



Yolo County Housing

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BOARD OF COMMISSIONERS

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DATE: August 12, 2010
TO: YCH Board of Commissioners
FROM: Lisa A. Baker, Executive Director
PREPARED BY: Brenda Lomelí, Housing Supervisor – Real Estate Services
SUBJECT: **Approve resolution for the Public Housing Assessment System (PHAS) Management Operations Certification**

RECOMMENDED ACTIONS

That the Board of Commissioners:

Review and approve by resolution the attached Public Housing Assessment System (PHAS) Management Operations Certification of Yolo County Housing (YCH) to the Department of Housing and Urban Development (HUD).

BACKGROUND / DISCUSSION

Each year, YCH must submit to HUD a report with statistics and data regarding our management of YCH Public Housing units. YCH receives a score based on the information reported. The PHAS score was originally comprised of assessment of four major operational areas: physical (PASS), financial (FASS), management (MASS) and Resident Satisfaction (RASS). With the implementation of Asset Management, the (RASS) or Resident Satisfaction has been replaced with a Capital Fund indicator. At this time, the PHAS score is still comprised of four (4) major operational areas: PASS, FASS, MASS and Capital Fund indicator.

Under the Capital Fund program indicator, a PHA may receive up to 10 points of the total 100 points available for a PHAS score. The Capital Fund program indicator score provides an assessment of a PHA's ability to obligate and expend Capital Fund program funds in a timely manner.

The PASS (30), FASS (20) and MASS (40) submission total a maximum of 90 points. The Capital Fund indicator is 10 points. The total possible PHAS score is 100 points. The scores in each Indicator determine whether the agency is a High Performer, a Standard Performer or a Troubled Agency.

YCH is required at this time to submit information for the Management Operations Indicator (MASS), which includes the Capital Fund program indicator. (Information on the other components is attached as Exhibit I. PASS is covered under third party inspection by HUD; FASS is calculated by HUD based on submission of annual single audit.)

MASS- 40 Points

The objective of the Management Operations Indicator is to measure key operations and responsibilities of YCH for the purpose of assessing YCH's management capabilities. The following sub-indicators and points listed are used to assess management operations:

ACC Units	Possible	Actual
#1 General Appearance and Security	6	5
1.1 Appearance/Market Appeal	5	4
1.2 Security	1	1
#3 Maintenance and Modernization	6	5
3.1 Unit Inspections	1	1
3.2 Work Orders	3	3
3.3 Preventive Maintenance	1	0
3.4 Energy Conservation/Utility Consumption	1	1
#4 Financial Management	8	7
4.1 Percentage of Accounts Payable	4	4
4.2 Rent Collection	4	3
#5 Leasing and Occupancy	18	17
5.1 Vacancy Rate	16	16
5.2 Turnaround Time	2	1
#6 Tenant/Management Relations	2	1
6.1 Economic Self-Sufficiency	1	0
6.2 Resident Involvement in Project Admin	1	1
Adjustment for Physical Condition	1	1
Is project at least 28 years old?	1	1
Adjustment for Neighborhood Environment	1	1
Project located in a census tract where 40% or more of the families have incomes below the poverty rate?		0
	1	
Sub-Indicators & Components (Only Scored)	Points	
#1 General Appearance and Security	6	5
1.1 Appearance/Market Appeal	5	4
1.2 Security	1	1
#3 Maintenance and Modernization	6	5
3.1 Unit Inspections	1	1
3.2 Work Orders	3	3
3.3 Preventive Maintenance	1	0
3.4 Energy Conservation/Utility Consumption	1	1
#4 Financial Management	8	7
4.1 Percentage of Accounts Payable	4	4
4.2 Rent Collection	4	3
#5 Leasing and Occupancy	18	17
5.1 Vacancy Rate	16	16
5.2 Turnaround Time	2	1
#6 Tenant/Management Relations	2	1
6.1 Economic Self-Sufficiency	1	0
6.2 Resident Involvement in Project Admin	1	1
Management Operations Score	40	35

Each Sub-Indicator has various components that are scored based on a grading system from A to F. The grades for each component are assigned values (1.0 – 0.0) to indicate the percentage of the component points that will be awarded in the calculations*. YCH is required to submit electronically a certification of its performance under each of the sub-indicators, the PHAS Management Operations Certification. The attached certification for YCH is required by August 30, 2010. The certification requires a Board Resolution approving the certification prior to submission. A late submission will result in late points assessed. The self-certification we will submit is based on un-audited finance statements as of June 30, 2010 and is subject to review and acceptance by HUD.

*When a non-assessed sub-indicator exists (such as a Housing Authority that does not have a HUD funded Economic Self-Sufficiency program) the value of the non-assessed sub-indicator will be redistributed proportionately across the sub-indicators that have been assessed.

FISCAL IMPACT

Not adopting the Certification by Resolution would have future negative funding impacts.

