

PHAS Module II: Physical Assessment Subsystem (PASS)
Transcript

0:00:01.3 Speaker 1: Good morning. My name is Dennis Morgan, with D L Morgan and Associates, and we're working through the FirstPic as well as with the Department of Housing and Urban Development to present the program on the Public Housing Assessment System, better known as PHAS, that comes through the world of REAC, the Real Estate Assessment Center as well. In the first module, we focused on the introductions of the particular protocol. And this is the second module, where we're gonna go deep into the world of the Physical Assessment Subsystem, better known as PASS. And in this system, it's an important piece of the world of the PHAS scoring system, because this one is worth 40 points, 40 points.

0:00:50.4 Speaker 1: In the introduction, and scoring, and planning, and tracking phase, that we also introduced some concepts that help in the performance of the agency as well. We're gonna further introduce those concepts that will also focus on the world of the physical inspection as well. Now, some of the materials also that we'll be presenting are available on the REAC website, on the PASS indicator as well, so we always encourage you to visit those HUD websites, to look at those materials, and get the latest in terms of that piece of the protocol. But in addition to that, we're gonna show you some other tools that you can also use to help evaluate internal to the world of the housing authorities as well.

0:01:37.3 S1: As previously mentioned in slide number one, my background comes from the world of housing authorities and running housing authorities for the first 30-plus years of my career. I've been in the business now for 50 years, either running housing authorities or providing technical assistance to housing authorities, and so I know that everything doesn't necessarily land in the world of HUD, that is a very valuable resource and a very valuable tool. So we're gonna be looking at those tools as well from a PHA's perspective, and the things that you can internally do to monitor the performance of the agency, both inside the world of PHAS but also outside that world of PHAS to increase the performance of the agency as well.

0:02:20.5 S1: In Module Number Two, we're gonna focus on the Physical Assessment Subsystem. And we know that we're under the interim rule, and under the interim rule, we're looking at then the weighted average of that particular AMP that has an overall impact in terms of the scoring of the agency as well. And the bottom line is that we are ensuring that we're keeping these units decent, safe, and sanitary, and good repair. And unlike the previous systems, in which you would have a form of self-evaluation that you would send your inspectors through or you would have your management agents go through and then, it used to be an HQS standard, that no longer applies. You will have an independent inspector that will be coming through and applying the concepts known as a Uniform Physical Condition Standard, better known as UPCS. UPCS.

0:03:18.6 S1: And it's important to understand in this physical, not only are you applying the UPCS, but you're gonna be applying the latest protocol for the UPCS standard as well, which is foundation upon a dictionary of terms that also has been slightly modified through what's known as a compilation bulletin. In other words, things have evolved, things have changed, and as a result of that, it's not only understanding that dictionary of terms, but it's also understanding the latest protocol, such as HUD now uses a standard on what's called a NIS standard, that if your repairs are made in a non-industry standard technique, that it will be inspected and points will be deducted in the world of PHAS because you're doing the repairs in a non-industry standard state.

0:04:09.8 S1: Now, what are we talking about? Well, I'm now repairing the door, and on that door,

let's say the laminate is coming loose, and so the door is separating. So now my maintenance personnel fixes the door but just by putting screws in that door to push that laminate back on the door. And that's how they make the repair. That would be a non-industry standard, 'cause a proper repair would be to properly glue it, clamp it, and then, of course, remove the clamps after the glue now is set and taken hold of the door, that would be a proper repair. In other words, giving it the appearance that no repair was actually made there.

0:04:50.1 S1: I'm now looking at the drywall, I'm now looking at the Sheetrock on the wall, and instead of using Sheetrock to make the repair, somebody has just now gone on and screwed pieces of plywood over the hole. Well, that's a non-industry standard repair. So even though a repair has been made, and previously even HUD would probably have accepted that former repair in the world of REAC, they no longer will accept that. Now, where are you gonna find that information? It's gonna be in the compilation bulletins. It's gonna be in the updated information as well.

0:05:24.6 S1: So, in the PASS system, in the Physical Assessment Subsystem, that you have six areas, five of those areas then have then additional percentage points associated with it as well. And then you have what I call that double dinger area, and that is that health and safety. Health and safeties will not only take away points from the site, or building exterior, or building systems, or dwelling units, or common areas, but it'll also take away additional points based upon the health and safety. And the health and safety will be subdivided into two areas. One is called LT, better known as life-threatening, and the other is NLT, better known as a non-life-threatening as well.

0:06:10.4 S1: So within the physical scoring system that now occurs within each AMP, that you will have then points associated with the site, building exterior, building systems, dwelling units, and common areas. Now, if all areas are present and all functional areas within that area are present as well, then site is generally worth 15 points, building exterior worth 15 points, building systems are worth 20 points, dwelling units, worth 35 points, and common areas worth 15 points. That will give you then your 100 points that are associated with that particular AMP or that particular physical units as well.

0:07:00.1 S1: And then I have that health and safety. Like I say, that's a double dinger. So if I get a health and safety, such as a tripping hazard, not only will I have then, let's say, damaged sidewalk on the site but I also have then a tripping hazard, and that tripping hazard is an additional hazard that's gonna take away additional points as well. So within the physical structure, within the property, within the AMP, then I'm looking at, then, the site, I'm looking at the exterior of the building, I'm looking at the building systems, I'm looking at the common area, the dwelling units, each one of them has points associated with it, and then I have that, which I call that, double dinger, which is that health and safety. You cannot score well in the world of REAC if you have health and safety concerns or health and safety issues on that site.

0:07:50.1 S1: So for example, I'm now looking at now your site and as I'm looking at your site, I see where I've got then a light pole. And in that light pole, a lawn mower has now hit the area where the electrical outlet is now where you can then change out and disconnect when you're working on that pole as well, but now they've damaged that and they're now exposing those wires in that area. Well, not only am I now having a damage to a light pole or light fixture but also I've got exposed wires. That exposed wires is now creating electrical hazard. That exposed wires is a health and safety. That exposed wires is an LT, a life threatening. So not only am I gonna lose points on the pole but also, I'm gonna lose points on the fact that it is a health and safety, and that health and

safety can take away five or six points on that one item alone on that site. So it's important that we're very attentive to these health and safeties, and I'm gonna show you how that's determined then within that dictionary of terms as well.

0:08:58.6 S1: In terms of the overall, the point system that's associated with the PASS, it's a 40-point system. So what you also do is you take that 100-point system and I'll convert it then to a 40-point system to determine then the final outcome for that AMP and then further determine the final outcome based upon the weighted average of the units in the AMP to determine my final outcome for the score in the PHAS as well. These PASS standards do not supersede or preempt state or local building codes or maintenance codes as well. However, the housing agencies should be prepared to provide information to the inspector prior to undertaking the inspection in case that protocol is different.

0:09:50.6 S1: Now, if an inspector still says he's disregarding that and still applying then a different standard, then that would be grounds for an appeal. And in my appeal, I'm gonna then show HUD that this is my determination based upon then the local standards. So for example, you're up in New York, New York City, and New York City has a standard on child safety guards and early on, the inspectors were inspecting, saying, "This is blocking egress," but the housing authority had to comply with these code requirements in terms of the buildings as well. Well HUD threw an appeal process and restored those points back to the New York City Housing Authority because it was a local code requirement. And then HUD, later, in a compilation bulletin, included the fact for all inspectors when you're inspecting these types of properties in these types of communities, as long as it's a good breakaway system, it's not then permanently blocking a form of egress in there as well, then it is allowable and should not then be reflected as a deficiency and causing point reductions as well.

0:11:02.8 S1: In order to be classified at least as a standard agency or as a high-performing agency as well, then I also must achieve at least 60% of the points available on HUD PASS PHAS or at least 24 of those points in order not to be classified as a substandard agency. If I fall below 24, then I'm gonna be classified as a substandard PASS, substandard physical, and at that time, I would also have then a workout plan associated with that as well.

0:11:38.2 S1: So we've had changes to what's known as a Dictionary of Deficiencies and it's important that we understand that dictionary because it's a foundation for our scoring system, it's a foundation of how you're gonna be evaluated under this indicator as well. Within that, some deficiencies were also then added because HUD also wanted to provide then further clarification. They've added this new standard which is called the Non-Industry Standard Repairs and if you're making the repair but you're doing it in a fashion that is a non-industry standard, then it is still considered a deficiency and it's gonna then count points against you as well. And so for example, let's say I'm also looking at the tiles on the floor and I can't match that tile, and so I'm just putting down another tile. Well, it's covering so many square feet of that particular area and after it gets above a certain threshold, then I probably should retile the entire section of that floor and not just then do piecemeal work in terms of the tiling of the floor. It would be considered then a non-industry standard.

