PIC as “DemoDispo-Approved” but not yet “Removed from Inventory” as of September 2002.

Under the record keeping requirements of 24 CFR 970 and 906, actual activity is to be maintained by PHA staff in their own local files. The information retained by the PHA, as a minimum, must include:

Address of unit removed;
The date the unit was removed; and
For demolition, the total cost to demolish, for the application.

By the PHA entering the removal activity data into PIC, it will also satisfy various reporting requirements.

The unit removal data in PIC will affect the Capital Fund formula and subsidy calculations, so it must be the fully up-to-date and readily available for review by HUD staff within 53 days of the issuance of this notice. The Department’s definition of removal is:

The date the contract of sale was executed for a homeownership unit;

The date the deed contract of sale or lease was executed for a disposition;

The date the last payment was made to the demolition contractor or the final funds were expended if demolition was performed with Force Account, for demolition, DeMinimis or Mandatory Conversion; or

The date the property is transferred to the taking agency in Eminent Domain..

PIC also tracks removals of land and non-dwelling structures. Information similar to that above needs to be maintained for these actions as well. Non-dwelling structures will have addresses in PIC, as do non-dwelling units.

PIC data reporting is a two-step process: data entry followed by electronic “submission” to HUD. Field staff then reviews and “approves” the report of units that have been demolished, sold, or taken from inventory. After the Field staff has approved the removal action, PHA’s must verify the unit counts in the Development sub-module of PIC are an accurate and up-to-date reflection of their inventory of buildings and units.

E. Field Staff Responsibility:

HUD Field Office staff are responsible in the new PIC sub-module for approving expeditiously PHA entries of units that have actually been removed from inventory.

The 2003 Capital Fund formula was run on data that was collected in June 2002. This data consisted of IBS/PIC data modified by the result of a letter distributed to the PHAs requesting updates on actual removal activity. The 2004 Capital Fund formula will use the Building and Unit data in the Development sub-module of PIC. This data is also used by the Public and Indian Housing Real Estate Assessment Center to determine the inventory of properties that will be inspected and scored for the Public Housing Assessment System (PHAS-PASS).

Within a 60-day period from the date of issuance of this Notice PHAs shall update, and Field Offices shall approve, accurate and complete data in the Demolition/Disposition sub-module, and their floating unit data in the development sub-module, so that the Capital Fund formula for 2004 will be based on legitimate information. HUD directors have the responsibility to establish local procedures to ensure HUD staff are checking PIC to see if there are records requiring their attention. HUD staff have seven calendar days to act on these requests. Office monitoring procedures have to show that these timetables are being met. HUD will establish a quality assurance protocol entailing on-site checks to ensure that the data entered into PIC is accurate. HUD will issue a Notice in the near future announcing the implementation of the quality assurance protocol.

As a part of routine, ongoing program implementation, HUD Field staff must contact the PHA on the progress of removal activity on a quarterly basis as part of the data reporting requirements to Congress and routine monitoring of PHA program performance. Field Operations will advise the field when reports, in addition to those supplied as part of the current management plan, will be required.

F. Transitional Website

A website has been established to facilitate the transition to the new sub-module at <http://www.hud.gov/offices/pih/systems/pic/sac/index.cfm>. Data for a portion of the PHA applications approved prior to September 2002 was not included in the upload to PIC. PHAs who

do not find units approved for removal or marked as removed in the Demolition/Disposition and Development sub-modules must check this website where applications that were not uploaded will be listed by development number and name, submission date, and number of units approved. This list of known outstanding data will be sorted into categories, and specific procedures will be provided on this website about how the data for each category will be incorporated into PIC. Procedures will also be set out on the website for how to deal with any other missing or erroneous data encountered by HA or Field Office staff relating to applications to remove units from the public housing inventory.

The name of a contact staff person at the SAC will be listed on this website for each PHA with developments on the list of known outstanding data. Some of the applications were withheld from the upload due to issues or discrepancies that will have to be resolved between PHAs, Field staff, and SAC personnel. PHA and Field staff have thirty days to determine what needs to be done, and then make the contact with SAC to initiate the action. Unless otherwise instructed by the HUB Director, the PHAs' primary contact with the Field shall be their PIC coach. A list of PIC coaches will also be accessible from the transitional website.

G. Key Milestones

7 days from HA action in PIC

Field approves PHA data entry in PIC, or notifies HA of required corrective action

30 days from Notice publication

PHA and Field staff contact SAC to reconcile data problems for applications listed on the website, and any others requiring modifications to PIC data

45 days from Notice publication.

SAC will accept applications for Section 18 (demo/dispo), Homeownership, DeMinimus, Eminent Domain, and Mandatory/Voluntary Conversion only via PIC

53 days from Notice publication

PHAs complete entry of actual data in PIC for all units removed

60 Days from Notice publication

PHA staff verifies that the Building and Unit data is an accurate reflection of its inventory

H. Paperwork Reduction

The information collection requirements contained in this notice have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3520)

and assigned OMB control numbers 2577-0233 for Home Ownership, and 2577-0075 for Section 18. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

_____/s/_____
Michael Liu, Assistant Secretary
for Public and Indian Housing