CONCLUSION

Staff has compiled the required MASS information and recommends that the Board of Commissioners approve the resolution for the attached Public Housing Assessment System (PHAS) Management Operations Certification for YCH in order to comply with HUD regulations and maximize PHAS points. Because of how PHAS is structured, staff, at this time, cannot give a total point estimate for PHAS scoring. Staff will bring back a follow up report to the Board regarding the unaudited preliminary PHAS score once it has been posted.

Attachments: Resolution
 PHAS Exhibit I

**YOLO COUNTY HOUSING
RESOLUTION NO. _____**

**(Resolution Regarding Public Housing Assessment System (PHAS)
Certification for Fiscal Year Ending June 2010)**

WHEREAS, the Housing Authority of the County of Yolo ("YCH") must submit to the U.S. Department of Housing and Urban Development ("HUD") the Public Housing Assessment System("PHAS") on or before August 30, 2010; and

WHEREAS, the submittal of the PHAS Certification requires the approval and authorization of the Board of Commissioners of YCH; and

WHEREAS, the PHAS Certification will be submitted to HUD electronically through HUD's website on or before August 30, 2010 after review by the Public Housing Supervisor and the Executive Director; and

WHEREAS, the Board of Commissioners of YCH have determined to the best of their knowledge that the PHAS Certification for year ending June 30, 2010 is true and correct.

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the Board of Commissioners of the Housing Authority of the County of Yolo, as follows:

1. Each of the foregoing recitals is true and correct.
2. The Board of Commissioners hereby confirms and approves the submittal of the PHAS Certification for the year ending June 2010 which will be submitted electronically through HUD's website on or before August 30, 2010.

EFFECTIVE DATES: This resolution shall take effect from and after the date of its adoption.

PASSED AND ADOPTED, by the Board of Commissioners of the Housing Authority of the County of Yolo, State of California, this 12th day of August 2010 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Matt Rexroad, Chair
Board of Commissioners of the
Housing Authority of the County of Yolo

Approved as to Form:

By _____
Sonia Cortes, Agency Counsel

Attest:
Julie Dachtler, Clerk
Board of Commissioners of the
Housing Authority of the County of Yolo

By _____

Exhibit I:

PASS-30 points

The objective of the Physical Condition Indicator (PASS) is to determine the level to which YCH is maintaining its public housing in accordance with the standard of decent, safe, sanitary, and in good repair as stated in the Code of Federal Regulations (CFR) 902. 23. The Real Estate Assessment Center (REAC) provide for an independent physical inspection of YCH's property. The following areas are assessed and are weighted as indicated to comprise the total 30 points possible for the PASS score:

<u>Areas</u>	<u>Weight in %</u>
Site.....	15
Building exterior.....	15
Building systems.....	20
Common areas.....	15
Dwelling units.....	35

FASS-20 points

The objective of the Financial Condition Indicator is to measure the financial condition of YCH for the purpose of evaluating whether it has sufficient financial resources and is capable of managing those financial resources effectively to support the provision of housing that is decent, safe, sanitary and in good repair. YCH's financial condition will be assessed under this indicator by measuring the PHA's entity-wide performance in each of the components listed in CFR 902.35, on the basis of the annual financial report. Both unaudited and audited financial data must be submitted to HUD on an annual basis. The components of PHAS Indicator #2 (FASS) are:

<u>Scoring Components</u>	<u>Measurement</u>	<u>Points</u>
<i>Current Ratio:</i> current assets divided by current liabilities	Liquidity	9.0
<i>Number of Months Expendable Fund Balance:</i> expendable fund balance divided by monthly operating expenses. The expendable fund balance is the portion of the fund balance representing expendable available financial resources, that is, the unreserved and undesignated fund balance	Adequacy of reserves	9.0

<i>Tenant Receivable Outstanding:</i> the average number of days tenant receivables are outstanding and is calculated by dividing tenant accounts receivable by Daily Tenant Revenue (rental revenue/365)	Ability to collect payment of tenant receivables	4.5
<i>Occupancy Loss:</i> one minus unit months leased divided by unit months available	Ability to lease up units and maximize rental income	4.5
<i>Expense Management/Utility Consumption:</i> the expense per unit for key expenses, including utility consumption, and other expenses such as maintenance and security.	Ability to maintain expense ratios at a reasonable relative level to peers (adjusted for size and region)	1.5
<i>Net Income or Loss Divided by the Expendable Fund Balance:</i> measures how the year's operations have affected the PHA's viability	Effect of current year operations on existing reserves	1.5

In order to receive a passing score under the Financial Condition Indicator (FASS), the PHA must achieve a score of at least 18 points, or 60% of the available points under this indicator. If YCH fails to receive a passing score on the Financial Condition Indicator, YCH will be categorized as a substandard financial agency. The YCH is required to submit the FY 2009-2010 unaudited financial data to HUD by August 31st, 2010.