

## HCV SEMAP TRAINING: Module 2: Overview of SEMAP Indicators

Slide 1: Title Slide. Welcome back! This is Module 2 of the training series focused on the Section 8 Management Assessment Program, also known as SEMAP, for the U.S. Department of Housing and Urban Development, HUD.

Slide 2: SEMAP Indicators Overview. The purpose of this training is to provide an overview of SEMAP and key information to help PHAs effectively manage their Housing Choice Voucher program for SEMAP success.

Each module of this training is self-paced and can be started or stopped at any time.

Module 1 provided an overview of the general SEMAP requirements and process. Now we'll provide an overview of each of the SEMAP indicators.

Slide 3: SEMAP Indicators Overview. There are 14 indicators and 1 bonus indicator designed to determine how well an HCV program is performing.

Slide 4: SEMAP Indicators Measure. Among other things, these indicators measure

- how much of the funding is being used;
- whether the agency is complying with regulations regarding rent reasonableness, HQS and reexaminations;
- whether transactions are timely;
- whether the rent calculations are accurate and
- whether there is documentation to support them.

Each indicator is worth a certain number of points. The highest score achievable is 150 points.

The following slides will review the details of each indicator.

Slide 5: Indicator #1 Selection from Waiting List. For Indicator 1, HUD wants to ensure that the PHA has written policies for selecting applicants from the Waiting List and can demonstrate that at least 98% of families were selected in accordance with the policies.

To confirm this, the PHA must review two separate samples of families selected from the waitlist:

- (1) applicants who were identified to receive a voucher but were determined to be ineligible or did not respond and
- (2) New voucher families that were issued a voucher and leased a unit during the year.

Slide 6: Indicator #1 Selection from Waiting List. For each indicator, this training provides key questions for PHA Success that the PHA should review and answer to achieve indicator success. The questions for Indicator 1 are:

- Does the Administrative Plan define how families will be selected, such as for example preferences or ranking?
- Does the application for assistance capture the necessary information to adhere to Administrative Plan policy regarding waitlist placement and selection?
- Do the files contain proof of preference for admissions?
- For applicants that reached the top of the wait list but were not selected, does the PHA have supporting documentation?
- For applicants that were selected, were they selected in the proper order?

Slide 7: Rent Reasonableness (Indicator 2). SEMAP indicator 2 measures whether a PHA has a written policy governing the determination of a reasonable rent to owner in compliance with HUD regulations and if the PHA has implemented the policy as stated in the administrative plan.

This indicator measures whether the PHA has an adequate written method for determining rent reasonableness and completes rent reasonableness determinations when required:

- at initial leasing
- for rent increase requests
- if there is a 10% decrease in Fair Market Rents in effect 60 days before the HAP Contract anniversary

This is confirmed through

- A Review of Administrative Plan and Standard Operating Procedures or SOPs; and
- A File Sample from all assisted families during the FY (Note that files in the sample which did not require rent reasonableness performed are considered in compliance)

Slide 8: Indicator #2 Rent Reasonableness. The questions for success on Indicator 2 are:

- Does the Administrative Plan have a methodology for comparing units?
- Does the documentation on file support the methodology?
- Are rent reasonableness determinations being performed when required?
- Do the rents approved support the methodology?

Slide 9: Indicator #3 Determination of Adjusted Income. Indicator #3 looks at the accuracy of transactions in determining adjusted income.

HUD wants to make sure that the PHA has correctly verified, documented and calculated the components of Adjusted Income (income, assets, deductions, and allowances) and used the correct utility allowance.

This indicator is confirmed by reviewing a file sample of assisted families.

Slide 10: Indicator #3 Determination of Adjusted Income. The questions for success on Indicator 3 are:

- Does the 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 not used)

- Was the adjusted income correctly calculated?
- Was the correct payment standard used?
- Was the correct utility allowance used based on Request for Tenancy Approval (RFTA), lease and HAP contract? Do they all match?

Slide 11: Indicator #4 Review of Utility Allowances. Indicator #4 focuses on whether the PHA maintains current utility allowance standards.

HUD wants to ensure that the PHA is conducting a review of utility rates annually and a review of utility allowances if rates change by more than 10% since the last revision.

This indicator is confirmed through a Review of the utility allowance schedule.

Slide 12: Indicator #4 Review of Utility Allowances. The questions for success on Indicator 4 are:

- Does the PHA review UA schedule annually?
- Does the PHA adjust the schedule when there is a change of 10% or more in the rates since the last time it was reviewed?

Slide 13: Indicator #5 – Housing Quality Standards QC Inspections. Indicator #5 determines whether the PHA is conducting HQS Quality Control or QC inspections.

