



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

**MEMORANDUM FOR:** Dominique Blom, General Deputy Assistant Secretary  
for Public and Indian Housing

**FROM:** Danielle Bastarache, Deputy Assistant Secretary for Public  
Housing and Voucher Programs

**SUBJECT:** Environmental Assessment and Finding of No Significant Impact  
Under the National Environmental Policy Act  
Proposed Rule  
24 CFR Parts 5, 902  
Public Housing Evaluation and Oversight: Changes to the Public  
Housing Assessment System (PHAS) and Determining and  
Remediating Performance Deficiencies  
(FR-6356-P-01)

It is the finding of this Office that the issuance of the proposed rule does not constitute a major Federal action having an individually or cumulatively significant effect on the human environment and, therefore, does not require the preparation of an environmental impact statement.

The purpose of this proposed rule is to revise the standards for the Public Housing Assessment System (PHAS), which governs the assessments, evaluation, and oversight of public housing agencies (PHAs) administering public housing. This proposed rule would revise the PHAS performance indicators to prioritize key metrics related to occupancy, financial condition, and physical assessments. The standards for physical assessments themselves are not part of this proposed rule; rather, PHAS draws on physical assessments conducted under the National Standards for the Physical Inspection of Real Estate (NSPIRE) detailed in FR-6086-F-03. This proposed rule also revises 24 CFR Part 902 to allow HUD, at its discretion, to require PHAs to undertake corrective actions to address performance deficiencies as soon as they are identified, permits PHAs to request that HUD extend the time between PHAS assessments, and permits HUD to withhold scores or performance designations when HUD determines it is necessary. Finally, it makes corresponding revisions to the performance assessment of small rural PHAs where appropriate.

A full PHAS assessment relies on components that are not simultaneously assessed, so HUD can receive information about poor performance months before a full performance designation status is determined. Under the current regulations, HUD is not able to require a PHA to take corrective action of any deficiency until the full PHAS assessment is complete. To correct for this lag in timing and achieve the desired flexibility, this proposed rule would allow HUD to have broad, flexible authority to require interventions or corrective actions based on component scores as soon as those scores are issued; in advance of a full assessment; considering

trending data; or in conjunction with a decision to withhold, deny, or rescind a score or designation, as HUD determines necessary. This proposed rule would also revise the performance indicators and subindicators on which scores are based, in order to better measure performance and align incentives with the long-term viability of the program. Although the proposed rule would allow PHAs to request an extension between PHAS assessments, this would have to be for good cause, such as when they experience a natural disaster or other emergency that affects their properties (e.g., severe localized flooding), or if supply chain delays or staffing shortages prevent maintenance work. These changes would not have a significant impact on the human environment and may have a minor positive impact because HUD would no longer have to wait for the full assessment score and could take action based on the other component scores if necessary. The proposed rule would improve HUD's ability to evaluate the performance of public housing agencies in administering the Public Housing program.

Additionally, the proposed rule would not change any other environmental review procedures nor modify any other environmental requirements applicable to the properties covered by this proposed rule.

For the aforementioned reasons, this office concludes that the individual and cumulative environmental impacts of issuing this proposed rule do not have a potential for significantly affecting the quality of the human environment.

**Attachment:** Public Housing Evaluation and Oversight: Changes to the Public Housing Assessment System (PHAS) and Determining and Remediating Performance Deficiencies (FR-6356-P-01)

Concurrences:

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Approval:

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