Housing Choice Voucher Executive Management Master Book

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Table of Contents

Introduction to Housing Choice Voucher Executive Management

SECTION I.1 **PURPOSE OF BOOK** I.1-1

SECTION I.2 **THE BALDRIGE PERFORMANCE EXCELLENCE PROGRAM** I.1-3

Self-Analysis Worksheet. I.1-5

Baldrige Definitions. I.1-8

SECTION I.3 **HISTORICAL PERSPECTIVE OF SUBSIDIZED HOUSING PROGRAMS** I.1-15

Pre-Public Housing I.1-15

The Housing Act of 1937 . . . . . I.1-17

The Housing Act of 1949 . . . . . I.1-18

The Housing and Urban Development Act of 1965 . . . . . I.1-18

The Fair Housing Act (Title VIII of the Civil Rights Act of 1968) I.1-19

The Housing and Urban Development Act of 1969 — The Brooke Amendment. I.1-19

1973 Moratorium I.1-19

The Housing and Community Development Act of 1974 . . . . . I.1-19

The Housing and Community Development Acts of 1980 and 1981 . . . . . I.1-20

The Housing and Urban-Rural Recovery Act of 1983. . . . . I.1-20

The Housing and Community Development Act of 1987 . . . . . I.1-20

The Stewart B. McKinney Homeless Assistance Act of 1987 . . . . . I.1-21

The HUD Reform Act of 1989. . . . . I.1-21

The Cranston-Gonzalez National Affordable Housing Act of 1990 . . . . . I.1-21

The Housing and Community Development Act of 1992 . . . . . I.1-22

The Quality Housing and Work Responsibility Act of 1998 . . . . . I.1-22

Types of Subsidized Housing Programs. I.1-25

Rental Certificate Program (1974-2001) (Formerly Section 8 Existing Housing Program) I.1-25

Rental Voucher Program (1984-2001) (Formerly Housing Voucher Program) I.1-26

The Housing Choice Voucher Program (2001 to Present). I.1-26

Project-Based Vouchers I.1-26

Special Purpose Vouchers (“Boutique” Programs). I.1-27

Private Sector Section 8 Programs and Characteristics I.1-33

Section 8 New Construction Program (1974-1984) I.1-33

Section 8 Substantial Rehabilitation Program (1974-1984) I.1-34

Section 8 Moderate Rehabilitation Program (1978-80) I.1-35

Public Housing I.1-36

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Table of Contents

CHAPTER 1 Organizational Profile

SECTION 1.1 **INTRODUCTION** 1.1-1

SECTION 1.2 **ORGANIZATIONAL ENVIRONMENT** 1.2-1
Key Functional Relationships 1.2-2
Service Offerings 1.2-3
Regulatory Requirements 1.2-4
PHA Role 1.2-15
The Board, Executive Director, and Senior Leaders 1.2-16
Organizational Structure 1.2-21
Mission, Vision and Culture 1.2-28
Strategic Planning and Strategy Deployment 1.2-33
Goals and Objectives 1.2-44
Leadership Performance Systems 1.2-55
Ethics 1.2-63

SECTION 1.3 **ORGANIZATIONAL RELATIONSHIPS** 1.3-1
Key Relationships 1.3-2
Voice of the Customer 1.3-11
Customer Communication 1.3-16
Owner Excellence Programs 1.3-26

CHAPTER 2 Workforce

SECTION 2.1 **INTRODUCTION** 2.1-1

SECTION 2.2 **WORKFORCE CAPABILITY** 2.2-1

SECTION 2.3 **WORKFORCE CAPACITY** 2.3-1

SECTION 2.4 **SELECTION AND ONBOARDING** 2.4-1
Introduction 2.4-1
Hiring and Selection 2.4-1
Onboarding 2.4-22

SECTION 2.5 **PERFORMANCE MANAGEMENT** 2.5-1
Introduction 2.5-1
Performance Standards 2.5-2
Performance Incentives 2.5-15
Individual Development Plans 2.5-20
Termination 2.5-24

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CHAPTER 3 Effective Supervision

SECTION 3.1 INTRODUCTION . . . 3.1-1

SECTION 3.2 THE TRANSITION FROM FRONT LINE STAFF TO SUPERVISOR . . . 3.2-1
Prepare for the Transition from Front Line Staff Member to Manager . . . 3.2-1
Common Challenges for New Managers . . . 3.2-3

SECTION 3.3 SUPERVISORY SKILL BUILDING . . . 3.3-1
Communication . . . 3.3-1
Listening . . . 3.3-18
Managing Conflict . . . 3.3-22
Giving Feedback . . . 3.3-25
Delegation . . . 3.3-28
Time Management . . . 3.3-30
Meeting Management . . . 3.3-31
Social Media and the Workplace . . . 3.3-39
Creating a Motivational Environment . . . 3.3-42
Coaching Employees . . . 3.3-45
Performance Evaluation . . . 3.3-48
Employee Discipline . . . 3.3-66

SECTION 3.4 DISC® PROFILE: MANAGING YOURSELF AND OTHERS . . . 3.4-1

SECTION 3.5 SITUATIONAL LEADERSHIP . . . 3.5-1
Leadership Styles . . . 3.5-3

CHAPTER 4 Financial Management and Program Utilization

SECTION 4.1 INTRODUCTION . . . 4.1-1

SECTION 4.2 ANNUAL CONTRIBUTIONS CONTRACT (ACC) . . . 4.2-1
Overview of the Master Document . . . 4.2-1
Understanding the ACC Funding Exhibit . . . 4.2-10

SECTION 4.3 KEY POINTS OF HAP AND FEES FUNDING . . . 4.3-1
Introduction . . . 4.3-1
PHA Requirements for HAP Funding . . . 4.3-1
Quality Assurance . . . 4.3-2
Administrative Fee Restriction . . . 4.3-2

SECTION 4.4 REPORTING REQUIREMENTS . . . 4.4-1
Overview . . . 4.4-1
Use of the VMS . . . 4.4-1

SECTION 4.5 MONITORING YOUR FUNDING . . . 4.5-1
Introduction . . . 4.5-1
Tracking PUC . . . 4.5-2
Tracking Administrative Fees . . . 4.5-3
Developing and Using Monitoring Tools . . . 4.5-3

