

10/16/2017

HOUSING CHOICE VOUCHER PROGRAM: ALL YOU'VE WANTED TO KNOW!

1 Milwaukee HUD Office of Public Housing
PHA Training
November 2017

10/16/2017

AGENDA

- Welcome & Introductions
- HCV Program Overview
- Admissions & Eligibility
- Occupancy & Continued Assistance
- Portability & Other Moves
- Terminations & Hearings
- Other HCV & TBRA Topics
- Tenant Files

2

AGENDA

- HCV Policies
- SEMAP
- Financial Management
- Administrative Expenses/Fees
- HCV Utilization
- HUD Systems
- PIH Notices
- Resources

10/16/2017

3

INTRODUCTIONS

- Field Office Director
- HUD Staff
- Attendees!
- Housekeeping...

10/16/2017

4

SOME ACRONYMS ☺

- PIH=Public and Indian Housing (aka HUD's Office of Public Housing)
- HCV=Housing Choice Voucher
- PHA=Public Housing Authority (in MN we happen to have lots of HRAs=Housing and Redevelopment Authorities)
- TBRA=Tenant Based Rental Assistance
- SEMAP=(Section Eight Management Assessment Program)
- I've tried to spell out the rest throughout the presentation, but just in case...

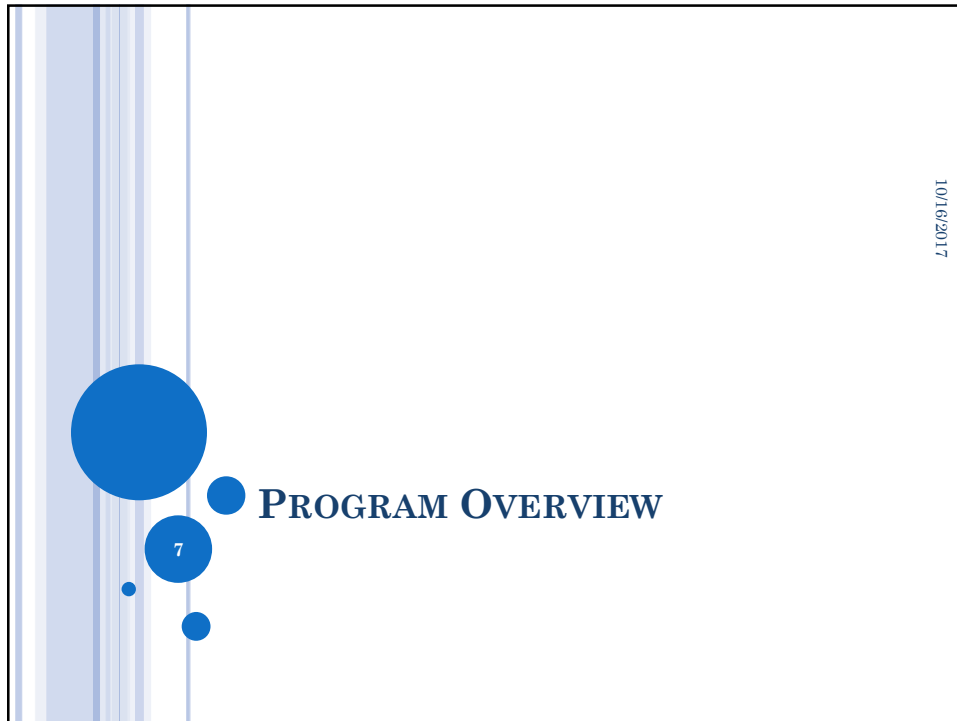
10/16/2017

5

SPACE FOR MORE ACRONYMS ☺

10/16/2017

6



PROGRAM OVERVIEW: RELATIONSHIPS

- Annual Contributions Contract (ACC)
 - Between HUD and PHA
 - HCV is under Consolidated Annual Contributions Contract (CACC)
- PHA administers HCV program locally
 - Created by local state enabling legislation
 - Jurisdiction can vary (Statewide, Regional, Countywide, Citywide, etc.)
 - Governed by Board of Commissioners
 - Composition and appointments vary by state
- Participant/Applicant finds a willing landlord
 - Landlords in private market (or select federal programs)
 - Section 8 HCV is voluntary program
- PHA and landlord enter into Housing Assistance Payments (HAP) Contract
- Landlord and participant sign and enter into lease

10/16/2017

8

PROGRAM OVERVIEW: FUNDING

- HUD to PHA – Annual Budget Authority
 - Funding dependent on Congress and Appropriations
 - Recent years’: HAP funding based on previous year’s spending
 - PHAs also earn Administrative Fees for units leased
- PHA to Landlord – HAP
 - Once unit is approvable, PHAs make subsidy payments to landlords on behalf of the HCV participant
 - Based on factors - Payment Standard, participant income, etc.

10/16/2017

9

PROGRAM OVERVIEW: RULES, REGS, GUIDANCE, POLICIES

- Federal Statute
 - Established by Congress and Signed Into Law
 - Cannot be Waived
 - Codified by US Code (42 U.S.C. § 1437 F)
- Regulations
 - Established by HUD based on direction in Statute
 - Can be Waived by HUD for Good Cause
 - Codified in Code of Federal Regulations (CFR)
 - HCV = usually 24 CFR Part 982 and 24 CFR Part 5
- PIH Notices (or other applicable Notices)
- Forms & Guidance
 - HCV Guidebook
 - ACC
 - HAP Contract
 - Memo
 - Handbooks

10/16/2017

10

PROGRAM OVERVIEW: RULES, REGS, GUIDANCE, POLICIES

- PHA Policy
 - Section 8 HCV Administrative Plan
 - Established by PHAs via Board Resolution
 - Can be Waived by PHA for Good Cause (Administrative Discretion)
 - PHA Plan
- Local Laws
 - Tenant-Landlord laws, rights, and responsibilities
- Lease
 - Agreement between Landlord and Tenant
 - Must include HUD's Tenancy Addendum

10/16/2017

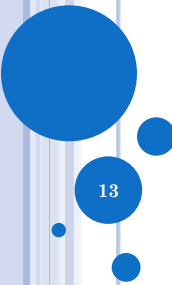
11

PHA RESPONSIBILITY

- It is the PHA's responsibility to comply with:
 - Administrative Plan
 - PHA Plan
 - Consolidated ACC
 - HUD regulations and other requirements, including Federal Register Notices, PIH Notices, etc.
 - Any HUD-approved applications for funding
 - All equal opportunity requirements

10/16/2017

12



10/16/2017

ADMISSIONS & ELIGIBILITY

13

WAITING LIST

- Size should be sufficient enough to ensure new and turnover vouchers are issued quickly, but not large enough to make the wait for assistance unreasonable
- Opening the Waiting List
 - 982.206
 - Must give public notice of opening
 - Must affirmatively further fair housing opportunity
 - Must be accessible
- Organization of Waiting List
 - Applicant name
 - Family unit size
 - Date and time of application
 - Qualification for preference, if applicable
 - Race/Ethnicity of Head of Household

10/16/2017

14

WAITING LIST (CONTINUED)

- Selection from Waiting List
 - Preferences
 - Time & Date
 - Income Targeting
 - Special Admissions
- Updating the Waiting List
 - Applicant changes (preference status, family size, address, etc.)
 - Purging
 - Removal
- Closing the Waiting List
 - 982.206(c)
 - No notice required for HCV, but recommended

10/16/2017

15

WAITING LIST - PHA PREFERENCES

- Preferences
 - PHA Local Preferences
 - Based on local housing needs and priorities
 - Must be explained in policy
 - System of Preferences
 - Documentation of Preferences
 - Review of Preferences
- Examples
 - Residency Preference
 - Homeless Preference (HUD encouraged)
 - Victims of Domestic Violence
 - Persons with Disabilities
 - Elderly Families
 - Displaced Families

10/16/2017

16

WAITING LIST - APPLICATIONS

- Pre-Application
 - Optional
 - Streamlined (minimal info needed for waiting list placement)
- Full Application Form
 - Type of Family
 - Family Composition
 - Identification of Disabilities and/or Special Housing Needs
 - Income/Assets
 - Allowances/Deductions
 - Local Preference
 - Other Documentation-PHA Policy
 - Social Security Numbers
 - Citizenship Status
 - Information on Landlords (current and previous)
 - Any Previous Evictions from Federally Assisted Housing
 - Criminal History
 - Statistical Information (race, ethnicity, etc.)
 - Certification to accurateness and completeness

10/16/2017

17

ELIGIBILITY

- Definition of Family
 - 5.403
 - HUD's definition includes, but is not limited to:
 - A family with or without children
 - An elderly family
 - A near-elderly family
 - A disabled family
 - The remaining member of an assisted family
 - A single person not meeting the above definitions
 - HUD defines the following specifically:
 - Elderly
 - Disabled
 - Displaced
 - PHA has discretion to determine other groups that define family

10/16/2017

18

OTHER ELIGIBLE FAMILIES/INDIVIDUALS

- Live-In Aides
 - Approved by the PHA to reside in the unit to care for a family member who is disabled or at least 50 years of age
 - Determined to be essential to the care and well being of family member
 - Not obligated for support of the person
 - Would not be living in the unit except to provide necessary services
- Foster Children and Adults
- Child Custody
- Student Rule
 - 5.612
 - Not eligible for HCV if:
 - Under 24 years of age,
 - Unmarried,
 - Non-veteran,
 - Without dependent children
 - Eligible if the student (as a dependent) and their parents would both be income-eligible for assistance (not necessarily on the program, though), or the student can demonstrate absence or independence from parents.

10/16/2017

19

INCOME ELIGIBILITY

- 982.201(b)
- Extremely Low Income = 30% of Area Median
- Very Low Income = 50% of Area Median
- Low Income = 80% of Area Median
 - Low Income Limit can only be used if PHA's Admin Plan allows for it
- Income Limits
 - HUD establishes Income Limits
<http://www.huduser.org/portal/datasets/il.html>
 - Updated annually

10/16/2017

20

A NOTE ABOUT INCOME TARGETING

- 982.201(b)(2)
- At least 75% of families admitted to a PHA's HCV program during the PHA fiscal year must be Extremely Low Income (ELI).
- **MUST be met** by PHA's fiscal year end
- The annual gross income of the applicant family is used for income-targeting purposes and must have been verified within the 60 days prior to issuance of the voucher
- A PHA may admit a lower percentage of ELI families with HUD approval

10/16/2017

21

CITIZENSHIP ELIGIBILITY

- 5.506
- Individuals Eligible for Assistance:
 - Citizen
 - Noncitizen with Eligible Immigration Status
 - Eligible Immigrants 62 or older
- Individuals Not Eligible for Assistance:
 - Ineligible Immigration Statuses, including Student Visas
- **Family** is eligible if at least 1 member is citizen or eligible immigrant
 - Assistance will be prorated (Mixed Families)
- Evidence/Documentation
 - SAVE (Systematic Alien Verification for Entitlements)
 - Citizenship or eligible immigration status
 - Declaration of 214 Status form-examples online
 - Not contending eligibility
 - Form completed by Head of Household

10/16/2017

22

CITIZENSHIP ELIGIBILITY: VERIFICATION/DOCUMENTATION & SAVE

- Declaration of Section 214 Status
 - Must be completed for all Citizens and Eligible Immigrants
- Proof of Age
 - Only other documentation needed for Eligible Immigrants 62 years or older
- Official USCIS Document
 - Needed for those claiming Eligible Immigrant status if under 62 years of age
- SAVE (Systematic Alien Verification for Entitlements)
 - To verify the immigration status of an applicant
 - PHA Consent Form required
 - <https://www.uscis.gov/save>
- List of Non-Contending Family Members
 - For those not listed above who are not contending eligible immigration status

10/16/2017

23

OTHER ELIGIBILITY FACTORS

- Social Security Number (SSN) Disclosure
 - Notice PIH 2012-10 & 2016-05
- Required Consent Forms
 - Form HUD 9886
 - PHA Consent Forms
- PHA Screening Policies
 - Background checks
 - See 5.903 authorizing PHAs to obtain records of applicants from law enforcement
 - Must check for mandatory denial activity
 - Optional for suitability for tenancy (not recommended as an additional cost to PHAs)
 - Landlords' responsibility to lease their units!
- Family Obligations
 - 982.552(c)

10/16/2017

24

MANDATORY DENIALS FOR CRIMINAL ACTIVITY

- 982.553
- Drug-related eviction from federally assisted housing within the last 3 years
 - Exceptions include rehabilitation
- Conviction of manufacturing or producing methamphetamine on premises of federally assisted housing
- Lifetime sex offender registration (national search)
- Currently engaged in illegal drug use
- Illegal drug use or pattern of use may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents
- Other permissive prohibitions set by the PHA

10/16/2017

25

OCCUPANCY & CONTINUED ASSISTANCE

26

10/16/2017

THE VOUCHER

- Form HUD 52646
- 982.303
- Authorization to search for unit
- Lists Family Obligations
- Issued to applicants after eligibility and briefing
- Issued if family moves
- Describes program and procedures
- Lists subsidy/bedroom size eligibility
- Must be issued for at least 60 days

10/16/2017

27

SUBSIDY STANDARDS

- 982.402
- PHA must establish in Admin Plan
- Criteria for determining appropriate bedroom size eligibility
- Must provide for the smallest number of bedrooms needed without overcrowding
- Must comply with HQS
- Must be applied consistently
- Exceptions granted based on factors (age, sex, disability, etc.)
- Temporarily absent children placed in foster care are considered when determining size
- A family consisting of only a pregnant woman, must be considered a two-person family
- Live-In Aides must be counted in determining size

10/16/2017

28

BRIEFING

- PHAs **MUST** conduct in-person briefing prior to the issuance of voucher (applicants only)
 - Description of how the program works
 - Family and Owner responsibilities
 - Where the family may lease a unit, including portability
 - Full explanation of Portability
 - Description of advantages to moving to/living in an area outside of high concentrations of poverty
 - Communicate information of rights surrounding discrimination
 - Provide packet containing required information
 - 982.301 and HCV Guidebook

10/16/2017

29

FAMILY OBLIGATIONS

- 982.551
- Listed on the Voucher
- Included in the Lease and HUD Tenancy Addendum
- The family **MUST**:
 - Provide required information forms
 - Certain unit responsibilities
 - Provide household composition
 - Inform on absence from the unit

10/16/2017

30

FAMILY OBLIGATIONS (CONTINUED)

- The family must NOT:
 - Serious or repeated lease violations
 - Sublease, assign the lease, rent the unit, or transfer unit
 - Commit fraud, bribery or any other corrupt or criminal act
 - Engage in prohibited drug-related, violent, or other criminal activity
 - Abuse alcohol in a prohibited manner
 - Receive another housing subsidy
 - Own or have any interest in the unit
 - Receive HCV in a unit owned by an family members (see 982.306 for details)

10/16/2017

31

WHERE A FAMILY CAN LEASE

- 982.352, 982.353, 982.317
- Anywhere in the PHA's jurisdiction
- Outside the PHA's jurisdiction under portability requirements
 - Can include lease-up requirement in PHA jurisdiction
- Lease-in-Place
- Lease Purchase Agreements
 - Homeownership Premium not included in subsidy
- PHA-Owned
 - Independent Entity
- Prohibitions against other housing subsidy
 - Examples include public housing, HOME, Section 202, Section 811, etc.

