The Office of Public and Indian Housing (PIH) has developed a Physical Needs Assessment (PNA) process to achieve a number of critical goals in the management of public housing and HUD’s oversight of Public Housing Authorities (PHAs).

The primary objectives of the PNA process are to:

1. Enable PHAs to better assess the capital needs of their portfolios, to facilitate capital planning and to allow PHAs to take advantage of capital improvement opportunities
2. Evolve the management practices of PHAs toward development-based capital planning
3. Further the energy integration goals of the 2005 Energy Policy Act
4. Produce data on green activities for the Capital Fund, in support of HUD’s Performance Goal to create energy efficient housing
5. Enable HUD to measure the impact of annual Capital Fund appropriations on the physical needs of the public housing inventory

Capital Funds averaging more than $1.7 billion annually are provided to PHAs to modernize or develop public housing.  Currently, HUD has no process in place to assess and measure the impact of these funds on the public housing portfolio in aggregate.  Historically, as directed by Congress (approximately once a decade), HUD has conducted statistical sampling of PHAs to estimate the capital accrual and backlog needs of PHAs. The last such sampling was completed in 2010.

As an additional data point, the PNA process will enable HUD to aggregate the needs data generated by PHAs to estimate the national needs number at any point in time that will include every project on the public housing portfolio. The PNA process will allow this estimate to be updated on a continuous annual basis to reflect the trends of needs addressed with Capital Funds or other sources. The PNA will be performed every 5 years by large PHAs as with the existing requirement. HUD will continue a sampling protocol for small PHAs (those with fewer than 250 public housing units) to obtain that subset of PNA data.

Existing PNA requirements for PHAs are outdated and do not reflect the realities of capital planning in the housing industry generally.  Existing PNA requirements have a short term focus with a planning horizon of only five years.  HUD has developed a PNA tool for use by PHAs for long term project based strategic planning. The new PNA tool will allow PHAs to assess the needs of their public housing portfolio over a planning horizon of 20 years, will produce useful reporting, and will automatically create HUD reporting. The PNA will enable PHAs to move more nimbly to take advantage of new opportunities as capital markets change and new programs and funding sources become available.

There has been an increasing focus within HUD and the housing industry generally, on energy conservation and green asset management.  The 2005 Energy Policy Act amended the Capital Fund section of the U.S. Housing Act of 1937 to encourage the integration of “utility management and capital planning to maximize energy conservation and efficiency measures.”  All PHAs are currently required to perform Energy Audits every five years pursuant to 24 CFR 965. However, energy audit data is not collected on a national basis, nor is it integrated with capital needs planning.

The PNA tool will collect energy audit data to be integrated into the PHAs long term plan to allow the PHA to evaluate green improvements on a continuous basis rather than as an isolated activity once every 5 years at the time of the required energy audit.

In addition to the PNA tool, the PNA process includes new rules which serve to implement the PNA requirement and set out the basic outline and protocols of the process. The proposed [PNA Rule](/sites/documents/frpublicationpnarule.pdf) will require large PHAs (those with 250 or more public housing units) to complete a comprehensive PNA for each of their public housing developments once every five years and to update these assessments annually. A proposed [Energy Audit Rule](/sites/documents/energyauditrule.pdf) will establish standards for public housing energy audits applicable to all PHAs regardless of size, integrating energy conservation measures with capital planning in a comprehensive planning approach.

In May, 2014 the Deputy Secretary of HUD reconfirmed that HUD was proceeding to final rulemaking on the PNA rule. During the Fiscal Year 2014 budget appropriation, Congress requested a report from HUD regarding the administrative burden of this initiative. That report was submitted by HUD in June of 2014 and linked on this page for reference. An additional report to Congress was provided in July, 2015 and it is also linked on this page.

As of the beginning of fiscal year 2016, final rules have not been published. Tools, resources, and technical assistance are available to PHAs who elect to proceed on a voluntary basis to complete PNAs in the HUD format until such time as the rules become final. PHAs will have flexibility to distribute initial submission in equal increments over a three year period after publication of the final rule.

The Green Physical Needs Assessment (PNA) tool has been developed and pilot tested by HUD at 9 PHAs ranging in size from 80 to 5400 units representing a total of 11,000 public housing units. In addition nearly 20 PHAs have voluntarily participated in beta testing of the tool and provided comment on their experience with the tool. Subsequently, to the beginning of fiscal year 2016, more than 375 submissions of completed PNA data have been received by HUD from voluntary submission and more than one third of all PHAs have requested the unique data file to begin a PNA process with the HUD tool.

Final version of the PNA tool (version 1.0 dated July 2, 2012) including a final users guide is available to PHAs (see link to PNA Tool Page below) to begin using in advance of the final rules. In addition we provide a working PNA tool sample which has been populated with generic data so that users can begin to learn its functions and architecture.