The Insider's Guide To Managing Public Housing

Volume 1:
Diagnosing Management Problems

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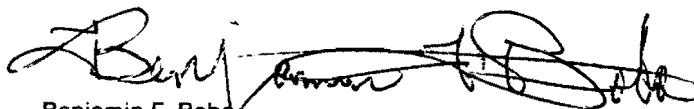
Foreword

Today, housing managers face demands for maintaining and improving operations with limited resources at their disposal. These guides offer a starting point for those who recognize the potential dividends of self-assessment and wish to act.

Designed with the assistance of veteran professionals in the field of housing management, these volumes provide — for the first time in printed form — a comprehensive framework for careful diagnosis and intelligent problem solving. We are grateful for the assistance of the advisory committee of public housing officials and the National Association of Housing and Redevelopment Officials whose guidance was instrumental in assuring the guides' utility.
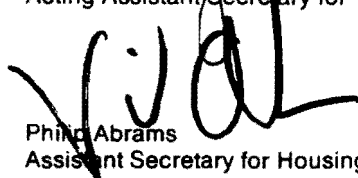
We commend the results of their important work to those concerned with conserving our Nation's public housing stock through good management practice.

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Acknowledgements

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Introduction

The Insider's Guide to Managing Public Housing can be used by PHA executive directors and their staffs in several ways. The Guide's two volumes are a troubleshooter's diagnostic manual for PHAs searching for remedies in problem areas. For PHAs interested in periodic self-evaluation as a means of heading off problems and improving management systems, they provide an analytic roadmap. And they can be used as a common starting point for formal and informal efforts by PHAs to share practical management experience.

The guides have uses in addition to self-assessment. They can serve as training documents for new employees or as texts for in-service training of current staff. Newly appointed commissioners of local authority boards unacquainted with the public housing system and with the daily management of sites will also find them informative. They can assist an authority to prepare an application under the Comprehensive Improvement Assistance Program and anticipate the ongoing problems of maintenance and modernization once it is completed. Similarly, they should be of help in developing requests for Community Development Block Grant funds and other types of grants-in-aid. For financially troubled PHAs, they may be an aid in the development of a Financial Workout Plan.

Beyond their more immediate and utilitarian objectives, the guides have some longer-term ambitions. Their structure is based on a detailed catalogue of the elements of housing management activity. They can thus assist in the development of both a standard language for the public housing management community and an analytic framework that will help improve the clarity of discussions about housing management.

While not a panacea for housing authority problems which may in some cases have more to do with resource limitations than management efficiency, these documents are a starting point for self-diagnosis and operational improvement. It is clearly impossible to identify all the potential sources of problems, to say nothing of suggesting all the available remedies. Nor does it make sense to be prescriptive. From a distance, it is not possible to know what is wrong or what ought to be done at any particular housing authority. Only those with intimate knowledge of the PHA can make that judgment. The objective of these guides is to assist the process by offering suggestings drawn from the experience of other PHAs, the principles of good management, and common sense.

How This Guide Is Organized

This guide is in two parts. Volume I is *diagnostic.* Its emphasis is on identifying the fundamental tasks that make up housing management and then on determining what might or might not be going wrong in various areas, and why. It highlights the types of problems that PHAs most frequently face in each area of management, and it suggests some new ways to approach these problems. *Volume 1 is the place to start for most authorities.*

Volume 2 is *analytic* and *descriptive.* It is designed to be comprehensive rather than selective. It serves as a kind of self-interview guide posing questions about each aspect of a PHA's operations. It offers a detailed framework for analyzing current management practice in any area. *Volume 2 will probably be most useful to a PHA which has first followed the diagnostic process outlined in Volume 1 and wants to go farther.*

The first task in developing both volumes was to identify all the activities that go into the management of public housing and then to organize them in a logical way. These activities were eventually grouped into ten broad *functional areas,* as follows:

1. General Administration

General Administration is defined as the executive function with overall responsibility for organizing and sustaining the PHA so it can do its job and meet its obligations.

2. Project Management

Project Management is the functional area with direct day-to-day responsibility for delivering housing services to residents.

3. Finance & Accounting

Finance & Accounting manages and keeps track of the flow of resources within the authority.

4. Management Information

Management Information is responsible for assembling and disseminating the information which permits monitoring and evaluation of the PHA's status and its performance in various areas.

5. Maintenance & Custodial

Maintenance & Custodial is chargedwith the cleaning, routine upkeep and continual repair of the PHA's real estate.

6. Purchasing & Inventory

Purchasing & Inventory buys, stores, reallocates and generally keeps track of the material resources required for a PHA's operations.

7. Rental & Occupancy

Rental & Occupancy's responsibilities include establishing the terms of residence, attracting and screening potential tenants, letting and assigning apartments, and enforcing the lease and other rules of occupancy.

8. Personnel & Training

Personnel & Training is responsible for the recruitment, training, retention and disciplining of staff and generally managing the PHA's formal relationships with its workers.

9. Security

Security's task is to help increase personal and property security and to help maintain civil peace and order at public housing facilities.

10. Social Services

Social Services is responsible for helping to meet the social welfare and other non-housing needs of residents, thereby reducing the burden such problems place on management.

While these categories are immediately recognizable, it is not necessary, nor is it likely, that any given housing authority is organized exactly along these lines.

It is essential to understand that *functional areas* are defined as logical clusters of those responsibilities discharged by PHAs in operating their housing sites, and *not* as organizational units. In this document, for example, collection of delinquent rents is defined as part of the Rental & Occupancy function. In many authorities, responsibility for pursuing delinquent rent lies with the project manager, rather than someone from the occupancy staff. In carrying out this task, the manager is performing a Rental & Occupancy function, even though he or she is not formally part of any "occupancy unit" at the PHA. Indeed, many smaller authorities will have no separate office or division dealing with occupancy matters. Nevertheless, the PHA will have Rental & Occupancy tasks to perform. Organization by *functional area* gives the guides universal applicability—no matter how a given housing authority is organized in particular, in general it has to perform the full range of functions outlined.

A result of using this scheme is that all the functional responsibilities are allocated to a single management area. In reality, of course, many responsibilities are shared among different staffs and divisions. Furthermore, the ability of most functions to discharge their responsibilities well is dependent on the performance of other parts of the PHA. These *linkages* and shared responsibilities are therefore highlighted throughout the guide.

Because of the guide's attempt to be thorough and comprehensive, the treatment may seem extraordinarily detailed to some small and medium-sized authorities. Because they have less complex operations and less specialization of effort and labor, functions that are distinct and separate in larger PHAs may be merged for them. Such authorities may feel that the documents are oriented to, and intended only for, large agencies. This is not so. The complexity and level of detail is simply a result of aiming for what might be called the highest common denominator, in order to be useful to even the most complex PHA. If they are willing to pick and choose, portions and aspects of the volumes should be helpful to authorities at all scales and in all parts of the country.

Chapter 1

General Administration

General Administration is immediately recognizable as the function that leads and directs the activities of a public housing authority, providing the framework within which the other functions are performed. Nevertheless, it eludes precise definition. General Administration is responsible for coordinating and regulating the internal operations of a PHA; generating the resources required for its operation; allocating them among the PHA's various functional areas and among its different sites; and maintaining relations with local government, HUD and the public at large. While General Administration has a profound influence on the total performance of an authority, it has only an indirect role in the day-to-day management of individual sites.

The Basic Responsibilities of General Administration

The generic duties of the general administrative system include setting policies and giving orders to execute them; monitoring results; organizing the authority's functional divisions and establishing chains of command; overseeing secretarial and clerical activities and the general keeping of records; mediating or arbitrating disputes between different parts of the organization; and exercising final authority in all decisions, particularly on nonroutine matters. General Administration's assignments can be summarized under four broad headings.

Internal Operations and Corporate Maintenance

As does any formal institution, particularly one vested with public powers and purpose, a PHA needs an established set of procedures and guidelines that govern its internal operations and affairs. The integrity of the PHA is significantly affected by the soundness of these procedures and the consistency with which they are followed. It is up to General Administration to protect its

residents, its employees and the public against arbitrary and inappropriate actions by any staff member or any operating division of the authority. Identifying and promulgating what is legal and acceptable action by the authority is also a way of discharging a complementary responsibility: to protect the institutional integrity of the PHA against unjustified claims by residents, staff, vendors and others. Negotiating the narrow line between two fundamental responsibilities — staying open to criticism and the possibility of improvement while remaining steadfast in purpose — is the single most difficult task in the life of a PHA.

Many of the public housing ground rules are statutory or are established by HUD and set out in the Annual Contributions Contract and various HUD manuals. These are periodically revised and updated through circulars. HUD audits and other periodic reviews provide checks on conformity. The Department requires submission of an annual budget which provides an additional check.

In addition to federal requirements, there are other statutory duties which PHAs must observe. Most PHAs are treated as "municipal corporations" under state law, and, as such, they are required to function in a governmental capacity. PHAs are generally required by state law to conform to specific bidding procedures for contracts let which exceed a specified amount. They are likewise required by HUD and state law to carry certain levels of insurance.

A fundamental task of General Administration is the division of labor and the organization of the authority into sub-units and divisions. The allocation of functional tasks among its parts, and the patterns of authority and responsibility established, together determine the framework within which the PHA's work will or will not get done. This task includes the rationalization and constant adjustment of these arrangements and relationships, along with responsiveness to the human and nontechnical aspects of the organization's life.

Resource Generation

A key activity of General Administration is securing sufficient resources to sustain a PHA's operations and to maintain and preferably upgrade its physical plant. The principal sources of operating income are tenant rents and annual operating subsidies provided by HUD. For some authorities, interest income from investments has become a significant factor. Some also secure income by performing housing-related services for local government, selling management or computer services to others, administering the Section 8 Existing program, and through commercial rent or vending machine proceeds.

Rental income and operating subsidies are distinguished by federal law from capital funds for major repairs and modernization. The modernization program (now the Comprehensive Improvement Assistance Program) forms the basis for PHA efforts to rehabilitate

deteriorated developments, although many cities have supplemented such allocations with Community Development Block Grant funds.

PHAs have also relied heavily on grants and awards of public funds in order to mount social service programs for their residents, as well as to augment security services. Local municipalities have likewise assisted PHAs by performing certain tasks, such as trash collection, project sewer maintenance, and snow removal, and by waiving all or part of payments due them in lieu of taxes.

While the fundamental parameters of a PHA's financial resources are largely determined by others, the PHA's skill at collecting rents, recovering arrears, attracting residents with higher earnings, maximizing interest income from surplus cash, and securing supplementary resources ("grantsmanship") can clearly increase the total it has to work with. Resource generation is the corollary of cost-efficiency and prudent management. Jointly, they help determine the gross financial condition of an authority. While routine responsibility for the major income-generating activities lies with other functional areas (e.g., Rental & Occupancy, Finance & Accounting), General Administration has the overall obligation to balance income and expenses.

Resource Allocation

A major function of General Administration is the allocation of anticipated resources, or "budgeting": the process by which projected income is assigned to the PHA's various departments and projects based on an annual process of estimating expenses. While many aspects of financial administration are handled by Finance & Accounting, the ultimate decisions on appointment — and hence the use of the budget as a tool for planning — are by definition reserved to General Administration.

External Relations

Establishing and maintaining relations with the outside world is a primary task of General Administration. The board of commissioners and the executive director are usually a PHA's key ambassadors to the local community, particularly city government, and to HUD. Even where the chief administrative actors might wish to delegate some of these responsibilities to others, only they have the status and authority to adequately represent the PHA to certain publics.

Since PHAs rely heavily on resources secured from HUD and from local government, their well-being is to some extent dependent on the strength of the relationships established with others in the public sector. PHA executive staff may serve on local coordinating councils or, for example, a mayor's cabinet. PHAs often control substantial numbers of jobs, and through the letting of contracts for modernization, development, and the services of vendors, influence local business opportunities.

Members of the board of commissioners are typically selected by mayors or other local elected officials (sometimes there is a gubernatorial appointment under state law). While criteria for selection are far from uniform, the commissioners are in a critical position to influence local opinion about the nature of the public housing program and to assist in generating resources.

PHAs often need to or choose to relate to their residents as a group, and not just as individual lessees. Some PHAs have formally recognized citywide tenant organizations and funded them out of their operating budgets. Other tenant organizations function only on a site level. A small group of PHAs are contracting with tenant corporations established to manage individual sites. In a larger number of cases, tenant groups have received funds to carry out social or social service activities. HUD has promulgated administrative regulations governing PHA relations with tenant organizations; these regulations permit the use of operating funds to assist organizational activities. Even where tenant groups act only as organs for advancing complaints or seeking redress of grievances, PHAs need ways to relate and respond.

Finally, many authorities find it necessary to work to project a favorable image to the community at large, since ultimately the extent of community support for their activities depends on how they are viewed by the local citizenry. One obvious goal is to project a good image through the physical upkeep of projects. Another is to establish a positive image in the press by maintaining good relations with tenants and arranging "news events" to secure coverage of the authority's achievements.

Shared Responsibilities and Linkages

There is virtually no function of a public housing authority that is not influenced by General Administration, which enjoys the most complex set of linkages to the other areas of housing operations. Most of these linkages run *from* General Administration in its supervisory role *to* the various functional areas. There are, however, two areas which significantly influence administrative performance.

The most significant is the Personnel & Training function, which is the major determinant of the quality and skill of the administrative staff. Some students of organizational behavior maintain that the innate capacity and experience of personnel are the single most important factors in organizational performance. Thus, the initial hiring and retention of able people count for a good deal.

A necessary (but not sufficient) basis for good administration is comprehensive, timely information about the authority's operation, particularly its financial status. Thus, General Administration's links with a PHA's Management Information System and its Finance & Accounting program are also important. Good housing management, like the management of other human institutions, is most often "management by exception." It requires accurate knowledge of operating norms and ready identification of deviations.

Approaches to Organizing the General Administration Function

A PHA's general administrative structure is formally described by its organization chart. The chart illustrates the theoretical chain of command and indicates the expected division of labor vertically among functions and horizontally among personnel at different levels. The number of possible variations in structural detail is, of course, infinite, but the major formal choice seems to be the degree of centralization or decentralization of authority to make decisions.

The *actual* system in operation at a given PHA is a product of informal operating arrangements as well as the formal structure. The informal arrangements are primarily determined by the style of the executive director: the extent to which he/she actually delegates responsibility, and the complementary levels of accountability established. The managerial capacities and styles of other key administrative personnel are also factors in the *real* (as opposed to ideal) administrative system that prevails. (For example, where a division chief is perceived to be weak, functions nominally allocated to his/her functional area may actually get handed to others.) Moreoever, whatever the character of the incumbents in senior staff positions, the legacy of previous administrations and the style and views of the board of commissioners are likely to be important determinants.

Diagnosing General Administrative Problems

Common General Administrative Problems

1. Responsibility is not appropriately delegated or is not accompanied by the necessary authority and accountability
2. Executive director and other senior staff have few or no places to turn for help in evaluating and improving their own performance and coping with problems they know exist.
3. Board of commissioners is not playing an appropriate role in the authority's affairs
4. Unsatisfactory contractual arrangements or relationships with utility companies, insurors, competitive bid contractors, and trade unions
5. Insufficient effort or lack of success in securing additional resources or in-kind services to augment PHA's budget
6. Authority is basically crisis-oriented and seems unable to plan effectively

The list at left summarizes problem areas frequently encountered in General Administration. Each area is discussed below.

1. Responsibility, Authority and Accountability

Authority. The fundamental administrative problem in any but the smallest PHA is the delegation of authority and the structure of accountability. The scattered geography of many public housing operations and the differences from project to project make highly centralized administration difficult. Too many problems are timebound and site-specific to allow for a high degree of standardization and uniformity in their resolution. Routine responsibility for decisions is usually best put in the hands of persons with the most direct knowledge of the case.

Such decentralization of responsibility must be accompanied by the authority necessary to discharge it. A manager cannot be effectively held responsible for the condition of a site if he/she lacks supervisory and disciplinary authority over its maintenance and custodial staff. Where executive staff frequently find that their instructions do not seem to get carried out, and the buck is constantly passed, delegation is often part of the problem.

Accountability. As public institutions with a specialized clientele, PHAs have a diffuse and often limited accountability to residents, taxpayers, and elected officials. Good performance cannot be measured by any simple, clear standard of achievement as it can be in some profit-making enterprises. Therefore standards and measures need to be developed internally to help judge performance. Once managers are delegated sufficient authority, they must then be held accountable if they do not live within their budgets or meet agreed upon goals in minimizing accounts receivable, reducing vacancies and giving timely response to emergencies and routine service requests.

2. Help for Senior Staff

Technical Assistance at the Top. As the Public Housing System now stands, executive directors have few sources of disinterested, independent advice and technical assistance, except each other. Unlike managers in private industry, where budgets and tradition permit executive seminars, in-house workshops, management consulting contracts and so forth, senior staff in public housing have few external resources for training, professional development and personal growth. Professional conferences, trade publications, and some advice from the HUD Area Office are the extent of external aid for most.

Improvement in this area requires acknowledging that problems exist and that some outside aid could be helpful, a sometimes painful but courageous first step. Public administration and management courses in local colleges and universities have been useful to some directors. Some volunteer assistance might be secured through the loan of an executive from a local corporation or through special program consulting contracts, such as the management assistance provisions of the CIAP. There is, moreover, no prohibition against use of operating income for general managerial consultants, although it has not been common practice and is frequently viewed as an extravagance.

3. Role of Board of Commissioners

Lack of Involvement. Though PHAs are under the direction of their boards of commissioners, there are few institutionalized mechanisms to help them act in an informal and responsible manner. In light of the high turnover typical of many boards and the fact that commissioners are political appointees not necessarily chosen for their familiarity with public housing, training of commissioners deserves to be made more explicitly a part of PHA life. Some PHAs have taken advantage of programs for commissioners run by national trade and professional organizations. Most, however, simply set aside travel funds so that their board members can attend regional or national housing conferences. This is the only practical orientation that is provided apart from whatever other informal instruction is provided by sitting commissioners.

In most instances, commissioners are dependent on the authority's executive staff and legal counsel for guidance and direction on PHA business. This creates a certain imbalance in the theoretical relationship between a board and its paid staff, but it seems to reflect the reality of most public and private agencies. Authorities may wish to consider making the orientation process more formal and to build in programs of continuing education.

5. Securing Additional Resources or In-Kind Services

Success in securing resources outside the established systems of rent collection and operating subsidies depends generally on three factors: the quality of relations maintained with HUD and with state and local governmental units; the quality of the proposals advanced for supplemental funding; and that hard-to-define skill in packaging and promoting such proposals known as "grantsmanship."

Sources. There are two important sources of assistance that go untapped in many jurisdictions: Community Development Block Grants, and local government agreement to assume (or to resume) functions the authority otherwise has to perform. CDBGs are most readily secured for capital improvements beyond those that can be supported by a PHA's current modernization award. In a few localities, a fixed percentage of the annual CDBG entitlement has been earmarked for public housing.

Under the Cooperation Agreement and a part of the PILOT arrangement, PHAs are entitled to the basic services other residential users enjoy. In many cases these services have been gradually withdrawn (e.g., housing authority security personnel displace regular police patrols) or remain only in token form. PHAs can indirectly reduce the burden on their operating budget if they can get local government, for example, to make more frequent garbage collection at their sites. Of course, PILOT can be a direct source of assistance in balancing the operating budget where the jurisdiction can be persuaded to waive some or all of the amount otherwise due.

Grantsmanship. To be effective in seeking extra grant and program support, PHAs need to develop mechanisms to stay abreast of what is available. This means subscribing to government and trade publications, where PHA size and means permit, and getting placed on mailing lists. Exclusive reliance on HUD grant programs is shortsighted, particularly now, when attention must shift to state and local programs and to private corporations. Authorities with any significant need for supplemental funding will find it valuable to have someone on staff who knows how to write and package grant applications and proposals. Short courses in "grantsmanship" are available throughout

the country. Such courses can help, but this is an art that develops best with experience. Part of the responsibility of a grantsperson should be the development of a data base which can be drawn on to support the authority's case, and the assembly of standard "boilerplate" materials which much be appended to many applications. In keeping funding channels open and creating new ones, authorities must take seriously their role as advocates and spokespersons for the community's housing needs and especially those of its low-income residents.

6. Crisis Orientation

Planning. The crisis orientation of many PHAs results from the external pressures and large uncertainties they face. It is also, however, the result of lack of attention to planning. Without a long-range plan, an authority is always in a reactive rather than proactive posture, even in those areas where it has control and the potential to guide events. In an era of financial restrictions and cutbacks, contingency planning needs to be emphasized and tied to the budget process. This kind of

Over-Involvement. Of course, it is possible for commissioners to be too involved in PHA affairs. Through misunderstanding, lack of confidence in the executive director, or the wrong motivation, boards can begin to interfere in administrative actions or even attempt to perform them. Even sophisticated and well-intentioned board members can find it difficult to distinguish the making of policy from its implementation. Workshops on appropriate roles can help to bring this out in the open for examination. Boards can also be coached on how they can meet their responsibilities as overseers by requiring their executives to use appropriate reporting systems which permit regular monitoring.

