

REAL ESTATE ASSESSMENT CENTER (REAC) AND THE PUBLIC HOUSING ASSESSMENT SYSTEM (PHAS)

Module V: Capital Fund Program (CFP) Assessment, Appeals, Waivers

MODULES

- Module I: Introduction, Scoring, Planning, and Tracking
- Module II: Physical Assessment Subsystem (PASS)
- Module III: Management Assessment Subsystem (MASS)
- Module IV: Financial Assessment Subsystem (FASS)
- **Module V: Capital Fund Program (CFP) Assessment, Appeals, Waivers**

CAPITAL FUND PROGRAM UPDATES

CFP: PHAS INTERIM RULE COVERS THE OVERALL PROGRAM

- It is not a weighted average of AMPs
- CFP Indicator and how it interfaces with asset management
- CFP Sub-Indicators
- PHA's Responsibilities

PURPOSE

- To obligate 90% or more of funds as quickly as possible, but no later than 2 years after funds become available
- To modernize/develop ACC units and improve overall occupancy and condition of units
- To meet HUD Strategic Plan goal to “Meet the Need for Quality Affordable Rental Homes”

CAPITAL FUND INDICATOR

10 Points

Two sub-indicators

Scored only at PHA level

**Timeliness of Fund
Obligation**

**Examines the period of
time it takes for a PHA
to obligate funds from
the CFP**

Occupancy Rate

**Measures the overall
occupancy rate with no
allowable vacancies
except HUD approved
Special Purpose units**

TROUBLED DESIGNATION FROM CFP INDICATOR

A PHA that receives less than 50 percent or 5 points, under the Capital Fund Program indicator will be designated as a *Capital Fund Troubled Performer*.

CAPITAL TROUBLED

- Will impact the timing for AMP inspections
 - All AMPs will be reviewed each year
- May impact future funding if PHAs are not using the funds

**TIMELINESS OF
FUND
OBLIGATION
(SUB-INDICATOR
IS A SCORING
THRESHOLD)**

**≥90% at Obligation
End Date (OED) and
No Sanctions***

5 points

**<90% at Obligation
End Date (OED) or
Sanctioned**

0 points

If a PHA has no obligation end dates in the assessed fiscal year, and does not have any 1937 Act 9(j) sanctions against it in that fiscal year, *the PHA will be awarded 5 points.

CFP SCORING

Timeliness of Fund Obligation = 5 points

Occupancy Rate = 5 points

Total CFP = 10 points

CFP SUB-INDICATORS

- Timeliness of Fund Obligations
 - Examines the period of time it takes for a PHA to obligate funds from the CFP
 - Information from electronic Line of Credit Control System (eLOCCS)
 - Maximum of 5 points

CFP SUB-INDICATORS *(CONTINUED)*

- Occupancy Rate
 - Measures the occupancy rate as measured at FYE
 - Snapshot as of the last date of the fiscal year
 - Information from Inventory Management System/Public Housing Information System (IMS/PIC)
 - Maximum 5 points

OCCUPANCY RATE

- This will only be scored if the PHA scores at least 5 points on timeliness of fund obligations.
 - **$\geq 96\%$ = 5 points**
 - $\geq 93\%$ or $< 96\%$ = 2 points
 - $< 93\%$ = 0 points

OCCUPANCY (CAP FUND)

