

Public Housing Agency Recovery and Sustainability (PHARS) Initiative

WAHA Training
January 24, 2012



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The New Approach: PHARS Initiative

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**“If you do what you’ve
always done, you’ll get
what you’ve always gotten.”**

Anthony Robbins

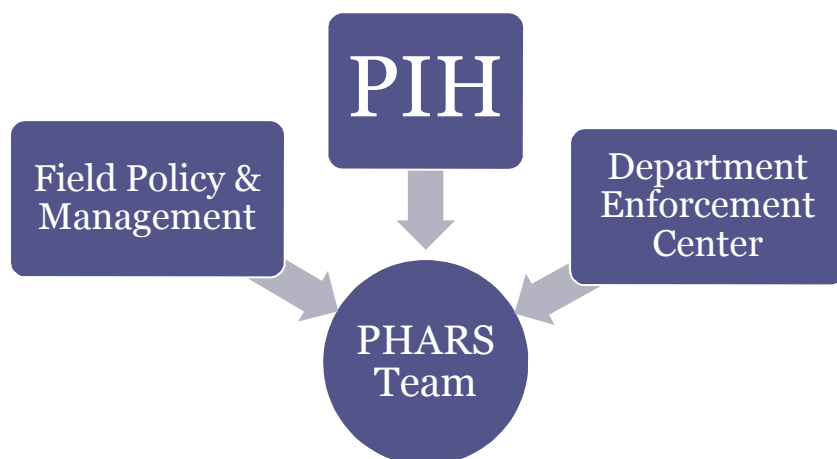
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PHARS Initiative Overview

- **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

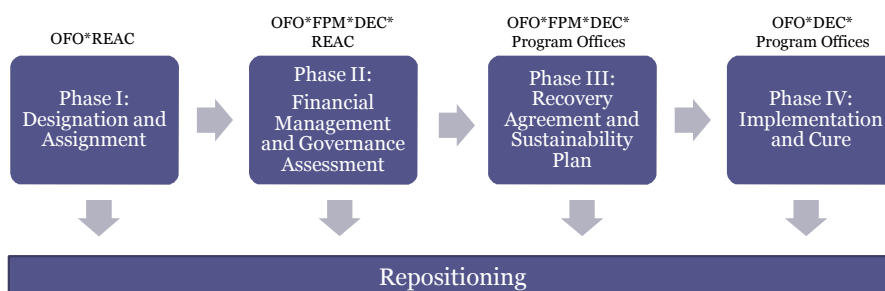
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PHARS Partners & Team Structure



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Recovery Approach



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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

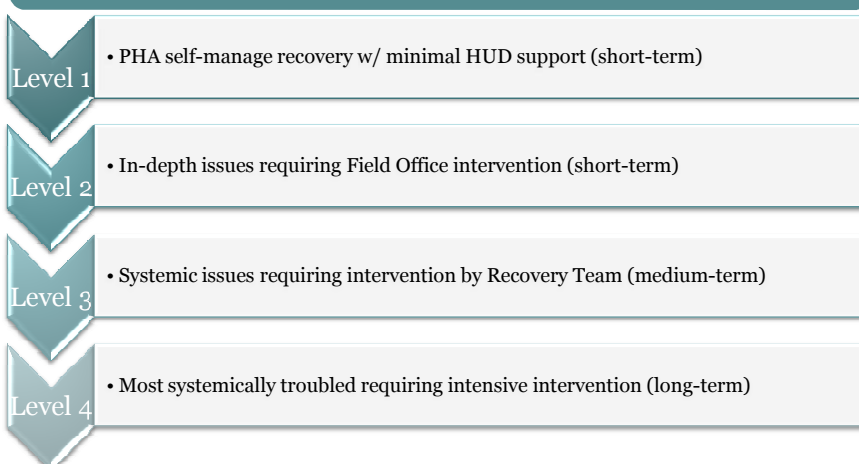
Request recovery plan proposal from PHA

Level of Effort identification

Assignment of HUD team to PHA

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Levels of effort for recovery



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

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



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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

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Recovery Agreement/Action Plan & Sustainability Plan

Item Number	Results and Determinations from Assessment	Desired Outcome	Measures to Achieve Outcomes	Target Accomplishment Date	Actual Accomplishment Date	Remedies	Comments /Accomplishments
AREA: GOVERNANCE							
AREA: FINANCE							
AREA: PHYSICAL							

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Sustainability Plan Template

Identified Deficiencies and Results and Determinations from Assessment	Desired Outcome/Measures	Tasks to Accomplish to Achieve Desired Outcomes	Target Accomplishment Date	Actual Accomplishment Date	Person/Entity Responsible for Completion	Comments /Accomplishments
AREA: GOVERNANCE						
AREA: FINANCE						
AREA: PHYSICAL						
AREA: DEVELOPMENT						
AREA: HOUSING CHOICE VOUCHER						

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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)

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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?

