



### INSIDE THIS ISSUE

- » PHA Warehousing and Inventory
- » PIH Notices
- » State Insurance Risk Pools
- » Extended Deadline for Appeals Under the Operating Fund Program
- » Online Resource for Youth Issues
- » Tracking PHA Performance Internally

## PHA Warehousing and Inventory

As public housing agencies (PHAs) transition from PHA-based management to project-based management, one of the changes that directly impacts the maintenance staff is the potential transition from a central warehouse to project-based inventory. Asset management requires that property management services are arranged or provided “in the best interests of the project,” considering such factors as needs, costs and responsiveness, relative to local market standards. PHAs should keep these concepts in mind when planning in the delivery of services and determining centralization or decentralization of maintenance.

To continue to operate a central warehouse, a PHA must first demonstrate that such arrangements are cost-effective. If this is the case, the PHA must charge no more than the market rate for the goods or services provided and no more than what a similar project would pay under normal site-based management operations.

If operating a project-level inventory, on the other hand, the maintenance supervisor should strive to maintain a level of inventory at the site that balances the need for a ready supply of materials with the need to reduce the costs of carrying such an inventory. Generally, this will mean maintaining a 2-week supply of the most commonly used items. It should be kept in mind that even this supply level will be determined according to the speed by which parts/supplies can be obtained and the rate of usage. In this regard, it is critical for the maintenance supervisor to regularly anticipate and plan for upcoming material needs, particularly in conjunction with the annual and monthly work plans.

By eliminating central warehouses, PHAs can also:

- Eliminate the down-time of maintenance staff traveling to a central warehouse.
- Speed-up the materials acquisition process since each housing manager will deal directly with vendors.
- Simplify their computer system, which no longer needs to track this centralized inventory and its transfer to each property.
- Reduce centralized personnel – those involved in the warehousing operation.

The site-based maintenance supervisor is ultimately responsible for maintaining a proper inventory of supplies and has the responsibility of overseeing the control of that inventory. Taking into account the above considerations will help a PHA determine which inventory option is the most cost-effective and get the most out of that option.



## PIH Notices

**PIH 2011-24**, “Capital Fund Program Awards,” issued May 10, 2011. This Notice offers PHAs and HUD Field Office staff an updated overview of the Capital Fund Program awards process. This includes the Capital Fund Program formula grant and, where applicable, the Replacement Housing Factor (RHF) grants(s). In addition, the Notice identifies general requirements for all PHAs, as well as specific requirements for qualified and non-qualified PHAs.

**PIH 2011-22**, “Promotion of Integrated Pest Management (IPM) as an environmentally sound, economical and effective means to address a major resident concern,” issued April 26, 2011. This Notice provides guidance to PHAs on the benefits of IPM. It provides links for additional training and technical assistance resources. HUD encourages the use of IPM as a way to prevent and reduce pests with reduced use of harmful pesticides. IPM is not a requirement.

To view the Notices: <http://www.hud.gov/offices/pih/publications/notices/>

### State Insurance Risk Pools

HUD’s regulations at 24 CFR 965 govern public housing insurance requirements. Among the insuring options available to PHAs are risk retention groups called State Insurance Risk Pools (SIRPs). SIRPs provide alternatives to PHAs for securing required insurance, other than on the open market, by offering products that are tailored to public housing and rates that are competitive.

Any PHA can utilize the risk pool(s) in its State to provide the required property and liability insurance coverage.