10/16/2017

32

UNIT SELECTION

- Families may choose different unit size than eligible
 - If larger, subsidy will be based on eligibility
 - If smaller, size cannot cause overcrowding
 - In either case, utility allowance used is for the smaller of unit size or subsidy eligibility
- Subject to Affordability
 - Family share cannot exceed 40% of adjusted monthly income (at admission and moves only)
 - Mixed Families with Prorated Rent are still subject to affordability so they may have a more difficult time finding a unit
- Submit Request for Tenancy Approval (RTA or RFTA) and copy of proposed lease with HUD Tenancy Addendum

10/16/2017

33

LEASE REQUIREMENTS

- Lease **MUST** contain:
 - Name of owner and tenant(s)
 - Complete address of the unit
 - Amount of monthly rent to owner
 - Term of the lease
 - Must be for at least one year unless market practice
 - Responsibilities of utilities and appliances
 - HUD's Tenancy Addendum
- Lease **MUST** coincide with HAP Contract
 - If the lease terminates, the HAP terminates
 - If the HAP terminates, the lease terminates

10/16/2017

34

OWNER AND UNIT APPROVAL

- Owner does not have the right to participation
- Owner subject to Relative Rule (except RA)
- Owner must not be debarred or otherwise excluded by HUD
- Unit subject to Rent Reasonableness
 - May necessitate negotiation
- Housing Quality Standards (HQS)
 - Unit must pass HQS prior to assistance (until HOTMA provisions take effect)
- HAP Contract must be executed no later than 60 days from the beginning of the lease term

10/16/2017

35

ANNUAL INCOME

- 5.609
- All amounts, monetary or not, that go to or are on behalf of, the family head or spouse (even if temporarily absent) or to any other family member, or all amounts anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination.
- Asset Income
- Federally Mandated Exclusions
- Verification/Documentation - Notice PIH 2010-19

10/16/2017

36

ADJUSTED INCOME

- 5.611
- Deductions
 - Dependents (\$480 per dependent per year)
 - Minors
 - Full-Time students 18 or older
 - Disabled adults
 - Elderly/Disabled Family (\$400 per family per year)
 - Child Care (to allow any adult to work, go to school, search for work and must be reasonable)
 - Disability Assistance (any member with Disability)
 - Medical Expenses (Elderly/Disabled Families only)
- Verification/Documentation - Notice PIH 2010-19

10/16/2017

37

RENT CALCULATION

- Total Tenant Payment is the greater of:
 - TTP= 30% of Adjusted Monthly Income
 - TTP=10% of Monthly Income
- Minimum Rent Policy
- Proration for Mixed Families
 - Mixed families are those with both Citizens or Eligible Immigrants (receive assistance) and those Non-Contending (do not receive assistance)
 - TTP is prorated based on the number of Citizens or Eligible Immigrants
- Gross Rent
 - Contract Rent + Utility Allowance

10/16/2017

38

Gross Rent Equal to Payment Standard		Gross Rent Less Than Payment Standard	
PHA 1BR payment standard	\$750	PHA 1BR payment standard	\$750
Gross Rent of Unit	\$750	Gross Rent of Unit	\$725
TTP at 30%	\$225	TTP at 30%	\$225
PHA Subsidy	\$525	PHA Subsidy	\$500

Gross Rent More Than Payment Standard	
PHA 1BR payment standard	\$750
Gross Rent of Unit	\$775
TTP at 30%	\$225
TTP at 40%	\$300
Maximum PHA Subsidy	\$525
Shortage	\$ 25
Actual TTP	\$250 *

*REMINDER: This amount cannot be more than 40% of family's adjusted monthly income (at admission and moves)

10/16/2017

- ## REEXAMINATIONS
- 982.516(a)
 - Purpose
 - Frequency
 - Annually
 - PHA may conduct streamlined reexams for fixed income
 - Notice PIH 2016-05
 - Process
 - Notification to Participants to complete or attend
 - Reasonable Accommodation considerations, if applicable
 - Documentation and Verifications
 - Calculation of TTP
 - Notification to Participants/Landlords of results

10/16/2017

INTERIM REEXAMINATIONS

10/16/2017

- 982.516(b)
- Family Initiated Interim/Reporting Requirements
 - Composition Changes
 - See Notice PIH 2016-05 for options to postpone changes to annual time
 - Income/Expense Changes
- PHA Initiated Interim Reexaminations
 - EIV/Tenant Fraud
 - Zero-Income Family
- Process
 - Notification of Interim Reexamination by Family or PHA
 - Required Documentation and Verifications
 - Calculation of TTP
 - Notification to Participants/Landlords of results

41

10/16/2017



PORTABILITY & OTHER MOVES

42

MOVES WITH CONTINUED ASSISTANCE

- Notice PIH 2016-09
- Family may move if:
 - Lease has terminated
 - Owner Breach
 - Mutual Termination
 - Owner Notice to Vacate
 - Tenant Notice to Move
- PHA may establish policy prohibiting:
 - Moves during the initial lease term
 - More than one VOLUNTARY move in any one year period
 - Note that if a lease is terminated by a landlord for violations, but the PHA will not take other action, the move is voluntary

10/16/2017

43

PORTABILITY

- Also Notice PIH 2016-09
- Assistance outside the Initial PHA's jurisdiction
- Voucher Holder/Participant has the right to Portability
- Nonresident applicants (if head or spouse does not have domicile in PHA jurisdiction)
 - Family does not have right to portability
 - PHA may allow under policy
 - Must lease unit in PHA jurisdiction for 12 months
 - Again, PHA may allow a move under policy

10/16/2017

44

PORTABILITY: INITIAL PHA RESPONSIBILITIES

- Determine Family eligibility to move
- Decision whether to deny Portability
 - Based on insufficient funding only and must inform HUD with required information in 10 days
 - See Notice PIH 2016-09
- Initial contact with Receiving PHA for family and request if billing or absorbing
- Send required documentation to Receiving PHA
 - HUD 52665 (Part I) and Billing Notice
 - HUD 50058
 - Verification paperwork including EIV information (must have valid Form HUD 9886)
 - Copy of the Voucher
- Inform Receiving PHA of expired billing deadline
- Inform Receiving PHA of failure to submit paperwork

10/16/2017

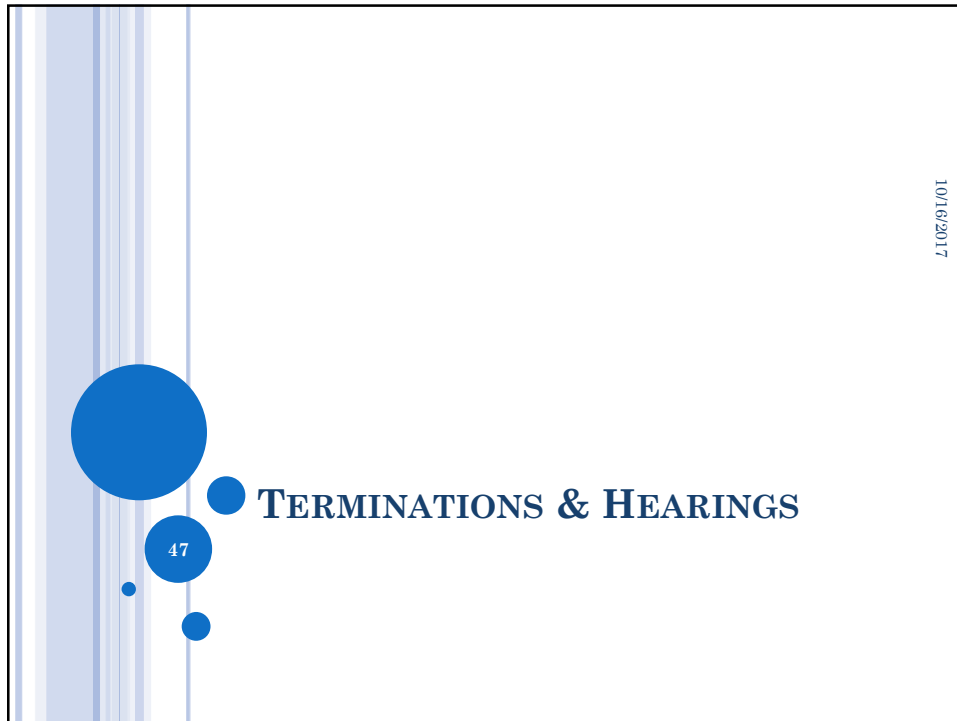
45

PORTABILITY: RECEIVING PHA RESPONSIBILITIES

- Response to Initial PHA's billing inquiry
 - Billing or Absorbing?
 - If Receiving PHA states they will absorb, they cannot reverse decision
- Rescreen under policy (not income)
 - Background Checks for Denials/Terminations
- Issue Voucher
 - Vouchers must be issued with an expiration date no less than 30 days after expiration date of Initial PHA's voucher term
- Send required documentation to Initial PHA
 - HUD 52665 (Part II) and payment or notice of absorption
 - HUD 50058
- Reexaminations
 - Must send any future updated HUD 50058 to Initial PHA if billing

10/16/2017

46



PHA TERMINATION OF ASSISTANCE

- 982.552 & 982.553
- PHA MUST terminate for the following:
 - Failure to sign or submit consent forms
 - Failure to declare citizenship or provide documentation of eligible immigrant status
 - Eviction from assisted unit for serious or repeated violation of the lease
 - Family fails to continue to meet eligibility under “Student Rule”
- Action or Inaction of the Family
- Termination for Criminal Activity and Alcohol Abusers

10/16/2017

48

INFORMAL REVIEW: DENIAL OF ASSISTANCE (APPLICANTS)

- 982.554
 - 982.554(c): When reviews are NOT required
- Conducted by designated person or persons
- Adequate notice of rejection provided to applicant
- Opportunity to present objections, evidence, and/or claim extenuating circumstances
- Right to discovery
- Notice of final decision after review provided to applicant
- Policy considerations

10/16/2017

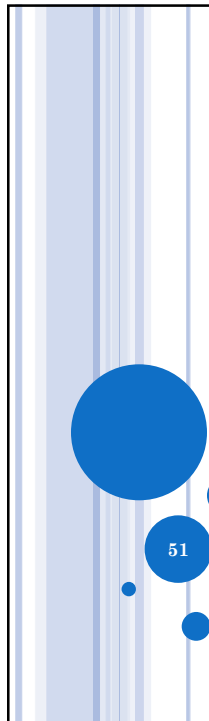
49

INFORMAL HEARINGS: TERMINATION OF ASSISTANCE (PARTICIPANTS)

- 982.555
 - 982.555(a) When hearings are required
 - 982.555(b) When hearings are NOT required
- Notice of reason for termination
- Notice that family may request a hearing and deadline for request
- Expeditious hearing process
- Right to Discovery by family and/or PHA
- Representation of family
- Hearing officer
- Opportunity to present evidence and/or question witnesses
- Notice of final decision
- Alternatives available to Hearing Officer other than termination
 - Availability of repayment agreements
 - Exclusion of particular household members
- Policy considerations
- IMPORTANT: Talk to your legal counsel!!!

10/16/2017

50



10/16/2017

OTHER HCV & TENANT-BASED RENTAL ASSISTANCE (TBRA) TOPICS

51

SPECIAL PURPOSE VOUCHERS (SPV)

- Moving-to-Work (MTW)
- Veterans Affairs Supportive Housing Program (VASH)
- Family Unification Program (FUP)
- Non-Elderly Disabled Program (NED & NED 2)
- 5-Year Mainstream Program
- Welfare-to-Work (WTW)

10/16/2017

52

PROJECT-BASED VOUCHERS (PBV)

- 24 CFR 983
- Notice PIH 2015-05
- Allows PHAs to make long-term contracts with private housing owners to affordable housing
- Subsidy linked directly to a specific unit
- PHAs must declare PBV in PHA Plan and include in Admin Plan
- Projects must be selected by Request for Proposals (RFP) or other allowed method
- PHAs must submit intent to HUD per Notice 2015-05
- Up to 20% of PHA's HCV program can be utilized as PBV
- Participants only pay 30% of their income
 - Payment Standards are not used in PBV-Gross Rent used instead

10/16/2017

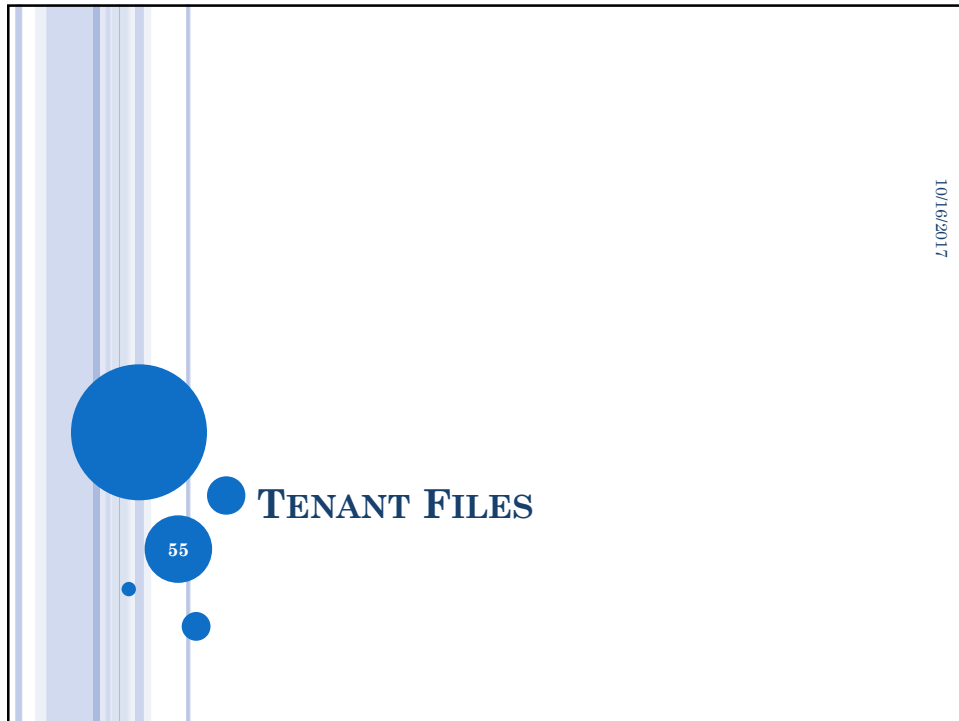
53

OTHER VOUCHERS/VOUCHER PROGRAMS

- HCV Homeownership
- Tenant Protection Vouchers/Enhanced Vouchers
 - Usually awarded from a HUD-Conversion Action
- Litigation Vouchers
- Family Self-Sufficiency Program (FSS)

10/16/2017

54



TENANT FILE DOCUMENTATION

- During the term of each assisted lease, and for at least three years thereafter, the PHA must keep:
 - A copy of the executed lease
 - The HAP Contract (and any amendments)
 - The reexam application/paperwork from the family
 - Voucher issued (optional)

10/16/2017

56

“PERMANENT” TENANT FILE DOCUMENTATION

- For the duration of assistance and for three years thereafter, PHAs should keep the following:
 - Initial application (and any pre-applications)
 - 214 Declaration
 - All Citizenship Documentation/Verification (SAVE)
 - What you Should Know about EIV form
 - Debts Owed form
 - Form HUD 92006 (Supplementary Contact)
 - Portability forms from Initial PHA
 - Reasonable Accommodation documentation
 - Family Responsibilities, signed (optional doc)
 - SS # verification (optional based on PHA practice, encouraged to destroy)

10/16/2017

57

TENANT FILE DOCUMENTATION FOR DENIED APPLICANTS

- Note: Information on all denied applicants should be kept for three years or until all appeal processes are complete, whichever comes later.

