



Public Housing Assessment System (PHAS) - Interim Rule

PHAS - Interim Rule Training Part I

March 17, 2011



Agenda

Overview

Purpose, Background, Objectives

PHAS Interim Rule

Goals, Changes, and Description

Subsystem Presentations

Financial Condition, Management Operations, Capital Fund, & Physical Condition Indicators

NASS

Functions, Interactions, Timelines, PHAS designations, Appeals/Petitions, Improving scores, Relationship with PIC



Purpose of Training

To provide:

information on PHAS Interim Rule

**information on major changes in
the four PHAS indicators**

**tips to improve the PHA's
performance and PHAS score**



Purpose of PHAS

PHAS helps the delivery of services in public housing and **enhances trust** in the public housing system among:

public housing agencies (PHAs)

public housing residents

HUD

the general public

by providing a management tool for **effectively and fairly measuring the performance of a PHA** in essential housing operations



Interim PHAS Goals/Objectives

**Better management
and oversight of
Public Housing**

**Provide improved
information about the
operating costs of and
the performance of
housing projects**

**Reduce administrative
reporting
requirements for both
PHAs and HUD**

**Align PHAS with Asset
Management**



Interim PHAS Data Sources

Self Certifications are eliminated.

Indicators will be measured using data from:

Financial Assessment Sub System (FASS)

Physical Assessment Sub System (PASS)
based on Uniform Physical Condition Standards (UPCS)

**The electronic Line of Credit Control
System (eLOCCS)**

PIH Information Center (PIC)



What's new under PHAS Interim Rule

Baseline Physical Inspections

Self-certifications are eliminated

Resident Service and Satisfaction indicator was removed

Management scores will be based on three components of the FDS submission

New PHAS Indicator: Capital Fund Program

3-2-1 Physical Inspection Incentives

Indicator Scores were re-proportioned

Mixed finance projects will not receive financial or management scores; they will receive a physical score

