

## CHAPTER 5. COMPUTING ASSESSMENT SCORE AND

## PHA DESIGNATION

5-1 OBJECTIVE. The objective of this Chapter is to provide an explanation of how the total weighted assessment score is computed and PHA designation made.

5-2 PHA ASSESSMENT.

A. PHA assessment will take place by computing a score derived from an examination of performance relevant to:

1. The required indicators # 1 - #7 (refer to Chapter 6 of this Handbook); and (6)(j)(1)(A),(B),(C),(D),(E),(F) and (G) of the Act and 24 CFR 901.10(b)(1),(2),(3),(4),(5),(6) and (7)
2. Additional indicators #8 - #12 (refer to Chapter 6 of this Handbook). (6)(j)(1)(H) of the Act and 24 CFR 901.10(b)(8),(9),(10),(11) and (12)
3. Three indicators are divided into components to provide a fairer and more accurate measure of different aspects of PHA performance on those indicators. The indicators with components are:
  - a. Indicator #2, modernization; 24 CFR 901.10(b)(2)
  - b. Indicator #7, annual inspection and condition of units and systems; and 24 CFR 901.10(b)(7)
  - c. Indicator #12, development. 24 CFR 901.10(b)(12)

B. PHMAP is administered flexibly to ensure that PHAs are not penalized as a result of circumstances beyond their control. (6)(j)(1)(I)(i) of the Act

1. A PHA may request a modification or exclusion of an indicator or component. A PHA shall submit supporting documentation to justify its request for a modification or exclusion. This documentation shall provide a PHA's reason(s) and the supporting data for requesting the modification or exclusion. HUD will then make its determination using the standard of whether the modification or exclusion request is reasonable under all of the circumstances considered. Refer to

exclusions. 24 CFR 901.110(a) and (b)

2. The PHMAP assessment takes into account the differences in the difficulty of managing individual developments that result from their physical condition and/or their neighborhood environment (refer to paragraph 5-8B2, below). (6)(j)(1)(I)(ii) of the Act
    - a. The Regional Administrator shall review all cases in which a PHA's score falls within 10 points below the point value required for high-performing, troubled and mod-troubled designations and take into account a PHA's management difficulties that result from the physical condition and/or the neighborhood environment of a PHA's developments rather than from poor management practices. 24 CFR 901.125(b)
    - b. If the Regional Administrator determines that a PHA's management difficulties result from the physical condition and/or neighborhood environment of a PHA's developments rather than from poor management practices, the Regional Administrator shall withhold troubled or mod-troubled designation or award high performer designation. The withholding of troubled or mod-troubled designation and the awarding of high performer designation does not change a PHA's total weighted PHMAP score; they change a PHA's designation. 24 CFR 901.125(b)
  3. A PHA may point out, at the time it submits its certification, any circumstances where the PHA believes that its management difficulties result from the physical condition and/or neighborhood environment of its developments.
  4. A Regional Administrator may review a PHA's score and modification and exclusion requests prior to the transmission of the notification letter to the PHA. 24 CFR 901.125(a)
- C. This assessment is intended to provide an objective measure for key management aspects of PHA operations, and place a PHA's overall management performance within a three-tiered system: high performer; standard; or troubled.

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- D. The computation of a separate score based upon factors solely related to a PHA's ability to carry out the modernization program, e.g., indicator #2, modernization, will be used to designate mod-troubled PHAs (refer to Chapter 6 of this Handbook). (6)(j)(1)(I)(iii) of the Act

### 5-3 SCORING INDICATORS AND COMPONENTS.

- A. Scoring of individual indicators and individual components. Indicators will be scored individually. Components within an indicator will be scored individually, and then will be used to determine a single score for the indicator. A total weighted score will be determined for each PHA based on its indicator scores. 24 CFR § 900.105(c)
- B. Indicators.
1. Within the seven indicators explicitly listed in the NAHA and the additional five indicators (those not explicitly listed in the NAHA but deemed appropriate by HUD), scoring will be based upon an examination of performance relevant to the indicator. (6)(j)(1)(A), (B), (C), (D), (E), (F), (G) and (I) of the Act and 24 CFR 901.10 (b)(1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11) and (12)
  2. A PHA being scored in all 12 indicators could receive a maximum total of 220 points. PHAs with indicators not examined because of exclusion requests would have a smaller maximum total of points. The percentage score of a PHA is the result of dividing its actual number of points by its potential maximum (for the indicators that are examined) and multiplying by 100. For example, if a PHA were scored on all 12 indicators and received 176 points, its percentage score would be 80 (176 divided by 220, with the ratio multiplied by 100). Or, if a PHA scored 176 points out of a potential maximum total of 200 points, its percentage score would be 88 (176 divided by 200, with the ratio multiplied by 100).
- C. Components.
1. Indicator #2, modernization. 24 CFR 901.10(b)(2)
    - a. The modernization indicator consists of five components, each initially scored from zero to ten points and then weighted as discussed in paragraph 5-4, below.