Selection. To increase the chances that they will have responsible commissioners to work with, PHA directors can ask to be consulted on appointments, or to be allowed to recommend a set of criteria to be used in screening candidates.

4. Contractual Arrangements

Contractual arrangements and relationships with utility companies, insurors, competitive bid contractors, and trade unions are primary determinants of the expense side of PHA ledgers. Improvements can have large payoffs, yet established practices in these areas tend to be taken for granted, even by new PHA administrators.

Insurance. The rapidly rising cost of insurance often justifies and repays the use of an insurance consultant to formulate a comprehensive program of coverage. A consultant can be expected to weigh the advantages of deductible provisions and to shop and secure bids. Such experts work on a fee basis, unlike a broker, whose commission rises with the amount of insurance sold.

Utilities. With regard to utilities, authorities may want to examine whether they are being billed under the most favorable rate category. Because of the complexity of utility rate structures, it is often useful to retain a consultant proficient in these matters. Experts are typically compensated only out of the savings that they realize for their clients.

Procurement. Effective purchasing may require more flexible and less restrictive procurement requirements, including a maximum

discretionary amount which keeps pace with inflation. A legislative campaign to get revisions in state or local codes may be required; or more determined use of existing waiver provisions may be necessary.

Contracting. Many PHAs pay insufficient attention to their contracting practices. One result is that they find themselves in constant dogfights with contractors over provisions that were not clearly spelled out. With deliberate effort, most PHAs could also improve their negotiating skills in dealing with private vendors. Where an authority's capacity in this area improves, it may be ready to explore a more competitive approach to such traditional services as legal counsel (by issuing an RFP, for example). Similarly, the use of private contractors to handle certain maintenance or custodial functions might be explored once the authority is confident it can properly manage an outside contract in such a fundamental area.

Labor Relations. Authorities need to pay constant attention to collective bargaining agreements and relations with civil service commissions. Comparison of the wage rates in private industry or other local public agencies for various crafts may help in contract negotiations. Reviewing actual practices on jurisdictional issues in private companies (must a carpenter do the work?) can be equally helpful. In general, it is critical that the authority stay abreast of developments in labor relations and consistently press its concerns and interests.

planning helps a PHA to establish priorities in advance. This in turn minimizes the impact of cuts on its most vital activities and maximizes the benefits of surpluses, should they appear.

Goals. In many authorities, the organization's goals and objectives are taken for granted instead of being made explicit. As a result there is no way of knowing or measuring what constitutes success and no basis for assuming that the board, senior staff and line staff are in accord. In the absence of some common understanding, a PHA tends to function as an assembly of individual units, each following its own erratic course. A formal process of goal-setting and periodic review is often viewed a a luxury when it should be seen as a necessity.

Project Management

This functional area best fits the common-sense notion of what housing managers do. Project Management is concerned with the day-to-day "care and feeding" of housing developments, which primarily means balancing and integrating the activities of a number of other functional areas when they come into the orbit of a given site or set of sites. Project Management is the process which *directly* delivers housing services to the consumer. It is also the means by which the basic policies, standards and procedures adopted by the authority are transmitted to the site level. Project Management's primary tasks are administrative and coordinative. Because of its central coordinating role, linkage to other functional areas is the heart of Project Management; for this reason, linkages are not highlighted separately for this function.

Basic Project Management Responsibilities

Supervision of Site Office and/or Site Personnel

Administrative staff stationed at individual developments are usually supervised by the project manager, who may or may not be stationed there. Depending on the degree of decentralization and the level of control exercised by a project manager, he or she may have responsibility for such routine personnel matters as keeping time sheets, authorizing sick leave, preparing payroll forms, and conducting personnel evaluations. Similarly, Project Management may have a small or large role in hiring decisions and may do training, whether formally or informally.

Maintenance & Custodial

Responsibility for the upkeep of a project is generally vested in the site manager. Site managers are likely to have some control over the deployment and activities of maintenance and custodial personnel, even if they are normally directed by a maintenance supervisor or lead custodian, and even if they are organized and dispatched from a central location. Depending on the particular division of labor, the site manager may have responsibility for ordering parts and supplies required by his or her particular site or for approving orders prepared by other site staff. Inventory items may be kept at the site, and the manager may be responsible for the control of disbursements and for assuring that requisitions get prompt attention from Purchasing & Inventory.

Rental & Occupancy

Depending on the authority's organization, the site manager may be heavily involved in the essence of the Rental & Occupancy function. In some cases, applications from prospective tenants may be taken and screening conducted at the site. Elsewhere, applicants tentatively selected at a central office may be interviewed by the site manager. Routine rent collections may be a site responsibility, as may the reexamination of tenant incomes and rent charges.

Project managers usually play a part in contacting tenants delinquent in their rent and/or advising other PHA staff on action to be taken. Enforcement of the lease is a major function of a project manager. The manager may be required to assist in recommending eviction and preparing for, and testifying at, court cases. Where rent billing and/or rent receipt occur at the site, the manager is likely to assume a larger role in these activities. The manager is also often responsible for approving resident changes and possibly assisting in their collection. The extent of responsibility for initiation and/or coordination of apartment preparation varies by authority. In many systems, the site manager is the first to learn about impending

or actual vacancies and has the most immediate information on the scope of work necessary to prepare the apartment for a new tenant. The manager often reviews and signs the lease with a new tenant, answers questions about how things are done at the site, and schedules the move.

Tenant Relations and Local Service Referral

In many systems, the site manager is the most visible representative of the PHA and the individual whom tenants identify as "The Authority." Project Management is the functional area to which tenants are likely to come first with complaints and to which any formal or informal tenant organizations relate. In many, if not most, authorities, Project Management sets the tone in tenant-management relations and performs all those extra tasks in relation to tenants which do not appear in the standard job description for real estate managers. Referring households to various public social welfare agencies and other sources of assistance may be chief among these.

Public Safety and Resident Services

Some project managers are responsible for security personnel at their projects, either overseeing guards hired by the authority or coordinating with the community's police. The manager may also have a strong voice in determining whether and how physical improvements to the project will enhance personal and property security. In his coordinating role, the manager may seek social services for problem families to prevent the anti-social behavior of some members from threatening the security of others. Managers may also have responsibility for assuring that fire code inspections are carried out and that fire hazards are corrected.

The site manager can also have some responsibility for services provided to residents at the site. At a minimum this may consist of cleaning the space used by a day care center, for example. At the other end of the spectrum, the manager could be responsible for the actual operation of the center. Practices vary widely, both with the PHA's organization and with the source of funds and program restrictions for the particular activity.

Planning for Resource Allocation

The extent of the manager's role in developing an annual financial plan for his or her site varies widely among authorities. Where an authority with a number of projects prepares only a consolidated budget, there is usually less delegation of responsibility to project managers than when separate project budgets are developed and used. In the latter case, project managers may be responsible for preparing draft budgets. They may be given the chance to negotiate the final version with the central office, and they may then have considerable latitude in shifting resources within the budget over the year to meet changing circumstances.

Approaches to Organizing the Project Management Function

It is difficult to discuss the nature of project management at a given PHA without reference to General Administration and its basic organizational philosophy. The extent of the site manager's responsibility follows closely from the ways in which the authority has chosen to organize itself. In a centralized system, Project Management consists mainly of coordinating or managing the work performed by other functional areas. In fact, in a very highly centralized system, the Project Management function becomes elusive and almost ceases to have any independent identity. In a highly *decentralized* system, on the other hand, it will gather to itself the duties of other functional areas (e.g., Maintenance & Custodial, Rental & Occupancy, Social Services) and tend to blur their separate identities.

This functional area is the ultimate focus of debates about the merits of centralization in housing management. *Centralization* of project management functions makes site managers merely coordinative, leaving them with no independent responsibility. In the most thoroughgoing case, such a system will have no on-site office and perhaps have only custodial personnel assigned to the site. On-site management functions are performed by an itinerant manager, or "route man," who is headquartered centrally and makes visits to the site periodically or only as necessary.

Decentralization means that project management absorbs large portions of almost all other functional areas, except for aspects of General Administration, Management Information Systems, and Finance & Accounting. The major portion of the PHA's business is conducted at individual sites. Only system oversight, routine activities which can be done centrally with great economy of scale (e.g., rent collection), and symbolic and corporate legal functions remain at central headquarters. Authorities which contract out project management to private entities or tenant corporations are likely to have gone farthest in this direction. Some authorities are hybrids, with elderly sites contracted out to private managers and totally decentralized, while family sites are run in a more conventional and centralized fashion.

Any analysis of this functional area must recognize that, regardless of a PHA's formal structure and the nominal delegation of responsibility to the site level, there is in practice some variation among projects depending on the capabilities of individual managers. To some extent, the observed, day-to-day organization of any authority derives from the strengths and weaknesses of its current personnel.

Diagnosing Project Management Problems

Common Project Management Problems

1. The manager's degree of authority and accountability are not properly balanced
2. Inadequate management presence at sites
3. Available resources inappropriately allocated among sites
4. Project managers are not skilled enough
5. Absence of effective tenant organizations to speak for residents and to assist management in resolving site problems

The list at left presents some common weaknesses in Project Management. Each type of deficiency is discussed in the subsections that follow.

1. Manager's Authority and Accountability

Imbalance. PHA project managers frequently are held responsible for conditions at their sites even though they lack authority over crucial elements of service delivery. The reverse pattern is also typical: managers have sufficient authority, but there is no effective system to hold them accountable, so they can easily pass the buck. Symptoms of such authority-accountability imbalance range from confusion about who is responsible, to excuse-making, to disagreement on who is to blame. It would be too much to hope that these could be entirely eliminated for any organization, but they can be minimized through restructuring delegation of certain kinds of authority and developing clearer ways to measure performance.

Decentralizing Authority. While circumstances vary, the general rule is that the project manager should call the shots at his/her site. This means that all local management, maintenance and security functions are under the ultimate control of the site manager. Where a maintenance supervisor, for example, is permitted to negotiate directly with the central office rather than through the site manager, responsibility tends to become fragmented and it is no longer clear who is in charge.

Backing Up the Manager. It also tends to strengthen the authority of the site office when the central office routinely refers service requests and inquiries back to the site office where it is the appropriate reception point. Similarly, complaints and grievances from both residents and employees need to be consistently handled, always beginning with their presentation to site personnel.

Central Office—Site Communication. Even when site managers are nominally in charge, they frequently depend on direct access to and quick response from the central office on issues affecting their sites. It is almost always useful to reexamine patterns of communication to be sure senior staff have not unnecessarily insulated themselves from such contact, but also that site staff do not continually use them as a crutch.

Measuring and Supporting Performance. Achieving a proper balance is not easy and requires constant adjustment. One hard adjustment for central office staff accustomed to exercising authority is learning to live with the mistakes that newly empowered project managers inevitably make. A key element in achieving balance is the establishment of clear expectations in the form of performance standards and ways to measure results.

Collection and vacancy rates, work order completions, and apartment turnaround times are examples of standards which are relatively clear because they can be quantitatively measured. Qualitative measures — appearance of the grounds, tenant-management relations — are also important, and acceptable ways of gauging these need to be established also. Project managers need support mechanisms such as incentives, opportunity for training,and organized peer exchange in order to feel that the system of accountability is not merely punitive.

2. Management Presence at Sites

Coverage. Problems can develop if management personnel assigned to a site are also responsible for other PHA developments, particularly if relatively large or difficult projects are involved or if there are substantial distances between them. Adequate management presence can be important enough to justify considering reallocation of personnel, even if this requires sacrifices in other areas. Where managers must have other assignments, it is essential that there be regular and announced times when the manager is available on-site to tenants and site staff. Similar problems arise where management and other personnel are assigned to a site, but then frequently pulled off to meet other PHA needs, leaving the site understaffed.

Familiarity. Many PHAs make the error of rotating their managers too frequently. This prevents them from getting to know a development well — learning how best to work with staff members, who the natural resident leaders are, how best to reach a problem household or a chronic rent delinquent, and so on.

3. Resource Allocation to Sites

Fair Share. Inadequate resources are a chronic problem for many PHAs. Economic conditions and budget cutbacks are likely to widen resource problems, and these inevitably have their impact at the project level. Resource problems can be compounded, however, (or created where a PHA is otherwise solvent) by the way the pie is divided among sites, or between central office and administrative functions and project operation. If performance varies significantly among sites, it may be because some are understaffed or underfunded.

Often budgetary allocations among sites are made on the easy basis of a pro rata share according to number of units. This is neat and attractive from an accounting point of view, but it may not reflect the different demands and the special characteristics of certain sites (e.g., large households, elevator construction, a high turnover rate, a racial balance which deserves to be maintained). These may justify a larger than purely proportional allocation. Where total resources are inadequate, there is all the more reason to take a hard look at priorities, particularly at whether the central office share is out of proportion to the services it renders.

Rewarding Performance. If it wishes to maintain incentives for good management, an authority will want to examine whether it rewards performance with additional resources. The widespread tendency is to "rob" resources from sites which seem to be doing well and, in effect, to favor places having trouble. This may appear to make sense on one level, but the result is often to demoralize the best managers and to eliminate any incentive for poor performers to improve.

4. Managers' Skills

In-Service Training. Project managers are the crucial link in the PHA system. There is virtually no way to compensate for weak personnel in this position. Moreover, the special difficulty of the management task in public housing highlights skill deficiencies that might go unnoticed in a more conventional real estate operation. It is always relevant to ask whether the person in charge of a site is specifically trained or experienced in housing management.

The introduction of certification programs for public housing managers was a step in the right direction, but it was only a beginning. More attention now needs to be paid to in-service training and the upgrading of basic skills. Training programs promise not only to improve the skills of weaker managers but to retain the interest of more accomplished individuals by challenging

them and helping them to master new skills (for example, how to use the various tools that a Management Information System can supply, or how to improve their skills in working with people).

Working with People. Authorities are generally advised to take human relations skills into account in selecting and in training management personnel. Good managers are usually individuals who are in touch with themselves and have enough confidence to tackle interpersonal problems as they arise and not hide from them and allow them to fester. Substantial work has been done in industry on team-building and group process, much of which would probably be useful to housing managers if they could be introduced to it.

5. Tenant Participation

Tenants as a Positive Force. While there is said to be a continuing debate on the appropriate role of tenants in housing management, it is clear from the experience of some authorities that residents can be a substantial management resource. They can be asked to assist in screening new appliants, counseling problem families, operating lobby patrols, sponsoring and running soft-management programs at the development, and the like. Management can encourage the development of a responsible and representative tenant organization at the site through (1) provision of staff support; (2) allocation of space; (3) direct funding; or (4) subcontracting of functions.

Consultation and Information. Are residents consulted regarding major actions to be taken at the site (particularly modernization plans and any other physical improvements)? Is timely and candid notice given of changes in policy and rules and regulations? In order to effectively engage residents in project affairs, management must consult widely and genuinely with tenants and avoid surprises. Results of the consultation need to be reflected in some measure in the decisions reached. A key to generating the necessary trust and understanding is to deliver what is promised, even if it is less than is needed and desirable.

Where tenants are receptive, PHAs should consider reviewing with them in detail the site operating budget and the general financial constraints the authority faces. This allows tenant organizations to deal more realistically and responsibly with management.

Practicing What Is Preached. Can site management be characterized as "firm, but fair and consistent" in its dealings with individual tenants? These attributes have been identified as characterizing good housing management. Critical to tenants' perception of "good management" is even-handed treatment of rent delinquents, avoidance of favoritism in dispensing new appliances or approving intra-project transfer, and general staff scrupulousness in adhering to the PHA's own rules.

Finance & Accounting

Finance & Accounting's central function is to oversee the flow of resources among the various operating and administrative divisions of an authority. It is also the PHA's main agent for, and monitor of, financial transactions with the outside world. Finance & Accounting is frequently thought of as largely a bookkeeping operation, in charge of tracking all items of income and expense. But it may also have responsibility for cash management, a role as financial watchdog, and often some informal allocative or budgeting authority. True budgeting and financial management authority lie, by definition, with General Administration. Finance & Accounting is closely linked to General Administration, particularly in terms of budget preparation.

By virtue of being the primary source of data on the financial aspects of a PHA's operation, Finance & Accounting provides the basis for effective planning and management of resources. This central organizational position sometimes makes it difficult to distinguish Finance & Accounting from the other functional areas and operating units, from which it draws information and to which it provides financial reports and often the authorization to make expenditures.

Basic Finance & Accounting Responsibilities

Maintaining Books and Records

Like other governmental bodies receiving substantial public revenues, PHAs are expected to maintain complete and accurate books and records. In general, the structure of these books must be in accordance with the classification of accounts provided by HUD in the Low-Rent Housing Accounting Handbook. Because of the standardization of accounting procedures and methods dictated by the HUD requirements, there is little latitude in this area: effective practice is prescribed practice. Therefore, limited attention is paid in this guide to problems or improvements in routine bookkeeping functions. However, certain types of accounts and records going beyond the standard procedures can be of considerable value to PHAs intent on increasing management effectiveness, and these are noted where relevant.

Providing Financial Control

While the use of budgeting as a management tool is reviewed as part of General Administration, Finance & Accounting has an important role in providing financial control in the budgeting and expenditure process. PHAs must have mechanisms to insure that financial commitments fit the PHA's goals and purposes, that costs are known or carefully forecast, that proposed expenditures are within budget, that there is no conflict of interest or collusion in its procurements, and that products and services are certified to be satisfactory before vendor payments are made.

Managing Cash Flow and Maximizing Income

Like other organizations engaged in real estate management, PHAs must be on top of their cash flow situation. They need to know where their current accounts stand and what their cash position will be in future weeks. This requires having accurate information and the ability to update it regularly. Furthermore, PHAs must be able to react quickly to changes in their cash flow situation so they obtain maximum benefit when temporary surpluses appear, so they can avoid deficit situations by having sufficient warning, and so they are able to weather a cash shortfall if it does occur. Finance & Accounting also has a role in assisting the PHA to secure the maximum amounts obtainable through tenant rent in operating subsidy payments as well as through investments.

Shared Responsibilities and Linkages

Finance & Accounting must be linked closely with other PHA functions. It has a special relationship with General Administration in promoting the general well-being of the organization. It shares with Project Management responsibility for providing the intelligence on system status and operations that helps glue a PHA together and permits General Administration to do its job. Finally, while Finance & Accounting must interact with every administrative unit to maintain the PHA's accounts, it has special relationships with the Purchasing & Inventory function in monitoring outlays and with the Rental & Occupancy function in tracking the flow of rental income.
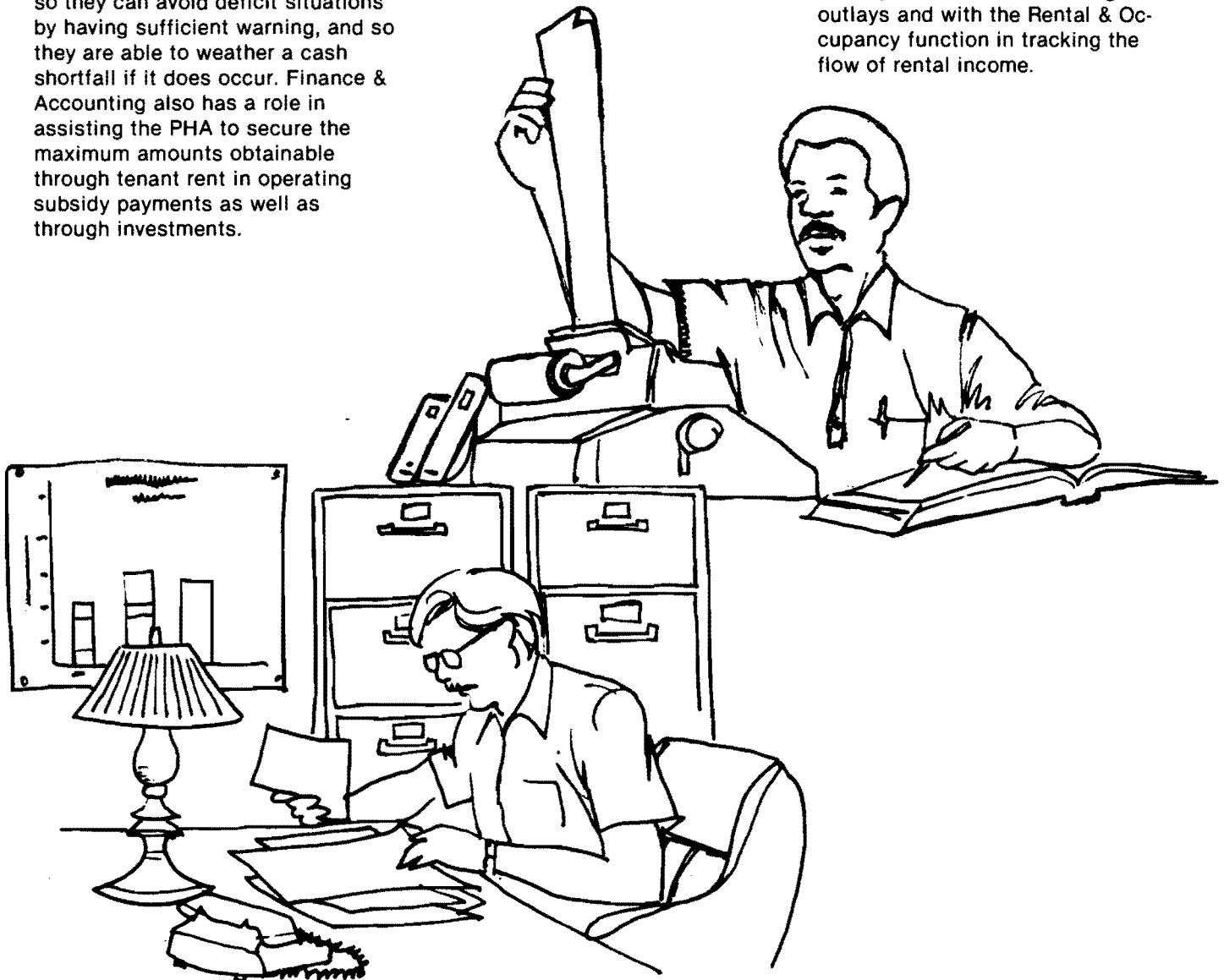
Approaches to Organizing the Finance & Accounting Function

The fundamental issue in shaping the Finance & Accounting function is how broad a role financial information will play in the life of the authority. For many authorities, Finance & Accounting is essentially a check-writing and bookkeeping operation. It is expected primarily to service its own internal information needs and to meet HUD reporting requirements. This approach tends to ignore the extent to which Finance & Accounting can be an arm of General Administration and the clearinghouse of information needed to guide all sorts of management decisions. Since it is the first place where income and expenses are matched up in a comprehensive way, and becuse these are fundamental quantitative measures of a PHA's performance, Finance & Accounting can be central to the quality of management's decision-making.

