

# PHAS SCORING

# WHAT IS PHAS(PUBLIC HOUSING ASSESMENT SYSTEM)?

- Housing Authority's Report Card (Scored by AMP)
  - High Performer
  - Standard Performer
  - Substandard Performer
  - Troubled



## Interim PHAS Score by Indicator

Physical Condition	• 40 points
<b>Financial Condition *</b>	<b>• 25 points</b>
Management Operations	• 25 points
Capital Fund Program	• 10 points
<b>Overall PHAS score</b>	<b>100 points</b>

**\* Threshold score for this indicator must be at least 15 points, or 60% of maximum number of points (25).**

Real Estate Assessment Center

Version 4.0

PHAS Interim Rule FAS

5



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4 KEY INDICATORS

## PHYSICAL CONDITION

- Physical Condition is determined by UPCS Inspection Score
  - PHAs with 250 or more units:
    - Project scoring 90+ – Inspection every 3<sup>rd</sup> year
    - Project scoring 80-89 – Inspection every 2<sup>nd</sup> year
    - Project scoring less than 80 – Inspection every year
    - Troubled PHAs scoring less than 60 or Cap Fund Troubled – Inspection of ALL projects every year

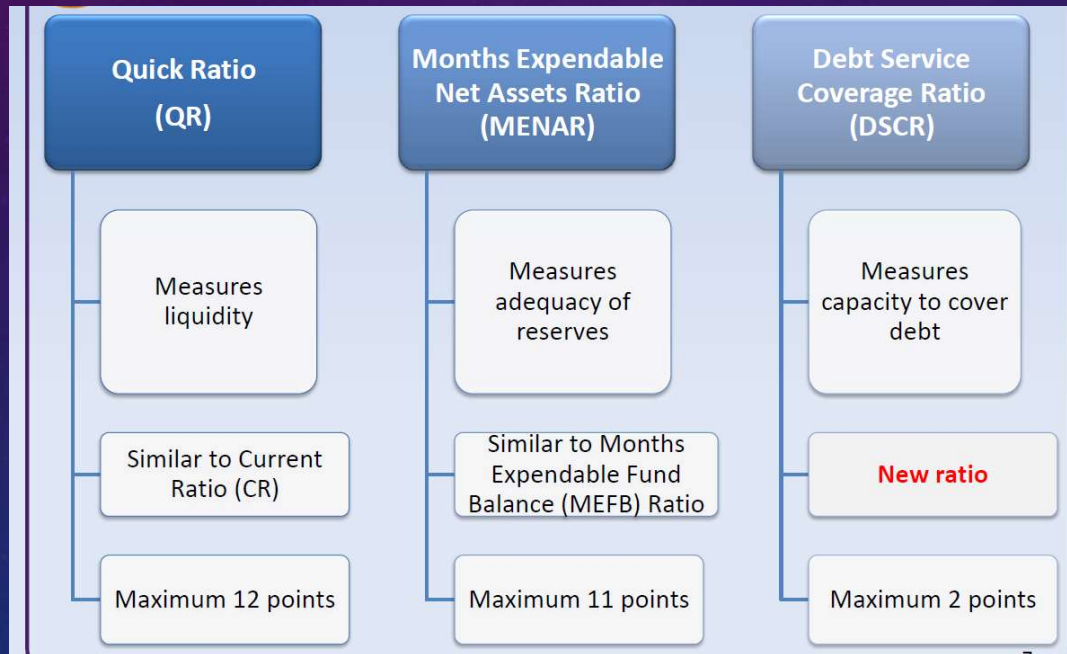
## PHYSICAL CONDITION

- The physical condition core has a maximum of 40 points.
  - To receive a passing score under this indicator, a project must get at least 24 (60%) of the total points available
  - If a PHA disagrees with scoring, there are 2 types of appeals: Technical Review (must be submitted to HUD in writing in 30 days) or Database Adjustment Appeal (must be submitted to HUD in writing in 45 days).

## FINANCIAL CONDITION

- The financial condition core has a maximum of 25 points.
  - However, most of the Management Operations and Cap Fund Scoring are Financial Indicators
  - The 25 points for Financial Condition are split into 3 scoring Ratios