0:12:50.8 S1: So HUD updates that dictionary, the dictionary of terms, through what's called these compilation bulletins. And we're gonna show you the compilation bulletin and how to interpret that but it's also very important that you're getting that into the hands of your management personnel,

you're getting it in hands of your maintenance personnel because that's also gonna bring them up-to-date in terms of the latest, in terms of the current protocol that HUD is using to inspect you under the programs as well.

0:13:18.9 S1: A housing authority, when it's also abating what's called the exigent health and safety issues as well, can take corrective action. And you wanna remedy those situations within 24 hours. The abatement of the exigent health and safety condition also means I could be moving that tenant out of that particular hazardous condition, which would be a 24-hour condition. When you're also doing the inspection, the inspector is gonna issue a exigent health and safety report at the end of the inspection on those particular units or the AMP. And so you wanna then sign for it, but also if there's also problems on that particular report, these are LTs, these are life-threatening and they must be also repaired within 24 hours. Now, you'll also go back into the world of REAC, into the reporting system, because you also will report back to REAC that also that repair on those particular items was made and you must report that back to REAC within 72 hours. 72.

0:14:25.1 S1: So 24 hours to make the repair, 72 hours then to re-upload that information in terms of that repair work that also was done as a result of that 24-hour repair item as well. Now, in addition to that, that exigent health and safety report is also gonna now have a projection in terms of other items on the property, that if I looked at every one of the units based upon the sampling that I also found on the health and safety issues as well. Be attentive to that because if you also are looking at that report and you see these repeat-type items then you might have systematic or systemic issues as it relates to health and safety on that site. So you might wanna then schedule and go through the rest of your units as well to make repairs and just double check. And maybe people are missing items that they shouldn't be missing that are health and safety concerns for that particular agency or that particular development as well.

0:15:31.9 S1: In terms of the weighted average, the weighted average is then taken then based on the AMPs. So I'll take then the number of units. I'm gonna convert it then to a 40-point system. So in other words, let's say I scored 80. Well, 80 on a 40-point system, I'll take 80 times 0.40. That gives me 32 points. So that particular AMP then scores then 32 on a 40-point system times then the number of units. I'll do that for each one of the AMPs, cumulate that into the numerator and then divide that then by the total number of units. So it's gonna take the 100-point system, that is then what you receive on the property, and convert it to a 40-point system, take the weighted average and that is gonna determine then your final score overall for the housing agency under the PASS indicator. And we're gonna break that down, we're gonna show you some examples as well, and we're actually gonna be working through a problem so that you can see how this system ultimately comes out with a score for the housing authority as well.

0:16:42.0 S1: Now, let's say I'm on a three, two, one-year rotation that we talked about before. So in those cases as well, I'll take that three-year period and I'll roll that, then year-by-year-by-year, unless I get labeled cap-troubled or unless I get labeled then as a troubled agency as well. So here I have my score and my score says on this property number one or AMP number one, I scored an 86. I now multiply that times 0.40. So on that property, on a 40-point system, it's 34.4. What is that also telling me? Well, on an 86 property, if I was a large PHA then that AMP would be inspected then every two years unless I was troubled or unless I was cap-troubled. Property number two, I scored 90. On a 40-point system, 90 times 0.40 gives me 36. Property number three scored a 65. What is that also telling me? Well, that property is also subject to an inspection next year, 'cause it's being set up on an annual inspection. 65 times 0.40 gives me 26 on AMP number three on a 40-point

system.

0:18:01.2 S1: Now I'll take then that score, the 86 was converted then to, on a 40-point system, to 34.4. Multiply then times the number of units. That gives me then 2064. That's the weight. That's the product of that particular AMP. Property number two scored 90. On a 40-point system, that's 36, times then 103 units, that gives me 3708 as a product. Property number three scored a 65. On a 40-point system, that's 26, times 196, that gives me 5096. Now, I add 2064 plus 3708 plus 5096, that gives me a total of 10,868. I now take the 10,868, divide that by the total number of units, which is 359, that gives me a overall PHAS for the PHA of 30.3. In this situation, I now have my weighted average of each one of these AMPs. Which one of the AMPs had the highest weight? Which one of the AMPs had the highest impact on the agency? Well, AMP number three. AMP number three was 196 units.

0:19:37.5 S1: It was half or more than half of your dwelling units in that particular scoring system, and it had the higher impact. So what did it do? It brought your score down because of its high weight. And so if I'm looking at anything to get this agency back on track, to get this score up, I'm gonna be focusing here on AMP number three, which is my highest weight, and it's also impacting my score. So here I got 30.3, so the question is, could I also make high performing status for this agency? Could I? And the answer would be, yes, it's possible. How would I do it? Well, I'd have to be perfect under my capital and get my 10 points there, I would have to be perfect under my management, getting my 25 points there, and I would also have to be perfect under the financials and getting my points there.

0:20:46.4 S1: If I lost a point anywhere else along the way, then the best I could do would be a standard agency. I'm at 30.3, so I could get my 90, but I can only get my 90 if I would be perfect in all other areas. In all probability, is this agency gonna be a high performer? And all probability probably die. Probably, I'm gonna potentially look at my points and I might have trouble with my MASS or I might have trouble with my financials, or I might have trouble with my CAP as well. So in all probability, you're probably moving towards standard. How can I get this agency to improve? Well, look at this score, 65. They're gonna be back next year. They're gonna be back next year. So in that case, I'm gonna be re-evaluated on this particular site. If I can get this site up into the 80s or 90s, then it's gonna be much easier to achieve then that high-performing status for this agency as well, because now I won't be sitting on 30.3, I'm gonna be sitting on a much, much better number, like a 35 or a 36 out of 40 points potentially available on that properties on that agency as well.

0:22:08.0 S1: So how do I improve then my physical inspection score? The very first thing you wanna understand is you have to understand UPCS, that's a standard. Now, I know HUD is looking at making changes to the UPCS platform and moving over to the NSPIRE platform. They're not there yet, they're not there and making all these changes yet, however, it generally is gonna be into the future, that we're gonna be making that change, but until they make that transition, you're still foundation upon UPCS. And we also know that we had a period of time under the coronavirus that they weren't doing these independent inspections as well, HUD is now starting some of those back up. So again, prepare yourselves for the latest world of HUD and the changes that are occurring inside the world of HUD. Maintain an accurate inventory in terms of my pick information and my unit inventory, because also a person should not be... Those independents should not be inspecting vacant units, they should be validating and verifying that they are vacant, but they should not be inspecting a vacant unit in public housing as well.

0:23:19.6 S1: Analyze, look at last year's reports, look at these systemic issues, look at these systematic issues that are causing me to lose points. I don't wanna keep repeating the same mistakes over and over and over again. I wanna address these issues, I wanna put some capital funds behind it, I wanna then address the fact that maybe I have blocking egress where residents are putting air conditioners and windows and blocking points of egress, then I might wanna be thinking about how to cut sleeves into the building as well. And then so they can just slip them underneath those windows as well, so they're not blocking the window, not blocking a point of egress.

0:23:57.5 S1: So look in your designs, think about what I can be doing to address some of these issues as well. Inspecting 100% of your units annually, regardless of whether REAC is inspecting, I wanna be inspecting 100% and then taking then the necessary repair actions, it's one thing to inspect, but what you're after is the repair. So I wanna program staff, I wanna program money, I wanna program subcontractors, I wanna program temps, I want a program so that not only do I identify the air and identify the deficiency, but I set systems in place to address those and put the repair actions in place. Otherwise, this become what I call "I'll get around to it. I'll get around to it." And so they don't get around to it. Well, you look at a city, and the inspector is gonna see the same problems that you saw when you did your inspection as well, so you have to have those necessary follow-ups, you gotta then not only do the inspections and inspect your units, but also put priorities behind it and then start addressing those issues as well.

0:25:10.3 S1: Perform that routine maintenance on all sites and systems, don't just inspect your dwelling units, but also you want systems in place to look at your sites, look at your building systems, look at your building exteriors, so it's not just a matter of inspecting a unit because a tenant is occupying the unit, but look at all your systems. Back when I was running housing authorities at the Lucas Metropolitan Housing Authority, which is up in Toledo Ohio, in that one, we had systems so that every year we physically with a team, went out and looked at all of our sites and looked at all the conditions from top to bottom, and we would record all of the deficiencies. And then we would assign those deficiencies for then repair work, whether it went to the property manager, whether it went to the site supervisor, whether it went to the director of maintenance or whether it went to my director of technical services, or whoever then was gonna be accountable and responsible for taking those repair actions, and each year buildings got better, improvements got better.

