

SOMERSET HOUSING AUTHORITY

Performance Management Review (PMR) Report

Fiscal Year End 06/30/2019

*For a detailed report of the Performance Management Review (PMR), please contact the Local Housing Authority

Performance Management Review

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (DHCD) PMR Desk Audit Ratings Summary				
Housing Authority	Somerset Housing Authority			
Fiscal Year Ending	06/30/2019			
Housing Management Specialist	Mary Farrell			
Facilities Management Specialist	Robert Garrett			
Criteria	Score/Rating			
	Management			
Occupancy Rate	c.667	c.705	c.200	Cumulative
	Operational Guidance	Not Applicable	Not Applicable	Operational Guidance
Tenant Accounts Receivable (TAR)	c.667	c.705	c.200	Cumulative
	No Findings	Not Applicable	Not Applicable	No Findings
Board Member Training	Corrective Action			
Certifications and Reporting Submissions	Operational Guidance			
	Financial			
Adjusted Net Income	No Findings			
Operating Reserves	No Findings			

Report Date: 9/16/2019

LHA SOMERSET

Occupancy

Rating All: Operational Guidance

Rating 667: Operational Guidance

Rating 200: Not Applicable

Rating 705: Not Applicable

- ☒ Enter vacancies into system at least monthly and ensure that there are no duplicates. Reach out to HMS if accidental duplicates occur.
- ☒ Use online vacancy system, see user guide if need help. All vacancies must be reported; and quarterly certifications must be completed certifying all data is in system. Request waivers when applicable.
- ☒ Follow tenant selection best practices to improve vacancy turnover (pulling lists in CHAMP as soon as vacancy occurs and previewing list to prescreen in advance of vacancies as needed).
- ☐ Include unit turnovers in capital improvement plan.
- ☐ Engage in a management agreement or contract with private firms to help with heavy unit turnover.
- ☐ Review turnovers with staff weekly or biweekly to monitor status of vacant units.
- ☐ Develop plan for updating units with long term occupancy to limit turn over time at vacancy; family units may need consistent attentions o when lease up, condition is not affecting vacancy turnover time.
- ☒ Ensure that yearly inspection findings are addressed and address tenant damage/lease violations.
- ☒ **Other: SHA did not submit any of it's vacancy certification for the FY under review and is out of compliance.**

Tenant Accounts Receivable (TAR)

Rating All: No Findings

Rating 667: No Findings

Rating 200: Not Applicable

Rating 705: Not Applicable

- ☐ Create or update rent collection policy and procedures and submit to DHCD for review, with supporting Board vote.
- ☐ Adhere to your rent collection policy and lease, i.e. sending notices, reminder letters, 14 day notice to quit, 30 day notice etc. Send notices to tenants early and frequently.
- ☐ Increase ways to accept rent payment, i.e. check scanners, lock boxes, electronic debit, autopay, etc.
- ☐ Report to credit bureau when resident has vacated unit with past due rent balance.
- ☐ Consider using small claims court (<https://www.mass.gov/info-details/massachusetts-law-about-small-claims>)
- ☐ Create written repayment agreements, either in house or court ordered, and ensure they are adhered to.
- ☐ Evaluate vacated balances to better understand what is collectible and what is unlikely to be collected. Don't allow tenant balances to build-up before doing lease enforcement. Review aged receivables report regularly.
- ☐ Set reasonable thresholds for commencing legal action.
- ☐ Ensure proper documentation of past due balances and collection efforts with tenants.
- ☐ **Other:**

Certifications and Reporting Submissions

Rating: Operational Guidance

- ☒ Submit all four quarterly vacancy certifications by the end of the month following the quarter end.
- ☒ Submit all four quarters of Tenants Accounts Receivables (TAR) application within 60 days of quarter end.
- ☒ Submit all four quarterly operating statements within 60 days of the quarter end.
- ☐ Schedule board meetings well in advance. Consider scheduling a backup date to ensure you are able to have your board vote/approval in time to meet reporting deadlines.
- ☐ Set a recurring appointment in your email calendar for help remembering reporting dates and deadlines.
- ☒ **Other: Of the (12) reporting areas SHA was late with reporting in (7) categories for the FY under review and to date has not submitted all required reporting.**

Adjusted Net Income/Revenue

Rating: No Findings

Revenue:

