



Housing Authority of the City of Milwaukee

HUD PHAS Score - Recovery Plan



Board of Commissioners

October 16, 2019



AGENDA

PHAS Score

Capital Funds

Physical – Recovery Plan

Management – Recovery Plan

Q & A



Mission Statement

Hillside Terrace playground, 1959

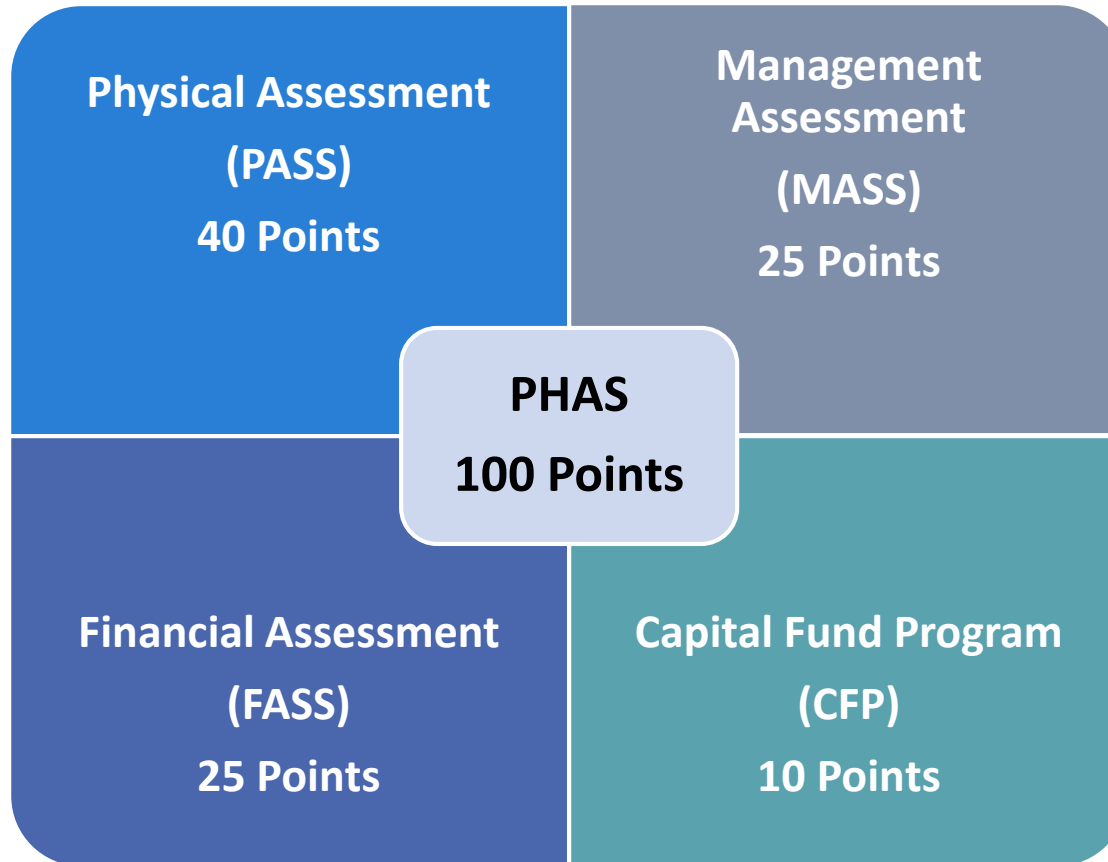


The mission of the Housing Authority of the City of Milwaukee (HACM) is to foster strong, resilient and inclusive communities by providing a continuum of high-quality housing options that support self-sufficiency, good quality of life, and the opportunity to thrive.



