

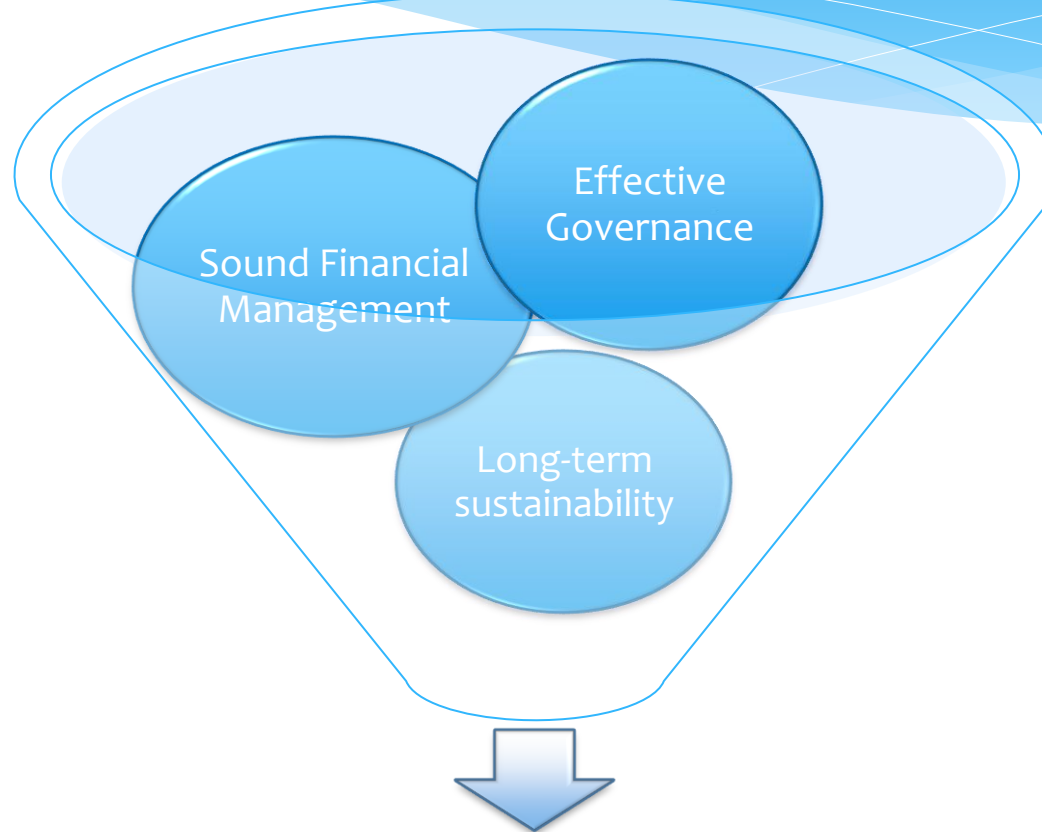
# PHA Recovery and Sustainability (PHARS)

North Central Regional Council of NAHRO

April 27, 2012

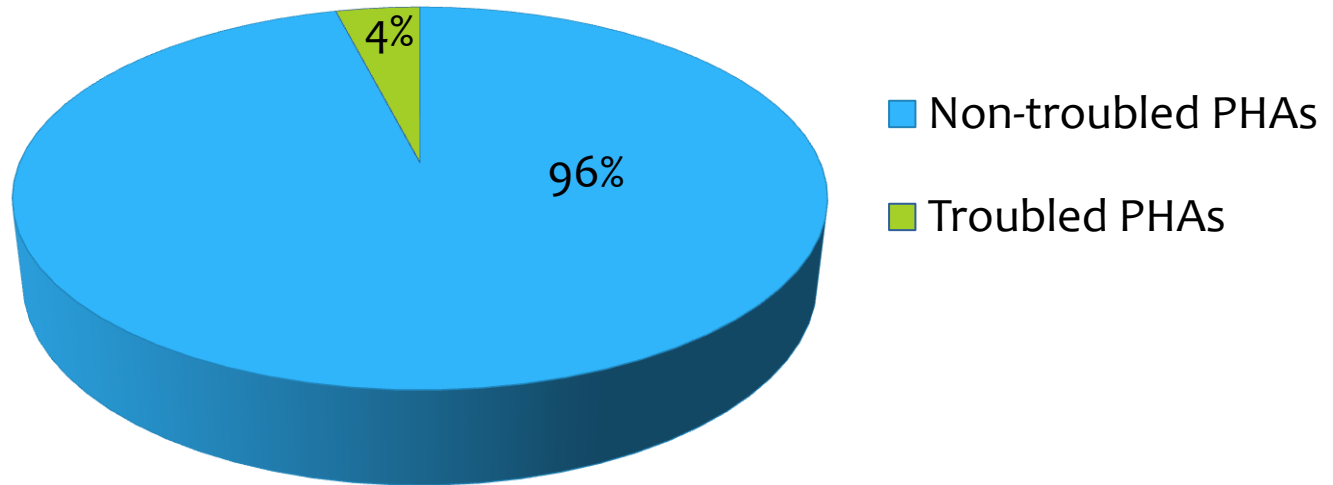


# PHA Recovery and Sustainability PHARS Model



**Improved and sustainable PHA Performance**

# Troubled inventory in context

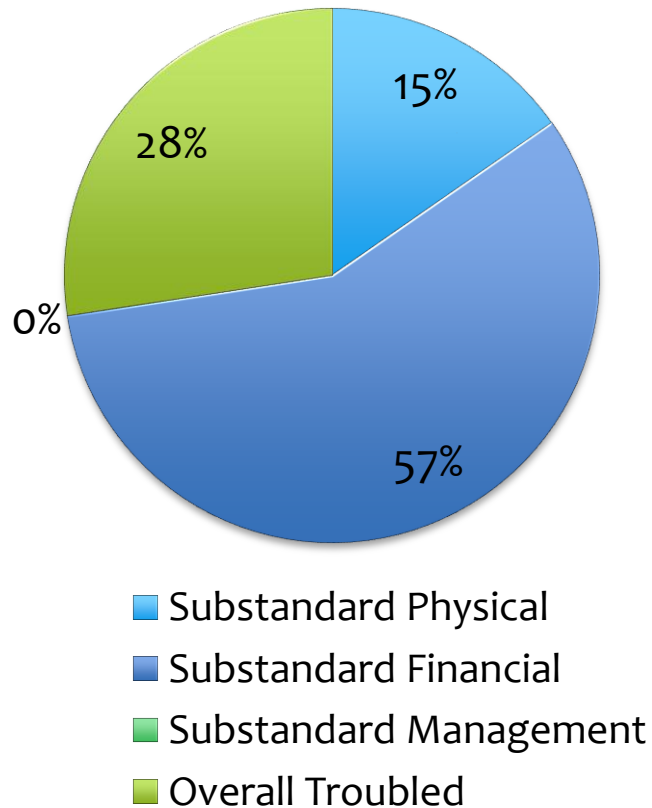


Troubled	Total Inventory
124 PHAs	3,148 PHAs
57,128 public housing units	1,167,615 public housing units

