Staffing of the PHA was once centralized to a PHA Central Office that provided property management, funding, budgeting, accounting, and maintenance to the entire PHA. Now, there is a separation of the Central Office Cost Center (COCC) and each individual Asset Management Project (AMP). This allows the PHA to assess the physical and financial performance of each AMP, so that it can pinpoint problem areas and improve performance through decentralized, project-based management, funding, budgeting, accounting, and maintenance.

**Entities and Roles**

Under Asset Management, the Board of Commissioners functions as an owner would on the private market. The board adopts project-based budgets and reviews these budgets with actual expenses and revenues each month. The executive director and staff are responsible for preparing project-level budgets and function as a property management company would. HUD provides oversight and monitoring to the PHA.

**Project-Based Housing**

By transitioning to Asset Management, each AMP can now be analyzed for how well funds designated to that property are being used, which properties are successful, and which properties need help. The project-based assessment is accomplished using the following:

- **Project-Based Funding**: Prior to project-based funding, the PHA had one standard expense level for all of its units, regardless of whether the properties had more or less financial need. Now, PHAs complete a separate subsidy form for each AMP. This is the Operating Subsidy (OpSub) which is made up of the Project Expense Level (PEL), among other components.

- **Project-Based Budgeting**: Operating budgets are completed at the AMP level, as opposed to the PHA or entity-wide level. Prior to the start of the year, the board must approve these budgets.

- **Project-Based Accounting**: Project-based accounting tracks financial performance at each AMP and facilitates effective decision making at the project level.

- **Project-Based Management**: Property management by AMP is tailored to the unique needs of each property, given the resources available to that property.

- **Project-Based Assessment**: Performance is assessed using the Public Housing Assessment System (PHAS) indicators for each AMP.
Strategies for High Performing AMPs

- Establish an ongoing process for monitoring each AMP’s conditions.
- Develop a plan for facility and infrastructure maintenance, informed by monitoring data.
- Develop a data-driven information technology system to inform capital project information.
- Use updated data to produce defensible budget requests.
- Anticipate ongoing needs to maintain HUD housing quality standards.
- Be familiar with every property.

Capital Planning

As a board, it is your responsibility to ensure that your PHA provides quality, safe, and decent housing to the residents you serve. This means regular assessment of the physical stock through inspections, a Physical Needs Assessment (PNA), and a strategic plan for capital improvements.

What is a PNA?

A Physical Needs Assessment (PNA) is a systematic review to identify advantages and impediments to a development’s major physical components and the actual work that a PHA is required to undertake in order to bring each AMP up to the needed or recommended modernization and energy conservation standards. The PNA is also a tool that assists PHAs in accurately assessing capital project components through prioritization and cost-efficiency measures.

Currently, HUD requires all PHAs to conduct PNAs for their properties aligned with their Five-Year Action Plan. While it is not required, HUD recommends that PHAs conduct an initial 20-year assessment and then update it on a rolling basis.

HUD has created its own PNA tool known as the Green Physical Needs Assessment (GPNA) that is available for PHAs to use. The PNA tool uses public housing asset management information from the PIH Information Centers (PICs) database. HUD strongly encourages PHAs to submit their PNAs through the Department’s PNA tool.

Five Key PNA Objectives

1. Enables PHAs to better assess the capital needs of their portfolios;
2. Creates efficient PHA management practices for development-based capital planning
3. Broadens energy integration goals in accordance with the 2005 Energy Policy Act
4. Creates accurate data on the Capital Fund green initiatives
5. Allows HUD to measure the historical impact of the annual Capital Fund appropriations