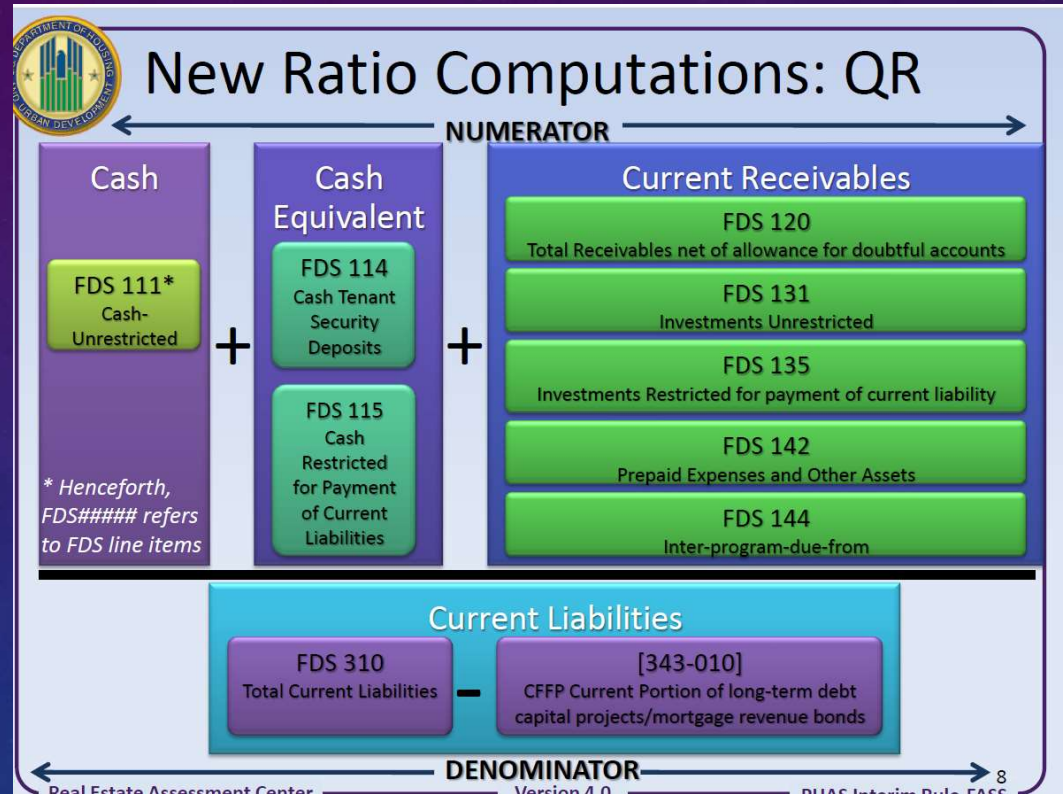
# FINANCIAL CONDITION



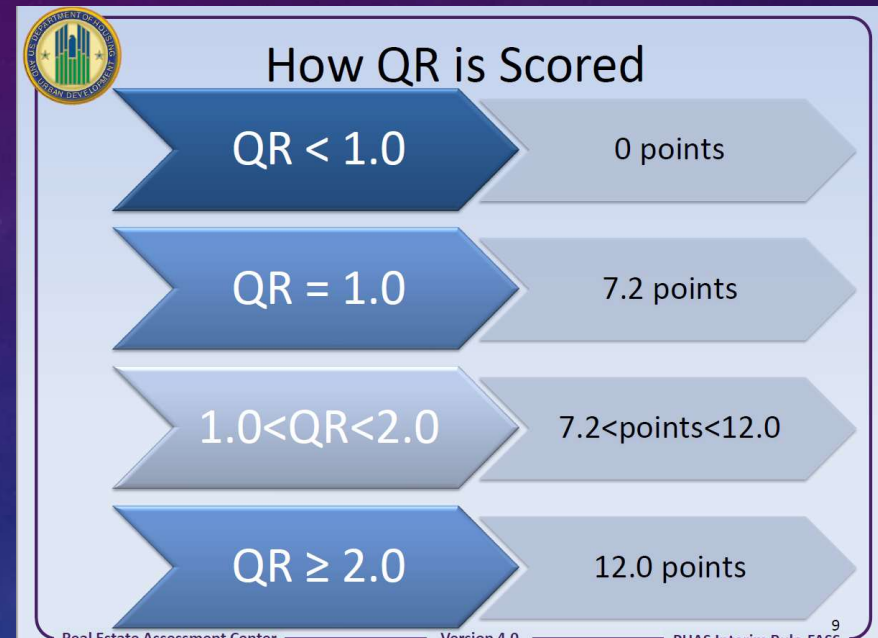
# QUICK RATIO

How far will your current assets go into the next 12 months?

Can you pay the bills you owe?



