

## CHAPTER 2. DEFINITIONS

- 2-1 OBJECTIVE. The objective of this Chapter is to provide definitions for frequently used terms and procedures.
- 2-2 DEFINITION OF TERMS.
- A. Accountability monitoring is a strategy to identify the program participants (PHAs) that pose the greatest risk to program missions and that are most susceptible to fraud, waste and mismanagement. Monitoring reviews and resources are to be adjusted through a risk analysis process that will determine what is to be reviewed, and who is to be reviewed based on the overall risk posed by the participants. The concept also requires the use of administrative sanctions to protect programs from continued noncompliance or the poor performance of participants. This targeting is accomplished by staff identifying high risk participants as a result of an Annual Performance Review as defined in paragraph F, below.
- B. Action taken means the issuance of a work order to correct the problem where systems are involved. 24 CFR 901.05(a)
- C. Actual vacancy rate means the percent of vacancies after excluding the permitted exemptions, expressed as a percentage. It is the number of vacant units divided by the total number of units available for occupancy and multiplied by 100. 24 CFR 901.05(b)
- D. Adjusted vacancy rate means the percent of vacancies after deducting units included in a funded on-schedule modernization program from the actual vacancy rate. 24 CFR 901.05(c)
- E. Annual average means an average computation of a PHA's immediate past fiscal year for applicable indicators. 24 CFR 901.05(d)
- F. Annual performance review is the annual review of a PHA's performance using the Performance Profile Module in the System for Management Information Retrieval-Public Housing (SMIRPH) or Form HUD-52413, PHA Performance Profile, and other available data in addition to the indicators; e.g., modernization reports, maintenance and management reviews, Office of Inspector General audits, etc.
- G. Annual vacancy rate means the percent or number of vacancies, after deducting: 24 CFR 901.05(e)

1. Vacant units that HUD has approved for demolition or

disposition; 24 CFR 901.05(e)(1)

2. Vacant units in which resident property has been abandoned, but only if State law requires the property to be left in the unit for some period of time, and only for the period stated in the law; 24 CFR 901.05(e)(2)
3. Vacant units that have sustained casualty damage and are being held off the market to allow adjustment of the insurance claim; and 24 CFR 901.05(e)(3)
4. Units that are occupied by employees of the PHA and non-dwelling units that are converted to non-dwelling use with HUD approval, including units that are utilized for resident services or are under lease to a non-dwelling tenant in the normal course of project operation. 24 CFR 901.05(e)(4)

H. Assistant Secretary means the Assistant Secretary for Public and Indian Housing of the Department. 24 CFR 901.05(f)

I. Confirmatory review may be performed by a Field Office on a risk analysis basis. It is an on-site review of the data a PHA certified to as part of the PHMAP assessment of a PHA's operation under some or all of the indicators included in PHMAP. The confirmatory review is performed for the purposes of Field Office verification of the data to which a PHA certified and the accuracy of the data derived from Field Office files. 24 CFR 901.05 (g)

J. Correct means to improve performance in an indicator to a level of grade "C" or better. 24 CFR 901.05(h)

K. Current dwelling rent charged refers to the resident dwelling rent charges reflected in the monthly rent roll(s), and excludes retroactive rent charges, maintenance charges, excess utility charges, late charges, and any other charges not specifically identified as dwelling rent. 24 CFR 901.05(i)

L. Cyclical work orders refers to work orders that are performed on a seasonal basis, or in accordance with warranty requirements, or as part of a preventive maintenance program. 24 CFR 901.05(j)

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M. Deficiency means any grade below "C" in an indicator. 24 CFR 901.05 (k)

N. Demonstrates progress means that the time required to complete all work orders has been reduced during the most recent three-year period. 24 CFR 901.05(l)

- O. Department or HUD means the U.S. Department of Housing and Urban Development. 24 CFR 901.05(m)
- P. Emergency means physical work items that pose an immediate threat to the life, health and safety of residents, or that are related to fire safety. 24 CFR 901.05(n)
- Q. Emergency status abated means the emergency situation was abated within 24 hours with completion of needed repairs and/or replacements made at a later time. 24 CFR 901.05(o)
- R. Exclusion of an indicator or component means that the indicator or component is entirely excluded from a PHA's PHMAP assessment.
- S. Formal up-to-date repayment agreement means a signed agreement between a PHA and a resident stating the terms and amounts that a resident is repaying to a PHA, and the resident is in compliance and current with the terms of the repayment agreement; i.e., the resident is remitting a specified amount on specific dates with no lapse in remittance. 24 CFR 901.05(p)
- T. Grade is one of up to six levels a PHA may obtain for each indicator and component during a PHMAP assessment. The grading system includes grades "A" through "F" in some cases, grades "A", "C" and "F" in some cases, and grades "A" and "F" in some cases.
- U. HQS means Housing Quality Standards as set forth at 24 CFR 882.109 and amended by the Lead Based Paint regulation at 24 CFR 35. 24 CFR 901.05(q)
- V. Improvement plan (IP) is a document developed by the PHA, specifying the actions to be taken, including timetables, to correct deficiencies of failed indicators identified as a result of the PHMAP assessment when an MOA is not required.

