



Transitioning To The New Funding System

'A Commitment To Do It Right'

By Thomas M. Coleman
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To clear something up right away, yes the name of our housing authority is Tennessee Valley Regional Housing Authority (TVRHA); however, we are not located in Tennessee, but rather in Mississippi. Mississippi is unique in that regional housing authorities established over thirty years ago cover the majority of the state.

To understand TVRHA's Asset Management Strategy, one first needs to understand the characteristics of our agency that make it unique among the nation's 3200 housing authorities.

First, we are a regional housing authority that covers ten counties in northeast Mississippi with a huge geographic coverage of three thousand square miles. The regional nature of our agency affects its governance. We have an eleven-member Board of Commissioners appointed by the ten county Boards of Supervisors with the ten Commissioners appointing the eleventh member.

This means that we truly serve all of our geographic area and have unusual travel expenses by our Central Office staff.

Second, of our 1211 units at 38 sites, 857 are single-family homes located primarily on 29 sites (subdivisions). We have acquired 12 different projects through the historical funding method of public housing acquisition and/or construction. The predominately single-family nature of our housing stock, as well as the median age (34 years) of our units, contributes to our maintenance expenses. We believe we have done an excellent

job in physically preserving our public housing stock through our aggressive Capital Funds Program.

Third, we live in a lower-income portion of the country. Given the financial limitations of many residents of our ten counties, we cherish each one of our affordable housing opportunities (both public housing and housing choice vouchers). We reject diminishing our housing stock as some agencies are doing.

In September 2005, I assembled TVRHA's "Stop-Loss Team," which included our

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Mimosa Terrace, a 16 unit apartment complex located in Corinth, Miss. The TVRHA operates 1,211 units at 38 sites, including 857 single-family dwellings at 29 sites. All photos courtesy of TVRHA.

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Assistant Executive Director, Accountant, Director of Capital Improvement & Planning, IT Coordinator, and Administrative Assistant. With the varied experience and knowledge of these

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individuals, we were able to assimilate much needed data to adequately meet the challenge that lay before us. They also proved to be a reassuring voice throughout our agency to calm unnecessary fears among our staff during our conversion. During the transition to Project Based Operations, an executive director needs his board and employees to trust his judgment and at times to possess a blind faith in the decisions being made, especially with the uncomfortable changes in guidelines, deadlines and strategies each week. I included a financial consultant, Lloyd Strickland and a management consultant, Joe Schiff in our “Stop Loss Team” to work with us to meet these challenges. The expertise provided by these individuals proved invaluable to me as executive director and hopefully to TVRHA’s efforts to stop our loss.

In December 2005, I invited Greg Byrne to see TVRHA’s operation “on the ground” and in February 2006, we hosted a two-day symposium with REAC/HUD officials and our consultants to assist us with planning an effective project division for proper Project Based Management efficiency. Due to the large geographic size of our authority, we already had two central offices fully staffed with maintenance warehouses stocked with needed inventory. We made every attempt to convince Greg Byrne’s staff that due to our unique situation, dividing our agency into two projects would best utilize our extensive assets and as we put it, “if it’s not broke, don’t fix it.” Greg Byrne’s staff toured a large majority of our subdivisions and both our central offices, but was firm that we would need to divide our agency into



Screen shot of the TVRHA website with links to information on many of its properties.

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ten to 12 projects in order to effectively meet Project Based Management.

We did not like what we heard but set our goal to “do this right if we were going to do it,” in order to preserve the level of assistance we have been able to offer to the lower income families of our area. We had an enormous incentive as the top decliner in the State of Mississippi with the possibility of a reduction in subsidy of \$883,179.00. Our accountant began to develop budgets for the Central Office and each of our ten HUD approved AMPs based on the WAPEL. Greg Byrne stressed the need to use HUD’s Multi-Family Program as a model for our Project Based Management strategy. Our minds began to spin with the complexities of each statement, transaction and policy and how it could effectively be assigned to a specific project. We endeavored to avoid proration and allocation of costs. Avoiding the allocation of costs as much as possible was very important to us, since this could hinder our ability to completely convert to Asset Management.

TVRHA has been fortunate to have a dedicated staff with many years of service, knowledge and training that has contributed to the success of our agency. Because I spend almost as much time with my TVRHA family as I do with my own family, I did not want to see dedicated staff laid off. Totally changing employee’s job descriptions to new positions that were completely different was very difficult, but we began doing just that. During several meetings with our entire staff, I had to

tell secretaries, management aides, mechanics, laborers and other personnel that they would need to prepare to become part of an AMP staff and that everything would be done to keep all employees, but their jobs would change.