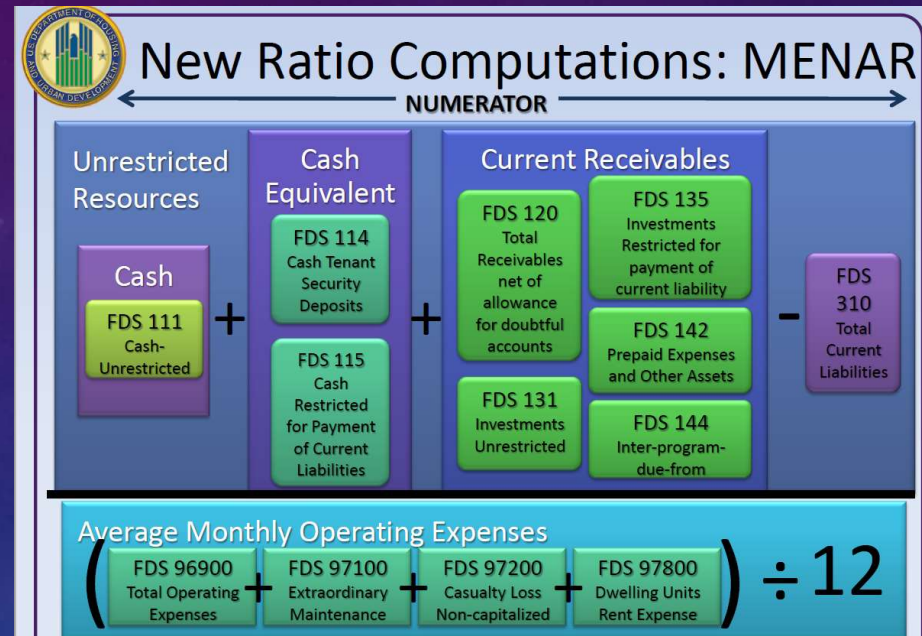
# POINT BREAKDOWN



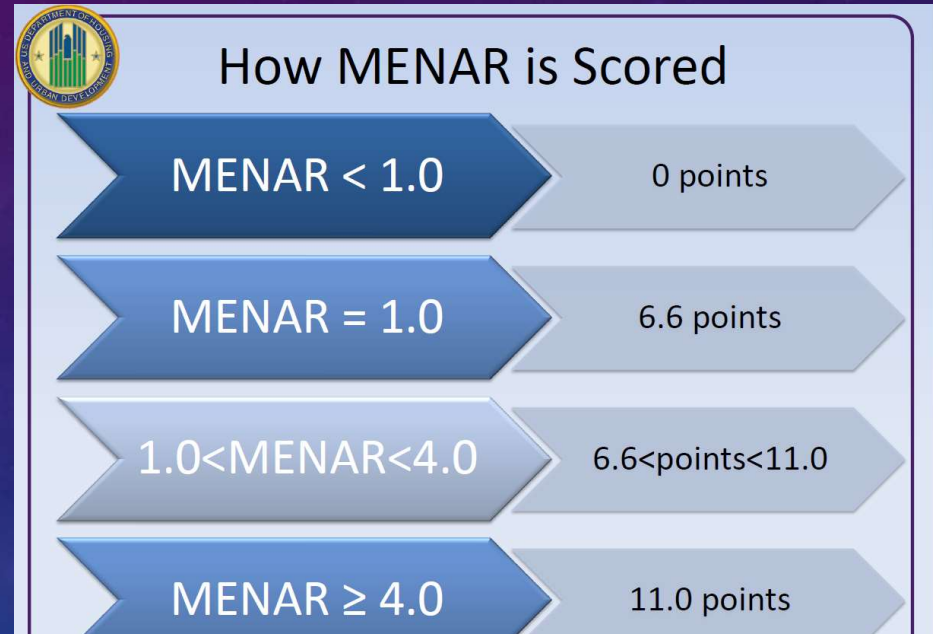
# MENAR

Months Expandable Net Assets  
Ratio

If all money stopped coming in,  
how many months before you  
would go out of business?