PCNE was moved from PASS to MASS

High-liquidity Adjustments for the Financial Indicator do not apply

Substandard Performers are not designated as troubled PHAs

Interim PHAS scores only the public housing program—FASS will not be entity-wide

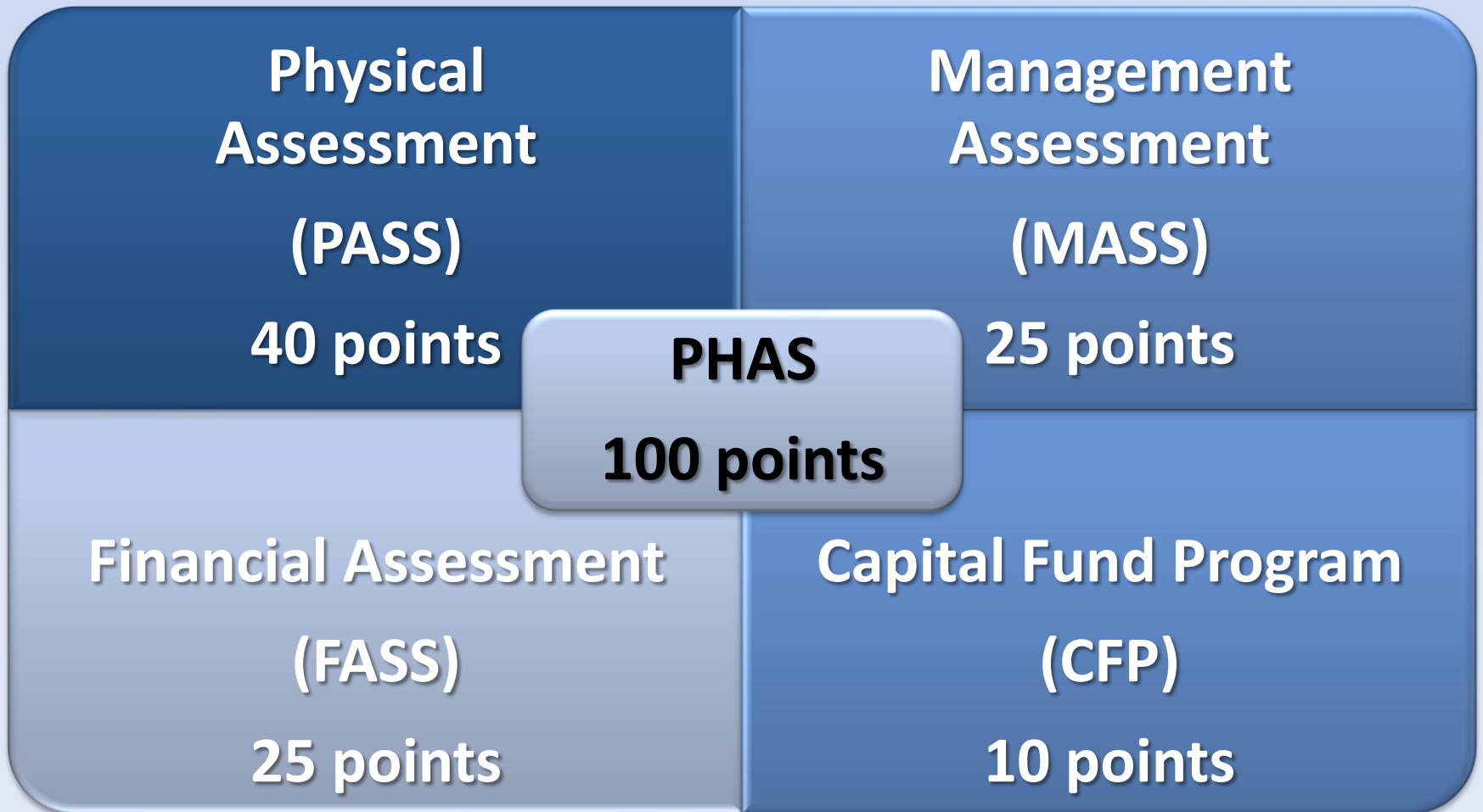


Sub-Indicator Comparison

Prior PHAS	Interim PHAS
Physical Condition (30 points) <ul style="list-style-type: none"> • Per UPCS • PCNE adjustments 	Physical Condition (40 points) <ul style="list-style-type: none"> • Per UPCS
Financial Condition (30 points) <ul style="list-style-type: none"> • Current Ratio • Months Expendable Funds Balance • Tenant Accounts Receivable • Occupancy Loss • Expense Management/Utility • Net Income 	Financial Condition (25 points) <ul style="list-style-type: none"> • Quick Ratio • Months Expendable Net Assets Ratio • Debt Service Coverage Ratio
Management Operations (30 points) <ul style="list-style-type: none"> • Vacant Unit Turnaround Time • Capital Fund • Work Orders • Annual Inspections • Security • Economic Self-Sufficiency 	Management Operations (25 points) <ul style="list-style-type: none"> • Occupancy Rate • Tenant Accounts Receivable • Accounts Payable • PCNE Adjustments
Resident Satisfaction (10 points)	Capital Fund (10 points) <ul style="list-style-type: none"> • Timeliness of Fund Obligation • Occupancy Rate



Scoring Summary of PHAS





Overview of NASS iNtegrated Assessment Subsystem (NASS)

