



**U. S. Department of Housing and Urban Development
Public and Indian Housing**

Special Attention of:
Public Housing Agencies (PHAs);
Public Housing Office Directors

Notice PIH 2007-13 (HA)

Issued: June 15, 2007

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Cross References:

Subject: Certification of accuracy of data in the Public Housing Information Center System used to calculate the Capital Fund formula allocation in Fiscal Year 2007

1. Purpose. The purpose of this Notice is to advise executive directors of PHAs that the Department is requiring them (or an authorized subordinate staff person) to certify to the accuracy of the data PHAs have submitted to HUD in the Public Housing Information Center (PIC) system that the Department will use to calculate the formula for allocating Capital Fund grants in Federal Fiscal Year 2007. In addition this Notice advises executive directors of the opportunity to review and request adjustment of select 1999 data that the Department also uses to calculate the Capital Fund formula.

2. Background. Each year the Department allocates Capital Fund grants to PHAs under the Capital Fund Program that is authorized by Section 9(d) of the United States Housing Act of 1937. The Department uses a formula to calculate the funding amount for each Capital Fund grant for each PHA. The formula is codified at 24 CFR 905.10. The Department bases its formula calculation extensively on data submitted to HUD by PHAs in the PIC system. PHAs are required to accurately report data in the PIC system in accordance with Section 15(B) of their Annual Contributions Contract with HUD (Form HUD 53012A, 7/1995 version). In consultation with the Department's Office of Inspector General, the Office of Public and Indian Housing (PIH) has concluded that PHAs should be presented with the specific PIC data the Department will use to calculate the Capital Fund formula allocation and required to certify to the accuracy of that data prior to calculating the formula grant allocations. This Notice explains the certification requirement.

In addition to increasing confidence in the accuracy of the data used to calculate the Capital Fund formula, PIH expects additional benefits from the certification process as well. In some instances it is difficult for PHAs to know what data the Department is using to calculate the Capital Fund formula. Through the certification process, PHAs will be able to see the primary data used to calculate their Capital Fund allocation. PIH relies on PIC data not only to calculate the Capital Fund formula, but also to schedule property inspections under the Physical Assessment component of the Public Housing Assessment System. PIH expects the certification process to enhance the overall accuracy of PIC data to reduce the number of instances where

physical inspectors encounter erroneous data and consequently incur additional cost to complete the inspection process.

3. For Further Information: Contact the Office of Public and Indian Housing, Office of Capital Improvements, Attention: Robert Dalzell, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 4130, Washington, DC 20410; telephone (202) 708-1640 (this is not a toll free number). Persons with hearing or speech impairments may access this number through TTY by calling the toll-free Federal Information Relay Service at (800) 877-8339. Additional information **including a step-by-step guide of the certification pages in PIC** is available from the Office of Capital Improvements Internet site at <http://www.hud.gov/offices/pih/programs/ph/capfund/index.cfm>.

4. Description of the Data Certification Pages: In order to complete the certification process, PHAs must interact with two related PIC web pages: the Capital Fund Building and Unit Data Certification tab page and the Development Details web page. The Department upgraded the PIC system as of March 5, 2007 to install the additional pages. PHA staff that are inputting certification data into the two pages should refer to the **step-by-step guide** to the certification pages referenced in Section 3 (for Further Information) above. The following subsections describe the two pages.

- a. Capital Fund Building and Unit Data Certification tab page: the Capital Fund Building and Unit Data Certification tab is located in the Development sub module under the Housing Inventory module. Once a PHA selects the tab page, the screen will display a list of all of the public housing developments that the Department will include in calculating the Capital Fund formula allocation. Note that the tab page will not display developments that either have no Date of Full Availability (DOFA) date or that have a DOFA date later than the “reporting date” because those developments will not be factored into the formula calculation. (See section 6 below for an explanation of the meaning of “reporting date.”) The page also contains a column that displays on a development-by development basis whether a PHA has certified to the accuracy of the data for the development or whether the PHA cannot certify to the accuracy of the data for reasons described in section 7 below.
- b. Development Details web page: In addition to installing the Capital Fund Building and Unit Data Certification tab page, the Department also installed a secondary Development Details web page for each development in a PHA’s inventory. The Development Details page contains the primary data that the Department will use to calculate the Capital Fund formula share for that development. The data includes: the number of standing units, the number of removed units, the number of non-ACC units, the number of non-dwelling units, the number of elderly units, the number of family units, the standing unit bedroom count and the removed unit bedroom count. All of these data elements reflect data that PHAs have entered or uploaded into PIC. The Development Details page also contains two data elements that the Department uses to calculate the formula, but that were never

directly entered by PHAs into the current PIC Development sub module. The additional data elements are the 1999 Unit Count and the 1999 Aggregate Bedroom Count.¹