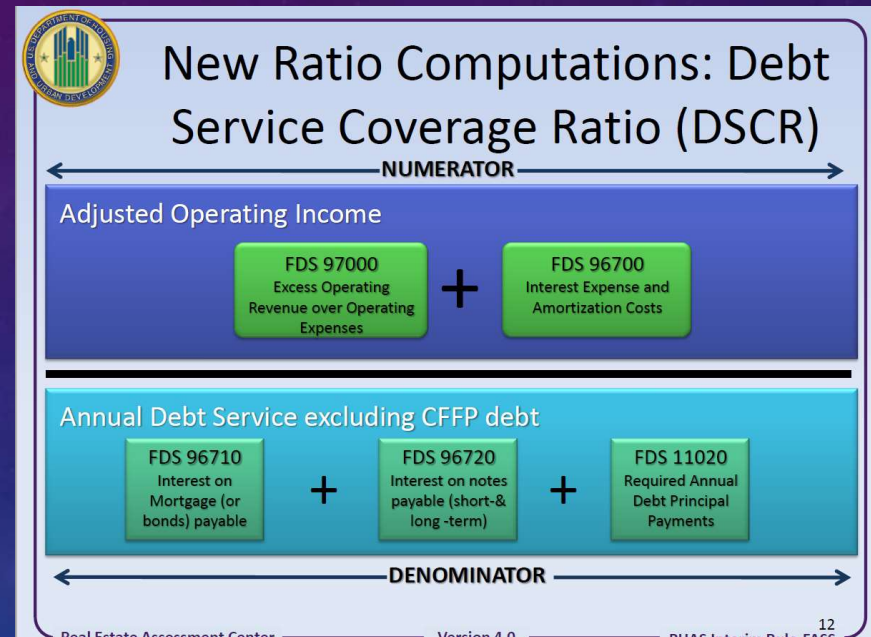


# POINT BREAKDOWN



# DSCR – DEBT COVERAGE


Are you able to pay your  
loans?



## MANAGEMENT ASSESSMENT SUBSYSTEM (MASS)

- MASS measures certain key PHA management operations and responsibilities for the purpose of assessing the PHA's capabilities and performance in the management areas.
  - Impacted by maintenance & management
  - Impacted by annual inspections (recognizing the repair is needed and making it)
  - Related to occupancy and unit turnovers
  - Related to collections and lease enforcement
  - Related to the timely payment of payables

# MASS SCORING INDICATORS

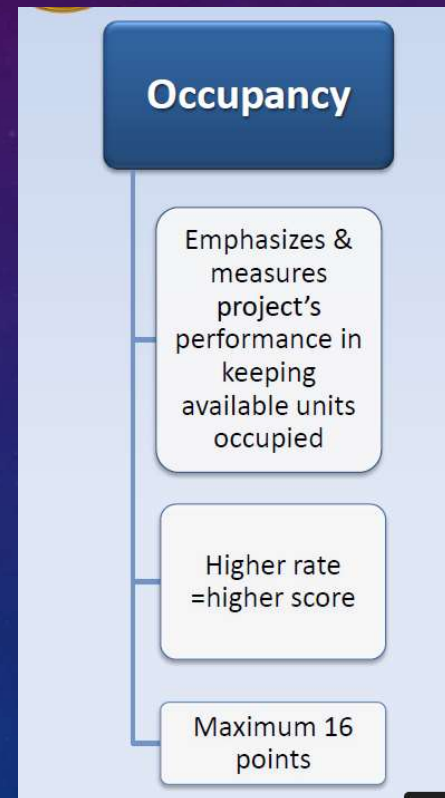


Occupancy Rate	•16 points
Tenant Accounts Receivable	•5 points
Accounts Payable	•4 points
<b>Total MASS</b>	<b>25 points</b>

Real Estate Assessment Center | Version 3.0 | DHAS Interim Rule MASS

# OCCUPANCY

Occupancy is a total of 21 points of the 100 available points – 16 points in MASS and 5 in Capital Fund



HOW MANY UNITS  
ARE OCCUPIED ON  
THE FIRST/LAST OF  
THE MONTH?



## Occupancy Computation

FDS 11210\*  
Unit Months Leased


NUMERATOR

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DENOMINATOR

FDS 11190  
Unit Months  
Available

## WHAT ARE YOUR TARGETS?



How Occupancy is scored

$\geq 98\%$	16 Points
$< 98\%$ but $\geq 96\%$	12 Points
$< 96\%$ but $\geq 94\%$	8 Points
$< 94\%$ but $\geq 92\%$	4 Points
$< 92\%$ but $\geq 90\%$	1 Point
$< 90\%$	0 Points