- ☐ Update and adhere to rent collection policy
- ☐ Update marketing plan
- ☐ Update internal policies related to vacant unit turnover
- ☐ Review rent roll to identify outstanding rents and/or patterns of rent delinquency.
- ☐ Review operating statements to identify trends in revenue collection such as LHA-wide or development-centered rent issues.
- ☐ Follow tenant selection best practices to improve vacancy turnover (pulling lists in CHAMP as soon as vacancy occurs and previewing list to prescreen in advance of vacancies as needed)
- ☐ Set up repayment agreements with tenants as soon as tenant becomes in arrears; do not let large balances accrue.
- ☐ Make it easier for tenants to pay rent. For example, consider online payments, lockboxes for night time drop-off or extended office hours
- ☐ Review budget reports with both fee accountant/financial staff and your board to stay on top of revenue trends.
- ☐ Ensure rent determinations are completed regularly and are in adherence with DHCD policy

Expense:*Salaries*

- ☐ Monitor expenses throughout the year; over or underspending in certain budget lines, can be fixed by reducing or increasing other lines to ensure you stay within your ANUEL.
- ☐ Consider a reorganization of staff time/roles and improve processes.
- ☐ Hire temporary workers or offer overtime to current employees to pick up the workload of staff out on leave.
- ☐ Ensure your budget is in compliance with state and federal requirements regarding allocations.

Legal

- ☐ Review and if needed revise tenant selection process, rent collection process and notice to quit process to reduce evictions/legal costs.
- ☐ Start tracking or better estimate eviction costs based on historical averages throughout the year. If legal costs for evictions are running higher than expected, reduce other budget lines to ensure you stay within your ANUEL.
- ☐ If you qualify, use DHCD's regional attorney program.

Utilities

- ☐
- ☐ Use online resources such as WegoWise, MassEnergyInsight or software provided by your utility company to track and monitor utility usage. Review the usage monthly to look for unusual expenditures.
- ☐ Weatherize units to improve insulation. Reach out to maintenance director or DHCD staff for more information.
- ☐ Request a referral from your HMS to DHCD's sustainability coordinator if you are interested in saving money through the installation of low-flow toilets, showerheads, LED lights or other cost-savings, energy-efficient measures. DHCD frequently has incentive programs that pay for the procurement and installation of energy and water saving appliances and tools at your LHA.
- ☐ Ensure that you have an air conditioner policy that precludes a/c being in windows out of season/enforce policy if already in place.

Maintenance

- ☐ Develop or update your preventive maintenance, deferred maintenance and routine maintenance plans and review monthly with maintenance staff.
- ☐ Develop or update your procurement and purchasing policies and review with staff.
- ☐ Develop a system to schedule and track preventive maintenance, reach out to your facilities management specialist for assistance.
- ☐ If contractor costs are high, see if your current maintenance team can complete the work or if it is possible to contract with a tradesman.
- ☐ Consider bulk purchasing for supplies and shop around for the best deals.
- ☐ Consider investing (through purchase or maintenance) in equipment that may reduce hours spent on maintenance (such as a snow blower to reduce time shoveling).

- ☐ **Other:**

Operating Reserve

Rating: No Findings

☐

Please refer to PHN 2018-04 and current budget guidelines for information on operating reserve

☐

An LHA may spend down to 35% of maximum reserve level without consulting DHCD, but the LHA must budget these expenses in the correct line items of their annual operating budget. If the expense occurred after DHCD approval of the annual operating budget, the LHA should submit a budget revision with these expenditures.

☐

Any expenditures from the operating reserve that will result in a projected operating reserve of less than 35% of maximum reserve level, requires *prior written approval* from DHCD, *unless the expenses are to resolve health and safety issues*.

☐

Each LHA must maintain a projected operating reserve of 20% of maximum reserve level, which *remains the minimum operating reserve level for all LHAs*.

☐

Other:

Board Member Training

Rating: Corrective Action

☒

Ensure you update the board attendance application with the most recent board members, and their term dates.

☒

Ensure each board member has a unique email for the board member training.

☒

Provide computer guidance as needed to help board members complete the training.

☒

Other: Please refer to PHN 2017-05 for the previously provided guidance on this area.

PMR Capital Benchmarks for LHA Fiscal Year 2019

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (DHCD) PMR Fiscal Year 2019 (Planning Year)	
Criteria	Score/Rating
	Capital
Capital Improvement Plan (CIP) Submitted	No Findings
Capital Spending	No Findings

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (DHCD)
PMR Physical Condition Report

For a detailed report of the Performance Management Review (PMR), please contact the Local Housing Authority

Housing Authority	Somerset Housing Authority
Fiscal Year Ending	6/30/2019
Housing Management Specialist	Mary Farrell
Facilities Management Specialist	Robert Garrett

Health and Safety Violations. Must be initiated within 24 to 48 hours. If the box below is not checked, you did not have any health and safety violations.