5. Correction of Errors

- a. Correction of errors: PHAs that detect errors in the data displayed on the Capital Fund Building and Unit Data Certification tab page and the Development Details web page must correct the data in PIC prior to certifying the accuracy of the data for that development. (Note: there are two exceptions to this requirement noted in subsection b. immediately below related to 1999 unit and bedroom count data.) PHAs correct the data by following the normal procedure for changing the data in PIC. Although PHAs cannot make corrections on either the Capital Fund Building and Unit Data Certification tab page or the subsidiary Development Details web page, the Development Details web page does contain links to the underlying building and unit data that is the source for the data contained on the page. Some corrections will require coordination with Field Office staff to ensure that any corrections that require Field Office approval prior to taking effect are approved prior to certifying to the accuracy of the data. Some corrections require Field Office staff to make the corrections on a PHA's behalf (particularly corrections relating to development level data such as DOFA dates). The Development Details web page will display the corrected data one day after the correction becomes final.
- b. Correction of 1999 Unit Count and the 1999 Aggregate Bedroom Count. The certification that PHAs enter on the Capital Fund Building and Unit Data Certification tab page does not extend to the 1999 Unit Count and the 1999 Aggregate Bedroom Count data displayed on the Development Details web page. End users in PIC cannot correct the 1999 Unit Count and the 1999 Aggregate Bedroom Count data elements; however, the Development Details web page does give PHAs the ability to question the accuracy of this historical data and to request a correction. PHAs can indicate the correct 1999 unit count and the correct 1999 aggregate bedroom count on the Development Details web page as well as provide an explanation for the requested correction. The Department will analyze each instance where a PHA questions the accuracy of the 1999 data. The Department will make corrections to the data when the PHA questioning the data has provided adequate evidence that validates the use of another more accurate number. During the analysis process, PIH Headquarters staff will coordinate with Field Office public housing directors and their staff. Field Office staff may require a PHA questioning the accuracy of the 1999 data to provide documentation that substantiates its proposed correction. Ultimately PIH Headquarters staff will provide a comment on the Development Details web page that will respond to the questions raised and indicate whether the Department accepts or rejects the proposed correction(s). Note that where a PHA is questioning the accuracy of the 1999 data, if the remainder of the data on the Development Details web page is accurate for the development, the PHA is to certify to

¹ The Department obtained this data by researching multiple historical databases. In most instances, PHAs submitted this data in paper form and HUD staff entered the data into databases that predated the current PIC database.

the accuracy of the data for the development on the Capital Fund Building and Unit Data Certification tab page even though it is questioning the 1999 data.

6. Effective Date for the Data (“Reporting Date”): The Department calculates the formula based on the status of the public housing inventory “as of” a “reporting date.” (See 24 CFR 905.10(f)(1)(ii)) In keeping with past practice, the Department has established September 30, 2006 as the “reporting date” for the Fiscal Year 2007 Capital Fund formula calculation. Therefore the data displayed on the certification web pages represents the state of the building and unit inventory as of September 30, 2006 rather than the current state of the inventory. Normally the data is the same, however if a PHA removed units from the inventory (e.g., through demolition) subsequent to the “reporting date,” the Development Details web page will treat the units as standing units that have not yet been removed since that is how the units will be handled in calculating the formula. Similarly if a new development in a PHA’s inventory reaches its DOFA after the “reporting date” the development will not be included since units that are associated with a development that has not reached DOFA as of the reporting date are not included in the formula.

Note that PHAs can still change their data after the “reporting date” to correct the data content as of the “reporting date.” For example, if PIC currently shows a DOFA date later than September 30, 2006 for a development (e.g., 1/1/2007) but the actual DOFA date should be before September 30, 2006 (e.g. 1/1/2006), a PHA can work with its Field Office to have the DOFA date corrected now, during the certification process, even though the “reporting date” has passed.

7. Inability to certify to the accuracy of data for individual developments.

As noted in Section 5a² above, PHAs that detect errors in the data displayed on the Development Details web page must correct the data in PIC prior to certifying the accuracy of the data for that development. In the vast majority of instances, PHAs can correct inaccurate data by following the normal procedures for revising the data in the PIC system. The Department recognizes that in rare instances PHAs may encounter errors that cannot be corrected by either the PHA or Field Office staff because of the way the PIC system operates. In those instances, PHAs are to submit a request to the Real Estate Assessment Center Technical Assistance Center (TAC) help desk. In such instances PHA staff can either send an email describing the issue (include staff member name, phone number, housing authority number and field office name where applicable) to REAC_TAC@hud.gov or telephone the TAC at 1-888-245-4860 between 7:00am and 8:30pm Eastern time on business days. Once the TAC has assigned a PICHelp Ticket number to the PHA, the PHA must enter the PICHelp Ticket number into the space provided on the Development Details web page. In this instance, the PHA must also provide a comment that indicates what data element(s) is/are wrong, what the correct data is and why it cannot correct the data through the normal procedure. Once the PHA enters the required information on the Development Details page, it must then mark the development’s data as “rejected” rather than

² This section does not apply to the data referenced in subsection 5b above. End users in PIC cannot correct the 1999 Unit Count and the 1999 Aggregate Bedroom Count data elements and therefore this section does not apply to correction of either of those two data elements.

