



# Federal Register

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**Monday,  
November 8, 2004**

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**Part III**

## **Department of Housing and Urban Development**

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**Further Annual Plan Deregulation for  
High-Performing Public Housing Agencies;  
Notice**

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

[Docket No. FR-4829-N-01]

**Further Annual Plan Deregulation for High-Performing Public Housing Agencies**

**AGENCY:** Office of the Assistant Secretary for Public and Indian Housing, HUD.

**ACTION:** Notice.

**SUMMARY:** This notice provides for further simplification of the annual plan (Annual Plan) requirements for high-performing public housing agencies (PHAs), in accordance with HUD regulations. HUD's regulations governing the Annual Plan establish streamlined information requirements for high-performing PHAs and authorize HUD to further reduce the requirements with adequate notice. Accordingly, this notice provides that the Annual Plan submitted by a high-performing PHA need only address policies concerning capital improvements and the civil rights certification plus certain discretionary policies for which there is no HUD approval mechanism other than the Annual Plan. For other policies, the PHA would only be required to submit a certification listing the policies the PHA has revised since submission of its last Annual Plan. In addition, a high-performing PHA would be required to provide certain other assurances regarding resident participation in the development of the revised policies. Every fifth fiscal year, in the same year the PHA submits its five-year plan (Five-Year Plan), the high-performing

PHA would be required to submit a more detailed Annual Plan.

**DATES:** *Effective Date:* November 8, 2004.

**FOR FURTHER INFORMATION CONTACT:** Bessy Kong, Acting Deputy Assistant Secretary for Policy, Program and Legislative Initiatives; Department of Housing and Urban Development; 451 Seventh Street, SW., Room 4116; Washington, DC 20410-5000; telephone (202) 708-0713 (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.

**SUPPLEMENTARY INFORMATION:**

**I. Background**

The PHA plan process provides public housing residents, participants in the tenant-based assistance programs, and other members of the public a source to refer to basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services. The PHA plan process was established by section 5A of the United States Housing Act of 1937 (1937 Act) (42 U.S.C. 1437 *et seq.*). Through a Five-Year Plan and an Annual Plan, a PHA advises its residents, members of the public, and HUD of the PHA's mission and strategy for serving low-income and very low-income families. HUD's regulations for the PHA plans are located at 24 CFR part 903.

HUD's regulations at § 903.11 currently allow a PHA that is designated to be high-performing, as of the most recent annual or interim public housing assessment system (PHAS) assessment

to submit a streamlined Annual Plan. In addition, § 903.11(c) authorizes HUD to reduce further the information requirements of the streamlined Annual Plans with adequate notice. In accordance with § 903.11(c), this notice provides for further simplification of the PHA Annual Plan requirements for high-performing PHAs. This notice will establish streamlined Annual Plan submission requirements for high-performing PHAs identical to the streamlined Annual Plan procedures for small PHAs that HUD has established through rulemaking (see the final rule published on June 24, 2003, at 68 FR 37664 and codified at § 903.12).

The Annual Plan requirements for most PHAs will be simplified. Under the final rule for small PHAs, PHAs that operate fewer than 250 public housing units and are not designated as troubled under the PHAS will submit streamlined PHA plans notwithstanding their Section 8 Management Assessment Program (SEMAP) assessment. Furthermore, PHAs that administer only housing choice vouchers will submit streamlined Annual Plans regardless of the SEMAP assessment.

The only PHAs to submit standard Annual Plans are those of any size designated as troubled or at risk of being designated as troubled under the PHAS, or larger PHAs (those with at least 250 units of public housing) that are designated as standard performers under the PHAS. PHAs that manage both public housing and housing choice vouchers will rely on the PHAS designation to determine whether to submit a streamlined or standard Annual Plan.

Streamlined Annual Plan Submissions	Standard Annual Plan Submissions
High performer under PHAS ..... Administer only housing choice vouchers .....	Designated as troubled or at risk of being troubled under PHAS. Designated as a standard performer under PHAS and operate 250 units of public housing.
Non-troubled small PHA (manage < 250 units of public housing). Non-troubled small PHA (manage < 250 units of public housing) and administer any number of housing choice vouchers.	

