

Effective HCV Program Management for SEMAP Success

MODULE 5: HQS SPV,
VMS and Modules
Summary





Module 1: Introduction

Module 2: Overview of Indicators

Module 3: Intake & Eligibility

Module 4: Leasing

Module 5: HQS, SPV, VMS & Summary



Managing HQS

Indicators 5, 6, 11 & 12

HQS Enforcement



- SEMAP

- PRE contract Inspections 5 points
- Biennial Inspections 10 points
- HQS Enforcement 10 points
- Quality Control 5 points
- Rent Reasonable 20 points
- Total Inspection Points: 50 points

HQS is 1/3 of Total Agency Score (150 points)

Inspection Types



- Initial
- Annual/Biennial
 - PHA must verify corrections (for properties that fail)
- Complaint
 - Requested by the tenant or government official
 - Emergency (24 hours or next business day to make repairs)
 - Non-emergency (Normal time frame to make repairs: typically 30 days)
- Quality Control
 - Unit reinspected by supervisor within 3 months of original inspection

Alternative Inspections



- PHA may use alternative inspections if unit passed inspection within previous 24 months if inspected for:
 - HOME program
 - The Low-Income Housing Tax Credit Program or inspections performed by HUD
- PHA must have access to alternative inspection
- If inspection used sampling, unit must have been in sample

Use of Alternate Inspections MUST be Included in the Administrative Plan

HQS Enforcement



- Owner responsible to maintain the unit in compliance with HQS.
 - Not responsible for tenant-caused deficiencies.
- If owner fails to maintain unit in compliance with HQS, unit is abated and remains abated until violations corrected (timeframe set by PHA)
 - PHA must provide owner 30-day notice of abatement
 - Tenant issued a voucher to move (required move)
- Owner not entitled to payment during abatement period, even if deficiencies corrected
- PHA terminate the HAP contract

HQS Quality Control Inspections (Indicator 5)



- Qualified person performs quality control HQS inspections during the PHA fiscal year
- QC Inspections conducted within 3 months of the original inspection
- QC inspections must be a representative sample of actual inspections conducted during the year, include cross-section of inspections by:
 - Inspector
 - Unit type
 - Neighborhood/Zip Code

Indicator 5 – Tool Box



- QC Inspection Log for FY
 - All inspectors
 - Neighborhoods/zip codes
 - Timeframe (within 3 months)

Items to Review

- Initial pass inspection
- Letter landlord/tenant notifying of QC reinspection
- QC reinspection result
 - If QC reinspection failed, review all inspections until unit passed.

Timing of Inspections (Indicators 5,11,12)



- QC inspections must be completed no later than 3 months after the original inspection
- Annual inspections must be completed once every 12 months, or
 - for PHAs with biennial inspections, every 24 months
- Life-threatening/emergency fails
 - Must be completed within 24 hours or the 1st business day following the emergency finding
- Reinspections for regular annual and special inspections
 - Must be completed within 30 days of the failed inspection
- Initial inspections
 - Must be completed within 15 days of RFTA receipt.
 - Initial inspection must pass before HAP Contract execution.

HQS Enforcement (Indicator 6)



- For at least 98% of the sample
 - all cited life-threatening deficiencies were corrected within 24 hours
 - non-life threatening deficiencies within 30 days
 - Or the PHA abated HAP payments beginning no later than the first of the month following the specified correction period.
 - Or took prompt and vigorous action to enforce family obligations

Indicator 6 – Tool Box



- List of Failed Inspections during FY
- Notice to Landlord/Tenant of Failed Inspection
- Notice of Adverse Action to Landlord (Owner-Caused) and Tenant (Tenant-Caused)
- HAP Register

Items to review

- All communication to landlord/tenant regarding initial failed and passed inspection
- HAP register for abatements of owner-caused deficiencies
- Termination Notice for tenant-caused deficiencies

Lead-Based Paint



- HQS does not allow the presence of chipped, peeling paint in the unit or in any internal or external areas of the building which residents are able to access if the unit was built prior to 1978.
- A family may not move into a new unit until lead-based fails have passed.

Uniform Physical Conditions Standards-Vouchers (UPCS-V)



- UPCS-V is an inspections protocol from a HUD demonstration program that included more than 200 PHAs.
- UPCS-V was being considered as a replacement to the HQS currently used in HCV programs.
- HUD has announced plans to phase out HQS in favor of the National Standards for the Physical Inspection of Real Estate (NSPIRE).