HUD wants to see that a PHA supervisor or other qualified individual has re-inspected an adequate sample of units (drawn within 3 months of original inspection) during the PHA's fiscal year.

This is confirmed through file reviews of a sample from all units under HAP contract during FY.

Slide 14: Indicator #5 HQS QC Inspections. The questions for success on Indicator 5 are:

- Does the methodology for selecting units ensure that the sample was selected properly?
- Was there a cross-section of neighborhoods selected from re-inspection?
- Was there a cross-section of HQS inspectors selected from re-inspection?
- Is there a copy of the initial and the QC inspection in the file?

Slide 15: Indicator #6 HQS Enforcement. Indicator #6 focuses on HQS enforcement. For this indicator, HUD is looking to see that for at least 98% of the sample, all cited life-threatening deficiencies were corrected within 24 hours and non-life threatening deficiencies within 30 days OR, that the PHA abated HAP payments beginning no later than the first of the month following the specified correction period.

This indicator is confirmed in two places: file reviews of a sample from all failed inspections during the FY and the HAP register to determine if units were property abated.

Slide 16: Indicator #6 HQS Enforcement. The questions for success on Indicator 6 include:

- Does the Administrative Plan contain HQS enforcement policies and procedures?
- For each unit that failed inspection, was there a written notification to owner and tenant identifying action required?
- Was there verification that supports that HQS deficiencies were corrected in a timely manner?

- If deficiencies not corrected, was rent abated and/or HAP contract terminated? Is this reflected in the HAP register?
- If tenant-caused deficiencies were not corrected in a timely manner, was the assistance terminated or other action taken per family obligations?

Slide 17: Expanding Housing Opportunities. Indicator #7 ensures that the PHA is making an effort to expand housing opportunities. This indicator only applies to PHAs with jurisdiction in a Metropolitan FMR area.

HUD wants to ensure that the PHA has a written policy for and documentation that shows it has taken action to encourage participation of owners of units outside areas of poverty or minority concentration.

This is confirmed through a review of the Administrative Plan and participant briefing packet

Slide 18: Expanding Housing Opportunities. The questions for success on Indicator 7 include:

- Can the PHA document that it implements policy to encourage participation of owners that have units outside of areas of poverty or minority concentration?
- Does the PHA have maps delineating areas outside of poverty or minority concentration?
- Does the PHA use prepared information on units, services, job opportunities, schools, transportation in non-impacted areas?
- Does the PHA include information about non-poverty areas in its briefing packet?
- Does the PHA include information on portability in its briefing packet?
- Is there an analysis of voucher holder success in finding units in non-impacted areas?
- Has the PHA analyzed barriers to moving to the areas and considered the appropriateness of seeking exception payment standards?

Slide 19: FMR Limits and Payment Standards. Indicator #8 ensures that the PHA uses correct payment standards.

HUD is looking to ensure that PHA payment standards are no more than 110% (and no less than 90%) of the current Fair Market Rent, unless approved by HUD.

This is confirmed through a Review of Administrative Plan and most recent payment standard schedule

Slide 20: FMR Limits and Payment Standards. The questions for success on Indicator 8 include:

- Does PHA review its payment standard schedule to make sure it aligns with the published FMRs?
- Are the payment standards within 90 to 110% of FMRs?
- Did the PHA use the correct current HUD-published FMR to calculate the payment standard?

Slide 21: Timely Annual Reexaminations. Indicator #9 measures whether annual reexaminations are timely.

The standard for annual reexaminations is that a 50058 must be completed in the system-of-record for each active households within 365 days of the effective date of the prior annual reexamination.

If Under 5% of all reexaminations are no more than 2 months overdue, the PHA receives 10 points.

If 5% - 10% all reexaminations are no more than 2 months overdue, the PHA receives 5 points

This is confirmed through PIC which is why a PHA's PIC reporting rate is so important. HUD does not recognize a transaction if it is not in PIC. The reporting rate is calculated as 50058 Received divided by 50058 Required, expressed as a percentage. HUD requires a PHA's reporting rate to be 94.5% or higher to be awarded points for indicators that are measured through PIC.

Slide 22: Indicator 9 Timely Annual Reexaminations. The questions for success on Indicator 9 include:

- Does the PHA have a process in place to ensure that reexams are completed within 12 months of the prior reexam?
- Is the PHA tracking the completion of reexams as well as delinquent reexams?
- Does the PHA have a procedure to correct PIC errors to ensure that transactions are uploading?
- Does the PHA monitor this PIC indicator regularly?
- Does the PHA monitor reporting rates by comparing PICs Delinquency report and Ad Hoc reports with VMS for same timeframe?

Slide 23: Indicator 10 Correct Tenant Rent Calculations. Indicator #10 measures correct tenant rent calculations.

