

III. Subindicators

A. Subindicators of Capital Fund Program Indicator. The two subindicators of the Capital Fund program indicator are:

- Timeliness of fund obligation; and
- The PHA's occupancy rate.

B. Points for Capital Fund Program Indicator. This indicator measures the statutory requirements for the Capital Fund program.

Subindicator #1, Timeliness of Fund Obligation. This subindicator examines the period of time it takes for a PHA to obligate funds from the Capital Fund program under section 9(j)(1) of the 1937 Act (42 U.S.C. 1437g(9)(j)). HUD may extend the period of time for the obligation of funds in accordance with 24 CFR 905.120 and section 9(j)(2) of the 1937 Act. Points are awarded on the following bases:

The PHA will earn the full 5 points if it has obligated 90 percent or more of the grant amount for all of its grants on its obligation end date, or on the extended obligation end date, for all open Capital Fund program grants that have obligation end dates during the assessed fiscal year and does not have any grants that have been sanctioned pursuant to § 9(j) of the 1937 Act during the assessed fiscal year.

The PHA will earn 0 points if it has obligated less than 90 percent of the grant amount for any of its open grants on the obligation end date during the assessed fiscal year or is undergoing sanctions as per Section III of this notice.

| Obligation value | Points |
|-----------------------------|--------|
| ≥90% and no sanctions | 5 |
| <90% or sanctions | 0 |

If the PHA receives 0 points for this subindicator, it is not eligible for points for subindicator # 2.

Subindicator #2, Occupancy rate. This subindicator measures the PHA's occupancy rate as measured at the end of the PHA's fiscal year, which is calculated by dividing the total occupied assisted, HUD approved special use, and non-assisted units by the total ACC units less the total uninhabitable units as reflected in the Inventory Management System/PIC, or its successor. This information will be calculated as of the end of the PHA's fiscal year. A PHA will receive 2 points if it has an adjusted occupancy rate of at least 93 percent but not more than 96 percent. A PHA will receive 5 points if it has an adjusted occupancy rate of 96 percent or more.

| Occupancy rate | Points |
|----------------|--------|
| 93%–<96% | 2 |
| 96%–100% | 5 |

IV. Sanctions

Sanctions for the obligation of funds are in accordance with 24 CFR 905.120. If a PHA has been sanctioned during the assessment period, the PHA will receive 0 points for the timeliness of fund obligation.

V. Elements of Scoring

A. Points and Threshold. The Capital Fund program indicator is based on a maximum of 10 points. In order to receive a passing score under this indicator, a PHA must achieve at least 5 points or 50 percent of the available points under this indicator.

B. Scoring Elements. The Capital Fund program indicator score provides an assessment of a PHA's ability to obligate Capital Fund program funds in a timely manner, as well as a PHA's occupancy rate. The computation of the score under this PHAS indicator utilizes data obtained through analysis of obligated amounts in HUD's eLOCCS (or its successor) for all Capital Fund program grants that were open during the assessed fiscal year and PIC (or its successor) data as of the PHA's assessed Fiscal Year End. Scores are first calculated for each subindicator. From the two subindicator scores, an indicator score is then calculated.

C. Example of Score Computations. The indicator score equals the sum of the subindicator scores, described in Section II, paragraph B.

D. PHA Responsibility. PHAs are responsible for ensuring that their Capital Fund program information is submitted to eLOCCS and occupancy information to PIC by the submission due date. A PHA may not appeal its PHAS and/or Capital Fund program score based on the fact that it did not submit its Capital Fund program information to eLOCCS and occupancy information to PIC by the submission due date. PHAs shall retain supporting documentation for the Capital Fund program for at least 3 years.

Dated: February 1, 2011.

Sandra B. Henriquez,
Assistant Secretary for Public and Indian Housing.

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5415-C-22A]

Notice of Availability: Notice of Technical Correction to the Notice of Funding Availability for Fiscal Year 2010 Transformation Initiative: Natural Experiments Program

AGENCY: Office of the Chief of the Human Capital Officer, HUD.

ACTION: Notice.

SUMMARY: On January 20, 2011, HUD posted on <http://www.Grants.gov>, a Notice of Funding Availability (NOFA) for Fiscal Year 2010 Transformation Initiative: Natural Experiments Grant Program. This Correction clarifies the rating Factors for Award to be used in determining selected applicants and extends the deadline date.

Funding for this effort is made available by the Department of Housing and Urban Development Appropriations Act, 2010 (Pub. L. 111-117 approved December 16, 2009). This program is undertaken by HUD's research authority under the Transformation Initiative Fund.

This Technical Correction also extends the application deadline date from Monday, February 21, 2011 to a new application deadline date of Wednesday, February 23, 2011.

Applicants do not need to download a new application or resubmit their applications as a result of this notice.

The technical correction notice can be found using the Department of Housing and Urban Development agency link on the Grants.gov/Find Web site at <http://www.grants.gov/search/agency.do>. A link to Grants.gov is also available on the HUD Web site at <http://www.hud.gov/offices/adm/grants/fundsavail.cfm>. The Catalogue of Federal Domestic Assistance (CFDA) number for this program is 14.524. Applications must be submitted electronically through Grants.gov.