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Chapter 2, paragraph 2-2 (continued)

- W. Indicators means the major categories of PHA management functions that are examined under the PHMAP for assessment purposes. The NAHA provides seven specific indicators to be used to assess the overall management performance of PHAs and to designate troubled and mod-troubled PHAs. The NAHA also permits the use of "an additional five" indicators as HUD deems appropriate, and HUD has identified five other indicators that are used for management assessment. The terms "indicators" and "factors" are used interchangeably in this Handbook to denote measures of PHA performance. Strictly speaking in the terminology of the NAHA, however, "indicators" refers to the seven statutory or required measures of performance listed in the NAHA and "factors" refers to the additional measures of performance or indicators that HUD uses for management assessment. Three of the indicators consist

of components. The PHMAP indicators and components are as follows: (6)(j)(1)(A), (B), (C), (D), (E), (F), (G) and (H) of the Act and 24 CFR 901.05(r)

1. Indicator #1, vacancy number and percentage; (6)(j)(1)(A) of the Act and 24 CFR 901.05(r) and 901.10(b)(1)
2. Indicator #2, modernization; (6)(j)(1)(B) of the Act and 24 CFR 901.05(r) and 901.10(b)(2)
  - a. Component #1, unexpended funds over three years old; (6)(j)(1)(B) of the Act and 24 CFR 901.05(r) and 901.10(b)(2)(i)
  - b. Component #2, timeliness of fund obligation; (6)(j)(1)(B) of the Act and 24 CFR 901.05(r) and 901.10(b)(2)(ii)
  - c. Component #3, contract administration; (6)(j)(1)(B) of the Act and 24 CFR 901.05(r) and 901.10(b)(2)(iii)
  - d. Component #4, quality of the physical work; (6)(j)(1)(B) of the Act and 24 CFR 901.05(r) and 901.10(b)(2)(iv)
  - e. Component #5, budget controls; (6)(j)(1)(B) of the Act and 24 CFR 901.05(r) and 901.10(b)(2)(v)
3. Indicator #3, rents uncollected; (6)(j)(1)(C) of the Act and 24 CFR 901.05(r) and 901.10(b)(3)

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Chapter 2, paragraph 2-2W (continued)

4. Indicator #4, energy consumption; (6)(i)(1)(D) of the Act and 24 CFR 901.05(r) and 901.10(b)(4)
5. Indicator #5, unit turnaround; (6)(j)(1)(E) of the Act and 24 CFR 901.05(r) and 901.10(b)(5)
6. Indicator #6, outstanding work orders; (6)(j)(1)(F) of the Act and 24 CFR 901.05(r) and 901.10(b)(6)
7. Indicator #7, annual inspection and condition of units and systems; (6)(j)(1)(G) of the Act and 24 CFR 901.05(r) and 901.10(b)(7)
  - a. Component #1, system to track inspection and repair of units and systems; (6)(j)(1)(G) of the Act and 24 CFR 901.05(r) and 901.10(b)(7)(i)
  - b. Component #2, annual inspection of units; (6)(j)(1)(G) of the Act and 24 CFR 901.05(r) and

- 901.10(b)(7)(ii)
- c. Component #3, correction of unit deficiencies; (6)(j)(1)(G) of the Act and 24 CFR 901.05(r) and 901.10(b)(7)(iii)
  - d. Component #4, inspection and repair of systems; (6)(j)(1)(G) of the Act and 24 CFR 901.05(r) and 901.10(b)(7)(iv)
- 8. Indicator #8, tenants accounts receivable; (6)(j)(1)(H) of the Act and 24 CFR 901.05(r) and 901.10(b)(8)
  - 9. Indicator #9, operating reserves; (6)(j)(1)(H) of the Act and 24 CFR 901.05(r) and 901.10(b)(9)
  - 10. Indicator #10, routine operating expenses; (6)(j)(1)(H) of the Act and 24 CFR 901.05(r) and 901.10(b)(10)
  - 11. Indicator #11, resident initiatives; (6)(j)(1)(H) of the Act and 24 CFR 901.05(r) and 901.10(b)(11)
  - 12. Indicator #12, development; (6)(j)(1)(H) of the Act and 24 CFR 901.05(r) and 901.10(b)(12)

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Chapter 2, paragraph 2-2W12 (continued)

- a. Component #1, quality of contract administration; (6)(j)(1)(H) of the Act and 24 CFR 901.05(r) and 901.10(b)(12)(i)
  - b. Component #2, timeliness of development; (6)(j)(1)(H) of the Act and 24 CFR 901.05(r) and 901.10(b)(12)(ii)
  - c. Component #3, quality of the physical work; and (6)(j)(1)(H) of the Act and 24 CFR 901.05(r) and 901.10(b)(12)(iii)
  - d. Component #4, budget controls. (6)(j)(1)(H) of the Act and 24 CFR 901.05(r) and 901.10(b)(12)(iv)
- X. Memorandum of Agreement (MOA) is a binding contractual agreement between HUD and a troubled or mod-troubled PHA designed to bring about significant, expeditious and long-lasting improvements in the PHA's management of its PHA-owned units. An MOA is required for each PHA designated as troubled and/or mod-troubled. (6)(j)(1)(B) of the Act and 24 CFR 901.140
  - Y. Modification of an indicator or component modifies the expectation of an indicator or component to take into

consideration a PHA's unique and unusual circumstances.