SECTION 4.6 YEAR-END FINANCIAL REPORTING REQUIREMENTS . . . 4.6-1
Introduction . . . 4.6-1
HUD Monitoring . . . 4.6-2

SECTION 4.7 MANAGING FUNDING . . . 4.7-1
Introduction . . . 4.7-1
Managing HAP Funding . . . 4.7-1
Potential Problems and Solutions . . . 4.7-2

SECTION 4.8 HUD PROGRAM TOOLS . . . 4.8-1
HUD's Two-Year Forecasting Tool . . . 4.8-1

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SECTION 4.9 **INTERDEPARTMENT COORDINATION** 4.9-1
SECTION 4.10 **MAXIMIZING ADMINISTRATIVE RESOURCES** 4.10-1
Introduction 4.10-1
Budgeting Administrative Fees and Operating Expenses 4.10-1
Administrative Expenses 4.10-3
Simplification Strategies for the PHA 4.10-9
Summary 4.10-16
SECTION 4.11 **HOUSING CHOICE VOUCHER PROGRAM FEE FOR SERVICE** 4.11-1
SECTION 4.12 **LEASING BUDGET PROJECTION WORKSHEET** 4.12-1
Introduction 4.12-1
The Worksheet and Its Explanation 4.12-1

CHAPTER 5 **Operational Work Systems**
SECTION 5.1 **INTRODUCTION** 5.1-1
SECTION 5.2 **WORK SYSTEMS AND PROCESSES** 5.2-1
SECTION 5.3 **REQUIRED PHA POLICIES AND POLICY DEVELOPMENT** 5.3-1
The Consolidated Plan 5.3-1
The PHA Plan 5.3-5
Civil Rights Certification 5.3-8
Administrative Plan Required Content 5.3-9
Mandatory Vs. Discretionary Policies 5.3-11
Administrative Plan Policy Development 5.3-14
SECTION 5.4 **KEY WORK PROCESSES** 5.4-1
Procedures 5.4-1
Steps to Developing a Procedure for Annual Reexaminations 5.4-2
Sample Minimum Procedures 5.4-40
SECTION 5.5 **SUMMARY: IMPLEMENTING POLICIES AND PROCEDURES** 5.5-1
SECTION 5.6 **DOCUMENT CREATION** 5.6-1
SECTION 5.7 **SOFTWARE** 5.7-1
SECTION 5.8 **WORK PROCESS TOOLS** 5.8-1
Reexamination Calendar 5.8-1
Reexamination Tracking 5.8-7
Temporary File Organization 5.8-12
Desk Checks 5.8-13
Caseload Status Report 5.8-13

CHAPTER 6 **Measurements and Analysis**
SECTION 6.1 **INTRODUCTION** 6.1-1
SECTION 6.2 **QUALITY CONTROL PLANNING** 6.2-1
Introduction 6.2-1
Types of Quality Control 6.2-3
The Quality Control Cycle 6.2-7
Program Integrity Schedule 6.2-8
Designing a Quality Control Plan 6.2-21
SECTION 6.3 **CONDUCTING QUALITY CONTROL** 6.3-1
Internal Quality Control 6.3-2
Formal Quality Control 6.3-7

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SECTION 6.4 **PRODUCTION MEASUREMENT** 6.4-1
Introduction 6.4-1
Leading and Lagging Indicators 6.4-9
Using Reports to Track Production 6.4-11
Cycle Time 6.4-17
SECTION 6.5 **ACCURACY MEASUREMENT** 6.5-1
Conducting Tenant File Reviews 6.5-1
Using Reports to Track Accuracy 6.5-5
EIV Measurement 6.5-15
HUD IMS/PIC Measurement 6.5-21
Five Tips to Increase Your PIC Reporting Rate 6.5-25
SECTION 6.6 **PROBLEM AND DATA ANALYSIS** 6.6-1
Introduction 6.6-1
Problem Analysis 6.6-2
Data Analysis 6.6-5

CHAPTER 7 **Performance Solutions**
SECTION 7.1 **INTRODUCTION** 7.1-1
SECTION 7.2 **QUALITY CONTROL PLANNING** 7.2-1
Performance Excellence 7.2-1
SECTION 7.3 **PROBLEM RESPONSE STRATEGY** 7.3-1
SECTION 7.4 **PERFORMANCE TRENDS AND RESULTS** 7.4-1
SECTION 7.5 **ERROR REDUCTION STRATEGY** 7.5-1
SECTION 7.6 **SEMAP IMPROVEMENT** 7.6-1
SECTION 7.7 **REPORTS** 7.7-1
SECTION 7.8 **KNOWLEDGE MANAGEMENT (KM)** 7.8-1
Introduction 7.8-1
What Knowledge Do You Need to Manage? 7.8-3

CHAPTER 8 **Managing Program Functions**
SECTION 8.1 **INTRODUCTION** 8.1-1
SECTION 8.2 **MANAGING THE OWNER BASE** 8.2-1
Introduction 8.2-1
Managing Your Owner Base 8.2-2
Internal Program Administration 8.2-4
Owner Retention Through Excellent Customer Service 8.2-18
SECTION 8.3 **THE OCCUPANCY CYCLE** 8.3-1
Introduction 8.3-1
Intake Process 8.3-2
Initial Lease-Up 8.3-3
Program Activities 8.3-3
Interim Activities 8.3-4
Terminations 8.3-5
Summary 8.3-5