Source: Troubled List as of 1/13/12 and PIC data as of 4/30/11

# Breakdown of troubled inventory | 2010 FYE

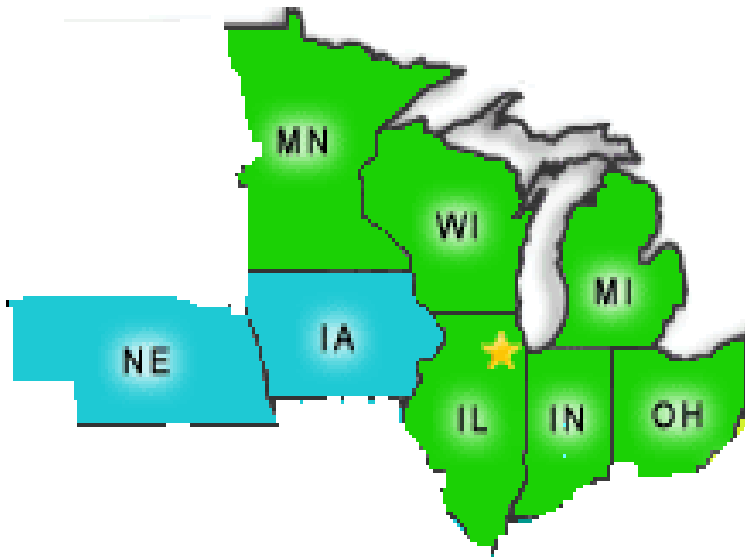
January 2012  
(n=124)



- \* Majority financially substandard
- \* Average time on list is 23 months nationally
- \* Substantial increase in MASS substandard for 2011 scores

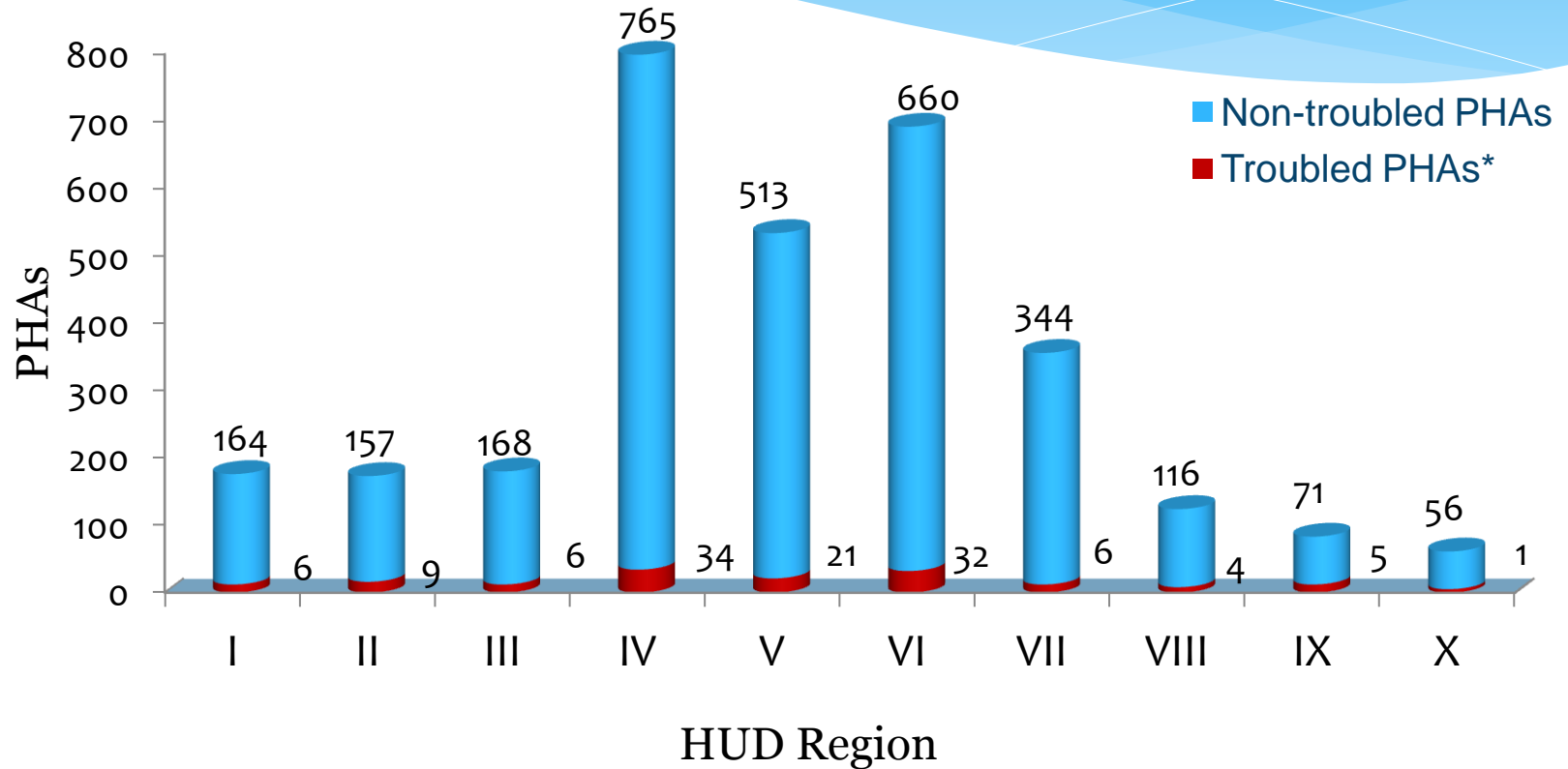
\*Data from PHAS II scores as of January 2012 for 2010 FYEs

# North Central Region



- \* 23 PHAs in region troubled for FYE 2010 (as of Jan 2012)
- \* 33 PHAs engaged in PHARS since Spring 2011
- \* Preliminary 2011 FYE scores show comparable amount of troubled but substantial increase in substandard PHAs

