

HCV SEMAP TRAINING: Module 4: Leasing

Slide 1: Title Slide. Welcome back! This is Module 4 of the 5-part 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: List of Modules. 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.

This Module will continue the discussion of each indicator in greater depth and provide key information to add to your PHA toolkit to manage your HCV program for SEMAP success.

Slide 3: Managing Leasing Indicators 2, 3, 4, 7, 8, 13 & 15.

We begin our discussion focusing in on indicators related to managing leasing. This includes Indicators 2, 3, 4, 7, 8, 13 & 15

Slide 4: 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.

Slide 5: Rent Reasonableness (Indicator 2). When determining rent reasonableness the location, unit size, housing type, unit quality and age, amenities, housing service, maintenance and utilities provided by the owner all must be taken into consideration.

Slide 6: Rent Reasonableness (Indicator 2). HUD's rent reasonableness standard is designed to ensure that rents being paid are reasonable in relation to rents being charged for comparable unassisted units in the same market.

Rent reasonableness determinations must be completed at the time of initial leasing, before any increase in the rent to the owner and at the HAP contract anniversary if there was a 10% or more decrease in the published FMR in effect 60 days before the HAP contract anniversary.

Slide 7: Indicator 2 – Tool Box. To prepare for SEMAP success, PHAs should ensure that rent reasonableness is included as a written policy in the Admin Plan.

PHA should also have readily available a list of assisted families and all reasonable rent determinations.

Slide 8: Utility Allowance. As part of the SEMAP assessment process, PHAs are required to certify that they maintain up-to-date utility allowance schedules, and that they use them to calculate correct utility allowances for participating families.

SEMAP Indicator 4, Utility Allowance Schedule, requires the PHA's certification that an annual utility allowance review has been conducted and that the utility allowance schedule has been adjusted where there was a change of 10 percent or more in the rate for a utility since the last revision. The PHA should

retain all information used in the annual review, whether or not revisions are made, and should document any revisions made.

Slide 9: Utility Allowance Schedule. A PHA is required to maintain a utility allowance schedule for tenant-paid utilities, tenant-supplied refrigerators and ranges, and other tenant-paid housing services (such as trash collection).

For each category, the schedule must take into consideration the type and size of the unit, and the type of utility used.

When establishing a utility allowance schedule, a PHA should make every effort to base the allowances on actual rates and average consumption estimates that will be adequate to cover expected average utility costs over a twelve-month period.

The PHA's utility allowance schedule must be entered on form HUD-52667, Allowances for Tenant Furnished Utilities and Other Services.

Slide 10: Utility Allowance. When a family has located a unit and submitted a request for tenancy approval the PHA can calculate the actual utility allowance for the family.

The request for tenancy approval identifies the utilities the tenant must pay and the utilities the owner will cover as well as the structure type and unit size.

Slide 11: Indicator 4 – Tool Box. To prepare for the SEMAP review, have readily available the following

- Utility Allowance Schedule for Prior FY
- Utility Allowance Schedule for Current FY
- Utility Allowance Study
- Board Resolution (if applicable)

Slide 12: Family Briefings (Indicators 7, 15). Family briefings are relevant to both indicators 7 and 15, which are around expanding housing opportunity beyond areas of concentrated poverty.

The briefing session is a key time to educate participants about these options.

Every voucher recipient must receive a briefing and that can be held either individually or in a group. The PHA will provide a voucher information packet to the voucher recipient that includes information about family responsibilities, how the HCV program works, how to search for a unit, and this is a chance as well to give information about opportunity areas.

Slide 13: Family Briefings (Indicators 7, 15). Briefings should explain to participants how long the initial voucher search time is and the length of a number of extensions that can be requested to extend the search.

Briefings should also include information for voucher holders on searching for units in opportunity areas and the benefits of living in these areas. This material can earn PHAs points for SEMAP Indicator 7.

Slide 14: Indicator 7 – Tool Box. A PHA will have success with indicator 7 if they have reviewed and have ready

- A copy of their Information/briefing packet

- Copies of Maps shared with HCV families which identify areas of opportunity
- Rental Unit Listings and
- Portability Information

Slide 15: Payment Standards (Indicator 8). Indicator 8 measures whether a PHA has adopted proper payment standards. The PHA must have a payment standard for each unit size and for each Fair Market Rent in the PHA jurisdiction. Payment standards must be between 90 and 110% of the fair market rent set by HUD, unless a higher or lower exception payment standard has been approved by HUD.

Slide 16: Payment Standards (Indicator 8). The maximum a PHA can pay is the Payment Standard less the Total Tenant Payment.

Maximum subsidy calculation may be done when the family is issued a voucher and the Actual subsidy is calculated when the family selects a unit.

Slide 17: Indicator 8 – Tool Box. Ready for the annual SEMAP certification, PHAs should have available the following items:

- Payment Standards Prior and Current FY
- HUD-published FMRs Prior and Current FY
- Payment Standard Analysis
- Board Resolution (if applicable)

Slide 18: HAP Contracts (Indicator 13). Indicator 13 is regarding the lease up process.

One aspect of the lease up process that is essential to execute correctly is the HAP contract between the PHA and the owner.

The HAP contract, which authorizes HAP payments to the owner, must not be completed before the unit passes its initial HQS inspection or before a rent reasonableness report has been completed approving the contract rent.

A tenancy addendum must be attached to all HAP contracts and under no circumstances can any payments be made to the owner before the HAP contract is completed. The HAP contract should be signed no later than 60 days after the lease term starts and a new HAP contract should be signed whenever the lease is revised.

Additionally, at the end of the tenancy, no payment can be made to the owner either after the family moves out or after the lease term ends, whichever comes first.

Slide 19: HAP Contract Execution. A HAP contract is executed between and Owner and PHA when the owner and unit are both approved. This means that it has been confirmed that the owner is in good standing and has not been debarred, suspended or denied participation and that the unit has passed HQS.

The HAP contract and the lease between the owner and tenant must run concurrently.

A new HAP contract is required for changes in tenant/owner responsibilities for utilities;

Or if the Family moves, even within the same building.

Slide 20: HAP Contract Effective Date. A PHA may not make HAP payment until the HAP contract is signed by the owner. The HAP contract must be signed no more than 60 days after the effective date.

If the HAP Contract is not signed within 60 days of lease effective date, the contract is void and no assistance can be paid to the owner.

Slide 21: End of Module. This ends Module 4.