- Z. Mod-troubled PHA is a PHA which receives a total weighted PHMAP modernization score on indicator #2 (modernization) of less than 60% and is designated as troubled with respect to the program under 14 (Public Housing Modernization Program). (6)(j)(2)(A)(i) of the Act and 24 CFR 901.115(d) and 901.150
- AA. Monitoring findings mean findings that were determined as a result of an on-site HUD review and/or physical inspection and transmitted in writing by HUD to the PHA. 24 CFR 901.05(s)
- BB. Performance targets are targets to be achieved by a PHA following the identification of deficiencies within the PHA's operation. They are set forth in the Improvement Plan (IP) and Memorandum of Agreement (MOA), as appropriate. (6)(j)(2)(B)(i) of the Act and 24 CFR 901.140(a)(2)
- CC. PHA Performance Profile module in the System for Management Information Retrieval - Public Housing (SMIRPH), or Form HUD-52413, PHA Performance Profile, is a document used to record information

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Chapter 2, paragraph 2-2CC (continued)

regarding all of the indicators within all program areas of a PHAs PHMAP assessment. It is updated annually within 90 calendar days after the due date for PHA certification submission and used in conjunction with other available data to assess the management performance of PHAs in all major areas of management operations.

- DD. Program Areas are major areas of a PHA's operation, such as general management, occupancy, maintenance operations, financial management, procurement, utilities, modernization, development or residents' quality of life.
- EE. Public Housing Management Assessment Program (PHMAP) implements section 502(a) of the NAHA. PHMAP sets forth policies and procedures for the Department to assess the management performance of PHAs in all major areas of management operations and identify PHA management capabilities, identify high-performing PHAs, designate criteria for defining and improving the management operations of troubled and mod-troubled PHAs, and impose sanctions for poor performance. (6)(j)(1) of the Act and 24 CFR 901.01(a)
- FF. Rents uncollected means unpaid resident dwelling rent for residents in possession. 24 CFR 901.05(u)
- GG. Risk analysis is a procedure to target scarce staff and travel resources to PHAs which have the highest potential for fraud,

waste, mismanagement or poor performance. In carrying out risk analysis, Field Offices should identify those PHAs which warrant special attention and ensure that the depth of the review is commensurate with the level of vulnerability.

- HH. Significant finding in indicator (12), development, means statutory, regulatory or health/safety violations. 24 CFR 901.05(v)
- II. Significant monitoring findings in indicator #2, modernization, component #3, contract administration, means written findings based on the monitoring reviews as recorded by the Monitoring Checklist, set forth in Appendix 18 of the Comprehensive Improvement Assistance Program (CIAP) Handbook 7485.1, as revised, or other equivalent review. Significant findings relate to any question under Sections II, III, and IV which received a "no" answer, excluding the following: Section II, exclude the items related to the use of Form HUD-51915, Monitoring Checklist, Appendix 18 of the Comprehensive Improvement Assistance Program (CIAP) Handbook 7485.1,

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Chapter 2, paragraph 2-2II (continued)

as revised, and changing the current threshold; Section III, exclude item related to changing the current threshold; and Section IV, exclude items related to changing the current threshold, notifying Field Office of scheduled final inspection, and submitting required settlement documents to the Field Office. 24 CFR 901.05(w))

- JJ. Significant monitoring finding in indicator #2, modernization, component #4, quality of physical work, means written findings based on the monitoring reviews as recorded by Form HUD-51915, Monitoring Checklist, Appendix 18 of the Comprehensive Improvement Assistance Program (CIAP) Handbook 7485.1, as revised, or other equivalent review. Significant findings relate to any question under Section I which received a "no" answer, excluding the item relating to keeping the premises free from accumulated waste materials caused by the contractor. 24 CFR 901.05(x)
- KK. Substantial default means a PHA is determined by the Department to be in violation of statutory, regulatory or contractual provisions or requirements, whether or not these violations would constitute a substantial default or a substantial breach under explicit provisions of the relevant Annual Contributions Contract or a Memorandum of Agreement. 24 CFR 901.05(y)
- LL. Troubled PHA is a PHA identified by the PHMAP assessment as having problems in major areas of management operations and achieves a total weighted PHMAP score of less than 60% and is

designated as troubled. (6)(j)(2)(A)(i) of the Act and 24  
CFR 901.115(c)

2-3 STAFF RESPONSIBILITIES. The assignment of the responsibilities  
covered in this Handbook shall be at the discretion of the Regional  
Administrator or Field Office Manager.

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