HUD PHAS Score

Public Housing Assessment System (PHAS)





HUD PHAS Score

PHAS Designation Status (24 CFR 902.11)

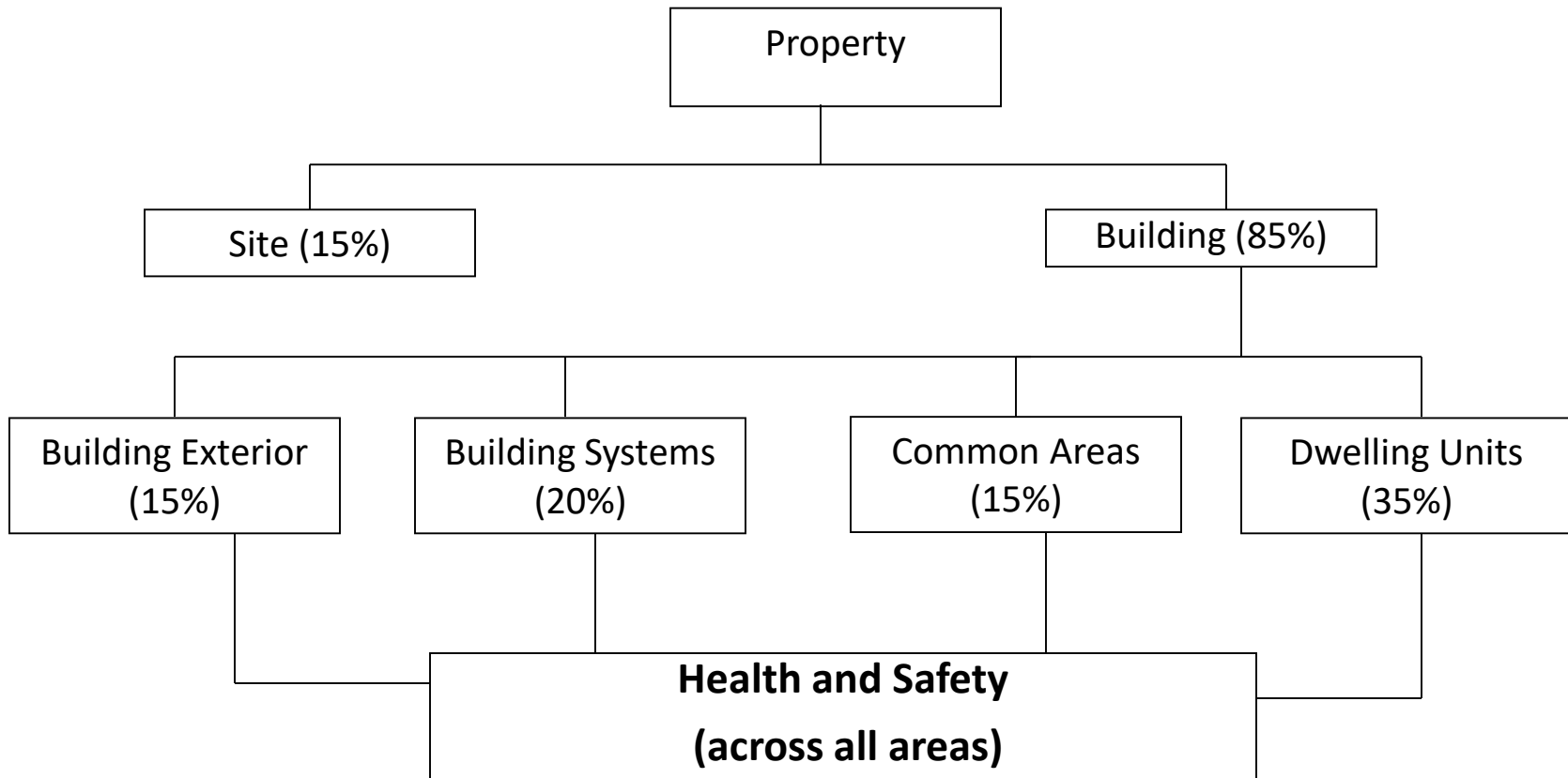
PHAS Status Designation	Composite PHAS Score	Individual Indicator Score
High Performer	Overall PHAS Score of 90% or Higher	At least 60% of total points available in PASS(24), MASS(15), FASS(15) and 50% of the total points for CFP(5) and an overall score of 90% or greater
Standard Performer	Overall PHAS Score of at least 60%	Not less than 60% of total points available in PASS(24), MASS(15), FASS(15) and 50% of the total points for CFP(5)
Substandard Performer	Overall PHAS Score of at least 60%	Less than 60% in one or more of the PASS, FASS, or MASS indicators
Troubled	Less than 60% of the overall PHAS score	---
Capital Fund Program (CFP) Troubled	---	Less than 50% on CFP indicator



