Public Housing Agency Recovery and Sustainability (PHARS) Initiative

WAHA Training
January 24, 2012

The New Approach: PHARS Initiative
“If you do what you’ve always done, you’ll get what you’ve always gotten.”

Anthony Robbins

PHARS Initiative Overview

- **Purpose:** To ensure effective and sustainable recovery of troubled public housing

- **Approach:** Place-based with an emphasis on sound fiscal management and good governance tailored to PHA needs (4 categories defining level of effort)

- **Process:**
  - Phase I: Designation and Assignment
  - Phase II: Financial management & Governance assessment
  - Phase III: Recovery Agreement/Action Plan & Sustainability Plan
  - Phase IV: Implementation and Cure
  - Repositioning
PHARS Partners & Team Structure

PIH

Field Policy & Management

Department Enforcement Center

PHARS Team

Recovery Approach

OFO*REAC
Phase I: Designation and Assignment

OFO*FPM*DEC*
Phase II: Financial Management and Governance Assessment

Program Offices
Phase III: Recovery Agreement and Sustainability Plan

Program Offices
Phase IV: Implementation and Cure

Repositioning
Phase I: Designation and Assignment

Objective: To maximize resources and tailor HUD’s approach to recovering troubled PHAs by designating the expected level of effort required to sustainably recover a PHA and identifying the staff resources (Field Office or Network Team) to assist with this effort

Highlights:
- Quarterly Troubled List release
- PHA notification of status from REAC
- Request recovery plan proposal from PHA
- Level of Effort identification
- Assignment of HUD team to PHA

Levels of effort for recovery

- **Level 1**: PHA self-manage recovery w/ minimal HUD support (short-term)
- **Level 2**: In-depth issues requiring Field Office intervention (short-term)
- **Level 3**: Systemic issues requiring intervention by Recovery Team (medium-term)
- **Level 4**: Most systemically troubled requiring intensive intervention (long-term)
Phase II: Financial Management & Governance Assessment

**Objective:** To provide a comprehensive understanding of the PHA’s history and identify systemic causes of the PHA’s Troubled status

**Highlights:**

**Remote Assessment**
- Analyze data 3-5 years from PIC, FDS, OIG, field office files and reports, PNA, Annual and 5-year plans

**On-Site Assessment**
- Assess oversight effectiveness of appointing official and PHA board
- Assess effectiveness of Executive Director, PHA management team and the relationship w/ community and residents served
- Analyze financial data for liquidity, financial health, revenue and expense trends, etc.

**Internal Summary of Assessment**
- Detail root causes identified in reviews, prioritize for action
- Outline a potential holistic, place-based solution to improve operations

**Build Administrative Record**

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**Purpose of Financial Assessment Report**

- Assess financial condition of the PHA
- Identify causes of financial distress
- Provide recommendations for financial recovery
Items to Include in Assessment Report

- Overview of financial operations
- Entity wide financial condition
- Low rent public housings financial condition
- HCV program financial condition
- Other significant program(s) financial condition and information
- Recommendations

Public Housing Assessment

- Summarize results in same manner as entity wide
- Focus only on public housing operations
- Determine financial condition of public housing program
HCV Program Assessment

- Summarize results in same manner as entity wide
- Focus only on HCV program operations
- Determine financial condition of HCV program

Phase III: Recovery Agreement/Action Plan & Sustainability Plan

**Objective:** To unite place-based priority setting with HUD cross-program collaboration to ensure recovery is timely, comprehensive and sustainable

**Highlights:**

- **Recovery Strategy Proposal (Internal Plan)**
  - Outline HUD’s recommendations for recovery
  - Outline HUD’s resources/responsibilities

- **On-site planning discussion(s) with PHA management and community**

- **Recovery Agreement/Action Plan**
  - Agreement (previously MOA) between HUD and PHA
  - Specify target outcomes, performance standards and milestones
  - Outline remedies (incentives and sanctions)

- **Sustainability Plan (Coordinated Community Plan)**
  - Collaborative document between PHA and community stakeholders
  - Delineates steps, resources, commitments of PHA & community stakeholders
  - Ensures achievement of outcomes specified in Recovery Agreement

**Execution of Recovery Agreement**
## Recovery Agreement/Action Plan & Sustainability Plan

<table>
<thead>
<tr>
<th>Item Number</th>
<th>Results and Determinations from Assessment</th>
<th>Desired Outcome</th>
<th>Measures to Achieve Outcomes</th>
<th>Target Accomplishment Date</th>
<th>Actual Accomplishment Date</th>
<th>Remedies</th>
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## Sustainability Plan Template

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<th>Identified Deficiencies and Results and Determinations from Assessment</th>
<th>Desired Outcome/Metrics</th>
<th>Tasks to Accomplish to Achieve Desired Outcomes</th>
<th>Target Accomplishment Date</th>
<th>Actual Accomplishment Date</th>
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Phase IV: Implementation & Cure

Objective: To implement Sustainability Plan and monitor progress of the Recovery Agreement through internal and external reporting and tracking

Highlights:
- Provision of technical assistance (as needed)
- On-going evaluation of the PHA progress toward recovery
- Periodic remote and on-site progress meetings
  - HUD, PHA, Board, appointing official, community stakeholders
- Prepare internal tracking reports
- Build and maintain an administrative record
- Intervention by DEC (if necessary)

Repositioning

- Identify repositioning options and develop strategy
- Prepare package/brief including summary of administrative record
- Work with OGC to issue the remedy/notify PHA
- Implement repositioning strategy
Questions?