In the spring of 2006, we completely revised our organizational chart and job descriptions for each position and conducted a comparability study of the multi-family private sector for these positions. This study confirmed that



Tabatha Brim, Project Manager for AMP #621 in New Albany, Miss., reviews an application for housing.

TVRHA’s maintenance salaries were higher than maintenance salaries of the private sector and that our benefits package greatly exceeded anything offered by the private sector. Obtaining comparable data was difficult because many companies contract much of their work rather than maintain their own staffs; therefore, we had to devise a Five-Year Plan for reduction of salaries in this area. In the spring of this year, we again conducted a comparability study and were able to obtain data from property management companies and found that even though we were still

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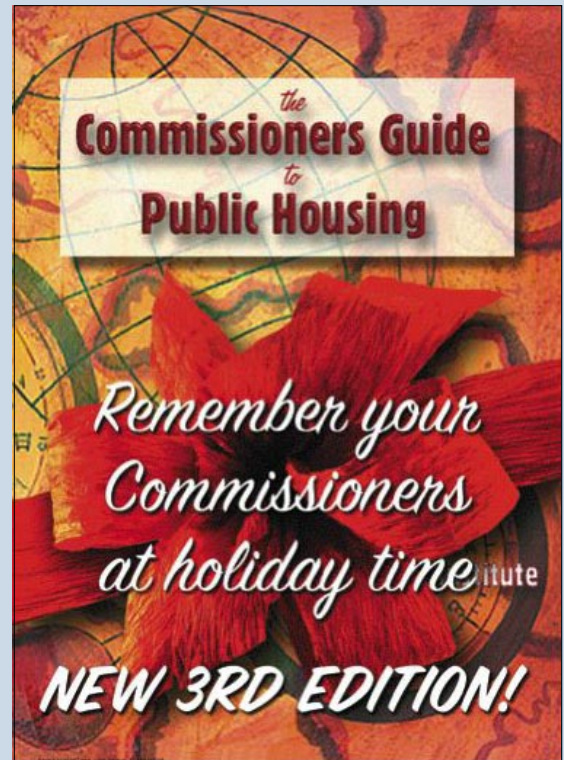
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high on some salaries, we were able to avoid the large reduction in salaries that we had previously anticipated.

We began by offering the Project Manager positions for the AMPs and Voucher Program to all employees. Most of our Voucher staff requested and accepted positions in the Voucher Program; as well as one maintenance worker and two social workers who requested and accepted AMP Manager positions. I wanted to fill the AMP Manager positions first, so they could have input into the support staff with which they would be working. We then accepted applications for all other AMP and Voucher positions, and I am pleased we were able to place all current employees in positions. This did not come without some losses as several employees chose not to accept the position offered and left our agency. Throughout this transition we lost twelve employees; some retired, and others found other employment. Project Based is the greatest challenge that I have faced during my thirty-one years at TVRHA, and my staff has trusted me, in spite of very limited knowledge and information, to do what I believe is in the best interest of our agency.

Staffing was completed by late May 2006, and we began the first of our monthly AMP Managers meeting on June 6. Also attending these meetings with the AMP Managers are the Executive Director, various members of the "Stop Loss Team" as needed and the Low Rent/Voucher Performance Auditor. When we revised the organization chart, we created the auditor

position to maintain our "high performer" rating and to have someone on staff dedicated to the quality and training of our project staff. Our auditor reviews procedures and files for each AMP, as well as our Section 8 Housing Choice Voucher Program. She also trains our staff in our ever-changing



Emily Maupin (left), clerk, and Tiwana Jones, Project Manager, work together at one of the AMPs in Corinth, Miss.

policies and procedures which we encountered with the implementation of Project Based Management. AMP Manager meetings usually last four hours and are training sessions concerning everything from personnel issues to community service.

One of the first areas in which we encountered difficulties was in accounts payable. The AMPs received many accounts payable statements for approval; thus, we felt it was necessary to stop purchasing through individual vendor accounts and to issue separate credit cards for each AMP. These cards can be used for all purchases, except

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for travel and gasoline. We have a separate fuel card for gas purchases. This has made accounts payable much easier for our managers and accounts payable clerk.

