Public Housing Assessment System (PHAS) – Interim Rule

Physical Assessment Subsystem (PASS)

February 18, 2011
PASS: PHAS Interim Rule Areas To Be Covered

Background

Purpose

Changes

PHAS Interim Rule Changes

Constants

Prior PHAS and Interim PHAS Consistencies

Improving Physical Inspection Scores

Actions to Take
Purpose of PASS

To ensure that public housing units are Decent, Safe, Sanitary and in Good Repair, as determined by an inspection conducted in accordance with HUD's Uniform Physical Condition Standards (UPCS)
New Changes to PASS

- **Point Value**: Increased Percentage of Total Score
- **Baseline Inspections**: Starting with FYE 3/31/2011
- **Inspection Frequency: 3-2-1 Incentive**: Reduced Frequency of Inspections
- **Exigent Health & Safety**: Increased Flexibility in Addressing Violations
- **Technical Review & Database Adjustments**: Increased Time for Submissions
- **Physical Condition & Neighborhood Environment**: Moved to MASS
### PASS Indicator Score

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical Condition*</td>
<td>40</td>
</tr>
<tr>
<td>Financial Condition</td>
<td>25</td>
</tr>
<tr>
<td>Management Operations</td>
<td>25</td>
</tr>
<tr>
<td>Capital Fund Program</td>
<td>10</td>
</tr>
<tr>
<td>Overall PHAS score</td>
<td>100</td>
</tr>
</tbody>
</table>

* Threshold score for this indicator must be at least 24 points, or 60% of maximum number of points (40).
Baseline Inspections

PHAs with FYE:

3/31/2011
6/30/2011
9/30/2011
12/31/2011

Will have all properties inspected regardless of previous PHAS designation or physical inspection scores.
Additional baseline inspections are required for:

- New PHAs being assessed
- PHA consolidation
- Project reconfiguration
Inspection Frequency: Small PHAs

Frequency of PHAS assessments

(PHAs with less than 250 units)

YEAR(S)

3

High performer PHAS score: ≥90
UPCS Inspections every 3rd year

2

Standard & Substandard PHAS score: 60-89
UPCS Inspections every 2nd year

1

Troubled PHAS score <60 OR Capital Fund Troubled
UPCS Inspections every year
UPCS Inspection Frequency

PHAs with 250 units or more
(Frequency based upon the project PASS score)

<table>
<thead>
<tr>
<th>YEAR(S)</th>
<th>Project score ≥90</th>
<th>Project score 80 but less than 90</th>
<th>Project score &lt;80</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>UPCS project Inspection every 3rd year</td>
<td>UPCS project Inspection every 2nd year</td>
<td>UPCS project Inspection every year</td>
</tr>
<tr>
<td>2</td>
<td>Troubled: PHAS score &lt;60 or Capital Fund Troubled</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>UPCS Inspections of all projects every year</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# Case Study on 3-2-1: Large PHAs

<table>
<thead>
<tr>
<th>Project</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ID/Score</td>
<td>ID/Score</td>
<td>ID/Score</td>
<td>ID/Score</td>
<td>ID/Score</td>
</tr>
<tr>
<td>A</td>
<td>ID101 - 75</td>
<td>ID201 - 80</td>
<td><strong>ID201 - 80</strong></td>
<td>ID401 - 25</td>
<td>ID501 - 60</td>
</tr>
<tr>
<td>B</td>
<td>ID102 - 40</td>
<td>ID202 - 45</td>
<td>ID301 - 98</td>
<td><strong>ID301 - 98</strong></td>
<td>ID502 - 80</td>
</tr>
<tr>
<td>C</td>
<td>ID103 - 60</td>
<td>ID203 - 90</td>
<td><strong>ID203 - 90</strong></td>
<td>ID301 - 98</td>
<td>ID503 - 75</td>
</tr>
<tr>
<td>D</td>
<td>ID104 - 80</td>
<td><strong>ID104 - 80</strong></td>
<td>ID302 - 90</td>
<td><strong>ID302 - 90</strong></td>
<td>ID504 - 85</td>
</tr>
<tr>
<td>E</td>
<td>ID105 - 90</td>
<td><strong>ID105 - 90</strong></td>
<td><strong>ID105 - 90</strong></td>
<td>ID-402 - 85</td>
<td>ID505 - 55</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Overall PASS score</th>
<th>PHA Level</th>
<th>PHAS Designation</th>
</tr>
</thead>
<tbody>
<tr>
<td>58=23</td>
<td>75</td>
<td>Substandard Physical</td>
</tr>
<tr>
<td>60=24</td>
<td>80</td>
<td>Standard</td>
</tr>
<tr>
<td>92=37</td>
<td>85</td>
<td>Standard</td>
</tr>
<tr>
<td>75=30</td>
<td>58</td>
<td>PHAS Troubled</td>
</tr>
<tr>
<td>70=28</td>
<td>65</td>
<td>Standard</td>
</tr>
</tbody>
</table>
A PHA may abate the effect of the exigent health and safety (EHS) violation without necessarily correcting or remedying the condition.