8

# TENANT ACCOUNTS RECEIVABLE (TAR)

## Tenant Accounts Receivable

Represents the amount of tenant accounts receivable against tenant revenue

Lower ratio  
= higher score

Maximum 5  
points

# TAR

Not just rent charged, all  
tenant charges

Billing AND Collecting is very  
important



## Tenant Accounts Receivable Computation

FDS 126  
Accounts Receivable-  
Tenants

NUMERATOR

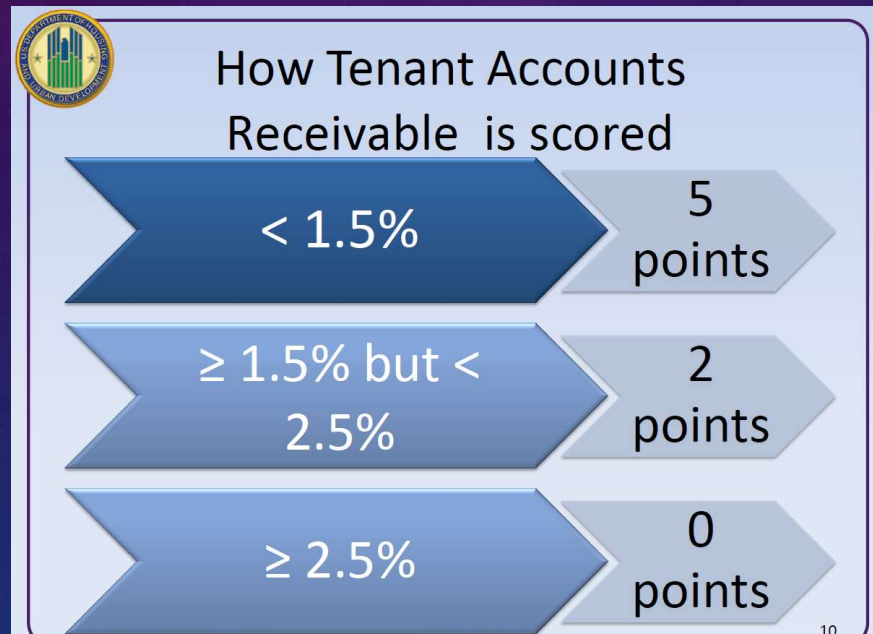
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DENOMINATOR