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Table of Contents

SECTION 8.4 MANAGING THE WAITLIST AND THE INTAKE PROCESS 8.4-1
Introduction 8.4-1
Taking Applications 8.4-2
Managing the Waiting List 8.4-8
Form HUD-90026 . . . . . 8.4-15
Selection from the Waiting List 8.4-21
Final Eligibility Determination 8.4-33
SECTION 8.5 INITIAL LEASE-UP 8.5-1
Introduction 8.5-1
Issuance of Vouchers and Briefing 8.5-2
The Leasing Process 8.5-7
SECTION 8.6 PROGRAM ACTIVITIES 8.6-1
Annual Reexaminations 8.6-1
Reexamination Calendar 8.6-5
Rent Adjustments 8.6-12
Moves 8.6-14
Reexamination 8.6-16
Owner HAP When Family Moves 8.6-16
SECTION 8.7 INTERIM ACTIVITIES 8.7-1
Interim Changes 8.7-1
Interim Inspections 8.7-3
SECTION 8.8 TERMINATIONS 8.8-1
Introduction 8.8-1
The Process 8.8-2
Termination of Tenant-based Assistance 8.8-2
Termination of the Assisted Lease 8.8-14
Termination of HAP Contract 8.8-15
SECTION 8.9 PORTABILITY 8.9-1
Introduction 8.9-1
Who Processes Portability Moves? 8.9-2
Review of Key Portability Rules 8.9-2
Initial and Receiving PHA Responsibilities 8.9-5
Portability Billing 8.9-13
Portability Tracking 8.9-20
SECTION 8.10 INFORMAL REVIEWS AND HEARINGS 8.10-1
Introduction 8.10-1
Key Points for the Manager 8.10-2
Denial of HCV Assistance to an Applicant 8.10-3
Informal Hearings for Participants 8.10-4
Elements of Due Process 8.10-5
Assessing the Case Before the Hearing and What the Hearing Decision Should be Based Upon 8.10-19
Working with Advocacy Groups 8.10-21

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Table of Contents

SECTION 8.11 INSPECTIONS 8.11-1
Introduction 8.11-1
Know the HQS Basics 8.11-2
Annual/Biennial HQS Inspection 8.11-3
Owner Inspection Fees 8.11-8
Consistency in HQS Standard 8.11-8
Customer Service and Inspections 8.11-9

SECTION 8.12 FAMILY SELF-SUFFICIENCY 8.12-1
Introduction 8.12-1
Mandatory FSS Program Size 8.12-2
FSS Policies 8.12-2
Coordinating Staff Activities 8.12-5
FSS and Portability 8.12-5
Staffing the Case Manager Position 8.12-7
Individual Training and Services Plans (ITSPs) 8.12-7
Contract Execution 8.12-8
The FSS Performance Measurement System: Composite Scoring 8.12-8

SECTION 8.13 PROJECT-BASED VOUCHERS (PBV) 8.13-1
Introduction 8.13-1
Project Caps 8.13-2
Rents 8.13-3
HCV Manager Objectives 8.13-4
Eligible Units and Locations 8.13-5
Admissions 8.13-5
Financial Incentives for Owners 8.13-6
Managing PBV Inspections 8.13-6
PHA-Owned Units 8.13-7
Important Management Issues 8.13-7

SECTION 8.14 SEMAP – BEYOND THE REGULATIONS 8.14-1
Introduction 8.14-1
SEMAP Overview 8.14-1
Key Performance Indicators 8.14-2
SEMAP Certification 8.14-2
PHA Supervisory Audits 8.14-6
Your SEMAP System 8.14-8
SEMAP Indicators in Depth 8.14-10
The SEMAP 50058 Connection: A Guide to 50058 Data 8.14-17
Self-Assessment of the SEMAP Indicators 8.14-19
HUD Indicators Verified by PIC 8.14-41
General SEMAP Errors 8.14-50
SEMAP Scoring Sheet 8.14-50
Remote Confirmatory Reviews 8.14-51

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Table of Contents

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Table of Exhibits

Exhibit I.I-1	Timeline of Key Developments in the Evolution of Housing Policy (Phase One)	I.1-23
Exhibit I.I-2	Timeline of Key Developments in the Evolution of Housing Policy (Phase Two)	I.1-24
Exhibit 1.2-1	Strategy Map	1.2-42
Exhibit 1.3-1	Sample Customer Surveys	1.3-13
Exhibit 2.2-1	Illustrative Tasks	2.2-8
Exhibit 2.2-2	Responsibility for Relationships	2.2-11
Exhibit 2.2-3	Typical Knowledge, Skills, and Abilities	2.2-13
Exhibit 2.3-1	Caseload and Accuracy Plan	2.3-8
Exhibit 2.4-1	Acceptable and Unacceptable Interview Questions	2.4-15
Exhibit 2.4-2	Examples of Candidate Summary Forms	2.4-19
Exhibit 2.4-3	Candidate Summary Form	2.4-20
Exhibit 2.4-4	Confidentiality Agreement	2.4-23
Exhibit 2.4-5	Disclosure of Family Relationships Between PHA Employees and Participants	2.4-24
Exhibit 2.4-6	Disclosure of Interest in Real Estate	2.4-25
Exhibit 2.4-7	Sample New Hire Checklist	2.4-27
Exhibit 2.4-8	Sample New Hire Pathway	2.4-29
Exhibit 2.4-9	Sample Training Plan	2.4-35
Exhibit 2.5-1	Checklist For Developing Task List and Performance Standards	2.5-4
Exhibit 2.5-2	Sample Tenant Services Staff Performance Plans	2.5-7
Exhibit 2.5-3	Employee Recognition Program	2.5-16
Exhibit 2.5-4	Sample Individual Development Plan	2.5-21
Exhibit 3.3-1	100 Ways to Say “Very Good”	3.3-44
Exhibit 3.3-2	Example of Format for a Management by Objectives System	3.3-53
Exhibit 3.3-3	Sample Performance Evaluation Form	3.3-54
Exhibit 3.3-4	Performance Planning Work Sheet	3.3-61
Exhibit 3.3-5	Sample Discipline Documentation Form	3.3-74
Exhibit 4.2-1	Form HUD-52520 (12/97)	4.2-3
Exhibit 4.2-2	Annual Contributions Contract (ACC)	4.2-7
Exhibit 4.5-1	Funding Analysis Report for Program Administration	4.5-6
Exhibit 4.7-1	Example 1: Estimate of CY HAP Needs	4.7-9
Exhibit 4.7-2	Example 2: Calculating HAP Needs	4.7-10
Exhibit 4.11-1	Front Line Costs and Fee Costs under the HCV Program	4.11-3
Exhibit 5.4-1	Sample Reexamination Procedures	5.4-3
Exhibit 5.4-2	Annual File Review Checklist	5.4-11
Exhibit 5.4-3	Advanced Annual File Review Checklist	5.4-15
Exhibit 5.4-4	Annual Reexamination Procedures	5.4-17
Exhibit 5.4-5	Desk Guide File on Recertification	5.4-23
Exhibit 5.4-6	Mini-procedures	5.4-44