“certified” on the Data Certification page. Note that PHAs are only to “Reject” certification for developments when they cannot use the normal process for making corrections (i.e., there is a true error in the PIC system that prevents the update). When the Department calculates the Capital Fund formula, in instances in which a PHA properly “rejects” certification of data for a development(s), the Department will override the inaccurate data displayed and substitute data that the Department determines is accurate.

8. Exemption from the data certification requirement.

The certification requirement applies to all PHAs that receive Capital Funds. A PHA may apply for an exemption from the certification requirement for exigent circumstances. An example of an exigent circumstance would be a situation such as a natural disaster that impacted a PHA’s ability to validate the accuracy of the data in PIC. A PHA requesting such an exemption must submit a written request for the exemption to the attention of the Director, Office of Capital Improvements, Department of Housing and Urban Development, Office of Public and Indian Housing, 451 Seventh Street, SW, Room 4130, Washington, DC 20410. Such requests will be considered on a case-by case basis.

9. Potential errors in formula characteristics.

In reviewing their data, PHAs should consider the following:

- Has the Field Office approved all of the data that the PHA has submitted for approval in PIC? (Note that data entered in PIC but not yet approved will not be displayed on the Data Certification page or its subsidiary Development Details page.) In calculating the Capital Fund formula, the Department will only use finalized data; therefore, data that is submitted by a PHA but not finalized in the system because it is awaiting Field Office action will be disregarded in the calculation.

Data Certification Page

- Does the Data Certification page list all of the developments that it should? PHAs should validate that new developments that achieved DOFA on or before the “reporting date” (9/30/2006) are included in the list displayed on the Capital Fund Building and Unit Data Certification tab page. Likewise PHAs should validate that any developments that left the inventory (e.g., through demolition, disposition) in prior years (before 2006) but still had standing units in 1997 are also on the list³. The Department will not factor developments omitted from the Data Certification page list in the Capital Fund formula calculation.

Development Details Page

- Not only does the Development Details page display the proper number of units removed from the inventory (RMI) as of the “reporting date,” but also, does PIC reflect accurately when the units were removed? If the RMI date is inaccurate, the Department will start Replacement Housing Factor grant funding either sooner or later than it should in calculating the formula.

³ Units removed from the inventory in 1997 and prior years are not eligible for funding under the formula.

- Is the correct number of units displayed as non-ACC (non-Annual Contributions Contract) units? Units that are not subject to the Department's public housing ACC with the PHA should be listed as non-ACC units. (An example of this situation would be non-public housing units in a mixed finance development.) Units that are deprogrammed or are in the process of being removed from the inventory (e.g., through demolition or disposition) continue to be ACC units. The Department does not include non-ACC units in the Capital Fund formula calculation because they are ineligible to be included in the formula.

10. Schedule for completing the certification process.

PHAs have until July 12, 2007 to complete the data certification process.

11. Authority to certify

The Department is requiring executive directors to submit the certification of the accuracy of their respective PHA's data on the Capital Fund Building and Unit Data Certification tab page. Executive directors can delegate certification authority to other PHA staff by working with their local PHA staff PIC security coordinator.

12. Failure to certify.

Unless the Department grants an exemption from the certification requirement as described in Section 8 above, the Department will withhold funding from any PHA that has not certified to the accuracy of its data in the Capital Fund Building and Unit Data Certification tab page. For any PHA that fails to certify by the deadline for completion of the certification process noted above, the Department will extract its data from PIC on the first business day after the deadline and store it in a separate database. When the Department calculates the Capital Fund formula for all PHAs, it will use the uncertified data to calculate a grant amount for any PHAs that have not yet certified. The Department will issue an ACC amendment reflecting the grant amount calculated with uncertified data, but it will suspend the grant pending receipt of the certification. If a PHA certifies after the deadline date, the Department shall compare the certified data with the uncertified data available the day after the certification deadline. The Department will use the data from the comparison that results in the lowest funding level to calculate the funding to be made available to the late certifying PHA⁴. Note that late certifying PHAs shall remain subject to the obligation and expenditure deadlines the Department establishes pursuant to Section 9(j) of the United States Housing Act of 1937 and the potential for sanctions on future grants regardless of the suspension of their grants.

13. Paperwork Reduction Act Statement. The information collection requirements contained in this notice have been approved by the Office of Management and Budget under the Paperwork

⁴ In this instance, the PHA will be given a separate ACC amendment that reflects the adjustment in order to preserve a record of the adjustment in the Department's accounting systems.

Reduction Act of 1995 (44 U.S.C. 3501-3520), and assigned OMB control number 2577-0157. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a valid control number.

/s
Orlando J. Cabrera, Assistant Secretary for
Public and Indian Housing