If Finance & Accounting is to play a larger role, then it must be understood as the linchpin of an overall Management Information System, and its data must be made available regularly and in useful form to many other parts of an authority. At the same time, the PHA's other information and management needs must influence the selection of hardware and software to be used for financial accounting. Effective organization of the Finance & Accounting function requires a simultaneous look at general Management Information needs and capacity as well.

Diagnosing Finance & Accounting Problems

Common Finance & Accounting Problems

1. Trouble evaluating and comparing performance among sites and pinpointing sources of management problems
2. Inadequate mechanisms for projecting expenditures, authorizing them, controlling disbursements, monitoring expenditures by matching them against budgeted amounts, and preventing inappropriate or ill-advised outlays
3. Inability to summarize and report income and expense data in a way which allows timely management intervention
4. Insufficient attention to the management of cash and opportunities for augmenting income

Common problem areas in Finance & Accounting are summarized in the list at left. Discussion of each type of problem follows.

1. Evaluating Performance

Project-Based Budgeting. Because HUD requires only consolidated annual budget reports, many authorities have long since discontinued the earlier practice of maintaining budgets for each site. While many post income by site, fewer record expenses by site, and fewer still allocate central maintenance and general administrative costs. Some PHAs have returned to what is now called Project-Based Budgeting (PBB) or Cost Center Accounting. As a result they are able to compare items, particularly expenses, across sites and to identify discrepancies and emerging problems. This allows the executive and supervisory staff to concentrate effort in the critical areas ("management by exception") and to monitor progress toward established goals by individual units.

Moreover, being able to give site managers monthly reports on the income and expenses attributable to their sites provides a basis for holding managers accountable for performance. It is both a means to motivate them and a way to help them track results. If management accountability and budgetary discipline are problems at an authority, one approach to improvement is to move toward a project-based accounts and reporting system.

Equitable Cost Allocation. For PBB to work properly, all costs (including appropriate shares of general administration and central maintenance) must be allocated to the sites on a consistent basis. The cost accounting rules must also seem equitable to the individual operating units and sites, since they can expect to be judged based on what the accounts show. The temptation to make one part of the system look better than others (including the temptation to show how frugally the central administration is run) must be avoided. Care must be taken also to discourage individual sites from manipulating the system (for example, delayed posting of damage charges, late fees and excess utilities to minimize accounts receivable).

2. Control of Expenditures

Budgetary Discipline. A key sign of an effective fiscal system is the use of the budget to discipline operations. By requiring the constituent parts of an authority to live within their allocations, much greater incentive is created for accurate cost projections and operating estimates at the front end—the beginning of the fiscal year. This in turn improves the PHA's entire planning process. It also encourages early consideration of alternatives and more careful consideration of cost-effectiveness.

Accounts Payable. One important and often overlooked element of budgetary control is the monitoring of encumbrances. This requires a system for keeping track of all expenditures which have been obligated but not yet paid for. (Utilities are a major item of this kind, as are modernization expenditures generally.) PHAs lacking such a mechanism can find themselves playing hit or miss at the end of their fiscal year and running the risk of over-obligating.

Internal Controls. In many ways, Finance & Accounting is the first line of defense against fiscal abuse of the system. When a PHA is having trouble being sure it is getting what it is paying for, discouraging collusion among employees for their own benefit, or discouraging pilferage and waste, an initial place to look is the authority's system of internal controls.

Does it have monitoring procedures short of full-scale internal audits to help minimize abuses? Are authorization and disbursement approval procedures at arm's length from the "beneficiaries"? Are periodic checks, audits and routine procedures handled by the PHA as businesslike and a protection for everyone, or are they regarded as perfunctory and a waste of time, or even as distrustful and suspicious meddling?

A periodic comparison of the nature and cost of contract work across all projects should help to discourage improper relationships between PHA staff and contractors. Examination of wide variations in utilization of materials between two sites which are comparable physically might help to identify instances of systematic theft or chronic waste. Spot-checking can discourage "renting" vacant but unreported units on the side.

Special Budgets. Some PHAs get into difficulty maintaining a single budget for all operations when they are running one or more nonroutine programs. For example, where special programs are funded by non-HUD sources and yet receive a share of regular PHA staff time and administrative services, it becomes difficult both to control and to account for expenditures unless a separate budget is established for each special program.

3. Reporting of Income and Expense Data

The primary issue in this area is whether Finance & Accounting is assigned an active role or is considered primarily a recorder of data. If it accepts a management support mission, then it needs to think creatively about the kind of data analysis and presentation that would be useful (for example, comparing collection rates for the same month during the previous year as well as against earlier months during the current fiscal year). It may also mean establishing closing dates for reporting of data that reflect operating conditions (no use announcing the number of accounts delinquent on the tenth of the month if rents are payable through the fifteenth), and setting deadlines for dissemination that allow managers to catch problems before they grow.

4. Managing Cash and Augmenting Income

Cash Budget. To the extent that chronic deficits and temporary cash flow problems plague an authority (as distinct from deficits based on total revenues which are inadequate to meet essential expenditures), a remedy may lie in the maintenance of a "cash budget" parallel to the overall operating budget. At the same time, Finance & Accounting needs to be able to adapt to cash flow problems based on pre-established priorities for payments, the power to delay or defer expenditures, the power to accelerate receipt of payables, and the like.

Maximizing Income. In managing or avoiding cash flow problems, the income side is sometimes neglected. Is the PHA sure it is getting maximum entitlement to operating subsidies? Are there other forms of supplemental assistance due it (e.g., energy assistance grants for low-income households)? Is delinquency information routinely assembled and reported to those with responsibility for securing rent payments so that prompt remedial action can be taken? Where the authority has periodic cash surpluses and cash reserves, more expert attention often needs to be given to the investment of these funds so as to maximize short-run returns without tying up needed cash.

Chapter 4

Management Information

This functional area is responsible for assembling, processing and disseminating quantitative information describing the current status of the public housing authority and its components. Depending on the size of an authority and the sophistication of its system, Management Information might gather, refine and circulate data on the PHA's residents, its employees and financial operations, maintenance and purchasing activity, the condition of its physical plant, and its patterns of energy consumption. Management Information is a purely instrumental activity in that it services other functional areas and has no operational responsibility of its own. An authority without Management Information could handle its daily routines, but it would be without important aids in monitoring its operations and planning more effectively.

Basic Management Information Responsibilities

Setting Information Objectives

Management Information is distinguished from ordinary record-keeping because it has significance for more than one functional area or provides the basis for periodic monitoring of a PHA's status by General Administration. Therefore, Management Information must meet the specific information needs of various users and be comprehensible to them. Interaction between the consumers and the producers of Management Information is crucial. Consumers must understand the limitations and, above all, the uses of the data. And the personnel operating the Management Information System must be responsive to other divisions' information needs.

Establishing the System's Structure

Not every Management Information System need be highly automated or use sophisticated techniques to gather and collate operational data. This functional area will, however, be responsible for identifying the PHA's overall information objectives and making them operational. This may involve designing forms for data entry and standardizing the definition of terms across functional areas. Many of the staff who put the data into processable form have their primary responsibility in another area. The maintenance clerk, for example, may be responsible for reporting the week's work order completions at his/her site. Unless procedures are consistent across sites and functions, data from different sources cannot be combined for analysis.

Part of Management Information's responsibility is to check data for completeness and accuracy ("quality"). Thus other functional areas are likely to have to modify certain customary routines and practices (e.g., data on work orders will have to be coded by type of repair; time started and completed will have to be recorded). The Management Information System also embraces operations which manipulate data into more integrated and useful formats and display them for dissemination and use.

Producing Management Information

Information coverage varies among PHAs, but high-priority areas include data on rental incomes, comparison of actual versus budgeted expenses, and the evaluation of building maintenance activity. One relatively new type of data that is becoming very important is monthly figures on energy utilization by development and by individual building. Such data could provide the basis for establishing priorities for modernization, weatherization, submetering, and tenant education in energy conservation.

Using Management Information

Informing and training users is a final but by no means trivial responsibility of the system. A developed Management Information System provides regular reports on routine operational areas along with information on special topics as the need arises. But availability is no guarantor of use.

Experience with attempts to introduce Project-Based Budgeting (PBB) illustrates this fact. PBB is a system for gathering and regularizing financial information which shows both income and expenses by individual site. Thus, it permits comparisons across sites and ultimately the identification of norms and the establishment of performance standards. Site-specific data allow management directors to truly monitor overall operations and to establish accountability at the project level. However, its mere existence in no way guarantees that any of these things will occur. In fact, the pattern in many PBB efforts has been to treat the system as though it were an end in itself rather than an instrument.   -

Shared Responsibilities and Linkages

Management Information has a potentially large influence on the key functional areas of a housing authority: General Administration, Project Management, Rental & Occupancy, and Maintenance & Custodial. But the actual influence depends almost entirely on the use made of the system's output by the staff of each of these areas. A Management Information System's greatest impact, if well-designed and correctly utilized, is on managerial and policy decisions, and on the ability of an authority to become increasingly self-correcting and knowledgeable about its own performance.

Approaches to Organizing the Management Information Function

The concept of management information is subject to a good bit of overselling. Basically it is just a systematic approach to keeping track of what is going on and using the information to improve performance. Where size permits, the relevant management information can be assembled on the back of an envelope in the executive director's vest pocket. (Indeed, some systems are so complex and overdesigned that they force field personnel to revive the back-of-the-envelope technique for self-protection.) Automated data processing simply allows the information for larger authorities to be assembled more efficiently and in reasonable time. It

also permits the easy manipulation and recombination of data that can reveal more than statistics assembled along only one dimension. Moreover, with an expanding range of options among both hardware and software, what once appeared to be fundamental choice in approach now is fading, even for small authorities: manual versus automated processing of information. Advances in the technology of low-cost computers are rapidly making manual systems obsolete.

It is important to distinguish such management information from ordinary data accumulated by various functional areas in a PHA. Rental & Occupancy, for example, maintains individual records for each resident household, including a copy of their lease, the amount of their rent, a monthly history of payment and outstanding charges, the date of their last income review, documents verifying various health, occupational and educational matters, and records of contacts and any management reprimands or legal action.

As the basis for a routine or special review of rent collection patterns, however, these files would be too cumbersome. Information useful to making management decisions would have to be in a more aggregated and summary form. A chart might be prepared, for example, showing the total number of rent-delinquent households for 30, 60 and 90 days over the last year at each of an authority's developments. A pattern of increasing delinquencies might dictate more aggressive management activity at a particular site in contacting and counseling tenants, penalizing late payers or taking legal action. The data that PHA staff would be relying on in making such an assessment are good examples of management information. Determining how to handle individual delinquents might, of course, require going back to the disaggregated data routinely maintained by Rental & Occupancy.

Of course, where a Management Information System is well developed and has automatic data processing capability, it is often more convenient and cost-efficient to let it service operating units by processing all their data and feeding it back to them in various useful forms. This might range from a simple listing of the names of all households delinquent this month to a more complex analysis of how delinquency rates have been affected by various management initiatives. This service function is an important and secondary responsibility of the Management Information System; it has the important by-product of encouraging operating units to provide information to the System and to do so regularly and accurately.

While it is important to view Management Information as a conceptually distinct function, this does not necessarily mean that it requires a separate organizational unit or PHA division. Frequently Management Information functions are handled as an additional responsibility of Finance & Accounting. This connection seems natural since financial data is an important System component. Moreover, the accounting department is likely to already have some of the hardware and be accustomed to reporting its data to others.

Diagnosing Management Information Problems

**Common Management
Information Problems**

1. Absence of monthly reports summarizing the basic financial, maintenance, and occupancy status for authority-wide use
2. Information is difficult to assemble and/or combine with information from other sources because it does not exist, gets reported late, is in the wrong form or is of doubtful quality
3. Management information could be produced or is available but few staff pay attention to it or appear to know how to use it

The list at left presents a summary of common problems in the Management Information function, each of which is discussed in turn below.

1. Absence of Monthly Reports

Concept before Technology.
The raw material for a basic Management Information System is already present at most authorities in the accounts and records it necessarily keeps in order to function and to meet HUD reporting requirements. Moving toward a system from these fragmented collections is usually a long-term, step-by-step process. It requires an assessment of the authority's primary information needs and clarification of whether the system is primarily to be for processing data more efficiently, or whether information is to be used as a monitoring and evaluation tool, as well as an input to future planning.

The more demands made on the system, the more complex the process of developing it. Nevertheless, the fundamental technology and the consultant expertise that may be required are widely available. The obstacles are lack of appreciation of what an organized system for assembling and sharing information can do, and concern in quarters having a vested interest in current practice that it will reveal too much.

Small PHAs. Effective Management Information does not necessarily require elaborate technology. Simply bringing together information already generated by separate divisions on a regular and periodic basis and then disseminating it, even if the entries are copied by hand, constitutes an important advance over no system at all, and may be perfectly adequate for smaller PHAs.

2. Inadequate or Useless Information

Raw Material. Lack of cooperation and plain lack of information from the sources of raw data is a fundamental problem. Management Information staff may want to ask themselves if the forms and procedures required make unreasonable or overly complex demands on the operating staff who must supply the information. Are the other functional areas' needs and competing demands on their time taken into account? Have efforts been made to refine and simplify reporting steps? Do PHA staff generally understand the importance of certain kinds of data and of its accurate, consistent reporting and posting? Do they really understand the reason for firm schedules in providing data for processing? Can the system find ways, in terms of processing their internal data, to help compensate them for effort expended meeting more comprehensive Management Information demands?

Standardization. Frequently, operating divisions of an authority which assemble data do so on different schedules, on forms of their own design, according to timetables that reflect their own needs. Definitions typically vary: for example, without anyone realizing it, tasks listed as extraordinary maintenance at one site are considered ordinary at another; what gets reported as an "emergency repair" may vary according to who is on duty and how eager they are to make their record look better. One fundamental step in the development of Management Information is to impose some conceptual order on this natural looseness and to standardize information reporting.

3. Uninformed or Indifferent Staff

There is considerable experience with elaborate information systems which are little used. The meaning of columns of figures and tables is not always self-evident, particularly when produced in the sort of shorthand favored by computers. Management staff is not always familiar with the conventions of financial reporting and may need instruction in how to interpret data and how to

apply it. Nor are most managers necessarily familiar with the use of budgetary and other performance indicators or of monitoring and tracking techniques. Formal training of users and constant consultation is necessary to ensure that they appreciate the capabilities of the system and can help to improve it by making it more closely fit their needs.

Probably the most important single factor in the results secured from Management Information systems is the example set by the executive director and the PHA senior staff. If they rely on its products for information and call attention to the problems it reveals, the message will filter down and the managerial uses of information will gain wider respect. Unless the system has practical consequences and payoffs — for example, unless it is the basis for employee evaluation or budget and manpower allocations, or actually helps people manage better — it will be ignored.

Maintenance & Custodial

The Maintenance & Custodial function is the most visible of that range of activities which taken together constitute housing management. The quality with which it is executed is commonly perceived as synonymous with the overall quality of management. Of all management operations, this one is likely to have the most immediate impact on the daily lives of occupants.

Maintenance encompasses the routine upkeep of plants, grounds and equipment and the routine and emergency repair, refurbishing or replacement of mechanical systems, fixtures, appliances and the structures themselves. While the general level of incidence can be anticipated, most Maintenance activities are non-repetitive and their specific nature cannot be predicted. Work items must be reported by someone, usually a resident, who has identified a problem. Since a substantial amount of Maintenance work goes on inside apartments, access to make repairs must be coordinated with the occupant. For all these reasons, a relatively complex system is required for organizing Maintenance tasks. The so-called work order system is the customary approach among authorities of any size.

The *Custodial* function encompasses the continuous cleaning of the public spaces and the occasional cleaning of vacant dwelling units in a housing development. It is roughly equivalent to "housekeeping" in domestic life, with the addition of "yard work." (In an earlier era, it would have been called "janitorial.") Custodial tasks can be distinguished from most Maintenance activities by their predictability. Since Custodial needs can be anticipated and vary only in limited ways (e.g., a flooded basement or a particularly filthy vacant apartment), they lend themselves to advanced scheduling. Of all management functions, Custodial operations require the least skill and training.

Basic Custodial & Maintenance Responsibilities

Maintenance Responsibilities

Routine Repair. Attending to requests for the remedy of such problems as a dripping faucet or an inoperable window. While these work items do not qualify as emergencies requiring immediate attention, they must be responded to within a reasonably short time or the problem will diminish the quality of housing services provided.

Emergency Repair. Responding to breakdowns or defects that require special and immediate attention, such as a ruptured plumbing line. If left unattended, these problems may threaten the health and safety of occupants, or they may result in damage to other parts of the dwelling structure.

Maintenance Requiring Special Technology. Attending to building systems and components whose repair and upkeep require special maintenance equipment or expertise. Elevators, heating systems, and exterior lighting are examples.

Systematic (or Preventive) Maintenance. Scheduling and completing jobs which are predictable and which need to be repeated in equivalent form throughout a development (e.g., external painting, bathroom caulking or grouting, cleaning and oiling tools and equipment). If neglected over prolonged periods, these maintenance needs can lead to larger and more fundamental repair problems.

Grounds Maintenance. Grass cutting, planting and pruning of shrubs and trees and landscaping generally; repair of walkways and snow removal where applicable.

Apartment Preparation. Performing all repairs necessary to renew a vacant unit and put the elements in working order for a new tenant. At the minimum this will usually involve patching plastering and repainting.

