

*HUD response.* HUD already collects the data requested by the commenter through its form HUD-50058. Specifically, PHAs are required to provide information regarding the participation in their public housing and voucher programs by members of different racial and ethnic groups, as well as by persons with disabilities. This information is summarized in the Resident Characteristics Report Module of PIC, which HUD makes available to the public.

#### *D. Other Comments Regarding Annual Plan*

*Comment: HUD should exempt small PHAs from the requirement of submitting their Annual Plans to HUD.* One commenter suggested that a small PHA be permitted to simply certify that the public (including residents) has reviewed its Annual Plan and that the PHA provided adequate notice for public review and comment.

*HUD response.* HUD does not have the statutory authority to adopt the recommendation made by the commenter. The submission of the PHA Plans is a statutory requirement mandated by section 5A of the 1937 Act.

*Comment: All PHAs that administer voucher programs should be required to report annually at least on the Annual Plan components included in the streamlined Plan for "voucher only" PHAs.* One commenter wrote that small PHAs with 0–249 public housing units, but that also operate some vouchers, should be required to report on the PHA Plan components that HUD has considered to be important to voucher programs. The commenter wrote that it is particularly important that PHAs obligated to operate Family Self-Sufficiency programs for voucher families be held to the current reporting and planning requirements of § 903.7(l). The commenter wrote that if HUD exempts small PHAs from some of the reporting requirements that now apply to voucher-only PHAs, all of the components of the current streamlined voucher-only Plan should have to be included in the more complete 5-year Plan. Another commenter wrote that small PHAs that administer a voucher program should at least be required to submit on an annual basis the civil rights certification (required under § 903.7(o)) and the statement of the PHA's rent determination policy (required under § 903.7(d)).

*HUD response.* HUD has not revised the rule in response to this comment. Section 5A(k) of the 1937 Act authorizes HUD to establish streamlined PHA Plan requirements for PHAs with less than 250 public housing units, irrespective of

the number of vouchers administered by the PHA. Accordingly, HUD does not believe that small PHAs that also administer tenant-based voucher assistance should be subject to more extensive reporting requirements than other small PHAs. The imposition of these additional requirements would be inconsistent with the statutory language of section 5A and frustrate the purpose of this rule to alleviate the administrative burden imposed on PHAs. The information supplied by small PHAs in their streamlined Annual and 5-Year Plans will supplement other data available to the public and to HUD regarding the PHA's performance, programs, and management.

*Comment: Capital improvement data should not be required until actual funding amount is provided.* One commenter made this suggestion. The commenter wrote that all PHAs, large and small, spend time and money to prepare an accurate five-year budget, which forms part of the PHA Plan submission. However, because these budgets may be due to HUD before the actual amount of capital funding is determined (depending on the start of the PHA's fiscal year), the PHA may be required to prepare a completely revised budget once the funding amount is known.

*HUD response.* The commenter's suggestion would require changes in the timing and processing of PHA Plan submissions that HUD is not prepared to make at this time. Accordingly, HUD has not revised the rule in response to this comment.

*Comment: The PHA Plan requirements are already streamlined for small PHAs, and further streamlining is not necessary.* One commenter made this recommendation.

*HUD response.* HUD does not agree with the commenter. The additional streamlining changes to the PHA Plan requirements made by this final rule will reduce administrative burden, eliminate duplicative reporting requirements, and better enable small PHAs to focus on their core mission of providing affordable housing to poor families. Therefore, HUD has not revised the rule in response to this comment.

*Comment: Rather than merely providing a list of the Annual Plan policies it has revised, a small PHA submitting a streamlined Plan should be required to affirmatively state that it has not revised each relevant Plan component, or explain the changes it has made to any of the components, since submission of the PHA's last Plan.* One commenter made this suggestion. The commenter wrote that such a

change to the rule would ensure that policy changes that have been made are not inadvertently overlooked and not reported.

*HUD response.* HUD has not adopted the suggestion made by the commenter. The final rule contains sufficient safeguards to ensure that the PHA's governing board, HUD, residents, and the public are made aware of policy changes made by the PHA. Specifically, the PHA must provide the RAB with the opportunity to review and comment on the policy changes prior to implementation by the PHA. Further, the PHA must provide assurance that the changes were duly approved by the PHA board of directors (or similar governing body) and must make the revised policies available for public review and inspection.

*Comment: A PHA should not be permitted to submit only a certification with respect to its policies on demolition and disposition that the PHA has revised since submission of its last Annual Plan.* One of the commenters wrote that demolition and disposition are of such great public importance that they should be addressed on an annual basis by PHAs. The commenter suggested that, at a minimum, small PHAs should be required to certify, under penalty of perjury by the Executive Director and the Chairperson of the PHA Board, that the PHA will not dispose of or demolish any public housing units during the year. Another commenter wrote that the 1937 Act requires HUD to review PHA policies concerning demolition and disposition. The commenter wrote that for this HUD review to have any meaning, each small PHA should be required to affirmatively state that it has not changed its policies with respect to demolition and disposition. The commenters agreed that it is not enough for the PHA to be silent on this issue and for HUD, therefore, to extrapolate that there will be no changes to the policies and practices regarding demolition and disposition.

*HUD response.* HUD has not revised the proposed rule in response to this comment. HUD agrees that the demolition and disposition of public housing units is of great public interest. However, existing regulatory and statutory safeguards are sufficient to ensure that PHAs do not undertake such actions without prior HUD approval and appropriate consultations with affected residents and the community. In addition to the PHA Plan approval process, PHAs wishing to demolish or dispose of a development must submit a full demolition/disposition plan to HUD for approval, in accordance with