0:26:19.5 S1: So we generally scored in the 90s, we were a high-performing housing authority, even though we were a very very large housing authority, and so by staying on top of these kind of things, don't wait for the world of REAC. So we had systems in place, not only of doing our units and we would then quality assurance and quality control inspections on the inspectors as well, just to make sure that they are knowing what they're looking at and how to address it as well. Focus on also repairing Health and Safety deficiencies immediately. Drill it into staff. If you can see it, they can see it. They can see it, they're gonna score me. They can see it, they're gonna take away points and I gotta repair it anyway. So if you can see it, fix it. Fix it. Fix it. Fix it now. Health and safeties. These are LTs, these are NLTs. These are high ticket items. So drill it into thou staff as well. When you're in those units, be looking for other forms of health and safeties and take corrective actions on those units as well. Focus on these high-impact variables as well. What are we talking about? Well, a bathroom door has more points associated with it than a bedroom door, not that I won't repair the bedroom door, but I'm gonna focus on the bathroom door first. A fire-rated door or an exterior door, will have higher point value associated with it than, again, an interior bedroom door.

0:27:45.6 S1: So focus on these items first, because these are where your points slide. Focus on your tripping hazard. Focus on your cutting hazards. Focus on these areas that have high point values as well. Have systems in place for QC work. Both my management and my maintenance. In other words, I wanna go out and I want a sample, the maintenance work orders. It could be 5% of the work orders. I just go out once a month or once every week, or whatever it might be, to take a sampling of their work orders to make sure that they're making the repairs in the industry standard protocol. 'Cause they'll just turn in a work order, but there's a work order now reflecting a proper repair. Focus a QC on your management. Focus again, have systems in place if your managers are inspecting units on your analyzed basis. Run sampling, take 5% of the sample and go out and then take a look at it. If you use an independent contractor, then sample. Sample their work, you're paying them, but you wanna make sure you're sampling the work and making sure that they're not PAT marking past potential defects as well, that is gonna then potentially lower your score.

0:28:57.9 S1: Criticality is something that HUD doesn't really, or inspectors don't really talk about. But criticality is absolutely important to the outcome of your physical score. And criticality is one of five levels that reflect the relative importance and efficiency of an inspectable item. Now, what are we talking about? Well, a switch plate cover is more critical than, let's say, damage to a counter top. So that switch plate cover that would be missing, exposing electrical wire of 110 volts is a health and safety issue, and that's gonna have a criticality of five. Damage to a counter top or damage to, let's say a sign, while it might be important, then only has a criticality of let's say one or two. And so under criticality, if it has a level five, it has a value of five. So within the matrix within the scoring system, the higher the criticality, the higher the value, the higher the impact.

0:30:06.6 S1: Now in the publication of the dictionary of terms, HUD then published then, those criticality levels. It's the only place that you're gonna see it. It goes to the heart of the scoring system. It goes to the heart of, how many points are gonna be then further deducted based upon then the number of units. Based on the number of buildings. Based upon then the matrix that was designed to then have this scoring system that was used... That is used to evaluate the conditions of housing approximation. And it applies that same protocol that would apply whether I'm in California, New York or Florida. The same protocol is gonna be applied based upon then the characteristics of the development and then based upon then the criticality of the nature of the defect. So it's based upon the importance, it's reflected in the criticality value.

0:31:05.9 S1: And so for example, that 110 volt outlet with a missing cover is more critical than surface to a counter top. More points associated with that cover. More points associated, that's gonna then lower your score. Everybody starts with a perfect picture. Everybody starts with 100 points, and every time there's a defect, ding ding ding, then it just takes away from your perfect picture. And depending again on the value, it could take away then five or six points, or it could take away a half a point, or it could take away less than half a point. So it goes to the heart of the criticality, and it goes to the heart of the level. An exterior door or a bathroom door has more impact than a bedroom door. A fire-rated door has more impact than a regular exterior door as well.

0:32:05.6 S1: So if I had a fire-rated door, always be looking at that panic hardware. Always be looking at that pumping mechanism. Always be making sure that everything is functioning as well and all the parts are then functioning on that door, and it probably... And it should close properly as well. Safety and security on fencing has a higher criticality than a non-safety and non-security fence. So now I'm looking at a perimeter fence and I'm looking at an interior fence. That perimeter fence that is 4 feet or above is designed to be a part of your safety and security fencing, has a higher

impact than that non-security fence, the inside of, let's say, your area as well. Safety security, higher impact, higher criticality, more points associated with the deduction that would come from that. Blocking egress, infestation, tripping hazard, broken glass. You're creating other forms of hazard, tripping hazards, blocking egress in case of fire.

0:33:13.5 S1: LTs, broken glass, forms of cutting hazard gonna have a high impact. These are health and safety concerns and therefore, could have higher criticalities and higher points that would be taken away based upon the criticality as well. All health and safeties will generally, again, rise the level of level threes and LTs, generally, will also rise the level of criticalities to five. So they're gonna be looking at big points associated with as well.

0:33:46.9 S1: Severity, this is what the inspector calls out. He's gonna call out severity. He's gonna call out whether it's a three, a two or a one. Some items have multiple severities, so I might have a one, two or three. So for example, I'm now looking at a roof and it's based on the number of squares. The number of then missing shingles is based upon the number of squares. Less than one will be a level one, one to two take me up to a two, over two take me up to a level three. So level, it's the extent of the damage. I'm looking at a stove and I got one burner out, take me to a level two; two burners out, two or more, take me to a level three. So in terms of the severity, this is what inspectors call out. They won't call out criticality. They're not even trained on criticality, they're trained on severities. They're gonna call out for the deficiency, whether it's a three, two or one. They'll also then call out location. So you will always be accompanying the inspector. You wanna then... It's gonna come in on your report. He's gonna take pictures of the level threes and any health and safeties on the conditions as well.

0:35:02.0 S1: If you need clarification and you think it's a different level, discuss it with them at that particular time. Levels are not appealable. Non-observable deficiencies are appealable. So they'll call out for a location, they'll call out for deficiencies within his DCD, better known as your data collection device, that he has a dictionary of terms and you can get clarification at that particular point. Don't argue with your inspector 'cause he can continue to inspect without then calling out deficiencies as well but generally, you can always ask for clarification and you then should know that dictionary of terms so then you can ask for that additional clarification and hopefully get it clarified at that particular time. Severities of three have a multiplier value within the matrix of one. Therefore, they have higher impact. Severity two's multiplier is a 0.50, severities of one have a multiplier of 0.25. So you can see that severities of three within the matrix, within the scoring system, have greater impact on the overall score as well.

0:36:16.2 S1: Things that you wanna be watching for, handrails. Handrails require four or more consecutive steps. Be looking for these tripping issues. Greater than a three-quarter is differential. That also includes elevator alignment. So the elevators should align so it's not then out of alignment when it comes to the floor 'cause if it's greater than three-quarters inch differential, that is a tripping hazard, whether it's an LT, whether it's an NLT. And all LTs and NLTs are gonna rise to levels of three but not all level threes are LTs or NLTs. Now, how am I gonna know that? Because it's gonna be in the dictionary of terms. It's gonna be in the protocol as well.

0:37:00.5 S1: Health and safety or the H&S deficiencies can also substantially then reduce the overall property score. Health and safeties is what I call the double dinger. So additional points are deducted then based upon the severity level and based upon the criticality as well. Health and safety can be an inspectable area or can be a separate area as well. So for example, that I'm now looking at

the air quality, and that also includes mold. I'm also looking at air quality which also includes propane gases or other forms of gases as well. I'm now looking at health and safety and within that health and safety, elevators also are in that same form or classification, as well as then garbage and debris on both the interior and exterior as well is also in the health and safety, or infestation. So inspectable area or a separate area as well.

0:38:00.3 S1: Within the reports that are gonna be generated, that you're gonna see a numeric score and then you're gonna see whether you're gonna get an A, a B or a C. It's gonna have a numeric score and then right behind it, it's gonna have an A, a B or C. An A means that that property or that particular AMP had no health and safeties. If I have at least one non-life-threatening, it's gonna have a B. If I have at least one life-threatening, it's gonna have a C. So you should be able then... When you're downloading your information in terms of your property scores, it's gonna have then the numeric score, let's say, 90, A, and then it's gonna have either a star or no star. The star is gonna indicate whether you had a smoke alarm deficiency on the property or smoke detector deficiency on the property. No star means I had no smoke detectors So your score is gonna have then a numeric score, it's gonna have then an A, B or C, and it's gonna have then a star or no star.

