

6.0 (4) Operation and Management

Overview

Over the last four years since publication of the revised Operating Fund Formula contained in 24 CFR 990 and other HUD guidance provided to date, the Housing Authority of the City of Camden (HACC) under the direction of the Executive Director and other senior staff have taken steps to put in place a management structure consistent with the broader multi-family management industry.

Routine maintenance has been decentralized and services are handled on-site by maintenance staff assigned respectively and under direction of the Property Manager. Service Contracts (i.e., routine painting, extermination, etc...) are procured centrally by the purchasing agent for the Authority but are overseen by the Property Managers. Technical/Specialized Maintenance Services are procured centrally and work is overseen by the Property Managers. Unit/Annual Inspections are handed by an HACC certified inspector. Vacancy Preparation is handled by on-site staff, with contract support, when necessary. Work Order Requests are handled by Property Managers who assign and monitor work performed by on-site maintenance staff.

Our affordable housing inventory includes a combination of public housing, assisted living, privately managed and Section 8 housing choice voucher units. Recognizing this mix of affordable housing options and attempting to continue to meet the broader Camden community's needs in times of diminishing federal funding, we have made many changes since September 2005. We anticipate more as transition to the asset management model continues and as HUD guidance is disseminated.

In order to sustain the high level of operational and financial performance achieved over the last few years, HACC routinely and systematically monitors the management, physical, and financial condition of all of its properties and programs. Monthly performance reports (see attached) are required from site staff that provides both qualitative and quantitative information. Data is provided on the following:

- Number of vacant units and the status of each;
- Unit turnaround time;
- Reasons for unit refusals;
- Rent collection rate;
- Completion of emergency work orders;
- Completion of routine work orders;
- UPCS Inspections;
- Re-examinations completed;
- Lease enforcement activities;
- Unit transfers; and
- Quality control inspections.

Budget versus actual variance reports are also required. Additionally, *Performing/Non-Performing Reports* are reviewed by the Property Managers who analyze and consolidate information provided to monitor the performance and/or non-performance of the properties based on the criteria established in PIH Notice 2006-14. The forms used for each property are included as supplemental information to this attachment.

Of particular focus to the financial condition of each property and to the agency as a whole are utility costs and consumption. These are monitored closely by each Property Manager, the Director of Finance, and the Deputy Executive Director/Asset Manager on a monthly basis. Also we have been working with an ESCO company to assist us in this area. Although none of HACC's properties are currently non-performing in this area, the unpredictable nature of the weather in the northeast merits close monitoring to sustain a positive financial position at each property. Furthermore, bi-weekly meetings are held to discuss agency operational and financial performance between the Executive Director and executive staff, as well as, monthly meetings between the Asset Manager and the Property Managers.

Additionally Property Managers have been working closely with the Resident Initiatives Department Staff to meet the needs of the residents from a Social Services perspective. The aim is to improve the mindset of residents in the care of the units and thereby having generally better maintained units by the residents authority wide.

Major deficiencies identified in the past include:

- **Vacancy Rate:** Which have been as high as 16% in older non-performing AMPs
- **Unit Turnaround Time:** Which have been as high as 1496 days in older non-performing AMPs.
- **UPCS Inspections:** The REAC inspection which have been as low as 48 in older non-performing AMPs.
- **Crime and Drug Incidents** that exceed by 120% statistics in the surrounding communities.
- **Rent collection:** Which have been as low as 91% in some properties

Plan and Resources to Address Deficiencies:

- **Vacancy Rate.** To address this issue, HACC focused additional Capital Fund monies for the rehabilitation of units that required work over and above normal wear and tear and beyond the abilities of site maintenance staff to make-ready and reoccupy many of the vacant units. As a result of this refocused effort vacancy rates have improved dramatically. Capital funds will be allocated each year to supplement site maintenance, vacant unit rehabilitation, and repairs. Site staff in conjunction with in-house counsel and other Executive staff meet monthly to strategize and articulate innovative ways to address the causes of the high voluntary and involuntary (evictions) unit turnovers.

The goal of the Authority is to achieve a vacancy rate of 5% over the next 12 months for the older non-performing AMPs and 3% over the second twelve-month period,

then sustain the vacancy rate at 3% or below using the combined resources of site maintenance staff, participants in the Youthbuild Program, and capital funds as well as the steps outlined to address unit turnaround time below authority wide as needed.

In addition to other vacancy improvement strategies outlined, a marketing strategy will be developed and implemented to increase interest in older AMPs such as Branch Village. The \$144 million Roosevelt Manor HOPE VI, located directly across the street from Branch Village, is nearly completed. With the new construction of rental and homeowner properties, it is anticipated that interest residing in the area and in Branch Village will increase. Redevelopment of the surrounding area that includes a new library, accessibility to shops, schools, health care facilities and transportation will develop a synergy not seen in the neighborhood for decades. The Roosevelt Manor HOPE VI redevelopment plan is to attract low-income as well as medium-income applicants in a mixed-income community.

