

CHAPTER 3. INDICATORS AND MANAGEMENT ASSESSMENT

- 3-1 OBJECTIVE. The objective of this Chapter is to provide a correlation between the indicators and the management assessment.
- 3-2 INDICATORS.
- A. Specific indicators. The NAHA provides specific indicators to be used to assess the management performance of PHAs and to designate troubled PHAs and mod-troubled PHAs. The term "indicator" refers to the seven statutory or required measures of performance listed in the 1990 Act. (6) (j)(1)(A),(B),(C),(D),(E),(F), and (G) of the Act and 24 CFR 901.10(b) (1),(2),(3),(4),(5),(6) and (7)
- B. Other indicators. The NAHA also permits the use of "an additional five" factors as HUD deems appropriate, and HUD has identified five other indicators that will be used for management assessment. The term "factor" refers to the additional measures of performance that HUD uses for management assessment. The terms "indicators" and "factors" are used interchangeably in this Handbook to denote measures of PHA performance. (6)(j)(1)(H) of the Act and 24 CFR 901.10(b)(8),(9),(10),(11) and (12)
- C. Modernization and development indicators.
1. Modernization. PHAs that have a current modernization program will be assessed on their performance under this program.
- a. A PHA is not required to submit an exclusion request for this indicator if it does not have a current modernization program in progress. This indicator shall be excluded by the Field Office from a PHAs PHMAP assessment.
- b. A PHA that does not have a current modernization program in progress will not be assessed in this program area and its total weighted PHMAP score will be adjusted accordingly.
- c. In the first year of the Comprehensive Grant Program (CGP), which is FFY 1992, no PHA participating in the CGP will be initially designated as mod-troubled for FFY 1992 and have its formula funding limited. During the initial year of PHMAP implementation, HUD will give Field Offices sufficient time to

assess PHA modernization performance, on a risk analysis basis, and compile accurate data so that designations of mod-troubled can be made for the second year of the CGP funding.

2. Development. A PHA's development performance will be assessed on projects which have a funded development program in progress (from fund reservation through 12 months after Actual Development Cost Certificate ADCC).
 - a. A PHA is not required to submit an exclusion request for this indicator if it does not have a current development program in progress. This indicator shall be excluded by the Field Office from a PHA's PHMAP assessment.
 - b. A PHA that does not have a current development program in progress will not be assessed in this program area and its total weighted PHMAP score will be adjusted accordingly.

D. Indicators are based on numerical data whenever appropriate, in order to ensure that each PHMAP assessment of each PHA is as objective as possible.

3-3 MANAGEMENT ASSESSMENT. The assessment of PHA performance under all of the applicable management indicators, including the components within specific indicators, will produce a valid determination of a PHA as having troubled, standard or high performer status.

(6)(j)(1) of the Act and 24 CFR 901.01(a)

3-4 MOD-TROUBLED PHAS. An additional, limited assessment based only on indicator #2, modernization, will permit a determination of mod-troubled PHAs. (6)(j)(2)(A)(1) of the Act and 24 CFR 901.115(d) and 901.150(a)

3-5 CONTINUED DEVELOPMENT AND MODIFICATION OF INDICATORS.

A. While it is expected that the indicators for purposes of management assessment will remain constant, either because they are required by statute or because they cover major areas of PHA management, the individual indicators represent only an initial formulation, subject to continued development and modification as warranted by experience. The goal of the PHMAP is the achievement of an analytical instrument that is capable of accurately determining the quality of a PHA's management performance

and to provide a basis for determining the frequency and scope of Field Office monitoring reviews, audits and surveys.

- B. Although the indicators considered in an assessment may change in number, composition, grade or relative weight from year to year, the changes would not affect the current status of a PHA. Any such changes would only have a possible prospective effect in a PHA's next assessment following the changes.
- C. Changes in the indicators, the components within indicators and the relative weight of indicators, if any, will be accomplished by the rulemaking procedure and published in the Federal Register after appropriate consultation with PHAs, residents or resident interest groups and public housing interest groups. (6)(j)(1) of the Act

3-6 RECOMMENDATION. The indicators cover objective measures for key performance aspects of PHA operations. The achievement of a total weighted PHMAP score of 60% or above, and/or the satisfaction of all of the indicators serve as an indication of acceptable management performance.

- A. All PHAs now, have uniform criteria for the development and maintenance of good management principles and practices. HUD recommends that all PHAs utilize the indicators to assess whether or not their PHA appears to be performing satisfactorily.
- B. In this regard, the indicators may be used as guides to evaluate the performance of responsible staff members down to the lowest reasonable level.
- C. Therefore, HUD recommends that all PHAs include the elements necessary for a PHA to achieve acceptable performance in all of the indicators in each staff person's position description and performance evaluation, as applicable.