HUD PHAS Score

Physical Assessment Sub Indicators and Weighting

The PASS score is determined by an inspection conducted in accordance with HUD's Uniform Physical Condition Standards (UPCS).





HUD PHAS Score

HACM PHAS Score

Fiscal Year End 12/31/2017

PHAS Indicators	HACM Score	Maximum Score
Physical	22	40 ★
Financial	25	25
Management	10	25 ★
Capital Fund	5	10
Late Penalty Points	-1	
PHAS Total Score	61	100
Designation Status:	Substandard	

Designated Substandard because Physical and Management scores are below 60%

HACM Proposed Recovery Plan is due back to Milwaukee Office of Public Housing no later than October 25, 2019.



HUD PHAS Score

HACM PHAS Score

PHAS Indicators	Max. Score	2017	2018	Est. 2019	Historical PHAS Scores
Physical	40	22	22	25	(2004 – 93)
Financial	25	25	25	25	2012 – 84
Management	25	10	10	15	2013 – 83
Capital Fund	10	5	5	10	2014 – 85
Late Penalty Points		-1	-1	-1	2015 – 83
PHAS Total Score	100	61	61	74	2016 – 68
Designation Status:		Substandard	Substandard	Standard	2017 – 61



Capital Funds

Capital Fund Program (CFP)

Capital Fund Score Details	HACM Score	Maximum Score
Timeliness of Fund Obligation:		
1. Timeliness of Fund Obligation %	90.00	
2. Timeliness of Fund Obligation Points	5	5
Occupancy Rate:		
3. Occupancy Rate %	87.50	
4. Occupancy Rate Points (Needs to be at 92% for full points)	0	5
Total Capital Fund Score (Fund Obligation + Occupancy Rate):	5	10



Physical – Recovery Plan

Improving REAC Scores

- Address Findings
- Creation of a Quality Control Team
- Resident Engagement & Education
- REAC Training
 - Video training
 - Review manuals with employees
 - Learn to view developments with a “REAC Eye”



PROPERTY	2016	2017	2018
ARLINGTON COURT	67	90	X
BECHER COURT	X	80	76
COLLEGE COURT	46	32	55
HIGHLAND HOMES SCAT SITES	77	59	35
HILLSIDE TERRACE	56	43	42
HOLTON TERRACE	85	X	89
HOPE VI SCAT SITES PHASE I	X	X	39
LINCOLN COURT	X	89	81
LOCUST COURT	44	54	48
PARKLAWN	X	51	37
RIVERVIEW	X	70	73
SCAT SITES MILWAUKEE	37	40	42
SCAT SITES N/W	48	52	35
SOUTHSIDE SCAT SITES	X	X	42

