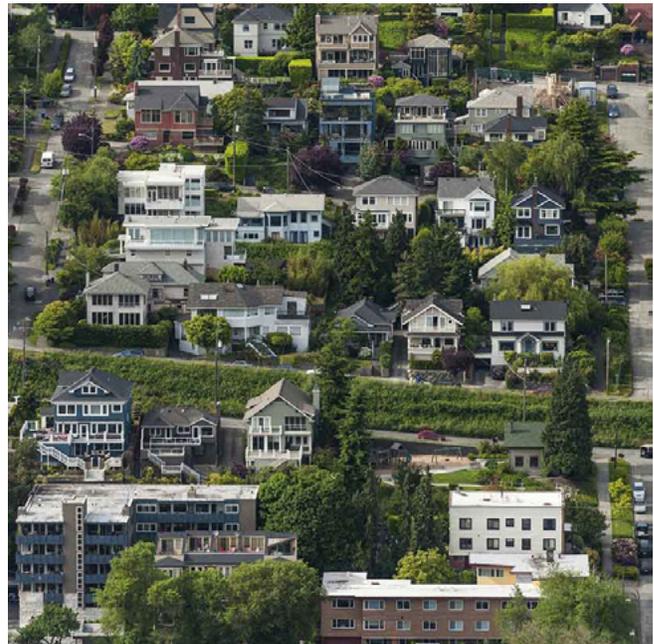


Each story-led activity is meant to highlight the key points you learned within the *Lead the Way* curriculum and help you apply what you have learned. Story-led activities can be completed as part of the online learning experience, or as a handout to be completed offline individually or as a group. Below is a story you can read individually or as a group. Questions about the story follow. A key with question answers and explanations can be found on page 3. Public Housing Agencies depicted in these stories are completely fictional.

## Carter Public Housing Authority

The Carter Housing Authority manages more than 3,000 units of public housing in the state of Washington. Many of the properties were designed and constructed decades ago, and are outdated for today's affordable housing industry.

Currently, the Carter Housing Authority has buildings in need of rehabilitation. Their infrastructure and reporting practices are outdated and continue to be housed within a central office, making it hard to move toward a viable Asset Management model. While the Authority has tried to decentralize management and investments and look at each Asset Management project individually, they've struggled to collect the information they need.



The current maintenance data on the various public housing developments owned and managed by the Authority is inconsistent and inadequate. The PHA's administrative plans are outdated and can't be used to make development, maintenance, and budgeting decisions. Due to the lack of project-based data, the board of directors does not have a clear vision of the PHA's long-range capital requirements and priorities.

### **1** What should the Housing Authority do to make sure it's moving toward an Asset Management model for its PHA?

- a. Establish a project-level budget for each AMP
- b. Establish a reporting mechanism to review assessment indicators every month for each AMP
- c. Determine the financial viability of each AMP
- d. Make corrective actions for those AMPs that are not performing well
- e. All of the above

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**2 What is the appropriate action by the board in response to this request?**

- a. *Improve the quality of the failed units so that it can have 100% occupancy*
- b. *Use the funds from an AMP that is financially performing very well to cover the shortfalls with this troubled AMP*
- c. *Increase rents to improve revenue, as long as they remain reasonable*
- d. *Close the AMP if the PHA is unable to make it financially viable*

The board of directors of the Carter Housing Authority is being provided with the Housing Authority's annual project-based budget for the 1,000-unit Jay Street Homes, a large building in downtown Carter.

The board and staff see that projected revenue falls short of operating expenses. Seventy-five of the units are vacant because they don't meet housing quality standards. The building elevators are not working on multiple floors, and the electrical system in the building is not compliant with current building code regulations. The management and maintenance staff members assigned to the Jay Street Houses also work at a public housing development across town. They are spread too thin to accurately collect information on a monthly basis, and have had little time to develop other recreational and cultural programming services on the site of the property.

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**3 What steps should the board take to address the needs of Jay Street Homes?**

- a. Balance the budget for the AMP by creating a shared vision of the property's future
- b. Facilitate building and infrastructure improvements that meet both housing quality standards and the tenants' current and future needs
- c. Hire additional staff so that each AMP, including Jay Street, has dedicated personnel equipped for the task
- d. Establish a core project team with staff from maintenance, engineering, finance, tenant services, and information technology, as well as tenant stakeholders
- e. All of the above

## Answer Key

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### 4 What should the Housing Authority do to make sure it's moving toward an Asset Management model for its PHA?

- a. Establish a project-level budget for each AMP  
**Try Again.** It is important for the Carter Housing Authority to establish budgets for each AMP; however, there are other options included here that are also important steps toward an Asset Management model.
  - b. Establish a reporting mechanism to review assessment indicators every month for each AMP  
**Try Again.** It is important for the Carter Housing Authority to review assessment indicators every month for each AMP; however, there are other options included here that are also important steps toward an Asset Management model.
  - c. Determine the financial viability of each AMP  
**Try Again.** It is important for the Carter Housing Authority to review assessment indicators every month for each AMP; however, there are other options included here that are also important steps toward an Asset Management model.
  - d. Make corrective actions for those AMPs that are not performing well  
**Try Again.** The PHA must decide if it should rehabilitate or close AMPs that are not performing well; however, there are other options included here that are also important steps toward an Asset Management model.
  - e. All of the above  
**Correct.** Each of the above is an important responsibility of the PHA as it moves toward an Asset Management model.
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### 5 What is *not* a corrective action the board should consider for a troubled AMP?

- a. Improve the quality of the failed units so that it can have 100% occupancy  
**Try Again.** This is a step a PHA can take to improve the financial viability of an AMP. Which other option is not a corrective action?
- b. Use the funds from an AMP that is financially performing very well to cover the shortfalls with this troubled AMP  
**Correct.** Under Asset Management, each project should be able to sustain itself. If a project is financially under performing, the board must consider if it is able to make fiscally responsible changes to sustain it, or consider closing the AMP.
- c. Increase rents to improve revenue, as long as they remain reasonable  
**Try Again.** This is a step a PHA can take to improve the financial viability of an AMP. Which other option is not a corrective action?
- d. Close the AMP if the PHA is unable to make it financially viable  
**Try Again.** This is a step a PHA can take to improve the financial viability of an AMP. Which other option is not a corrective action?

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**6 What steps should the board take to address the needs of Jay Street Homes?**

- a. Balance the budget for the AMP by creating a shared vision of the property's future  
**Try Again.** *Balancing the budget for an AMP in a way that captures the values and the mission of the PHA is perhaps the most essential step, but it is not the only viable strategy in this list.*
- b. Facilitate building and infrastructure improvements that meet both housing quality standards and the tenants' current and future needs  
**Try Again.** *These improvements are important for the health and well being of the AMP and the residents, but it is not the only viable strategy in this list.*
- c. Hire additional staff so that each AMP, including Jay Street, has dedicated personnel equipped for the task  
**Try Again.** *Having adequate staff to provide sufficient attention to each AMP is critical. Carter Housing Authority clearly has staff that is spread too thin. However, it is not the only viable strategy in this list.*
- d. Establish a core project team with staff from maintenance, engineering, finance, tenant services, and information technology, as well as tenant stakeholders  
**Try Again.** *Having staff dedicated to the AMP that bring specific expertise and focus is a good strategy for developing an improvement plan for an AMP. However, it is not the only viable strategy in this list.*
- e. All of the above  
**Correct.** *Each of the above is an important responsibility of the PHA as it moves toward an Asset Management model.*