

assessment would be based on the performance of the PHA.

Section 902.15 (Posting and publication of PHAS grades and designations). This proposed new section would include information about the provisions for posting and publication of PHAS grades that is in § 902.63(e) of the current rule. This section proposes that HUD will continue to post final PHAS grades on the Internet, but removes the existing provision that HUD will publish final overall PHAS grades in the **Federal Register**.

Subpart B—PHAS Indicator #1: Physical Condition

Section 902.20 (Physical condition assessment). This proposed rule would reorganize this section. Paragraph (a) pertaining to the objective of the physical condition assessment would be moved to new § 902.1(b)(2). Paragraph (b)(1) and § 902.24(a), which briefly describe the method of assessment, would be incorporated into new paragraph (a). Paragraph (b)(2) describing the assessments is proposed to be moved to § 902.24(a). New paragraph (b) would include the information about transmission of inspection results included in § 902.24(a)(3). New paragraph (c) would include information pertaining to the frequency of physical inspections. Paragraph (c) pertaining to physical inspection requirements would be redesignated paragraph (d). New paragraph (e) pertaining to HUD access to PHA properties would contain the information in § 902.24(d).

Section 902.23 (Physical condition standards for public housing—decent, safe, and sanitary housing in good repair (DSS/GR)). The title for this section is proposed to be changed to “Inspectable areas.” Paragraph (a) would be revised because information regarding DSS/GR has been moved to § 902.7, “Definitions.” There would be minor editorial changes to paragraphs (b)(4) and (c), such as substituting the word “housing” with the term “PHA properties.”

Section 902.24 (Physical inspection of PHA properties). The information in current § 902.24(a) pertaining to inspection of PHA properties would be moved to § 902.20(a). The information in current § 902.23(a)(1) pertaining to PHA compliance with DSS/GR standards would be moved to proposed § 902.24(a). Proposed § 902.24(a) would also clarify that a random sample of dwelling units is to be inspected. Proposed §§ 902.24 (a)(1) and (2) pertaining to inspection of occupied units contain the information in current

§ 902.20(b)(2). The paragraph on off-line units currently in § 902.20(b)(2)(iii) would be revised to be more specific and would be located in § 902.24(a)(2)(iii) of the proposed rule. The information in current § 902.24 (a)(1) pertaining to inspector actions during a property inspection would be moved to new § 902.24(b). The information in current § 902.24(a)(2) pertaining to PHA notification of health and safety deficiencies would be moved to new § 902.24(c). Paragraph (c)(1) would state the requirement that PHAs correct all health and safety deficiencies. Paragraph (c)(2) would address procedures for EHS deficiencies. Each PHA must correct all EHS deficiencies within 24 hours and must certify to HUD that the corrections have been made. HUD will provide additional guidance on the certification requirements. Section 902.24(a)(3) pertaining to inspectors transmitting inspection results to HUD would be moved to new § 902.20(b). Section 902.24(b), entitled “definitions,” would be redesignated new § 902.24(d). This paragraph would be amended to remove the reference to the publishing for comment of significant amendments in the definition for “Dictionary of Deficiency Definitions.” The references to publishing proposed amendments to the Dictionary of Deficiency Definitions for comment would be moved to new § 902.24(e). The definitions for criticality, Item Weights and Criticality Levels Document, normalized weights, score, and sub-area are removed because they are no longer applicable. The definitions for base grade, deficiency classification, Deficiency Classification Summary Document, grading class, livability, property grade, property livability points, and PHAS Indicator #1 grade are added. Section 902.24(c) pertaining to civil rights and nondiscrimination compliance would have minor editorial changes and would be redesignated § 902.24(f). Section 902.24(d) regarding access to properties would be moved to new § 902.20(f).

Section 902.25 (Physical condition scoring and thresholds). The title for this section would be changed to “Adjustments to physical condition property grade.” Paragraph (a) pertaining to the Federal Register Scoring Notice (now Grading Notice) for the physical condition indicator would be moved to the new § 902.9(c). As proposed, § 902.25(a) would only address the adjustments for physical condition and neighborhood environment currently in § 902.25(b). The portion of paragraph (b) describing adjustments would be moved to

paragraph (a), with editorial changes. The content of current paragraph (b)(1) would be removed. The definitions currently in paragraph (b)(2) would be moved to paragraphs (c)(1) and (2), with changes. Specifically, property age and percentage of families with incomes below the poverty rate would no longer be used as factors for the physical condition adjustment. Instead, the physical condition adjustment would apply to properties with documented design or structural defects that a PHA cannot correct, and the neighborhood environment adjustment would apply to documented conditions existing in the immediate surrounding neighborhood such as a landfill, floodplain, or other environmentally hazardous area. Current paragraph (b)(3) would become paragraph (b), rephrased in terms of a one-letter grade adjustment, and revised to remove the reference to property age and to add the concept that the adjustment would be determined by HUD on a case by case basis. Material on scattered-site properties, currently in paragraph (b)(4), would be deleted. Paragraph (b)(5), on supporting documentation, would be redesignated paragraph (e), with editorial changes. Proposed new paragraph (d) would clarify that a PHA would certify to the adjustment for physical condition and/or neighborhood environment as part of the management operations submission. Paragraph (c) regarding database adjustments would be redesignated as § 902.26. Current § 902.25(d) regarding overall physical inspection score would be moved to new § 902.28(d). The provision in current § 902.25(e)(1) establishing the number of points (now percentage of grade) for this indicator would be moved, with changes, to new § 902.9(b)(1). Paragraph (e)(2) pertaining to score (now grade) thresholds would be moved, with changes, to proposed § 902.29.

Section 902.26 (Physical inspection report). The title for this section would be changed to “Database adjustments to physical condition assessments” to reflect that this section now only addresses database adjustments. The information in paragraph (a) that describes the physical inspection report would be moved to proposed new § 902.27. Paragraphs (a)(1) through (a)(5) pertaining to reinspections when EHS deficiencies are corrected are proposed to be removed. The provisions in paragraphs (a)(1) through (5) have not been used by PHAs, and therefore are proposed to be replaced by provisions elsewhere in the proposed rule that are more beneficial to PHAs. Section 902.25(c) describing database