Infestation and Bed Bugs



- Evidence of an infestation of insects or rodents is a regular fail
 - owners must address the fail in the same time frame as other HQS deficiencies.
- Exception is a bed bug infestation
 - PIH Notice 2012-17 provides further guidance on requirements to cure a fail related to a bed bug infestation.
- PHAs should adopt a bed bug policy in their Admin Plan taking into account HUD's guidance
- Bed bug infestations require urgent action on the part of the owner to begin to treat the problem.



Managing Special Circumstances/ Special Purpose Vouchers

Project-Based Vouchers



- Project-Based Vouchers
 - linked to an individual unit instead of an individual household
 - PHAs enter into contracts with owners to provide project based assistance.
- Individuals can apply for assistance with individual properties instead of directly through the PHA

Tenant Protection Vouchers



- Relocation voucher issued to public housing residents who must be relocated, often due to redevelopment of their public housing residence.
 - Sunset at turnover
- Replacement voucher issued to public housing residents when their residence is being demolished and will not be replaced.
- Replacement vs. relocation TPV depends on whether the HUD-assisted housing is permanently lost.

PHA-Owned Units



For PHA-owned PBV units, the following actions must be completed by an independent entity, not by PHA staff:

- HQS inspections
- Initial and annual determinations of rent reasonableness

The background of the slide features three stylized house silhouettes. The leftmost house is blue, the middle one is green with a white outline, and the rightmost one is dark blue. The text is positioned on the dark blue house silhouette.

Voucher Management System (VMS)

Voucher Management System (VMS) Overview



- Online HUD reporting system in which PHAs report performance data monthly
 - Units leased
 - HAP expenditures
- HUD has divided the data entry document, Form 52681-B, into five main data entry screens:
 - Voucher UML & HAP
 - Other Income & Expense
 - Additional Expense/Comments
 - Disaster UML & HAP
 - PHA Contact Information

Voucher Management System (VMS) Overview (Cont'd)



- Collection deadline for monthly submission is the 22nd of each month for submission of the prior month's data
- Do not wait until the final day of the collection period to submit their data
 - VMS Data Entry is only open at certain times of the month – be prepared!

Voucher Management System (VMS) Overview (Cont'd)



- Expenses reported to VMS should reconcile to the PHA general ledger
- HCV Occupancy, Leasing and Finance need to work together to ensure the accuracy of VMS-reported data

VMS Submission



- Each submission includes data for a specified month only.
- Enter data in each VMS field by the specified month only.
- Enter all leasing and expense data in positive whole numbers, except (if applicable)
 - Restricted Net Position (RNP)
 - Unrestricted Net Position (UNP)
 - Vouchers Leased End of Month
 - All Voucher HAP Expenses After the First of Month
 - Vouchers issued but not under HAP contract as of the last day of the month
 - Cash/Investments as of the last day of the month

Common VMS Submission Errors



- Reporting voucher leased after the first of the month as being leased as of the first of the month
- Including Port-In UML and HAP as “All Other Vouchers”
- Reporting vouchers in more than one category
- Reporting vouchers in the incorrect voucher line item
- Failing to include abated units in the Total Vouchers
- Reporting vouchers on hold incorrectly
 - Issued but not under HAP contract
- Reporting Mainstream HAP and UML under regular voucher program

How HUD Uses VMS Data



- The web-based VMS application facilitates electronic submission of monthly program data by the PHAs which in turn, makes the data accessible to users in PIH-REAC, FMD, FMC, Field Offices (FO), and Headquarters (HQ)
- HUD reviews data submission
 - Approved Submission
 - Disapproved Submission

How HUD Uses VMS Data (Cont'd)



- HUD uses VMS to determine future HAP and Admin Fee funding
- Administrative Fee funding is determined by the units under lease as of the first of the month being reported.
- Expenses reported to VMS should reconcile to the PHA general ledger each quarter.
- A final reconciliation is done at the end of the year.