- **Unit turnaround time:** A variety of factors contributed to the poor performance in various AMPs. The primary one being that many of the vacancies were long-term, severely damaged units requiring extensive repair and rehabilitation work and the process for identifying and budgeting capital funds for vacant units that required repairs beyond the capacity of site maintenance staff did not occur in a very timely basis. This resulted in lengthy delays and vacancy days that could not be excluded for purposes of PHAS reporting. A number of units were also off line due to fire. Delays in contracting out the work after reimbursement from the insurance company and other issues related to a protracted process, contributed to a high average turnaround time in various older non-performing AMPs. Future CFP monies are earmarked for vacancy reduction but significant improvement in unit turnaround time will not be achieved until all of these long-term vacancies have been re-occupied.

HACC's goal is to reduce unit turnaround to 130 days in the next twelve months for our oldest AMP and 20 days for the other AMPs. Steps taken to minimize the delay in re-occupying vacant units include:

- Monthly meetings to discuss specific vacancies and funding for unit turnaround activities.
- Property-specific vacancy and unit turnaround monthly monitoring logs are maintained to ensure compliance with vacancy and unit turnaround goals.
- Monthly Property Manager's report requires specific vacancy turnaround time information and analysis.
- An adequate pool of eligible potential applicants for selection off of the waiting list is maintained.
- A painting contractor retained by HACC is used to paint vacant units after repairs have been made thus decreasing the amount of time site maintenance personnel spend in each vacant unit. Capital funds are also allocated on an annual basis for rehabilitation of vacant units requiring extensive repairs.

HACC staff has also met with representatives of the private property management firms to address this issue. The companies have made some manpower adjustments and increased resources deployed to turning over and re-occupying vacant units. The goal is to sustain this effort.

- **Physical deficiencies identified by UPCS inspections:**

- In order to address the deficiencies, the Executive Office targeted additional Capital Fund resources. Annual CFP funds have also been allocated for this purpose. The Modernization Department and site staff used the REAC inspection report, work order reports and the Five-Year Physical Needs Assessment (PNA) completed to prioritize repairs and capital fund expenditures at the sites.
- In addition, on an ongoing basis, the Executive Office in conjunction with property managers and maintenance staff, have implemented a system that requires that routine site evaluations be performed. These site evaluations would identify and correct UPCS deficiencies prior to the REAC inspection. Site staff prioritizes repairs that need to be made and coordinate with other property management staff and the Director of Modernization to determine which items to complete using CFP funds and those repairs to be completed by site staff. It is anticipated that these site evaluations combined with annual unit and system inspections will ensure that all potential UPCS deficiencies are addressed and that any issues that might cause the properties to receive a low score are resolved.
- For the older AMPs, site evaluations will also be performed at these properties to identify and correct UPCS deficiencies that might cause the properties to receive a low score. In addition, the Property Manager and site maintenance staff will develop and implement a revised, comprehensive preventive maintenance plan to assist with improving the property's physical condition and increasing the REAC physical inspection scores.

The goal for the older properties is to receive a score of at least 5 points or higher on the next REAC inspection. REAC site deficiencies from the last REAC Inspections have been abated.

As detailed above, AMPS conduct annual UPCS Inspections to be proactive in identifying deficient physical conditions as well as having the ability in taking preventive maintenance measures. These include but are not limited to ongoing monthly extermination plan for each unit at the AMPs.

- **Crime and Drug Incidents:** Under the direction of the Asset Manager and in collaboration with site staff, HACC's Director of Security, residents and the local police, a major site control and lease enforcement initiative has been launched to address and eliminate the illegal activity in and around the problematic AMPs. The Authority has made it an agency-wide focus to reduce the level of criminal and drug-related incidents on all of its properties, but particularly those identified as problematic. Steps taken and/or planned include:
 - The Authority added to its staff an In-House Counsel position responsible for coordinating agency-wide security reporting and tracking on for-cause lease terminations.
 - Increase in house legal capacity and improved HACC representation in eviction proceedings.
 - Review and revision of lease agreement and "One-Strike" Policy to facilitate HACC's crime reduction efforts.
 - City-wide monthly crime and drug incident reports from the Camden Police Department and other lease violation data are reviewed when available by security and site staff to determine lease enforcement options and make decisions on what actions will be taken in each case.
 - Better coordination of police presence and incident reporting to ensure adherence to management goals and objectives and more effective lease enforcement.
 - Commitment by Authority Executive staff and Board members to meet with members of local law enforcement and the judicial system to better educate legal system on public housing and to commit additional police patrols and support HACC in its crime and drug reduction efforts.
 - Continue working with grassroots organizations (i.e. DCCB, Gatekeepers, etc...) and the Camden County Prosecutors Office in deterring crime.

- **Rent Collection:** In order to increase rent collection at the AMPs, Asset Management staff is working with the site staff to better coordinate rent collection activities including follow-up phone calls and visits to delinquent households and referrals to appropriate financial counseling organizations. The goal is to increase rent collections to 97% overall.