PHAS - Interim Rule Training Part II



NASS Functions

Provides

**Overall
assessment
results of PHAs
by coordinating
and aggregating
subsystem
results**

Generates

**Accurate scores
as a result of
NASS's
extensive QA
processes**

Designates

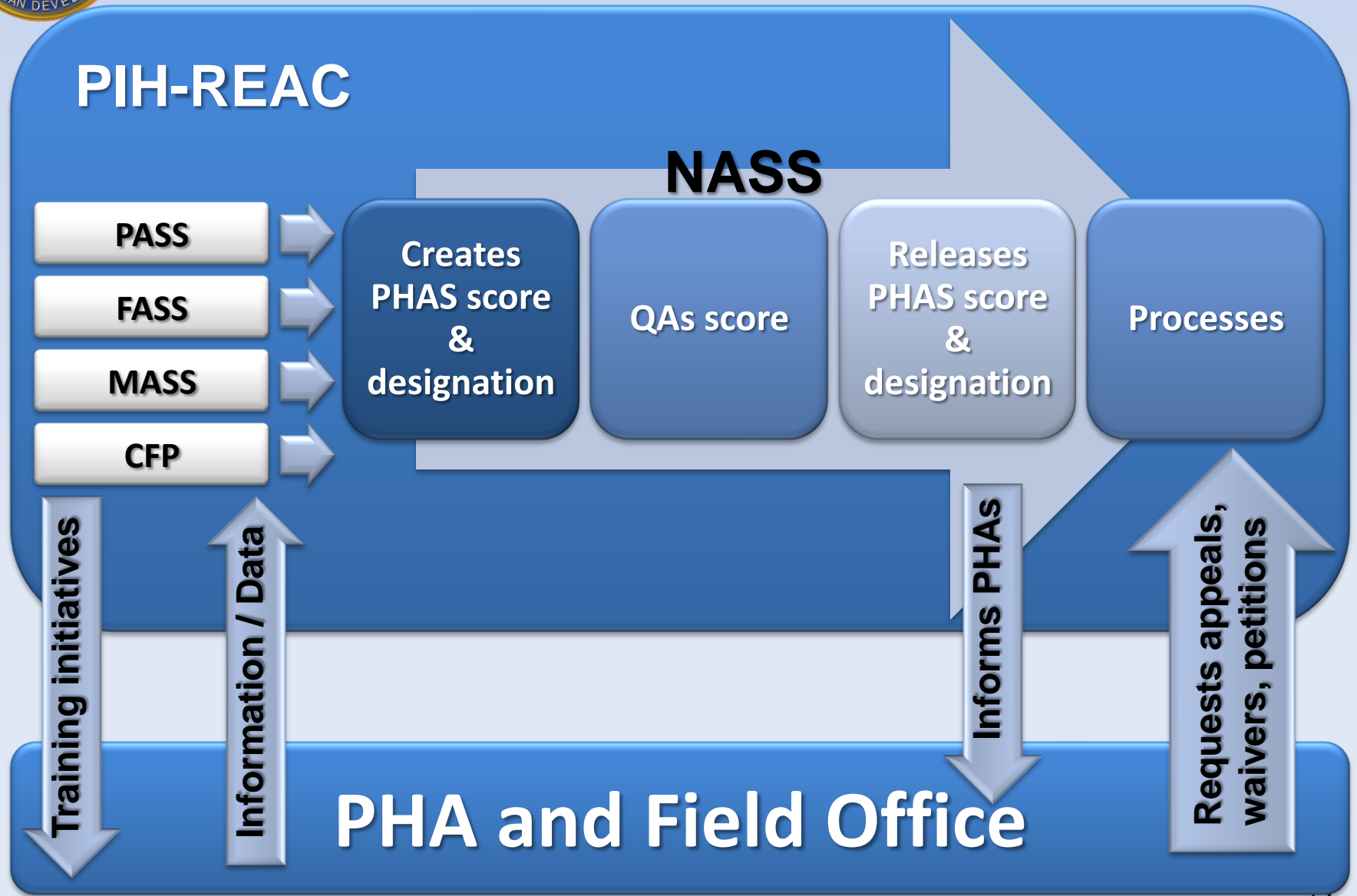
**PHAs'
performance
status**

Communicates

**Status on
appeals,
waivers and
petitions
requested by
PHAs**

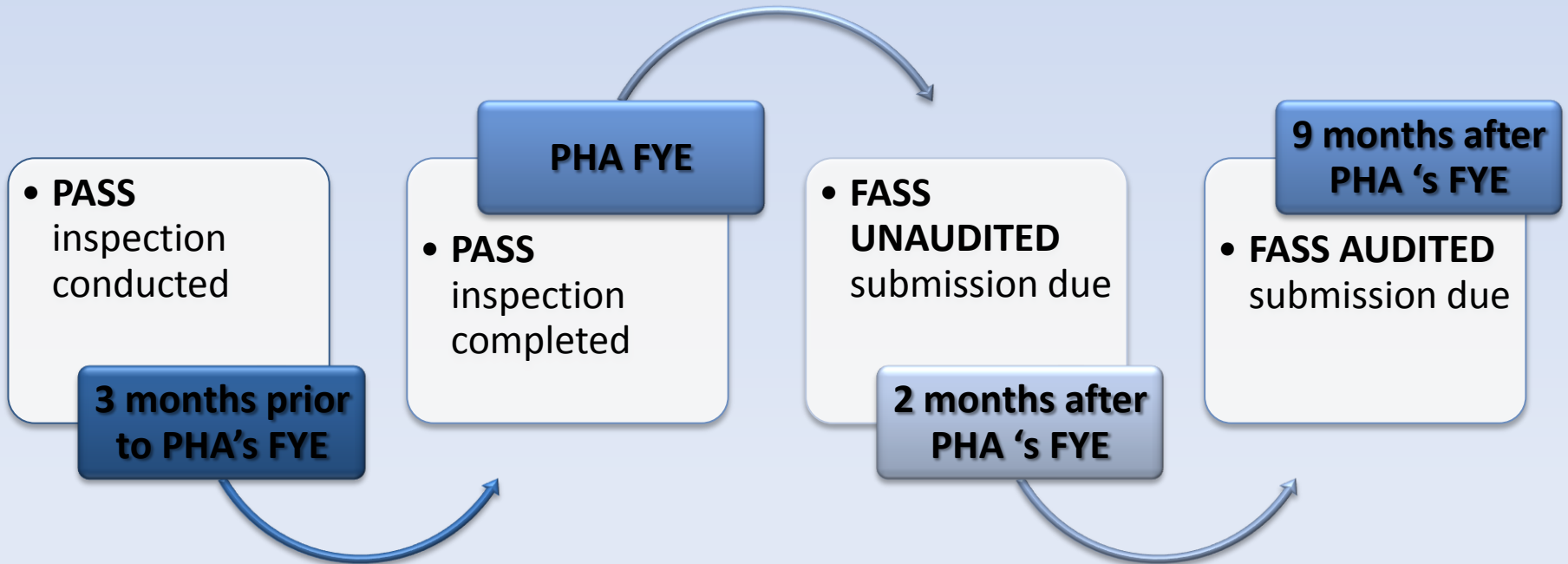


PHA&FO and NASS Interaction



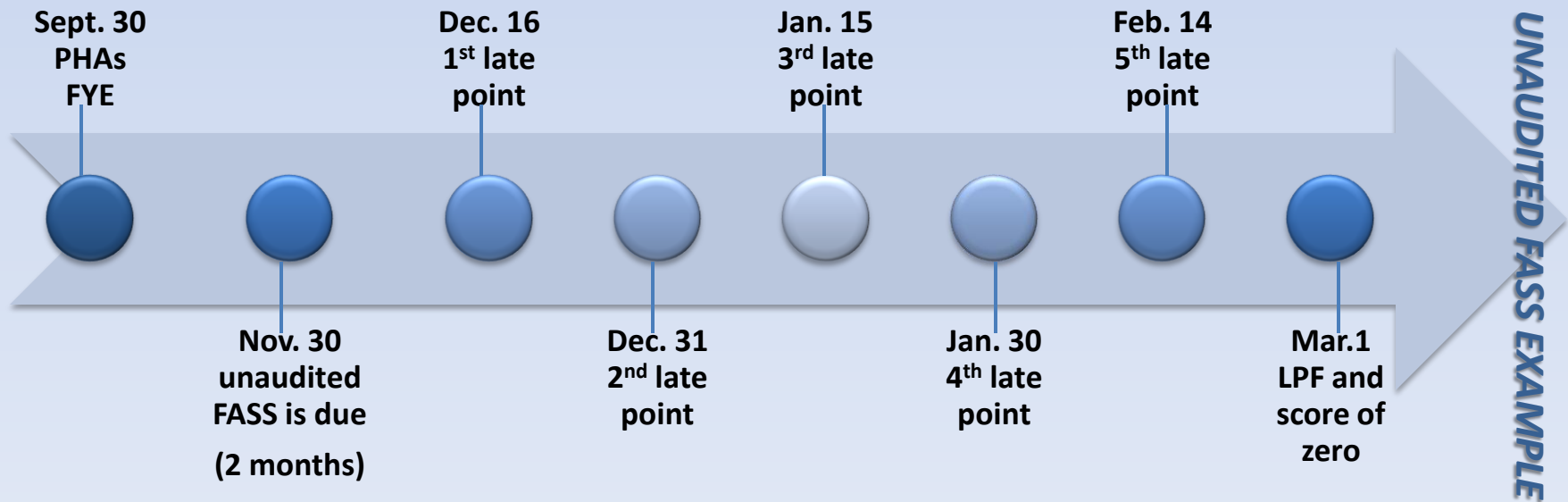


PHAS Submission Timeline





Late Penalty Points & Late Presumptive Failure (LPF)



Late Penalty Points and Late Presumptive Failure will only be applied to the FASS indicator not the MASS indicator even though the MASS information is derived from the Financial Data Schedule (FDS)



PHAS Designation Status (24 CFR 902.11)

PHAS Status Designation	Composite PHAS Score	Individual Indicator Score
High Performer	Overall PHAS score of 90% or higher	At least 60% of total points available in PASS(24), MASS(15), FASS(15) and 50% of the total points for CFP(5) and an overall score of 90% or greater
Standard Performer	Overall PHAS score of at least 60%	Not less than 60% of total points available in PASS(24), MASS(15), FASS(15) and 50% of the total points for CFP(5)
Substandard Performer	Overall PHAS score of at least 60%	Less than 60% in one or more of the PASS, FASS, or MASS indicators
Troubled	Less than 60% of the overall PHAS score	---
Capital Fund Program (CFP) Troubled	---	Less than 50% on CFP indicator