Custodial Responsibilities

Upkeep of Residential Public Spaces. This set of tasks includes the vacuuming, sweeping and/or mopping of lobbies, hallways, stairwells, basements and utility rooms; dusting and/or washing of walls; cleaning of glass and metalwork; floor waxing and polishing, and replacement of burned-out lightbulbs. The amount of public interior space varies depending on building design; some projects have no interior public spaces for which custodial care is necessary.
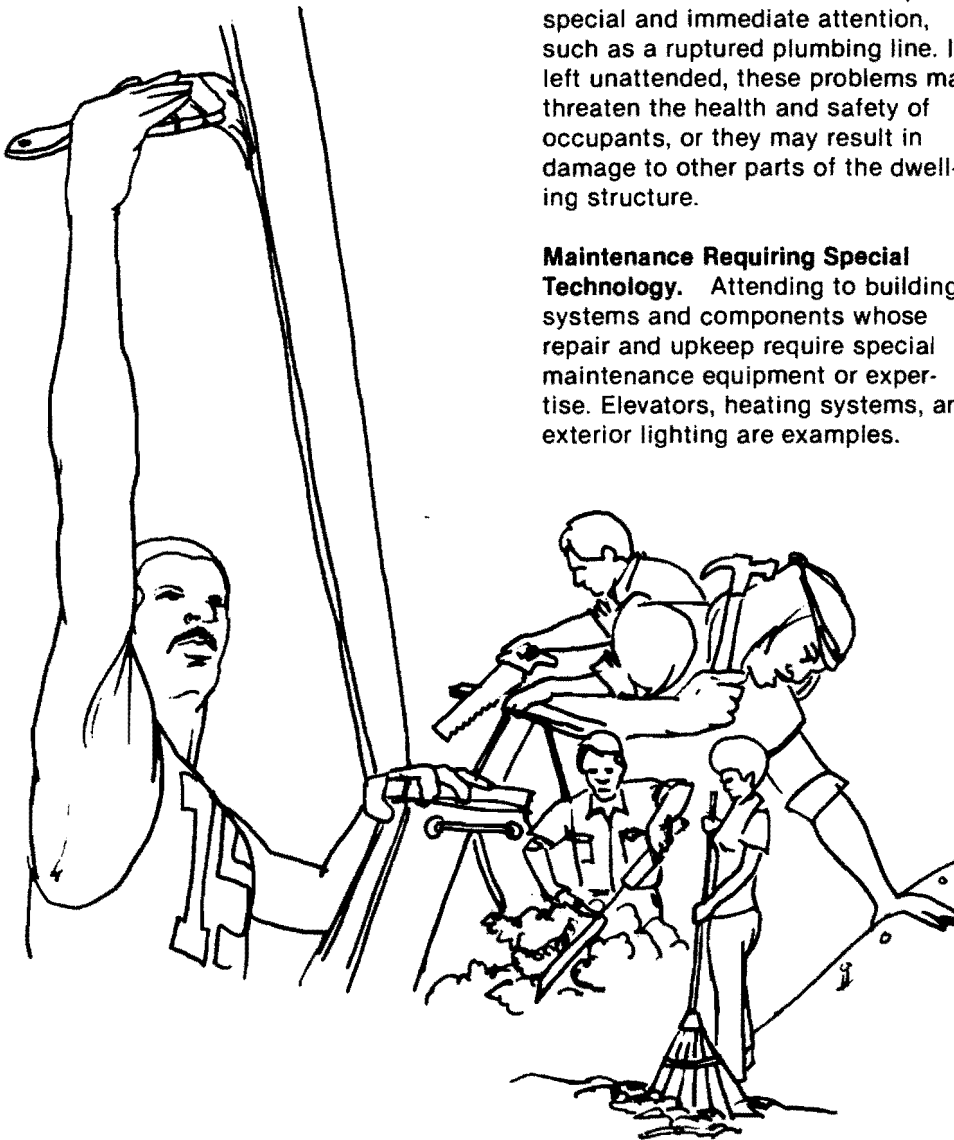
Cleaning of Vacant Apartments.
The removal of debris and abandoned furniture; the cleaning of walls, floors and ceilings; cleaning of bathroom and kitchen fixtures, appliances and cabinets; and the polishing of windows and mirrors.

Upkeep of Nonresidential Public Spaces. Cleaning, waxing and polishing of interior spaces under control of the authority, but not directly used for residence. Such spaces often include PHA offices, but some authorities also have custodial responsibility for interior space used by a neighborhood clinic, day care center, or youth recreation program. In rarer instances PHAs provide space for commercial rentals, which they also maintain.

Cleaning of Grounds. Policing of grounds, play and parking areas; picking up litter; policing trash removal areas. The extent of custodial responsibility for the grounds varies by project design and the degree to which tenants are responsible for cleaning their own yards or courts.

Solid Waste Storage and Removal.
Pickup of garbage from individual units or collection areas and removal to dumpster or other depository for eventual bulk removal from the site. Tasks may include operation of a compacter or incinerator system; cleaning of chutes and compacter room; pulling of garbage on a scheduled basis and removal to sanitation service pickup area or to a disposal area. PHAs will sometimes make separate runs for the removal of bulky items (e.g., discarded furniture and appliances), and some operate their own waste materials recycling programs.

Basic Principles of Maintenance & Custodial Systems

The particular systems used by PHAs are likely to vary widely according to location, size, history and other factors. Nevertheless, there are certain generic elements of an effective *Maintenance* system.
1. A set of procedures for establishing the system's workload for a given day.
2. Mechanisms for scheduling and assigning tasks and generally allocating the system's resources.
3. Actually performing tasks in an efficient and effective manner and assuring their completion.
4. Procedures for supervising work activity and monitoring performance, including mechanisms for collecting data on nature and duration of tasks and costs involved.

Any PHA's existing or contemplated Maintenance system ought to be analyzed according to how it handles or promises to handle these four elements.

In some respects, the *Custodial* aspects of the system are less elaborate. A fully functioning Custodial system alone would involve three elements.
1. Mechanisms for scheduling the daily and weekly workload
2. Procedures for deploying the workforce
3. Procedures for supervising work and monitoring performance

Scheduling is essentially planning. In theory, if the scheduling worked perfectly, there would be no need for deployment, since tasks are repetitive and each custodian would know exactly what to do each day. In practice, however, a greater or lesser degree of deployment is necessary because of absenteeism, sickness, holidays, seasonal variation in workload, weather conditions, and nonscheduled items (emergencies). Moreover, where authorities are shorthanded, constant shifting and reassignment is necessary to get the most important tasks done.

Assignment in high-rise developments is usually to specific buildings. In low-rise developments, it is usually by sector or specific geographic area. Monitoring of completed custodial tasks usually involves spot checking and general oversight by a lead custodian, maintenance supervisor or project manager. One or some combination of these individuals is likely to oversee custodial operations, depending on the size of the authority.

Shared Responsibilities and Linkages

Maintenance & Custodial functions are mutually linked in a number of ways. They share responsibility for preparing vacant apartments for reoccupancy and for groundskeeping. In many authorities the functions are nearly indistinguishable, with the same staff handling both sets of tasks, or with some lower-skilled employees moving back and forth across the line depending on need.

Maintenance & Custodial services are most powerfully linked to and dependent upon two other functional areas: Purchasing & Inventory and Personnel & Training. Upkeep and repair activities are the heaviest users of material and labor in the PHA. Breakdowns in the supply and quality of one or both have enormous impact on Maintenance & Custodial work. No other functional area exhibits the same degree of daily dependence on the performance of other parts of the PHA.

Residents' housekeeping standards, their ability to control the behavior of their children, and their general care and respect for the physical premises, along with the level of vandalism and property abuse by outsiders, can have a significant effect on the Maintenance & Custodial workload. Security and Social Services can potentially influence these variables and help make repair and upkeep functions less difficult.

Approaches to Organizing the Maintenance & Custodial Function

Approaches to Maintenance & Custodial actiities are likely to fall in one of two general categories: those which tend to centralize decisions and staff accountability and those which allocate them to smaller subunits or to individual sites. A highly centralized maintenance system has a crew of skilled tradespeople and handymen in a central location and dispatches them to sites based on requests made to the central office. A decentralized system has staff assigned to individual sites and allocates responsibility for their deployment to the site manager or maintenance supervisor. Some staff, however, may be too highly specialized or costly to allocate to each site and continue to be dispatched centrally.

At first glance, degree of centralization appears to provide a relatively neat way of distinguishing maintenance approaches. Several factors, however, tend to complicate that picture.

- Authorities use outside contractors for maintenance. Some smaller authorities even contract out custodial services. The extent to which outside contractors are used varies (i.e., from only highly specialized, infrequent tasks, to routine heavy maintenance items). Moreover, the system for authorizing and ordering them may be either centralized or decentralized. Employment of outside contractors does not constitute an approach in itself because it is almost always used in conjunction with one or another basic approach.

- An authority may employ zones as an intermediate stage of decentralization, clustering two or more small sites located in the same part of town for maintenance purposes. Some authorities use a zone system for a portion of their stock (i.e., smaller, scatter-site, turnkey projects) and perhaps a mixed (or decentralized) approach to maintaining the remainder of these sites.

- Authorities employ "mixed" systems, with some tasks authorized at the site and others requiring central dispatch. Indeed, it seems unlikely that any authority operates a totally decentralized maintenance system, with no reservoir of skilled trades either centrally organized or contracted for from the outside.

It seems likely that the maintenance approach adopted varies by size of authority and by type of housing stock. Small authorities or PHAs with small, scattered sites may use more central and zoned approaches. Medium-sized authorities may mix and match. The really large PHAs are likely to have decentralized custodial and mixed maintenance. Overall, it may be useful to distinguish among three variations: relatively centralized, mixed, and relatively decentralized approaches.

Diagnosing Maintenance & Custodial Problems

Common Maintenance & Custodial Problems

Factors Over Which PHA Has Limited Short-Term Control (Local Conditions and Historical Givens)

1. Aging and physical deterioration of structures and breakdown of mechanical systems
2. Inadequate local government services adding to site maintenance burden

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Factors Generally Subject to Control by PHA

3. Problems of vandalism and site abuse arising from behavior of residents and/or outside visitors
4. Lack of clarity in delegation of responsibility for site maintenance and coordination with central maintenance operations
5. Problems with the receipt, recording and routing of work items
6. Problems in the deployment of the workforce and in the assignment of tasks
7. Problems in handling emergencies, reducing backlogs, scheduling systematic (preventive) maintenance, using contractors
8. Inadequate supervision and monitoring of performance
9. Other problems with performance and productivity of work crews
10. Problems with availability of materials, supplies and equipment

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Problems common to the Maintenance & Custodial function are listed at left. Each of these 10 problem areas is discussed in turn below.

Factors Subject to Limited PHA Control

1. Physical Deterioration

Projects Beyond a Maintenance Cure. A fundamental source of Maintenance & Custodial problems is poor original plant design and/or defective construction at one or more developments. No maintenance program can permanently solve problems of age, obsolescence, chronic breakdown, or design decisions and building materials that make custodial tasks excessively burdensome. Remedies in such cases require modernization, and the most extreme cases may justify partial or total demolition.

Considering Maintenance Issues in Modernization. In those cases where substandard construction, age, or obsolescence (e.g., difficulty in obtaining replacement parts) are problems, it is still important to ask

how the maintenance program may be contributing to maintenance problems. One way of checking is to examine whether sites which have already been modernized still exhibit the familiar maintenance deficiencies. If they do, it may mean that the specific maintenance and custodial issues at those sites were not taken directly into account in developing modernization plans. One way to insure that they are being addressed is to bring maintenance and management staff into the design and modernization process.

Interim Improvements. System breakdowns may be due to consumption patterns which far exceed the original design capacity (e.g., electrical systems carrying modern appliances and air conditioning).

Where modernization is only likely at some future date, PHAs can ask themselves whether efforts at tenant education would help minimize these problems. Similarly, various measures to reduce population densities might be considered.

2. Local Government Services

More Help from Local Government. Because existing municipal service patterns tend to be taken for granted and erosion is often imperceptible, it may not be immediately evident that one or more of the following share the blame for unsatisfactory conditions at sites: inadequate municipal or county garbage collection, bulk item pickup, and snow removal; problematic sewer and water systems; insufficient or poorly maintained street lighting; poor upkeep of streets and sidewalks.

Identifying service shortfall is one thing, however; getting redress is another. The authority may need to research its exact entitlement to services under the Cooperation Agreement and local law. If the authority is making PILOT, it is important to question whether the municipality is delivering on its side of this contract. If it has not already done so, an authority may want to assist or at least encourage tenants to press their own concerns, as citizens and constituents, about inadequate municipal services. Simply seeking to improve PHA relations with the relevant muicipal and county agencies may have some impact.

Factors More Subject to PHA Control

3. Abuse and Vandalism by Residents and/or Outsiders

Reducing and Shifting Density.
Where sheer population density, particularly the number of children, results in inordinate wear and tear, authorities need to explore the possibility of reducing numbers by "marrying" units or marketing units specifically to the elderly or to "empty nesters." This may require securing a variance in assignment schedules from HUD. In the case of high-rise structures, the authority may want to consider transferring larger families to units on the lower floors.

Residents' Role. Efforts can also be made to organize residents (or to assist existing tenant organizations) to address behavioral problems which lead to property destruction. Some resident councils hold grievance hearings with problem households. Authorities can work directly themselves or through resident organizations to involve youth in project maintenance or to develop more recreational and other activities at sites.

Controlling Abuse by Outsiders.
Where site abuse is partly the result of outsiders and neighborhood location, an effort can be made to control access to the site generally and to specific buildings. Both physical redesign or modification *and* better policing should be explored.

Enforcing Rules. Authorites may wish to ask themselves if stricter enforcement of the lease has been vigorously pursued as a way to con-trol vandalism by problem households. How about charges for damages caused by tenant negligence, or fines for residents who neglect their general responsibilities or specific duties, such as public hallway or yard upkeep and garbage disposal? Has the authority initiated eviction proceedings against chronic offenders? Does the authority's program for screening and orienting new tenants anticipate such problems?

4. Delegation and Coordination

Decentralizing Maintenance Responsibility. Are maintenance and custodial activities at the site level answerable to project site management, or is maintenance a separate function with its own line of authority to the central office? In the latter arrangement there is more room for ambiguity and confusion about who is accountable to whom and who is ultimately in charge. Much central office-site friction around maintenance work has its origin in insufficient authority at the project level to do the job. This may be reflected in the fact that decisions which could be handled satisfactorily at the site level routinely require central office action. Also, staff nominally assigned to a specific site or cluster of sites are frequently redeployed by headquarters to other sites.

One general rule can be applied to all maintenance and custodial operations: responsibility for supervising and monitoring site maintenance operations should be located where it can be performed on a daily basis and not necessarily according to a pre-announced schedule.

Central Office-Site Coordination.
Even where project staff are under the site manager's supervision, problems can be caused by long delays in getting crews from central maintenance to deal with special repair problems or in scheduling outside contractors at the site. One sign of healthy central office-site relations is that the individual ultimately responsible for project maintenance has an understanding of the annual site operating budget and assists in its preparation.

5. Problems with Work Orders

Uniform System for Service Requests. In reviewing the work order system, the following questions need to be posed. Is there a uniform procedure for residents to use in making repair requests? Is this procedure clearly announced and consistently adhered to by the staff? Where staff is not consistent and sometimes entertains "end-runs" around the system, it can undermine an orderly maintenance effort. Receipt of work items is one area where some degree of centralization is clearly desirable.

Making Maximum Use of Work Order Records. Is the form used to record work items adequate? That is, does it contain all the information needed by the workman as well as those monitoring the system and occasionally evaluating overall maintenance performance? Are there enough copies so that all relevant parties get one and maintenance itself has the basis for a permanent record? Many PHAs have work order systems but have too limited ambitions for them. In addition to leading a repairman to a broken window, they are a potential source of management information — a record of the frequency of different types of repairs, proof in some cases that tenants abused property, and the basis for evaluating productivity.

Monitoring Overall Operations. Is a work order log kept and can items be tracked through the system? It should be possible for a work order clerk or maintenance supervisor to know (1) the current status of any individual work order; (2) the sum total of what has been accomplished in a given interval (day, week, month); and (3) which items remain outstanding.

Preventive Maintenance. Is there a schedule of systematic or preventive maintenance available to be undertaken as opportunities arise? Even where resources do not permit staffing preventive maintenance on a constant basis, many routine maintenance crews will have intermittent slack periods which can be utilized to advantage. Obviously, it is essential that funds be budgeted specifically for preventive work and that as circumstances permit it be made a regular part of the system.

6. Deploying the Workforce and Assigning Tasks

Organizing the Day's Work. Some site maintenance problems can be the result of ways in which assignments are made and work is scheduled. Is work assignment the responsibility of a single individual, and is there any source of confusion? Where a site has a substantial volume of work, it is often most effective to make all receipt, tracking and assignment the responsibility of a single individual, preferably a "work order clerk." This minimizes

sources of confusion, duplication of efforts, and items "lost" by the system. Equally important, it frees the maintenance supervisor to spend time in the field. In general, the best maintenance supervisors are not "deskbound" and should be assisted in minimizing their paperwork burden.

Assignment Strategy. It may be important to give serious study to how tasks are assigned: whether they should be batched by worker's area of specialization, clustered according to proximity, etc. Assignment procedures should also be reviewed to determine how successful they are in assuring that residents are available to provide access to their units, and in minimizing return trips for tools, parts, help, or the next assignment. Similar considerations of efficiency apply to the scheduling of custodial tasks.

Custodial Scheduling. Is there a clear and specific schedule for the performance of routine custodial functions and is it generally adhered to? The schedule should be detailed enough so that a supervisor can anticipate the rough location of a given worker at any point in the day. Routinely ignoring printed schedules breeds contempt for the system among workers. Better to revise it and make it more realistic.

Building Productivity into Assignments. Some authorities have developed target workloads for the various types of maintenance and custodial activities. It obviously helps to have some standard of what is generally expected as an aid in determining the number of tasks

to be assigned or the area to be covered, and against which to evaluate employee performance. Since there are no industry-wide standards, PHAs have to rely on common sense, their own experience, and usually a process of trial and error.

7. Emergencies, Backlogs, Preventive Maintenance, Contractors

Emergencies. A key measure of any maintenance system is its responsiveness to emergencies, particularly during non-business hours and holidays. Off-hours reporting procedures must be clearly communicated to residents, and the staff must know and apply the established criteria; otherwise, overtime charges can rapidly get out of hand. Backup provisions are needed in case employees designated to handle emergencies do not or cannot respond.

Handling Backlogs. Where periodic backlogs of work orders are a problem, the authority might consider temporarily augmenting crews at individual sites by moving personnel from the central office (and other sites in extraordinary cases). Backlogs need to be analyzed to determine whether tasks lie outside the competency of the workforce, whether they are due to lack of parts and materials, whether they signify productivity problems, or whether they simply reflect insufficient numbers for the work needed.

Priorities for Prevention. To be effective, a preventive maintenance program needs a clear list of priorities. Industry standards and "expected useful life" factors can help in organizing a calendar. While it is often difficult to see beyond immediate fiscal crises, consideration has to be given to the potential long-term operational savings in allocating resources to preventive maintenance.

More Sophisticated Contracting. Where an authority uses a substantial amount of contract maintenance, it is always relevant to ask whether the relative costs and benefits of using an outside firm versus force account have been weighed. Specification writing and bidding procedures can also be examined to determine if they are likely to procure quality performance as well as low cost. The most critical factor in effective use of outside contractors is having someone on the PHA's maintenance staff experienced or trained in coordinating and monitoring their work.

8. Inadequate Supervision and Monitoring of Performance

Productivity Standards. Only a minority of PHAs appear to have any reasonably objective system for evaluating maintenance productivity. Such a system requires the establishment of standards for the number or extent of tasks to be performed in a given interval of time, or the development of standard times

necessary to complete specific tasks. An alternate way to measure productivity is to calculate the cost per task. Since precision in such matters is difficult, ranges are usually employed. Making such a concept operational requires that work order records permit summarization and analysis by individual workers and by type of repair.

No Substitute for Walking the Site. With or without a formal evaluation system, no Maintenance & Custodial program is likely to be productive unless the person with direct responsibility for performance is out on the site, directly checking work as opposed to performing administrative and paperwork tasks in the office. Part of his/her job is to ensure that there is a satisfactory procedure for certifying work as properly done and complete. Monitoring also means that building hallways, stairwells, basement areas and grounds are "walked" on at least a daily basis to confirm that custodial operations are satisfactory.

Controlling Overtime. One critical and often ignored aspect of supervision is the regular monitoring of overtime against previous usage and from site to site. Where overtime is or can become a problem, controls need to be established to limit excess usage.

9. Performance and Productivity

Understaffing. Productivity is not solely a function of supervision. Output is significantly determined by the resources at hand and the level of PHA expectation as expressed in rules and basic operating style. In fairness to supervisory personnel, PHAs need to ask themselves if maintenance and custodial staffing patterns at different sites are roughly comparable. Where they vary, is there a rationale in terms of volume of work orders, the size and age of buildings, and the nature of sites (high- vs. low-rise), type of tenancy (elderly vs. families), neighborhood conditions or other special factors? Have industry rules of thumb and the experience elsewhere been consulted to determine if there are sufficient staff members budgeted per site or authority-wide to actually do the job?

Deficient Skills. Are deficits in skills and training among the work force a major factor in unsatisfactory performance? Long-term solutions to this problem lie in the development of in-service training programs and perhaps changes in recruitment and hiring practices.

Short-Handed Crews. To what extent is actual staff presence well below that budgeted due to absenteeism, abuse of work roles, or overly generous leave and vacation provisions? Where *de facto* understaffing is a chronic problem, there is virtually no solution other than seeking to discipline workers for non-performance. While there often appear to be severe impediments in union contracts and

Civil Service provisions, some PHAs have found that a sustained campaign involving both hard bargaining and cooperation has brought improvement. Much depends on labor relations differences from region to region and the prevailing economic climate.

Substituting for Paid Workers. One short-term remedy that is too little employed is the temporary replacement of staff who are injured and receiving workmen's compensation, and therefore off the regular payroll. Having a substitute for the interim usually involves no net additional charge to the PHA. Another source of relief worth considering is increasing and/or enforcing resident responsibility for keeping up certain public or semi-public areas. This ought to be done in full consultation with tenants and clearly presented as a way to help balance the Maintenance & Custodial workload.

10. Supplies and Equipment

Issues concerning adequate access to materials are covered in more detail in Chapter 6 on Purchasing & Inventory. Clearly, however, certain questions will need to be raised as part of the diagnosis of the sources of Maintenance & Custodial problems. Does each site or cluster have a fixed annual budget for materials and supplies within which it must operate? Is this adequate and is it fair relative to special site conditions and allocations to other developments? Is this reviewed with the person reponsible for maintenance and understood as a mechanism for disciplining and rationalizing maintenance operations?