0:39:14.5 S1: So inspectors are also gonna then provide you a list of every health and safety deficiency on the property. You sign for that inspector, inspector is gonna upload that information to the world of HUD at the end of their inspection, and then within 72 hours, you are gonna make the... Excuse me, within 24 hours, you're gonna make the repair on the deficiency and then within 72 hours, you would then re-report back to HUD in terms of those deficiencies that now all had corrective action. I also strongly encourage you, when you also pass this off to maintenance or you pass it off to your manager in terms of getting those repairs made, that you go in and take a look. You would wanna validate because you're certifying as to all this information is true and accurate and that all repairs were made in a satisfactory manner as well.

0:40:12.2 S1: That report is also gonna include then the number that they observed and where they observed it and the smoke detector deficiencies, as well as the projection in terms of the total number that they would see if they inspected all your buildings and all of your units. Be very attentive to that projection number because that's also looking at systemic or systematic issues, or systematic health and safety issues that could be occurring on your properties that either your management or you're not taking a look at, or that your maintenance is missing that are very, very important items for that particular property as well.

0:40:54.3 S1: If you have a smoke detector deficiency, that's gonna include a star or an asterisk. The smoke detectors do not have an impact on the overall score, so even though it's a 24-hour repair, it does not take away points from your system. Do I still wanna be attentive to it? Absolutely. These are health and safety, these are life-threatening scenarios, so you wanna then do make sure you're doing follow-up if in case I have residents that are removing batteries or in case someone keeps pulling the smoke detectors down. You wanna make sure that you're properly then informing tenants not to do that and it could be included as a lease violation if they're continuing to take away these items that are potentially impacting health and safety of not only them but other residents as well. Be looking for that star 'cause that star also indicates at risk.

0:41:51.8 S1: So let's look at some property scores. Property number one that I scored a 90-C star. So what is that telling me? So the 90-C, the 90 is my score. That means, on that property, if I was a large PHA, I'd be subject to a three-year rotation, the C means I have at least one life-threatening

and the star means I have at least one smoke alarm on there. The C is also gonna mean that I also was issued a health and safety report on that particular property, 24-hour on that repair, and then uploading back that information to the world of HUD.

0:42:37.2 S1: Property number two, I scored a 93-A. 93, good score. 93 means looking at that property every three years, A means no health and safety, and the fact that I don't have a star there, there were no smoke alarms or no smoke detector deficiencies on that property. 55-A, what does that mean? Well, that means I'm gonna be back, I'll see you next year. You did not have any health and safeties, either any online threatening or life-threatening, so no health and safeties and no smoke alarms. So as they went through this property, they were just ding, ding, ding, ding, ding, ding, ding 'cause they were taking out a lot of points. But I didn't have any health and safety issues, which would be an unusual score but it could occur. It could occur. So 55-A, I'll see you next year and get an opportunity to getting that property back into better condition as well.

0:43:39.2 S1: 93-B star. What does that mean? 93 is a good score, looking at you every three years. The B means I have at least one non-life-threatening and the star means I have at least one smoke alarm on that property also to be corrected. 82-C no star. 82, not a bad score but could be doing better. 82 means I got a two-year rotation, the C means I have at least one life-threatening, and no star means I didn't have any smoke alarms. So in that case also, I had a LT report. In that case, I would have taken corrective action on that particular item 24 hours and I would have uploaded that information back to the world of HUD. 71-C star, 71, I'll see you next year 'cause you're gonna be on an annual rotation for that, the C means I have at least one life-threatening, and the star means I have a smoke detector issue on that property as well, on that AMP.

0:44:56.9 S1: Out of these scores, which one would probably be the best score for a development out of at least these scores? The 93-A no star 'cause a 93, rotation every three years, the A means that I don't have any health and safety issues on the property, and I don't have any smoke alarm issues on the property as well. So the 93-A no star is the best of the scores that you see up here. Hopefully and what I'm trying to achieve is a 100-A no star but a 100-A no stars are difficult to achieve because generally, when you're thinking about your properties, you're gonna be thinking about all the things that could become classified as a deficiency that it's very difficult to score 100, but it is possible. It is possible by being attentive to your property and by making sure that everything is in great shape on that property as well.

0:46:05.0 S1: For health and safety, these are your double dinger items, it includes air quality, it includes electrical hazards, elevator, emergency fire exits, flammable materials, and properly stored garbage and debris, other forms of hazards such as cutting hazards, infestation. And it's not just roaches that could be classified for infestation, it could be flies, it could be bed bugs, it could be other forms of infestation. It might not even be that I saw a rat or a mouse while I'm in that unit but I just saw droppings from a rat or a mouse. That's also considered infestation. So droppings, droppings for those particular items as well.

0:46:52.2 S1: Now, just so you're aware, NSPIRE is gonna be changing some of these protocols to the future as well but currently, you're still under UPCS protocol and generally, they use a standard of one life, two dead in terms of infestation as well.

0:47:11.2 S1: How do you do well? Plan ahead, have a good working schedule, have a good implementation schedule and coordinate with your inspection processes as well. Six months. You

can't get a site ready in two days, three days, four days... Six months in advance, I'm looking at my site. Six months in advance, I'm cutting those trees back, way back from my roofs and making sure none of them are touching my roofs. I'm cutting them back from my buildings and I'm cutting my vegetation back. So it's not gonna be encroaching on that building and be classified as penetrating vegetation as well. I'm looking at my other areas on the site, my fencing and those kind of issues as well, and addressing those issues. Three months in advance, I'm also focusing on my community space and my building exteriors. One month in advance, I'm also re-focusing on my units. Two weeks in advance, I'm sending out my teams to go through and take a look at these units again. Three days in advance, I'm now double checking health and safety items and double checking, make sure somebody didn't remove some wall place, making sure somebody didn't do something in our community room, make sure somebody didn't damage a window lock.

0:48:24.4 S1: Those kind of factors. Those potential high-ticket items. One day in advance, so I wanna make sure all my grass is cut, I wanna make sure all my... I don't have an elevator repairman out there the day of the inspection or somebody out there doing something the day of the inspection that's potentially exposing a form of a hazard as well. So taking care of those, I'd probably have an early roll out of a dumpster. I'm gonna make sure I got roll outs of dumpsters, 'cause tenants will start then taking stuff out of the units and putting it out on the dumpster the night before. The day that the inspector shows up, is the only day that my dumpsters are overloaded as well, because tenants are waiting for the last moment in order to then take stuff off out of their unit as well, thinking that their unit might be inspected. So I now have... I'm preparing. The day of the inspection, I don't wait and get my personnel out with the inspectors around, I'm getting my personnel out two or three hours in advance. And they're checking, double checking around those dumpsters, just make sure some child didn't get out there and break a bottle. That's gonna be a cutting hazard as well. Remember, inspectors are gonna be out there generally for one day, that's what they're looking on the property, and I'm preparing myself for the inspection process as well.

0:49:46.4 S1: Focus on the impact variables, look at last year's score, look for systematic deficiencies. In the end, the Module Number One, we also talked about the prevalence report. Look at that prevalence report. Use the appeal process. In fact, if he scored you under something that he shouldn't have scored you under, that's what the appeal process is supposed to do. So for example, let's say it's not my fence. Let's say it's not my property. I've put that owner on notice prior to the inspection that they've got this condition and they need to make that repair. I can't go use my federal appropriation on other people's money. I can't use my federal money on other people's property. So I'm putting them on notice and I do it in advance. I put it in writing to them. I send them an email, that's a form of a notice as well, that they need to make this type of repair. They don't do it, the inspector still cites me, that would be grounds for an appeal because there would be then, generally, a non-observable deficiency. Complete your annual inspections and do them timely. Coordinate that, but also coordinate with activities that can be then repaired. Once you identify these deficiencies and put the necessary budget behind it with subcontractors or camps or use regular workforce, but you wanna then make the repairs, 'cause otherwise they're gonna be seeing exactly what you see without the repair being done.

0:51:20.8 S1: Focus, focus. And so you wanna then... You wanna understand the dictionary of terms. You wanna understand the updates as well. You wanna then look at your last year's inspection because that has very very valuable information in terms of the protocol. We're gonna then apply then the protocol as relates to now the weighted average and how to calculate as well, a weighted average of the PHAS score. So I'm gonna take you over to some additional reports and

additional systems that we can use for this particular protocol.