FOR FURTHER INFORMATION CONTACT: Questions regarding specific program requirements should be directed to the agency contact identified in the program NOFA. Program staff will not be available to provide guidance on how to prepare the application. Questions regarding the 2010 General Section should be directed to the Office of Grants Management and Oversight at (202) 708-0667 or the NOFA Information Center at 800-HUD-8929 (toll free). Persons with hearing or speech impairments may access these numbers via TTY by calling the Federal Information Relay Service at 800-877-8339.

Dated: February 17, 2011.

Barbara S. Dorf,

*Director, Office of Departmental Grants,
Management and Oversight, Office of the
Chief Human Capital Officer.*

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5094-N-03]

Changes to the Public Housing Assessment System (PHAS): Physical Condition Scoring Notice

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

ACTION: Notice.

SUMMARY: This notice provides additional information to public housing agencies (PHAs) and members of the public about HUD's process for issuing scores under the physical condition indicator of the Public Housing Assessment System (PHAS). This notice amends the current Physical Condition Scoring Process notice that was published on June 29, 2000, as corrected and updated by the Physical Condition Scoring Process notice that was published on November 26, 2001.

DATES: *Effective Date:* March 24, 2011.

Comment Due Date: April 25, 2011.

ADDRESSES: Interested persons are invited to submit comments on this notice to the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street, SW., Room 10276, Washington, DC 20410-0500. Communications must refer to the above docket number and title. There are two methods for submitting public comments. All submissions must refer to the above docket number and title.

1. *Submission of Comments by Mail.* Comments may be submitted by mail to the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street, SW., Room 10276, Washington, DC 20410-0500.

2. *Electronic Submission of Comments.* Interested persons may submit comments electronically through the Federal eRulemaking Portal at <http://www.regulations.gov>. HUD strongly encourages commenters to submit comments electronically. Electronic submission of comments allows the commenter maximum time to prepare and submit a comment, ensures timely receipt by HUD, and enables HUD to make them immediately

available to the public. Comments submitted electronically through the <http://www.regulations.gov> website can be viewed by other commenters and interested members of the public. Commenters should follow the instructions provided on that site to submit comments electronically.

Note: To receive consideration as public comments, comments must be submitted through one of the two methods specified above. Again, all submissions must refer to the docket number and title of the rule.

No Facsimile Comments. Facsimile (FAX) comments are not acceptable.

Public Inspection of Public Comments. All properly submitted comments and communications submitted to HUD will be available for public inspection and copying between 8 a.m. and 5 p.m. weekdays at the above address. Due to security measures at the HUD Headquarters building, an advance appointment to review the public comments must be scheduled by calling the Regulations Division at 202-402-3055 (this is not a toll-free number). Individuals with speech or hearing impairments may access this number via TTY by calling the Federal Information Relay Service, toll-free, at 800-877-8339. Copies of all comments submitted are available for inspection and downloading at <http://www.regulations.gov>.

FOR FURTHER INFORMATION CONTACT:

Claudia Yarus, Department of Housing and Urban Development, Office of Public and Indian Housing, Real Estate Assessment Center (REAC), 550 12th Street, SW., Suite 100, Washington, DC 20410 at 202-475-8830 (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 is available from the REAC Internet site at <http://www.hud.gov/offices/reac/>.

SUPPLEMENTARY INFORMATION:

I. Purpose of This Notice

The purpose of this notice is to describe the PHAS physical condition scoring process and to prescribe the frequency of individual project inspections.

II. Purpose of the PHAS Physical Condition Assessment

The purpose of the PHAS physical condition assessment is to ensure that public housing units are decent, safe, sanitary, and in good repair, as determined by an inspection conducted in accordance with HUD's Uniform Physical Condition Standards (UPCS)

codified at 24 CFR part 5, subpart G. The physical condition assessment under the PHAS utilizes uniform physical inspection procedures to determine compliance with uniform standards and is an important indicator of performance for a project and a PHA. All projects will be assessed under the physical condition indicator, even if a PHA has not converted to asset management.

The physical condition indicator score is based on a maximum of 40 points. In order to receive a passing score under this indicator, a project must achieve at least 24 points or 60 percent of the points available under this indicator. Under the PHAS physical condition indicator, REAC will calculate a score for each project, as well as for the overall physical condition of a PHA. The physical condition score, based on a 40-point scale, is included in each PHA's aggregate PHAS score.

III. Transition to Asset Management and Frequency of Inspections

The number of units in a PHA's Low-Rent program and the PHAS designation for small PHAs will determine the frequency of physical inspections during and after the transition to asset management. PHAs with less than 250 public housing units will receive a PHAS assessment, based on its PHAS designation, as follows:

- (1) A small PHA that is a high performer will receive a PHAS assessment every 3 years;
- (2) A small PHA that is a standard or substandard performer will receive a PHAS assessment every other year; and
- (3) All other small PHAs will receive a PHAS assessment every year, including a PHA that is designated as troubled or Capital Fund troubled, in accordance with § 902.75.

For PHAs with 250 or more units of any PHAS designation, the inspection score of each project (not the overall physical indicator score) will determine the frequency of inspections for that project. Projects that score 90 points or higher based on a possible 100-point project score will be inspected triennially. Projects that score less than 90 points and at least 80 points based on a possible 100-point project score will be inspected biennially. Projects that score less than 80 points based on a possible 100-point scale will be inspected annually. The performance incentive will change from PHA-based to project-based. Project inspections for PHAs with 250 or more units will be based on the project's prior year inspection score.

Projects for any PHA designated as troubled will be inspected annually