Chapter 6

Purchasing & Inventory

The function of Purchasing & Inventory is to buy, store, reallocate, and generally keep track of the material resources necessary for an authority's operations, particularly those required for the maintenance and cleaning of its physical plant. All expendable supplies (lightbulbs, garbage bags), replacement parts and materials (faucets, sheetrock), appliances, tools (mops, hammers), and equipment (pick-up truck) are secured through this functional area. It is also responsible for those supplies (paper) and equipment (desks, photocopying machines) required by the administrative and managerial staff, and for the ordering and purchasing connected with building modernization.

Basic Purchasing & Inventory Responsibilities

Purchasing Responsibilities

Establishing and Acting on Purchasing Needs. Assembling and responding to internal requests for goods and service, along with periodic restocking of the standing inventory. The process may include a step to insure that the request fits within the budget of the requesting unit.

Vendor Selection. Selecting vendors that will provide quality goods and services at the lowest cost and/or with the least delay. The thoroughness of the search process depends upon the size of the purchase. Major items will typically involve requests for competitive bids. A major responsibility in this area is the development of specifications that clearly identify the authority's requirements and help insure that the product will fully meet operating needs. Even for minor or routine items, where bidding is neither cost-effective nor required by law, some comparative shopping and negotiating for price and quality is often worthwhile.

Tracking and Accepting Deliveries. Keeping track of deliverables to assure that they are delivered in the interval promised, received in the proper number, and are found by the user to be of the expected quality. The purchasing office normally completes this process by recommending payment to the finance office.

Staying Up-to-Date. Identifying new and superior products and providing such information to the management and maintenance staff.

Inventory Responsibilities

Inventory Planning. Deciding which items should be regularly stocked in anticipation of demand and which items should be purchased only when a need has been identified.

Inventory Maintenance and Accounting. Keeping track of what is in stock and where it is located. The main purpose is to maximize availability, but inventory accounting also helps reduce pilferage. Furthermore, cataloging can point to overstocking of items and thereby provide important data for inventory planning. The complexity of accounting controls, however, needs to be consistent with the size of the inventory and its value.

Filling Requests and Controlling Outflow. Providing prompt response to requests, and recording items handed out, who obtains them, and their price. The record of outflow is an input to inventory accounting. Records help control unauthorized use of items and allow the PHA to match disbursements against budgets for operating units or projects.

Signalling Management Problems. Providing data that may help alert management to a problem (e.g., an unusually strong demand for replacement glass at a particular development).

Shared Responsibilities and Linkages

Purchasing & Inventory has a major influence on the performance of the Maintenance & Custodial function, as well as Rental & Occupancy, because it supplies the materials without which they cannot carry out many of their duties. Purchasing & Inventory, therefore, shares some of the responsibility for the performance of these other functions.

Purchasing & Inventory is, of course, closely linked with General Administration, since decisions on maintenance and operating budgets and modernization schedules affect the pace and total budgetary scope of the purchasing and inventory control operations. In larger authorities, Purchasing & Inventory will probably be linked with Management Information in terms of record-keeping and data needs and be dependent on Finance & Accounting to write the checks for its purchases.

Approaches to Organizing the Purchasing & Inventory Function

As with Maintenance & Custodial, the major organizational distinction in this functional area is the degree of central control. The figure below summarizes the design possibilities. This analysis assumes that it makes little sense to totally decentralize either purchasing or inventory control. It also assumes that some site purchasing with exclusively central storage is simply illogical (the alternative shown with an "X" in the figure). Thus, three basic approaches to organizing the Purchasing & Inventory function are possible:

Mixed purchasing and storage (Type 3) would seem to be a logical pattern for small authorities and/or authorities covering a large jurisdiction with substantial distances between sites. Here the inefficiency of waiting for central purchasing and transmittal of items might dictate local discretion up to a certain dollar limit.

Selection of an approach may not always be a matter of deliberate design, since the major difference among them lies in where materials are kept. Much will depend on the
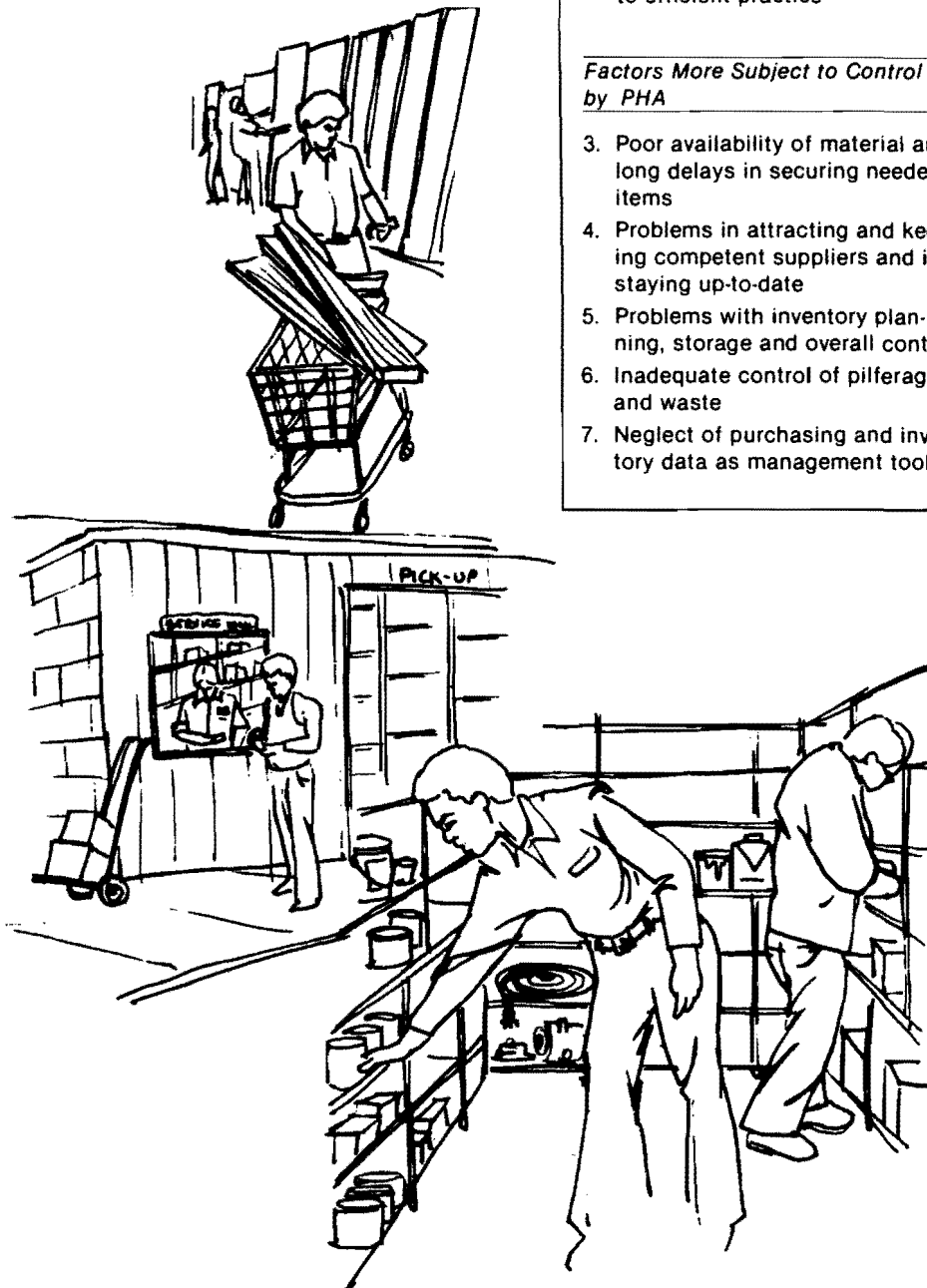
		Purchasing	
		Central Only	Mixed Central and Site
Inventory	Central Only	1	X
	Mixed Central and Site	2	3

A totally centralized system (Type 1) may be most attractive to medium-sized authorities where there are clear economies of scale in central purchasing, and either no real convenience in site storage or no facilities for it.

Centralized purchasing (Type 2) allows some storage of supplies and parts locally and is likely to fit larger authorities.

availability of secure storage areas at individual sites versus the central office. There is some evidence from the larger authorities, however, that field personnel sometimes resist centralized storage and control systems, as suggested by the practice of hoarding at the site level. Skillful maintenance supervisors often work around the inventory control system by creating their own cache of surplus appliances, building materials and other supplies. Thus, the actual pattern at a given authority may be truly mixed — self-help decentralization overlaid by an effort at central control.

Diagnosing Purchasing & Inventory Problems

Common Purchasing & Inventory Problems

Factors Over Which PHA Has Limited Short-Term Control

1. Insufficient budgetary allocations or cash flow problems
2. Legal and procedural obstacles to efficient practice

Factors More Subject to Control by PHA

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3. Poor availability of material and long delays in securing needed items
4. Problems in attracting and keeping competent suppliers and in staying up-to-date
5. Problems with inventory planning, storage and overall control
6. Inadequate control of pilferage and waste
7. Neglect of purchasing and inventory data as management tools

Common deficiencies of the Purchasing & Inventory function are listed at left and described in detail in the following pages.

Factors Subject to Limited PHA Control

1. Budget or Cash Flow Problems

In identifying Purchasing & Inventory as a problem area, it is important to evaluate the extent to which insufficient resources and/or cash flow problems are the real culprit, limiting the authority's ability to supply needed material in a timely way. (Vendors, for example, may refuse credit and demand cash because of past payment problems.) Assuming that there are financial constraints, it is still relevant to ask whether materials receive the priority they deserve in the allocation of scarce resources. Are maintenance men sitting idle for want of materials when some reallocation through a reduction in force could keep a smaller-sized work crew well supplied and productive?

2. Legal and Procedural Obstacles

All PHAs work under procurement constraints, and state and local law and federal regulations can interfere with efficient bidding and procurement practices. The steps required may be too cumbersome and time-consuming. They may force excessive reliance on price to the exclusion of considerations of quality and timeliness. Where these problems

exist, the authority may explore more aggressive use of waiver provisions in selected cases or the possibility for statutory or regulatory change. It might be useful to learn if there are other public agencies in the jurisdiction operating effectively with greater flexibility in procurement practices. More attention to specification writing can also help. A tighter statement of requirements can help weed out the irresponsible low bidder (e.g., delivery time can be made a term of the contract).

Factors More Subject to PHA Control

3. Availability of Materials

Self-Imposed Constraints. Purchasing systems require uniform procedures for requisitioning supplies that are structured to minimize delays while providing adequate

controls. Evaluations of existing systems should ask whether they are structured to identify and respond to priorities and true emergencies. Do the PHA's own chosen procedures unnecessarily limit the flexibility of direct staff purchase of minor items needed to facilitate repairs, or of items to meet legitimate emergencies? What would the potential be for abuse or excess expenditure if procedures were liberalized?

Maintaining a Standing Stock. Is an effort made to permanently stock the most frequently used items? Is there a system to insure replacement when stocks run low? Where storage facilities permit, are frequently used items available directly at the site?

Efficient Procedures. Does the authority have mechanisms for keeping up to date on outstanding orders, for following up to secure their prompt delivery, checking on the accuracy of deliveries, and for notifying the ordering party of arrival in a timely manner?

Coping with Outdated Components. Where obtaining replacement parts for discontinued items (e.g., windows, appliances) is a constant problem, the PHA may well need to undertake a careful analysis of the

possible costs and benefits of gradually changing over to current models as against tolerating continued delays and breakdowns. Where discontinued models simply cannot be replaced, some authorities have developed a capacity to manufacture their own parts, particularly for appliances.

Friction with Maintenance. It has been observed that Purchasing & Inventory stands for the central office in the minds of many site maintenance employees. If they frequently do not get satisfaction or what they feel is adequate consideration, it can rub off on their morale and on their allegiance to the authority itself. Where there is lots of friction over materials and supplies, it can help to involve maintenance personnel more in the making of Purchasing & Inventory policy. They often have useful suggestions, and a process of joint review may help the two functional areas better understand each other's needs and roles.

4. Attracting and Keeping Competent Suppliers

Specification Writing. Ideally, procedures for identifying and securing vendors should permit the achievement of a balance among price, quality, and timely delivery. The right balance can only be determined in the context of an individual authority's circumstances. The most

critical element in effective purchasing is specification writing, the translation of the practical needs of the other units of the PHA into language that will secure the right product. Preparing specifications requires general knowledge of what is available and the technical properties of various goods and materials. It also requires the ability to ask the right questions of orderers and suppliers and the willingness to research technical questions as necessary. Finally, a feel for prices and the market is needed, since PHAs frequently have to make tradeoffs between quality and cost. Issuing specifications that are too exacting will only produce bid prices the authority is not prepared to pay. Smaller authorities may have to rely primarily on suppliers for guidance in purchasing. Others will find there are substantial payoffs in paying more attention to the development of specifications. Most authorities will find benefits in advertising more widely and in reaching out to attract potential suppliers.

Securing Purchasing Advantages.
Where the volume of purchases justifies it, an authority may benefit from conferences, trade shows, and visits by sales representatives as opportunities to check on new or better products and to stay up to date. Smaller authorities may wish to explore consolidated purchasing with other PHAs or local government agencies. The cost savings may outweigh the loss of a certain degree of autonomy. Additionally, all authorities should explore the advantages associated with participation in HUD's Consolidated Supply Program.

5. Inventory Procedures

The following are key considerations in reviewing a PHA's basic inventory procedures.

Controlling Utilization. Does the authority have a mechanism for recording receipts and outflow that permits the state of the inventory to be reviewed at any point in time? Are there ways to control utilization rates in line with the budget allocations to individual sites or operational units? In general, users should be warned or automatically cut off when they reach a monthly limit even if the annual balance in the account has not been exhausted. However, this also means that the drawers of material should have the information on unit costs and previous "purchases" that will enable them to track and control their own requisitions.

Planning. Is the number and type of items routinely stocked based on usage patterns of prior years?

Storage. Is the choice between centralized and site storage based on efforts to balance considerations of adequate control versus the efficiency of local availability? Are storage locations of acceptable size and is security available so as to permit the authority to restructure its inventory system? If not, could they be created if a revised system seemed desirable?

6. Pilferage and Waste

Being Vigilant. The quantity and quality of all items delivered should be routinely checked against the invoice. The procedure should be

designed to insure honest dealing and protect against careless error. Equally important is the establishment of a set of controls which insure appropriate arrival and utilization once items leave storage for use at a site. Systems which flag excessive utilization and examine them to determine cause are helpful in conserving materials.

7. Purchasing and Inventory Data

Management Role. Purchasing & Inventory can make an important contribution to an authority-wide information system if it does not too narrowly construe its own information needs. Authorities which are able to periodically examine aggregate purchasing and utilization data can often identify patterns signifying wider problems. For example, excessive consumption of plumbing parts may be symptomatic of more serious troubles such as corrosion in hot water lines throughout the system, or it may point to systematic theft of plumbing material. Such data can also be used for budget projections and as a means for bringing discipline to Maintenance & Custodial operations.

Rental & Occupancy

Rental & Occupancy embraces the process of establishing the terms of residence, attracting potential tenants, screening the pool of applicants, and subsequently letting apartments to those found eligible and acceptable. This functional area is also responsible for controlling occupancy by those who are accepted and then have trouble meeting their obligations as tenants or as neighbors. The Rental & Occupancy function generally is the first point of contact for residents and is the one part of the authority with which all tenants, even the most self-sufficient and the most isolated, must maintain some regular contact. It has a primary role in representing the authority to its clientele. Perhaps more than any other function, Rental & Occupancy is subject to HUD regulations. Nevertheless, housing authorities retain an important degree of autonomy in practice, particularly on how they choose to implement the federal rules.

Basic Rental & Occupancy Responsibilities

Establishing Occupancy Ground Rules

Each authority is required to establish certain procedures and terms of occupancy in conformance with federal regulations and state law. In policy terms these are ultimately the responsibility of the General Administration function, but they are administered as part of the duties of Rental & Occupancy.

Lease Forms and Leasing Procedures. The lease is the basic document which establishes the relationship between the housing authority and its residents. In an effort to standardize aspects of this relationship, HUD has stipulated certain provisions which must be included in all PHA leases. Many authorities add their own rules and regulations to the lease and in some cases have separate provisions for different sites (for example, barring pets in a family development but permitting them for elderly).

Income Limits and Rent Schedules. Among the most important PHA policy decisions are those establishing eligibility criteria for admission and those setting rents. Congress, HUD, PHAs, and local government each have a strong interest in the spectrum of the population that can be served by a local authority. Until recently PHAs were expected to broaden the socioeconomic range of their occupancy. New policies will require them to narrow it.

Affirmative Action and Fair Marketing. HUD regulations, federal laws, and executive orders mandate affirmative action efforts which must be undertaken by public and private employers receiving federal funds. At the same time, HUD and PHAs are confronted with patterns of residential discrimination and economic and racial segregation at many public housing projects. They are also confronted with a fair amount of confusion as to how various edicts and rulings are to be interpreted and applied. Within the boundaries set by PHA policy and how it interprets its obligations, Rental & Occupancy has primary responsibility for attempting to maintain or restore racial balance at individual sites and within the authority overall.

Grievance Procedures. Every PHA is required to provide residents with the opportunity to file a grievance concerning management acts of omission or commission. There are certain minimum requirements of due process set out in HUD regulations governing grievance procedures, although the actual nature of any proceedings and their frequency will vary among PHAs.

Priorities Among Applicants. The authority determines whether or not some groups of households, based on their special needs, are to be given priority on waiting lists for units. Such special categories include, for example, households living in unsafe units at the time of application, disabled persons, and those having veteran status. Authorities differ widely in the priorities they have established, and the setting of priorities is a key determinant of each PHA's tenant composition.

Intake and Other Actions Affecting Vacant Units

Securing a Pool of Prospective . Occupants. It is Rental & Occupancy's responsibility to take initial applications from would-be tenants, make some determination of eligibility, and maintain an official waiting list. While some authorities simply wait for apartment seekers to come to them, others actively engage in marketing and outreach to attract applicants, especially applicants whose characteristics are consistent with the objectives the PHA has set for income and racial mix in its various projects.

Tenant Screening and Selection. Then, when a unit becomes available, the applicant's background is investigated more thoroughly, or an earlier full examination is updated. The first phase encompasses a review of the tenant's eligibility, including verification of the level of income from various sources (and possibly the level of assets) and the number of members of the household.

A second phase of applicant review is treated as optional, and authorities differ widely in the range of items they look at and whether they look at all. This is sometimes referred to as a review of "suitability" and might include credit history, health and capacity to live alone, housekeeping patterns, police record, and the like. Based on the data developed in one or both phases, a final determination on the would-be tenant's candidacy is made. Once a household is found acceptable, the size of unit required must be determined. Finally, the tenant's required rent contribution to the unit is calculated according to policies established by the authority consistent with federal laws and regulations.

Tenant Assignment. This is the step that matches already-screened tenants with available units and notifies the applicant to prepare for occupancy. The process includes notifying subsequent applicants if an applicant at the top of the list refuses the unit.

Move In and Tenant Orientation. The new tenant must sign the lease and may be given pre-occupancy orientation on the rules and living environment in the project. Tenants are given an opportunity to inspect their unit before moving in. The move is arranged and accomplished, after which there may be follow-up contact or orientation.

Functions for Occupied Units

Collection of Rent and Other Charges. Many authorities bill tenants monthly. All must collect or arrange for collection of rents and then post their receipts. Charges for excess utility payments (as when the tenant operates a room air cnditioner not provided by the authority) and other payments (including charges for damages) must also be billed and collected. A system for sending notices of rent delinquency is also required.

Reexaminations. The authority is expected to verify tenant income and other factors affecting eligibility for occupancy and to adjust the tenant's rental contribution annually. Most PHAs also have a process for making "interim adjustments" when a family's circumstances change significantly between scheduled examinations.

Dealing with Special Problems.
Some authorities have developed
procedures short of legal action for
dealing with families who are delin-
quent in paying their rent or who are
violating other aspects of their lease
through antisocial behavior, property
damage, and the like. Authorities
differ in the formality of their pro-
cedures and which personnel are
involved.

Handling Move Outs. Tenants
leave voluntarily or through eviction
proceedings. Where departure is
voluntary, they might — but often do
not — give notice. To the extent
possible, prior notice on departures
is used to schedule refurbishing of
the unit for occupancy by another
family. Units may be inspected after
tenants move out, charges for
damages assessed, and the balance
of the deposit repaid to the tenant
or an attempt made to collect
charges for damages in excess of
the deposit.

Legal Actions for Lease Violations.
Ultimately, an authority may have no
alternative to legal action in order to
remove tenants who have defaulted
in their rent, or who persistently
violate their lease through delin-
quent payment, property damage or
antisocial behavior. Actions to
remove tenants are to be consistent
with the authority's grievance
procedures.