0:52:07.3 S1: Now, we previously had talked about the protocol and the inspection protocol. This is where HUD made the changes in terms of the protocol and also the scoring system as well. It's the foundation upon, on August 9th, 2012, Federal Register notice. I'm gonna take you into the notice as well. Not that we're gonna go through the entire notice, but I wanna take you through some critical elements in terms of the scoring system and why this notice is absolutely important to get into the hands of your staff and other support personnel in terms of how your physical score is then tabulated. And previously we were talking about then the criticalities and the severity levels as well. And so within this notice that had made revisions in the scoring system, and I'm on page 47718 of the August 9th 2012 notice, which is also available on the REAC website. But in the center of the notice that you're gonna see on that page where it has in the criticality. And criticality is the relative importance and efficiency of the inspectable item. The higher the criticality, the higher the impact, the higher the value, the more points that potentially are deducted.

0:53:46.3 S1: Based upon the criticality. So the way this system works is it looks at... Then your areas. It looks at the deficiency within the area, it looks at the deficiency as whether it's a Health and Safety deficiency, it looks at the deficiency as to then the criticality, and then it looks at the deficiency as relates to the local. That all goes into the final analysis in terms of how much this item is in worth, it turns to how many points are gonna be deducted. So based upon the importance of the deficiency of that criticality, then it's gonna have then points that are deducted, for example, a clogged drain in the kitchen is more critical than damage to a counter-top. Electricals also generally run high criticalities, plumbing also generally run high criticalities as well. Within this scoring system, and you're gonna see it on page 4-7-7-1-9. Then under this new scoring system, you also have what's called a point loss cap. A point loss cap is a maximum number of points that can be deducted for a single deficiency that can count against the overall property scores, and you'll see under here where it says site, and the maximum point deduction for a single deficiency is 7.5 points.

0:55:09.5 S1: Well, generally your site is worth 15 points, so there it is, for a single deficiency, you could lose half of those points for even a single deficiency. So the point loss cap might help a little bit, but these point loss caps are relatively high. And so when you have these Health and safeties that are high point values, they will still take away massive points up to potentially 7.5. So let's see, I continue to have a trip hazard, well, 7.5 would be the maximum that I'm gonna get off of that one single deficiency as well. However, that's still a lot of points. Building exterior, 10 points. Well, how much is building exterior worth? 15. So there's two-thirds of your points, they'll be coming off for types of building exterior issues. Building systems, what are... 10 points. What are we probably talking about? Water, they're an electrical source potentially, or looking at then damage to sprinkler heads, which is a health and safety issue as well, can take away massive points. Dwelling units, five points. Well, the whole thing is worth 35 points, so that's still a lot of points associated with that single deficiency as well, but it does help a little bit in terms of helping improve the score for the PHA, but not as much as we would potentially anticipate.

0:56:39.7 S1: Here on page 4-7-7-1-9, it also then includes that information on severity, level threes, point values of one in the matrix, higher the impact. What does severity measure? The extent of the damage. Now, not all items have a 3-2-1, some items only have a three, some items only have a two, some items have a one and a two and not a thee. How am I gonna know that? Because it's gonna be here in this dictionary of terms, it's given to me, it's provided information in terms of how this scoring system is gonna work.

0:57:17.8 S1: In this same page 4-7-7-1-9, that's here where I see my A, I see this chart on A, B and C. Well, A, no health and safety. A star means no health and safety and... But I do have a smoke alarm deficiency as well. B, at least one non-life-threatening, but no smoke alarm, B star at least one non-life-threatening, and then I also have a smoke alarm. C, at least one life-threatening or accident Health and Safety, and C star, I also have at least one life threatening and at least one smoke alarm as well. So this is where you see a nice little summary in terms of what that A, B, and C means along with what that star means as well, in terms of the performance of that particular property.

0:58:23.9 S1: Over on the next page, which is 4-7-7-2-0, on the right-hand side, you'll see where you have then your weights. The weights is how much then each one of your areas is worth. Site, if everything is present generally worth 15 points, building exterior, generally worth 15 points, building systems worth 20, common areas worth 15, dwelling units is worth 35. So within each one of these five inspectable areas, they have point values associated with that. If I also, based upon the inspection, score zero and they continue to see defects on those areas, it will not go over and take away points from other areas as well, it's called a concept called proportionality. However, I'm scoring zero in that area, which means is that if my score is not gonna be great for that particular area or that particular issue as well.

0:59:29.9 S1: Now, if the items also don't exist in this area, HUD does not automatically then give me points, so for example, let's say I don't have a common area on this particular AMP, well, that doesn't just automatically then say that I'll give you those 15 points. No, what they do is they take those points and they re-distribute them to the other point systems as well. So for example, all of a sudden your common area might be... Don't exist on the area, don't have any common areas, so that is zero, but then building systems might be worth 25, dwelling units might be worth 40, and then site might be worth 20, so it's gonna take the points and it's gonna redistribute them to the other areas that I have on that particular development. How are you gonna know that? Because it's gonna be contained in your report that HUD issues in terms of that particular property or that particular AMP, and I'm gonna show you where that is in your report because I need to know that, 'cause I'm gonna also focus my attention on where these point values lie and the impact of the point values. That way, I can also proactively look at the deficiencies and proactively take care of these high ticket items that also have massive points associated with the deficiencies as well.

1:01:01.9 S1: Now, on page 47723, here you can see how these points generally get redistributed. So site, normally worth 15, building exterior worth 15, building systems worth 20, common areas worth 15, and dwelling units worth 35. But on this particular property, that it doesn't contain then all of the elements of the common areas, so it's saying that they have now, for this property, site is worth 12.5, building exterior worth 18.6, building systems worth 24.2, common areas worth 3.7, and dwelling units worth 40.9. So they took the points from the site and they put the points from the common areas, and they then redistributed those points to the building exterior and building systems, and then dwelling units. So all of a sudden, dwelling units, which is normally worth 35, on this particular property, is gonna be worth 40.9. In other words, if I have a deficiency in those areas, that deficiency is also gonna count off for additional points because that's where they redistributed the points to those particular subareas and the inspectable area as well. And your inspection report is gonna give you that information that then carried over from one year to the next as well, unless I've changed inspectable items by doing certain things like modernization or other activities on the site as well.

1:02:48.4 S1: Now, within the dictionary of terms, this starts on page number 47724, these charts in here are absolutely critical 'cause they go to the heart of the scoring system. So within site, I've got fencing and gates, I have my grounds, I have my health and safety, I have my mailboxes, the signage, the market appeal, which goes through graffiti as well and litter, parking, roadways, driveways, playground areas and equipment, refuge, disposal, retaining walls, storm drainage, and then walkway and steps. Within each one of these areas, then you're gonna see also it has a nominal weight. The higher the nominal weight, the higher the impact of that particular item in terms of the deficiency is gonna then take away points. But you'll also see over here where it talks about criticality and it's gonna give you information on the criticality. The higher the criticality, the higher the impact. And so for example, I now see a health and safety. It says air quality, propane, natural gas or methane gas detected. Five, criticality; three, LT. This is a heavy hitter. This is the one that potentially could take away that 7.5 points or this is gonna take away six points on that site. It is a heavy hitter. Don't be out there and then find these conditions and not make those necessary repairs. Make sure you're putting priority behind it as well.

1:04:36.4 S1: Here you see an electrical hazard, exposed wires; five, three, LT. Heavy ticket item, heavy amount of points. Water leaks near these electrical sources on the site; five, three, LT. Inspectors don't have any prerogative. They find it, they're gonna record it, and it's gonna take away massive points. Here you see sharp edges; three, three, NLT. Tripping hazards, three, three, NLT. Massive points associated with these as well. Here's where that infestation; three, three, it's a health and safety and NLT. So what I would do, if I was running an agency out here, I would be going through this dictionary of terms and highlighting these areas and educating my staff that when you see these items and these particular items in the protocol, focus on LT first and focus on NLTs but also focus on these fives and fours because they also have massive points associated with them as well.

1:05:50.4 S1: Storm drainage, damaged, obstructed, limbs in front of that area, blocking the storm drain; five, again, potential three. Even though it is a NLT, it has massive points because of the criticality and the high criticality level associated with it as well. Building exterior, looking at your doors, looking at these fire escapes, looking at these foundations, health and safety issues as well. You're gonna see these health and safeties continue to repeat. And looking at these fives, and looking at these health and safety issues because it has massive points associated with it as well. Looking at your lighting, looking at your roofs, walls and windows on the building exterior, and looking for these fives. And you'll see over here where that FHEO has a zero point value tied to it, so it doesn't take away points even though you might be cited on it as well. That doesn't mean I don't wanna be attentive to it. I still wanna program some funds out here to maybe remove some of these barriers on my sites as well and accessibility. So still program funds for capitalization to try to remove these barriers to the sites as well. Part of your 504 analysis.

