



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

Special Attention of:

Public Housing Program Directors;
PIC Coaches;
Public Housing Agencies;

Notice: PIH-2005-12 (HA)

Issued: April 19, 2005

Expired: April 30, 2006

Cross Reference:

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

A. Overview:

The Department of Housing and Urban Development (HUD) requires Public Housing Agencies (PHAs) to use the PIC Demolition/Disposition (Demo/Dispo) sub-module to submit applications to the Special Applications Center (SAC) for units they are proposing to remove from their public housing inventory, and to promptly record such removal of all approved units after the Demo/Dispo action has taken place. After the PHA has completed its required functions in PIC, HUD Field Offices must confirm, in the PIC Demolition/Disposition sub-module, the removal of units in order to effectuate the reduction of units within PIC.

The purpose of this Notice is to provide PHAs and Field Office staff information pertaining to their obligation of maintaining current information within PIC, tracking the inventory of public housing units, and HUD's transition to the use of the PIC system for these purposes.

B. Applicability:

PIC's Demo/Dispo sub-module will be used to initiate applications for HUD's Section 18 (Demo/Dispo), Homeownership, De Minimis, Eminent Domain, and Mandatory/Voluntary Conversion Programs. In addition, the sub-module will facilitate the entry of data for the removal of approved units under these Programs. This sub-module will serve as SAC's single vehicle to receive, approve or disapprove, and track unit removals under these Programs. Using these actions it the only way for an HA to change its unit counts, or take HUD off the Declaration of Trust (DOT).

C. Background:

In September 2002, the Integrated Business System (IBS) was taken off-line. Since that time, SAC staff has entered application data in PIC for the above noted programs. When the PIC Demo/Dispo sub-module came online in December 2003, HUD, in its approval documents for an application, reminded PHAs of their requirement to report actual data into PIC as the approved activity took place.

Data for most applications for actions that were approved prior to the PIC Demo/Dispo sub-module coming online (but where demolitions or sales had not been completed (or recorded) at the time IBS was taken off line) have been uploaded to PIC. 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 "Demo/Dispo-Approved," or as already "Removed from inventory".

D. PHA Responsibility:

As public housing units are actually demolished and/or sold, PHAs must remove them from the PIC inventory by way of the Demo/Dispo sub-module. PHAs are also required to do this for approximately 30,000 units that have been uploaded to PIC and marked as "Demo/Dispo-Approved" but not yet "Removed from Inventory" in IBS 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.

PHAs must assure that all data in PIC is current and that record keeping documents are readily available for review by HUD staff. Removal of units in PIC will affect a PHA's Capital Fund formula and Operating Subsidy calculations.

Please note that HUD considers a unit to be removed on:

The date a contract of sale was executed for a homeownership unit,

The date a 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/Voluntary Conversion, or

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

Also keep in mind that PIC also tracks the removal of land and non-dwelling structures. Record keeping documentation, similar to that noted above, must be maintained for these actions as well. Addresses of Non-dwelling structures must be entered into PIC, just as it is done for non-dwelling units.

PIC data reporting is a two-step process: PHA data entry followed by electronic "submission" to HUD. Upon receipt of the submission, Field staff 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 that the unit count in PIC's Development sub-module reflects the reduction of units and represent an accurate reflection of its inventory of buildings and units.

E. Field Staff Responsibility:

HUD Field Office staff is responsible for expeditious approval of PHA submittals that reflect units that have actually been removed from its inventory.

HUB Directors have the responsibility to establish local procedures to ensure that HUD staff are checking PIC to see if there are PHA submissions requiring their attention. HUD staff has seven calendar days to act on these submissions. In addition, Office monitoring procedures must 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 may issue a Notice in the 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 inform the Field staff when reports, in addition to those supplied as part of the current management plan, will be required.

Use of Data:

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 2005 Capital Fund formula will use the Building and Unit data in the Development sub-module of PIC. PIC, which is modified by the actions performed in the PIC Demo/Dispo sub-module. The PIC Building and Unit data is also to be 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).

G. Transitional Website:

A website has been established to facilitate the transition to the PIC Demo/Dispo sub-module at <http://www.hud.gov/offices/pih/systems/pidsac/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.

The list of known outstanding data will be sorted into categories, and specific procedures will be provided on this web site 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 PHA 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 web site 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 has 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.

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.

Michael Liu, Assistant Secretary for
Public and Indian Housing