



Good Neighbors

San Diego
Housing Commission

REPORT

ITEM 102

DATE: For the Agenda of August 17, 2001

REPORT NO.: HCR 01-091

SUBJECT: Public Housing Assessment System (PHAS) for FY01
(Citywide)

SUMMARY

Issue: Should the Housing Commission authorize the submission of the Indicator #3 – Management Operations Certification to HUD and approve a resolution in accordance with the Public Housing Assessment System (PHAS)?

Recommendation: Authorize the Chief Executive Officer to execute the PHAS Certification for Indicator #3 – Management Operations and submit to HUD-Los Angeles office with the approved resolution by mail and electronically before August 31, 2001.

Previous Related Action(s): The Housing Commission has approved submission of a PHMAP/PHAS Certification annually since 1992, most recently on August 11, 2000 for FY00.

BACKGROUND

Over the years the U.S. Department of Housing and Urban Development (HUD) has instituted various methods for measuring the performance of Public Housing agencies (PHAs). In 1990, section 502 of the National Affordable Housing Act provided the statutory basis for the Public Housing Management Assessment Program (PHMAP), which measured agencies based on (1) The PHA's vacancy rate and vacant unit turnaround time; (2) The PHA's ability to administer HUD's modernization programs; (3) The PHA's ability to collect rent; (4) The PHA's performance with regard to completing maintenance work orders; (5) The adequacy of the PHA's inspection system; (6) The amount of cash reserves available to a PHA for operations; (7) The PHA's efforts to deliver quality customer services and to encourage partnerships with residents, resident organizations and the local community; and (8) A PHA's performance in tracking crime-related problems. Under this system the Housing Commission received a "high performance rating" from HUD for FY91, 92 and 93. In 1994, the Housing Commission received the **Sustained Performance Award** signed by Secretary Henry Cisneros, for being one of the nation's best Public Housing agencies for "excellence in overall management performance in the



Public Housing Program for fiscal years 1992 and 1993." In 1995, 1996, 1997, 1998 and 1999, the Housing Commission was again designated a "high performer," scoring at least 90% overall.

On October 1, 1998, HUD implemented a new measuring tool, the Public Housing Assessment System (PHAS). Under the PHAS, HUD evaluates a PHA based on the following four indicators: (1) The physical condition of the PHA's public housing properties; (2) The PHA's entity wide financial condition; (3) The PHA's management operations, which include the statutorily required criteria; and (4) Residents' satisfaction, measured through a resident survey.

In the fall of 2000, Congress directed HUD to assess the accuracy and effectiveness of the PHAS system, perform a statistically valid test of PHAS, conduct a thorough analysis of the results, and have the methodology and results reviewed by an independent expert. In order to accomplish this, HUD intends to meet with public housing stakeholders including PHAs, public housing residents, governmental representatives and industry groups. HUD will seek their input to identify any necessary modifications to the PHAS rule and to publish, if appropriate, a new amended rule to address changes.

DISCUSSION

HUD continues to delay full implementation of PHAS in order to devise measures and come up with meaningful standards for the assessment of the accuracy and effectiveness of the PHAS system, in particular the Physical and Financial condition Indicators. Therefore, for fiscal years ending June 30, 2000, through June 30, 2001, PHAs will receive a score solely on the basis of the PHA's management operations (PHAS Indicator #3 – Management Operations) and no High or Standard Performer designation will be issued.

Housing Authorities are required to submit an annual Public Housing Assessment System Certification for Indicator #3 – Management Operations, **within 60 days of the close of the fiscal year**, which must be accompanied by an approved Board Resolution (Attachment 1). For fiscal year 2000, the Housing Commission's Management Operations achieved 29.7 points out of 30 points, and for fiscal year 2001, the subject of this report, 29.4 points out of 30. HUD staff reviews the submitted data, may conduct an on-site confirmatory review to determine its accuracy, HUD will notify the Housing Commission of its PHAS score by October 31, 2001.

ALTERNATIVE(S)

If a PHA does not submit its certification, or submits its certification late, appropriate sanctions may be imposed, including a presumptive rating of failure in all six management operations sub-indicators, which may result in troubled and mod-troubled designations.

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Respectfully submitted,

Patricia Duplechan
Director of Housing Programs

**Signature on File
With Original Document**

Approved by,

Elizabeth C. Morris
Chief Executive Officer

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Attachment 1 - Resolution
Attachment 2 - Scoring Report
Attachment 3 - Certification Form HUD-50072
Attachment 4 - Sub-Indicators