1:07:10.0 S1: Building systems. Looking at that domestic water, you're gonna see a very high nominal weight, and next thing you see is a leaking in a central water system a four and a three, and when we think about domestic water leakage on a main central system we think about that 12-inch pipe coming into our particular area as well. That's not the way to hide things. That's not how the inspector thinks as well. So in that case, it might be leaking on a seal cork on the exterior of my building, that is a building system, and that is gonna trigger a level three criticality of four. So you wanna make sure that you're going around and checking your buildings and making sure I'm not having any dripping faucets in there as well, that's considered a domestic water leaking central

system as well.

1:08:03.5 S1: Look at that electrical system, here I've got that missing breakers, or fuses, five, three LTs. So this is giving you at your fingertips these major impact variables, and paying attention to these fives and threes and then the LTs as well. Here's a sprinkler head, sprinkler head, five, three and LTs. I've got then paint on that area or a missing sprinkler head or damage, damaged unit to that as well. In addition, now I'm looking at my common areas, we know that common areas, generally worth 15 points, and you'll see in here that also I have then nominal values, and then I also will see a difference in nominal values. Generally where my tenant also has an exposure to the area, then it also has a higher nominal value.

1:09:04.0 S1: So for example, your community room, your daycares, your corridors, your hallways have higher nominal values. In other words, if the defect is found there, it's gonna take away more points than it would be back in your office area. So not that I don't want them to repair to take place back in my office area, but I'm gonna have them focus first on my community rooms, I'm gonna have them focus first on my daycare, because that's where the bigger points also lie. So priorities, we're setting priorities and going in and focusing on these areas as well. Laundry rooms, tenants have access and could be injured in those areas as well, so it has a higher nominal value. There your lobby has only a nominal value of five, those offices, nominal value of five. So these repeat themselves over in here, so my priorities are gonna be, first focus on these areas where tenant has access to, and then I'll focus on these other areas next in order to get my points up. In order to get a higher rating for my PHA as well. Here's where we see the protocol for the dwelling units, dwelling units we know is worth 35 of those points.

1:10:31.0 S1: And here you can see bathrooms have a very high nominal value, 15, and kitchens also have a very high nominal value, 15. So as my maintenance is also focusing on my units, have them focus on those bathrooms and kitchens first, which also have generally high nominal values and higher points associated with it as well, and then I'll focus on the other space. I wanna always be checking those bedrooms and making sure they're not blocking forms of egress in those bedrooms also on three stories or below, because it also has massive points that also can be taken away in those areas as well. But here you see over here, missing door, and when you think about missing door, we think about, well, there's no door there, but also they took down the door, but they didn't take down all the hardware associated with that door that is classified as a missing door five and potentially three NLT. Missing door and a closet would take me just to a one.

1:11:42.1 S1: But if they remove the hardware... Excuse me, if they removed the door, make sure they're also removing the hardware associated with that door as well. Here's also where we pick up those health and safeties, looking for those electrical hazards, you can see, they keep repeating themselves, five, threes, LT, once you identify and build your systems in place. If you can see it, they can see it, they can see it gonna be associated points associated with it, and I wanna make that corrective action before they're coming to the property as well. Within the dictionary of terms you're gonna see in this appendix too. This is where they also then talk about then the levels, level one, level two, level three, so this provided you a summary. This provides you then the detail associated with that item. And so we're now looking in this dictionary and the first place they're gonna be covering is a site. So it's gonna be talking about fencing, and here you see that for a non-security, non-safety fence, that it can only rise to a level two, it's its only option.

1:12:53.9 S1: And a non-security, non-safety fence saying it contains hole or deterioration damage

greater than 25% of the fence. For a security safety fence has a different classification, it's gonna be at least a 4-foot fence that also covers that area, and it says level one security safety or gate contains small holes less than 12 by 12 and less than 25% of the fence... Take me to a one, level two security safety, small holes less than 12 by 12, and more than 25% of the fence. Level 3 a hole greater than 12 by 12, or any form of missing section or missing gates as well, take me to a level three. So which one has a higher impact? Well a security safety fence, that's what it's telling me, and then depending on the level of deficiency that recorded as a one, a two or a three in that protocol. So this provides me then the detail. This, I wanna get into the hands of the staff, so they understand these dimensions, they understand these requirements, they understand.

1:14:04.5 S1: The water and accumulation of water, whether it's ponding and what impact it's gonna have on the score as well. So this is the original scoring system that HUD published back in 2012. We still comes into play, but HUD has also tweaked this system through changes since the 2012. And so in that 2012 and the changes, these changes are now occurring through what's called then my REAC Compilation Bulletin. And your most recent bulletin is on October 2nd of 2017 as well. So HUD is changing the protocol from time to time, and you wanna then to also stay up-to-date in terms of the most recent protocol with the most recent regulatory process as well. So this is where HUD publishes these compilation bulletin. And this is also available on the REAC portion of the website, and the physical assessment subsystem under PASS.

1:15:14.2 S1: Within this bulletin, this is where they make the changes, they provide these updates, they will change then the terms, they will change the protocol, they will then change the instructions on how an inspector is also inspecting property or what is also considered a deficiency as well. And you'll see on page 10 or the notice where they've also now included this industry standard, repair. This is where they brought in the protocol saying that if you're making repairs but it's a non-industry standard type of repair, that it's gonna then count points against me as well. In other words, looking at the repair, but making sure they're using good industry standards on the type of repairs that they're making as well.

1:16:12.2 S1: And so it's saying that if they see these items, they will still record it and they can also enter what's called an NIS into it, a Non-Industry Standard, and a non-industry standard will also then take away points from your scoring system even though a repair was made. So it's not matching, it's not... Then often these properties are making repairs of walls, floors, ceilings and the new materials are not exact. It's saying use the best judgement, but within this scoring system, it's also gonna tell them a percentage of that particular carry over as well, I try to wanna make sure I'm trying to give it the appearance that there never was a repair there, but if I'm using a non-industry standard, then he will then indicate that the repair was made, but the repair is in a non-industry standard, not using the same texture or deviation from giving the form of aesthetics as well. Not doing it in a good workmanship-like manner.

1:17:23.5 S1: Within here, we also wanna make sure we're providing him information on your 504 units, because when they're inspecting 504 units, they're gonna price slightly different protocols. So for example, if a resident is also damaging the walls with a wheelchair, in the protocol and the dictionary of terms, it says that's not necessarily a defect as well. Or I'm now taking down a door, and I'm leaving up the hinges in that, that's not necessarily considered a defect, that's also in the dictionary of terms. I'm gonna provide him information, boiler information, fire alarm system information in terms of the testing, smoke... Fire extinguisher information, if they were then also repaired by an outside interest as well, given that letter that also indicates that these repairs, so in

case one's missing a tag, it's not considered necessarily a defect.

1:18:15.4 S1: I'm gonna make sure I'm then providing five files to them that also has that lead paint form is in there as well, that I'm giving it to tenants, that's that blue book. That's also beware the hazards of lead-based paint, that's gonna be a part of every file that I gave it to him at the time, generally mostly at the time of a move in or at the time of lease signing as well. And he's gonna be looking for that. It doesn't matter whether the property is a pre 78 or a post 78, all files should contain that information, and you wanna make sure you're giving it to all residents as well, even in your elderly buildings, it is now a requirement under the lead protocol.

1:18:55.6 S1: In terms of conducting the inspection, he's gonna be inspecting that property and he's generally gonna be recording the efficiencies as an NA, not applicable, NOD, no observable defect, OD, Level 1, Level 2, Level 3, and an HNS if one exists on the property as well. And he's gonna record that information as DCD. You should not be keeping information in some other source that's all within this bulletin. He generally might carry with him a tape measure or flashlight, and a method to then inspect these areas 8 feet or above, in other words, those smoke alarms to be able to push that button as well, so he might have a collapsible rod. If not, you wanna be carrying those kind of items as well. So you should not be carrying canned smoke or you should not be carrying some other form of measuring devices such as a wheel or anything else, he's gonna be liking visual observations and estimating those areas based upon his visual observation.

