



Yolo County Housing


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DATE: August 11, 2011
TO: YCH Board of Commissioners
FROM: Janis R. Holt, Resource Administrator 
PREPARED BY: Marianne Krager, Director of Operations
SUBJECT: Receive and File Report on the Changes to the HUD Public Housing Assessment System (PHAS)

RECOMMENDED ACTIONS

That the Board of Commissioners:

Receive and File Report on the Changes to the HUD Public Housing Assessment System (PHAS)

BACKGROUND / DISCUSSION

On February 22, 2011, HUD issued PIH Notice 2011-13 referencing the Public Housing Assessment System (PHAS) Interim Rule published February 23, 2011 to conform the assessment process to the principles of asset management. The new rule changes the way public housing authority's information is submitted to and scored by HUD.

The PHAS score will continue to be comprised of the assessment of four major operational areas: physical (PASS), financial (FASS), management (MASS) and Capital Fund Program Indicator for a total of 100 points. Changes to the scoring and submission requirements are:

PASS: The physical condition indicator has increased from 30 points to 40 points. Each AMP will be scored separately where previously, the collective portfolio of the PHA received one score. This score is provided by a third party inspection conducted by HUD.

FASS: The financial condition indicator has been decreased from 30 points to 25 points. This score is calculated by HUD based on the submission of the annual single audit. The financial indicator score will be calculated for each project (AMP) as well as a composite score for the entire PHA.

MASS: The management operations indicator has been reduced from 40 points to 25 points. In previous years, the management operations assessment system relied on the PHA's submission of a range of information that is "self-certified". In previous years, YCH completed and submitted the MASS report and resolution to the YCH Board of Commissioners for approval and adoption prior to submission to HUD. Under the interim

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rule, this is no longer required and the management operations indicator will be limited to three items: the occupancy rate, accounts payable, and tenant accounts receivable which are all drawn from the PHA's annual financial information. Therefore, YCH is only required to submit unaudited financial information by August 31, 2011 for this indicator.

Capitol Fund Indicator: Scoring remains the same at 10 points and is calculated based on the PHA's performance with respect to the obligation and expenditure of Capital Fund program grants.

Within each category, there are sub-indicators with various components that are scored based on a points system. Scoring under the interim rule will be based on the following HUD information systems March 31, 2011 and forward:

- The Financial Assessment Sub System
- The Inventory Management System – Public Housing Information Center (IMS-PIC)
- Electronic Line of Credit Control System (eLOCCS)

The total indicator points each PHA receives will determine if that agency is a High Performer, Standard Performer, Substandard Performer, Troubled, and/or Capital Fund Program Troubled.

YCH has been instructed by HUD and REAC to implement these changes immediately.

FISCAL IMPACT

None at this time.

CONCLUSION

Staff recommends that the Board receive and file the report.

Attachment: HUD Notice PIH 2011-13 (HA)



**U.S. Department of Housing and Urban Development
Office of Public and Indian Housing**

Special Attention of:

Public Housing Agencies
Public Housing Hub Office Directors
Public Housing Program Center Directors
Regional Directors
Field Office Directors
Resident Management Corporations

Notice PIH 2011- 13 (HA)

Issued: February 22, 2011

Expires: February 22, 2012

Cross Reference: 24 CFR Parts 901,
902, and 907

Subject: Implementation of the Public Housing Assessment System (PHAS) Interim Rule

1. Purpose

This notice provides public housing agencies (PHAs) with instructions for the implementation of the PHAS Interim Rule, which will be published February 23, 2011.

2. Background

The Public Housing Operating Fund Rule published September 19, 2005, requires PHAs to implement asset management.

The Public Housing Assessment System Interim Rule aligns PHAS with the asset management model by providing project level performance information where possible.

A copy of the Interim Rule is posted at:

<http://www.hud.gov/offices/pih/publications/fedreg/5094-i-02.pdf>

3. Effective Date of the Interim Rule

The Interim Rule will be effective 30 days from the date the rule is published in the Federal Register.

4. Scoring for PHAs with Fiscal Year (FYE) Ending December 31, 2010

PHAs with FYE December 31, 2010 will be scored in accordance with existing Transition Year Two Extended guidance. PHAs will be required to submit their management operations certification, unless they submit a waiver request within 30 days of the publication of this notice.

5. Scoring for PHAs with FYE March 31, 2011 and forward.

PHAs with FYE March 31, 2011 and forward will be assessed in accordance with the Interim Rule. Scoring under the Interim Rule will be based upon the following information from HUD systems:

- The Financial Assessment Sub System
- The Inventory Management System – Public Housing Information Center (IMS-PIC)
- Electronic Line of Credit Control System (eLOCCS)

PHAs must continue to submit unaudited and audited financial information as required by 24 CFR Part 5 and 24 CFR Part 902.

6. Interim Rule Comment Period

The Interim Rule provides for a 60 day comment period from the date the Interim Rule is published. Please do not submit any comments until the official date of publication on the Federal Register, which will be February 23, 2011. The due date for comments does not impact the implementation date of the Interim Rule.

7. Further Information

All questions at the PHA level are to be referred to the appropriate field office.

8. Paperwork Reduction

The information collection requirements contained in this notice have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3520) and assigned OMB Control Numbers 2577-0237, 2535-0106, 2502-0369 and 2535-0107. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

/s/

Sandra B. Henriquez,
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