X – Not Inspected



Scattered Sites Physical Needs Assessment



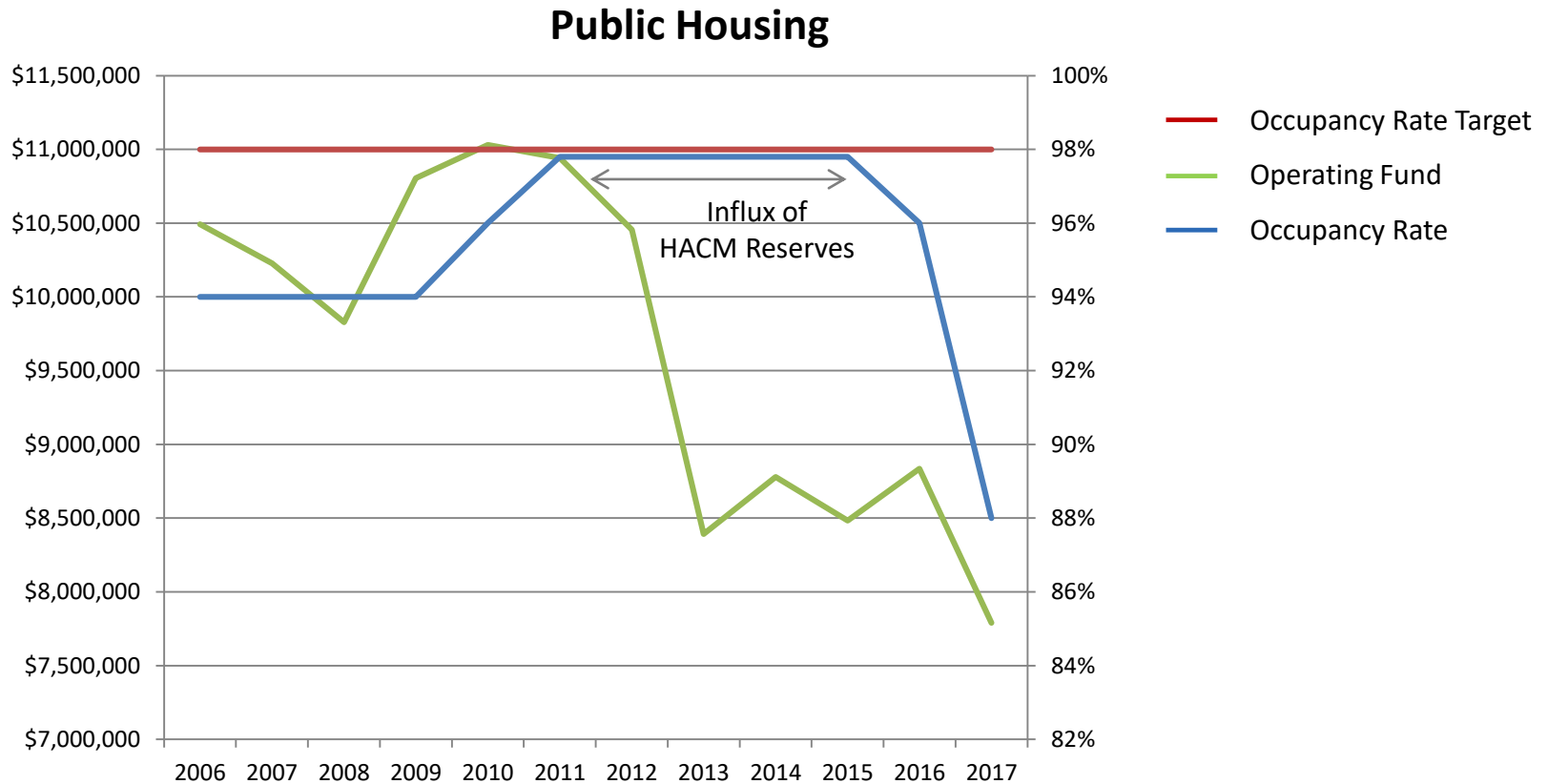
- Assessed 387 Scattered Sites units in HACM's inventory
- Most immediate threat is erosion and water diversion
- Deferred maintenance
 - Older housing stock, foundations, overgrowth of plants and trees
- Identified units for disposition – see list on HUD Repositioning Tools **slide 13**