1:19:58.9 S1: Within that, he's gonna record those deficiencies, he's gonna then take photos of the areas as well, and record then Level 3s as well as health and safeties and take photos. This also changed the protocol on whether we have to provide any forms of ladders of going up to the areas as well, and he'll make a visual observation from those areas as well, and not necessarily require a ladder to be brought out. Just like every inspector, he is still subject to QCs, he's still subject to collaborative quality assurance or limited quality assurance as well, or quality control inspections that'll be done by HUD or a follow-up in case he's also not performing in accordance with the protocol.

1:20:47.7 S1: If there are two similar deficiencies within the same area, he'll record that under a single deficiency as well. However, that if there is a health and safety, he'll also record that as an independent efficiency as well, which is then included in this. He's gonna then notify me of the health and safety, he's gonna provide me a copy of that report and then record the information, and I have 24 hours to make those necessary repair on those health and safety, 72 hours to upload the information from HUD. He's gonna validate the vacancies, he's gonna take that profile of the property as well. All gonna be recorded in the DCD that's also gonna generate then a sample unit. If there is any rescheduling that's necessary because of any climate conditions or other kind of conditions as well, then they'll reset that inspection based upon severe weather or other things that might be going on on that property. But generally, most inspectors wanna get that inspected and taken care of, if at all possible, on the day of that inspection that they've scheduled as well. He will upload the information upon the completion and it goes into the world of HUD. And generally then, the report then is available for the PHAs generally within the five days of the inspection as well.

1:22:14.8 S1: This compilation bulletin, latest one also, helps to find the buildings and whether it's a building or whether it's a part of another building as well, and how to record then that building data into the systems. Now, why is that so important? Because in the matrix, it further divides then your building and the accountability of the buildings and based upon the number of buildings and

based on the number of dwelling units in that property. If I also have these structures out here that, let's say, are on my site, it doesn't have utilities to it and no permanent foundation, it's not considered a building in the UPCS protocol. However, it is still subject to inspection under health and safety items as well. So it's not recorded as a building but it is subject to the inspection under health and safety. So for example, let's say I had a broken window on that particular area. Well, a broken window is also creating a cutting hazard. A cutting hazard then is a health and safety issue and if it's observable, it is then a deficiency as well.

1:23:26.8 S1: Now, for scattered sites, this change some of the protocol on scattered sites. So scattered sites also says that he will validate the scattered site but then on the scattered site, if the building is part of the systems or the unit is part of the systems, then the site on that scattered site is subject to the inspection. I wanna take you over to some other changes in this protocol. So for vacant units, he should not be inspecting vacant units in public housing. This is over on page 29. So he should not be expecting the vacant units. However, he will validate that the unit is vacant. So as you're going around on the inspection, he will then go by that particular unit just to validate that in fact, it's vacant. He should not then enter the unit because he's not inspecting that unit but he will just validate that in fact it's a vacant unit. If you let him in that unit to inspect the unit, he will then record any deficiencies that he also observes. So again, he's not to inspect vacant units.

1:24:37.0 S1: This is also where they brought additional information in and change the protocol on the dictionary of terms, further help define fencing and gates and siding as well are on the sites. Vegetation should not be presented, that observable deficiency on the site, and the guttering system as well. But also, it helped clarify other forms of vegetation that is not considered a defect. So for example, I got this small growth that's growing up on a fence. Well, some inspectors were then citing that vegetation and saying that damage to that fence and HUD says, "No, not necessarily." So this then brings in additional photos and says, "That's not necessarily deficiency." However, if it is pulling that fence down or going into an interior space in that particular vegetation as well, those would be examples that could have an impact on that particular fence or that particular area. That small amount of vegetation there, not necessarily recording it as a deficiency. Inspectors, in some areas, were recording these as deficiencies and as site erosion. That is not site erosion, that is not causing then a particular deficiency and HUD says, "That is not a recordable deficiency." This bare area here, not necessarily a reportable deficiency underneath these trees.

1:26:09.2 S1: In addition to that, when I also have trees that have these roots that is may be greater than a three-quarter inch differential, check to see whether it's in that walking area. And if it's not in the general walking area as well, then it's not necessarily considered a deficiency. You'd be looking for paths that tenants also take. If they're walking across those areas, that'd be a path and that could be a deficiency known as a tripping hazard as well. Obviously, this is an erosion, advanced state of erosion, and it should be recorded. Obviously, this also creating an example of displaced soil, creating erosion problems as well, rotting and erosion.

1:26:54.4 S1: Four or more consecutive steps. Now, a handrail on one side would be sufficient as well, four or more consecutive steps. Here, three steps. This would not necessarily have a handrail here. This would have a handrail on at least one side of these steps cause it's four or more consecutive. Walk, walk, walk, walk, walk, then walk, walk, walk up these steps. So this one, not necessarily recorded. Would need a handrail here unless I had more than a 30-inch fall as well. This area, has both steps on the site, and also the unit steps. Both of these four or more consecutive steps would require the then handrails, independent areas. They would record it, this under site, they

would record this under then the Dwelling Unit. Two independent actions, two independent repairs. Now, this also brought in an additional protocol, as relates to these non-industry standards and there, you can see some repairs that would be non-industry standard type of repairs, and they will then count against you.

1:28:14.7 S1: It also brought in some additional protocol, as relates to electrical. And under the electrical, that If I have what's was called these low voltage systems, these low voltage systems, such as the door bells, or such as cable TV, or such as telephones, those are low voltage systems. So if they're also missing a cover off that low voltage system, it is not considered a defect, it is not considered a recordable deficiency. And that is now found in this compilation bulletin as is well. So not to record that as a deficiency, but if it is a high voltage system, then 110 or then higher, of course, any of those is gonna be recorded as a deficiency as well. Don't forget, when you're doing your pre-inspection, be looking for where somebody has done a knock-out, and didn't replace these knock-out areas as well, that's exposing. Then electrical, that is a health and safety, that is an LT. High points associated with that as well. Now, on these zip ties, Under the protocol as well, that go around your units, and just make sure all these the zip-ties, that are haven't got gotten brittle, or haven't got gotten sun-baked, haven't got gotten worn out, where you can just snap 'em off with your finger, replace them as well.

1:29:43.3 S1: Make sure you then double check those areas on those zip ties, and then put a new zip tie on those areas... On those areas, to enclose 'em, in case somebody... In case I need to get back in there, it's really easy to access that particular area through the zip ties. So this compilation bulletin, changed much of the protocol in the dictionary of terms. I strongly encourage you, to download the compilation bulletin, and then update your staff, and get the latest into their hands as well. Within the inspection protocol, that we also have, then our inspection reports. This inspection report, is a foundation then of what they found to the property. And so for example, this is a report that's gonna be posted out on the site, this property here. Scored a 58-C Star. What is that telling me?

1:30:53.4 S1: Well, it's a multi-family. It's a 58-C Star. The 58 means, that's still so good. Gonna be back next year. The C means, I have at least one life-threatening, and the star means, I have at least one smoke detector deficiency as well. Within the inspection report, and it's also gonna tell you how many units were sample sampled, and how many buildings also came in the sample. Out of the total of 347, I'm running 307, actual units that would be coming up potentially with an 85% occupancy, on this bigger property, so I'm probably not scoring well under my MASS indicator as well, for this particular PHA. And out of that, then my sample says, I looked at 25 of those units. Within then the detail of the protocol, then it's also then telling me on this particular property, site is worth 21, building exterior worth 17. Building systems worth 13. Common areas worth 7.17, dwelling units worth 48. So you can see on this particular property, it didn't have common areas, so they re-distribute those points and they gave a lot of those points, so normally dwelling units worth 35, they now gave these dwelling units a 48. Site normally worth 15 is worth 21.

1:32:35.0 S1: Building exterior worth 15, so they gave that 17, and building systems normally worth 20, they now gave those 13. So it re-distributed. Now, this is the only place where you're gonna see this information. This is important information, because this is also how I would prepare myself for the next year in terms of where my points lie within my systems. So in the inspection that generally... That within the site, they found then that I had defects and for my general conditions, 8.21 points was taken off on the site. Building exterior 1.96, dwelling units 11.30.

Which I generally would have recorded 77.56 on this site, however, because I also had health and safety, that on the site, I also lost an additional 5.95 points specifically related to health and safety items, these are these double dingers. So in terms of my points, I didn't lose 8.21 points, I lost then all the 14 points, which means that I scored seven, seven out of 21 potential points for this particular item. Good or not so good? Not so good, not so good, and also I had some health and safety.