10/16/2017

58

OTHER TENANT/UNIT FILE DOCUMENTATION

- The PHA must keep the following records for at least three years:
 - Records that provide income, racial, ethnic, gender, and disability status on program applicants and participants
 - An application from each ineligible family and the notice sent that stated the applicant is not eligible
 - HUD required reports (50058s, etc.)
 - Unit inspection reports
 - Lead-based paint inspection records
 - Accounts and other records supporting its budget and financial statements for the program
 - Records to document the basis for PHA determination that rent to owner is a reasonable rent (initially and during the term of the HAP Contract)
 - Other records specified by HUD (Form HUD 9886, etc.)

10/16/2017

59

MAINTAINING TENANT FILES

- PHA's should have a standardized system for creating and maintaining all tenant files.
 - Consistent
 - Easier for other staff to dive in if needed
 - Saves time during supervisor reviews, audits, and monitoring visits
- File layout
 - How will you divide sections?
 - Where will frequently used items be in the file?
 - How will you distinguish between reexaminations so its clear which documentation goes with which action?

10/16/2017

60

PBV FILE DOCUMENTATION

- In addition to tenant file retention (same for PBV as for HCV), the PHA must keep the following records for the duration of all PBV projects/developments and for at least three years after contract termination/non-renewal to show initial PBV determinations and eligibility:
 - All project/development selection documentation/information
 - All subsidy layering documentation and approvals
 - All environmental documentation and approvals
 - All Agreement to Enter into HAPs (AHAPs)
 - All HAP Contracts
 - All initial HQS inspections proving unit eligibility

10/16/2017

61

HCV POLICIES

62

10/16/2017

SECTION 8 HOUSING CHOICE VOUCHER ADMINISTRATIVE PLAN

- 982.54
- PHAs are required to adopt a written Administrative Plan that establishes local policies for administering the HCV Program.
- Purpose
 - Provides transparency to the public
 - Allows PHA staff to understand PHA processes
 - Allows others to understand PHA processes
 - Standardizes processes and decisions across PHA staff
 - Ensures fair and equitable treatment for all participants
 - Fills in discretionary areas in the regulations
 - Provides degree of protection during litigation
- Administrative Plans will need to be updated as needed and/or should be reviewed at least annually
- Must be formally approved and adopted by board
- Must be made available to public and HUD upon request

10/16/2017

63

ADMINISTRATIVE PLAN COMPONENTS

- Selection of Applicants and Admissions from Waiting List
- Issuing or Denying Vouchers
- PHA Screening of Applicants
- Special Provisions for the Use of Targeted Vouchers
- Occupancy Policies
- Denial and Termination of Assistance
- Assistance to Families with Persons with Disabilities
- Assistance to those Claiming Discrimination
- Information Provided to Prospective Owners
- Owner Outreach & Poverty/Minority Deconcentration
- Denying Owner Participation

10/16/2017

64

ADMINISTRATIVE PLAN COMPONENTS (CONTINUED)

- Subsidy Standards
- Absence From Unit
- Family Break-Up
- Informal Review Process (Applicants)
- Informal Hearing Process (Participants)
- Payment Standards & Establishment
- Rent Reasonableness
- Special Housing Types
- Repayments of Money Owed to PHA
- Interim Reexaminations
- Family Moves
- Administrative Fee Reserves
- HQS Inspections

10/16/2017

65

SELECTION OF APPLICANTS AND ADMISSIONS FROM WAITING LIST

- 982.201-207
- Procedures must be in place on how you will select applicants.
 - Will you have preferences? If so, which preferences and how will you rank them?
 - How will you accept applications?
 - Do you require full income/eligibility information at application time?
 - How long will you wait for the information to be returned?
 - How often and when do you purge your waiting list?
 - Do you allow for reinstatements if a person is removed from the list? If so, what documentation will you require?

10/16/2017

66

ISSUING VOUCHERS

10/16/2017

- 982.302-303
- When do you issue?
 - Do you make selections regularly or only when budget allows?
 - Do you require one-on-one interviews/briefings or do you host group interviews/briefings?
 - Make sure you are being consistent in these decisions so as not to treat and target certain populations differently
 - Will you allow for more than one interview or reschedule interviews? If so, how many?

67

DENYING VOUCHERS

10/16/2017

- 982.552 & 982.553
- When and why do you deny?
 - If they do not show up for interviews, provide all required documentation, or reply in time frame given?
 - How and when will you notify the family of the reason for denial?
 - Do you deny if they owe a PHA money or allow for “good standing” of repayments?

68

PHA SCREENING OF APPLICANTS

- 982.307
- PHAs must screen for eligibility to the program, income, citizenship, sex offenders etc.
- PHAs may increase tenant screening beyond HUD requirements to include suitability for tenancy
- Exceptions should be addressed in the Admin Plan and also the use of “case-by-case review” language should be used
- PHAs should make clear to landlords that they are responsible for screening for suitability based on their specific needs (credit check, rental history, housekeeping, etc.)

10/16/2017

69

SPECIAL PROVISIONS FOR SPECIAL PURPOSE/TARGETED VOUCHERS

- 982.203
- Funded through NOFA process and other HUD Awards
 - The process of special admissions will need to be addressed in Admin Plan
 - How will you operate them?
 - Referral process if applicable
 - What type of documentation will you require to prove the family meets the eligibility for these programs?
 - Examples include FUP, NED, VASH, MS5, or displaced families, etc.

10/16/2017

70

OCCUPANCY POLICIES

- 982.54
- Definition of family
- Definition of continuously assisted
- Definition of temporarily absent
- Will you allow students away from the home to be considered part of the household?
- Student Rule

10/16/2017

71

DENIAL AND TERMINATION OF ASSISTANCE

- 982.552 & 982.553
- What will be your standards for denying and/or terminating assistance?
 - Criminal activity
 - What, if any, criminal activities will you allow for an applicant/client?
 - What length of time will you allow before you let a family back on the program? Is it the same for all crimes?
 - Alcohol abuse
 - Same considerations as criminal activity above.
- Exceptions?
 - Will you allow back on the program if the family has participated in rehab?
 - Will you allow back on the program if the “criminal” is no longer in the household?
- Use “case-by-case review” language in your Plan as you cannot cover every scenario

10/16/2017

72

DENIAL AND TERMINATION OF ASSISTANCE

- 982.551
- What will be your process for termination of assistance based on action or failure to act by the family?
 - Family/Participant Obligations
 - How will you make sure the family knows and understands their obligations?
- Use “case-by-case review” language in your Plan as you cannot cover every scenario.

10/16/2017

73

ASSISTANCE TO THOSE CLAIMING DISCRIMINATION

- What steps will you take to help with a complaint of discrimination and help them to recognize if they have been discriminated against?
- Complaint forms
 - HUD 903.1 should be included in briefing packets
 - PHA staff should know where to find the FHEO website for online complaints and further info.
 - http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/online-complaint
- Fair Housing Posters prominently displayed

10/16/2017

74

INFORMATION PROVIDED TO PROSPECTIVE OWNERS

- What will you provide to prospective landlords?
- How will you conduct owner outreach to increase interest in the program and educate prospective landlords?
- How will you encourage participation by owners of units located outside areas of minority and poverty concentration?
- You are required to provide landlords with the family's current & prior address/landlord name, based on your records
- If the client is a current participant, your Admin Plan should address what other information you will provide to a Landlord

10/16/2017

75

DENYING OWNER PARTICIPATION/DISAPPROVAL OF OWNER

- 982.306
- PHAs must not approve owners for HUD required reasons
- Under what other circumstances will you disapprove an owner for program participation?
 - Criminal activity: What crimes and for how long?
 - HQS: Failure to comply
 - Verbal or physical abuse to PHA staff
- Your Plan should address how you will notify the owner of your decision.
 - Will it be through your attorney or by mail?
- Be sure you have documentation filed
 - Copies of failed inspections, newspaper articles, letters to owner, etc.

10/16/2017

76

SUBSIDY STANDARDS

- 982.402
- PHA's Subsidy Standards explain the number of bedrooms allowed per family based on number of family members
- Based on family size and composition
 - Will you consider age and gender of dependents when determining the number of bedrooms? Or do you only use local city codes? Or simply 2 per bedroom?
 - Live in aides
 - You must allow an extra bedroom for a live in aide.
 - Exceptions
 - If you allow any exceptions they must be spelled out in your Plan
 - Be as consistent as possible to avoid Fair Housing issues

10/16/2017

77

ABSENCE FROM UNIT

- 982.312
- What do you consider to be more than a brief or temporary absence from the home? 30 days, 60 days, longer?
- How will you handle an extended absence by the head of household.
- Maximum absence for a full family from home is 180 days.
- How do you determine the family is absent? Phone calls, home visits, letters?
- What procedures do you have in place for termination from the program if the family is absent from the home?
- What time frame will you allow before you notify landlord and family?
 - Must notify that HAP and payments will be terminated and give effective date of termination.

10/16/2017

78

FAMILY BREAK-UP

- 982.315
- When a family splits, who gets the voucher?
- Is it based on who was the original voucher holder, who has custody of the children, is it up to the courts to decide, etc.?
- Certain HUD set requirements around VASH and VAWA
- What documentation do you require the family to provide to argue that they should be given the voucher? Court records, police reports, etc.?

10/16/2017

79

INFORMAL REVIEW PROCESS (APPLICANTS)

- 982.554
- Notification to applicant: Do you send letters via certified or regular mail?
- Time frames: How long does the client have to respond; 10 days, 15 days? Is it from the date of the letter or day they receive it, if using certified mail?
- Exceptions: Will you allow for rescheduling of informal reviews? If so, how many times and under what circumstances? If they are at work, in the hospital, couldn't get a ride?
- Your Plan should list when an informal review is and is not required (per HUD regulations)

10/16/2017

80

INFORMAL HEARING PROCESS (PARTICIPANTS)

- 982.555
- Notification to applicant: Do you send letters via certified or regular mail?
- Time frames: How long does the client have to respond; 10 days, 15 days? Is it from the date of the letter or day they receive it, if using certified mail?
- Exceptions: Will you allow for rescheduling of informal hearings? If so, how many times and under what circumstances? If they are at work, in the hospital, couldn't get a ride?
- Your Plan should list when an informal hearing is and is not required (per HUD regulations).
- In addition, you need to lay out your process/procedures that include a hearing officer: Who? How long for decisions? Etc.

10/16/2017

81

PAYMENT STANDARDS

- 982.503
- Can be within a range of 90% to 110% of published Fair Market Rents (FMRs)
- PHAs can now grant up to 120% for RA
 - Per HOTMA
 - Still subject to determining payment standard based on specific units, not general percentage (Notice PIH 2013-18)
- How do you determine your payment standards?
 - Market studies?
 - Rent Burden?
 - PHA Budget?
- Will you have the same payment standard for each area of jurisdiction, each bedroom size?
- Methodology must be addressed in Admin Plan.
- Correct FMRs and Payment Standards within the appropriate range is part of your SEMAP score

10/16/2017

82

RENT REASONABLENESS

- 982.507
- Rent Reasonableness must be conducted:
 - At initial lease-up time
 - Before any rent increases to owner
 - If there is a 5% decrease in FMR
- Database and Methodology
 - What will you use for comparables?
 - How will you develop and maintain your database of comparable units? Surveys by phone or mail, polling your current landlords?
 - How often will you update your database? Monthly, semi-annually, annually?
- Reasonable Rent determinations and methodology are part of the SEMAP score.

10/16/2017

83

SPECIAL HOUSING TYPES

- 982.601-643
- Most PHAs don't see Special Housing Types such as SRO, Congregate Housing, Group Homes, Shared Housing, Manufactured Homes, Cooperative Housing, Homeownership
- Regardless, the Admin Plan must include information for Special Housing Types
 - Will you allow each Special Housing type (most are optional under regs)?
 - How will you administer if allowed?
- HQS differences
- Utility allowances
- Payment standards

10/16/2017

84

REPAYMENTS OF MONEY OWED TO PHA

- Repayment Agreements
 - In what scenarios will you enter into a Repayment agreements? Will it depend on the amount owed, prior history with the family, etc.
 - How long will you allow the family to repay? One year?, Until the debt is repaid? There are some HUD safe-harbor guidelines for this.
- Termination
 - When does the process start? When the family misses one payment, two? If the debt is not repaid by the next re-exam date? Or immediately if you do not use repayment agreements?
 - Debts Owed Module in EIV (be sure Form HUD-52675 is signed)
- Exceptions
 - Do you allow for any exceptions?
- Admin Plan, as well as the repayment agreement, needs to address terms of the agreement, time frame for repayment, and consequences of default of agreement

10/16/2017

85

INTERIM REEXAMINATIONS

- 982.516
- Consider Streamlining Notice PIH 2016-05 and HOTMA
- Under what circumstances will you conduct Interim Reexaminations?
 - Family's income increases?
 - Minimum amount of income change?
 - How often will you conduct Interim Reexaminations?
- What are the consequences for not reporting changes?
 - Will you terminate from the program?
 - Will you enter into a repayment agreement?
 - How untimely can reporting be to result in retroactive payments?
- How and when will you notify tenant and landlord or rent portion change?
 - Letter?
 - Require signed paperwork to be returned?

10/16/2017

86

FAMILY MOVES

- 982.314
- A family may move if the assisted lease has terminated.
 - PHA has terminated HAP
 - Mutual termination of lease
 - Owner has given notice to vacate or has commenced eviction action
 - Tenant has given proper notice to vacate
- Will you allow moves during the first/initial lease term?
 - If so, under what circumstances? Medical reasons, job opportunities, education? Or simply voluntary?
- Will you allow more than one move per year?
 - Be sure to consider all the requirements.
 - A PHA's prohibition of more than one move per year is intended to only include voluntary moves
 - Documentation of circumstances – will you require a doctor's statement, proof of job, college schedule?
- Violence Against Women Act (VAWA)
 - Admin Plan must include the procedures you will follow if a family wants to move under VAWA

10/16/2017

87

ADMINISTRATIVE FEE RESERVES

- 982.155
- Board must determine maximum amount of admin fees to use without specific approval of the board.
 - What circumstances and/or expenditures will require Board approval for use of admin fee reserves? A certain dollar amount, or for certain items?
- Admin Fee Reserves accumulated 2003 or prior can be used for other housing purposes and are not restricted to Section 8 HCV.
- Admin Fee Reserves accumulated 2004 or after cannot be used outside the scope of Section 8 HCV purposes.
- See the appropriations notice annually for more specific language.

10/16/2017

88

HQS INSPECTIONS

- 982.401
- Required at least biennially
- Must use HUD criteria and HUD forms (unless forms include exact same information as HUD forms)
- Additional criteria used, including local housing codes, must be approved by HUD and included in your Admin Plan
- Admin Plan must list deficiencies that will be considered life- threatening
- Procedures must be in place for when and how both tenant and landlord will be notified of upcoming inspections and the results of the inspection
- The deadlines for repairs to be completed and any PHA approved extensions must be stated in the Admin Plan

10/16/2017

89

HQS INSPECTIONS (CONT.)

- The time frames for when inspections are done should also be in your Admin Plan.
 - How long after the Request for Tenancy Approval form is received do you schedule the inspection?
 - Will you conduct HQS biennially or more often?
 - When will inspections be scheduled?
 - Will you allow for reschedules? If so, how many?
- HUD regulations do not require a PHA to actually do a reinspection, only to verify repairs are done.
 - Will you do reinspections?
 - Will you allow for other forms of verifications of repairs?
 - What documentation will you require? Paid invoices of work done, certification from tenant/landlord?
- HQS Quality Control
 - What units will be selected?
 - Who will conduct?