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Table of Exhibits

Exhibit 5.8-1	Caseload Status Report	5.8-14
Exhibit 6.2-1	Program Integrity Schedule (SAMPLE)	6.2-9
Exhibit 6.3-1	Annual Reexamination File Review Checklist	6.3-3
Exhibit 7.2-1	Sample Employee Recognition Program	7.2-3
Exhibit 7.5-1	Improving Accuracy	7.5-2
Exhibit 7.5-2	QC Results for Caseload and Accuracy Plan for (Month)	7.5-5
Exhibit 7.5-3	Performance Improvement Checklist	7.5-7
Exhibit 8.2-1	Owner Open House and Outreach Program	8.2-12
Exhibit 8.4-1	Initial Preliminary Application Form	8.4-4
Exhibit 8.4-2	Opening the Waiting List	8.4-12
Exhibit 8.4-3	Selecting Families from the Waiting List	8.4-27
Exhibit 8.4-4	HCV Lottery System	8.4-28
Exhibit 8.4-5	Sample Letter to Lottery Ticket Holder	8.4-30
Exhibit 8.4-6	Sample Information Needed Request	8.4-31
Exhibit 8.4-7	Sample Verification Form	8.4-39
Exhibit 8.6-1	Annual Activities Time Line	8.6-7
Exhibit 8.6-2	Reexamination Tracking Form	8.6-8
Exhibit 8.6-3	Sample Notice of Rent Change	8.6-13
Exhibit 8.10-1	Informal Hearing Checklist	8.10-12
Exhibit 8.10-2	Post-Hearing Checklist	8.10-17

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Introduction to Housing Choice Voucher Executive Management

SECTION I.1 PURPOSE OF BOOK

The purpose of this book is to help you achieve and sustain your housing choice voucher (HCV) program to a standard of performance excellence. When the economy dictates shrinking administrative fees, PHAs must learn to manage their existing resources by implementing leadership systems throughout their program operation. Managing using leadership systems ensures the wise use of available funds with a private-sector mentality in a public setting.

This book is also intended as a training tool for executives whose responsibility it is to manage the Housing Choice Voucher Program. Executive management training is an important investment in your leaders--those people who execute your organizational strategies. Unfortunately, training for this group of individuals is often overlooked because business executives are busy trying to balance their numerous priorities. However, organizations simply can't afford to put the training of their executives on the back burner. Well-trained executives can enhance productivity, produce solid alignment between business functions, improve the retention of talented employees, and increase morale in the organization. The benefits of executive management training are innumerable, and touch every aspect of the organization, including the bottom line.

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The book is applicable to Commissioners, Executive Directors, HCV Program Directors, and supervisors of the HCV Program. The agency may be an HCV-only housing authority, or may administer both the public housing and housing choice voucher programs. Whatever the case may be, the principles of leadership are the same. The knowledge and abilities of the organization's leaders and their understanding of their roles are key factors in the operational health of the HCV program.

The tools within this book are copyrighted but may be used and copied within the individual housing authority's program operation. Many tools are provided in files available for download for attendees of the HCV Executive Management training class.

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SECTION I.2 THE BALDRIGE PERFORMANCE EXCELLENCE PROGRAM

The principles and direction of this book are modeled on the Baldrige Program, the nation's pub-private partnership dedicated to performance excellence. To improve the competitiveness and performance of U.S. organizations for the benefit of all U.S. residents, the Baldrige Performance Excellence Program is a customer-focused federal change agent that:

- Develops and disseminates evaluation criteria
- Manages the Malcolm Baldrige National Quality Award
- Promotes performance excellence
- Provides global leadership in the learning and sharing of successful strategies and performance practices, principles, and methodologies

The Baldrige Program is applicable to all types of organizations, including nonprofits. Organizations, such as a housing authority, can use the Baldrige Criteria for Performance Excellence to improve. As agencies focus on fulfilling their mission and serving their constituencies, they need a framework for their operations. The Baldrige criteria can be used to improve the agency and sustain nationwide results.

The Baldrige program:

- Raises awareness about the importance of performance excellence in driving the U.S. and global economy
- Provides organizational assessment tools and criteria
- Educates leaders in businesses, schools, health care organizations, and government and nonprofit agencies about the practices of best-in-class organizations
- Recognizes national role models and honors them with the only Presidential Award for performance excellence

The Baldrige Criteria are a framework for performance management that addresses all key areas of a nonprofit organization and is compatible with other performance improvement initiatives, such as ISO 9000, Lean, and Six Sigma. The Baldrige Criteria can help nonprofit organizations, such as housing authorities, organize and integrate these approaches, improve productivity and effectiveness, and pursue performance excellence.

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The Baldrige Criteria for Performance Excellence provide the framework and an assessment tool for understanding organizational strengths and opportunities for improvement.

Performance excellence refers to an integrated approach to organizational performance management that results in:

- Delivery of ever-improving value to customers and stakeholders, contributing to organizational sustainability
- Improvement of overall organizational effectiveness and capabilities
- Organizational and personal learning

No matter the size or nature of your organization, the Criteria are a guide in your journey toward performance excellence. They can help your organization align resources; improve communication, productivity, and effectiveness; and achieve strategic goals.

The Baldrige Criteria provide a valuable framework for measuring performance and planning in an uncertain environment. This book applies the criteria to the Housing Choice Voucher Program to achieve performance excellence in its operation.

The Baldrige Criteria help organizations achieve and sustain the highest national levels of customer satisfaction and engagement, product and service outcomes and process efficiency, workforce satisfaction and engagement, financial resource management, and social responsibility.

The Criteria work as an integrated framework for managing an organization. They are simply a set of questions focusing on critical aspects of management that contribute to performance excellence:

- Leadership
- Strategic planning
- Customer focus
- Measurement, analysis, and knowledge management
- Workforce focus
- Operations focus
- Results

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The Baldrige Criteria for Performance Excellence provide a systems perspective for understanding performance management. They reflect validated, leading-edge management practices against which an organization can measure itself. With their acceptance nationally and internationally as the model for performance excellence, the Criteria represent a common language for sharing best practices among organizations. The Criteria are also the basis for the Malcolm Baldrige National Quality Award process.

Self-Analysis Worksheet

This worksheet can be used in conjunction with the Criteria for Performance Excellence to accelerate the improvement journey by doing simple self-analysis. After responding to the Criteria questions, use this worksheet to identify strengths and opportunities for improvement and establish goals and action plans.



