

CHAPTER 2. DEFINITIONS

2-1 OBJECTIVE. The objective of this Chapter is to provide definitions for frequently used terms and procedures.

2-2 DEFINITIONS.

A.Act. The United States Housing Act of 1937, as amended (42 U.S.C. 1437 et seq.).

B.Annual Contributions Contract (ACC). A contract between HUD and the PHA containing the terms and conditions under which (1) the PHA shall operate its developments, and (2) the Department shall assist the PHA in developing and operating decent, safe, and sanitary housing for low-income families. The ACC also provides the vehicle for the PHA's receipt of modernization funds to improve existing public housing developments.

C.Confirmatory review. An on-site review of the data a PHA certified to as part of the Public Housing Management Assessment Program (PHMAP) assessment of a PHA's operation covering some or all of the indicators included in PHMAP. The confirmatory review is performed on a risk management basis and permits Field Office verification of the data to which a PHA certified and the accuracy of the data derived from Field Office files. [24 CFR 901.05(g)] If a PHA were previously designated troubled, the Field Office must conduct a confirmatory review prior to removing the PHA's troubled designation.

D.Cooperative problem-solving. A working relationship between the HUD Field Office and the PHA that underscores the importance of assisting the PHA in remedying problems in its operation identified by the Field Office as a result of remote monitoring and/or on-site reviews. In the cooperative problem-solving approach, HUD is a partner with the PHA in bringing about improvements in performance and/or compliance.

E.Corrective action. Those measures the PHA must take to rectify findings relating to performance or compliance as set forth in the statute, regulations, ACC and HUD Handbooks or Notices.

F.Development. The term "development" has the same meaning as "low-income housing project," (as defined in Section 3(b)(1) of the Act); i.e., housing developed or acquired by a public housing agency under the Act.

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G.Field Office. The HUD Office with which the PHA transacts its low-income housing business.

H.Final report. The document prepared by the Field Office following its on-site review of a PHA's operations, containing

conclusions about the PHA's performance and identifying any corrective actions the PHA is requested to take to improve its operations. The Field Office has the discretion to determine whether or not to issue a final report. This should be determined on a case-by-case basis, depending upon the circumstances involved. The final report, however, should always be prepared and retained in the Field Office to document the review and any findings and/or observations resulting therefrom.

I.Finding. A violation of a statute, regulation, ACC or other HUD requirement.

J.Functional areas. The five major areas of a PHA's operations. These are as follows: Organization, Management and Personnel (OMP); Finance and Budget (FB); Marketing, Leasing and Management (MLM); Facilities Management (FM); and Community and Resident Involvement (CRI).

1.Organization, Management and Personnel (OMP) addresses the management and governance of the PHA, including selection and operation of the Board of Commissioners; organizational structure, the PHA's internal coordination and communication; management effectiveness; administration, personnel and training; public and private partnerships; legal administration; and management information systems (MIS).

2.Finance and Budget (FB) addresses the effectiveness of the PHA's financial/budgetary policies, procedures and/or systems; establishing budgetary and financial controls; maintaining accounting books and records in accordance with HUD policy; implementing internal financial controls; financial reporting; and insurance.

3.Marketing, Leasing and Management (MLM) addresses the establishment of policies and procedures in the areas of seeking, accepting and housing applicants, including dwelling leases, grievance procedures and rules on acceptable behavior; securing and managing a pool of prospective residents; resident selection; income and rent calculations and verifications; and the leasing of units; i.e., all of the occupancy related activities that occur up to and including the execution of the lease. The management aspect of MLM comprises those general management

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activities which a PHA must carry out to administer its public housing program, post execution of residents' leases, through the occupancy cycle. Such activities include walking the developments to ensure familiarization with residents and development conditions; arranging for the removal of abandoned vehicles; lease enforcement; grievances; evictions; resident interim and annual reexaminations; resident repayment agreements;

post-occupancy housekeeping inspections; coordination with maintenance; transfer of residents; coordinating entry to units for pest control, modernization and maintenance; coordination with resident services; resident interactions including conflict resolution, mediation; and such other general management activities necessary to administer the PHA's developments.

4. Facilities Management (FM) addresses the identification and completion of work necessary to maintain physical structures and grounds areas; utility allowances, surcharges, costs, annual consumption, and energy audits; modernization planning, organizing, and the procurement of services to assist in the planning or implementation of a PHA's modernization program, as well as the management of the work activities and maintaining the modernization improvements; Section 504 physical accessibility requirements; and the development of new units.