10/16/2017

90

VARIOUS OTHER POLICIES/PROCEDURES

- Mission Statement
- Anti-Fraud Efforts
 - How will you pursue suspected fraud?
 - How will you handle actual fraud?
- SEMAP Quality Control Procedures
 - See SEMAP QC requirements
- Violence Against Women Act (VAWA)
 - See updated final rule: <https://www.gpo.gov/fdsys/pkg/FR-2016-11-16/pdf/2016-25888.pdf>
 - Must have policies!
- Portability Procedures
 - Internal procedures for your staff to follow to ensure consistency

10/16/2017

91

VARIOUS OTHER POLICIES/PROCEDURES

- Owner Debt to PHA
 - How will you handle landlords that owe the PHA money?
- Zero Income Participant Procedures
 - How often will you conduct reexams for zero income?
 - What questions will you ask of zero income?
- Reasonable Accommodations Procedures
 - How will you notify applicants/participants of their rights?
 - How will you review requests?
 - How will you notify of request decisions?
- Program Funding
 - What happens if you do not receive all of your funding?
 - If you have to terminate, who will be terminated, and in what order?

10/16/2017

92

ADDITIONAL CONSIDERATIONS

- Consistency!
 - Be sure all other procedures, forms, etc. are consistent with your plan.
- Read your plan! Know your plan!
- Make your plan available upon public request.
- Keep staff up-to-date.

10/16/2017

93

PHA PLAN

- 24 CFR part 903
- Applies to Section 8 HCV Programs
- 5-Year and/or Annual Plans
 - Dependent on size and other factors
 - Qualified PHAs
 - Combined unit total of 550 or less PH and HCV
 - Is not designated Troubled under PHAS (PH)
 - Is not designated Troubled under SEMAP (HCV)
 - Non-Qualified
 - PHAs that do not meet the Qualified definition

10/16/2017

94

NON-DISCRIMINATION & EQUAL OPPORTUNITY REQUIREMENTS

- Reasonable Accommodations (RA) Policy
 - Applicants/Participants must be informed of their rights
 - RAs make available & accessible:
 - Physical Units
 - Rules and Policies
 - PHA can deny RAs only if:
 - There is no disability
 - There is no disability-related need (no nexus established)
 - The accommodation will impose an undue financial and administrative burden
 - The accommodation would fundamentally alter the nature of the program or PHA operations
- Limited English Proficiency (LEP) Policy
 - FAQs on Final Guidance
(http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/promotingfh/lep-faq)
- Fair Housing/Discrimination Complaints
 - PHA must inform clients of rights and provide form

10/16/2017

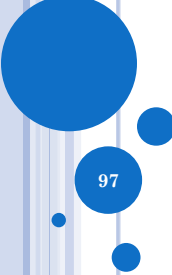
95

RECORD KEEPING

- Fair Housing Requirements
 - 1.6, 8.55, 107.30, 121.1, 121.2, 146.33
- HCV Tenant Files
 - 982.158(e)
 - General Rules of Thumb
 - Any current unit information and for 3 years afterwards
 - Keep all data on current participants for at least 3 years
 - Keep some things (initial application, Section 214, Disability information, etc.) for the duration of assistance (and 3 years after leaving the program)
 - Keep all wait list purge, wait list removals, and applicant denials for at least 3 years
 - Keep HUD-Required Reports for at least 3 years

10/16/2017

96



10/16/2017

SECTION 8 MANAGEMENT ASSESSMENT PROGRAM (SEMAP)

97

WHAT IS SEMAP?

- A tool for assessing whether the Section 8 programs operate effectively to assist eligible families afford decent rental units at the correct subsidy cost
- A system used by HUD to measure PHA performance in key areas of the Section 8 program and assign performance ratings
- A HUD procedure for identifying PHA management capacity and deficiencies, and for targeting monitoring and technical assistance
- A tool to be used by PHAs to improve operations

10/16/2017

98

SEMAP

- 24 CFR Part 985
- Measures PHA Performance
 - 14 Indicators (+ 1 Bonus Indicator)
- Indicators 1-7
 - PHA Self-Certification
 - Proper selection of applicants from the housing choice voucher waiting list
 - Sound determination of reasonable rent for each unit leased
 - Accurate verification & determination of family income
 - Maintenance of a current schedule of allowances for tenant utility costs
 - Performing quality control inspections to ensure housing quality
 - Ensure that landlords and tenants promptly correct housing quality deficiencies
 - Expand housing choice outside areas of poverty or minority concentration

10/16/2017

99

SEMAP (CONTINUED)

- Indicator 8
 - Establishment of payment standards within the required range of the HUD fair market rent
- Indicators 9-12
 - Timely annual reexaminations of family income
 - Correct calculation of the tenant share of the rent and the housing assistance payment
 - Ensure units comply with the housing quality standards prior to assistance
 - Timely annual housing quality inspections
- Indicator 13
 - Ensure that PHA is utilizing all available vouchers and/or dollars
- Indicator 14
 - Enroll families in the FSS program as required & help FSS families achieve goals
- (Bonus Indicator)
 - Deconcentration Efforts

10/16/2017

100

SEMAP INDICATOR POINTS

#	Indicator	Maximum Points (150 points)
1	Selection from Waiting List (24 CFR 982.54(d)(1) and 982.204(a))	15
2	Reasonable Rent (24 CFR 982.4, 982.54(d)(15), 982.158(f)(7) and 982.507)	20
3	Determination of Adjusted Income (24 CFR part 5, subpart F and 24 CFR 982.516)	20
4	Utility Allowance Schedule (24 CFR 982.517)	5
5	HQS Quality Control (24 CFR 982.405(b))	5
6	HQS Enforcement (24 CFR 982.404)	10
7	Expanding Housing Opportunities.	5
8	Payment Standards(24 CFR 982.503)	5
9	Timely Annual Reexaminations(24 CFR 5.617)	10
10	Correct Tenant Rent Calculations(24 CFR 982, Subpart K)	5
11	Pre-Contract HQS Inspections(24 CFR 982.305)	5
12	Annual HQS Inspections(24 CFR 982.405(a))	10
13	Lease-Up	20
14	Family Self-Sufficiency (24 CFR 984.105 and 984.305) –If Applicable	10
15	Deconcentration Bonus – If Applicable	5

POSSIBLE HUD SEMAP REVIEWS

- Quality Control Review
 - An on-site or remote review performed by HUD staff, usually under HUD's annual monitoring strategy.
- Confirmatory Review
 - An on-site review performed by HUD staff to verify the management performance of a PHA.
 - Usually to confirm a change from troubled to standard or high performer
- On-Site Assessment
 - A review performed by HUD staff to verify the magnitude and seriousness of noncompliance with performance requirements.

QUALITY CONTROL REQUIREMENTS

- PHAs must establish the universe for each required indicator in order to conduct quality control (QC) samples.
- Required by 24CFR 985.2 for SEMAP Indicators 1, 2, 3, 5, and 6 based on:
 - Indicator 1 Part A: Number of admissions in the assessed fiscal year.
 - Indicator 1 Part B: Applicants reaching the top of the waiting list in the assessed fiscal year (whether assisted or not).
 - Indicator 2: Number of families assisted during the assessed fiscal year for reasonable rent.
 - Indicator 3: Number of families assisted during the assessed fiscal year for determination of adjusted income.
 - Indicator 5: Number of units under HAP contract during the assessed fiscal year for HQS quality control inspections.
 - Indicator 6: Number of failed HQS inspections in the assessed fiscal year for HQS enforcement.

10/16/2017

103

QUALITY CONTROL SAMPLE SIZES

Universe	Minimum No. of Files Or Records To Be Sampled
50 or less	5
51 – 600	5 plus 1 for each 50 (or part of 50) over 50
601-2000	16 plus 1 for each 100 (or part of 100) over 600
Over 2000	30 plus 1 for each 200 (or part of 200) over 2000
<i>24CFR 985.2, PHA Quality Control Sample</i>	

Note: Sample Size is taken from UNIVERSE established!! Not other numbers such as program size, etc.

10/16/2017

104

PRIOR TO CONDUCTING QC

- The PHA must establish a written method for determining random sampling for the SEMAP Quality Control (QC) Indicators that ensures samples are obtained in an unbiased manner.
 - You can use a lottery method, www.random.org, excel random selection, etc. to select your sample.
 - Some files may overlap.

10/16/2017

105

ACCURATE QUALITY CONTROL

1. Establish a procedure for determining the random sample for SEMAP QC Indicators 1, 2, 3, 5, & 6
2. Identify the total Universe of files or records for each QC Indicator.
3. Document the Universe.
4. Identify the number of QC files necessary for the QC sample.
5. Prepare the list of files chosen/selected for the QC sample.
6. Explain the methodology used to determine compliance with the SEMAP Indicator.
7. Provide QC staff with a copy of the Section 8 Administrative Plan.
8. Document the review of each file/record in the QC sample (FO has some sample checklists if needed).
9. File all SEMAP QC documentation and actions in applicable SEMAP FYE files.

10/16/2017

106

INDICATOR 1: SELECTION FROM THE WAITING LIST

- Assesses whether the PHA has written policies in its Admin Plan for selecting applicants from the waiting list and whether the PHA follows these policies when selecting applicants for admission from the waiting list.

10/16/2017

107

INDICATOR 1 QUALITY CONTROL

- Identify the Universe
 - Part A: All new admissions for the assessed fiscal year (from the waiting list only).
 - Part B: Applicants reaching the top of the waiting list in the assessed fiscal year (whether assisted or not).
- Identify the number of QC files necessary for the QC sample.
- Make a list of the QC sample files randomly selected for both new admissions during the assessed fiscal year and applicants reaching the top of the waiting list.
- Review your Administrative Plan for selection preferences to ensure consistency with the selections.
- Determine if admissions and those reaching the top of the waiting list were done so in compliance.
- Place a copy of the waiting list used in your SEMAP QC files to provide a clear audit trail.

10/16/2017

108

INDICATOR 1 QUALITY CONTROL

- Questions to ask:
 - Was the QC sample correct based on the universe of new admissions?
 - Were the samples drawn in an unbiased manner?
 - Does your Section 8 Administrative Plan define how families will be selected (preferences, rating, ranking)?
 - Does the application for assistance capture the information required to validate placement on the waiting list?
 - Do the files of new admissions contain proof of preference (if preferences were applied) for admissions?
 - Can your PHA document why the applicants in the sample of applicants reaching the top of the waiting list were not admitted (ineligible, no preference, voucher expired)?
 - Is there an indication in the file that a supervisor or other qualified person reviewed the work in the files that comprise the QC sample?

10/16/2017

109

INDICATOR 2: REASONABLE RENT

- Assesses whether the PHA has and implements a reasonable written method to determine and document for each unit leased that the rent to owner is reasonable based on current rents for comparable unassisted units:
 - At the time of initial leasing;
 - If there is any increase in the rent to owner; and
 - At the HAP Contract anniversary if there has been a 5% decrease in the published FMR in effect 60 days before the HAP Contract anniversary.

10/16/2017

110

INDICATOR 2: REASONABLE RENT (CONT.)

- Determining rent comparability requires the PHA to consider:
 - Features of the unit:
 - Location
 - Size
 - Type
 - Quality
 - Age
 - What is provided by the owner under the lease:
 - Amenities
 - Housing services
 - Maintenance
 - Utilities

10/16/2017

111

INDICATOR 2 QUALITY CONTROL

- Identify the Universe
 - All assisted families during the assessed fiscal year.
- Identify the number of QC files necessary for the QC sample.
- Make a list of the QC sample files randomly selected for reasonable rent during the assessed fiscal year.
- Review your Administrative Plan for written methodology to determine reasonable rent that considers all features (mentioned in previous slide).
- Determine if rent reasonableness was conducted in all applicable instances.
 - Note: Some files pulled from the sample may not have required rent reasonableness determination (if they were not initial leases, rent increases, or 5% decrease in FMR). Those files are considered as being in compliance.
- Place a copy of all documentation in your SEMAP QC files.

10/16/2017

112

INDICATOR 2 QUALITY CONTROL

- Questions to ask:
 - Was the QC sample correct based on the universe of all assisted families?
 - Were the samples drawn in an unbiased manner?
 - Does your Administrative Plan have a methodology for comparing units?
 - Does documentation on file support the methodology?
 - Do the rents approved support the methodology?
 - Is there an indication in the file that a supervisor or other qualified person reviewed the work in the files that comprise the QC sample?

10/16/2017

113

INDICATOR 3: DETERMINATION OF ADJUSTED INCOME

- Assesses whether, at the time of admission and annual reexamination, the PHA verifies and correctly determines adjusted annual income for each assisted family and, where the family is responsible for utilities under the lease, the PHA uses the appropriate utility allowance for the unit leased in determining the gross rent.

10/16/2017

114

INDICATOR 3 QUALITY CONTROL

- Identify the Universe
 - All assisted families during the assessed fiscal year.
- Identify the number of QC files necessary for the QC sample.
- Make a list of the QC sample files randomly selected for adjusted annual income during the assessed fiscal year.
- Review your Administrative Plan for verification requirements.
- Review your utility allowance schedule used during the assessed fiscal year.
- Determine if all required income, assets, deductions, etc. were verified correctly and adjusted annual income was calculated correctly.
- Determine if the correct utility allowance was used for the unit leased.
- Place a copy of all documentation in your SEMAP QC files.

10/16/2017

115

INDICATOR 3 QUALITY CONTROL

- Questions to ask:
 - Was the QC sample correct based on the universe of all assisted families?
 - Were the samples drawn in an unbiased manner?
 - Does your Administrative Plan contain verification procedures?
 - Was the household income supported by appropriate verification?
 - EIV reports, tenant-provided documentation, 3rd party verification, or participant certification with explanation why other methods were not available
 - Was the adjusted income correctly calculated?
 - Was the appropriate utility allowance used based on the Request for Tenancy Approval, lease, and HAP Contract?
 - Does documentation on file support the methodology?
 - Is there an indication in the file that a supervisor or other qualified person reviewed the work in the files that comprise the QC sample?

10/16/2017

116

INDICATOR 5: HQS QUALITY CONTROL INSPECTIONS

- Assesses whether a PHA supervisor or other qualified person re-inspects a sample of units under contract during the assessed fiscal year (see previous slide explaining requirements of sample size) to be drawn from recently completed HQS inspections performed during the 3 months preceding the re-inspections.
- Assesses whether those re-inspections represents a cross-section of neighborhoods, and the work of a cross-section of PHA inspectors.

10/16/2017

117

INDICATOR 5 QUALITY CONTROL

- Identify the Universe
 - All units under HAP Contract during assessed fiscal year.
- Identify the number of QC files necessary for the QC sample.
- Make a list of the QC sample files randomly selected for HQS quality control during the assessed fiscal year.
- Review your written methodology for selecting units for QC re-inspections.
- Place a copy of all documentation (both original HQS inspection and re-inspection) in your SEMAP QC files.

10/16/2017

118

INDICATOR 5 QUALITY CONTROL

- Questions to ask:
 - Was the QC sample correct based on the universe of all units under HAP Contract?
 - Were the samples drawn in an unbiased manner?
 - Does the methodology for selecting units ensure that the QC sample was selected properly?
 - Was there a cross-section of neighborhoods selected for re-inspection?
 - Was there a cross-section of HQS inspectors selected for re-inspection?
 - Did a supervisor or other qualified person conduct the QC re-inspection?
 - Was it someone other than the inspector who performed the initial inspection?
 - Was the QC inspection performed soon after the initial inspection?
 - Is there a copy of the initial and QC inspections in each SEMAP QC file?
 - Is there an indication in the file that a supervisor or other qualified person reviewed the work in the files that comprise the QC sample?