Baldrige Criteria for Performance Excellence Framework

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SELF-ANALYSIS WORKSHEET

While insights gained from external examiners or reviewers are always helpful, you know your organization better than they will. You are currently in an excellent position to identify your organization's key strengths and key opportunities for improvement (OFIs). Having just completed your responses to the Baldrige Criteria questions, you can accelerate your improvement journey by doing a self-analysis of your responses to all seven Criteria categories using this worksheet.

Start by identifying one or two strengths and one or two OFIs for each Criteria category. For those of high importance, establish a goal and a plan of action.

Criteria Category	Importance High, Medium, Low	For High-Importance Areas			
		Stretch (Strength) or Improvement (OFI) Goal	What Action Is Planned?	By When?	Who Is Responsible?
Category 1—Leadership					
Strength					
1.					
2.					
OFI					
1.					
2.					
Category 2—Strategic Planning					
Strength					
1.					
2.					
OFI					
1.					
2.					
Category 3—Customer Focus					
Strength					
1.					
2.					
OFI					
1.					
2.					
Category 4—Measurement, Analysis, and Knowledge Management					
Strength					
1.					
2.					

Criteria Category	Importance High, Medium, Low	For High-Importance Areas			
		Stretch (Strength) or Improvement (OFI) Goal	What Action Is Planned?	By When?	Who Is Responsible?
OFI					
1.					
2.					
Category 5—Workforce Focus					
Strength					
1.					
2.					
OFI					
1.					
2.					
Category 6—Operations Focus					
Strength					
1.					
2.					
OFI					
1.					
2.					
Category 7—Results					
Strength					
1.					
2.					
OFI					
1.					
2.					

Baldrige Definitions

Alignment

The term “alignment” refers to consistency of plans, processes, information, resource decisions, actions, results and analyses to support key organization-wide goals. Effective alignment requires a common understanding of purposes and goals. It also requires the use of complementary measures and information for planning, tracking, analysis, and improvement at three levels: the organizational level, the key process level, and the work unit level.

Customer

The term “customer” refers to actual and potential users of your organization's products, programs, or services. Customers include the end users of your products, as well as others who might be immediate purchasers or users. These others might include distributors, agents or organizations that further process your product as a component of their product (private contractors, non-profit organizations working with VASH or FUP or tax credit or project-based voucher owners.) The Baldrige criteria address customers broadly, referencing current (participants) and future (applicants) customers as well as the customers of your competitors (other PHAs through portability).

Customer-driven excellence is a Baldrige core value embedded in the beliefs and behaviors of high-performing organizations. Customer focus impacts and should integrate an organization's strategic directions, its work systems and work processes, and its business results.

Customer Engagement

The term “customer engagement” refers to your customers' investment in or commitment to your brand and product offerings. It is based on your ongoing ability to serve their needs and build relationships so they will continue using your products. Characteristics of customer engagement include customer retention and loyalty, customers' willingness to make an effort to do business with your organization, and customers' willingness to actively advocate for and recommend your product offerings.

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Cycle Time

The term “cycle time” refers to the time required to fulfill commitments or to complete tasks. Time measurements play a major role in the criteria because of the great importance of time performance to improving competitiveness and overall performance. “Cycle time” refers to all aspects of key measures of time performance.

Goals

The term “goals” refers to a future condition or performance level that one intends or desires to attain. Goals can be both short and longer term. Goals are ends that guide actions. Quantitative goals, frequently referred to as “targets” include a numerical point or range. Targets might be projections based on comparative or competitive data. The term “stretch goals” refers to desired major, discontinuous or “breakthrough” improvements, usually in areas most critical to your organization's future success.

Goals can serve many purposes including:

- Clarifying strategic objectives and action plans to indicate how you will measure success
- Fostering teamwork by focusing on a common goal
- Encouraging “out of the box” thinking (innovation) to achieve a stretch goal
- Providing a basis for measuring and accelerating progress

Knowledge Assets

The term “knowledge assets” refers to the accumulated intellectual resources of your organization. It is the knowledge possessed by your organization and its workforce in the form of information, ideas, learning, understanding, memory, insights, cognitive and technical skills, and capabilities. Your workforce, software, databases, documents, guides, policies and procedures, and technical drawings are repositories of your organization's knowledge assets. Knowledge assets are the “know how” that your organization has available to use, to invest, and to grow. Building and managing its knowledge assets are key components for your organization to create value for your organization to create value for your stakeholders and to help sustain a competitive advantage.

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Leadership System

The term “leadership system” refers to how leadership is exercised, formally and informally, throughout the organization. It is the basis for and the way key decisions are made, communicated, and carried out. It includes structures and mechanisms for decision making; two-way communication; selection and development of leaders and managers; and reinforcement of values, ethical behavior, directions, and performance expectations.

An effective leadership system respects the capabilities and requirements of workforce members and other stakeholders, and it sets high expectations for performance and performance improvement. It builds loyalties and teamwork based on the organization's vision and values and the pursuit of shared goals. It encourages and supports initiative and appropriate risk taking, subordinates organization structure to purpose and function, and avoids chains of command that require long decision paths. An effective leadership system includes mechanisms for the leaders to conduct self-examination, receive feedback, and improve.

Learning

The term “learning” refers to new knowledge or skills acquired through evaluation, study, experience, and innovation. The Baldrige Criteria include two distinct kinds of learning: organizational and personal. Organizational learning is achieved through research and development, evaluation and improvement cycles, workforce and stakeholder ideas and input, best practice sharing, and benchmarking. Personal learning is achieved through education, training, and development opportunities that further individual growth.

To be effective, learning should be embedded in the way an organization operates. Learning contributes to a competitive advantage and sustainability for the organization and its workforce.

Learning is one of the dimensions considered in evaluation process items.

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Measures and Indicators

The term “measures and indicators” refers to numerical information that quantifies input, output, and performance dimensions of processes, products, programs, projects, services and the overall organization (outcomes). Measures and indicators might be simple (derived from one measurement) or composite.

The Criteria do not make a distinction between measures and indicators. However, some users of these terms prefer “indicator” (1) when the measurement relates to performance but s not a direct measure of such performance (e.g. the number of complaints is an indicator of dissatisfaction but not a direct measure of it) and (2) when the measurement is a predictor (“leading indicator”) of some more significant performance (e.g. increased customer satisfaction might be a leading indicator of market share gain.)