Designations & Assessments

Small PHAs					
	High Performer	Standard Performer	Substandard Performer	Troubled	Capital Fund Program Troubled
Receives PHAS assessment:	Every 3 years	Every 2 years	Every 2 years	Every year	Every year
Large PHAs					
	High Performer	Standard Performer	Substandard Performer	Troubled	Capital Fund Program Troubled
Receives PHAS assessment:	Every year	Every year	Every year	Every year	Every year
PASS inspections (Based on individual project scores)	≥90	80-89	≤79		
	Every 3 years*	Every 2 years*	Every 2 years*	Every year**	Every year**

* Based on individual project scores, the projects will be inspected according to the 3-2-1 rule; please see the PASS presentation for further details

** Based on PHAS score designations, ALL projects in the PHA will be inspected every year



Inspection Frequency: Small PHAs

Frequency of PHAS assessments (PHAs with less than 250 units)

YEAR(S)

3

High performer PHAS score: ≥ 90
UPCS Inspections every 3rd year

2

Standard & Substandard PHAS score: 60-89
UPCS Inspections every 2nd year

1

Troubled PHAS score < 60 OR Capital Fund Troubled
UPCS Inspections every year



UPCS Inspection Frequency

PHAs with 250 units or more

(Frequency based upon the project PASS score)

YEAR(S)

3

Project score ≥ 90

UPCS project Inspection every 3rd year

2

Project score 80 but less than 90

UPCS project Inspection every 2nd year

1

Project score < 80

UPCS project Inspection every year

1

Troubled: PHAS score < 60 or Capital Fund Troubled

UPCS Inspections of *all* projects every year



Case Study on 3-2-1: Large PHAs

PASS Inspection Scores

		Year 1	Year 2	Year 3	Year 4	Year 5
	Project	ID/Score	ID/Score	ID/Score	ID/Score	ID/Score
	A	ID101 - 75	ID201 - 80	ID201 - 80	ID401 - 25	ID501 - 60
	B	ID102 - 40	ID202 - 45	ID301 - 98	ID301 - 98	ID502 - 80
	C	ID103 - 60	ID203 - 90	ID203 - 90	ID203 - 90	ID503 - 75
	D	ID104 - 80	ID104 - 80	ID302 - 90	ID302 - 90	ID504 - 85
	E	ID105 - 90	ID105 - 90	ID105 - 90	ID-402 - 85	ID505 - 55
Overall PASS score		58=23	60=24	92=37	75=30	70=28
Overall PHAS score	PHA Level	75	80	85	58	65
PHAS Designation		Substandard Physical	Standard	Standard	PHAS Troubled	Standard



Appeal/Petition Request Guidelines



WRITING

- THE REQUEST MUST BE SUBMITTED **IN WRITING** TO THE DEPUTY ASSISTANT SECRETARY OF THE PUBLIC AND INDIAN HOUSING REAL ESTATE ASSESSMENT CENTER



30 DAYS

- **APPEALS** MUST BE SUBMITTED **NO LATER THAN 30 DAYS** FOLLOWING THE ISSUANCE OF THE PHAS SCORE
- **PETITIONS** MAY BE FILED AT ANY TIME TO REMOVE A TROUBLED DESIGNATION



CHANGE

- THE REQUEST **MUST RESULT IN CHANGE** OF THE PHAS DESIGNATION STATUS



DOCUMENTATION

- THE REQUEST MUST INCLUDE **SUPPORTING DOCUMENTATION**



Waiver Request

**Waiver Request must be PURSUANT TO
Notice PIH-2009-41**

**Housing Authority identifies the regulations that
it wants waived**

**Housing Authority presents justification to meet
good cause PURSUANT TO 24 CFR 5.110**

**Waiver Request is submitted to the appropriate
HUD Field Office or HUD Program Center with all
appropriate supporting documentation**



Improving PHAS scores

Monitor

The status and accuracy of submissions frequently in eLOCCS, PIC, and Secure Systems

Utilize

Prior year PHAS score results to set annual goals

Plan

Ahead: be proactive in determining problem areas and fixing them at least 6 months in advance of PHAS due dates



PHAS and PIC

The PIH Information Center (PIC) is part of PIH-REAC and:

- Allows PHAs to electronically submit information to HUD and allows Field Offices to review information on PHAs
- Is the **PRIMARY** information system for the Public Housing program

PIC's Importance for PHAS:

- It is the responsibility of the PHA to provide accurate contact information and update PIC regularly.
- If a submission is late or inaccurate due to incorrect information in PIC, ***PHAs will not be allowed to appeal their scores***

For more information:

- <http://www.hud.gov/offices/pih/systems/pic/index.cfm>