☒ DHCD will provide a list of health and safety violations found. Inspection reports will be provided by your HMS. The health and safety items have an 'X' in the HS column of the inspection report. Actions to correct these violations must be initiated within 24 to 48 hours. When you have completed work orders for these items send documentation to dhcd-phinspectionviolations@massmail.state.ma.us. In the subject line please indicate the LHAName and the PMR Year. If health and safety violations are not resolved within 60 days, DHCD will follow-up with a second site visit.

Criteria A: LHA conducted 100% of the unit inspections - Corrective Action

- ☒ Look to a nearby LHA for help with inspections (formulate a management agreement)
- ☒ Attend a Regional DHCD-led Inspection Training (in person)
- ☒ Refer to Property Maintenance Guide - Chapter 3 on Inspections See Handout B
- ☒ Consider Organization of Staff (see Chapter 4 of PMG) See Handout B
- ☒ Develop/Improve internal organizational processes and procedures to ensure you are properly scheduling, tracking, and documenting inspections throughout the year.
- ☒ Consider software (web-based applications) or Excel/Access to help you conduct/track/document inspections See Handout H
- ☒ Schedule your inspections throughout the year (by development or by anniversary date), rather than once a year
- ☒ Hire a qualified contractor (contact the DHCD Compliance Specialist (#617-573-1100 or dhcd-publichousingprocurement@massmail.state.ma.us) for procurement information)

Additional Notes:

Contrary to industry standards and practices of LHA's of similar size, WHA fails to conduct inspections. Annual inspections of all units should be conducted within the fiscal year to ensure compliance with the lease. Additional comments in "Attachment A"

Criteria B: Inspection report noted 100% of the necessary repairs in each unit - Corrective Action

- ☐ Unable to make recommendations as did not notify tenants of possible inspections
- ☒ Attend a Regional DHCD-led Inspection Training (in person)
- ☒ Look into maintenance trainings offered by MAHAMS See Handout L
- ☒ Include tenant violations in inspection reports
- ☒ Review state sanitary code (https://www.mass.gov/files/documents/2016/07/pv/105cmr410_0.pdf)

Additional Notes:

Conduct methodical inspections of every unit. Record all findings on an acceptable inspection form. Create work orders for all noted deficiencies.

Criteria C: 100% of inspection-related work orders were generated - Corrective Action

- ☒ Attend a Regional DHCD-led Inspection Training (in person)
- ☒ Refer to Property Maintenance Guide - Chapter 3 on Inspections See Handout B
- ☐ Ensure all tenant violations are included in the inspection report and that these violations are followed-up on by administrative staff with the tenant.
- ☒ Develop internal organizational processes and procedures to ensure you are properly generating and tracking inspection work orders throughout the year
- ☒ Improve internal organizational processes and procedures to ensure you are properly generating and tracking inspection work orders throughout the year
- ☒ Consider software (web-based applications) or Excel/Access to help you conduct/generate/track inspections See Handout H

Additional Notes:

Methodical inspections of all units should be conducted within the fiscal year and work orders created for all identified deficiencies, and as applicable letters generated to tenants that are not in compliance with the lease. Contrary to industry standards and the practices at other LHA's of similar size, SHA fails to document inspections.

Work Order System Identifies, Tracks, and Can Produce Reports for the Following

Criteria D: Inspection - Operational Guidance

Criteria F: Emergency (defined per PMG) - Operational Guidance

Criteria H: Vacancy - Corrective Action

Criteria K: Routine - Operational Guidance

Criteria L: Requested - Operational Guidance

- ✓ Consider software (web-based applications) or Excel/Access to help you generate/track/close out work orders See Handout H
- ✓ Refer to Property Maintenance Guide - Chapters 1 to 3 on Work Order Systems See Handout B
- ✓ Refer to PHN 2016-16 and 2016-36 and 2018-8 on Maintenance Aspects of Performance Management Review See Handout C+D
- ✓ Train staff on work order types and how to input them into your work order system/If you use web-based software, reach out to your vendor for training/training materials/changes to the software See Handout K + Software Handouts (M, N, or O) If Applicable
- ✓ LHA should align work order types, their priorities and a definition of what is considered an emergency with the Property Maintenance Guide (Pages I-5 to I-10) See Handout B + K
- ✓ Look to other LHAs with strong work order systems/processes and procedures around work orders and ask for their assistance
- ✓ Definition of Emergency Work Orders Should Be Conditions (no matter the time of day) which are immediately threatening to the life or safety of your residents, staff, or structures. LHA should create emergency list and distribute to staff and tenants. Produce emergency work orders for any work that is on list and initiate work within 24 to 48 hours. See Handout J
- ✓ LHA should establish a system of move out inspections for all vacant units. Produce work orders from those move out inspection reports, and list on work order time spent working on turnover, date turnover was started and date finished, list of work done, and material used.