- b. The five components, after being weighted, have a potential maximum score of 80 points. In order to calibrate the overall modernization indicator to the zero to ten point scale used for this indicator before weighting, the total component score of the modernization indicator is divided by eight, and the result is rounded to one decimal place. For example,

if a PHA scored 60 points as the weighted sum of its components on modernization, then its PHMAP indicator score for modernization would be 7.5 (the result of dividing 60 by eight and rounding to one decimal place). In computing the overall PHMAP score, the modernization indicator score of 7.5 in this example would be multiplied by the overall indicator weight of two. 24 CFR 901.105(c)

- c. For determinations of mod-troubled status for the purposes of the CGP, any score on the PHMAP modernization indicator of less than 6.0 (or fewer than 48 points on the component-weighted preliminary score) will designate a PHA as mod-troubled. In the first year of the CGP, which is FFY 1992, no PHA participating in the CGP will be initially designated as mod-troubled for FFY 1992 and have its formula funding limited. During the initial year of PHMAP implementation, HUD will give Field Offices sufficient time to assess PHA modernization performance, on a risk analysis basis, and compile accurate data so that designations of mod-troubled can be made for the second year of the CGP funding.
2. Indicator #7, annual inspection and condition of units and systems. 24 CFR 901.10(b)(7)
- a. The PHMAP score for the indicator of annual inspection and condition of units and systems is computed by scoring its four components from zero to ten points, and weighting these four components as discussed in paragraph 5-4, below.
  - b. The four components, after being weighted, have a potential maximum score of 80 points. In order to calibrate the overall inspection indicator to the zero and ten point scale used for this indicator before weighting, the total component score of the inspection indicator is divided by eight, and the result is rounded to one decimal place. For example, if a PHA scored 70 points as the weighted sum of its components on the inspection indicator,

then its PHMAP indicator score for inspection would be 8.8 (the result of dividing 70 by eight and rounding to one decimal place.) In computing the overall PHMAP score, the annual inspection and condition of units and systems indicator score of 8.8 would be multiplied by the overall indicator weight of three. 24 CFR 901.105(c)

3. Indicator #12, development. 24 CFR 901.10(12)
  - a. The PHMAP score for the development indicator is computed by scoring its four components from zero to ten points, then weighting these four component scores as discussed in paragraph 5-4, below.
  - b. The four components, after being weighted, have a potential maximum score of 70 points. In order to calibrate the overall development indicator to the zero and ten point scale used for this indicator before weighting, the total component score of the development indicator is divided by seven, and the result is rounded to one decimal place. For example, if a PHA scored 40 points as the weighted sum of its components on the development indicator, then its PHMAP indicator score for development would be 5.7 (the result of dividing 40 by seven and rounding to one decimal place.) 24 CFR 901.105(c)
- D. Grades within indicators and components (before weighting) have the following point values: 24 CFR 901.105(a)

Scoring for Grades Within Indicators and Components

Grade	Score
A	10.0 points
B	8.5 points
c	7.0 points
D	5.0 points
E	3.0 points
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Chapter 5, paragraph 5-1D (continued)

Grade	Score
F	0.0 points

1. Grade "C" equals a percentage of 70%, which is a true percentage for grade "C". Grade "C" reflects acceptable performance by a PHA in the respective indicators.
2. Indicators #1 (vacancies), #3 (rents uncollected), #4 (energy consumption), #5 (unit turnaround), #6 (outstanding work orders) and #11 (resident initiatives) and components #3 (contract administration) and #4 (quality of the physical