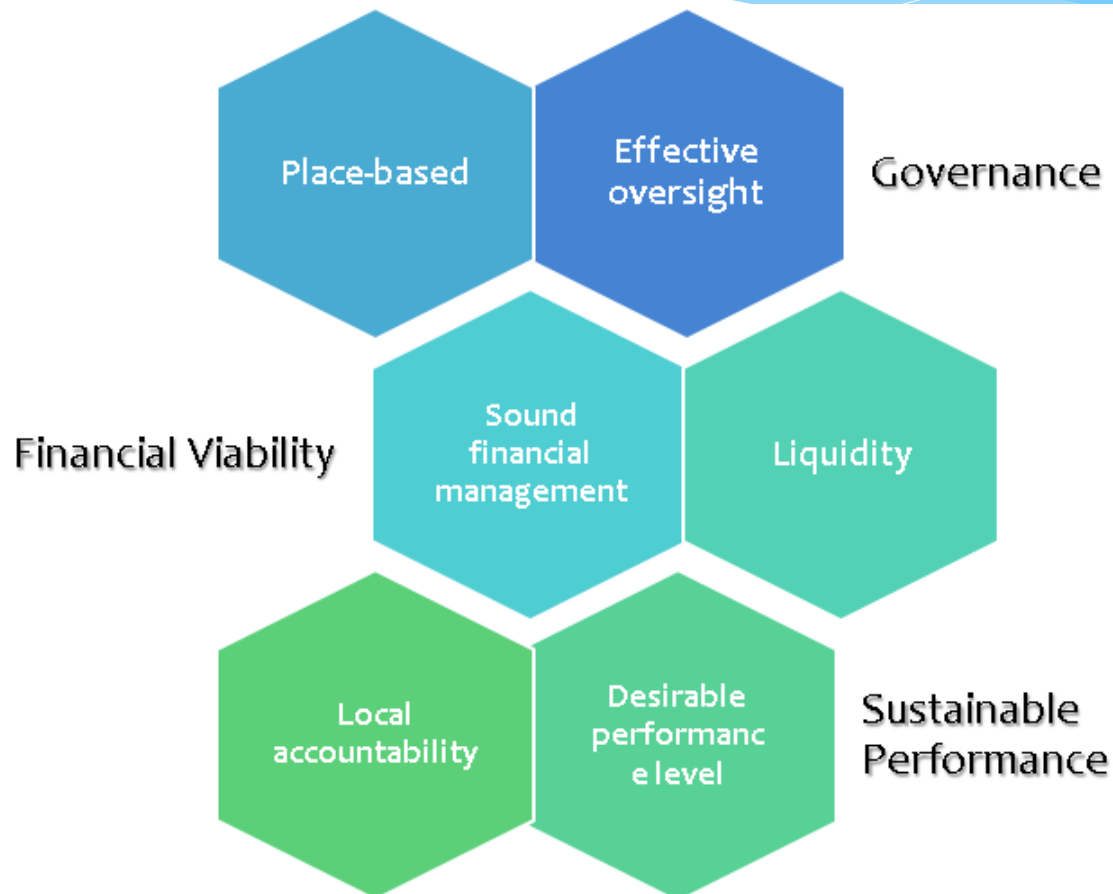
# Troubled Portfolio by HUD Region



\*Troubled List – January 2012 (n=124)  
Total PHAs (n=3,114)

# PHA Recovery and Sustainability

## PHARS Model



# PHARS | HUD's New Approach

## Previously:

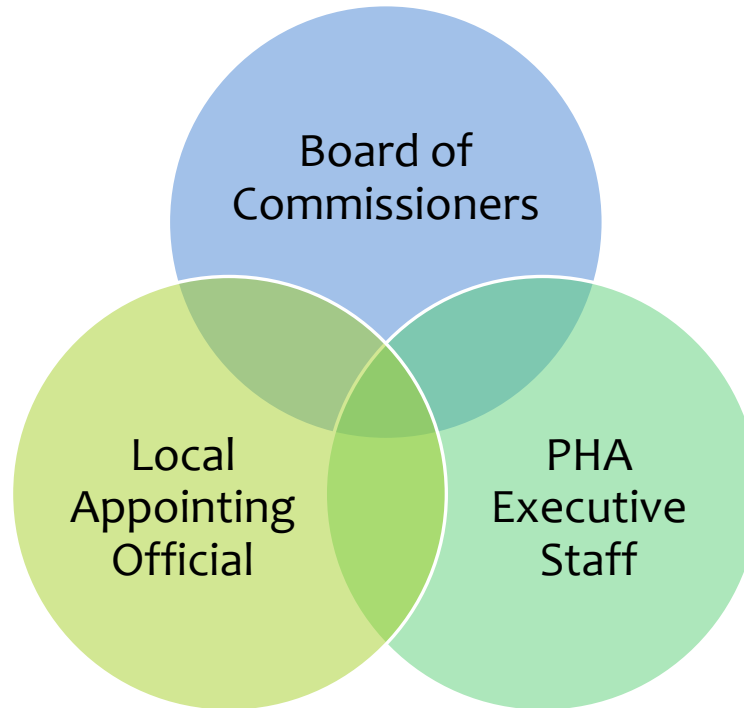
- \* Applied equal weight applied to all issues at PHA
- \* Issued findings and identified tasks for completion
- \* Lacked performance-based outcomes and metrics in the MOA
- \* Minimal enforcement for failure to comply with MOA and/or meet objectives

## Moving Forward:

- \* Emphasize comprehensive understanding of systemic issues: finance and governance
- \* Illuminate issue areas and identify tangible outcomes for improved performance
- \* Build comprehensive administrative record
- \* Partner with local community and PHA to sustain quality performance



# PHARS Engagement Process



# Governance | Knowledge is powerful

Seek out training opportunities

## HUD Board Training

- 10 topical modules
- In-person/on-site delivery where possible
- Courses available on-line soon