Senior Leaders

The term “senior leaders” refers to an organization's senior management group or team. In many organizations, this consists of the head of the organization and his or her direct reports.

Strategic Objectives

The term “strategic objectives” refers to an organization's articulated aims or responses to address major change or improvement, competitiveness or social issues, and business advantages. Strategic objectives generally are focused both externally and internally and relate to significant customer, market, product or technological opportunities and challenges. Broadly stated, they are what an organization must achieve to remain or become competitive and ensure long-term sustainability. Strategic objectives set an organization's longer-term directions and guide resource allocations and redistributions.

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Sustainability/Sustainable

The term “sustainability” refers to your organization's ability to address current business needs and to have the agility and strategic management to prepare successfully for your future business, market and operating environment. Both external and internal factors need to be considered. The specific combination of factors might include industrywide and organization-specific components.

Sustainability considerations might include workforce capability and capacity, resource availability, technology, knowledge, core competencies, work systems, facilities, and equipment. Sustainability might be affected by changes in the marketplace and customer preferences, changes in the financial or funding markets, and changes in the legal and regulatory environment. In addition, sustainability has a component related to day-to-day preparedness for real-time or short-term emergencies.

In the context of the Baldrige criteria, the impact of your organization's products and operations on society and the contributions to make to the well-being of environmental, social and economic systems are part of your organization's overall societal responsibilities. Whether and how your organization addresses such considerations also may affect its sustainability.

Voice of the Customer

The term “voice of the customer” refers to your process for capturing customer-related information. Voice-of-the-customer processes are intended to be proactive and continuously innovative to capture stated, unstated, and anticipated customer requirements, expectations, and desires. The goal is to achieve customer engagement. Listening to the voice of the customer might include gathering and integrating various types of customer data, such as survey data, focus group findings, warranty data, and complaint data, that affect customers' purchasing and engagement decisions.

Vision

The term “vision” refers to the desired future state of your organization. The vision describes where the organization is headed, what it intends to be, or how it wishes to be perceived in the future.

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Work Processes

The term “work processes” refers to your most important internal value creation processes. They might include product design and delivery, customer support, supply chain management, business, and support processes. They are the processes that involved the majority of your organization's workforce and produce customer, stakeholder, and stockholder value.

Your key work processes frequently relate to your core competencies, to the factors that determine your success relative to competitors, and to the factors considered important for business growth by your senior leaders.

Work Systems

The term “work systems” refers to how the work of your organization is accomplished. Work systems involve your workforce, your key suppliers and partners, your contractors, your collaborators, and other components of the supply chain needed to produce and deliver your products and your business and support processes. Your work systems coordinate the internal work processes and the external resources necessary for you to develop, produce and deliver your products to your customers and to succeed in your marketplace.

Workforce

The term “workforce” refers to all people actively involved in accomplishing the work of your organization, including paid employees (e.g. Permanent, part-time, temporary, and telecommuting employees, as well as contract employees supervised by the organization) and volunteers, as appropriate. The workforce includes team leaders, supervisors, and managers at all levels.

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Workforce Capability

The term “workforce capability” refers to your organization's ability to accomplish its work processes through the knowledge, skills, abilities, and competencies of its people.

Capability may include the ability to build and sustain relationships with your customers to innovate and transition to new technologies, to develop new products and work processes, and to meet changing business, market and regulatory demands.

Workforce Capacity

The term “workforce capacity” refers to your organization's ability to ensure sufficient staffing levels to accomplish its work processes and successfully deliver your products to your customers, including the ability to meet seasonal or varying level demands.

Workforce Engagement

The term “workforce engagement” refers to the extent of workforce commitment, both emotional and intellectual, to accomplishing the work, mission and vision of the organization. Organizations with high levels of workforce engagement are often characterized by high-performing work environments in which people are motivated to do their utmost for the benefit of their customers and for the success of the organization.

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SECTION I.3 HISTORICAL PERSPECTIVE OF SUBSIDIZED HOUSING PROGRAMS

Pre-Public Housing

Understanding the historical conditions from which subsidized housing programs arose can provide you with a better understanding of your agency and its role in the community.

The early historical roots of housing assistance:

- In 1892, Congress conducted the first known study of slum conditions in the U.S. This study of four cities revealed that the quality of housing and services available was less than adequate.
- Later, commissions and agencies such as the U.S. Housing Corporation were created and funded to build, organize, and manage housing for war workers. However, all of the housing constructed during this time was sold to private owners or demolished by the 1920s.
- The Great Depression marked the beginning of government involvement in private sector areas, including housing. At this time, the housing finance system was reconstructed. To stimulate recovery from the Depression, Congress passed laws to provide jobs through the construction of public buildings and projects. This included housing for the working poor.

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These landmark events helped set the stage for what was to come-the National Industrialization Recovery Act of 1933. As the first major legislation involving housing, the act focused primarily on creating jobs and stimulating capital spending.

- The programs initiated under the 1933 Act were administered by the Public Works Administration (PWA).
- Under the provisions of the act, the federal government became directly involved in the construction of housing for America's working poor. It was at this time that some of the largest and oldest of America's public housing developments were built.
- One major provision of the 1933 Act was the use of eminent domain in acquiring private property to construct housing for the working poor. Eminent domain is the right of a governmental entity to take property for the common good.
- The use of eminent domain created conflict between the states and the federal government, and was eventually ruled unconstitutional by the courts in such an extreme form. Nowadays, eminent domain requires "just compensation" to the land owner.

After the 1933 Act, other legislation was to follow. The second major legislation that tied the federal government to housing policy for America's working poor was the National Housing Act of 1934.

- The Act of 1934 was part of President Roosevelt's New Deal.
- One of the provisions of the act was to create the Federal Housing Administration (FHA). The FHA's responsibility was to encourage private investment in housing by guaranteeing government-insured mortgages.
- The Federal Savings and Loan Insurance Corporation (FSLIC) was also created under the 1934 Act.

The passage of these two acts played an important role in linking the federal government to early American housing policy. However, the federal government's involvement early housing legislation seemed to also indirectly provide a means to find out what worked, and what didn't.

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The Housing Act of 1937

Certainly, early legislation involving the construction of housing for America's working poor was not without its criticism. The Housing Act of 1937 was passed in reaction to the many complaints by state and local governments regarding earlier housing policy. As a result, many of the basic principles behind the 1937 Act still carry through to this day.