This indicator is also measured through PIC. It looks for the percent of correct calculations of tenant rent and family's portion of rent to owner as reflected in the PHA's 50058 transactions. This is related to Indicator #3 because if the adjusted income is not calculated correctly, the tenant's rent portion amount is likely to be incorrect too.

This information is confirmed through a PIC report that will show the percentage of correct transactions.

Slide 24: Indicator 10 Correct Tenant Calculations. The questions for success on Indicator 10 include:

- What does the PHA do to ensure accurate rent calculations?
- Was the adjusted income correctly calculated?
- Was the correct payment standard used?
- Was the correct utility allowance used?

Slide 25: Indicator 11 Pre-Contract HQS Inspections. Indicator #11 looks at pre-contract HQS inspections.

In this indicator, HUD is looking to see that 98% of units leased in the FY will have had a passed HQS inspection before the beginning date of the assisted lease and HAP contract.

This information is confirmed through a PIC report showing date of passed inspection and date of move-in, transaction type 1 for new admissions or 7 for moves.

Slide 26: Indicator 11 Pre-Contract HQS Inspections. The questions for success on Indicator 11 include:

- How does the PHA track move-ins to make sure there is a passed inspection prior to HAP execution and lease up?

Slide 27: Indicator 12 Annual HQS Inspections. Indicator #12 measures annual HQS inspections.

For this indicator, HUD is looking for 95% of leased units to be inspected once every 365 days.

This is confirmed through a PIC Report of leased units and last HQS annual inspection date.

Slide 28 Indicator 12: Annual HQS Inspections. The questions for success on Indicator 12 include:

- Does the PHA have a process to ensure that leased units are inspected annually?
- Is the PHA uploading inspection results to PIC on a timely basis?

Slide 29: Indicator 13: Lease Up. Indicator #13 is the Leasing Utilization Indicator. This indicator allows HUD to see whether the PHA is using its allocation of HCV vouchers. It measures the number of units leased against the number of vouchers allocated or the PHA's budget authority.

If the allocation is 98% or more either in units or funds expended, the PHA gets the full 20 points.

This indicator is confirmed through the use of VMS data reflecting number of units leased and FMC data reflecting budget expended.

Slide 30: Indicator 13: Lease-Up. The questions for success on Indicator 13 include:

- Is the PHA using the 2-year tool regularly to determine utilization rates?
- Does the PHA have procedures to conduct an efficient lease up process when the PHA is under leased?
- Does the PHA restate VMS so that units leased are accurately represented in VMS?

Slide 31: Indicator 14 FSS Enrollment and Escrow. Indicator #14 involves FSS Enrollment and FSS Escrow

This indicator applies to PHA's with mandatory FSS programs. It has 2 components—one measures whether the PHA has the required number of families in the program and the other measures the percentage of FSS participants with escrows.

80% of required slots or more of FSS participants, 30% with escrow=10 points

60-79% of required slots filled with 30% escrow= 8 points

60-79% of required slots filled and less than 30% escrow=3 points

This indicator is confirmed through the PIC report indicating enrollees and escrow amounts.

Slide 32: Indicator 14 FSS Enrollment and Escrow. The questions for success on Indicator 14 include:

- Does the PHA have a strong recruitment program to engage potential enrollees?
- Does the PHA have strong marketing materials that effectively explain the program and its benefits?
- Does the PHA engage current enrollees, celebrate successes and maintain close contact in order to encourage continued participation?
- Does the PHA have strong partners and a community presence that provides FSS enrollees with the support they need to obtain education and better employment so that they can have escrow accounts?

Slide 33: Indicator 15: Deconcentration Bonus. Indicator 15 is the Deconcentration Bonus.

This is an optional indicator and only applies to PHAs with jurisdiction in a Metropolitan FMR area.

The PHA must meet one of three criteria to qualify for the points:

- (1) Half or more of all HCV families with children assisted by the PHA in its principal operating area resided in low poverty census tracts at the end of the last PHA FY;
- (2) The percent of HCV mover families with children who moved to low poverty census tracts in the PHA's operating area during the last PHA FY is at least two percentage points higher than the percent of all HCV families with children who resided in low poverty census tracts at the end of the last PHA FY;
- (3) Same as (2), but during the last two PHA fiscal years.

To confirm for this indicator, the PHA must respond to questions using data from its system of record about participant moves and census tracts.

Slide 34: Indicator #15: Deconcentration Bonus Indicator. The questions for success on Indicator 15 include:

- Does the PHA have information in its voucher briefing packet about low-poverty areas including information about schools, transportation, large employers in the area, cost of living, etc.?
- Does the PHA have an outreach program to attract landlords in low poverty areas?
- Is the PHA in a Metropolitan FMR area?

Slide 35: End of module. This ends Module 2.