1:34:05.4 S1: Under my dwelling units that I normally would have scored 36, but because I had health and safety, I took away... They took away an additional almost 13 points for health and safety, so out of the potential for 48 points that I scored 23, and I said half of the points available under my dwelling units, just from these 25 units that they ran from the sample. So my overall score 58.13 with some additional LT items hence the C, and also has some additional smoke alarm issues. They didn't take away points, but there's still health and safety. So let's take a look now at the detail on this particular property. The next area that you see is then the Health and Safety report, so it's saying that out of the property that I had then a NLT, a non-life threatening, one on my building. And I had 18 within my dwelling units and I had one on my site, which gives me a total of 20 defects for non-health and safety alone. So if I looked at your whole property, I looked at every one of your units, I generally estimate that I would find 225 of these items on your property, a relatively high number. 'Cause if you also think about it, that out of my dwelling units, I only looked at 25. And now 18 of those units that I also saw defects.

1:35:44.7 S1: Life-threatening, so life-threatening on my buildings three, if I was looking at all your buildings, I generally would have saw 10 within my dwelling units, but I saw 15, if I looked at all your dwelling units, I would have saw generally 184. A very potentially high percentage. Smoke alarms, out of the 25 I looked at, I saw 19. Out of those 19 there's a projection. And if I looked at every one of your properties, everyone on this property, I would have saw 223, a relatively high number for this as well. Hence the results of my 58 as well. Now, when I'm looking at these items, I'm just not going in and taking care of these three that came up on life health or safety, I wanna go around the rest of my buildings as well to see and double check, remember, they're gonna be back. And they're gonna be back next year, and I don't want these conditions to continue to exist, I wanna set systems up in place as well, and let's take a look now at the further detail. This also indicates on my property that I have some systemic or systematic issues that are continuing to occur as well on that property.

1:37:11.0 S1: So for example, that now I have refrigerators and my refrigerators, if I was looking at it, I found 12 and out of the total that I was looking at 28 to 48 of those potential. 48% of those are showing defects, it could be seal problems, it could be other kind of problems as well. On my grounds, erosion, and I'm finding that erosion on the property and that's gonna take away quite a few points. Overgrown vegetation again, taking away points. My market appeal, graffiti to the site, but these are where I see my heavy hitters. On my site, I have tripping hazards and that tripping hazard, it only took one, it only took one. And then also that lead hazard, which on the files as well, indicates that I have a problem in that, so with that tripping hazard potentially, there's where my five points on that tripping hazard also lies as well. Windows and potentially damage to screens, about 44% of my units had that smoke detectors. Again, 41% systematic errors, which one of those did not take away points? Well, smoke detectors didn't take away points, even though it's a 24-hour FHEO did not take away points, but I also wanna program some money to take a look at that as well.

1:38:39.1 S1: Now, the next is giving you detail in terms of what units that were inspected, but I wanna go over to the detail in terms of the point reduction as well. So this next in the summary area is also whether I have boilers, fire alarm systems, lead-based paint forms, sprinkler systems as well, and what I provided in that makeup. But here you'll see in the next area of your scoring system, now I'm looking at sites and it is saying this site is worth 21 points, but this provides me the detail, so that place where I had that erosion running level two. Level two, 3.97 points just associated with that one defect. Overgrown penetrating vegetation found on four places to the site level to 2.98 points associated with that.

1:39:50.7 S1: Graffiti, 1.27. But look at that tripping hazard. In that tripping hazard, that's a level three, that is a health and safety that is worth for... Excuse me, 5.96 points. So there is where my points slide, there's where my points slide, health and safety, those are those double dingers, so out of the potential of 21 points, I scored seven. This provides me then the detail and it also will provide me that information that I don't wanna keep repeating. Here's my buildings and building information, but look at where my points slide, here I've got a blocked egress, level 3, Health and Safety, LT 1.48 points associated with that single deficiency alone. Here again, electrical hazard, Health and Safety, LTs level 3s, 1.48.

1:40:57.3 S1: So not only do I wanna take care of these health and safeties, but I wanna take care of these high ticket items, and it all goes back to that dictionary of terms, it all goes back to focusing on the matrix, to focus on these items that have high point values associated with it as well. Now we're gonna take now, a sample Housing Authority, we're gonna go through an exercise that is also gonna then show you how that weighted average works in the protocol as well. So I'll now go over to my report, it'll take me a couple of minutes to get over there, but anyway, we're gonna go over to the report and I'll walk you through then a evaluation system and how your points are derived based upon then your amps as well. So we're now gonna walk through an exercise, which is now gonna take then the evaluation based upon then your PASS.

1:42:11.8 S1: And here we have the sample Housing Authority, and the sample Housing Authority is now made up of then 3 AMPs. This agency has a total of 520 units, so it's considered a large or a modern-sized agency, but is subject then of the additional protocol as relates to the 90 factor, and the 80 factor, and the 70 factors as well. Each year, they're gonna be evaluated under the PHAS protocol, but then it's also gonna be based upon then the weighted average of these AMPs. So within these three AMPs that they have, we have then Liam Manner has 155 family units. Jacob Gould has 158 family units and then Audrey Court has 207 family units jammed in the apartments as well. All properties are less than 28 years old on the DOFA date, and they are not in a high poverty census track as well, when it comes to the MASS indicator. Your supervisor has now requested that you've now estimate your files based on the last six months of performance, and then based upon how you're then scoring under these systems currently as well. So here, we're now looking at now my physical score and under Liam Manner, which is AMP number one, I wanna then go down now to its past score, the physical score, and it scored then 92 A, property number two or AMP number two on Jacob Gould it scored 87 C.

1:43:52.8 S1: Property number three, which is Audrey Court, scored 82 B. Now, what does that mean? Well 92. That means that subject property is then gonna be subject to an inspection then every three years, the A means no health and safety, no smoke alarm, issues were found on that property as well, 'cause it does not have a star. 87 C star, 87 is a score, meaning it's subject to inspection every two years, the C means no... Excuse me. At least one life threatening and the star

means I have at least one smoke alarm. 82 B, no star, subject to inspection every two years. B means I have at least one non-life threatening and no smoke alarm deficiencies on the property. But we are now gonna take these scores and we're gonna convert it then into a 40-point system to come up with our overall score based upon the weighted average. So we're now looking at then the physical inspection under the past score for each AMP, AMP number one scored 92, AMP number two scored 87, AMP number three scored 82.

1:45:15.0 S1: But I'm gonna take these numeric scores that the AMP scored under and I'm gonna put it into, now, a 40-point system. And so in this 40-point system, I'm now gonna take then the 92. 92 times 0.4, that gives me a score of 36.8 on a 40-point system, AMP number two scored in 87 times 0.40, that gives me 34.8 for that particular AMP. On a 40-point system, AMP number three scored 82. So on a 40-point system, that gives me 32.8, I now come down to determine then the weighted average on those particular amps. And I now take that score of 36.8 I now multiply that times 155 units. That's gonna give me 5704 for AMP number one. AMP number two scored 34.8, 34.8 times 158 units. That gives me a product of 5498.4. AMP number three, scored 32.8 times 204 units. So that gives me 6789.6 I now add those variables, so then 5704 plus 5498 plus then 6789 or 90, then that's gonna then give me 17992. 17992 the divided by 520. So that gives me an overall score for the PHA under the weighted average, once I do the weighted average of the AMPs now of a PASS score of 34.6. 34.6 is now my physical score now based upon the weighted averages of these particular AMPs. Am I doing good? Well, potentially. Then out of 40 points, I scored 34.6, I'm averaging somewhere slightly below the 90 threshold, but I'm averaging in the 80 realm, so not necessarily great, but still good.

1:48:02.8 S1: Can I still make high performing? Well, yeah, I could. If again, I'm scoring well under the other indicators as well. So under my physical score, I'm gonna have then 34.6, 34.6. And let's say next year that you're not scheduled for inspection you're on the rotation. So at that point in time, I'll then carry my 34.6, then variable forward, until I have then a re-inspection on those other properties as well, on the two-year rotation, and then based upon the three-year rotation, then they'll update those variables as well.

1:48:44.6 S1: When we're looking at... Now we're gonna drop back over to our PowerPoint. We're back to our PowerPoint on the role of PASS, this concludes then the section on the physical inspection or the PASS portion as well. In order to score well or in order to do well under this indicator, plan ahead, be proactive, understand then the dictionary of terms, understand then these point value systems and how certain items and certain deficiencies can take away massive points, and it's difficult to recover from that as well. We again, wish to thank you for joining us under the protocol, under the PHAS protocol. This concludes the PASS portion on that particular module, we'll next be going into the MASS portion, don't forget to visit the other modules as well that we have in here, but this will then conclude our PASS. We wish to thank you again for joining us and we will see you again on the next module, which is the MASS, the management assessment sub-system. Again, thank you and good day.