

FAQs on PIH Streamlining Related to Sequestration

1. Q: Given the funding proration due to sequestration, will HUD suspend the requirement to complete and submit a PHA annual plan?

A: No, this requirement is statutory, so the Department is not able to suspend the requirement to submit an annual plan (pursuant to 42 USC Section 1437c-1, all non-qualified PHAs must submit an annual plan once every PHA fiscal year).

However, there are ways PHAs can streamline the PHA annual plan preparation:

- When completing an annual plan, PHAs are only required to provide updates to the previous year's plan. For example, PHAs do not need to repeat the statement of the PHA's community service and self-sufficiency programs if the PHA is planning no changes to those programs.

2. Q: Will the Department provide relief from quarterly requirement to report in the Energy Performance and Information Center (EPIC) system?

A: Yes, the Department intends to publish revised guidance that will change the frequency of reporting in the EPIC system from the current quarterly requirement to an annual requirement. Starting with the July 1 reporting cycle, PHAs would only have to report if the end of their fiscal year coincided with the reporting cycle (i.e. only PHAs with fiscal years ending on June 30, 2013 would be required to report during the July 1-July 31 reporting period). This change will reduce the reporting frequency from four times a year to once a year.

3. Q: Will the Department provide relief in terms of submission of Performance and Evaluation (P&E) Reports that are currently due on an annual basis?

A: Yes, the Department intends to publish a notice that will change the frequency of P&E reporting from an annual report to one that is only required when a PHA has completed all of the activities associated with a Capital Fund grant. Submission of the P&E report would only be required during the grant closeout process. (Note: this change in reporting frequency would not alter the requirement for PHAs to submit revised Annual Statement/Budgets when they change their plans substantially enough to require a budget revision: such changes are not considered P&E submissions – even though they use the same 50075.1 form.)

4. Q: Will HUD provide PHAs any short-term relief with regard to the timing of on-site and remote reviews due to administrative hardships PHAs may be facing as a result of the sequestration cuts?

A: Yes, the Department will reduce future reviews by prioritizing those it performs based on the severity of risk and indications of significant problems.

It is important to emphasize that PHAs remain responsible for complying with all their statutory and regulatory responsibilities under the housing choice voucher and public housing programs. The Department's policy on on-site and remote monitoring reviews in light of the sequestration cuts does not reflect a relaxing of those PHA responsibilities, but rather is a recognition that PHA resources need to be directed towards carrying out the primary core functions of program administration to the greatest extent possible.

The Department understands that the deep cuts in administrative fee funding and operating subsidies have severely impacted PHA operations. We recognize that many PHAs are being forced to re-evaluate their business processes and prioritize their administrative responsibilities as a result. The Department also recognizes that on-site and remote reviews require PHA staff time and resources, both during the actual review and during preparation. Therefore, the Department is committed to ensuring PHAs receive sufficient advance notice of any upcoming reviews to allow PHAs to prepare for the review while managing their ongoing responsibilities.

5. Q: Is HUD providing relief to PHAs from the existing Physical Needs Assessment (PNA) and energy audit requirements?

A: No, the current requirements for PHAs with 250 or more units of public housing to perform a PNA every 5 years, and the requirement for all PHAs regardless of size to perform an energy audit every 5 years remain in effect.

6. Q: Is HUD providing relief to PHAs from the proposed PNA and energy audit requirements published previously?

A: Due to the challenges presented by sequestration cuts, the Department does not anticipate to release the final rule within the next year. The Department remains committed to finalizing the proposed PNA and energy audit rule. The Department believes the standards proposed by the rule are in the best long-term interest of public housing property preservation. The Department will provide more guidance on this subject shortly.

7. Q: What should PHAs be planning for or doing now with regard to the future new PNA and energy audit standard?

A: HUD encourages all PHAs to become familiar with the proposed PNA and energy audit standards. To the extent that PHAs are proceeding with either a PNA or an energy audit, HUD encourages awareness of the proposed rules and guidance.