10/16/2017

119

INDICATOR 6: HQS ENFORCEMENT

- Assesses whether, following each HQS inspection of a unit under contract where the unit fails to meet HQS, any cited life-threatening HQS deficiencies are corrected within 24 hours from the inspection and all other cited HQS deficiencies are corrected within no more than 30 calendar days from the inspection or within any PHA-approved extension.
- Assesses whether, if HQS deficiencies are not corrected in a timely manner, the PHA stops (abates) HAP beginning no later than the first of the month following the specified correction period, or terminates HAP Contract, or for family-caused deficiencies, takes prompt and vigorous action to enforce family obligations.

10/16/2017

120

INDICATOR 6 QUALITY CONTROL

- Identify the Universe
 - All failed HQS inspections for the assessed fiscal year.
- Identify the number of QC files necessary for the QC sample.
- Make a list of the QC sample files randomly selected for failed HQS inspections during the assessed fiscal year.
- Review your Administrative Plan for HQS enforcement policies and procedures.
- Determine if HQS enforcement was upheld in compliance.
- Review HAP register to determine if payment for those units with HQS deficiencies not corrected in a timely manner were stopped/abated.
- Review the appropriate tenant files to determine if contracts for those units with HQS deficiencies not corrected in a timely manner were terminated or if action was taken in accordance with family obligations.
- Place a copy of all applicable documentation in the SEMAP QC files.

10/16/2017

121

INDICATOR 6 QUALITY CONTROL

- Questions to ask:
 - Was the QC sample correct based on the universe of all failed HQS inspections?
 - Were the samples drawn in an unbiased manner?
 - Does your Administrative Plan contain HQS enforcement policies/procedures?
 - For each unit that failed HQS, was there a written notification sent to the owner and tenant identifying the action required?
 - Was there verification on file to support that the HQS deficiencies were corrected in a timely manner?
 - If deficiencies were not corrected in a timely manner, was the rent stopped/abated and/or HAP Contract terminated?
 - If so, does the HAP register reflect the abatement of rent as of the first of the month following the cure period?
 - If tenant-caused deficiencies were not corrected in a timely manner, was the assistance terminated or other action taken per family obligations?
 - Is there an indication in the file that a supervisor or other qualified person reviewed the work in the files that comprise the QC sample?

10/16/2017

122

OTHER SEMAP INDICATORS NO QUALITY CONTROL REQUIRED

- Indicators 4, 7-14, and Bonus Indicator 15
- Doesn't mean they don't require review and compliance, but a QC sample is not required as above

10/16/2017

123

INDICATOR 4: UTILITY ALLOWANCE SCHEDULE

- Assesses whether the PHA maintains an up-to-date utility allowance schedule based on a review within the last 12 months and an adjustment if there has been a change of 10% or more in utility rates (up or down).

10/16/2017

124

INDICATOR 4 REQUIREMENTS

- Review the most recent/current and prior utility allowance schedules.
- Review your procedures for annual review of utility allowances and revisions to the utility allowance schedule.
- Determine if your utility allowances have been reviewed in the last 12 months.
- Determine, based on procedures in place, if any utility rates have changed by 10% or more since the utility allowance schedule was last revised.
- Place a copy of all documentation in your SEMAP files.
 - Indicator 4 does not require Quality Control of files, but a determination is required in order to certify.

10/16/2017

125

INDICATOR 4 REQUIREMENTS

- Questions to ask:
 - Does your PHA review its utility allowance schedule annually?
 - Does your PHA adjust the schedule(s) when there is a change of 10% or more in a utility rate since the last time the utility allowance schedule was revised?
 - Note: This may require a review of utility allowances further back as you'll need to know the last time each allowance was revised, if not the immediately prior schedule.

10/16/2017

126

INDICATOR 7: EXPANDING HOUSING OPPORTUNITIES

- This indicator only applies to PHAs with jurisdiction in a Metropolitan FMR Area.
- Assesses whether the PHA has adopted and implemented a written policy to encourage owner participation outside of poverty or minority concentration, informs voucher holders of the full range of areas where they may lease units both inside and outside the PHA's jurisdiction, and supplies a list of landlords or other parties willing to lease units or help families find units, including units outside areas of poverty or minority concentration.

10/16/2017

127

INDICATOR 7 REQUIREMENTS

- Review the Administrative Plan policies encouraging owner participation outside areas of poverty or minority concentration.
 - If a PHA claims to have no impacted areas of poverty or minority concentration, they must still comply with Indicator 7. The only exception is the requirement to demonstrate that rental properties or organizations operate outside areas of poverty or minority concentration.
- Review the PHA's participant briefing packet.

10/16/2017

128

INDICATOR 7 REQUIREMENTS

○ Questions to ask:

- Can your PHA document that it implements a policy to encourage participation of owners that have units outside areas of poverty or minority concentration?
- Have your PHA prepared maps delineating areas of poverty or minority concentration inside and outside its jurisdiction?
- Does your PHA use prepared information on job opportunities, schools, transportation, and other services in non-impacted areas?
- Can your PHA demonstrate that it uses these maps and area characteristics information when briefing voucher holders? Is the information contained in the tenant information/briefing packet?

10/16/2017

129

INDICATOR 7 REQUIREMENTS

○ Questions to ask (cont.):

- Does your PHA include a list of units or organizations that help voucher holders find units outside impacted areas in the tenant information/briefing packet?
- Is there an explanation about how portability works in the tenant information/briefing packet? Are there portability contact phone numbers and addresses for neighboring PHAs?
- Is there an analysis of voucher holder success or failure in finding units in non-impacted areas?
- If the analysis indicates that voucher holders have difficulty locating such units, has your PHA analyzed the need, if any, for exception payment standard amounts and requested local Field Office approval for exception payment standard amounts, if applicable?

10/16/2017

130

INDICATOR 8: PAYMENT STANDARDS

- Assesses whether the PHA has adopted a payment standard schedule that establishes voucher payment standard amounts by unit size for each FMR area in the PHA jurisdiction which do not exceed 110% or are not less than 90% of the current applicable published FMRs.

10/16/2017

131

INDICATOR 8 REQUIREMENTS

- Review the most recent/current payment standard schedule.
- Review your procedures for annual review of payment standards based on updated FMRs published by HUD.
- Determine if payment standards in place for applicable fiscal year are within 90%-110% of published FMRs.

10/16/2017

132

INDICATOR 8 REQUIREMENTS

○ Questions to ask:

- Does your PHA review its payment standard schedule according to policy and/or procedure and in conjunction with published FMRs?
- Are your payment standards within 90% to 100% of published FMRs (or HUD approved amounts)?
 - Note: Normal rounding rules DO NOT apply to payment standard determinations. Points will be lost for incorrect rounding.
 - Example (90%): If 1-Bedroom FMR is \$429, and 90%=\$386.10, payment standard may NOT be \$386, it can only go as low as \$387.
 - Example (110%): If 1-Bedroom FMR is \$429, and 110%=\$471.90, payment standard may NOT be \$472, it can only go as high as \$471.

10/16/2017

133

INDICATORS 9-12

- These indicators are based on MTCS information pulled from PIC (50058 submissions).
 - Indicator 9: Annual Reexaminations
 - Indicator 10: Correct Tenant Rent Calculations
 - Indicator 11: Pre-Contract HQS Inspections
 - Indicator 12: Biennial HQS Inspections
 - While SEMAP only looks at the new biennial requirement, PHAs must be in compliance with their policy (i.e. if they have changed to optional biennial inspections, PHA still needs to do HQS annually despite SEMAP scoring).
- PHAs should monitor these indicators through use of the SEMAP Report in PIC.
- A PHA must have a reporting rate of at least 94.5% or all indicators 9-12 will be scored zero regardless of compliance.
 - PHAs can monitor reporting rates by viewing PIC's Delinquency Report

10/16/2017

134

INDICATOR 13: LEASE-UP

- This indicator is based on utilization and spending information provided by HUD's Financial Management Center (FMC).
- NEW (ish)! Utilization and spending is based on the previous full calendar year and not the PHA's fiscal year.
- PHAs should monitor this indicator with use of utilization tools and planning (e.g. HUD's 2-Year Forecasting Tool)
- The percentage used is the greater of spending or leasing.
 - 98% or more will receive 20 points
 - 95%-97% will receive 15 points
 - Less than 95% will receive zero points.

10/16/2017

135

INDICATOR 14: FSS ENROLLMENT & ESCROW ACCOUNTS

- This indicator only applies to PHAs with mandatory FSS programs.
- This indicator is based on MTCS information pulled from PIC (50058 submissions).
- PHAs should monitor this indicator closely through use of SEMAP Indicators Report and Ad Hoc Reports in PIC.

10/16/2017

136

BONUS INDICATOR (“INDICATOR 15”): DECONCENTRATION

- This indicator only applies to PHAs with jurisdiction in a Metropolitan FMR Area.
- This indicator is worth an extra 5 points if certified to and documentation provided (addendum with SEMAP certification).
- Based on percent of tenant-based Section 8 families with children who live in, and who have moved during the assessed fiscal year to, low-poverty census tracts in the PHA’s principal operating area.

10/16/2017

137

SMALL PHA DEREGULATION

- Small PHAs = PHAs with less than 250 units
- Small PHAs that are not Troubled only need to certify biennially (every other year).
 - Troubled PHAs must submit annually until confirmatory process is completed to remove Troubled status.
 - There is a set schedule for FYEs that must submit. See Notice 2012-44 for an updated schedule.
- Small PHAs may elect to be assessed on an annual basis.
 - Be sure to determine if you want to start a SEMAP certification in PIC. If you start, you must finish it even if it is your “off year” and not required.

10/16/2017

138

SEMAP TIMELINE

- PHAs must submit completed SEMAP to FO within 60 days of their FYE (60 days, not 2 months). The submission to FO takes 24 hours, so be sure to have it completed with enough time to get to FO by the deadline.
- FOs must send notification of scores 60 days after PHA submission deadline.
 - Rejections could occur during this time or before. Your HUD rep will contact you if this is needed.
- Appeal Process

10/16/2017

139

SEMAP SCORING AND DESIGNATIONS

- HIGH PERFORMER = 90% OR MORE OF AVAILABLE POINTS
- STANDARD PERFORMER = Between 60% and 89%
- TROUBLED PERFORMER = < 60%

10/16/2017

140

PROCESSING THE SEMAP CERTIFICATION

10/16/2017

- Certification accessed via PIC, SEMAP Module
 - PHA submits Certification
 - FO receives data for Indicators 9-14, from the Financial Management Center
 - FO enters data and assigns a preliminary rating
 - Director of FO reviews data and issues Final Rating
 - FO sends score notification letter to PHA

141

CHANGING A SEMAP SCORE DESIGNATION

10/16/2017

- PHA Appeal:
 - An PHA may appeal its overall performance rating to HUD by providing justification of the reasons for its appeal.
 - An appeal made to a HUD hub or program center or to the HUD Troubled Agency Recovery Center and denied may be further appealed to the Assistant Secretary.
- HUD/IPA:
 - A rating on any of the indicators 1-7 at §§ 985.3(a) through 985.3(h) will be subject to change after HUD receives the PHA's annual audit report or after HUD conducts a confirmatory review
 - Adverse litigation, a conciliation, agreement under Title VI of the, Civil Rights Act of 1964, fair housing, and equal opportunity monitoring and compliance review findings, fraud or misconduct, audit findings or substantial noncompliance with program requirements.
 - If the latest IA report submitted for the PHA under the Single Audit Act indicates that the auditor is unable to provide an opinion as to whether the PHA's financial statements are presented fairly in all material respects in conformity with generally accepted accounting principals, or an opinion that the schedule of expenditures of Federal awards is presented fairly in all material respects in relation to the financial statements taken as a whole, the PHA will automatically be given an overall performance rating of troubled and the PHA will be subject to the requirements at § 985.107.

142

CORRECTIVE ACTION REPORT/RESPONSE (CAR)

- Standard or High Performers with one or more failed indicators
 - PHA must correct deficiencies or come up with a plan to correct deficiencies within 45 days of receiving the notification of its score.
 - The PHA must send a written report to HUD describing its correction of any identified SEMAP deficiency.
 - If a PHA fails to correct a SEMAP deficiency within 45 calendar days as required, HUD may then require the PHA to prepare and submit a Corrective Action Plan for the deficiency within 30 calendar days from the date of HUD notice.
- Required on all Indicator scoring a zero.

10/16/2017

143

CORRECTIVE ACTION PLAN (CAP)

- When a PHA fails to meet the minimum performance standards for one or more SEMAP Indicators and the Corrective Action Report is not sufficient.
- When a PHA receives a Troubled Performer designation.

10/16/2017

144

CAP FOR TROUBLED PERFORMERS

- HUD must conduct an onsite review of PHA program management to assess the magnitude and seriousness of the PHA's noncompliance with performance requirements.
 - HUD issues official written report .
 - Upon receipt of the written report the PHA must submit a Corrective Action Plan to HUD for approval.
- When a Troubled Performer receives a Standard or High Performer SEMAP score, HUD must conduct a Confirmatory Review to validate the new rating prior to issuing the final score notification letter.

10/16/2017

145

CAP FOR STANDARD OR HIGH PERFORMERS

- PHA must correct deficiencies within 45 days of receiving the notification of its score.
 - The PHA must send a written report to HUD describing its correction of any identified SEMAP deficiency.
 - If a PHA fails to correct a SEMAP deficiency within 45 calendar days as required, HUD may then require the PHA to prepare and submit a corrective action plan for the deficiency within 30 calendar days from the date of HUD notice.