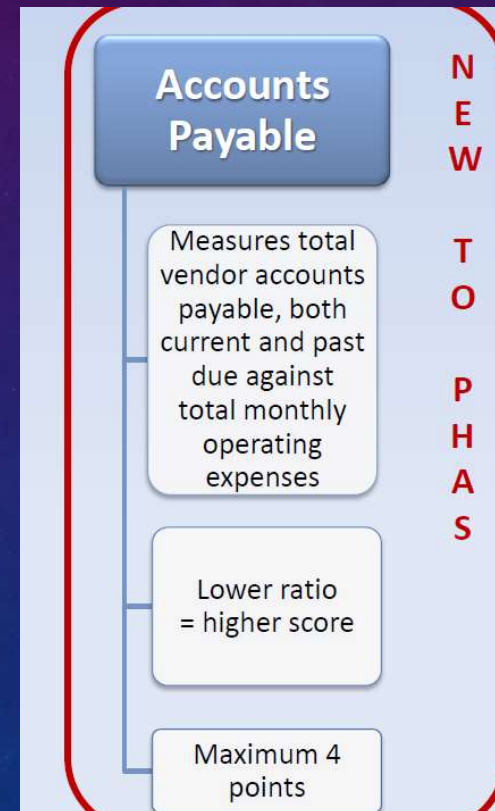
FDS 70500  
Total Tenant  
Revenue\*

*\*Includes rents and other charges to the tenants*

## NOT MUCH ROOM FOR ERROR

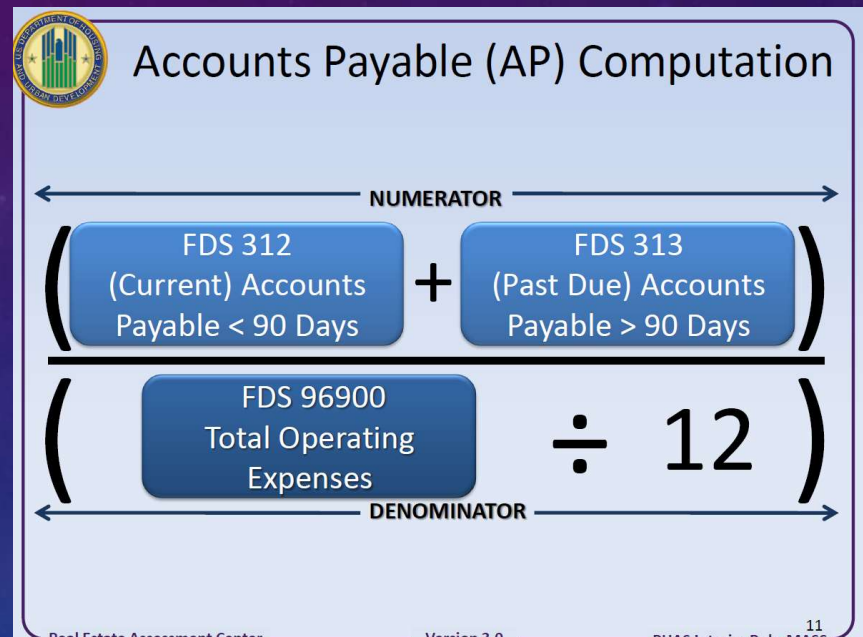


# ACCOUNTS PAYABLE



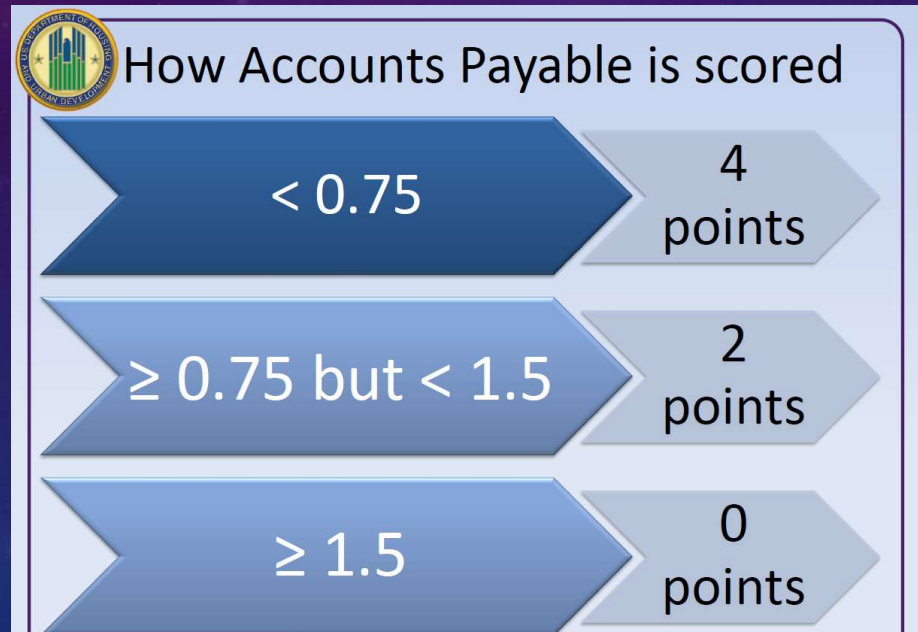
# ACCOUNTS PAYABLE

Processing payables timely & correctly matters






## SMALLER NUMBER IS A BETTER SCORE



## CAPITAL FUND PROGRAM (CFP) ASSESSMENT

- It is not a weighted average of AMPS
- The purpose is to obligate 90% or more of funds as quickly as possible, but no later than 2 years after funds become available.
- To modernize/develop ACC units and improve overall occupancy and condition of units
- To meet the HUD Strategic Plan goal of “Meet the Need for Quality Affordable Rental Homes”

## CFP SCORING INDICATORS



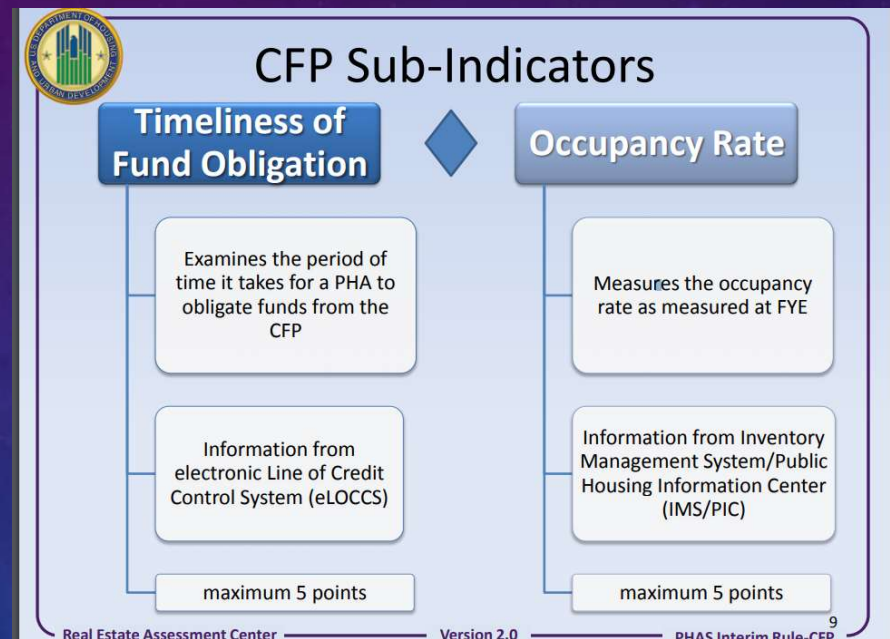
CFP Scoring	
Timeliness of Fund Obligation	• 5 points
Occupancy Rate	• 5 points
<hr/>	
Total CFP	<b>10 points</b>