Total occupied assisted, special use, and non-assisted units

Total ACC Units

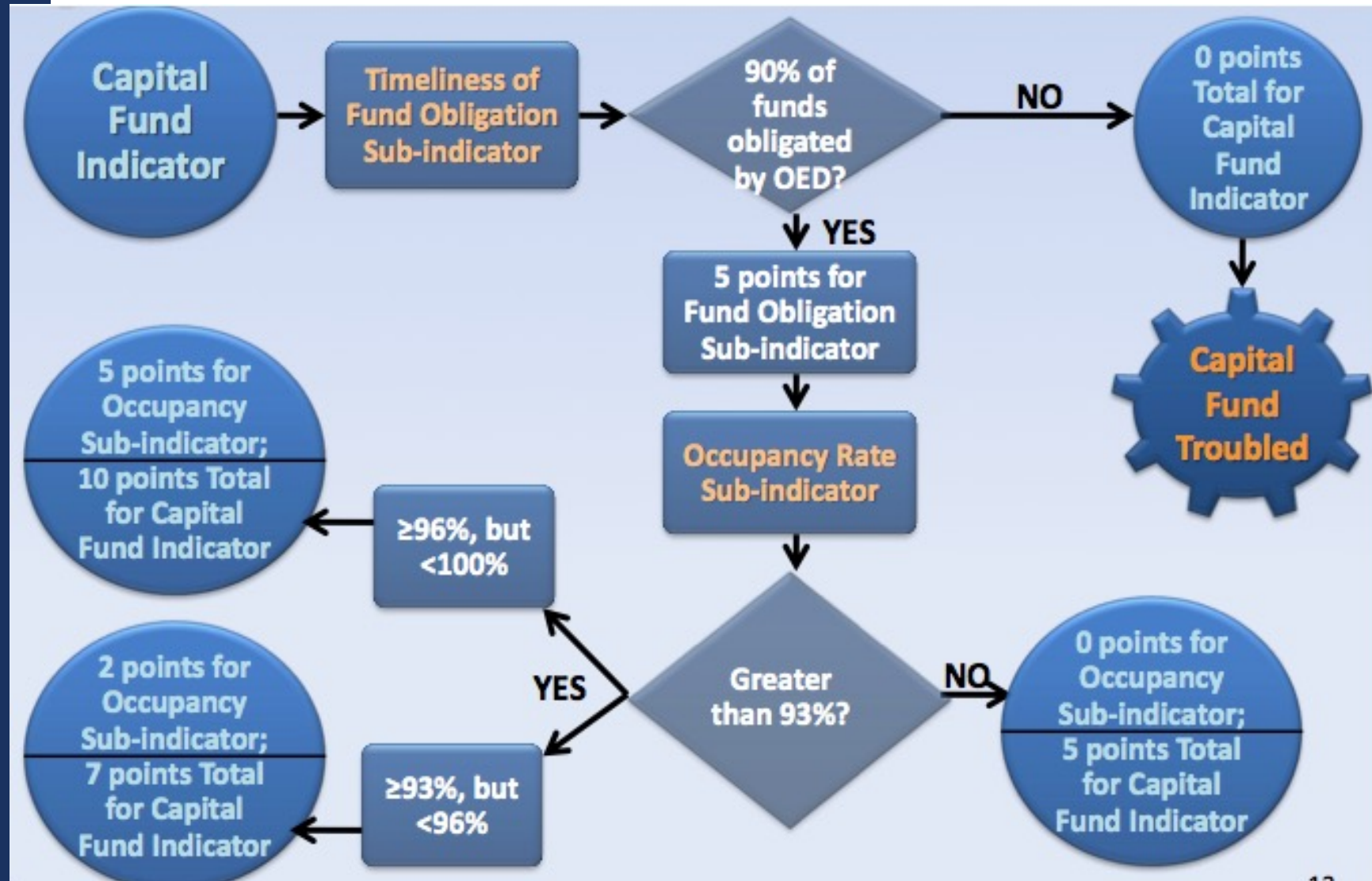
Total Uninhabitable Units

*Data as reflected in IMS/PIC

CAP FUND DATA SOURCE

- Data drawn from PIC on PHA FYE date.
- Numerator: Public Housing ACC units occupied by an assisted tenant, police officer, employee, or over-income tenant, and units approved by HUD for special uses including anti-drug/crime activities, self-sufficiency activities, or other resident activities.
- Denominator: All standing ACC Public Housing units except those that are vacant because they have been **approved by HUD for demolition/disposition**.

SUB-INDICATOR INTERACTION



**DIFFERENCES
BETWEEN
OCCUPANCY
SUB-INDICATORS
FOR MASS AND
CFP**

MASS

Measures occupancy at the AMP level.

Measures based on Unit Months Available over entire year.

Excludes allowable vacancies based on Operating Fund rule.

Capital Fund

Measures occupancy at the portfolio level.

Measures point-in-time on PHA fiscal year end date.

Excludes only units approved for demolition/disposition.

IMPROVING CAPITAL FUND

- Move work items if necessary, to maintain 90% obligation
- Monitor LOCCS and budgets
- Close-out old Capital Fund Programs timely
- Complete wage surveys timely and accurately
- Follow procurement and contracting regulations
- Don't create vacancies just prior to end of fiscal year
 - Modernization/relocation
 - Repair fire units and other off-line units quickly



SUMMARY

- Capital Fund Program Indicator (CFP)
 - Up to 10 points
 - Threshold score is at least 5 points
- 2 Sub-Indicators
 - Fund Obligation = 5 points
 - Occupancy Rate = 5 points, provided that fund obligations are met

OVERALL PHA PHAS STATUS DESIGNATIONS

PHAS Status Designation	Composite PHAS Score	Individual Indicator Score
High Performer	Overall PHAS score of 90% or higher	At least 60% of total points available in PASS(24), MASS(15), FASS(15) and 50% of the total points for CFP(5)
Standard Performer	Overall PHAS score of at least 60%	Not less than 60% of total points available in PASS(24), MASS(15), FASS(15) and 50% of the total points for CFP(5)
Substandard Performer	Overall PHAS score of at least 60%	Less than 60% in one or more of the PASS, FASS, or MASS indicators
Troubled	Less than 60% of the overall PHAS score	---
Capital Fund Program (CFP) Troubled	---	Less than 50% on CFP indicator

APPEAL/PETITION REQUEST GUIDELINES

- Requests must be submitted in **writing** to the Deputy Assistant Secretary of the Public and Indian Housing REAC.
- Appeals must be submitted no later than 30 days following the issuance of the PHAS score.
 - Petitions to removed troubled designations may be filed at any time.
- The request must result in change of the PHAS designation status.
- The request must include supporting documentation.
- Database adjustment requests are due 45 days after the date the inspection report is released.
- PASS inspection appeals due in 30 days from date of posting inspection.

IMPROVING PHAS SCORES

- Monitor the status and accuracy of submissions frequently in eLOCCS, PIC and Secure Systems
- Utilize prior year PHAS score results to set annual goals
- Plan ahead and be proactive in determining problem areas and fixing them at least 6 months in advance of PHAS due dates



EXERCISE ON CFP AND PHAS

- Let's finish the sample PHA and see how it scored
- Exercise 2 page 2-7

HOW TO BE SUCCESSFUL

- Plan ahead - don't wait for the inspector to schedule the inspection to start preparing
- Train staff
- Monitor monthly the variables used for scoring.
 - PHAS Calculator - Appendix 7
 - Monthly Grade Card - Appendix 8
- Inspect the units under the UPCS protocol
- Use fungibility to balance the FASS indicator
- Keep the units full - increase occupancy and decrease the turnaround rate- monitor daily
- Collect the resident charges



PHAS POST-TEST

- Let's see what we learned
- Chapter 2 Post-test pages 1-5
- Did you change any of your answers?

QUESTIONS ON PHAS

- Thank You
- Contact Information
- Websites
- Field Office Technical Assistance