Physical – Recovery Plan

Other Portfolio Challenges

- Significant decreases in the public housing operating fund





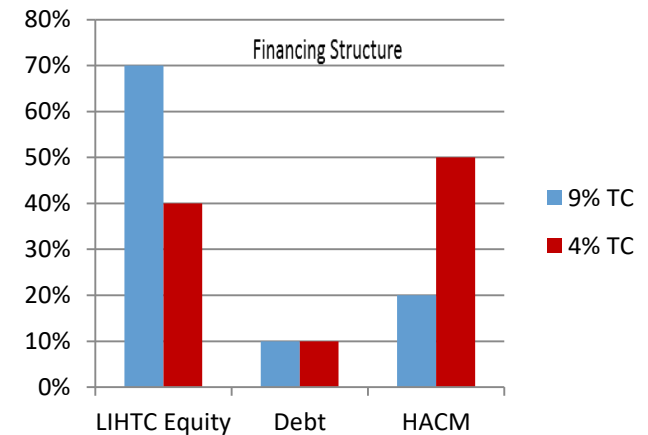
Physical – Recovery Plan

HUD Repositioning Tools

Disposition Type	Financing Type/Structure	# Units	Conversion Model
Rental Assistance Demonstration [RAD] <ul style="list-style-type: none"> Merrill Park (120 units) Becher Court (120 units) 	9% LIHTC & Debt	240	Preservation
Rental Assistance Demonstration [RAD] <ul style="list-style-type: none"> Cherry Court Scattered Sites (69 units) Highland Homes (56 units) Townhomes at Carver Park (51 units) 	4% LIHTC & Debt	176	Preservation
Section 18 Disposition – TP Vouchers <ul style="list-style-type: none"> Arlington Court (230 units) College Court (251 units) Lincoln Court (110 units) Locust Court (230 units) Mitchell Court (100 units) Parklawn (380 units) Riverview (180 units) 	Debt	1,481	Released from HUD Contract
Section 18 Disposition - TP Vouchers <ul style="list-style-type: none"> Scattered Sites – Milwaukee (57 units) Scattered Sites – North/West (143 units) Scattered Sites – South (64 units) 	Debt	264	Released from HUD Contract
RAD/Sec 18 Disposition -TP Vouchers <ul style="list-style-type: none"> Hillside Family – RAD (421 units) Hillside Midrise - Section 18 Disposition (49 units) 	LIHTC & Debt	470	Redevelop - New Construction
		2,631	



HUD Office of Recapitalization Site Visit





Initiatives to Increase Occupancy Rate

Current

- Partnership with the Service Corp Consortium (Expanding Staffing Structures) Established June 2017
- Occupancy Workgroup Formed February 2018 - Lead by Greg Anderson, VP of Asset Management
- Scattered Sites Physical Needs Assessment Began July 2018
- Housing Operations – 2018 Carryover Vacancy Initiative
- Established Contractual Arrangement with PIC Specialist

Short-Term

- Realigning Staff to Ensure Occupancy Process is Fluid
- Establish Quality Control Team
- Restructure to Create Unit Turn Team

Long-Term

- Section 18 Disposition



2018 Carryover Vacancy Initiative

- As of December 17, 2018, HACM identified 127 vacant units in need of capital repairs. HACM has allocated \$1,478,000 to repair these units. The units scope of work includes, but is not limited to repair and/or replacement of cabinets, cove base, floors, doors, tub surrounds and more.
- HACM is on track to meet its goal of occupying all 127 units by December 31, 2019.

Status	Units
Repair Work Complete	127
Units Leased	111
Leasing Scheduled for 11/30/2019	14
Leasing Scheduled for 12/31/2019	2



Status of Current Vacant Units*

Status	Units
Downtime	6
Make-Ready	140
Lease-Up in Progress	20
Leasing Date Identified	42
Undergoing RAD/LIHTC Rehabilitation	12
TOTAL	220

Total Vacant Units = 220

Current Occupancy Rate = 91.63%

Total Units Available = 2,629



HACM is converting our housing software from Visual Homes to Yardi Voyager to improve efficiency.