Perhaps the longest-lasting impacts of the 1937 Act were the establishment of a permanent public housing program and the requirement that states pass legislation to create a body (public housing authorities) with the authority to contract with the federal government. The main idea was that once formed, these authorities could receive grants, loans, and operating contributions from the federal government to construct and operate public housing in their communities. The following are some important issues to keep in mind with regards to the 1937 Act:

- In the 1930s and 40s, public housing was primarily seen as a program to create viable jobs and stimulate the economy through capital spending.
- Public housing residents were seen as temporarily poor, with public housing serving as a holding station for individuals waiting to return to their original socioeconomic status.
- One of the requirements for local governments to receive federal funds was to enter into a cooperative agreement with the housing authority. The terms of this agreement stipulated that rather than levy property taxes on public housing units, local governments would accept in return a payment in lieu of tax to provide police and fire protection for the units.

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The Housing Act of 1949

After the 1937 Act, housing legislation continued to evolve. In fact, the Housing Act of 1949 made sweeping changes in focus with the intent of providing a decent home for everyone. Key points regarding the 1949 Act are as follows:

- One of the provisions of the Act of 1949 was to establish the Farmer's Home Administration (FHA) to provide federally insured mortgages to rural and farm communities.
- The Urban Renewal Program was created from the Housing Act of 1949. This program's primary objectives were to:
  - Provide a massive slum clearance program
  - Extend federal mortgage programs
  - Expand the traditional public housing program
  - Limit public housing to low income families

While the intentions of the 1949 Act and each act that came before it were good, these acts had the inadvertent result of concentrating the very poor into public housing. In response, the housing legislation following the1949 Act began to shift focus once again in order to explore other possibilities.

The Housing and Urban Development Act of 1965

The shift in focus to address deconcentrating poverty came with the use of the private market. The Housing and Urban Development Act of 1965 created the first federal program that allowed housing assistance to residents of privately owned housing.

Two important programs were launched by the Act of 1965 that would help shape future rental assistance programs:

- The Section 23 Leased Housing Program, a forerunner to the Section 8 program
- The Rent Supplement Program

These programs served their purpose well, but more was needed to better serve those who needed it the most.

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The Fair Housing Act (Title VIII of the Civil Rights Act of 1968)

The Fair Housing Act prohibits discrimination in the sale, rental, and financing of dwellings, as well as in other housing-related transactions, based on race, color, national origin, religion, or sex.

- A 1988 amendment to the Fair Housing Act further prohibited discrimination based on disability or familial status (families with children under the age of 18)

The Housing and Urban Development Act of 1969 — The Brooke Amendment

In an effort to direct federal assistance to the nation's most needy, legislation known as the Brooke Amendment was passed in 1969.

- The Brooke Amendment mandated that families living in assisted housing should pay no more than 25 percent of their adjusted annual income for rent.
- This also marked the establishment of operating subsidies to compensate housing authorities for lost income.

1973 Moratorium

Housing legislation was in the midst of a big change. Then, in 1973, the Nixon Administration imposed a moratorium on all subsidized housing programs, pending a reevaluation of the effectiveness of the programs.

- It was under this moratorium that funding for new public housing units was frozen.
- The moratorium marked the beginning of a lasting shift of housing policy and funding from public housing to housing assistance destined for residents of privately owned housing. Until then, this concept had been in its infancy.

The Housing and Community Development Act of 1974

The Section 8 housing assistance programs were created to replace the programs that had been frozen by the Nixon Administration.

- The Section 8 housing assistance programs replaced the Section 23 Leased Housing Program described earlier.

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The Housing and Community Development Acts of 1980 and 1981

The 1980 and 1981 Acts instituted several changes to housing policy and programs:

- The Comprehensive Improvement Assistance Program (CIAP) was initiated under the Act of 1980.
- Under the Act of 1981, major changes took place which had a significant impact on housing authorities.
  - The 1981 act changed the percentage of income used to calculate the tenant's portion of the rent from 25 percent to 30 percent.
  - It also introduced the annual reexamination of eligibility for all families living in assisted housing.

The Housing and Urban-Rural Recovery Act of 1983

In 1983, the Housing and Urban-Rural Recovery Act made additional comprehensive changes to housing programs. It changed:

- The definitions of income, assets, deductions, and allowances
- The method of rent calculation
- The income standards for eligibility

It was also under the provisions of the 1983 Act that the housing voucher program was initiated as a demonstration program.

The Housing and Community Development Act of 1987

The housing voucher program that was initiated under the Act of 1983 became a permanent HUD program under the Housing and Community Development Act of 1987. The biggest change that occurred with the 1987 Act was the introduction of portability.

- Portability allowed certificate or voucher holders to move to a different jurisdiction and keep their housing assistance.

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The Stewart B. McKinney Homeless Assistance Act of 1987

The Stewart B. McKinney Homeless Assistance Act of 1987, now known as the McKinney-Vento Homeless Act, was the first major federal legislative response to homelessness.

- It authorized the Continuum of Care Programs-the Supportive Housing Program, the Shelter Plus Care Program, and the Moderate Rehabilitation Single Room Occupancy (SRO) Program-as well as the Emergency Shelter Grant Program.
- It has been amended several times since 1987 by other legislation, including the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009.

The HUD Reform Act of 1989

Rather than create new programs or amend existing ones, the HUD Reform Act of 1989 focused instead on funding ethics. Below are some key characteristics of the 1989 Act:

- It stipulated that funds were to be allocated regionally through a "fair share" formula.
- It required HUD to publish funding decisions.
- It provided for the registration of consultants, lobbyists, and lawyers attempting to influence HUD decisions.
- It prohibited anyone from receiving compensation on a contingent basis.

The Cranston-Gonzalez National Affordable Housing Act of 1990

The variety in legislative changes to housing programs would return with the Cranston-Gonzalez National Affordable Housing Act of 1990. A few of the changes instituted by the 1990 Act included:

- The initiation of the Family Self-Sufficiency Program
- Greater monitoring of housing authority performance
  - HUD developed the Public Housing Management Assessment Program (PHMAP) in response to this monitoring mandate.