- work) in indicator #2 (modernization) and components #2 (annual inspection of units), #3 (correction of unit deficiencies) and #4 (inspection and repair of systems) in indicator #7 (annual inspection and condition of units and systems) will be graded or scored according to a six-level ("A", "B", "C", "D", "E" or "F") grading system (refer to Chapter 6 of this Handbook). The purpose of the six-level grading system is to provide for finer differences in indicators that are based on numerical data (for example, the number of vacant units). 24 CFR 901.10(b)(1),(2)(iii) and (iv),(3),(4),(5),(6),(7)(ii),(iii) and (iv), and (11)
3. Indicators #8 (tenants accounts receivable), #9 (operating reserve) and #10 (routine operating expenses), and all four of the components in indicator #12 (development) will be graded or scored according to a three-level ("A", "C" or "F") grading system (refer to Chapter 6 of this Handbook). The purpose of the three-level grading system is to provide a wider differentiation in indicators/components that may or may not be based on numerical data (for example, a PHA has no significant monitoring findings regarding a PHA's contract administration; a PHA has corrected or is in the process of correcting those monitoring findings related to contract administration; or the PHA either did not correct its inappropriate practices or it is continuing to engage in improper contracting practices). 24 CFR 901.10(b)(8), (9),(10) and (12)(i),(ii),(iii) and (iv)
  4. Components #1 (unexpended funds over three years old), #2 (timeliness of fund obligation) and #5 (budget controls) in indicator #2 (modernization) and component #1 (system to track inspection and repair of units and systems) in indicator #7 (annual inspection and condition of units and systems) will be graded or scored according to a

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Chapter 5, paragraph 5-3D4 (continued)

two-level ("A" or "F") grading system (refer to Chapter 6 of this Handbook). The purpose of the two-level grading system is to provide a more strict differentiation in indicators/components that may or may not be based on numerical data, and which presents a pass/fail situation (for example, a PHA has a system to track the inspection and repair of units and systems, or the PHA does not have a system to track the inspection and repair of units and systems). 24 CFR 901.10(b)(1)(b)(2)(i), (ii) and (v) and 901.10(b)(7)(i)

#### 5-4 ADDITIONAL WEIGHT.

- A. Where indicators or components are designated as having additional weight (x2 or x3), the points in each grade shall be

multiplied times the additional weight. 24 CFR 901.105(b)

1. Indicators #1 (vacancies) #3 (rents uncollected) #7 (annual inspection and condition of units and systems) and #11 (resident initiatives) have been designated as having an additional weight of three for the points awarded for each of these indicators. Indicators receive a higher weight primarily if they reflect a management aspect closely related to the key areas of the condition of PHA stock and delivery of services to residents. For example, the 10 points awarded for achieving the "A" level of each of these indicators will be multiplied by three, giving a total of 30 points for the respective indicator, since these indicators are determined to be very important for assessment purposes. 24 CFR 901.10(b)(1),(3),(7) and (11)
2. Indicators #2, modernization, and #5, unit turnaround, are multiplied by two. The higher the multiplier is, the more weight or importance an indicator carries in the PHMAP assessment. (Refer to Chapter 6 of this Handbook) 24 CFR 901.10(b)(2) and (5)
3. Component #4, quality of the physical work of indicator #2, modernization; and component #2, timeliness of development of indicator #12, development have a weight of two. 24 CFR 901.10 (b)(2)(iv) and (12)(ii)
4. Component #1, unexpended funds over three years old, of indicator #2, modernization; component #3, correction of unit deficiencies, and component #4, inspection and repair of systems, of indicator #7, annual inspection and condition of units and systems; and component

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- #3, quality of the physical work, of indicator #12, development, have a weight of three. 24 CFR 901.10(b)(2)(i),(7)(iii) and (iv), and (12)(iii)
5. The SMIRPH PHMAP module includes a scoring column for all indicators, taking into consideration the additional weights for respective indicators, as well as the determination of total weighted score and total weighted modernization score, which are an automatically calculated.
- B. The data in the following chart shows the indicator number, weight and total points after weighting for each indicator and components within indicators, with the component points shown in brackets.