Additional Notes:

Through a variety of Public Housing Notices, DHCD has provided multiple years of guidance and assistance related to work order systems. Utilizing the budget process, DHCD has funded exemptions for technical purchases to provide financial assistance with the implementation and upgrades of work order systems. Contact your assigned FMS and HMS for additional assistance in this area.

Timely Completion of Work Order Types

Criteria E: Inspection - Corrective Action

Criteria G: Emergency - Corrective Action

Criteria I: Vacancy - Corrective Action

Criteria M: Requested - Corrective Action

- ✓ Consult DHCD's list of work order types, their priorities and a definition of what is considered an emergency See Handout J + K
- ✓ Refer to Property Maintenance Guide - Chapters 1 to 3 on Work Order Systems See Handout B
- ✓ Refer to PHNs 2016-16 and 2016-36 and 2018-8 on Maintenance Aspects of Performance Management Review See Handout C + D
- ✓ Vacancy turnovers should be completed within 30 calendar days or less. If cannot complete work within 30 days, LHA should contact Housing Management Specialist for a waiver. Use Online Vacancy System to Apply for Waivers (see PHN 2013 - 07) for Waiver Types (if waiver-eligible) See Handout G
- ✓ Consider Use of Capital Improvement Plan (CIP) for Capital Projects (see PHN 2012-22 for Capital vs. Operating funds; Contact Your Project Manager or RCAT for More Information) See Handout I
- Hire a qualified contractor (if plan to procure, contact DHCD Compliance Specialist (#617-573-1100 or dhcd-publichousingprocurement@massmail.state.ma.us) for procurement information
- ✓ Schedule your inspections throughout the year (by development or by anniversary date), rather than once a year
- ✓ Train staff on work order types and how to input them into your work order system/If you use web-based software, reach out to your vendor for training/training materials/changes to the software See Handout K + Software Handouts (M, N or O) If Applicable
- ✓ Consider software (web-based applications) or Excel/Access to help you generate/track/close out work orders See Handout H
- ✓ Consider Use of a Deferred Maintenance Plan/Operating Funds (Talk to Facilities Management Specialist and/or Housing Management Specialist)
- ✓ Look into Maintenance trainings offered by MAHAMS See Handout L
- ✓ Look into Dwelling Unit Inspection trainings offered by DHCD
- ✓ Look to other LHAs with strong work order systems/processes around work orders and ask for their assistance (possibly formulate a management agreement)
- Request Vacant Unit Funds (see PHN 2016-34 for more information) See Handout F
- ✓ Look for other external funding sources
- Build a broader vendor network (to ensure timely delivery of parts/materials)
- ✓ Consider Organization of Staff (see Chapter 4 of PMG) See Handout B

Additional Notes:

Emergency Work Order:

Emergency WO should be labeled as an Emergency based on a defined list of emergencies, and should be labeled as emergency regardless of the time of day received or the tenant reporting the issue. Review prior public housing notices readily available on mass.gov and implement changes that meet mandated requirements. Contact your FMS for technical assistance and further guidance.

Vacancy Work Order:

The lack of a functioning work order system precludes the review of the timeliness of the turn over of vacant units. Please access the guidance that DHCD has provided through multiple Public Housing Notices.

Timeliness Requested Work Order:

The lack of a functioning work order system precludes the review of the timeliness of the response to tenant requested work orders. Please access the guidance that DHCD has provided through multiple Public Housing Notices.

Timeliness of Inspection Work Order:

The lack of a functioning work order system precludes a review of the timeliness of completion of items that would have been identified during unit inspections. Please access the guidance that DHCD has provided through multiple Public Housing Notices.