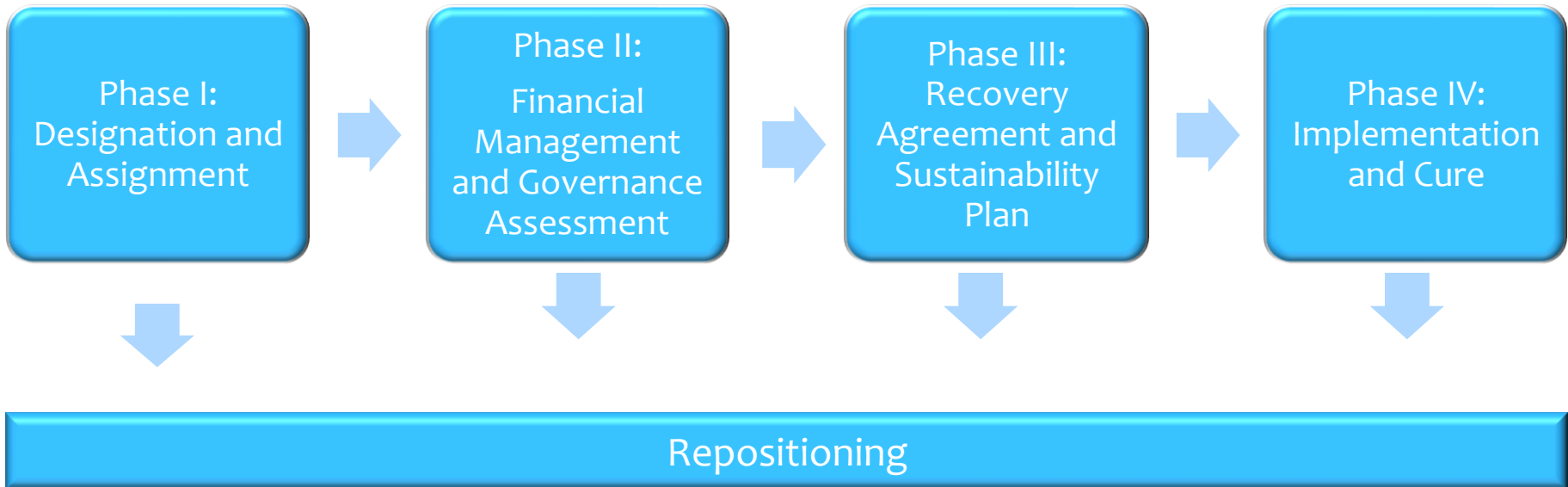
## Upcoming Training

- Free financial management & governance
- **June 11-16**
  - Indianapolis
  - Cleveland

