

Congress placed a prohibition in the 2015 appropriations law that bars the Department from “requiring or enforcing” a physical needs assessment during this fiscal year. In response, the Department has placed issuance of the PNA rule on hold. In its appropriations report, Congress also asked the Department for additional information and made clear its position that it supports capital needs planning. The Department provided its report on July 8, 2015 and HUD has provided additional information on the nature of the proposed PNA rule and how it intends to collect this information. HUD also plans to take additional steps to improve the process for information collection and ensure the planning process is meaningful for both the PHAs performing an assessment and the Department when advocating for increased capital funding.

The Need for Capital Planning

For PHAs with 250 units or more, the PNA has been a required element of their comprehensive capital needs planning process for over 25 years, first under the Comprehensive Grant program and continued through the Capital Fund program. Physical needs assessments have been the standard method for determining capital needs in the real estate industry, and remains a vital way for property managers to plan for necessary capital improvements. The Department believes it is important for property owners with significant public housing inventories to make such assessments, especially when capital fund dollars are becoming scarcer.

Basic Standards for a Physical Needs Assessment

Simply stated, the purpose of the PNA rule is to provide standards for a physical needs assessment. These PNA standards are an effort to institute capital needs planning in public housing using the asset management tools of the broader real estate industry. The PNA provides necessary data for the PHA to evaluate its real estate so it can ensure that it is able to continue to serve its intended purpose.

The Department recognizes that performing a PNA represents a commitment of time and resources, and so it has taken the additional step of developing a tool for use by PHAs to perform a PNA that meets industry standards. In addition to providing the option of doing the PNA in-house, this tool also puts the information into a database that can be easily updated and used interactively by a PHA to perform its capital planning functions, including development of its Five Year Action Plan and Annual Statement.

An additional benefit of having this data in an electronic database is the ability to share it with the Department and other stakeholders in the local community. Sharing this information with HUD gives the Department current data on public housing capital needs. Currently, the Department estimates need on the basis of an assessment done roughly every 10 years. While a decent indicator of need at a particular point in time, such studies age quickly, and are not a substitute for real time data. Better data is in both HUD’s and the PHA’s interest, because it provides more usable and more focused information, allowing for better advocacy and decision making to directly identify and address critical needs.

Request for Voluntary Submissions

We strongly encourage PHAs to continue to perform physical needs assessments and to make voluntary submissions to the Department. To date HUD has received more than 300 voluntary submissions on more than 3% of public housing units, and it has received requests from more than one third of all PHAs for their unique PIC data file used to populate the HUD PNA tool. The data the Department has received so far validates the potential value for this data to supplement HUD’s continued advocacy for the public housing program to Congress.

During this period of voluntary submissions, HUD will continue to make improvements to the tool based on customer feedback and an independent contractor review. The use of the PNA tool was not contemplated to be a requirement as much as a resource to use and share its assessment information easily. We want to make this tool as useful and user-friendly as possible. For those PHAs that prefer to use a paid provider, many providers are familiar with the PNA standards and several are already performing PNAs utilizing the PNA standards. Additionally, a number of PNA providers that use proprietary formats have developed internal tools to “crosswalk” data from their own format to the HUD format for reporting purposes. HUD has also developed instructions for such data migration for those providers that have not already created such a crosswalk.

HUD will continue providing PIC data sets and accepting voluntary submissions of PNA data. Requests for PIC data files to begin the PNA may be obtained by emailing a request with your PHA number and PHA contact to: PHAPNA@hud.gov . If your PHA has performed a PNA in the HUD PNA tool format, we encourage you to submit the data to us by attaching the tool-generated data files to an email to PNADATA@hud.gov .

Resources for the PNA are available at http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/capfund/gpnatool) including the user guide for the tool, frequently asked questions, webinar/webcast training archives access, a training guide, sample request for proposal documents, instructions for “cross walking” PNA data from another format, an expected useful life table, and other resources. Technical assistance (TA) will continue to be available through your field office, HUD headquarters, and TA consultants.

To those PHAs that have submitted PNA data to us, we extend our sincere thanks for your service in contributing new information to our knowledge base.