Criteria J: Comprehensive Preventive Maintenance Program Exists + Preventive Work Orders Identified, Tracked, Reportable - Corrective Action

- ☑ Refer to the Property Maintenance Guide (Pages I-23 to I-32 and Pages 8-7 to 8-26) See Handout B
- ☑ Refer to Annual PHNs on this topic, latest of which was PHN 2016-18 "Preventive Maintenance Monthly Reminders" See Handout E
- ☑ Process to schedule, generate, prioritize, and track work orders as a part of the Preventive Maintenance Program (consider using software to automate processes where possible) See Handout H
- ☐ Designate one person with the responsibility of reviewing/updating the Preventive Maintenance Program on a regular basis, as well as in real-time as new equipment is purchased
- ☑ Create a Preventive Maintenance Program/Plan that helps in the upkeep of all buildings and equipment. Work orders should be created and closed for all items on Preventive Maintenance Plan; Consult the Property Maintenance Guide (Pages I-23 to I-32) and Public Housing Notices 2016 - 18 "Preventive Maintenance Reminders" for how to develop a Preventive Maintenance Program See Handout B
- ☑ Consider software (web-based applications) or Excel/Access to help you generate/track/close out work orders See Handout H
- ☑ Refer to Property Maintenance Guide - Chapters 1 to 3 on Work Order Systems See Handout B
- ☑ Refer to PHN 2016-16 and 2016-36 and 2018-8 on Maintenance Aspects of Performance Management Review See Handout C+D
- ☑ Train staff on work order types and how to input them into your work order system/If you use web-based software, reach out to your vendor for training/training materials/changes to the software See Handout K + Software Handouts (M, N, or O) If Applicable
- ☑ Look to other LHAs with strong work order systems/processes and procedures around work orders and ask for their assistance

Additional Notes:

SHA does not have a Preventive Maintenance plan and does not create preventive work orders to ensure the cyclical needs of the property and equipment are met. DHCD has provided consistent guidance, support and resources to assist in the implementation of an effective preventive program. The Preventive Plan is a necessity that will ensure the preservation of SHA housing stock into the future. DHCD has funded the RCAT program to provide assistance to local housing authorities. RCAT has developed templates that can be modified for the specific needs of the Housing Authority. Please utilize RCAT for specialized assistance in this area and reference DHCD guidance documents as needed. Maintenance staff should have the support of the administrative office in tracking the preventative maintenance needs of the housing authority.

Criteria N: 24 Emergency Response System, Distributed Emergency Definition to Residents, Staff, and Answering Service (if applicable) - No Findings

- ☐ Create an Emergency System that Is Available 24 Hours a Day (if plan to procure, contact DHCD Compliance Specialist (#617-573-1100 or dhcd-publichousingprocurement@massmail.state.ma.us))
- ☐ Refer to Property Maintenance Guide (Pages I-5 to I-10) on Emergencies and System Setup See Handout B
- ☐ LHA should create a list of emergency items and distribute to all staff, tenants and answering service if have one. Produce emergency work orders for any work that is on your emergency list and initiate work within 24 to 48 hours. See Handout J

Additional Notes:

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (DHCD) PMR Physical Condition Ratings	
Housing Authority	Somerset Housing Authority
Fiscal Year Ending	6/30/2019
Housing Management Specialist	Mary Farrell
Facilities Management Specialist	Robert Garrett

Inspection and Work Order System Criteria	Rating
Inspections	
LHA conducted 100% of the unit inspections.	Corrective Action
Inspections report noted 100% of the necessary repairs in each unit.	Corrective Action
100% of inspection-related work orders were generated.	Corrective Action
Work order system identifies, tracks, and can produce reports for inspection work orders.	Operational Guidance
Inspection work orders were completed within 30 calendar days from the date of inspection, OR if cannot be completed within 30 calendar days, are added to the Deferred Maintenance Plan or included in the Capital Improvement Plan in the case of qualifying capital repairs (unless health/safety issue).	Corrective Action
Work Order System	
Emergency work orders defined per PMG, identified, tracked, reportable.	Operational Guidance
Emergency work orders initiated within 24 to 48 hours.	Corrective Action
Vacancy work orders identified, tracked and reportable.	Corrective Action
Vacancy work orders were completed within 30 calendar days or if not completed within that timeframe, LHA has a waiver.	Corrective Action
Comprehensive Preventive Maintenance Program exists & preventive work orders identified, tracked, and reportable.	Corrective Action
Routine work orders identified, tracked, reportable and completed regularly.	Operational Guidance
Requested work orders are identified, tracked and reportable.	Operational Guidance
Requested work orders were completed in 14 calendar days from the date of tenant request or if not completed within that timeframe (and not a health or safety issue), the task was added and completed in a timely manner as a part of the Deferred Maintenance Plan and/or CIP.	Corrective Action
LHAs have a 24 hour system for responding to emergencies and have distributed definition of emergency to residents, staff and answering service (if applicable).	No Findings