Shared Responsibilities and Linkages

Rental & Occupancy functions are
very highly interdependent with
other aspects of a PHA's operations.
In many authorities, Finance & Ac-
counting handles the billing for rent
and other charges, oversees collec-
tions, and posts receipts. It notifies
the Rental & Occupancy staff of
delinquencies and often is responsi-
ble for sending out the routine delin-
quency notices to tenants. The
allied Management Information
function frequently prepares reports
for the authority's top management
as well as for Rental & Occupancy.
These reports summarize tenant
characteristics, rental delinquencies,
rental collections, vacancies and
their durations, and the like.

The preparation of vacated apart-
ments and the moving in of new
tenants is a complex process in
which Project Managent and
Maintenance & Custodial play key
roles. Work by maintenance crews
must be scheduled and accom-
plished. If appliances are to be
repaired or replaced, parts or new
models must be obtained promptly if
delays in reoccupancy are to be
avoided. Similarly, the crew must
repair, clean, and paint the unit as

necessary. All this must be coordinated, usually by the project manager, and the Rental & Occupancy function notified of the initial vacancy and of the availability of the unit, once refurbished.

In addition, the project manager is often charged with the duty of following up on rental delinquencies and on complaints about problem tenants, trying to resolve these difficulties short of legal action. Should the problem ultimately require legal action by the authority, the project manager may be responsible for helping develop credible documentation on the tenant's actions, and may even appear in court.

The PHA's General Administration, its board and senior administrative staff generally establish the basic Rental & Occupancy policies and must monitor their application. And the authority's legal representatives — responsible for preparing cases against tenants for lease violations — are typically responsible to General Administration.

Approaches to Organizing the Rental & Occupancy Function

The principal variation among authorities is in the extent to which Rental & Occupancy activities are allocated to individual sites. Under a highly decentralized system, all of the activities enumerated above, except establishing the basic policies and maintaining a central waiting list, would be carried out at the project level. Hence, application intake, eligibility determination, waiting list maintenance, tenant screening, rent determination, tenant orientation, and moving in would all occur at the site. By contrast, in a highly centralized system, only apartment preparation, tenant orientation, and (possibly) follow-up on rental delinquencies would be delegated to the site, subject to HUD requirements for maintenance of a centralized waiting list.
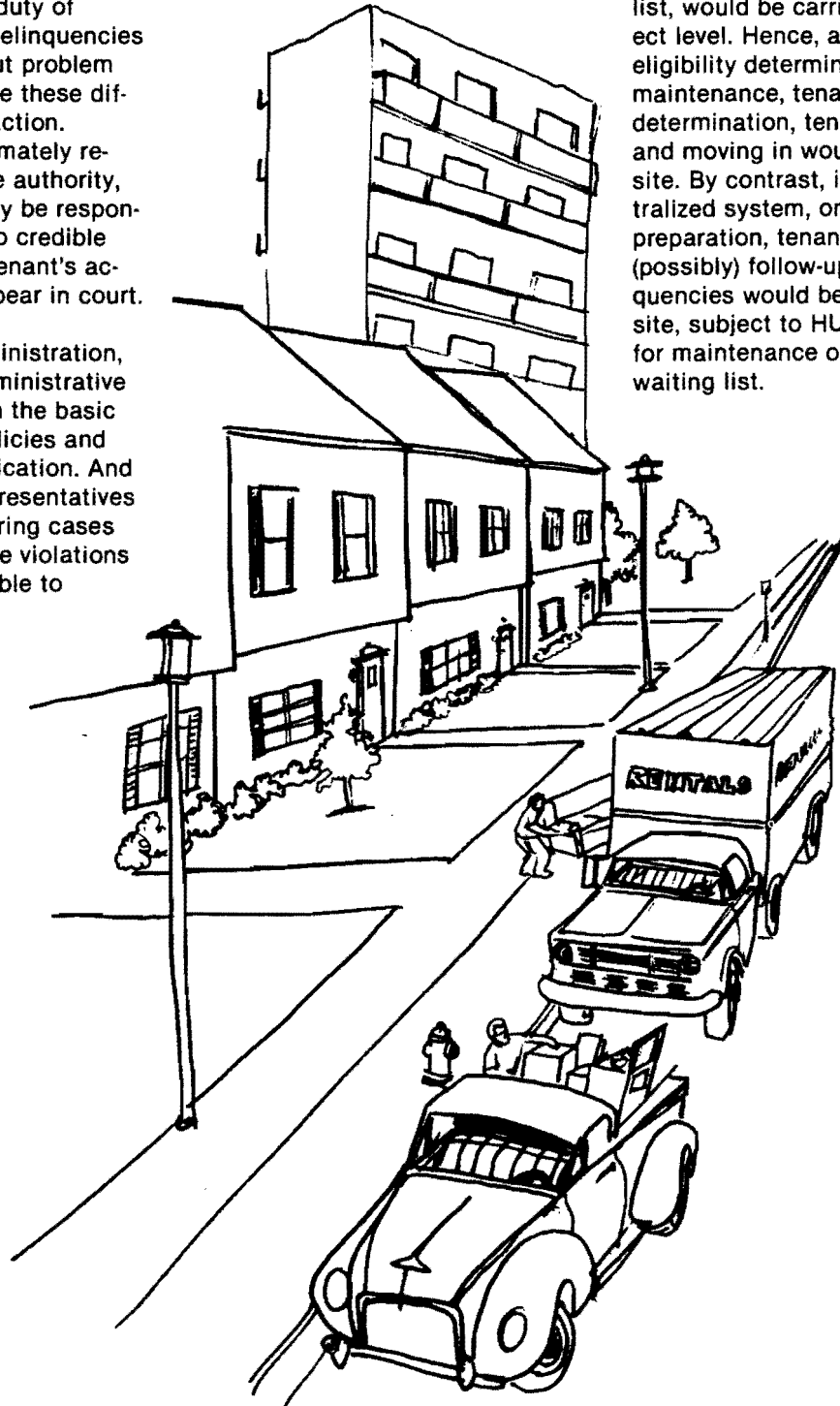
Diagnosing Rental & Occupancy Problems

Common Rental & Occupancy Problems

Factors Over Which PHA Has Limited Short-Term Control

1. Marketing difficulties due to project reputation and/or unit mix
2. Legal and administrative problems growing out of state laws and HUD requirements

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Factors More Subject to Control by PHA

3. Inadequate screening procedures and problems with tenant selection and assignment
4. Difficulties and delays in preparing vacant units for reoccupancy
5. Rent collection problems and inadequate follow-up on delinquencies
6. Problems in enforcing occupancy rules and regulations
7. Difficulties in securing judgments against tenants for nonpayment and other lease violations
8. Problems in conducting accurate, timely income reexaminations
9. Problems created by under- and over-occupancy of units and by residents with specialized housing needs

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Problem areas common to the Rental & Occupancy function are presented in the list at left. Each set of deficiencies is discussed in the following pages.

1. Marketing Difficulties

Problems Requiring Long-Term Remedies. Fundamental sources of marketing problems are the poor condition or poor public image of a given project. These two factors tend to go together, although reputation sometimes exaggerates the case. And they can be compounded by problems of location and poor accessibility. Relatively severe marketing problems of this type are likely to require long-term solutions through modernization and perhaps selective thinning out (reduction in density), coupled with efforts to secure public improvements in the site's vicinity and enhanced service delivery to a development.

Inappropriately Sized Units. Another source of marketing problems is a mismatch between the mix of unit sizes originally designed into a site and the current needs of the potential pool of applicants. Small units (studios and one-bedroom apartments) and very large ones are most often those which become "problems," as housing demand and population characteristics shift. Authorities with difficult-to-rent units can weigh several strategies.

They can consider "marrying" several small unrentable units into one larger one, or converting a large unit into several smaller ones. They can also consider renting more one-bedroom units to single individuals.

Innovative Marketing. Another approach to building an applicant pool, infrequently explored by public housing authorities, uses standard real estate marketing techniques such as newspaper, radio and TV advertisements, promotional literature and model apartments. Authorities may also encourage referrals from major employers, other housing developments, public agencies, social service groups and other community contacts. A good public relations effort by the PHA as a whole has an important role to play in a concerted marketing campaign. One effective strategy has been to make marketing and application-taking a site function, with each manager organizing a marketing campaign fitted to the particular needs of his/her own development. It is also useful to periodically purge and update the authority's waiting list.

2. Legal and Administrative Problems

HUD regulations implementing federal laws are extremely pervasive in the occupancy area, governing actions from the income limits of eligible tenants to grievance and eviction procedures. Here we only provide a couple of examples of regulations and possible PHA responses.

Priorities. Public housing is a scarce commodity. There are many more eligible families who have expressed a desire to live in public housing than there are available public housing units. Thus, for the majority of PHAs, the key to the admissions system is the priorities. Often only families with high priority are admitted, and other families can sit on the waiting list for years. Congress has recognized the centrality of priorities and has identified specific circumstances under which individuals should be given a priority. The principal priorities set by the Congress that have been implemented by HUD regulations are those concerning the economic mix of tenants and those dealing with types of households (e.g., nonelderly, nonhandicapped individuals do not receive priority treatment). Authorities can also establish other priorities that are related to the objective of housing low-income families.

Within the federal constraints an authority can exercise a good deal of initiative. Many authorities have successfully implemented economic mix priorities which have helped with rent collections and eased other management problems.

Likewise, most have instituted priority for assisting families in emergency situations, although the help may prove to be temporary if the family, after being initially housed, does not meet the authority's applicant screening criteria.

Unit Assignments. In matching eligible applicants to available units, the PHA's first consideration is to determine the suitability of the unit in relation to the family's needs. In terms of dwelling type, without incurring unnecessary vacancies by HUD regulation, the PHA has to take every step to limit occupancy of projects which are developed for special purposes, such as those for the elderly or handicapped, to those for whom such projects were intended.

With respect to dwelling size, HUD specifies no absolute requirements as to the permissible number of occupants. The Handbook points out, however, that "the underutilization of space is inconsistent with efficient and economical operation and a waste of scarce housing resources, while overcrowding is

inconsistent with the PHA's obligations to provide decent, safe, and sanitary housing." In light of this, HUD recommends a schedule of persons-per-unit by number of bedrooms. Age, sex, and relationship of family members are to be taken into account in assigning families within the ranges. For instance, the maximum number may be exceeded to permit an infant to share a bedroom with its parents.

There have been differences among HUD field offices in permitting authorities to vary the unit assignment schedule on a project-by-project basis to enhance management objectives. Some authorities have been allowed to "overhouse" tenants in order to reduce the density of children at the projects while others have not. Other justifications for deviations from the schedule — for example, to facilitate marketing — have also been allowed. Thus, more possibilities for discretion may exist in this area than may first appear.

Factors More Subject to PHA Control

3. Tenant Screening, Selection and Assignment

In Defense of Careful Screening. No screening procedure could eliminate all possibility of admitting residents who will subsequently prove to be problems for their neighbors or for management. Moreover, the attempt could create a system so drastic as to unfairly limit access of needy households to public units. Careful, fair-minded screening of applicants, however, is legitimate, as is the decision to deny occupancy to households whose history clearly shows that they are poor tenants and neighbors.

Clear Criteria. A fully developed screening effort includes interviews with applicants, verification of the most critical aspects of household history and, where indicated, home visits. Clear criteria need to be established and to be applied in a nondiscriminatory way. In some authorities all of the following social

(i.e., non-economic) factors are taken into account: employment stability; health and capacity to live independently; credit history; previous rent payment record; housekeeping patterns; family stability; history of civil disturbance, substance abuse, vandalism or criminal activity. Because of the expense, some selectivity in the extent of the review is advisable.

Tenant Role in Screening. Authorities have found it particularly useful to involve resident committees in both the establishment of social criteria and the review of individual applicants. Tenants have at least as much interest in the suitability of new applicants as the authority does. Operating under a system with appropriate safeguards (including careful training, routine documentation of decisions, and provisions for applicant appeal), they have proven that they can be both fair and tough as well as more discerning than nonresident PHA personnel. Their involvement can also confer an important legitimacy on the screening effort.

Using Screening to Improve Assignment Decisions. One function of the screening process is to develop the information needed for intelligent tenant assignment. Young households about to grow should not be asigned to units which will quickly be too small for them. Elderly ought to be assigned to ground-floor units in walkups and large families might be assigned to ground-floor units in high-rises to minimize wear and tear on elevators. Where sites are losing elderly residents, consideration might be given to creating enclaves where few or no families with children are assigned. Rental & Occupancy should be continuously sensitive to maintaining a racial and economic balance, and in assigning tenants, should give compatibility of household type substantial weight.

4. Preparing Vacant Units for Reoccupancy

Monitoring Move-Outs. Many authorities or individual sites have more than several hundred units, and it may be common practice for vacating residents to depart without giving notice. In this case, some formal monitoring system to identify vacancies (perhaps using tenants as building or area "captains") needs to be created. Otherwise, lack of notice will simply increase average turnaround time and cost the PHA rental income. It can also increase opportunities for vandalism.

Organizing the Apartment Preparation Process. Effective coordination is often the key to efficient refurbishing of vacant units. The site manager is often the logical person to initiate the process and to track the progress of individual units. One key is a schedule of delivery dates worked out with the maintenance and custodial staff and continuously updated. The schedule is both a form of discipline for each of the participants and a means of coordination, allowing everyone to know when their input is required and when results are due.

Appliance Delays. A major source of delay for some PHAs is the unavailability of appliances and/or replacement parts. Maintenance staff resourcefulness in warehousing or cannibalizing parts and in stocking used units which have been repaired for use as temporary replacements can be invaluable. Serious consideration ought to be given to a long-term solution which breaks with public housing tradition: requiring tenants to supply their own refrigerator and stove.

5. Rent Collection Problems

Reviewing Collection Procedures. The essential features of an effective collection procedure are simplicity, uniformity, and security. Due dates and acceptable modes of payments should be easily understood and widely advertised. Providing residents with a monthly bill is a useful private real estate

practice which many PHAs find serves as a reminder, improves timely rent payment, and helps in collection of other fees and charges. Larger PHAs have also increasingly discontinued the practice of accepting cash payments or even handling collections directly at a PHA office, requiring instead direct payment to a bank or other depository. Security has been the major consideration.

Firm and Consistent Attack on Delinquency. Effective sanctions, consistently enforced, are essential to improving collections where delinquency is a problem. Late charges must be high enough to create an incentive for timely payment, and the lease should provide for eviction of chronic late payers.

Management Information. Improving collections is highly dependent on a rapid reporting system which gives the site manager or others who may be responsible up-to-date information on who has paid and who has not. It is often sensible to have the accounting and reporting system also automatically issue notices to households who have not paid rent within the specified number of days.

6. Enforcing Occupancy Rules

Establishing Enforceable Rules.
Enforcing rules controlling anti-social behavior requires that there be such a set of rules, and that they be simple, carefully thought through, meet common-sense as well as legal tests of what is fair, and have the general support of fair-minded tenants. Indeed, where such a set of rules needs to be created or revised, involving residents in the process is one step in making them enforceable.

Rules need to be incorporated directly or by reference in the lease, and they deserve periodic review and updating. Basic items that need to be addressed include: pets, noise, antisocial and criminal behavior, property abuse and charges for damages, occupancy by persons not on the lease, payment of rent and excess utility charges, provisions for treatment of security deposits, how to handle emergencies and make service requests, grievance and appeals procedures.

Tenant Handbook. Publication of a resident "handbook" is one way of being sure that tenants are informed of the rules. (Another is an orientation interview for all new tenants with the manager or occupancy specialist.) Handbooks are most persuasive if they use simple language, not "legalese," and if they also spell out the PHA's obligations to its residents and are not simply a series of "musts" and "don'ts."

Options to Avoid Eviction. Authorities may find it useful to have a range of alternatives for dealing with tenants who violate the terms of their lease, particularly through antisocial behavior. The range might include an informal conference with the manager, social service referral, a written warning, a formal grievance hearing accompanied by some kind of probationary status, and finally, legal action. A graduated series of sanctions can help PHAs show that they honored requirements for due process.

Eviction. When other attempts to deal with problem tenants fail, the authority will initiate eviction proceedings against such tenants. Grounds for evictions, cited in the lease, include nonpayment of rent and chronic misbehavior by family members.

Resident Support. A key to effectiveness is enlisting the support and participation of tenant associations in helping to control behavioral problems. They can assist by: endorsing rules and confering legitimacy on them; exercising informal peer pressure; constituting a formal grievance panel to review complaints against residents; backing management individually or collectively in court cases and with the legal system generally where they feel charges are justified. Testimony from other residents can be the most persuasive element of a court case. It can usually be obtained only where a resident feels that he/she will have the moral backing of the tenant organization and management and some buffer against retaliation, and also that it will not be in vain.

7. Securing Judgments Against Tenants

Key Role of Management. The role managers play in the development of successful court cases is not always well understood. PHAs may need to consider the following questions: Are managers clear about legal requirements that have to be met in order to evict for other than non-payment of rent? Do they understand what constitutes proper service of formal notices? To what extent do site managers and legal counsel meet to discuss cases of antisocial behavior in advance of court dates? Are legal actions undermined by management practices, such as accepting rent from tenants under suit or inaccurate/delayed recording of rent collections leading to dismissal of cases brought to court?

Adequate Counsel. There are many due process and procedural considerations in landlord-tenant law and widespread judicial reluctance to penalize occupants to the extent of depriving them of shelter. Effective legal work in this area is more demanding than it is often thought to be and requires diligence, persistence, and the ability to maintain a cooperative, working relationship with the court system.

There is some debate about the relative merits of in-house versus outside counsel for dealing with tenant-related legal actions. Much depends on individual PHA circumstances. Some authorities recommend trying both; alternatively, two outside firms can be hired simultaneously and their performance compared. Since the time it takes to get a judgment against a tenant is a major consideration, different approaches should be compared to see which is fastest as well as least expensive.

8. Conducting Income Reexaminations

Importance of the Annual Review. Annual reexamination is a HUD requirement. But it is also an important mechanism for authorities to maximize rental income and to help insure that residents feel they are being treated fairly relative to their PHA neighbors. PHAs take basically two approaches to this task: some spread them out evenly over a twelve-month period; others conduct them all during a specified beginning- or end-of-year period.

They also generally choose between assigning a special team from the central office to work each project in its turn, or delegating the task to individual management offices as part of their ongoing site responsibilities. The signing of new leases is ordinarily coordinated with this process. One argument for making it a site responsibility is the additional benefit to be gained in contact between project management personnel and residents and the opportunity to make it part of a home visit and annual inspection of units. In routine cases, items needing maintenance attention can be noted and written up. In cases with severe housekeeping and other visible social problems, the reexamination/annual inspection process can be the occasion for appropriate management intervention.

9. Under- and Over-Occupancy

Internal Transfers. An important factor in maintaining the livability of sites, limiting wear and tear to units, and increasing tenant satisfaction is an effective transfer program. PHAs also need to have a policy of transferring households which have shrunk in size, as vacancies permit, so as to open up the units for other larger households. If funds permit, several small vacant units can be "married" to form one for a large household. This approach offers

what may be the additional benefit of reducing overall site density. In walk-up structures, it may be desirable to transfer elderly residents from upper floors to ground level. The potential impact of overcrowding on maintenance budgets is one good argument for maintaining up-to-date demographic data on each household. (Turnover rates have declined in many communities as a result of housing shortages; this of course limits opportunities for transfers.)

Alternate Accommodations. One option in dealing with large and overcrowded households is to relocate them to a PHA's scattered site units. Alternatively, the authority can seek to use Section 8 existing certificates or approach private Section 8 developers to secure placements for those houssholds for whom appropriate PHA units are not available. Disabled residents or elderly individuals no longer capable of independent living may also require placement into alternate accommodations where appropriate physical facilities or care arrangements are not available within the PHA itself. Authorities can facilitate such moves by cultivating relations with other housing providers.

Chapter 8

Personnel & Training

Personnel & Training embraces all those activities relating to the recruitment, training, and retention of the personnel required to run a PHA. This functional area also has responsibility for codifying and administering the ground rules under which employees operate and which define their rights and responsibilities. Its objectives are the assembly, maintenance, and continued development of the skills necessary to perform the authority's functions, and the realization of maximum productivity from employees so as to minimize personnel expenditures. Enlightened organizations will also be concerned with increasing job satisfaction and job security as desirable ends in themselves.

Basic Personnel & Training Responsibilities

Establishing Personnel Policies

Establishing guidelines and procedures is a fundamental responsibility of Personnel & Training. This functional area plays a major role in defining the positions to be filled, determining the methods of recruitment, establishing the compensation package, providing for staff training, and creating the procedures for employee evaluation,, promotion, and disciplinary action. Authorities must also have procedures which assure that they are in compliance with state and federal requirements for equal opportunity, safe working conditions, minimum wage and so forth. The latitude of many authorities in establishing some of most of these policies is restricted by Civil Service Regulations and collective bargaining agreements.