Submissions of proposals to start SIRPs and annual financial statements, actuarial and management reviews for existing SIRPs should be sent to:

#### Insurance Risk Pool Coordinator

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
Real Estate Assessment Center/Financial Management Division  
550 12th Street, SW Suite 100  
Washington, DC 20410

The regulations governing the formation, approval, and operation of SIRPs are at 24 CFR 965.205: <http://1.usa.gov/kw9xX4>

HUD’s Web site lists the existing SIRPs:

<http://www.hud.gov/offices/pih/programs/ph/am/pci.cfm>

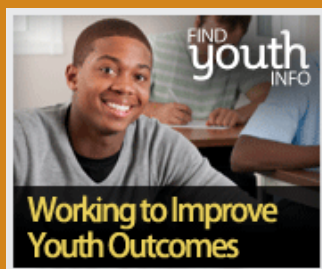
### Extended Deadline for Appeals Under the Operating Fund Program

PIH Notice 2011-10 describes the process for making appeals under Operating Fund Program for Calendar Year 2011. The submission deadline for appeals under the definitions for “streamlined,” “specific local conditions,” and “substitute actual project cost data” has been extended to July 15, 2011.

All submissions must be postmarked by that date and submitted to the address below. The PHA must also provide a copy of the appeal to their local Public Housing Field Office Director.

**HUD Office of Public and Indian Housing**  
Real Estate Assessment Center  
Financial Management Division  
550 12th St., SW  
Washington, DC, 20410  
Attn: Andrea Williamson

### Online Resource for Youth Issues



The Federal Interagency Working Group on Youth Programs (IWGYP) created the Web site <http://FindYouthInfo.gov> to help PHAs, government agencies, parents, and youth find information on topics that engage and challenge young people. Recent topics include mental health, model juvenile drug courts, and mentoring for victims of commercial sexual exploitation.

Through the Web site, users can use interactive tools such as mapping to locate local programs. The Evidence-Based Program Directory can provide links to model programs, while the Collaboration Center offers best practice collaboration models and existing partnerships. At the Solutions Desk, users can get answers to technical assistance questions.



## Tracking PHA Performance Internally

The interim rule, which went into effect on March 25, 2011, changes how PHAs are rated in the Public Housing Assessment System (PHAS). Although the interim rule removes many of the sub-indicators for scoring purposes, PHAs through their projects can continue to use many of the familiar management sub-indicators to create an internal measurement tool against which to gauge their own performance and understand what their PHAS score is likely to be. These sub-indicators will not be counted as part of PHAS, but tracking these actions will help a project maintain performance. The following gives a brief indication of how projects might use some of the former sub-indicators to keep their own performance on track:

Sub-indicator	Best Practice Measure	How does this help?
Vacant Unit Turn Around Time	For each vacant unit, keep a log of how many calendar days between when the unit is vacated to lease up. Aim for under 20 days.	Keeping units online helps improve your occupancy rate.
Work Orders	Track work orders as emergency (threat to life, health, and safety) and non-emergency. Aim for completing or abating 99 percent of emergency orders within 24 hours.  Count non-emergency work order completions. Aim for 100 percent within 25 calendar days.	Unresolved emergency repairs decrease scoring in physical performance.  Keeping units in good repair and completing repairs in a timely manner assists with occupancy, turn-around, and physical scoring.
Annual Inspections	Inspect 100 percent of project units, sites, buildings and common areas using Uniform Physical Condition Standards.	Maintains project property in preparation of PHAS Physical Inspection and increase resident satisfaction.
Energy Conservation/Utility Consumption	Complete or update an energy audit within the last 5 years and implement all recommendations that are cost-effective.	Reduces energy and utility cost for the project creating a positive influence on the project's cash flow.

### Contact us:

Public and Indian Housing Information  
Resource Center (PIH IRC)  
2614 Chapel Lake Drive  
Gambrills, MD 21054  
Toll free number: 1-800-955-2232  
Fax number: 1-443-302-2084  
E-mail: [pihirc@firstpic.org](mailto:pihirc@firstpic.org)  
(Put "HUD Asset Management Newsletter" in the subject line)

### Upcoming Dates

#### HUD's Fathers Day 2011

June 18, 2011

*Coming to a PHA near you.*

<http://www.hud.gov/fathersday2011/>

#### Save the Date—

#### Going Green: Intelligent Investments for Public Housing

Presented by HUD, Office of Public and Indian Housing  
Boston, MA

July 13 & 14, 2011