Number	Indicator/Component	Weight	Total Points
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1	Vacancy number and percentage	x3	30
2	Modernization	x2	20
2a	Unexpended funds over three years old	x2	20
2b	Timeliness of fund obligation	x1	10
2c	Contract administration	x1	10
2d	Quality of the physical work	x3	30
2e	Budget controls	x1	10
3	Rents uncollected	x3	30
4	Energy consumption	x1	10
5	Unit turnaround	x2	20
6	Outstanding work orders	x1	10
7	Annual inspection and condition of units and systems	x3	30

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Number	Indicator/Component	Weight	Total Points
7a	System to track inspection and repair of units and systems	x1	10
7b	Annual inspection of units	x1	10
7c	Correction of unit deficiencies	x3	30
7d	Inspection and repair of systems	x3	30
8	Tenants accounts receivable	x1	10
9	Operating reserves	x1	10
10	Routine operating expenses	x1	10
11	Resident initiatives	x3	30
12	Development	x1	10
12a	Quality of contract administration	x1	10

12b	Timeliness of development/MROP	x2	20
12c	Quality of the physical work	x3	30
12d	Budget controls	x1	10

#### 5-5 PHA DESIGNATION.

##### A. High performer designation.

1. A PHA shall be designated high performer and represents the first tier if:
  - a. It achieves a total weighted score of no less than 90%; or 24 CFR 901.115(a)

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#### Chapter 5, paragraph 5-5A11 (continued)

- b. The Regional Administrator may award high performer designation as discussed in paragraph 5-2B2, above, after taking into consideration a PHA's management capabilities and the extent to which a PHA's performance difficulties are attributable to the physical condition and/or neighborhood environment of its developments. If the Regional Administrator determines that a PHA's difficulties result from physical condition and/or neighborhood environment rather than from poor management practices, the Regional Administrator shall award high performer designation, except in accordance with paragraph 5-8D1 through D4, below. The awarding of high performer designation does not change a PHA's total weighted PHMAP score; it changes a PHA's designation; and 24 CFR 901.125(b) and (c)
    - c. There are no overriding, serious noncompliance issues in accordance with paragraph 5-8D5, below.
  2. High-performing PHAs will be afforded incentives that include substantial relief from reporting and other requirements, in accordance with Chapter 11 of this Handbook. 24 CFR 901.115(a)
  3. A PHA may appeal denial of high performer status in accordance with Chapter 8 of this Handbook. 24 CFR 901.115(g) and 901.130(a)

##### B. Standard Designation.

1. A PHA shall be designated standard and represents the second tier if it achieves a total weighted score of less than 90%

but not less than 60%. A standard PHA is subject to review and monitoring requirements on a risk analysis basis. 24 CFR 901.115(b)

2. A PHA may appeal its management assessment rating in accordance with Chapter 8 of this Handbook. 24 CFR 901.130(a)

C. Troubled Designation.

1. A PHA shall be designated troubled and represents the third tier if it achieves a total weighted score of less than 60% on all of the applicable indicators. 24 CFR 901.115(c)

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Chapter 5, paragraph 5-5C (continued)

2. The Regional Administrator may withhold troubled designation as discussed in paragraph 5-2B2, above, after taking into consideration a PHA's management capabilities and the extent to which a PHA's performance difficulties are attributable to the physical condition and/or neighborhood environment of its developments. If the Regional Administrator determines that a PHA's difficulties result from physical condition and/or neighborhood environment rather than from poor management practices, the Regional Administrator shall withhold troubled designation. The withholding of troubled designation does not change a PHA's total weighted PHMAP score; it changes a PHA's designation. 24 CFR 901.125(b)
3. A PHA may appeal troubled designation in accordance with Chapter 8 of this Handbook. (6)(j)(2)(A)(iii) of the Act and 24 CFR 901.130 (a)
4. A PHA designated as troubled shall be required to execute an MOA with HUD. (6)(j)(2)(B) of the Act and 24 CFR 901.140(a)

D. Mod-Troubled.

1. A PHA shall be designated as mod-troubled if it achieves a total weighted modernization score of less than 60% on indicator #2, modernization. 24 CFR 901.115(d)
2. The Regional Administrator may withhold mod-troubled designation as discussed in paragraph 5-2B2, above, after taking into consideration a PHA's management capabilities and the extent to which a PHA's performance difficulties are attributable to the physical condition and/or neighborhood environment of its developments. If the Regional Administrator determines that a PHA's difficulties result from physical condition and/or neighborhood environment

rather than from poor management practices, the Regional Administrator shall withhold mod-troubled designation. The withholding of mod-troubled designation does not change a PHA's total weighted PHMAP score; it changes a PHA's designation. 24 CFR 901.125(b)

3. A PHA may appeal mod-troubled designation in accordance with Chapter 8 of this Handbook. (6)(j)(2)(A)(iii) of the Act and 24 CFR 901.130(a)

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4. A PHA designated as mod-troubled shall be required to execute an MOA with HUD. (6)(j)(2)(B) of the Act and 24 CFR 901.140(a)

5-6 PHA RESPONSIBILITY.