Job Description, Recruiting, and Hiring

The recruitment process logically begins with the definition of a particular job's requirements. Where the hiring is routine, job descriptions may already be available. Periodically these need to be revised and new positions have to be described. The actual search usually starts with the posting of a notice and salary range throughout the PHA's offices and, in certain cases, with placement of advertisements in local newspapers and/or trade publications. Entry-level positions are, of course, typically filled from outside. For other positions, there is likely to be a preference, or at least considerable pressure, for promotion from within.

Taking applications, verifying previous work history and educational credentials, securing references, notifying applicants on action taken and even orienting new employees are all tasks of Personnel & Training. This functional area also establishes files and maintains work histories for all PHA staff.

Of course, supervisors and veteran staff in different functional areas assume responsibility for a good deal of informal instruction and training. The typically haphazard and uneven results and the additional burden placed on senior staff argue for the development of

organized in-service training programs for PHA employees. Designing effective modes of training is a skill in itself, quite independent of the substance covered. In a PHA of any size, skill development ought to be treated as an essential function, not as a frill.

Evaluation and Employee Incentives

Periodic evaluation of employees by their supervisors, typically taking the form of an annual performance report, is an essential PHA function which deserves more attention than it generally gets. The establishment of rules and mechanisms for personnel review is a natural assignment for this functional area. Much of the actual employee evaluation is, of course, done by immediate supervisors in the various other functional areas or by the executive staff.

In some PHAs, productivity measures are being used to evaluate maintenance staff. Work orders are reviewed to determine the number of tasks performed in a given period and the time required to perform specific tasks. Promotion and merit wage increases are logically linked to an evaluation system, although Civil Service or union seniority rules may limit a PHA's latitude in this area.

Compensation and Other Benefits

The wages and benefits of some PHA employees are established through annual collective bargaining agreements. PHAs are most likely to have union agreements with maintenance and custodial locals. Clerical and administrative staff positions are often non-union. Where maintenance and custodial personnel are not unionized, prevailing wages in the public sector are to be used as a guide, although in practice authorities are likely to set their own schedules. While union contracts and wage scales will always be a primary concern of General Administration, the day-to-day interpretation and administration of these matters are a primary responsibility of Personnel & Training.

Training and Professional Development

This is an activity for which a need can be readily identified but which receives only limited attention at most PHAs. New PHA managers are now required to complete a HUD-approved real estate management course offered nationally by several accredited organizations. Training opportunities for other staff are generally limited to workshops at conferences. One may find maintenance employees encouraged to attend courses at a local trade school, not necessarily on company time. Administrative employees are generally expected to learn their jobs by doing them, with little or no formal orientation.

Discipline

Disciplinary actions and termination are generally handled in accordance with published procedures that are either part of a collective bargaining agreement or specific employment rules and regulations. Personnel & Training is responsible for disseminating the rules and overseeing their application to insure fairness and due process. Site management and maintenance personnel are initially disciplined by their local supervisors, who may or may not have the authority to terminate them. Once disciplinary action occurs, an employee will have certain procedural rights in terms of a hearing and the ability to file a formal grievance. These rights are generally matters governed by union contracts or by state and local law, and not by federal regulations.

Union and Civil Service Relations

Personnel & Training has the day-to-day responsibility for maintaining relations with state and/or local civil service systems and with local unions, where employees are unionized. Unionized PHA employees may have certain Civil Service rights that augment those in their union agreements in terms of seniority, job rights, retirement benefits, and the like. For non-unionized staff, Civil Service provisions usually govern.

Tenant Recruitment and Training

PHAs are expected to make a special effort to employ residents. Because this may require special programs of outreach and training, and because it promises to benefit the PHA in other ways (e.g., additional rental income from wage-earning residents), it is useful to highlight it as a special part of Personnel & Training's responsibility. Some authorities have found it helpful to involve residents in training programs dealing with the authority's operations even where they are not prospective employees, because of the greater perspective it may give tenant leaders on how the PHA works. Where tenant groups are directly involved in management operations and under contract to manage at a few authorities, much more extensive leadership and technical training sessions have been developed.

Shared Responsibilities and Linkages

The ultimate test of Personnel & Training is the general performance of an authority's staff. However, a PHA's personnel system typically has its major impact on the Maintenance & Custodial and Project Management areas. These are the main users of human resources in a PHA, employ some of the least experienced and least skilled personnel, and stand to benefit most from an effective personnel and training effort.

Compared with other functional areas, this one is not heavily influenced by other divisions, with two exceptions: it has an obvious dependency on General Administration for the resources, authority, and backing to do its job; and on the Management Information System which can provide it with up-to-date employee records and a potentially more objective basis for evaluating their performance. In the case of training, the relationship with other functional areas is reciprocal, since much orientation and instruction takes place on the job and relies on the knowledge and skills of senior Maintenance & Custodial or Project Management Personnel.

# Approaches to Organizing the Personnel & Training Function

The fundamental choice in organizing this function is whether to confine it to the irreducible core of personnel administration or whether to give it a larger role in the internal development of PHA skill and capacity. Whether there is a clearly identifiable personnel section largely depends on PHA size. In small authorities, most vacant positions are filled by the executive director, who in discharging this responsibility will be acting in a Personnel & Training capacity. In bigger authorities, initial screening may be done by other staff, who may also do the more routine hiring.

In larger authorities, Personnel & Training activities are generally handled by a separate department within the central office. This office posts staff vacancies in the authority's various management and maintenance offices and may advertise them in local papers. It is also responsible for processing applicants and has some role, along with Finance & Accounting, in ad-

judicating issues that arise regarding salaries and benefits for individual employees. The annual collective bargaining positions of the PHA are developed by the personnel department in conjunction with the executive staff.

Much of the informal training and routine evaluation that sustains most PHAs occurs on the job and is handled by the supervisory staff in other functional areas. It is only when these tasks are viewed comprehensively and strategically that they become a PHA-wide function and part of an expanded conception of what constitutes personnel work.

One important distinction among authorities that is not necessarily related to size concerns the amount of latitude they have in addressing personnel issues. Their degree of freedom in this area depends on whether or not their employees are unionized, the relative strength of any unions with which they must deal, and the extent to which their personnel practices are governed by Civil Service regulations. Elected officials or board members of some PHAs may attempt to influence or even dictate hiring and promotion decisions. In assessing their own Personnel & Training activities, authority staff need to proceed according to whether they are more or less restricted by others in the development of their personnel policies.
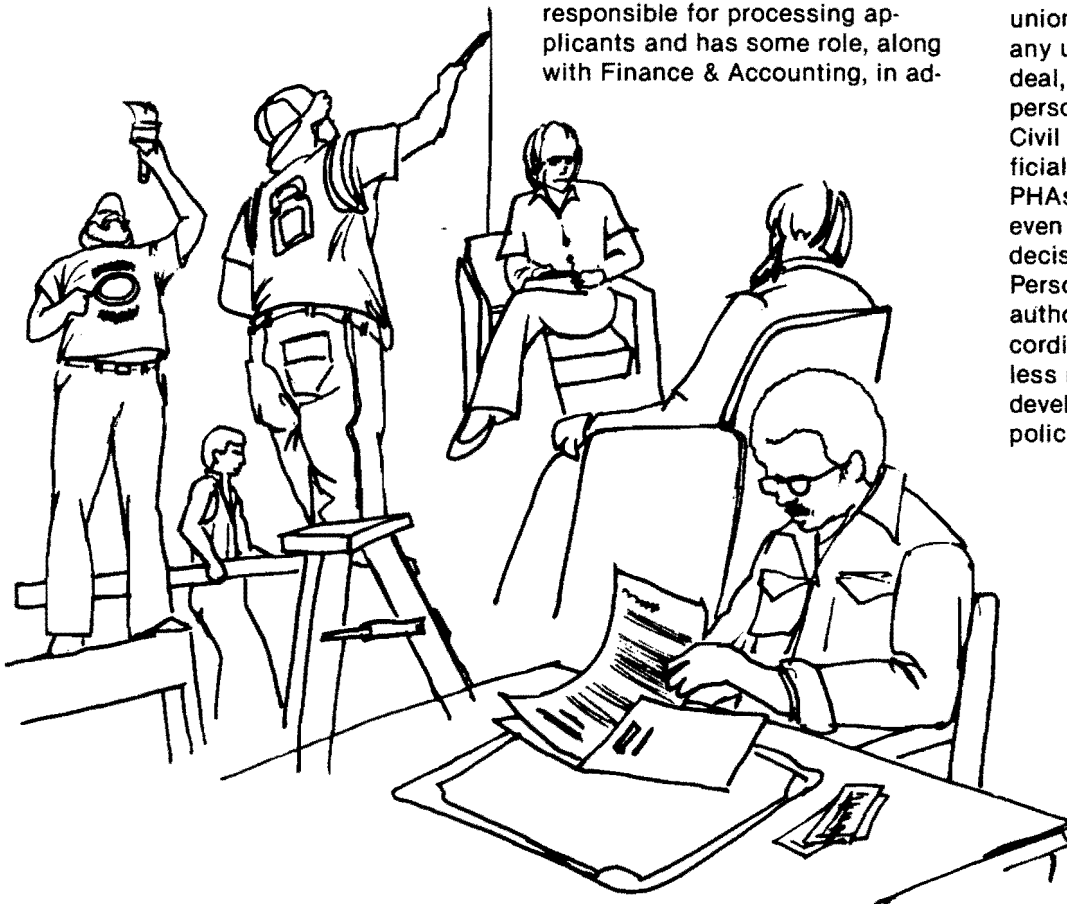
Diagnosing Personnel & Training Problems

Common Personnel & Training Problems

Factors Over Which PHA Has Limited Short-Term Control

1. Obstacles created by union contracts and/or Civil Service regulations to maintaining labor productivity

Factors Generally Subject to Control by PHA

2. Problems in attracting and retaining the best personnel
3. Training and upgrading of skills for evaluating employee productivity
4. Inadequate procedures for evaluating employee productivity
5. Inadequate attention to tenant employment and training of residents

The list at left presents frequently encountered deficiencies in Personnel & Training. Each of the problem areas is discussed separately below.

Factors Subject to Limited PHA Control

1. Union Contracts and/or Civil Service Regulations

Existing Provisions Need Not Be Accepted as Permanent. Civil Service and union contract requirements involving seniority and promotion often complicate PHA efforts to recruit new employees from outside. Bidding rights for jobs generally provide that agency employees get first opportunity to improve their job status, making it more difficult to pump new blood into the system. Seniority rules can have a parallel effect, delaying or foreclosing the possibility of advancement for newer employees who may hold the promise of greater productivity and effectiveness.

Where these obstacles are serious problems, an authority may wish to make them priorities for change, either in its contract negotiations or through pressure for local regulatory or legislative changes in personnel practices. In general, PHAs can ex-

pect that only a sustained effort will result in fundamental changes in work patterns. PHAs need to make themselves aware of the Civil Service system and how the hearing and appeal procedures operate. And they need to make deliberate efforts to establish the best possible working relationships with union representatives. PHAs must shake off a tendency to view productivity problems as fixed and something they are helpless to change.

Productivity. Overly liberal provisions for sick leave, personal days, funeral leave, and vacations are a problem at many authorities, which are continually confronted with understaffed site operations as a result. The terms of labor agreements often make it difficult to determine the legitimacy of employee claims and can lead to substantial abuses. PHAs need to renegotiate these provisions and find tradeoffs which will permit them to secure improved productivity. In a weak economy, unions may be more than usually willing to review these issues.

Discipline. Where work rules tend to encourage abuse, there is all the more reason to bring action against chronic offenders. Many PHAs pay insufficient attention to this aspect of personnel administration. Supervisors should be trained in how to document and prepare cases. It is often important to involve the authority's attorneys early in disciplinary matters. In general, more active pursuit of redress through all channels is indicated. At the very least, the authority will broadcast the message that it expects fair treatment from its work force.

Defining Job Categories. The high wages commanded by the skilled trades (plumbers, plasterers, masons, etc.) have prompted some PHAs to create general handyman positions for routine maintenance repairs. Where they have been able to negotiate new job descriptions and a broadened scope of responsibility, they have been able to reduce costs by reserving skilled trades for more demanding tasks. They have also improved productivity by limiting jurisdictional problems and delays where a relatively simple job customarily required several different skilled workers before it could be completed. Another strategy is to define a wide range of job titles with Civil Service. With fewer workers in each of a larger number of categories, the PHA has more flexibility in changing or even abolishing a particular position.

Handling Patronage Pressures. Requests for patronage appointments and heavy board involvement in the details of hiring and promotions present a special challenge to PHA directors. As a practical matter, it may not be possible to ignore pressures of this sort, but a self-respecting director must draw the line somewhere. It is important that he/she insist on an acceptable level of competence and experience, particularly for positions at higher levels. Lower-level staff hired on recommendation are more subject to a second line of defense — termination — if they demonstrate that they are unable to perform.

Factors More Subject to PHA Control

2. Attracting and Retaining Personnel

Benefit Mix. Where PHAs find themselves losing good workers to other agencies or firms, they may need to review their wage and benefit schedules for comparability with those prevailing in the local public and private sectors, and to make adjustments accordingly. One way of determining the most attractive benefit package is to survey current employees. There are no hard and fast rules; much is determined by local conditions.

Holding on to Good Senior Staff. A careful review of the organizational chart may suggest ways to consolidate or rearrange staff responsibilities which may permit increases for specific positions with no net change in overall personnel costs. Where the modernization program appears to require a general director and a professional engineer, for example, a PHA might choose to

seek a director who also has an engineering degree. PHAs should consider whether it would prove more productive to raise top-level staff salaries in order to secure and keep more highly qualified people. More effective senior personnel might permit reduction of the current number of positions at middle-management levels, balancing out increased costs at the top.

Screening and Hiring. Detailed job descriptions can be helpful in identifying qualified applicants for positions and in discouraging less able ones who may otherwise have some claim to them. They supply the criteria against which an applicant's background and experience can be measured. Job descriptions will only help, however, if an authority follows established and careful procedures for reviewing the qualifications of applicants. These should include completion of an application form, an interview, and references from previous employers, at the least. Procedures may include several interviews and an oral or written test, along with verification of claims of training and background. Including several people in the interviewing and decision process usually helps to improve the final results.

Attracting Applicants. Where enough clearly qualified applicants are not coming forward, one course is to advertise more widely and to be more aggressive in recruitment efforts. Possible applicant sources and types of outreach include: referrals from current employees; union hiring halls; employment agencies; the placement offices of schools, colleges, and vocational training programs; newspaper and trade publication advertisements; and personal contacts of senior staff. Using a wide range of sources increases the likelihood that the PHA will achieve equal opportunity objectives as well. Of course, adequate matching of salary schedules to job requirements (based on job description) and to the employment market outside the authority are fundamental to successful recruiting.

3. Training

Importance of Training. Training is undoubtedly the most underdeveloped part of PHA personnel practices. Authorities should be taking more seriously the following questions: Does the authority have any formal programs of in-service training? Are personnel encouraged to attend appropriate courses and training programs outside (e.g., IREM, local colleges and technical institutes)? Are they given leave time or financial assistance for this? Is outside training and skill development recognized in consideration for promotions? Is the opportunity to get additional training used itself as a reward for good performance? Is any emphasis given to upgrading purely administrative, managerial and supervisory skills?

Employee Morale. Training is not only a mechanism for improving skill levels in the agency. It is also a means of renewing employee interest and improving morale. Thus it can be a key factor in retaining able workers. While in theory career ladders can be established independently, they make most sense in conjunction with a program combining training and professional development with periodic evaluation. Many organizational consultants advocate such ladders and a merit system for awarding salary increases, promotions and degrees of work autonomy as an important ingredient in healthy employee morale.

A Planned and Expert Approach to Training. While routine orientation of new employees and elementary instruction in work procedures or using equipment can be delegated informally to supervisory personnel, a more structured, deliberate effort has many benefits. Training is a field which has developed its own techniques and a variety of instructional approaches that transcend the conventional classroom model. Particularly for the "softer" skills (e.g., human relations, team-building, conflict resoluton), a staff member or consultant trained in this kind of work is essential. Training is now a familiar activity in private businesses. Unfortunately, the public sector has been slow to acknowledge its value.

4. Evaluating Employee Productivity

Performance Measures. Without some relatively explicit measures of performance, an authority has no clearly defensible basis for promotions, transfers or merit salary increases, nor a real basis for employee accountability. The Maintenance & Custodial and Rental & Occupancy areas lend themselves most directly to productivity measures (e.g., standard times for specific tasks, a schedule of tasks which can be completed in a given interval, or a standard percentage of achievement in the course of a week or month). It is harder to find objective standards in more heavily administrative areas, but PHAs need to keep working to develop what measures are available. Implementing productivity accounting systems usually requires that employees in some areas document the amount of time spent on particular items. A Management Information System which can digest the results and summarize individual and collective performance is also needed.

Evaluation Process. A quarterly evaluation is generally indicated for new employees or those recently promoted. Others can be evaluated semi-annually or annually. Evaluation forms are infrequently given the attention they deserve. Attempts are made to create a universal form which turns out to be unsatisfactory for many specific tasks or functional areas. Often, too, it will not allow for enough discrimination (allowing only "good," "average," or "poor" ratings, for example) to characterize an individual's work accurately.

Evaluation is ultimately a highly subjective process, and supervisors need to be trained in evaluation and coached in their ethical responsibilities to employees. It is useful to have more than one supervisory staff member participate, where that is appropriate. Moreover, evaluations should be discussed with employees, who must have the right to dissent, before they are formally filed.

Make Everyone Accountable to Someone. An effective evaluation system usually works from the top down. If senior staff give candid appraisals of immediate subordinates (the board must grade the executive director frankly, too), then a spirit of constructive but critical review can develop throughout the system. To avoid a spirit of negativism, areas of achievement and good performance need to be fully noted and appropriately rewarded.

5. Tenant Employment and Training of Residents

Realizing Tenant Employment Potential. Employing residents not only meets HUD requirements, but also makes good sense. More resident earnings create additional rental income for the PHA. Also, it is likely to create more good will and give residents a stake in the health of the PHA system as a whole. And where recruitment from the outside is difficult, residents may constitute a ready source of willing candidates. A serious on-site recruitment effort may require more outreach and perhaps training programs to prepare people for positions. At the same time, the PHA will be helping to create its own desired skill levels and will have an opportunity to develop employees more in its own mold.

Educating Residents. PHAs may find there are payoffs in mounting training programs for residents quite apart from those for prospective employees. Experience shows that tenant organizations which truly understand how the PHA's budget works are more effective and realistic partners in cooperative efforts to inform and educate residents and to assist in improving maintenance and management operations.

Chapter 9

Security

Security consists of those activities whereby PHAs attempt to reduce crime, antisocial behavior, and vandalism within their housing sites. Its objectives are the protection of people and property. Such protection can be delivered by a special cadre of personnel, and/or by special physical design modifications or hardware installations. A third approach — community organization and education — relies on making the tenants more aware of their own role in improving security.

The approach to security employed by an authority is the outcome of a combination of factors: the severity of the security problems it faces, the location and configuration of its sites, the quality of regular police services it receives, and the availability of special funds for security programming and physical improvements. The art of security planning has received increased attention in the past decade, much of it built upon experience with the special problems of public housing.

Basic Security Responsibilities

It is difficult to identify a fundamental set of security duties since the extent of security problems varies so widely. Also, for most authorities, Security is a function shared with other public agencies. The PHA's responsibilities may be essentially residual — dealing with those problems unresolved by the efforts of others.

Shared Responsibilities and Linkages

While Security is linked to other functional areas, it forms a relatively distinct set of activities. An effective security program is likely to have its most significant impact on two other functional areas: Project Management, in terms of delivering increased security and sense of security to residents and to personnel who work on the site; and Maintenance & Custodial, in terms of reducing vandalism and property abuse. Security can also assist the Rental & Occupancy function in the identification of problem tenants and in building the documentation necessary for effective disciplinary action. Ultimately, improvement in these respects will affect General Administration through increased marketability, improved rent collections and reduced expenditures.

Approaches to Organizing the Security Function

Personnel Systems

Some PHAs have created their own internal security forces administered by a director at a central headquarters, while others have elected to use contract security agencies or to hire off-duty police officers. Some will also make PHA property available for a local police substation in hopes that the physical presence of regular peace officers will bolster the PHA's own efforts.

The administration of a PHA-sponsored security force is generally mixed, with staff deployed centrally but with specific site responsibilities. Some PHAs opt for a "vertical chain-of-command" analogous to that in a police department, with security personnel having their own entirely separate identity. Other PHAs have attempted to incorporate protective services into their overall management scheme, much like the maintenance and custodial staff. Likewise, dispatching and deploying may be either centralized or decentralized.

A basic distinction in security programs is whether the personnel are armed or not. In situations where security personnel are armed members of the PHA staff, they typically have been trained by the local police academy or have secured a watchman's license which entitles them to carry a weapon. Programs which rely on contract security may or may not involve armed guards.

PHAs which use unarmed security in their developments may do so either exclusively or in combination with armed guards. Such programs may involve residents or CETA trainees who are hired for purposes of "order maintenance." There is often an effort to link unarmed guards with local police precincts as a way of handling any serious problems which may arise.