10/16/2017

146

MANDATORY CAP ELEMENTS

- Specify goals
- Identify staff persons responsible
- Identify key tasks
- Establish intermediate and final completion timeframes
- Provide for regular evaluation of progress
- Signed by the Chairperson of the Board of Commissioners and the Executive Director
- HUD approves and monitors the implementation of the CAP

10/16/2017

147

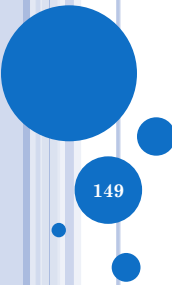
SEMAP-SPECIFIC RESOURCES

- 24 CFR, part 985 (SEMAP Regs)
- 24 CFR, part 982 (HCV Regs)
- Housing Choice Voucher Guidebook
- Notice 2005-33
- Notice 2012-44

10/16/2017

148

10/16/2017

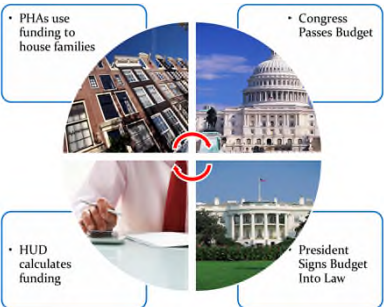


FINANCIAL MANAGEMENT

149

10/16/2017

HOW A BILL BECOMES A LAW! (JUST KIDDING...HOW HUD FUNDS PHAs)



- PHAs use funding to house families
- Congress Passes Budget
- HUD calculates funding
- President Signs Budget Into Law

150

HCV FUNDING CALCULATION

- Eligibility determined by adding prior calendar year's expenses as reported in the Voucher Management System (VMS)
- HUD applies an inflation factor to the expenses to account for an increase in costs
- HUD then compares the total eligibility nationally to the amount of funds appropriated under law
 - If the amount appropriated is less than the total eligibility, a proration factor is applied

10/16/2017

151

HCV FUNDING CALCULATION

- Simply put, the more money a housing authority spends, the higher its potential eligibility
- If a housing authority significantly underspends, it will receive less money the following year to house families
- Since administrative fees are tied to the number of families housed, if a housing authority underleases, it will also lose potential administrative fees

10/16/2017

152

SIMPLISTIC FUNDING EXAMPLE

- The XYZ PHA spent \$1,000,000 last year housing eligible families
- The HUD inflation factor is 1%, giving the PHA a total inflated eligibility of \$1,010,000
- However, HUD only has enough money to fund PHAs at 98% of eligibility based on the Appropriations Act, meaning that the PHA will receive \$989,800 in ABA/HAP to cover about \$1,010,000 in upcoming renewal expenses
 - NOTE: Inflation + Proration are usually stated as one proration factor, already including both figures, when we present to you informally

10/16/2017

153

HOW PHAS RECEIVE FUNDS

- Each month, HUD advances HAP and Administrative Fees to PHAs
 - The HAP advanced is the lesser of
 - 1/12th of the PHA's prorated eligibility
 - Cash management amount
 - Average HAP Expenses from 2 quarters prior to the current quarter plus
 - A 3% cushion
 - If the cash management amount is less than 1/12th of the prorated eligibility, the remainder is deposited into the PHA's HUD-Held Reserves

10/16/2017

154

HOW PHAS RECEIVE FUNDS

- HUD also advances Administrative Fees to the PHAs in a similar manner
 - PHAs are paid one of two fee rates based on the number of families housed
 - Column A Rate is for the first 600 families per month
 - Column B Rate is for any family housed over the first 600
 - HUD advances fees each month based on prior validated quarter's average leasing
 - HUD cannot provide administrative fees outside of the funding formula
 - At the end of the year, HUD reconciles the fees
 - What a PHA receives isn't necessarily what they earned

10/16/2017

155

OTHER FUNDING SCENARIOS

- NRA Offset
 - Sometimes HUD is required by Appropriations to offset the PHA's HAP reserves (known as NRA or NRP) to reduce costs
 - HUD then calculates a portion of the PHA's reserves into their total renewal funding
 - For example, XYZ PHA had \$115,000 in NRP at the end of a CY
 - HUD offset anything over 10% of Annual Budget Authority (ABA)
 - 10% of the PHA's ABA is \$98,980, meaning that the PHA will have \$16,020 offset from their ABA (they will receive \$16,020 less from HUD)
- NRA Reallocation
 - Similar to above, but the amounts are reallocated to overall ABA calculation for all PHAs
- Overleasing
 - PHAs are prohibited from spending HAP dollars on units over their annual ACC amount of Unit Months Available (UMA)
 - HUD will decrease funding eligibility for the next year based on any overleasing in the prior year

10/16/2017

156

IMPORTANT NOTE!!

- Administrative fees may be used to pay HAP, but HAP cannot be used to pay administrative cost
- HAP dollars (including Reserves) can only be used for the following purposes:
 - Subsidy Payments to Landlords on the Participant's behalf
 - Homeownership Subsidy Payments
 - Utility Reimbursements to Participants, if applicable
 - Deposits into Family Self-Sufficiency (FSS) Escrows for FSS Participants
- Use of HAP dollars (including Reserves) for any other purpose constitutes a misappropriation of funds and can result in sanctions or civil penalties

10/16/2017

157

CASH MANAGEMENT: WHY?

- Prior to CY 2005
 - Voucher funds were distributed to PHAs in accordance with a PHA budget and PHAs were required to revise budgets if scheduled disbursements would exceed needs. Also, HUD held all excess as "Program Reserves"
- Effective CY 2005:
 - Voucher renewal funds were distributed based on 1/12 of total pro-rated eligibility per month with incremental funds distributed based on contract terms. PHAs were allowed to hold all excess in NRA account
- Mandated by Treasury
 - Control disbursement of federal funds in such a way that PHAs do not receive federal funds before they are needed
 - Advances to a recipient organization will be limited to the minimum amounts necessary for immediate disbursement needs.
 - Transition reserves from PHA-Held NRA to HUD-Held Reserves (HHR)

10/16/2017

158

HOW CASH MANAGEMENT WORKS

- HAP disbursement is based on the most recent quarter's validated VMS monthly average HAP costs (two quarters prior)
 - April-June 2015 disbursements will be based on October-December 2014 costs
- Disbursements include a margin of 3% of average monthly costs, to account for increased costs and leasing since the base quarter
 - The Monthly HAP Disbursement is the lesser of two calculations:
 - 1/12th of the PHA's prorated eligibility
 - Cash Management amount (as above: Average HAP Expenses from two quarters prior (last validated quarter) plus a 3% cushion)

10/16/2017

159

CASH MANAGEMENT: KEY INFO

- Monthly disbursements can be different than allocation
- Cash management does not change the eligibility or annual budget authority available to each PHA, only the way it is paid/disbursed
- PHA allocations will continue to be calculated per the Appropriations Act requirements
- Disbursements are limited to total funds obligated and available
- PHA required portion of the total allocation will be disbursed and the balance will be held for the PHA in the program reserves
- PHAs can request HHR based on need
- PHAs can still Frontload from future amounts if needed

10/16/2017

160

FRONTLOADING

- A PHA who cannot cover its HAPs with disbursed funds plus available NRA can request a frontload of additional funds, if available, and begin resolving any cash problems
- A frontload does not constitute additional funding but an “advance” of future funding
 - This means future disbursements will be impacted
- Problems will need to be resolved or the PHA will likely be shortfall

10/16/2017

161

ACCUMULATION OF RESERVES: NRA/NRP AND HHR

- Definition of Acronyms
 - NRA=Net Restricted Assets or NRP=Net Restricted Position (new GAAP term)
 - HAP Reserve Amount Held by PHA
 - HHR=HUD-Held Reserves
- Accumulation of NRA/NRP
 - Total HAP revenue minus total HAP expense
 - Reported in VMS
- Accumulation of HHR
 - Total HAP revenue not disbursed to PHA from ABA
 - Not reported in VMS

10/16/2017

162

HUD-HELD RESERVES

- NRA/NRP vs. HHR
 - NRA/NRP
- Undisbursed funds will move to program reserves held by HUD
- Expected annual NRA reconciliation to transition to HHR
- Transition of NRA balances to the program reserve will not affect their availability to the PHA and does not constitute a recapture of these funds
- PHAs will be able to access both undisbursed budget authority and program reserves as needed through the FMC

10/16/2017

163

ACCUMULATION OF RESERVES: UNA/UNP

- Definition of Acronyms
 - UNA=Unrestricted Net Assets or UNP=Net Unrestricted Position (new GAAP term)
- Accumulation of UNA/UNP (Notice PIH 2010-7)
 - Total Administrative Fee (AF) revenue minus total HCV Administrative expenses and any AF used for HAP or other HCV activities or related purposes
 - Because excess AF received does not accumulate to the UNA until the end of the PHA's FY, they should not be reported until after the PHA's FYE
 - The monthly amount reported is the UNA balance at the beginning of the FY plus any interest earned or fraud recovery collected

10/16/2017

164

A NOTE ON UNA/UNP

- Pre-2004 UNA (funded prior to FFY 2004 Appropriations) can be used for other housing purposes permitted by State and Local Law
- Post 2003 UNA (funded from FFY 2004 Appropriations and after) can only be used for activities related to the HCV Program, including development
- PHAs must have this reported and accounted for to allow for separation in amounts

10/16/2017

165

10/16/2017



ADMINISTRATIVE EXPENSES/FEEs

166

HCV OPERATIONS (ADMIN) BUDGETING

- PHAs are a BUSINESS
 - Like any business, you need to operate within budgetary constraints
 - Need to know where/when cuts can be made
- Run budget variance reports monthly
- Funding unknowns
 - Use historical or previous years to estimate, conservatively
 - Allow for a cushion, determine “rainy-day” needs with Reserves
- Only Congress can control how much in HAP dollars and Admin Fees are paid out.
- 2-Year Tool estimates admin fees earned based on a proration (scenario testing).

10/16/2017

167

COST SAVING MEASURES: ADMIN

- Notice PIH 2012-15
 - Use of EIV (mandatory)
 - Verifying HQS Deficiencies Remotely (Verification by Photographs)
 - Separating the Annual HQS from Reexam
 - Eliminating Interims for Increases
 - Closing the Waiting List
 - Eliminating Waiting List Preferences
 - Conducting Group Briefings
 - Eliminating Suitability Screening
 - Absorbing Ports
 - Limiting Ports and Moves
 - Streamlining Reexams
 - Consolidation of Admin Tasks
 - Procurement
 - Increase Success Rates

10/16/2017

168

INCREASE FEES EARNED

- Review Allocations of Expenses
- Maximize Leasing (Leasing=Admin Fees=Increased HAP Expenses)
- Increase Fraud Recovery
- Cost Savings are sometimes contradictory

10/16/2017

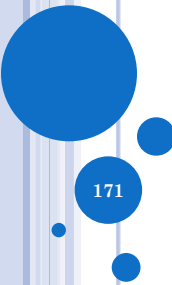
169

COST REDUCTION/BUDGET CUTS

- Cost Reduction Options
 - Review policies and procedures
 - Compare salaries and benefits to other similar agencies
 - Review options for contracting full program or specific tasks/processes
 - Perform time study for cost allocations
 - Contracting Management
 - Transfers/Consolidations/Consortiums
 - Notice PIH 2014-24

10/16/2017

170



10/16/2017

HCV UTILIZATION

171

HUD'S OPTIMIZATION EFFORT

- Philosophical and administrative shift
 - Focus on \$\$\$ instead of units
 - Serve the maximum number of families supportable by dollars while still maintaining control of the program
 - Focus on using data to make decisions instead of gut-feelings
- Optimization effort involves:
 - Gathering accurate and timely data
 - Creating projections based on data
 - Helping PHAs develop and set leasing goals based on data and key variables
 - Identifying impediments to reaching goals
 - Monitoring leasing goals
 - Holding on-going conversations with PHAs related to their goals
 - Modeling next year's funding through Scenario Testing

10/16/2017

172

REMINDER ABOUT HUD'S ROLE

- The purpose of HUD interaction with PHAs on utilization is to add value by enabling a better informed decision making process on the part of the PHA to reach optimal performance. Optimal HCV leasing performance means full use HCV funding within the ACC program size limitation, a stabilize leasing environment, avoiding broad swings between leasing up and lowering attrition where possible.
- We are to facilitate discussion and explore options not direct an outcome on issuances. PHAs are charged with making numerous program decisions that involve trade-offs. We can assist in helping frame those decisions with good data, analysis, tools and program knowledge, but in the end it is their decision.

10/16/2017

173

IMPORTANT VARIABLES FOR FORECASTING

- Unit Months Leased (UML)
- Unit Months Available (UMA)
- HAP Expenses (HAP)
- Annual Budget Authority (ABA or BA)
- Per Unit Cost (PUC)
- Net Restricted Position (NRP) (formerly Net Restricted Assets (NRA))
- HUD-Held Reserves (HHR)
- Unrestricted Net Position (UNP) (formerly Unrestricted Net Assets (UNA))
- Administrative Costs
- Administrative Fee

10/16/2017

174

IMPORTANT VARIABLES FOR FORECASTING

- Attrition Rate (End of Participation (EOP), Turnover, or Termination)
- Success Rates (number of lease ups as a percentage of vouchers issued)
- Leasing Rate
- Average Lease-up Time
- Budget Utilization (HAP as a percentage of ABA)
- Total Funding Utilization (HAP as a percentage of all funds)
- Unit Utilization (UML as a percentage of UMA)
- Admin Costs vs. Admin Fees
- PUC Trends
- Rent Burden
- Payment Standard Changes

10/16/2017

175

UML AND UMA

- UML: Total number of units leased as of the first day of the month
- UMA: Total number of units allocated to the PHA monthly by HUD (baseline)
- The annual UML (UMLx12) should never be greater than the annual UMA (UMAx12)

10/16/2017

176

BUDGET AUTHORITY AND HAP EXPENSES

- BA: Annual funding provided by HUD to support HAP
- HAP: Costs incurred by Housing Authorities through the payment of HAP under a valid HAP Contract, Utility Reimbursement, or FSS Escrow Deposit
- PHAs should try to make $HAP = BA$ (100% is obviously ideal)
- If $HAP > BA$, then the PHA must use NRA , Admin Fee, UNA, or other funds (e.g. HUD set-aside) to cover the shortfall

10/16/2017

177

PER UNIT COST

- The average cost per leased unit on the first day of the month
 - PUCs generally increase slowly and consistently
- PUC and UML are meant to work together (two sides of the same coin)
- Sudden PUC changes should be a warning
- Impacted by Payment Standards, Utility Allowances, Participant Income, EIV Usage, Rent Reasonableness, Market Conditions, Location Options and Choices

10/16/2017

178

ATTRITION RATE

- Refers to the average percentage of families that can be expected to leave the HCV program on an annual basis
 - Includes terminations, port-outs, and end-of-participations
 - Exhibits seasonality

10/16/2017

179

SUCCESS RATE AND LEASING TIME

- Success Rate: Average percentage of vouchers issued that will result in a HAP Contract
 - FYI...Success Rate can sometimes mean something else to the PHA
 - Impacted by Policy Decisions (payment standards, voucher expiration, etc.) and PHA Performance (outreach, rent reasonableness, briefing info, customer service, etc.)
- Leasing Time: Average amount of time that it will take from issuance of voucher to HAP Contract/lease up
 - 30, 60, 90 (120?) days

10/16/2017

180

NRA AND UNA

- NRA: Assets reserved for use to pay eligible HAP expenses in excess of the allocated BA (HAP Reserve)
- UNA: Assets reserved to pay eligible Administrative Expenses in excess of the Administrative Fee Earned (Admin Fee Reserve)

10/16/2017

181

ADMIN FEE AND ADMIN COSTS

- Admin Fees: Funding provided by HUD to pay for the Admin Costs of operating the HCV program
 - Fees Advanced—an estimated amount paid by HUD to PHAs monthly
 - Fees Earned—the fees which a PHA may use to support program costs based on the number of units leased in a given month
- Admin Costs: Actual costs, including amounts paid to IPAs and Fee Accountants, of operating the HCV program

10/16/2017

182

PER UNIT COST

- The average cost per leased unit on the first day of the month
 - PUCs generally increase slowly and consistently
- PUC and UML are meant to work together
- Sudden PUC changes should be a warning
- Impacted by many factors...some controllable, some not:
 - Payment Standards and Utility Allowances
 - Participant Income and EIV Usage
 - Rent Reasonableness and Market Conditions, Location, Options and Choices

10/16/2017

183

ATTRITION RATE

- Refers to the average percentage of families that can be expected to leave the HCV program on an annual basis
 - Includes terminations, port-outs, and end-of-participations
 - Exhibits seasonality

10/16/2017

184

SUCCESS RATE*

- Average percentage of vouchers issued that will result in a HAP Contract
- Impacted by Policy Decisions (payment standards, voucher expiration, etc.)
- Impacted by PHA Performance (outreach, rent reasonableness, briefing info, customer service, etc.)
- Impacted greatly by Market Conditions

- *Success Rate can sometimes mean something else to the PHA

10/16/2017

185

LEASE-UP TIME

- Average amount of time that it will take from issuance of voucher to HAP Contract/Lease Up
- What is your Voucher Term?
 - 30, 60, 90 (120?) days
 - Can have a direct impact on your success rate

10/16/2017

186

NRP AND UNP (FORMERLY NRA AND UNA)

- Both are RESERVE ACCOUNTS
- NRP (or NRA) are assets reserved for use to pay eligible HAP expenses
 - Accumulated from excess of the allocated BA (HAP Reserve) received by the PHA
 - Total HAP revenue minus total HAP Expense
 - Reported by PHAs in VMS
- UNP (or UNA) are assets reserved to pay eligible Administrative Expenses
 - Accumulated from excess of the Administrative Fees Earned (Admin Fee Reserve) by the PHA
 - Total Administrative Fee revenue minus total HCV Administrative Expenses and any Fees used for eligible HAP or other HCV activities
 - Administrative Fee excess does not accumulate until the end of the PHA's Fiscal Year
 - Reported by PHAs in VMS as the UNA balance at the beginning of the FY plus any interest earned or fraud recovery collected minus amounts used

10/16/2017

187

HUD HELD RESERVES (HHR)

- Like NRA/NRP, HHR are assets reserved for use to pay eligible HAP expenses that is held by HUD
 - Accumulated from total HAP revenue not disbursed to the PHA from allocated/authorized ABA
 - Not reported in VMS!
 - The Financial Management Center (FMC) knows these amounts at any given time if you aren't tracking
 - YOU SHOULD BE TRACKING!
 - PHAs can access through the FMC (see contact in Resources section)

10/16/2017

188

ADMIN FEE AND ADMIN COSTS

- Admin Fees are funds provided by HUD to pay for the Admin Costs of operating the HCV program
 - Fees are advanced—an estimated amount paid by HUD to PHAs monthly
- Admin Costs: are actual costs of operating the HCV program, including amounts paid to IPAs, Fee Accountants, etc.
 - Fees Earned—the fees which a PHA may use to support program costs based on the number of units leased in a given month

10/16/2017

189

IMPORTANT NOTE!!