Real Estate Assessment Center Version 2.0 PHAS Interim Rule CFP 7

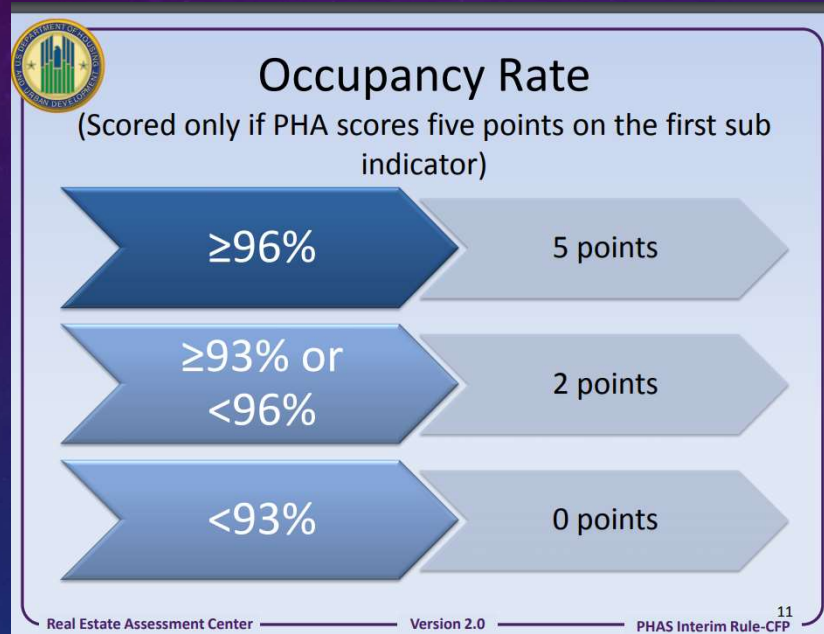
# OCCUPANCY SCORE

This occupancy score is different.

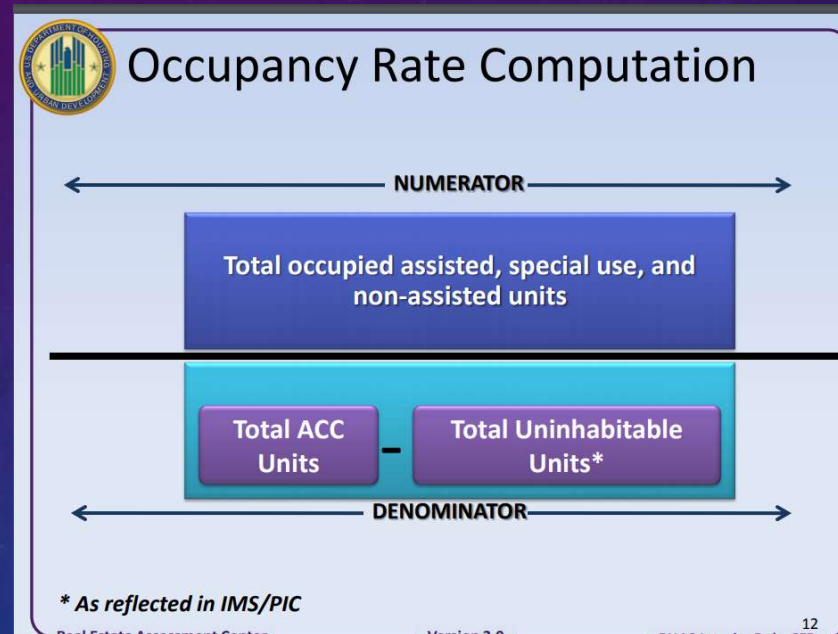
This is a snapshot and is the same for all PHAs. This looks at how many units are vacant on the last day of fiscal year.



