To: Local Housing Authorities

From: Amy Stitely, Acting Associate Director, Division of Public Housing and Rental Assistance

Date: July 13th, 2017

Re: Tracking PMR Criteria in Real Time: New Feature Live in Housing Applications

Local Housing Authorities (LHAs) now have access to the digital Performance Management Review (PMR) system housed in Housing Applications. The digital PMR system allows LHAs and DHCD to monitor a housing authority’s PMR criteria ratings in real time. The two criteria that LHAs can monitor in real time in the online system are:

- Occupancy
- Budget to Actual Variance

The online system does not include the capital or maintenance criteria of the PMR. The Operating Reserve and the Certifications and Reports Submissions criteria are only available for viewing at year end.

For more information about the PMR program, please see PHN 2016-36.

If you have questions about this notice, please contact your Housing Management Specialist (HMS).
Accessing the PMR System

To access the PMR system, LHAs should go to the home page where they access all the other housing applications for DHCD.

Once logged in, LHAs should find a new application called “Performance Management Review.”

You will arrive at the PMR Home Screen. You can select the fiscal year (FY) at the top.

Note: The only official PMR conducted for 2016 was for the 12/31/16 cohort of LHAs. Still, the online system will show PMR ratings and PMR data for the other three cohorts –
3/31/16, 6/30/16, and 9/30/16. This is purely informational and does not represent a PMR score given for these LHAs with FYEs of 3/31/16, 6/30/16, and 9/30/16.

Here is a brief description of each button on this screen:

- **LHA Profile:** This is a basic LHA factsheet. It pulls information from the Board Attendance Application such as the name of the Executive Director. If any information is incorrect or missing, please make corrections in your next Board Attendance submission and the information will be automatically transmitted to the LHA profile.

- **Vacancy/Occupancy Report:** This report shows the LHA’s rating on the Vacancy/Occupancy criterion. Vacancy/Occupancy is a PMR metric that tracks the percentage of an LHA’s portfolio that is occupied, excluding those units that received waivers.

- **PMR Budget vs. Actual Variance Report:** This is the official PMR metric for Budget to Actual Variance. It reports the percent by which an LHA’s spending varies from its budget for all “total” categories.

- **Budget to Actual Variance Report:** This report provides greater detail about the Budget to Actual Variance criterion by reporting all accounts instead of just TOTAL categories. This report can be used to understand which account within a TOTAL category has contributed to any variance +/- 10%.

**Everything presented on this page is live data,** meaning if a number in the budget or operating statement is changed, the reports in the system will automatically adjust to reflect the new data. LHAs should use this page to monitor their occupancy and budget to actual data throughout the year.

This page also allows LHAs the opportunity to view their current and past official PMR ratings. By clicking on the “Official Record of PMR” button, LHAs will be able to view their final report; however, if the fiscal year has not yet closed, this button will be greyed out. Also, if it is not yet 45 days after your fiscal year end, this button will be clickable, but it will not have any data in it. LHAs can access this information if they want to know what they officially received for their PMR currently and in years past.

The next section highlights more information about tracking Budget vs. Actual Variance in real time.
Budget to Actual Variance

In this criterion, spending is evaluated to see how much it deviates from the budgeted amount. In order to receive a rating of No Finding, LHAs must keep their spending within 10% (higher or lower) than the budgeted amount (with a few key exceptions presented in PHN 2016-36).

In addition to evaluating the Budget to Actual Variance at year end for the PMR, the “PMR Budget to Actual Variance” report presents some important real-time information for LHAs to keep track of their spending throughout the year. **It calculates the percent of a housing authority’s budget that is spent year to date.**

For example, if a housing authority budgeted an expenditure of $100,000 for their Total Maintenance line item and reported spending $25,000 during the **first quarter**, the new tool would show that the housing authority spent 25% of its budgeted amount. This would put the LHA on track to meet Budget to Actual Variance criteria. On the other hand, if the report showed that the LHA spent 75% of its budgeted amount during the **first quarter**, the new tool would indicate corrective action is needed.
the housing authority would know that it needs to address its spending and/or budget for that category.

This is a very basic example. DHCD is aware that spending does not always occur evenly throughout the year and can change seasonally. LHAs should look at the **percent of a housing authority’s budget that is spent year to date** with some consideration of the LHA’s operations.

Only at year end will the last column on the report, “Variance %” (see below) calculate the Budget to Actual Variance metric used in the PMR. LHAs will receive a rating of “No Findings” on their Budget to Actual criterion if all the columns in the “Variance %” column are between -10% and +10% (with a few exceptions – see PHN 2016-36). In the example below, the LHA has kept all revenue and expenses within 10% except for Total Other Expenses and Total Expenses.
Important Notes about the PMR System:

If you are accessing this from the home page of the PMR system, this information updates automatically in real time, such as when operating statements are submitted. If you are access this report from the “Official Record of PMR” section, this data is frozen and will not change (see page 3 for more information).

If an LHA has not submitted any of their quarterly operating statements, the relevant columns will be blank and/or will have variances of -100% all the way down the column.

<table>
<thead>
<tr>
<th>FY END YTD</th>
<th>03/31/2017</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>-100.0%</td>
<td></td>
</tr>
<tr>
<td>$0</td>
<td>-100.0%</td>
<td></td>
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<tr>
<td>$0</td>
<td>-100.0%</td>
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</tr>
</tbody>
</table>

If an LHA does not have an approved budget, the entire “Budget to Actual” report will be missing.

Sharing this Report with Others: All reports in the PMR system can be exported to PDF. That way, you can share these reports with your internal staff, board, fee accountant, etc.

Questions? If you have any questions about the PMR system, please contact your HMS.