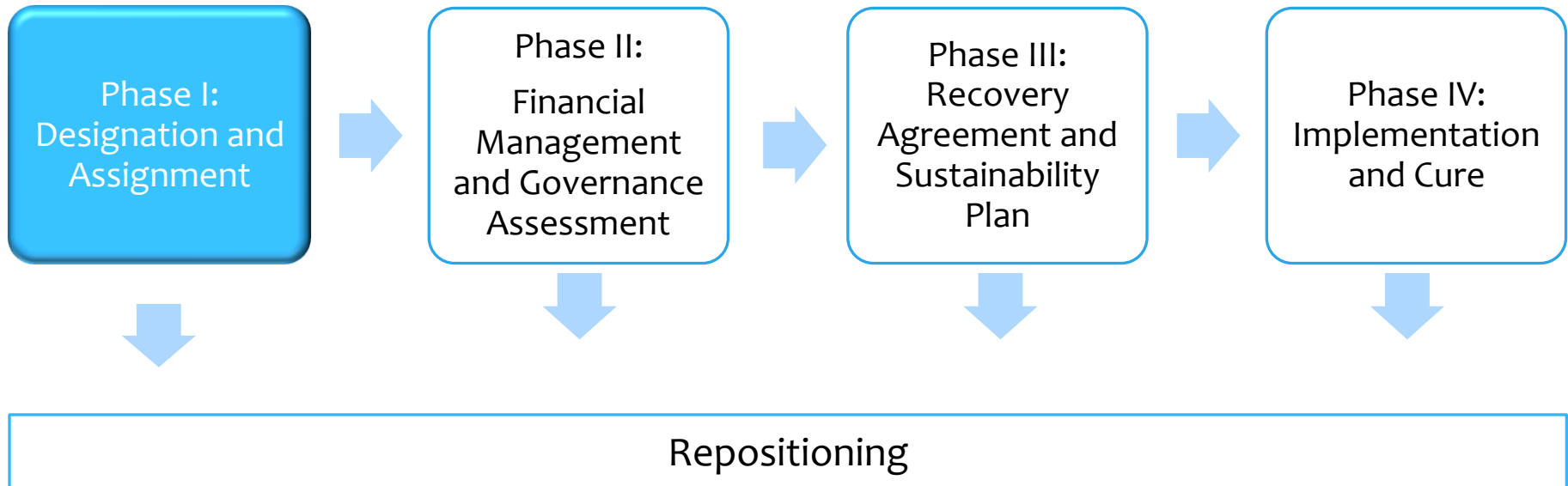
## Industry Trainings

- Look for Industry offerings
- Get certified

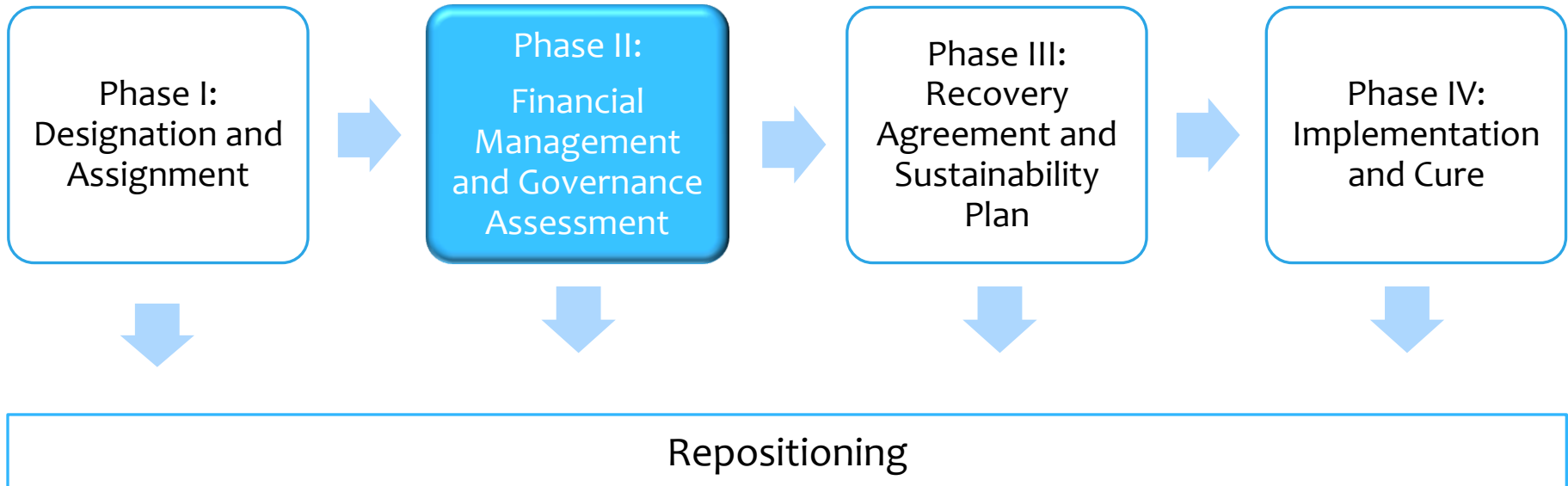
# Recovery Approach



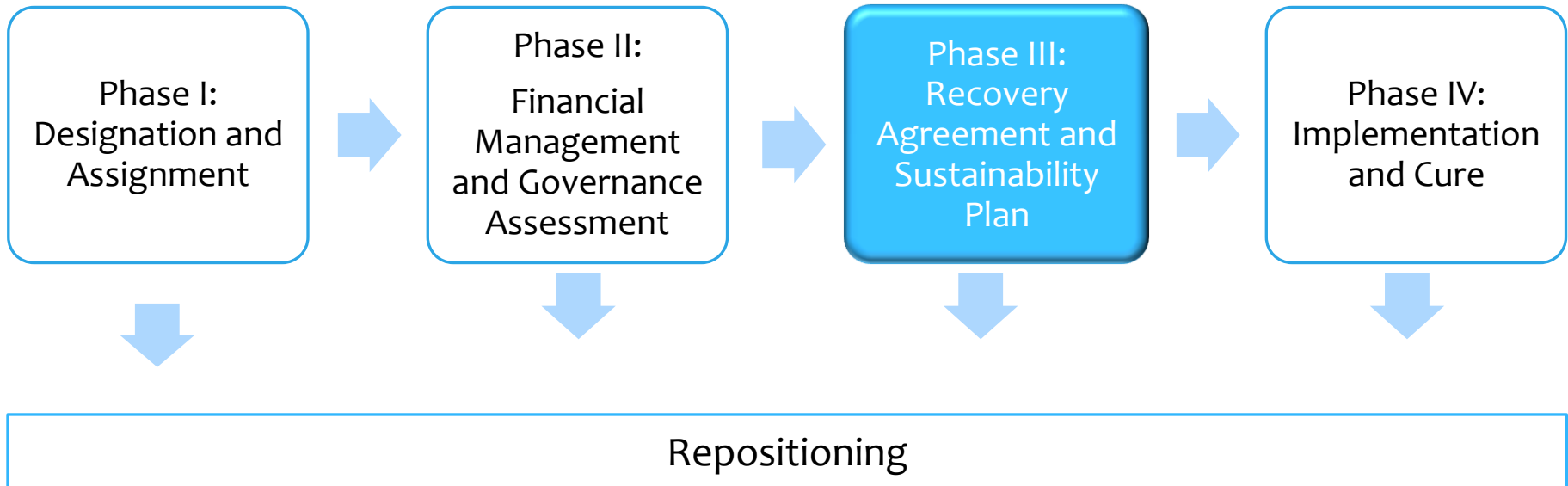
# Recovery Approach



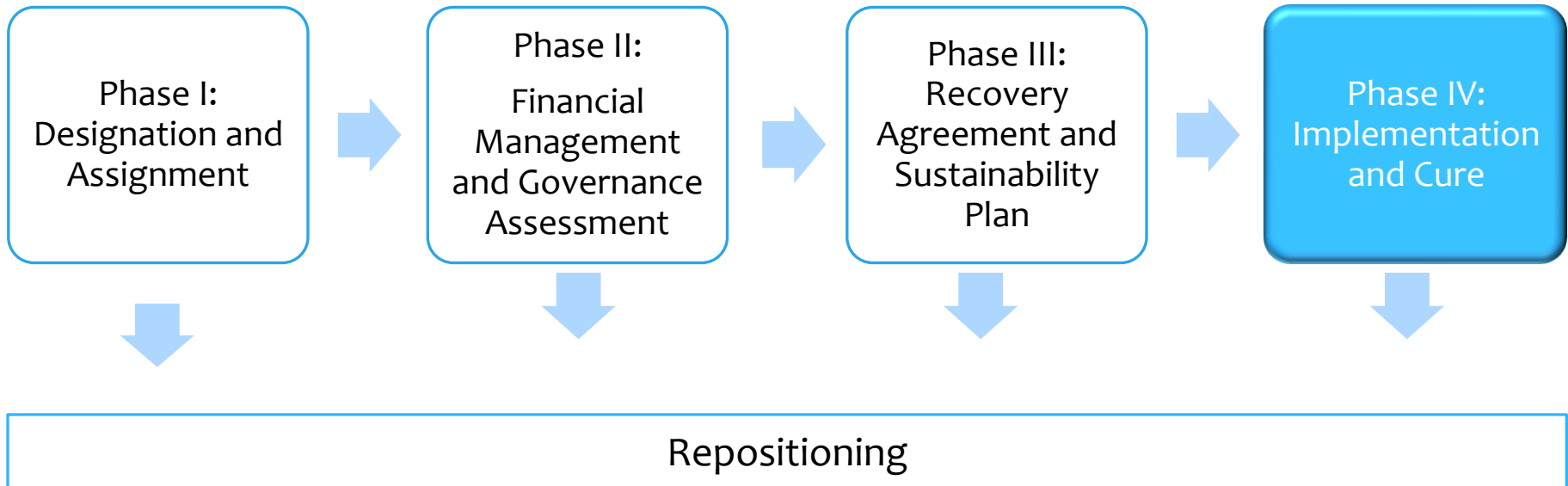
# Recovery Approach



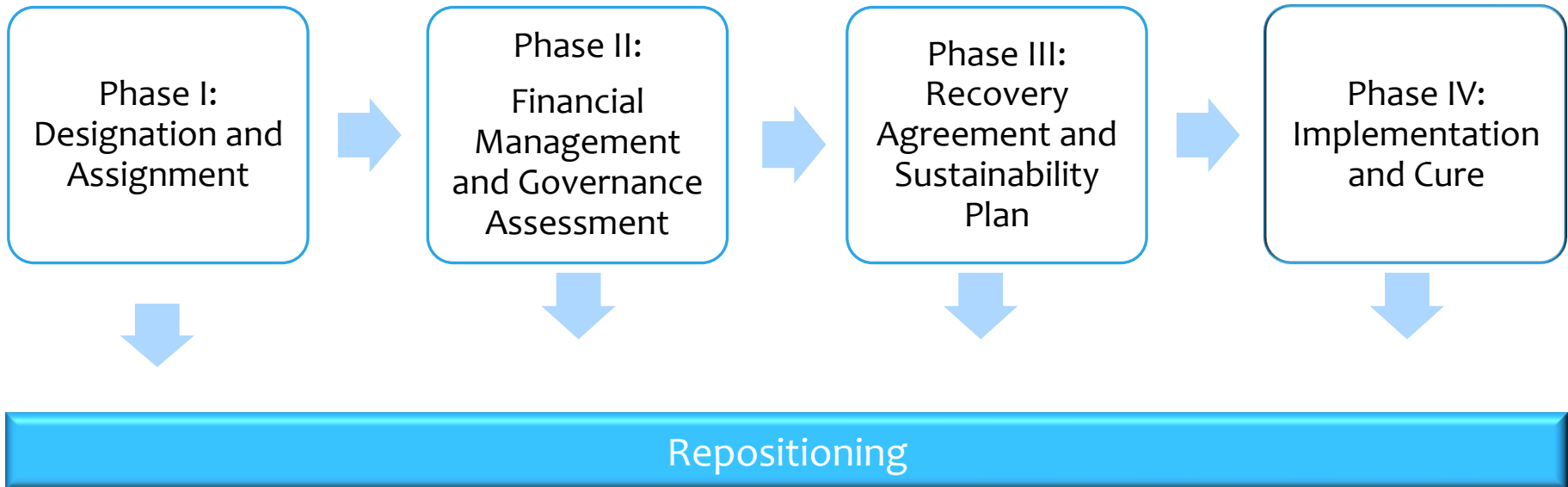
# Recovery Approach



# Recovery Approach

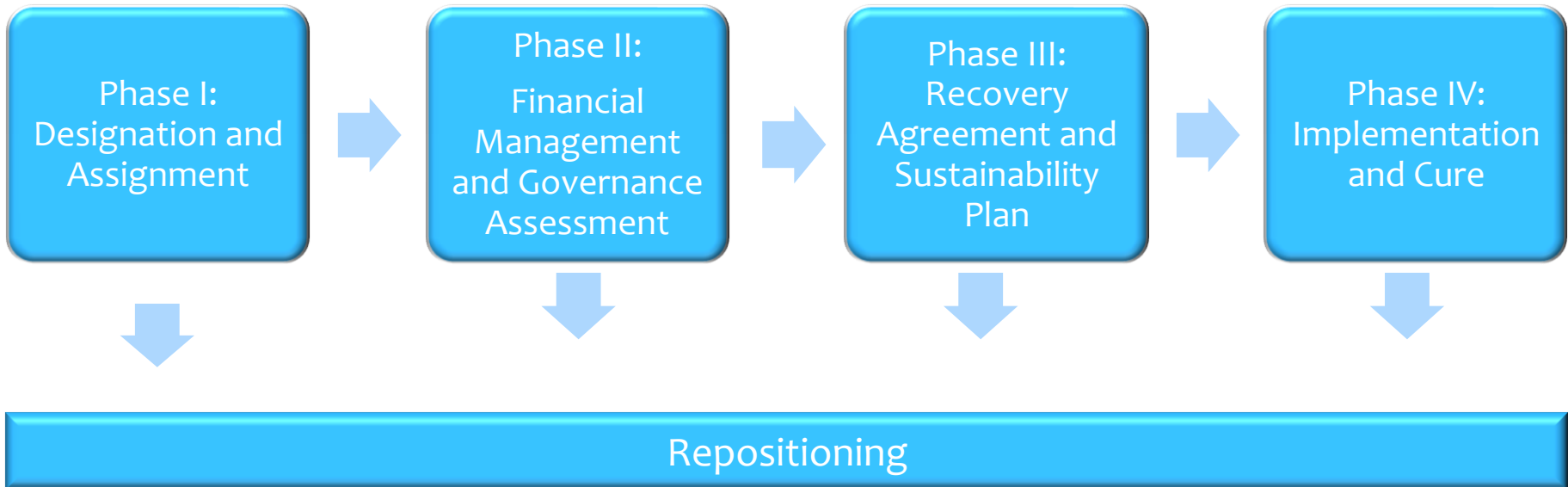


# Recovery Approach





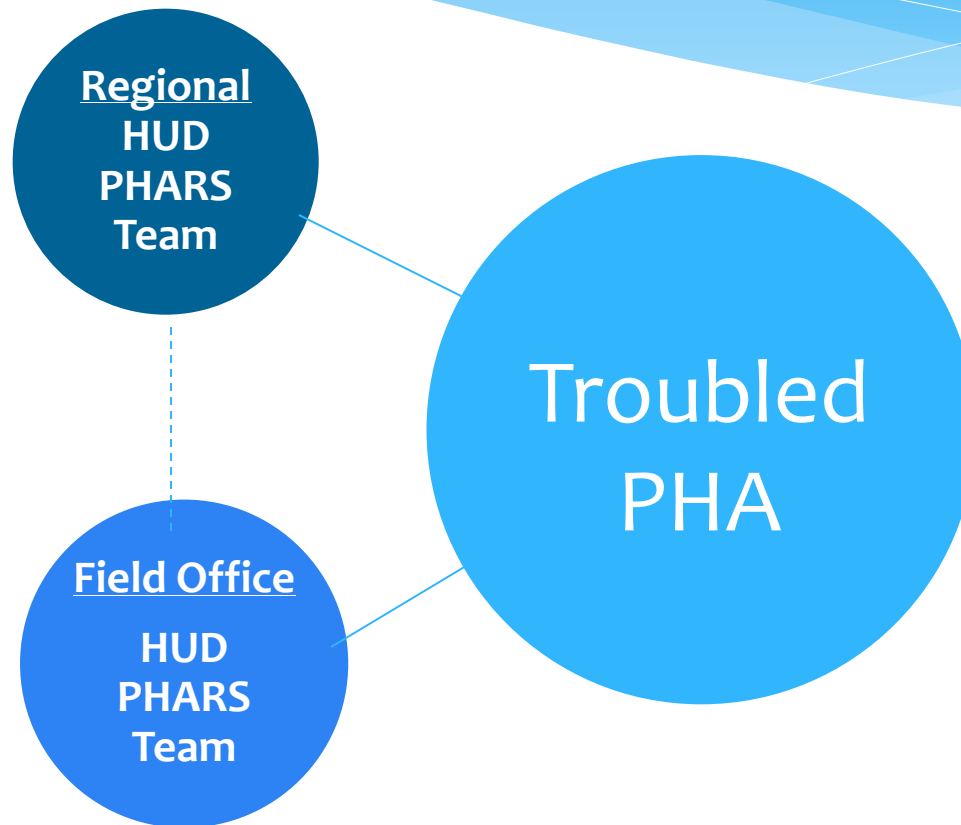
# Recovery Approach



# PHARS | Addressing systemic issues

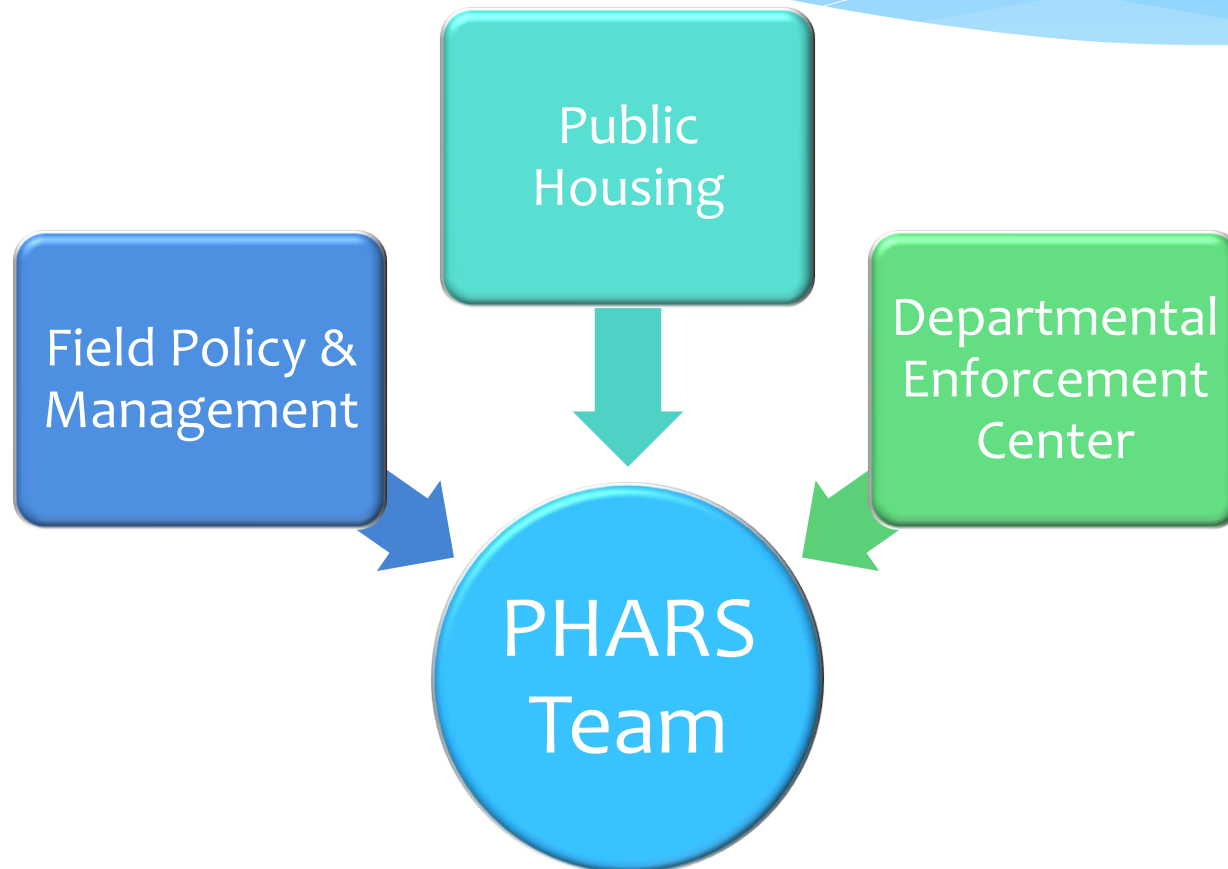