- A. PHAs shall submit their certification, Form HUD-50072, Public Housing Management Assessment Program (PHMAP) Certification, Appendix 4, for the applicable indicators within 90 calendar days after PHA FYB in accordance with the time frames in Chapter 4, paragraph 4-2D, of this Handbook.
- B. In the initial year of PHMAP implementation and for the purposes of the CGP, PHAs shall submit their certification, Form HUD-50072, Public Housing Management Assessment Program (PHMAP) Certification, Appendix 4, in accordance with the time frames in Chapter 4, paragraphs 4-2C1, C2 and C3, of this Handbook.

5-7 FIELD OFFICE RESPONSIBILITY.

- A. The Field Office shall assess each PHA within 90 calendar days after the due date for PHA certification submission (180 calendar days after PHA FYB). In the initial year of PHMAP implementation and for the purposes of the CGP, the Field Office shall assess each PHA in accordance with the time frames in Chapter 4, paragraphs 4-2C1, C2 and C3 of this Handbook. 24 CFR 901.120(a)
  1. In cases where a PHA submits its certification prior to 90 calendar days after the beginning of its fiscal year, the Field Office shall have 180 calendar days after the beginning of a PHA's fiscal year to assess the PHA. In such cases, while 901.120(a) allows the Field Office 180 calendar days after PHA FYB to assess each PHA, the Field Office should attempt to assess a PHA within 90 calendar days after receipt of the PHA's certification submission.
  2. In cases where a PHA submits its certification after 90 calendar days after the beginning of its fiscal year, the Field Office shall have 180 calendar days after the

beginning of a PHA's fiscal year to assess the PHA.

3. If extenuating circumstances exist which delays either a PHA's submission of its certification or a Field Office's ability to perform the

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Chapter 5, paragraph 5-7A3 (continued)

assessment in a timely manner, a Field Office may request an extension of Handbook requirements from the Regional Administrator.

- B. The Field Office shall make determinations for high-performing, standard, troubled and mod-troubled PHAs in accordance with a PHA's total weighted PHMAP score. In the initial year of PHMAP implementation and for the purposes of the CGP, the Field Office shall make determinations for high-performing, standard, troubled and mod-troubled PHAs in accordance with the time frames in Chapter 4, paragraphs 4-2C1, C2 and C3 of this Handbook. 24 CFR 901.120(a) and (a)(1)
- C. The Field Office shall make determinations on exclusion and modification requests. In the initial year of PHMAP implementation and for the purposes of the CGP, the Field Office shall make determinations on exclusion and modification requests in accordance with the time frames in Chapter 4, paragraph 4-3B, of this Handbook. In subsequent years, the Field Office shall make determinations on exclusion and modification requests in accordance with the time frames in Chapter 4, paragraph 4-3C, of this Handbook. 24 CFR 901.120(a)(2)
- D. The Field Office shall make recommendations on appeals to the Regional Administrator. Field Office shall make recommendations on appeals in accordance with Chapter 8, paragraph 8-3B and 3C and the time frames in paragraph 8-3D, of this Handbook. 24 CFR 901.120(d)
- E. The Field Office shall make determinations of intentional false certification. Where sufficient evidence exists of intentional false certification, appropriate sanctions shall be imposed (refer to Chapter 4, paragraph 4-2B4, of this Handbook). For example, a PHA may certify to unit turnaround without actually computing the actual data for that indicator. When the Field Office performed an on-site confirmatory review, the PHA could not produce worksheets which could substantiate the certification for unit turnaround; data did not exist at the PHA which could be used to calculate unit turnaround; and at least one PHA staff person stated or demonstrated that the PHA has not and did not keep records to calculate unit turnaround. 24 CFR 901.120(e)
- F. An on-site confirmatory review may be conducted of a PHA by the Field Office in accordance with Chapter 2, paragraph 2-2I, of

this Handbook. Confirmatory reviews shall be conducted on a risk analysis basis in accordance with paragraph 4-3E of this Handbook. 24 CFR 901.120(c)

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Chapter 5, paragraph 5-7 (continued)