For example, a PHA may move a family into a different unit until fire damage is repaired.
Technical Review and Database Adjustments (TR/DBA)

From the time the inspection report is released, the PHA will have the following time to submit:

- Technical Review submission: 30 days*
- Database Adjustment submission: 45 days*

* From physical inspection report release date
Physical Condition & Neighborhood Environment

PASS

PCNE

MASS

Credits are no longer added to project level PASS scores

Credits will be added to project level MASS scores

Please reference MASS presentation for details
PASS Constants

Key Processes

Inspections
- Scheduling
  - Begins 3 months prior to the FYE

UPCS
- Same protocols and criteria

Scoring
- 100 point scale per project
- Unit Weighted Average

Begins 3 months prior to the FYE
Unit Weighted Average Formula

\[
\text{NUMERATOR} = \left( \frac{\text{# of Units}}{\text{Points Score}} \right) \times 40 + \left( \frac{\text{# of Units}}{\text{Points Score}} \right) \times 40 + \ldots
\]

\[
\text{DENOMINATOR} = \text{Total # of Units}
\]

100 Points Score \rightarrow 40 Points Score \rightarrow Unit Weighted Average
# Case Study: Physical Inspection Score to 40 Points Score

<table>
<thead>
<tr>
<th>Property #</th>
<th>Physical Inspection Score: (100 points score)</th>
<th>Percentage of PASS indicator within PHAS</th>
<th>Product (40 points score)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>86</td>
<td>0.40</td>
<td>34.4</td>
</tr>
<tr>
<td>2</td>
<td>90</td>
<td>0.40</td>
<td>36.0</td>
</tr>
<tr>
<td>3</td>
<td>65</td>
<td>0.40</td>
<td>26.0</td>
</tr>
</tbody>
</table>
# Case Study: 40 Points Score to Unit Weighted Average

<table>
<thead>
<tr>
<th>Property #</th>
<th>100 Points Score</th>
<th>40 Points Score</th>
<th>Total # of Units</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>86</td>
<td>34.4</td>
<td>60</td>
<td>2064.0</td>
</tr>
<tr>
<td>2</td>
<td>90</td>
<td>36.0</td>
<td>103</td>
<td>3708.0</td>
</tr>
<tr>
<td>3</td>
<td>65</td>
<td>26</td>
<td>196</td>
<td>5096.0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>---</td>
<td>---</td>
<td>359</td>
<td>10868</td>
</tr>
</tbody>
</table>

\[
\text{PASS score} = \frac{10,868}{359} = 30.3
\]
Improving Physical Inspection Scores

**UNDERSTAND + COMPLY**
with Uniform Physical Condition Standards (UPCS)

**MAINTAIN**
accurate PIC building and unit inventory

**ANALYZE + UTILIZE**
prevalence report

**INSPECT**
100% of units annually using UPCS protocol

**PERFORM**
routine maintenance on all properties, units, and systems throughout the year

**REPAIR**
health and safety deficiencies immediately
Summary

Changes

• Point Value:
  • 30 → 40 points

• Baseline inspections:
  • All projects starting FYE 3/31/2011

• Inspection Frequency:
  • 3-2-1 Rule

• Exigent Health and Safety:
  • Increased flexibility

• Technical Review & Database Adjustments:
  • Increased time to submit

• Physical Condition & Neighborhood Environment:
  • Moved to MASS

Constants

• Inspections
  • Scheduling
    • Begins 3 months prior to FYE
  • UPCS
    • Same protocols and criteria

• Scoring
  • 100 points scale
  • Unit Weighted Average
PASS Resources

• PASS UPCS training (scheduling)
  Reacpasstraining@hud.gov

• Physical Inspections:
  http://www.hud.gov/offices/reac/products/prodpass.cfm

• Reverse Auction Program:
  http://www.hud.gov/offices/reac/products/pass/pass_reverse_auction.cfm

• Physical Inspection Training Materials:
  http://www.hud.gov/offices/reac/products/pass/materials.cfm

• Technical Reviews/Database Adjustments:
  http://www.hud.gov/offices/reac/products/pass/pass_guideandrule.cfm

Please contact us for future ON LINE Training!
PASS Contacts

• Technical Assistance Center (TAC)
  (7:00 am-8:30 p.m., EST, M-F)
  1(888)245-4860
  REAC_TAC@hud.gov

• UPCS Inspection Training
  REACPASSTraining@hud.gov

• Reverse Auction Program
  REACReverseAuctionProgram@hud.gov