This notice provides that the Annual Plan submitted by a high-performing PHA need only address policies concerning capital improvements (§ 903.7(g)), the civil rights certification (§ 903.7(o)), any PHA initiative concerning site-based waiting lists (§ 903.7(b)(2)), any homeownership program administered under section 8(y) of the 1937 Act (§ 903.7(k)(1)) and, if applicable, project-based voucher assistance (Section II.D. of HUD's January 16, 2001, **Federal Register** notice regarding revisions to the PHA

Project-Based Assistance Program (66 FR 3605 at 3608) and Section III.C. of PIH Notice 2001-4 issued on January 19, 2001). This information concerns discretionary PHA programs and policies that the PHA is required, either by regulation or statute, to address in the Annual Plan and for which no alternative method exists for obtaining prior HUD approval.

For the other policies and programs that § 903.11(c)(1) requires to be addressed in a streamlined Annual Plan (such as deconcentration, demolition

and disposition, housing needs, and financial resources), the PHA would only be required to submit a certification listing the policies the PHA has revised since submission of its last Annual Plan. In addition, a high-performing PHA would be required to provide certain other assurances regarding resident participation in the development of the revised policies.

Every fifth fiscal year, in the same year the PHA submits its Five-Year Plan, a high-performing PHA would be required to submit a more detailed

Annual Plan that more fully addresses the elements required under § 903.11(c)(1). However, high-performing PHAs would not be required to provide information concerning crime and safety (§ 903.7(m)), pet ownership policies (§ 903.7(n)) and fiscal year audit findings (§ 903.7(p)), since the PHA is already required to maintain these supporting documents and make them available to the public. Further, the information concerning housing needs (*see* § 903.7(a)) need only be provided to the extent that this information pertains to the housing needs of families on the PHA's public housing and tenant-based assistance waiting lists. The PHA already provides the other housing needs information that is required under § 903.7(a) through the Consolidated Plan process under 24 CFR part 91.

## II. Streamlined Annual Plan Requirements for High-Performing PHAs

The revised streamlined Annual Plan submission requirements for high-performing PHAs are as follows:

### A. General

PHAs that are designated to be high-performing PHAs as of the most recent annual or interim PHAS assessment of the PHA before the submission of the Five-Year or Annual Plan may submit a streamlined Annual Plan as described in Section II B. of this notice.

### B. Streamlined Annual Plan Requirements for Fiscal Years in Which Five-Year Plan is Also Due

For the fiscal year in which its Five-Year Plan is also due, the streamlined

Annual Plan of a high-performing PHA shall consist of the information required by § 903.7(a), (b), (c), (d), (g), (h), (k), (o), and (r). If the high-performing PHA wishes to use the project-based voucher program, its streamlined Annual Plan must also include a statement of the projected number of project-based units, their general locations, and how project basing would be consistent with its Annual Plan. The information required by § 903.7(a) must be included only to the extent that it pertains to the housing needs of families that are on the PHA's public housing and Section 8 tenant-based assistance waiting lists. The information required by § 903.7(k) must be included only to the extent that the PHA participates in homeownership programs under section 8(y) of the 1937 Act.

### C. Streamlined Annual Plan Requirements for All Other Fiscal Years

For all other fiscal years, the streamlined Annual Plan must include:

1. The information required by § 903.7(g) and (o) and, if applicable, § 903.7 (b)(2) with respect to site-based waiting lists and § 903.7(k)(1)(i) with respect to homeownership programs under section 8(y) of the 1937 Act;
2. If the PHA wishes to use the project-based voucher program, a statement of the projected number of project-based units, their general locations, and how project basing would be consistent with its Annual Plan; and
3. A certification from the PHA that lists the other policies and programs covered by § 903.7(a), (b), (c), (d), (h), (k), and (r) that the PHA has revised since submission of its last Annual Plan and provides assurance by the PHA that:

a. The Resident Advisory Board had an opportunity to review and comment on the changes to the policies and programs before implementation by the PHA;

b. The changes were duly approved by the PHA board of directors (or similar governing body); and

c. The revised policies and programs are available for review and inspection at the principal office of the PHA during normal business hours.

## III. Information Collection Requirements

The information collection requirements contained in the PHA plan process have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520) and assigned OMB Control Numbers 2535–0106 and 2535–0107. The changes contained in this notice merely modify the scope and frequency of these currently approved information collection requirements to streamline and reduce the paperwork burden imposed on high-performing PHAs. 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.

Dated: November 1, 2004.

**Michael M. Liu,**

*Assistant Secretary for Public and Indian Housing.*

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