G. PHA notification.

1. Each Field Office shall notify, within 90 calendar days after the due date for PHA certification submission, each PHA of the PHA's grade in each indicator, its management assessment total weighted score and status; any determination concerning exclusion and modification requests; request the PHA to negotiate and execute an MOA or IP, if applicable; and any deadline date by which appeals must be received in accordance with the time frames in Chapter 4, paragraphs 4-3C, of this Handbook. 24 CFR 901.120(b)
2. In the initial year of PHMAP implementation and for the purposes of the CGP, the Field Office shall notify each PHA of the PHA's grade in each indicator, its management assessment total weighted score and status, any determination concerning exclusion and modification requests, request the PHA to submit an MOA or IP, if applicable, and any deadline date by which appeals must be received in accordance with the time frames in Chapter 4, paragraph 4-3B, of this Handbook. 24 CFR 901.120(b)
3. PHA notification should also include, at a minimum, offers of pertinent technical assistance in problem areas, suggestions for means of improving problem areas, and areas of relief and incentives as a result of high performer designation. 24 CFR 901.120(b)(1)
4. If a PHA appeals, a second notification letter will be sent to the PHA and appointing official(s) of a PHA's Board of Commissioners after the appeals process has been concluded (refer to the time frames in Chapter 8, paragraphs 8-3A, 8-4B and 8-5C, of this Handbook).
  - a. The first notification letter will be sent to the PHA, whereas the second notification letter will also be sent to the appointing official(s). Out of fairness to the PHA, the appointing official(s) will not be notified of a PHA's score and status since the PHA has the opportunity to avail itself of the appeal process.
  - b. The local community, residents and the public should know whether or not a PHA is performing in a capacity to preserve and protect its public housing developments. To ensure that those elected to

represent the public are informed of the performance of the PHAs within their purview, HUD will notify the appointing

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Chapter 5, paragraph 5-7G4b (continued)

official(s) of a PHA's Board of Commissioners of a PHA's score once it has been finally determined.

5. If a PHA does not appeal, a second notification letter will be sent to the PHA and appointing official(s) within 105 calendar days after the due date for PHA certification submission when the 15 day period for the PHA to appeal has expired.
  6. In the initial year of PHMAP implementation and for the purposes of the CGP, if a PHA does not appeal, a second notification letter will be sent to the PHA and appointing official(s) when the 15 day period for the PHA to appeal has expired.
  7. Each Field Office will transmit notification letters pertaining to all PHAs within its jurisdiction, to the Governor and members of Congress, once a year, at the beginning of the FFY.
- H. The Field Office shall maintain PHMAP files, including certifications, the records of exclusion and modification requests, appeals, PHA scores and the designations of status based on physical condition and neighborhood environment, as open records, available for public inspection for a minimum of three years in accordance with any procedures established by the Field Office to minimize disruption of normal office operations. Field Offices are encouraged to maintain PHMAP files for five years for the purpose of analyzing PHA trends. 24 CFR 901.120(f) and 901.155
- 5-8 REGIONAL OFFICE RESPONSIBILITY.
- A. The Regional Administrator may review a PHA's score and modification and exclusion requests prior to the transmission of the notification letter to the PHA in accordance with the time frames in Chapter 4, paragraph 4-3C, of this Handbook, except as specified in paragraph 5-8B, below. In the initial year of PHMAP implementation and for the purposes of the CGP, these reviews, if undertaken, will be made in accordance with the time frames in Chapter 4, paragraphs 4-2C1, C2 and C3, of this Handbook. 24 CFR 901.125(a)
  - B. A Regional Administrator should determine which PHA's score and modification and exclusion requests will be reviewed by the Regional Office based on past experience with a Field Office's

workload, the number of troubled PHAs in a Field Office's jurisdiction and the number of borderline

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Chapter 5, paragraph 5-8B (continued)

troubled and mod-troubled PHA's in a Field Office's jurisdiction. A Regional Administrator may determine to review all PHA scores and modification and exclusion requests within the jurisdiction of the Regional Office, or any part of therein.