Because of budgetary limitations, security staff may patrol only a limited number of sites within an overall PHA, and personnel may be scheduled only at "high-crime" periods. The security services provided are likely to differ between elderly and family projects. Ideally, a security force will provide Project Management with incident reports,

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Security

but it is quite common to find little coordination between Project Management and Security staff in terms of documenting tenant files and using security violations in court cases brought for antisocial behavior.

Hardware and Design Systems

PHAs can also attempt to deal with security problems through equipping personnel with various kinds of hardware and through "target hardening" and design changes in their buildings. Security personnel have, in some cases, been outfitted with patrol cars and radios. Central dispatching has been added to enable guards to be called in on emergency situations. "Defensible space" concepts have been introduced into modernization programs, including fencing and other physical barriers, the modification of building entrances, television monitoring and intercom systems, entrance door peepholes, vandal-resistant elevator cabs, and exterior lighting.

Community Organization and Education

Analyses of crime problems in public housing identify social factors such as lack of social organization, social cohesion, and informal social control, along with the absense of proprietary interest and territoriality among residents, as important contributors to poor security at projects. Community organization and education include that set of activities that increases tenant awareness of precautions they can take and capitalize on their collective potential for improving security.

The approach derives largely from the theory that the strengthening or reestablishment of community-wide behavioral norms can have an important inhibiting effect on delinquent and criminal behavior. At the same time it promises to help make residents *feel* more secure and in control of their own invironment.

No Special Security Measures

It should be noted that a number of PHAs rely exclusively on local police for security, and on standard door locks and conventional housing designs and equipment. They can be considered to conduct no activity and provide no services in this functional area.
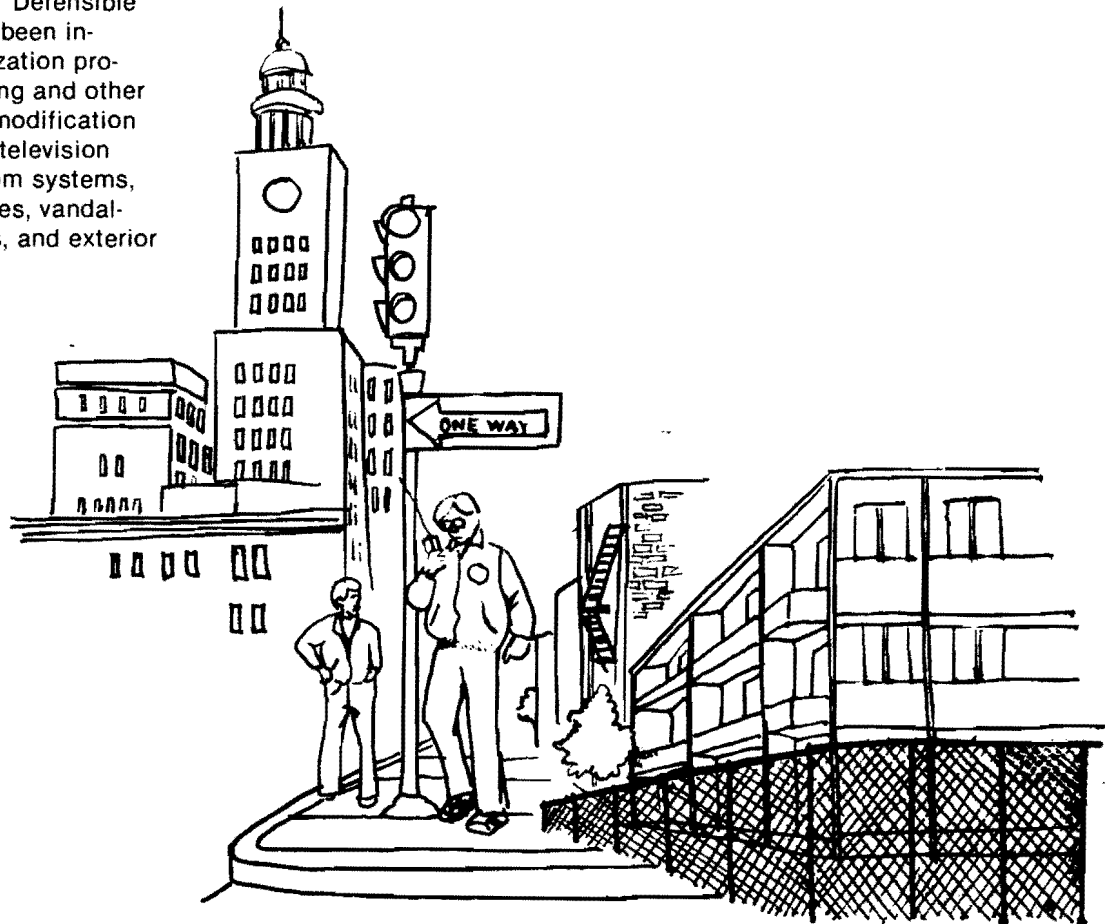
Diagnosing Security Problems

Common Security Problems

1. Inadequate local police coverage
2. Problems with the project as a defensible space: project design, security hardware, and exterior lighting
3. Unsatisfactory performance by security force
4. Inability to deal effectively with families that are a source of security problems
5. Inadequate community mobilization to counter crime and vandalism

The list at left presents common problem areas for the Security function. These potential difficulties are treated individually below.

1. Inadequate Local Police Coverage

Insufficient police presence can be the result of three factors: a community-wide shortage of police manpower; a police assumption that the PHA security force, if any, will handle it; and police avoidance of public projects as too difficult and thankless. Whatever combination is operating, there is likely to be room for improvement in the services the PHA receives.

Deliberate efforts to establish closer relationships and better understanding are a first step. The police can be asked to advise on the PHA's general security problems, to train the security force, and to utilize facilities at projects for substations.

Where police develop some confidence in the professionalism of PHA-retained security personnel, they may take emergency calls from them more seriously and be quicker to respond. Some PHAs have hired off-duty police to man their security force. This, as might be expected, has had a powerful effect on their knowledge of PHA needs and the attention they pay to project calls and to patroling during their regular tours of duty.

2. The Project as a Defensible Space

A substantial technical literature has developed on the subject of redesigning and retrofitting housing developments for security purposes. Where security is an issue, this literature should be consulted before modernization or any other significant capital expenditure is made at sites. A review by an architect or a local crime enforcement specialist may identify some relatively simple measures which can be implemented out of normal operating funds. While many special crime prevention programs have disappeared, PHAs can still seek funding under remaining federal and local programs. Improved exterior lighting, replacement of glass-paneled doors with solid ones, and the relocation of mailboxes to a central location are examples of improvements that help to pay for themselves out of reduced maintenance and repair costs.

3. Unsatisfactory Performance by Security Force

Professionalizing Security. Lack of training, insufficient authority to do the job, and poor sensitivity to the nature of public housing residents are probably the primary reasons for poor performance by security personnel, whether they are on the PHA payroll or hired under contract. Where security problems are substantial, authorities need to examine the following. Are security personnel uniformed? Are they armed, and if not, can they reasonably be expected to stick their necks out to control others who are? What police powers do they have, if any? Have they been trained by professional law enforcement instructors (the local police department or a state police academy)? Are pay and promotional opportunities adequate for the risks involved? Has the pattern of deployment been reviewed to ensure the maximum coverage and effectiveness of available personnel, particularly where the size of the security force is limited? Has the schedule been organized to ensure presence during the hours with highest incidence of crime? Is the

force actively monitored and supervised through pre-shift briefings, punch clocks at various stations on a beat, spot checks by senior staff, review of blotter and incident reports?

Monitoring and Evaluation. It is essential to have a basis for evaluating security performance at individual PHA sites. One course is to have a system which tracks incidents of crime and vandalism, in terms of both number and type, by project. If an incident-reporting system can summarize entries by nature, exact location and time of day, it can be a great aid in scheduling, deployment and other preventive measures. Of course, simple rise or fall in security incidents is too cut and dried as a basis for evaluating a system since many factors influence security conditions, some beyond PHA control. A regular procedure for tenants to review site security and register their degree of satisfaction is an important supplement. The perceptions of local police and of residents in the surrounding neighborhood should also be sought and weighed as a basis for assessing performance.

4. Problem Families

Security has an important and often overlooked role in the long-term control of problem households — a role that goes beyond simply policing. While its function is fairly distinct, it is important to think of Security as part of the overall management team, not simply as "hired guns." Security personnel are often in a unique position to identify those responsible for vandalism or criminal behavior. By working closely with Project Management and Social Services, Security can help to isolate the specific sources of problems. Moreover, by taking incident reports seriously and routinely providing thorough documentation to management, Security can help in building files that will be persuasive in court cases. Security can also be useful in advising Rental & Occupancy on factors to be reviewed in screening new tenants and in assigning them to units.

5. Inadequate Community Mobilization

Importance of Tenant Involvement. Where residents are disorganized and isolated from one another, security problems are usually greater. An initial step in changing patterns of isolation and helplessness is to train residents in taking precautions and in self defense. This might include advice on being street-wise, how to handle valuables, using chain locks and interrogating callers, engraving identifying information on property, and so forth.

Residents can also be assisted to organize themselves for mutual support and surveillance. Neighbors can watch over others' apartments during working hours or extended absences. Teenagers can provide escort services for the elderly. Adults can be encouraged to "get involved," to take responsibility for regulating unsupervised youth on the site, to report suspicious activity, and to give testimony in court cases. Resident organizations and the feelings of solidarity and mutual aid they help foster can also play an important role in helping to alleviate fear of crime where it is exaggerated beyond its true dimensions.

Security Role of Tenant Organizations. A more difficult but ultimately more rewarding step is to encourage resident organizations to take a more direct role: establishing tenant patrols and lobby monitoring programs; creating and running recreation and employment programs for idle youth; enforcing behavior codes and reestablishing community norms through running hearings and grievance proceedings for tenants against whom there are complaints; sitting on local police or citywide police advisory boards; consulting and negotiating with management, elected officials, law enforcement personnel, and social agencies to improve security conditions in more comprehensive ways.

Chapter 10

Social Services

Social Services has developed as a PHA functional area in response to a growing awareness of the non-housing needs of a low-income population which is geographically concentrated under public auspices. This functional area encompasses activities that do one or more of the following: meet immediate welfare needs, enhance daily life at a housing site, or assist residents to become more self-sufficient. Social service workers have also been employed to counsel problem families and to screen prospective tenants in an effort to reduce long-term burdens on management. The Social Service area can, however, be clearly distinguished from the more traditional parts of real estate management, which involve the direct delivery of housing services.

Basic Elements of a Social Service Program

Establishing Policy

There is a general recognition among PHAs that the management and operation of public housing requires more than the traditional "hard" real estate management practiced in the private sector. However, the financial resources specifically earmarked for "soft" management programs have never been generous. Performance Funding has not specifically recognized Social Services (or Security) as a discrete management area requiring some form of additional subsidy. Thus, those PHAs involved with social services have to use their operating funds or identify supplemental funding sources, usually other public programs. This has meant in practice that the array of services offered by an authority at any time is determined by a combination of the PHA's understanding of the needs of its tenants *and* the availability of funds or staff to provide various services.

Because of funding limitations, Social Service "policy" is largely determined by opportunity. Ideally, however, a PHA and its residents will have some basic objectives and priorities, and the mix of programs will reflect some choice between two possible approaches. In the first, programs are oriented primarily to supplementing property management functions (e.g., counseling problem families, workshops in homemaking and budgeting); in the second approach, programs are oriented towards the traditional social work goals of maximizing well-being and self-sufficiency (employment and job training, health services, day care for working mothers).

Program Planning

A rational approach to Social Service planning starts with an analysis of the demographic and socioeconomic data on tenants available from the PHA's own records. It may also utilize other indicators of need (statistics on crime, health, employment, and the like), as well as formal or informal surveys of tenant desires. Tenant associations may participate directly in the planning process.

Resource Generation

The Social Services area is generally responsible for developing the resources needed to support its own activities. These resources come in three basic forms: services in kind via existing programs, grants-in-aid, and contracts to provide certain kinds of services.

Types of Activities and Program Mix

The following are the types of social service programs likely to be relevant to the population housed in public developments, according to the two main kinds of households.

Families with Children
Child Day Care and After-School
    Programs
Tutoring and Remedial Education
Alcoholism/Drug Abuse Counseling
Recreation and Summer Vacation
    Programs
Employment and Job Development
Health and Prenatal Care
Information and Referral

Elderly Individuals or Couples
Congregate or Home-Delivered
    Meals
Adult Day Care
Health Services
Transportation
Homemaker Services
Information and Referral

Shared Responsibilities and Linkages

Social Services will have greatest impact on three other functional areas: Project Management, Maintenance & Custodial, and Rental & Occupancy. The direct impact is difficult to measure, but the desired effect on PHA operations is clear. The hope is that, with the availability of referral and counseling for tenants and ongoing social programs for families, the rates of rent delinquency, vandalism and anti-social behavior will be reduced. This, in turn, will help stabilize operating expenses, a major concern of General Administration at every PHA.
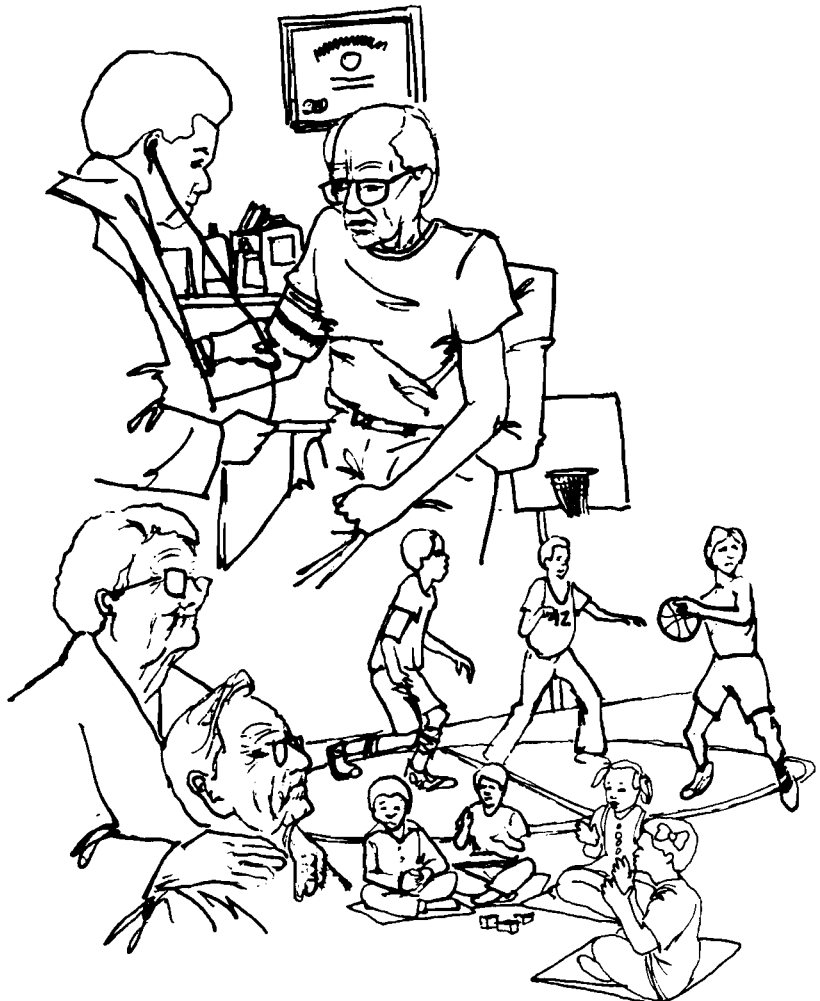
Approaches to Organizing the Social Services Function

Direct Provision by Employees

In this approach, PHAs hire their own staff of social workers to provide services directly and exclusively to tenants. This gives PHAs maximum control, but it is also the most expensive route.

Contracts with Service Agencies

PHAs can employ a social service coordinator, or assign other staff to spend part of their time identifying and recruiting non-PHA agencies — public or private — which can provide social programs for PHA residents, on site and at no charge to the PHA. (While a coordinator might also handle some individual referral cases from Project Management, he/she would not be primarily providing direct services.) PHAs often provide outside agencies (such as the local health or parks department) with rent-free or cheap program space at one or more of their developments in return for the services they deliver. PHA staff may then be used to coordinate and monitor these activities.

Subcontracts to Service Agencies

Where PHAs choose to become more deeply involved with the provision of social services, they can seek direct funding from local or state agencies for social service programs. The PHA may have a core Social Services staff; but its responsibilities will include proposal writing, program development, and the administration of outside agency contracts. In order to deliver services to particular sites, the PHA will enter into subcontracts with local public agencies, voluntary organizations, or tenant groups to provide services on-site, paid by the funds secured by the PHA. Elderly services at a senior citizens' project might be provided by a church group; a tenant organization might be engaged to operate a day care center for its own constituents.

Referral to Service Providers

Accepting responsibility to make referrals to providers in the community at large is the minimum level of activity which can be considered to constitute a distinct Social Services program. Referral can of course be handled by the project manager or site office staff, but in offering this aid they will be functioning in a Social Service capacity.

Because the type of approach taken to Social Services is highly dependent on the nature of available funding, most PHAs utilize a mix of approaches, and the mix is likely to vary over time.

Diagnosing Social Service Problems

Common Social Services Problems
Factors Over Which PHA Has Limited Control
1. Difficulty in securing funding and/or in-kind assistance from local and voluntary agencies
Factors More Subject to PHA Control
2. Absence of a planning process or an analysis of need
3. Lack of integration between Social Services activity and Project Management

A summary of problem areas in Social Services is presented at left. Each type of deficiency is discussed in turn on the following pages.

Factors Subject to Limited PHA Control

1. Difficulty Securing Funding and/or In-Kind Assistance

Investing in Social Services. Cutbacks in social programming at the federal level clearly affect the availability of both kinds of assistance. But even in the most generous fiscal environment, an initial investment of staff time and sometimes agency funds is frequently required before significant outside resources can be secured. For the moment PHAs will have to concentrate more on state and local sources of funds and devote more attention to the private sector and potential corporate donors. An initial approach might be to solicit funds for a full- or part-time social program specialist and fund-raiser, with the expectation that a grant for this purpose could have significant leverage in terms of future development.

Attracting Existing Service Providers. With grant money in short supply, PHAs will need to concentrate all the more on persuading existing programs in their communities to extend services to PHA tenants. Particularly desirable are programs which might be invited to operate in facilities on site (examples include Food Stamps, day care, meals, preventive health or health monitoring, youth recreation and substance abuse). The offer of free or cheap space can be an important inducement. PHAs lacking facilities at some or all of their developments need to consider whether existing dwelling units might be turned over to such uses, or whether facilities might be created or appropriately renovated through the Comprehensive Improvement Assistance Program (CIAP).

Tying Service Delivery to Management Contracts. Another way to secure assistance for particular groups is to consider contracting out the management of individual sites to voluntary service agencies or religious groups with a special interest in the population housed. This approach may be particularly appropriate for elderly developments, where the real estate aspects are relatively routine and the key to good management is effective support for resident welfare and social needs. Organizations already running successful social programs elsewhere for senior citizens might be persuaded to extend their mission to include overall management operations at an elderly site on a standard fee basis. Thus, the social benefits would come at no extra charge to the PHA.

Factors More Subject to PHA Control

2. Absence of Planning

Even where immediate support for programs is not visible, it is desirable for PHAs to have a plan. This will serve both to guide efforts to develop programs and to give the authority credibility when approaching others for resources or support. PHAs should ask themselves the following questions. Has anyone done a full or partial analysis of the population's welfare needs? Have public agencies or private social service organizations been asked to assist in needs analysis and program planning? To what extent are management operations being hampered by particular social problems which might be alleviated by adequate services? (Such services could be given priority in social program development.) Could the quality and impact of current programs be improved by better-qualified personnel, closer monitoring or increased advocacy on behalf of residents? In other words, is there potential for better utilization of already available resources through a more conscious diagnostic and planning process?

3. Integration between Social Services and Project Management

Management Team Approach. In general, PHA social service programs work best where they are linked to Project Management and vice versa. One reason is to minimize unnecessary conflict. In some cases, "in-house" social services staff have not been considered as a part of overall PHA operations, but rather as a largely autonomous program. Indeed, some PHAs have experienced internal dissension because social services staff have tended to identify totally with tenants on problems and grievances

directed at "management." A management team approach, however, should in no way preclude strong social service advocacy on behalf of tenants within the authority structure.

Contribution to Overall Management Effectiveness. Another reason for close ties with overall PHA operations is that it leads to more effective management. Problems of vermin infestation may be identified by management but be the result of poor housekeeping which may need social service attention, as might any health problems related to the unsanitary conditions. Similarly, Maintenance may be well acquainted with vandalism by project youth, but this needs referral to Social Services as well. In general it makes sense to give site managers authority over social programs operating at their developments and at the same time give them some

formal orientation or training in social service programming. In the long run, a well-developed community services program simply makes both the brick-and-mortar and financial side of management easier. No strict real estate approach can ultimately cope with the despair bred by an environment in which fundamental welfare needs are not met and where there is little basis for hope or expectation of opportunity.