- Administrative fees may be used to pay HAP, but HAP cannot be used to pay administrative costs
- HAP dollars (including Reserves) can only be used for the following purposes:
 - Subsidy Payments to Landlords on the Participant's behalf
 - Homeownership Subsidy Payments
 - Utility Reimbursements to Participants, if applicable
 - Deposits into Family Self-Sufficiency (FSS) Escrows for FSS Participants
- Use of HAP dollars (including Reserves) for any other purpose constitutes a misappropriation of funds and can result in sanctions or civil penalties

10/16/2017

190

2-YEAR FORECASTING

- The key to stability:
 - Projecting into year two (and three)
 - Testing funding scenarios
 - Estimating year 2 funding
 - Testing issuance and leasing scenarios
 - Focusing on key variables
- Re-Benchmarking
 - HAP Spending
 - HUD Funding
 - Issuance Actions
 - Policy Decisions

10/16/2017

191

RUNNING THE NUMBERS

- HUD/PIH: 2-Year Forecasting tools to monitor PHAs
 - Blank, wizard version on HUD's HCV Website (or POST)
- Tool populates many data points from HUD systems
- User needs to populate other variable data
 - Turnover Rates, Success Rates, Leasing Times
 - Need to Master Estimating Variables based on Historic Experience and Tracking and Trending
 - Unit Months Leased and HAP Expenses (not already pulled from VMS)
 - Vouchers Issued and Additions/Subtractions
- PHAs can then develop a leasing plan

10/16/2017

192

2-YEAR FORECAST: DATA ENTRY BASICS

10/16/2017

- Data entry in Yellow Cells: for HAP and Leased units cell color changes once entered
- Comment Flags for key columns – just put cursor over red corner of cell
- All other cells protected

193

Utilization Report: NY Utilization Report November 2016

PHS Top View Tool Guide

PHS Name	PHS Number
[Redacted]	[Redacted]

ACC/Funding Information

ACC	Current Year (2016)	Year 2 (2017)	Year 3 (2018)
Beginning ACC Vouchers	320	320	320
Funding Commitments			
Initial EA Funding (Initial)	\$1,215,063	\$1,191,433	\$1,084,248
Offset of HAP Reserve	\$0	\$0	\$0
Set Aside Funding	\$0		
New ACC Units Funding	\$0	\$0	\$0
Total ABA Funding Provided	\$1,215,063	\$1,191,433	\$1,084,248
PHS Income	\$1,300		
Total Cash-Reported Prior Year-End Reserve	\$123,402	\$192,817	\$210,003
Total Funding Available	\$1,338,371	\$1,234,251	\$1,234,251

Feeding Proration/Offset Levels

Year	HAP	Leased
Year 2 Rubademark	84.0%	
Year 3 Rubademark	100.0%	
Year 2 Offset	0.0%	
Year 3 Offset	0.0%	

Administrative Fees

Year	Rate
Year 1	84.0%
Year 2	77.0%

Program Projection Variables

Success Rate	Annual Turnover Rate
50%	14.0%

Time from Issuance to HAP Effective Date (Current: 15 weeks)

Issued in	Days	Rate
30 to 60 days	50%	
60 to 90 days	50%	
90 to 120 days	0%	
120 to 150 days	0%	

Estimated Inflation (2017): 102.58%

Leasing and Spending Outcomes: Current and Following Year Projections

	2016	2017
UML % of ACC (UMMA)	88.4%	87.1%
HAP Exp as % of Funds	92.3%	83.8%
HAP Exp as % of Eligibility only	101.0%	91.0%

End of Year Receipts

Category	2016	2017
Projected 12/31 Total HAP Reserve	\$192,817	\$210,003
HAP Reserve as % of ABA (Start: 02/24)	15.7%	17.6%
Potential Terminations	0	0

End of Year 3 Receipts (2018)

Category	2018
Projected Total HAP Reserve as % of ABA	33.0%

HUD-Held Reconciliation Cash Sufficiency Check

HUD-established CYE (RUC) (Recon Line 33)	HUD-established CYE (RUC) (Recon Line 33)
\$111,026	\$111,026
HUD-established Net Excess Cash (Recon Line 34)	PHS-Held Cash \$210,003 (VMS)
\$12,376	\$130,547
HUD-Reconciled (Line 34)	HUD-Reconciled (Cash Control)
\$193,402	\$241,573
Lower of HUD (Base Overhead)	Lower of HUD (Base Overhead)
\$123,402	\$123,402

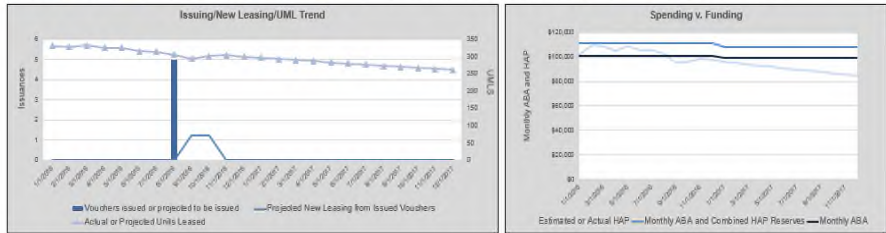
HUD-Reconciled Excess Cash v PHS RHP (12/31/2015)

HUD v. PHS difference \$50,000 or 0% of Eligibility	CY-15 ECV PHS excess excess ECV Excess Cash -->
\$1,756	\$15,376

Administrative Fee Analysis

Category	2016	2017
Admin Fee Earned (PT: \$195,634)	\$191,001	\$146,548
Expenses	\$192,259	\$156,476
Expenses %	84.0%	83.1%

2016	UMLs	Actual UMLs	Actual HAP	Vouchers Issued/Projects d To Be Issued	Other Planned Additional Projections	New Leasing from Issued Vouchers	Estimated Attrition	UMLs: Actual/Projects d	HAP: Actual/Projects d	PUC: Actual/Projects d	Manual PUC Overrides	Cumulative % Annual Leased	Cumulative % Eligibility Expended	Monthly UML %	Monthly ABA Expended %
Jan-16	320	331	\$101,372	0	0	0	-3.5	331	\$101,372	\$307		103.4%	100.5%	103.4%	100.5%
Feb-16	320	329	\$103,615	0	0	0	-3.8	329	\$103,615	\$323		102.8%	100.5%	102.8%	100.4%
Mar-16	320	332	\$108,183	0	0	0	-3.8	332	\$108,183	\$338		103.2%	100.5%	103.2%	101.8%
Apr-16	320	325	\$105,324	0	0	0	-3.9	325	\$105,324	\$324		102.9%	100.2%	101.6%	104.2%
May-16	320	335	\$108,761	0	0	0	-3.8	335	\$108,761	\$335		102.6%	100.1%	101.6%	107.6%
Jun-16	320	336	\$105,783	0	0	0	-3.8	336	\$105,783	\$335		102.0%	100.5%	98.8%	104.8%
Jul-16	320	314	\$105,414	0	0	0	-3.7	314	\$105,414	\$336		101.4%	100.3%	98.1%	104.3%
Aug-16	320	306	\$102,609	5	0	0	-3.7	306	\$102,609	\$335		100.1%	100.4%	97.6%	101.5%
Sep-16	320	314	\$102,200	0	0	1	-3.6	314	\$102,200	\$324		99.1%	100.1%	97.9%	94.2%
Oct-16	320	302	\$106,417	0	0	1	-3.4	302	\$106,417	\$319		99.2%	100.8%	94.4%	95.4%
Nov-16	320	304	\$105,566	0	0	0	-3.5	304	\$105,566	\$324		98.3%	100.4%	97.0%	97.5%
Dec-16	320	0	\$0	0	0	0	-3.5	300	\$107,456	\$324		98.4%	101.5%	93.5%	86.4%
Total	3,840	3,478	\$1,058,186	5	0	0	-44.4	3,778	\$1,058,554	\$527		99.4%	100.9%	95.9%	95.8%
Jan-17	320	0	0	0	0	0	-3.5	287	\$10,289	\$324		92.6%	97.0%	92.8%	97.0%
Feb-17	320	0	0	0	0	0	-3.5	293	\$9,176	\$324		92.3%	96.4%	91.1%	95.9%
Mar-17	320	0	0	0	0	0	-3.4	290	\$10,065	\$324		91.9%	95.9%	91.6%	94.1%
Apr-17	320	0	0	0	0	0	-3.4	287	\$10,960	\$324		91.6%	95.3%	89.6%	93.8%
May-17	320	0	0	0	0	0	-3.3	283	\$11,855	\$324		90.9%	94.8%	88.3%	92.5%
Jun-17	320	0	0	0	0	0	-3.3	280	\$10,911	\$324		90.0%	94.2%	87.5%	91.9%
Jul-17	320	0	0	0	0	0	-3.3	277	\$13,752	\$324		89.6%	93.1%	86.5%	90.4%
Aug-17	320	0	0	0	0	0	-3.2	274	\$18,709	\$324		89.1%	93.1%	85.5%	89.3%
Sep-17	320	0	0	0	0	0	-3.2	270	\$17,670	\$324		88.6%	92.6%	84.5%	88.3%
Oct-17	320	0	0	0	0	0	-3.2	267	\$16,647	\$324		88.1%	92.1%	83.5%	87.3%
Nov-17	320	0	0	0	0	0	-3.1	264	\$15,626	\$324		87.6%	91.5%	82.5%	86.3%
Dec-17	320	0	0	0	0	0	-3.1	261	\$14,607	\$324		87.1%	91.0%	81.5%	85.3%
Total	3,840	0	\$0	0	0	0	-59.5	3,545	\$1,084,848	\$524		87.0%	97.0%	81.6%	85.8%



Comments:
FINANCIAL - Beginning Year: Cash & Investments [VMS] of \$130,547 compares to RMP [VMS] of \$11,166. Current: VMS Cash & Investments of \$136,231 compares to VMS RMP plus: UMP of \$15,863.

ACC AND FUNDING

- ACC and funding information includes data for the current year ACC units and funding. For Years Two and Three, the calculated re-benchmarked ABA and beginning estimated NRA is displayed.
- Offset of HAP reserve is entered if an offset in the current year is made.
- Set Aside Funding if any
- New ACC Units allocated during the year are entered in the New ACC Units tab and are used in the Projection Analysis tab – allocating the subsidy to the correct year and modifying the re-benchmarking of Year Two and Three ABA using the Allowance for Leasing afforded to new allocations.
- Total ABA Funding
- PHA Income from other sources such as repayment agreement, fraud recoveries, etc.
- Total Cash Supported Prior Year End Reserves see other box
- Total Funding Available includes all funds listed above

ACC/Funding Information			
ACC	Current Year (2016)	Year 2 (2017)	Year 3 (2018)
Beginning ACC Vouchers	320	320	320
Funding Component +	Current Year (2016)	Year 2 (2017)	Year 3 (2018)
Initial BA Funding (net offset)	\$1,213,063	\$1,191,433	\$1,084,248
Offset of HAP Reserves		\$0	\$0
Set Aside Funding	\$0		
New ACC Units Funding	\$0	\$0	\$0
Total ABA Funding Provided	\$1,213,063	\$1,191,433	\$1,084,248
PHA Income	\$1,900		
Total Cash-Supported Prior Year-End Reserves	\$123,402	\$102,817	\$210,003
Total Funding			
Total Funding Available	\$1,338,371	\$1,294,251	\$1,294,251

FUNDING PRORATIONS

Sets estimates for:

- Re-benchmarking funding
- Admin Fee Earnings
- Potential Offset

Funding Proration/Offset Levels	
HAP	
	94% Details
Year 2 Rebenchmark	94.0%
Year 3 Rebenchmark	100.0%
Year 2 Offset	0.0%
Year 3 Offset	0.0%
Administrative Fees	
Year 1	84.0%
Year 2	77.0%

10/16/2017

197

VARIABLES

Central top Section of Spreadsheet

- Enter Success Rate
- Enter Annual Turnover rate
 - number participants leaving as a percent of all leased units.
- Enter % of leased vouchers that reach HAP contract within 30, 60, 90, 120 days of Issuance
 - Must add to 100%

Program Projection Variables			
Success Rate	50%	Annual Turnover Rate	14.0%

Time from Issuance to HAP Effective Date (Current: 1.5 months)	
% leased in 30 days	50%
% leased in 30 to 60 days	50%
% leased in 60 to 90 days	0%
% leased in 90 to 120 days	0%
% leased in 120 to 150 days	0%

Converts %'s leased in time categories to an average # of months from issuance to leased

10/16/2017

198

ACTUALS/PROJECTIONS

VMS/PHA Updates: Leasing and Spending Actuals from VMS or PHA if you have current numbers.

Input Leasing Plans*

Totals from Calculations of Variables

Leased Units and Spending Projection: Results from Attrition and new leasing from issuance. Net actual and projected units leased

2016	UMAs	Actual UMLs	Actual HAP	Vouchers Issued/Projected To Be Issued	Other Planned Additions/Reductions	New Leasing from Issued Vouchers	Estimated Attrition	UMLs: Actual/Projected	HAP: Actual/Projected
Jan-16	320	331	\$101,572	0		0	-3.9	331	\$101,572
Feb-16	320	329	\$109,613	0		0	-3.9	329	\$109,613
Mar-16	320	332	\$108,783	0		0	-3.8	332	\$108,783
Apr-16	320	325	\$105,324	0		0	-3.9	325	\$105,324
May-16	320	325	\$108,761	0		0	-3.8	325	\$108,761
Jun-16	320	316	\$105,769	0		0	-3.8	316	\$105,769
Jul-16	320	314	\$105,414	0		0	-3.7	314	\$105,414
Aug-16	320	306	\$102,609	5		0	-3.7	306	\$102,609
Sep-16	320	294	\$95,220	0		1	-3.6	294	\$95,220
Oct-16	320	302	\$96,467	0		0	-3.4	302	\$96,467
Nov-16	320	304	\$98,586	0		0	-3.5	304	\$98,586
Dec-16	320	0	\$0	0		0	-3.5	300	\$97,436
Total	3,840	3,478	\$1,138,116	5	0	3	-44.4	3,778	\$1,235,554

*Vouchers Issued or Projected to be Issued: Self explanatory, but only put in the month they are issue or planned.