Go-Live Date was August 5, 2019



**Property
Management**



RENT Café



Web-based



**Mobile Work
Orders**



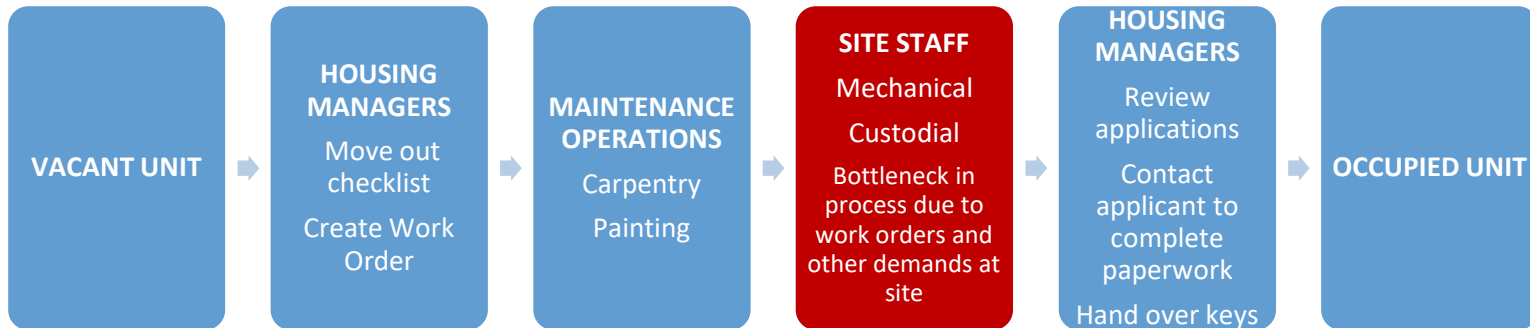
**Mobile
Inspections**



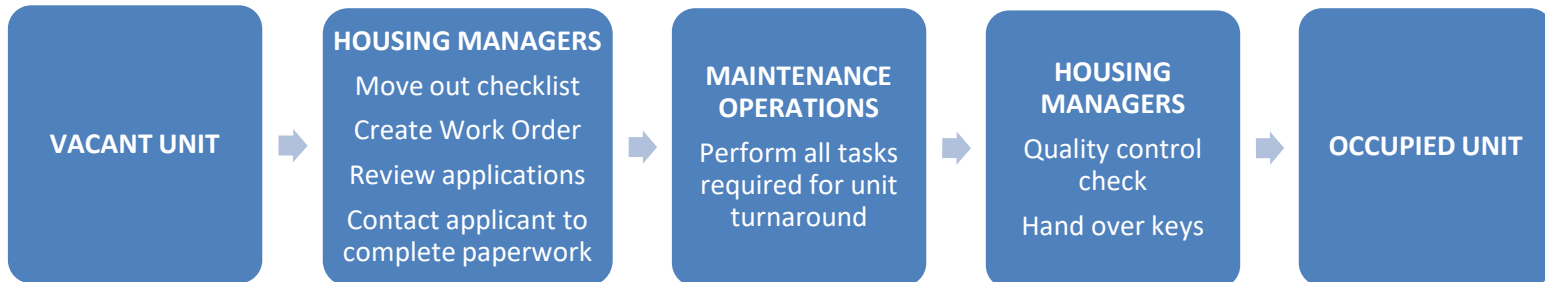
Management –Recovery Plan

Creation of Maintenance Make Ready Team

Prior Unit Turn Process (BEFORE):