# HUD PHARS Structure



Whether HUD assigns a Regional or Field Office team depends on level of effort anticipated for PHA recovery

# HUD Inter-office Team Structure



# Why PHARS Now?

## Rationale:

- \* Improvement needed- previous approach not yielding desired results
  - \* Time on troubled list, reappearances on list, etc.
- \* Budget concerns- more PHAs facing financial issues
- \* Recent visibility in media and political environment
- \* Need to increase local accountability
- \* Impact of Interim PHAS Rule

# Impact of Interim PHAS Rule

Effective FYE 3/31/11

<b>Old PHAS</b>	
<b>Indicator</b>	<b>Points</b>
Physical	30
Financial	30
Management Operations	30
Resident Service and Satisfaction	10
<b>Total</b>	<b>100</b>

<b>Interim PHAS</b>	
<b>Indicator</b>	<b>Points</b>
Physical	40
Financial	25
Management Operations	25
Capital Fund	10
<b>Total</b>	<b>100</b>

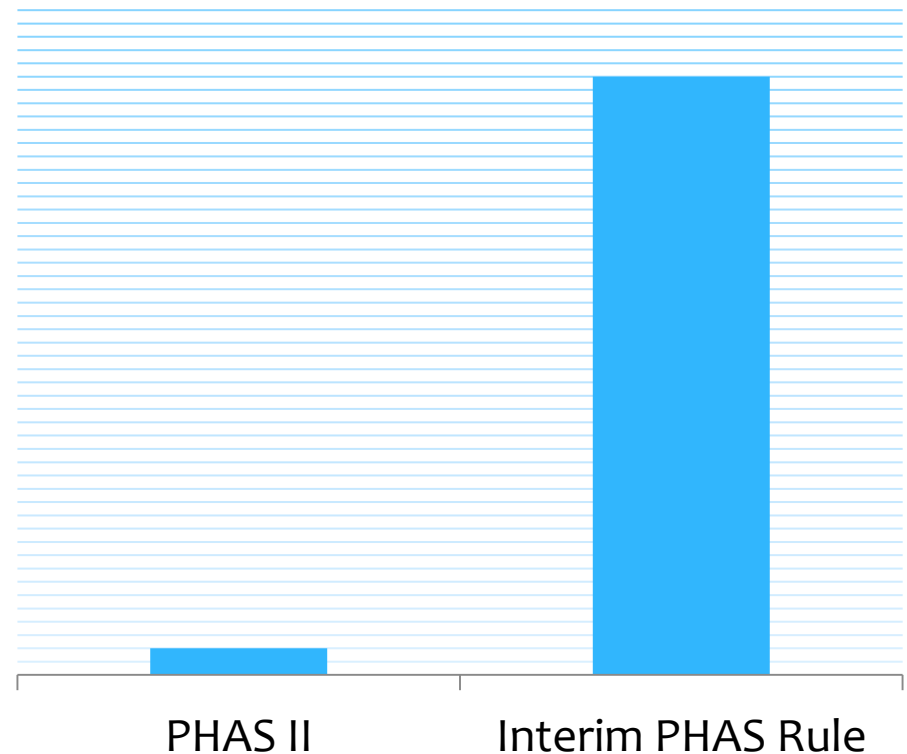
# PHAS Designations

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)
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