5. Community Relations and Involvement (CRI) addresses PHA efforts to develop positive relations with residents, resident participation/management, home ownership, family self-sufficiency, drug-elimination and security, as well as the PHA's efforts advocating for residents with the local community. CRI monitoring entails a review of both PHAs and duly-elected resident councils and resident management corporations. It includes, but is not limited to, PHA, resident and other associated grantees.

K. Improvement Plan (IP). A document developed by the PHA, specifying the actions and timetables to correct deficiencies of failed (grade of F) indicators identified as a result of the PHMAP assessment, when an MOA is not required. An IP is required for any failed PHMAP Indicator, and is discretionary for indicator(s) with grades of D and E.

L. Memorandum of Agreement (MOA). A binding contractual agreement between HUD and a troubled or mod-troubled PHA designed to bring about significant, expeditious and long-lasting improvements in the PHA's management. The Department shall seek to enter into an MOA for each PHA designated as troubled and/or mod-troubled. [(6)(j)(1)(B) of the Act and 24 CFR 901.140]

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M. Modernization funds. Funds used for physical and management improvements under either the Comprehensive Improvement Assistance Program (CIAP) or the Comprehensive Grant Program (CGP).

N. Mod-troubled PHA. A PHA that receives a total weighted PHMAP score on the modernization indicator of less than 60% that is designated as troubled with respect to the program under 14 (Public Housing Modernization Program). [(6)(j)(2)(A)(i) of the Act and 24 CFR 901.115(d) and 901.150]

O.Non-discriminatory manner. Conducting the PHA's activities in a manner which is consistent with the Civil Rights laws administered by HUD, including the Fair Housing Act of 1968, Title VI of the Civil Rights Act of 1964, and Section 504 of the Rehabilitation Act of 1973. Ensuring that PHAs' policies, procedures and practices do not cause people to be treated differently because of race; sex; national origin; religion; physical or mental disability or because the family has children under the age of 18.

P.Observation. An area of the PHA's operations where the need for improvement is noted by the Field Office, but which does not represent a violation of a statute, regulation, ACC or other HUD requirement. Observations may be included in the final report, as appropriate, at the discretion of the Field Office. Actions to address observations may be included in the Operational Improvement Plan (OIP) at the discretion of the PHA.

Q.On-site reviews. The review and analysis of a PHA's operations by Field Office staff at the PHA's offices and developments. Technical assistance also may be provided during the on-site review.

R.Operational Improvement Plan (OIP). A document developed by the PHA, with HUD's assistance, as appropriate, specifying the actions and timetables for improvements in key areas of the PHA's operation determined as a result of findings from an on-site review. The Field Office has the discretion to determine whether or not an OIP will be required of a PHA.

S.Public housing agency (PHA). Any state, county, municipal, or other governmental entity or public body (or agency or instrumentality thereof) that is authorized to engage in or assist in the development or operation of low-income housing. [3(b)(6) of the Act].

T.Public Housing Management Assessment Program (PHMAP). PHMAP implements section 502(a) of the National Affordable Housing Act (NAHA) of 1990. It sets forth policies and procedures for the Department to assess

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the management performance of PHAs in all major areas of management operations and identifies high-performing, standard and troubled and mod-troubled PHAs. [(6)(j)(1) of the Act and 24 CFR 901.01(a)]

U.Recommendation. Suggested action(s) for a PHA to address findings and observations.

V.Remote monitoring. The Field Office's in-office review/response to PHA performance and compliance, based on PHA policy documents; financial statements; PHMAP assessments; OIG and IA audits;

reports on occupancy, tenant accounts receivable, modernization; correspondence; and requests for technical assistance (advice and guidance) received from a PHA, as well as information received from other sources.

W.Risk analysis. The field office's assessment of each PHA's need for intensified remote monitoring, an on-site review, assistance or possible intervention, using the risk assessment model, and other information on the PHA's performance and operating circumstances.

X.Risk management. The Field Office's use of risk analysis to focus its remote monitoring and on-site review resources on those PHAs most in need of attention from HUD.

Y.Targeted interventions. HUD's application of sanction(s) when attempts at cooperative problem-solving have proven ineffective in producing necessary improvements in PHA operations.

Z.Troubled PHA. A PHA identified by PHMAP as having problems in major areas of management operations, with a total weighted PHMAP score of less than 60%, that has been designated as troubled. [(6)(j)(2)(A)(i) of the Act and 24 CFR 901.115(c)]