*Other Planned Additions or Reductions: Additions through absorbing future ports, Reductions from Receiving PHA absorbing future ports, PBV leasing, etc.

PUC OVERRIDE

Allows user to project using different PUC from that month forward or different PUC each month

UMLs: Actual/Projected	HAP: Actual/Projected	PUC: Actual/Projected	Manual PUC Override
331	\$101,572	\$307	
329	\$109,613	\$333	
332	\$108,783	\$328	
325	\$105,324	\$324	
325	\$108,761	\$335	
316	\$105,769	\$335	
314	\$105,414	\$336	
306	\$102,609	\$335	
294	\$95,220	\$324	
302	\$96,467	\$319	
304	\$98,586	\$324	
300	\$97,436	\$324	
3,778	\$1,235,554	\$327	

OUTCOMES

Right Top Section: Basic Dashboard CURRENT AND FOLLOWING YEAR

- Leasing Percentage
- Spending as a % of All Funds (i.e. plus Reserves)
- Spending as a % of ABA Eligibility
- Projected Reserves at end of current CY and Following Year (if no changes are made)
- Potential Terminations (only if shortfall projected)
- Projected Admin Fees Earned
- Year Three Beginning status - Using the Year Three benchmarking funding level, compares monthly Yr 3 ABA against December Year Two monthly spending. If a deficit, calculates number of months deficit can be financed by estimated Yr Two ending Reserves

Leasing and Spending Outcomes: Current and Following Year Projections		
	2016	2017
UML % of ACC (UMA)	98.4%	87.1%
HAP Exp as % All Funds	92.3%	83.8%
HAP Exp as % of Eligibility only	101.9%	91.0%
End of Year Results		
Projected 12/31 Total HAP Reserves	\$102,817	\$210,003
HAP Reserves as % of ABA (Start: 10.2%)	8.5%	17.6%
Potential Terminations	0	0
End of Year 3 Results (2016)		
	\$357,426	33.0%
		Projected Total HAP Reserves ***** Reserves % BA

Administrative Fees Analysis		2016	2017
<= 7,200 UMLs (No Proration)	> 7,200 UMLs (No Proration)	Admin Fees Earned (FY- \$188,684)	
\$57.97	\$54.10	Expense	
		Expense %	
		84.0%	83.1%

MM002 has a cost per UML of \$36.81 compared to its Earnings/UML. Its Size peer group of \$75.59 (a difference of - 5%) and its state peer group (of all FPAAs in the state) of \$46.16 (a difference of - 33.5%).

Based on the most recent, official (end of fiscal year) UMLF. MM002 has projected 2016 Calendar Year End (CY) UMLF of \$51,495 (or 72.5% of CY 2016 Earned Admin Fees) and a 2017 CY UMLF of \$41,027 (or 86.5% of CY 2017 Earned Admin Fees).

10/16/2017

201

USING THE TOOL TO FORECAST

- Projecting Leasing and Spending
- Modeling Next Year's Funding
- Making Choices

10/16/2017

202

BEYOND THE TOOL: TO DO LIST

- Manage your budget
 - Track program costs and compare to ABA to fully utilize dollars
- Manage your waiting list
 - Maintain enough eligible applicants to meet voucher issuance volume necessary
- Manage your voucher issuance process
 - Track unit months under lease, turnover, success rate, lease-up time, and PUC
- Manage human resources
 - Have sufficient staff with skills and support to handle workload and provide excellent service

10/16/2017

203

COLLECT DATA AND DEFINE GOALS

- Gather all data and variables
- Determine where you can make changes
- Define Goals for Current and Following Year
 - What amount of NRA do we want at the end of the year?
 - How many new families do we want to lease by the end of the year?

10/16/2017

204

CREATE ESTIMATES

- Determine PUC trends and estimate the remaining year's costs with the average change (for all remaining months in the Calendar Year (and through the following Calendar Year))
- Estimate the number of UMLs for each remaining month of the Calendar Year (including any new admissions, planned issuances, absorbed port-ins, etc.)
- Multiply the calculated monthly PUC by the estimated UMLs to estimate the monthly HAP Expenses for the Current and Following Years (the tool does this for you)

10/16/2017

205

ANALYZE THE RESULTS

- You do not want to intentionally follow a leasing plan that will leave you with a negative balance (unless, of course, you have sufficient NRA to cover it)
- Where do you need to make changes?
- Do you have other scenarios that might work?

10/16/2017

206

DETERMINE LEVELS OF CONTROL

- There are only two variables PHAs have any control over (and it is limited):
 - Unit Months Leased (majority control)
 - Per Unit Cost (partial control)

10/16/2017

207

CONTROL OF UMLS

- Lease Up
 - Number of Vouchers Issued
 - Leasing Timeframes (some control based on voucher terms, extensions)
 - Leasing Processes (PHA Staff)
 - Cost of Issued Vouchers (limited control)
 - The Data! (you maybe know you have about a 50% Success Rate and a Leasing Time of 2 months)
- Attrition
 - Anti-Fraud Efforts
 - Strict Enforcement of Family Obligations
 - Supportive Services
 - The Data! (you maybe know you lose about one voucher per month from Attrition)

10/16/2017

208

CONTROL OF PUC

- You have less control of this variable
- Only potentially controllable through policies and processes (anti-fraud policies, Payment Standards, Occupancy Standards, Utility Allowances, interim reexam policies)
 - Based on an examination of policies and procedures, you can estimate that by making changes to your reporting/anti-fraud policies, not adjusting your Payment Standards (since they will still be within the basic range), and increasing your Utility Allowances slightly (since one category increased by 11% since the last increase), you've determined that the monthly PUC adjustment will be less than 0.25%. (as estimated above in the example), but will instead be closer to 0.10%
- The general trend of PUC is slow and consistent increases
- PUC Drivers
 - Market (landlord rent increases, local market trends)
 - PHA Policies (as above)
 - Participant Choice/Mobility (portability and other moves)

10/16/2017

209

CONTROL OF PUC

- Controlling the Market Drivers of PUC
 - Ensuring Rent Reasonableness
 - Annual Payment Standard Analysis
 - Negotiating Rent
- Controlling the PHA Policy Drivers of PUC
 - Annual Utility Allowance Reviews
 - Strong Interim Policies
 - Preferences
 - Others as above
- Controlling the Participant Choice Drivers of PUC
 - You can't!

10/16/2017

210

DEVELOP A LEASING PLAN

- Set Goals
- Scenario Test

10/16/2017

211

CONSIDERATIONS

- Always look at the waiting list when deciding whether or not to issue Vouchers. While you may think that you can issue 5, it may turn out that you'll have 1 family at an extremely high HAP
- If you have not purged your waiting list for some time, make sure you do this prior to the Leasing Plan process
- Always set a goal for what you want your NRA to be
- MUST be monitored and updated monthly based on on-going data
- Consider what level of NRA is comfortable—once NRA is used, it is not replaced
- Never try to exceed UML by more than you can lose through attrition—even if you have the money
- Remember...success in leasing depends on many other factors
 - Willing landlords with sufficient units meeting HQS available at affordable rents in good locations
 - Sufficient Applicants with the ability to find and lease units
 - PHA Management capacity

10/16/2017

212

IMPLEMENT AND MONITOR

- Once the Leasing Plan is developed, it must be implemented (shared with both Finance and Leasing staff)
- Results must be monitored monthly, and changes made as necessary to ensure the desired results

10/16/2017

213

HUD SYSTEMS

214

10/16/2017

VOUCHER MANAGEMENT SYSTEM (VMS)

- This system's primary purpose is to provide a central system to monitor and manage the PHA's use of vouchers. The VMS collects PHA data that enables HUD to fund, obligate, and disburse funding in a timely manner, based on actual, reported PHA use.
- VMS Website
 - http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/centers/fmc/vmssysinfo
- User's Manual
 - <http://portal.hud.gov/hudportal/documents/huddoc?id=vms-instructions.pdf>

10/16/2017

215

PIC (INVENTORY MANAGEMENT SYSTEM/ PIH INFORMATION CENTER (IMS/PIC))

- HCV uses PIC mostly Form 50058, which collects, stores, and generates reports on families who participate in Public Housing or Section 8 rental subsidy programs.
- PIC Website
 - http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/systems/pic
- 50058 Family Report
 - <http://portal.hud.gov/hudportal/documents/huddoc?id=50058.pdf>
- 50058 Instruction Booklet
 - <http://portal.hud.gov/hudportal/documents/huddoc?id=50058i.pdf>
- User Manuals Website
 - http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/systems/pic/userguides

10/16/2017

216

ENTERPRISE INCOME VERIFICATION (EIV)

- The purpose of HUD's EIV System is to make income data available from one source, via the Internet, for PHAs to use to improve income verification during required income reexaminations. EIV provides the following information:
 - Monthly employer new hires
 - Quarterly wages (including employer information), Federal wages are available
 - Quarterly unemployment compensation
 - Monthly social security (SS) and supplement security income (SSI) benefits
- Effective January 31, 2010, PHAs are required to use and implement the EIV system in their day-to-day operations.
 - Notice 2010-19
- PIH EIV Training Webcasts and Materials
 - http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/rhiip/training
- PIH EIV User Manual
 - http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_10877.pdf
- PIH EIV Website
 - http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/rhiip/uivsystem

10/16/2017

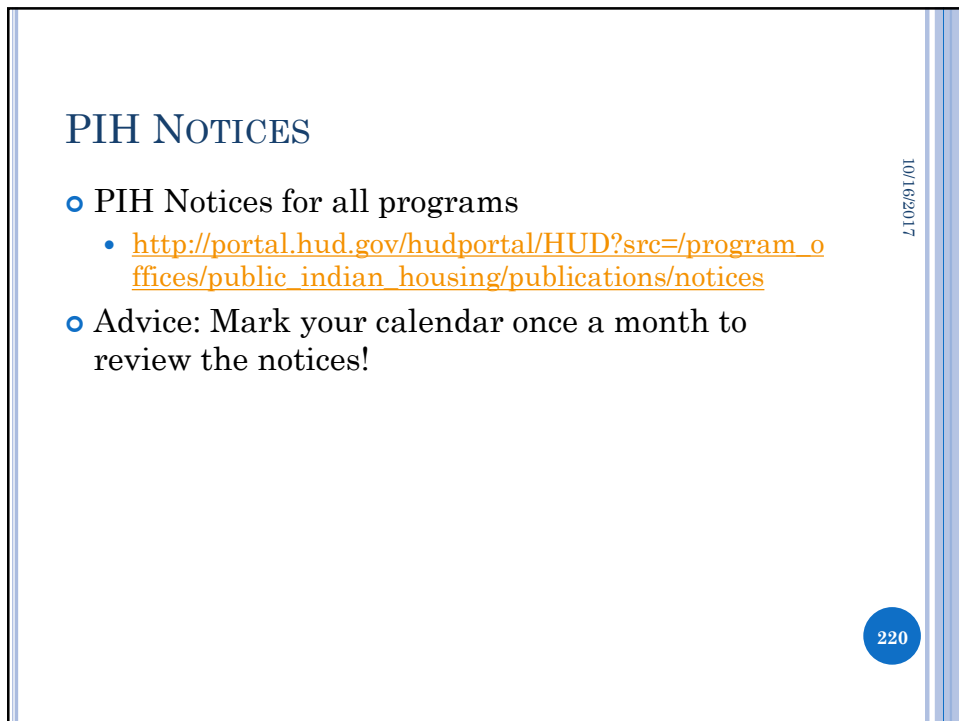
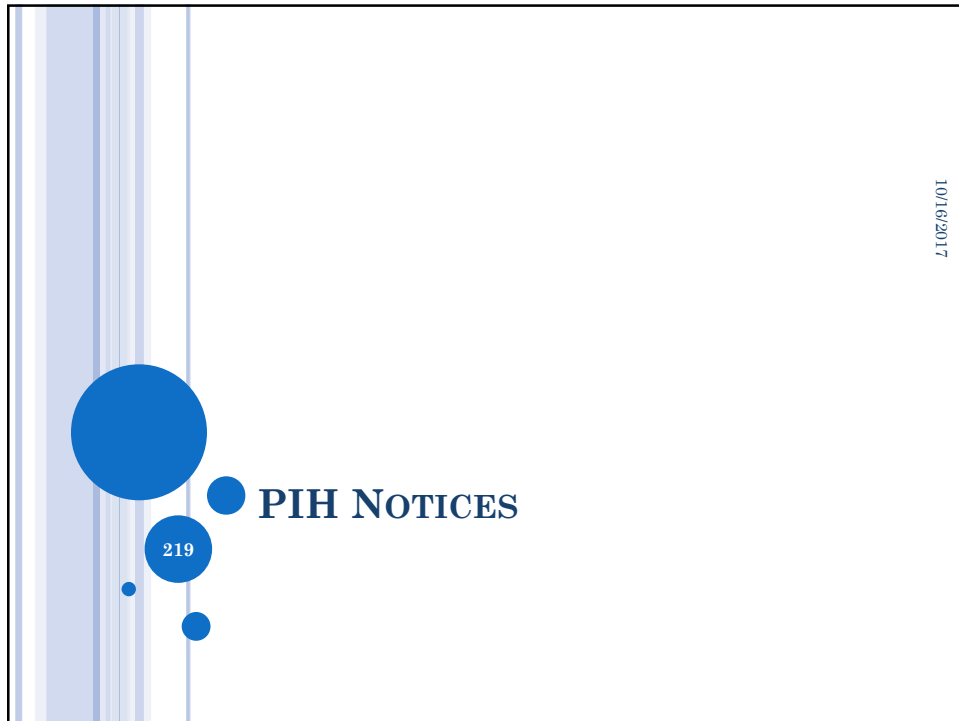
217

FINANCIAL ASSESSMENT SUBSYSTEM (FASPHA)

- Financial reporting system for all PHAs
- HCV Only are also required to report Financial Statements and Audits when required

10/16/2017

218



SOME KEY PIH NOTICES FOR HCV

- 2010-19 Mandatory EIV and Verifications
- 2011-28 Cost Saving Measures
- 2011-65 50058 Reporting
- 2011-67 Cash Management
- 2012-10 Verification of SSN
- 2012-15 Admin Practices
- 2012-29 Passbook Rate
- 2012-34 Waiting List Administration
- 2012-44 SEMAP
- 2013-15 Housing the Homeless
- 2013-28 Outside Funding Sources
- 2014-20 Equal Access Rule
- 2014-25 Over-Subsidization
- 2015-05 PBV
- 2015-19 Exclusion of Arrest Records
- 2015-18 PHA Plans
- 2015-17 Administrative Fee Reserves
- 2015-16 Financial Reporting for HCV
- 2016-05 Streamlining
- 2016-09 Portability and Moves
- 2017-01 VAWA

10/16/2017

221

RESOURCES

222

10/16/2017

RESOURCES AVAILABLE TO PHAS

- PIH One-Stop Tool (POST)
 - http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/post
- HUD HCV Website
 - http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv
- HUD HCV Newsletters
 - http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/newsletter
- HCV Guidebook
 - http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/forms/guidebook
- HCV Newsletters
 - http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/newsletter
 - Each Newsletter includes current issues and HCV-specific PIH Notices
- Your fellow PHAs!
- HUD Staff! ☺

10/16/2017

223

QUESTIONS?

224

Dana Kitchen
dana.m.kitchen@hud.gov
 612-370-3050

10/16/2017