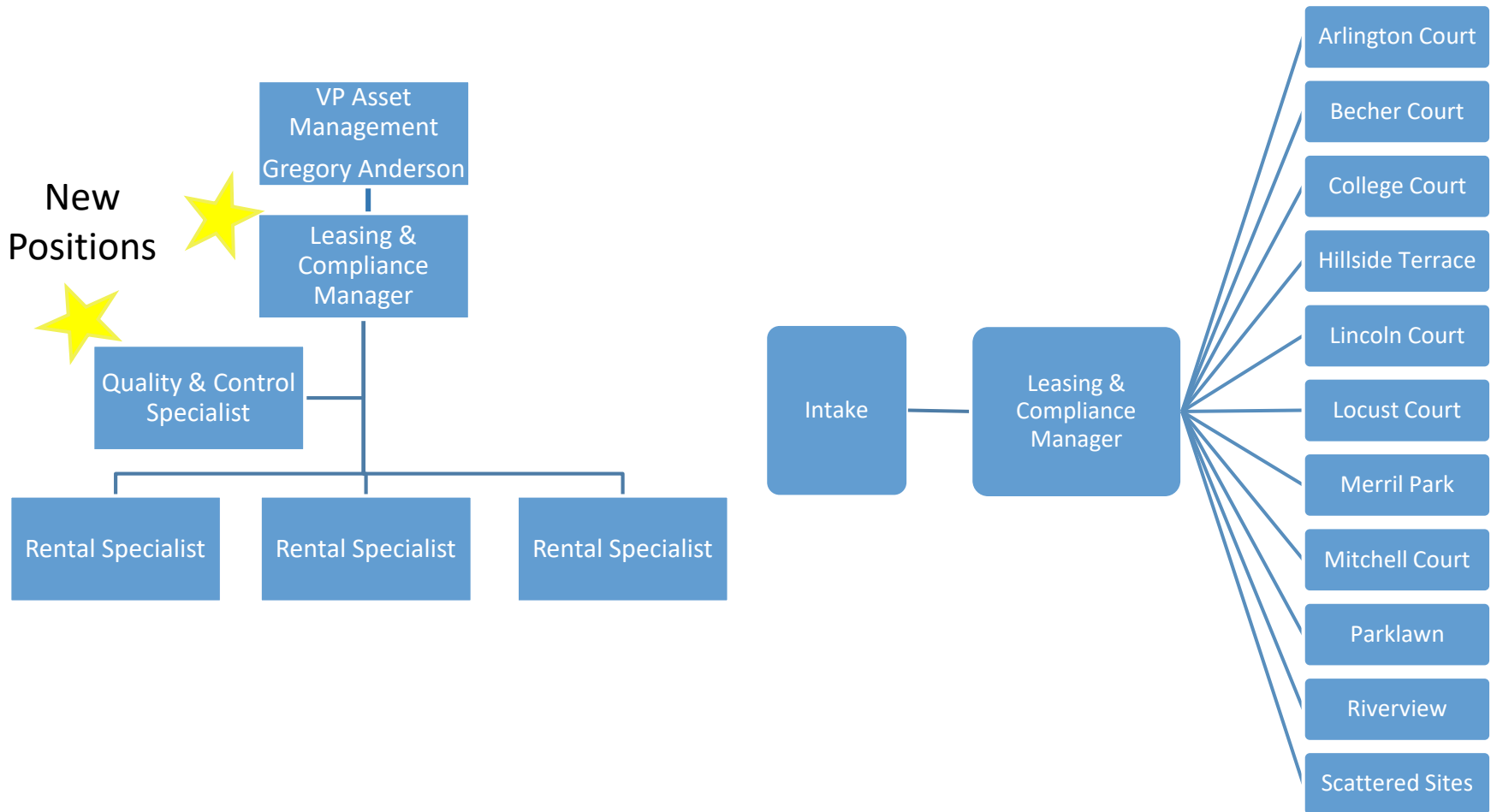


New Unit Turn Process (AFTER):





Creation of Leasing & Compliance Manager and Quality & Control Specialist Positions





Q & A

Questions?



Rebuffed, but always persevering;
self-reproached, but ever regaining
faith; undaunted, tenacious, the
heart of man labors toward
immeasurably distant goals.

— *Helen Keller* —

AZ QUOTES