# Projected Impact of PHAS Interim Rule

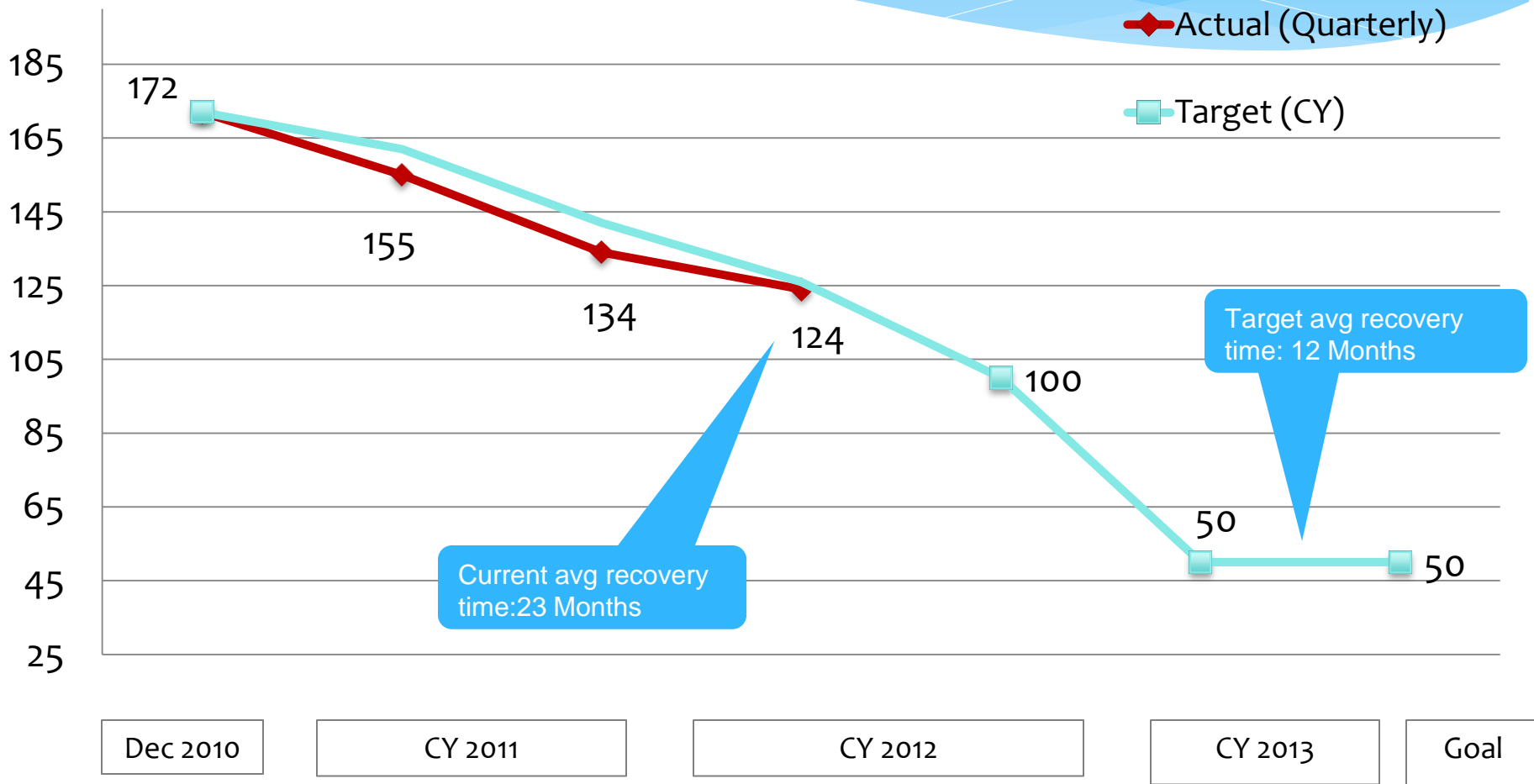
- \* Substantial increase in MASS substandard
- \* No longer self-certify
- \* MASS Sub-indicators:
  - \* Tenant accounts receivable
  - \* Accounts payable
  - \* Occupancy rate
    - \* Units months leased vs. units months available
    - \* Importance of leasing up quickly

**MASS Substandard Comparison**

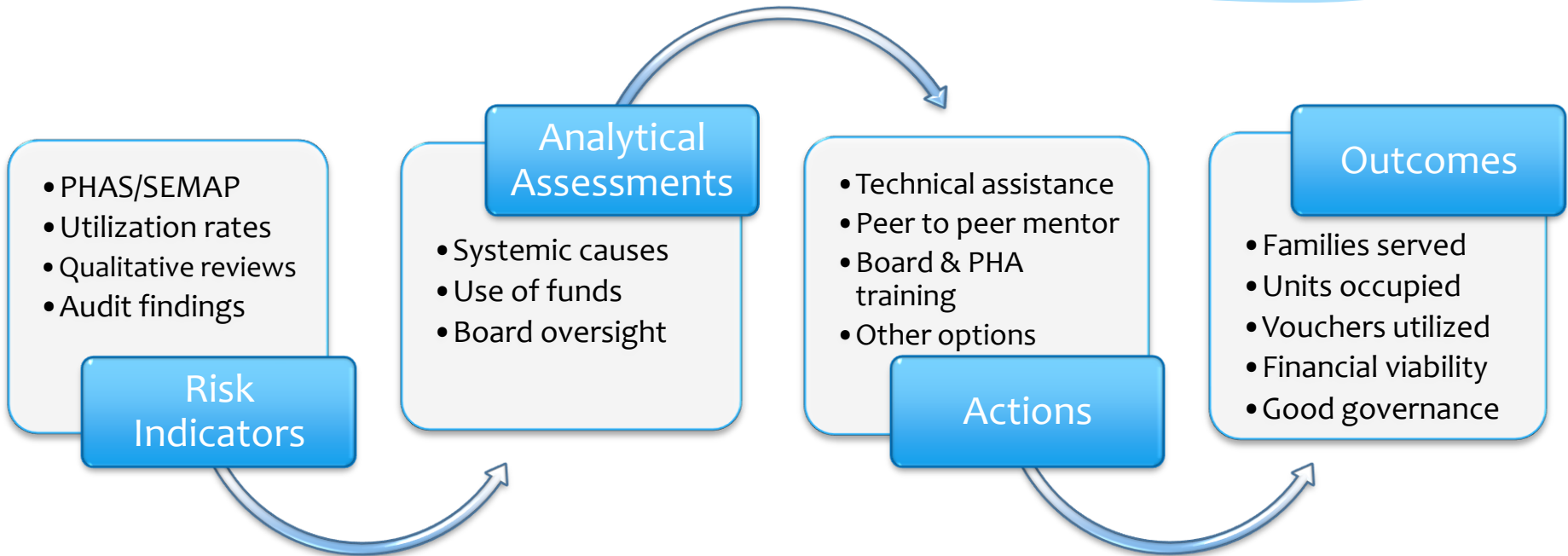




# Outcomes for PHARS



# HUD Business Model Portfolio Management



# Meeting our shared mission