Tool Box Summary & Key Takeaways

Administrative Plan Provisions



- Written policy for selecting applicants from the Waiting List – **Indicator 1**
- Written policy for determining Rent Reasonableness – **Indicator 2**
- Written policy for conducting Verification of Income – **Indicator 3**
- Written policy for failed inspections – **Indicator 6**
- Written policy to encourage participation by owners with units outside areas of poverty or minority concentration – **Indicator 7**

SEMAP Documentation to Collect



- **#1: Waiting List**
 - Original Application
 - Waiting List at FYE
 - Waiting List Pulls for FY
 - New Admissions for FY
 - WL Selection Notice
 - WL Eligibility Notice & Voucher/HAP Contract
 - WL Denial Notice
 - File Review Checklist
- **#2: Rent Reasonableness**
 - Reasonable Rent Determinations
 - File Review Checklist
- **#3: Adjusted Income**
 - Annual/Adjusted Income Determinations
 - File Review Checklist
- **#4: Utility Allowance**
 - Utility Allowance Schedule Prior FY & Current FY
 - Utility Allowance Study
 - Board Resolution (if applicable)
- **#5: Quality Control Inspection**
 - QC Inspection Log for FY
- **#6: HQS Enforcement**
 - List of Failed Inspections during FY
 - Notice to Landlord/Tenant of Failed Inspection
 - Notice of Adverse Action to Landlord
 - HAP Register
- **#7: Expanding Housing Opportunity**
 - Information/briefing packet
 - Maps - Jobs, Schools, Transportation
 - Rental Unit Listing
 - Portability Information
- **#8: Payment Standards**
 - Payment Standards Prior FY & Current FY
 - HUD-published FMRs Prior FY & Current FY
 - Payment Standard Analysis
 - Board Resolution (if applicable)
- **#9 – 12, 14: Based on 50058 data reported in PIC**
 - 94.5% PIC reporting rate required to earn points

How to Manage HCV Finances for Success



- Maximize utilization (leasing)
 - Assist as many families as possible
 - Use 2-Year Forecasting Tool to monitor leasing status monthly and adjust leasing plan, as needed
 - Achieve and maintain full points on SEMAP Indicator 13: Lease-Up
 - Maximize administrative fee income
- Proactively manage HAP funding
 - Use 2-Year Forecasting Tool to monitor HAP expenditures
 - Unused HAP adversely impacts future HAP funding and subject to offset
- QC transactions to prevent unsupported and inaccurate payments
 - Exception report to identify outliers

Final step for Success



- Complete the HUD 52648 Certification and submit on time!

Section 8 Management Assessment Program (SEMAP) Certification

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0215
(exp. 02/29/2020)

Public reporting burden for this collection of information is estimated to average 12 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and you are not required to respond to, a collection of information unless it displays a currently valid OMB control number.

This collection of information is required by 24 CFR sec 985.101 which requires a Public Housing Agency (PHA) administering a Section 8 tenant-based assistance program to submit an annual SEMAP Certification within 60 days after the end of its fiscal year. The information from the PHA concerns the performance of the PHA and provides assurance that there is no evidence of seriously deficient performance. HUD uses the information and other data to assess PHA management capabilities and deficiencies, and to assign an overall performance rating to the PHA. Responses are mandatory and the information collected does not lend itself to confidentiality.

Instructions Respond to this certification form using the PHA's actual data for the fiscal year just ended.

PHA Name	For PHA FY Ending (mm/dd/yyyy)	Submission Date (mm/dd/yyyy)

Check here if the PHA expends less than \$300,000 a year in Federal awards

Indicators 1 - 7 will not be rated if the PHA expends less than \$300,000 a year in Federal awards and its Section 8 programs are not audited for compliance with regulations by an independent auditor. A PHA that expends less than \$300,000 in Federal awards in a year must still complete the certification for these indicators.

Performance Indicators

1. Selection from the Waiting List. (24 CFR 982.54(d)(1) and 982.204(a))

(a) The PHA has written policies in its administrative plan for selecting applicants from the waiting list.

PHA Response Yes No

(b) The PHA's quality control samples of applicants reaching the top of the waiting list and of admissions show that at least 98% of the families in the samples were selected from the waiting list for admission in accordance with the PHA's policies and met the selection criteria that determined their places on the waiting list and their order of selection.

PHA Response Yes No

2. Reasonable Rent. (24 CFR 982.4, 982.54(d)(15), 982.158(f)(7) and 982.507)

(a) 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 (i) at the time of initial leasing, (ii) before any increase in the rent to owner, and (iii) at the HAP contract anniversary if there is a 5 percent decrease in the published FMR in effect 60 days before the HAP contract anniversary. The PHA's method takes into consideration the location, size, type, quality, and age of the program unit and of similar unassisted units, and any amenities, housing services, maintenance or utilities provided by the owners.

PHA Response Yes No



**End of
Module 5**