# OCCUPANCY SCORING SCALE

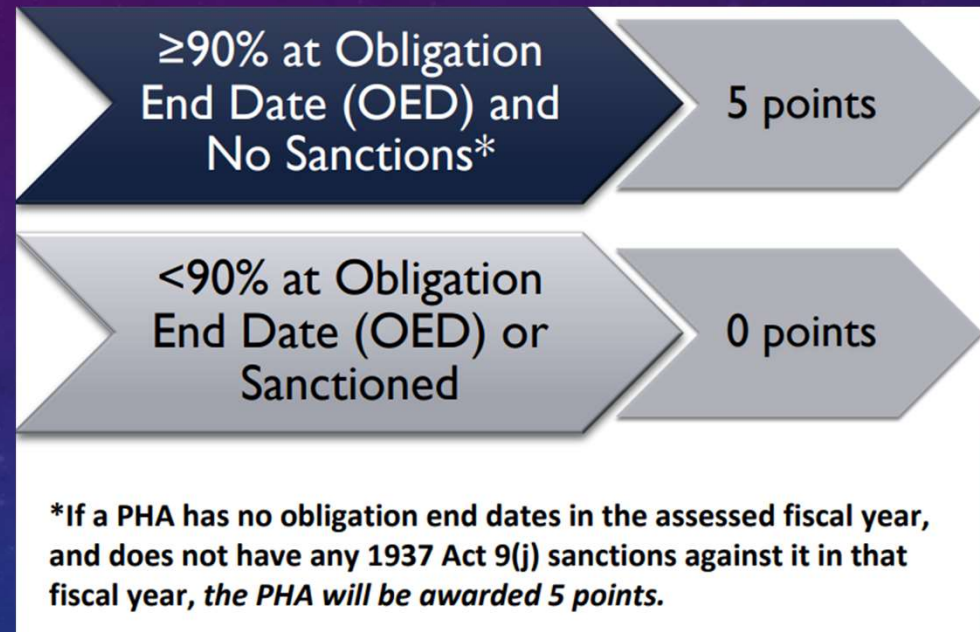


# HOW THE OCCUPANCY % IS CALCULATED

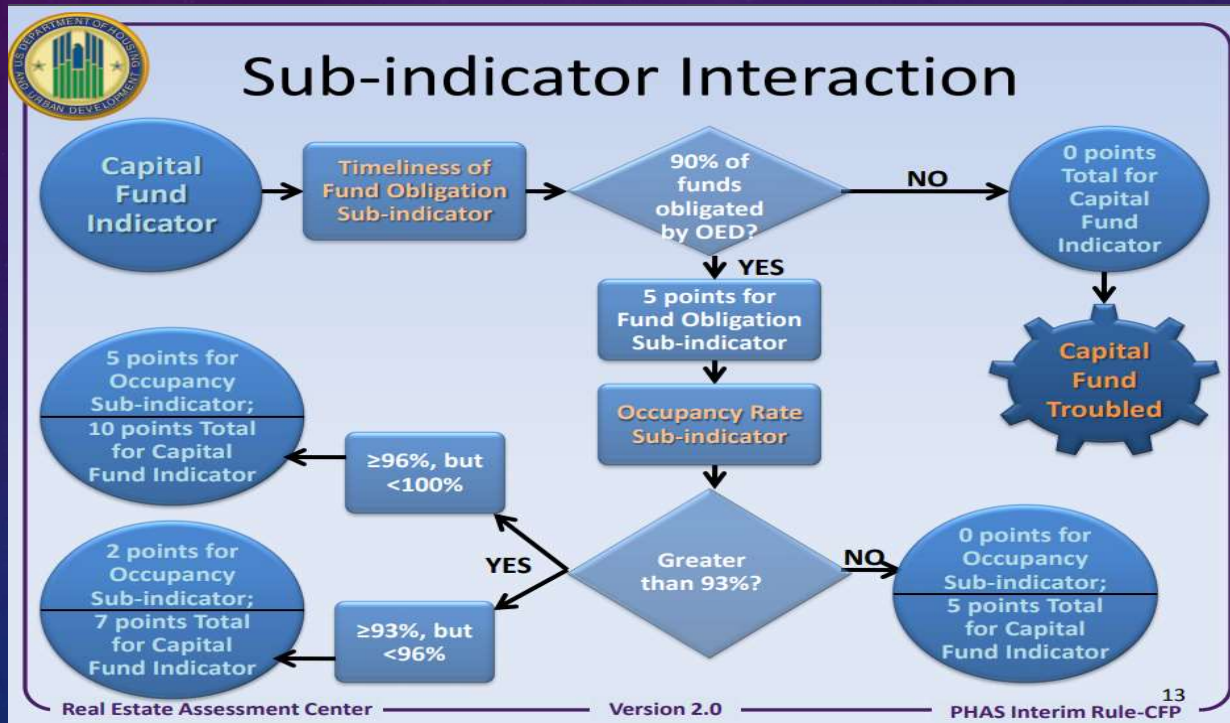


## TIMELINESS OF FUND OBLIGATION

This sub-indicator is a scoring  
threshold



# PHA CAN HAVE 90% OF POINTS AND STILL BE CLASSIFIED AS TROUBLED





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## CAPITAL FUND TROUBLED PERFORMER

- The threshold score for this indicator must be at least 5 points, or 50% of maximum number of points (10).
- A PHA that receives less than 50% or 5 points, under the CFP Indicator will be designated as a Capital Fund Troubled Performer
  - This will impact the timing for the AMP inspections, mentioned previously (All AMPS every year)
  - May impact future funding if PHAs are not using the funds



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## PHAS SCORE MAXIMIZING STRATEGIES

- Property Managers should run their Tenant Accounts Receivable Reports monthly and calculate your TAR Score
- Be sure to write off Accounts Receivable from Past Tenants at the end of each fiscal year
- Incentivize payment of Tenant A/R end of fiscal year
- Manage vacancy dates
- Teamwork to minimize vacancy days
- Streamline payable process and involve PM, Maintenance and Finance for accuracy