1. In cases where a Regional Administrator chooses to exercise such discretion, the Regional Office shall thoroughly review the calculation of a PHA's total weighted score, individual indicator scores, and the determination of modification and exclusion requests.
  2. The purpose of such Regional Office review shall be to ensure uniformity in the application of the PHMAP assessment.
- C. The Regional Administrator shall review all cases in which a PHA's score falls within ten points below the point value required for designations of high-performing, troubled and mod-troubled. 24 CFR 901.125(b)
1. The Regional Administrator shall take into consideration the extent to which a PHA's performance difficulties are attributable to the physical condition and neighborhood environment of its developments. 24 CFR 901.125(b)
  2. Management difficulties attributable to the physical condition for one or more of a PHA's developments may include:
    - a. Age of the development(s);
    - b. Size of the development(s); and
    - c. Modernization needs, i.e., the development has not undergone comprehensive modernization within the past 20 years or the development has undergone comprehensive modernization within the past 20 years, but neighborhood environment has contributed to additional modernization needs.
  3. Management difficulties attributable to neighborhood environment for one or more of a PHA's developments may include:
    - a. Crime;
    - b. Drug activity;

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Chapter 5, paragraph 5-8C3 (continued)

- c. Lack of commercial, employment and social services;
  - d. Age and/or poor condition of the infrastructure;
  - e. Amount and type of financial resources and services provided by the locality;
  - f. Population density; and
  - g. Demographics.
4. If the Regional Administrator determines that a PHA's management difficulties result from physical condition and/or neighborhood environment rather than from poor management practices, the Regional Administrator shall withhold troubled or mod-troubled designation or award high performer designation, except as specified in paragraph 5-8C, below. The withholding of troubled or mod-troubled designation and the awarding of high performer designation does not change a PHA's total weighted PHMAP score; they change a PHA's designation. 24 CFR 901.125(b)
- D. In exceptional circumstances, even though a PHA has satisfied all of the indicators for high performer designation, the Regional Administrator may perform any review as necessary to address the particular deficiencies and may deny or rescind high performer status in the case of a PHA that: 24 CFR 901.115(e) and 901.125(c)
- 1. Is operating under a special agreement with HUD, such as a conciliation agreement under Title VI of the Civil Rights Act of 1964; or 24 CFR 901-115(e)(1)
  - 2. Is involved in litigation that bears directly upon the management of a PHA; or 24 CFR 901.115(e)(2)
  - 3. Is operating under a court order; or 24 CFR 901.115(e)(3)
  - 4. Demonstrates substantial evidence of fraud or misconduct resulting from such sources as an Office of Inspector General audit or investigation, or an investigation by any appropriate legal authority; or 24 CFR 901.115(e)(4)

Chapter 5, paragraph 5-8D (continued)

5. Demonstrates substantial noncompliance in one or more program areas. Substantial noncompliance would cast doubt on the PHA's capacity to preserve and protect its public housing developments and operate them consistent with Federal law and regulations. Areas of substantial noncompliance include, but are not limited to: 24 CFR 901.115(e)(5) and 901.125(c)
    - a. Noncompliance with statutes (e.g., Fair Housing and Equal Opportunity statutes); 24 CFR 901.125(c)
    - b. Noncompliance with regulations (e.g., 24 CFR Part 85); or 24 CFR 901.125(c)
    - c. Noncompliance with the ACC (e.g., the ACC, Part II, 201, Use of Projects). 24 CFR 901.125(c)
  6. If high performer designation is rescinded, the Regional Administrator will send written notification to the PHA, within 15 calendar days of the decision, with a specific explanation of the reasons. An information copy shall be forwarded to the Assistant Secretary for Public and Indian Housing. 24 CFR 901.125(d)
- E. The Regional Administrator shall decide the initial appeals of PHAs. In the initial year of PHMAP implementation and for the purposes of the CGP, the Regional Administrator shall decide the initial appeals of PHAs in accordance with the time frames in Chapter 8, paragraph 8-4B, of this Handbook. 24 CFR 901.125(e)
- F. The Regional Administrator shall rule on petitions to remove troubled or mod-troubled designations. In the initial year of PHMAP implementation and for the purposes of the CGP, the Regional Administrator shall rule on petitions to remove troubled or mod-troubled designations in accordance with the time frames in Chapter 8, paragraph 8-4B, of this Handbook. 24 CFR 901.125(e)
- G. The Regional Administrator may review Field Office determinations of intentional false certifications. In cases where the Regional Administrator reviews a Field Office's determination of intentional false certification, such reviews shall be performed to verify that sufficient documentation exists to support such a determination. 24 CFR 901.125(e)

Chapter 5, paragraph 5-8 (continued)

- H. If the Regional Administrator reverses or rejects a determination

or recommendation made by the Field Office, the reasons for the reversal or rejection shall be included in the notification to the PHA and shall be a part of the PHMAP public record. 24 CFR 901.125(f)