We started Project Based Management/Accounting on July 1, 2006 and our site offices for all ten AMPs were



Thomas M. Coleman, Executive Director of TVRHA, at his desk in Corinth, Miss.



Meadow Park Community Center in Verona, Miss., which was remodeled to include office space for Amp #625.

operational by July 10, 2006. TVRHA is fortunate in that we had community centers in place at all AMPs and were able to temporarily make space for offices within these locations. We began the arduous task of converting these open-area facilities to multi-purpose buildings with secure office space for files and rent collection and storage for a limited amount of inventory. The architect's estimate for this renovation was \$475,000.00. We had to spend money to avoid losing money, and the total conversion has been much more expensive than we first anticipated. Our intranet system was previously located entirely in the central office. Now, it extends over a 10-county area in order to connect the AMP offices to the central office servers and to access programs to conduct re-examinations, work orders, purchase orders, and the many forms required by HUD. This cost was more than \$50,000 and requires constant maintenance on the part of our IT staff.

October 2006 brought the REAC inspectors to TVRHA. They pulled the units for inspection by the old ACC project numbers causing us to scramble all over the ten counties to complete inspections within the timeframe allowed. We were pleased to receive a physical score of 29 out of 30 for these inspections after only a few months with our new AMP staff.

With the completion of the storage space, we began the laborious task of dividing our \$200,000 stock inventory between the ten AMPs. We have completely emptied one of our central office maintenance/warehouse buildings and are using the other mainte-

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nance/warehouse building to house excess stock and equipment to be sold.

We chose to submit our Stop Loss Packet in April 2007, rather than delay until September. On June 30, 2007, we felt a sense of accomplishment; we had survived our first year of Project Based Management and Accounting with only a few casualties. The lengthy agendas for our monthly AMP Managers meetings will attest to the fact that not all our problems have been resolved. One project currently does not have any maintenance staff (maintenance is contracted), and one position is temporarily filled (temp service) in another project.

Employee training has been and continues to be a concern. We hired an independent firm to come to our office and train our AMP Managers shortly after we converted to Project Based Management, but feel the need for more in-depth training, especially in the areas of management and finance in the future. During this first year AMP managers have been making major decisions and supervising employees who previously were their peers. I have attempted to guide and counsel them while allowing them to manage their respective properties. They have become “one-armed paper hangers” and continue to feel overwhelmed with the many responsibilities of their new positions. Each manager is different; only one was previously trained as a housing manager. They each have different needs, assets and challenges, and for most, being “the boss” for the first time is a major challenge.

Shaler Roberts, the Executive

Director of the Florence, Ala., Housing Authority, has described the new employee configuration as “staffing for perfection,” meaning that with limited funding our staffing level is designed to handle a normal workload only IF everyone is at work and addressing needs as they arise. We are not staffed

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Amy Bryson, TVRHA's IT Specialist, continually monitors five servers operating the intranet system.

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for employees to be sick, on vacation, or attending training.

In September, two HUD/REAC Stop-loss reviewers visited our office to assess our Stop Loss Submission. They questioned several members of our staff and visited many of our sites. Our hope is that we will receive a decision before we begin work on our Year Two Stop Loss Packet.

Many challenges still lie ahead; our Central Office looks like a ghost town, since half of the offices are empty. Two maintenance/warehouse buildings will soon be empty and we will need to decide what to do with these assets. Our Central Office must now work with fewer employees to handle not only the centralized work but the continuing requests from the AMP Staff for assistance. We have all

made a commitment to the conversion to Project Based Management and Accounting and are happy to be this far along on this continuing journey.

The big winners in this conversion have been the residents. We could see the change almost immediately. Several vacancies occurred at first, but most are now filled, and the residents seem content with the level of service they are now receiving. We identified two sites as non-performing at the onset and have been pleasantly surprised that with the on-site attention, the problems have been resolved at one site, and significant improvements have taken place at the other site.

There is not a “one size fits all” solution to Project Based Management. Each authority is unique and must consider its specific needs and circumstances when dealing with this conversion. Given the chance, I would not want to go back to the old ways.

Question or comment for Thomas?

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About The Author



Thomas M. Coleman has served as Executive Director of Tennessee Valley Regional Housing Authority in Corinth, Miss., since 1976. TVRHA has 1,211 public housing units and 1,309 vouchers with 79 administrative and maintenance personnel and annual expenditures exceeding \$13.4 million.