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The Housing and Community Development Act of 1992

Similar changes would continue with the Housing and Community Development act of 1992:

- The 1992 Act authorized the use of Section 8 certificates and vouchers for homeownership purposes.
- It further defined the Family Self-Sufficiency Program.
- It authorized the Comprehensive Grant and Drug Elimination programs.

The Quality Housing and Work Responsibility Act of 1998

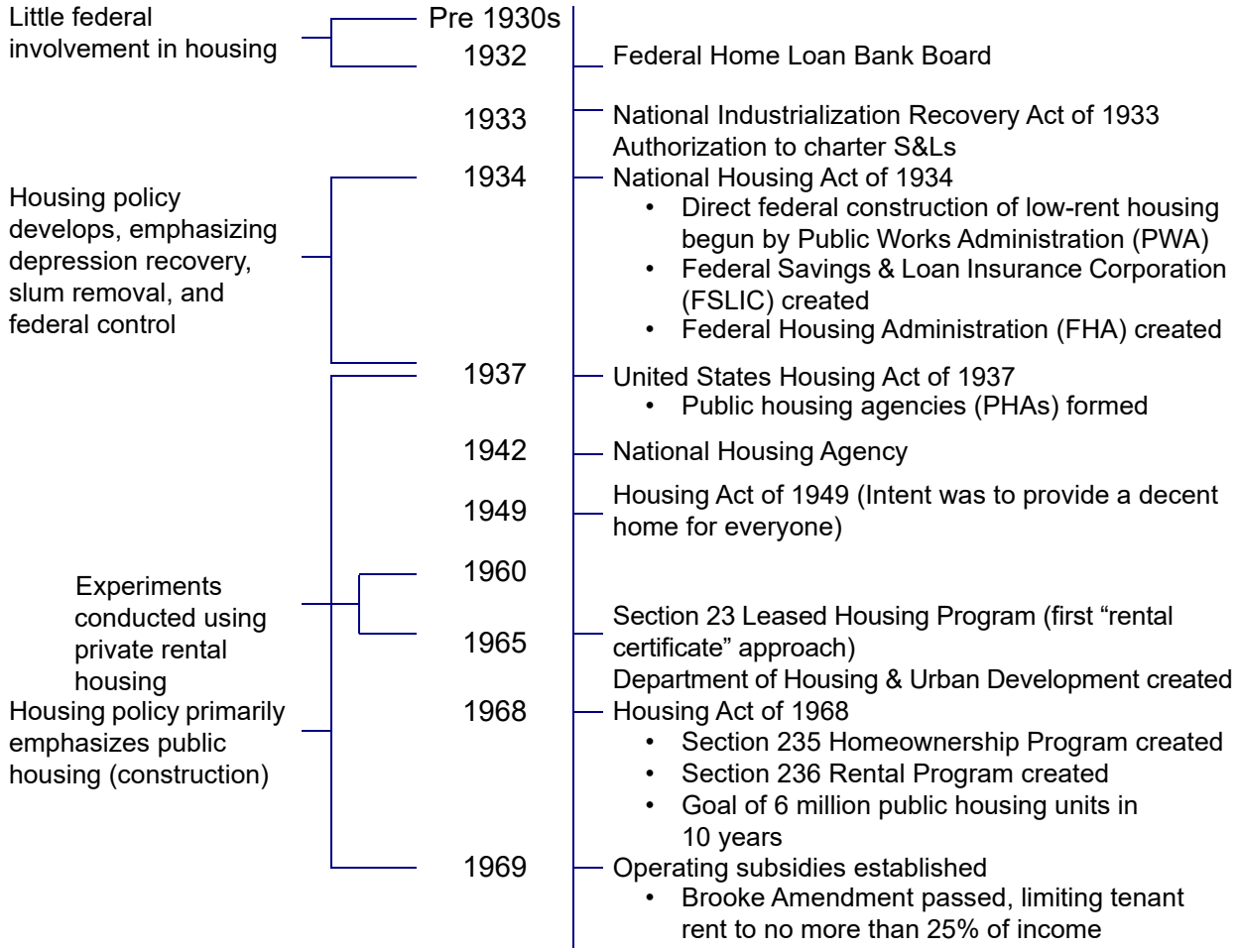
While the legislation that came before it did have lasting impacts on the way that housing programs were structured and run, the Quality Housing and Work Responsibility Act of 1998 (QHWRA) was and perhaps still is the most significant housing act since the U.S. Housing Act of 1937. The most significant changes include:

- The creation of a new voucher program (the Housing Choice Voucher Program) to replace the old certificate and voucher programs
- The elimination of the three-month delay on reissuing turnover certificates and vouchers
- The repeal of federal preferences
- A new requirement for a public housing agency plan
- The elimination of the shopping incentive for voucher families that remain in the same unit upon initial receipt of assistance
- The permanent repeal of the "take one, take all" provision
- The permanent elimination of the "endless" lease term
- The permanent elimination of the owner termination notice to HUD in the Section 8 tenant-based programs

For a review of the key developments in the evolution of housing policy and programs, see the timelines that follow. The types of leased housing programs touched upon briefly in this section will be discussed in greater detail in Section 1.3.

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Exhibit I.I-1 Timeline of Key Developments in the Evolution of Housing Policy *(Phase One)*



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Exhibit I.I-2 Timeline of Key Developments in the Evolution of Housing Policy *(Phase Two)*

1974 — The Housing and Community Development Act of 1974
- Section 8 New Construction Program
- Section 8 Substantial Rehabilitation Program
- Section 8 Existing Housing Program
- Section 23 Leased Housing Program eliminated
- Community Development Block Grant Program

Experimental housing allowance program demonstration

1978 — Section 8 Moderate Rehabilitation Program

1980 — Housing & Community Development Act of 1980
- Comprehensive Improvement Assistance Program created

1981 — The Housing and Community Development Act of 1981

1983 — Housing & Urban/Rural Recovery Act
- Voucher program demonstration
- Many changes in program definitions

1987 — Community Development Act of 1987
- Portability of certificates allowed
- Voucher program made permanent

Statutory portability instituted

1988 — McKinney Homelessness Assistance Act

1989 — HUD Reform Act of 1989
- Funds allocated on fair share formula

Housing policy emphasis on:
- Homeownership
- Preventing homelessness
- Self-sufficiency

1990 — Cranston-Gonzalez National Affordable Housing Act
- Family Self-Sufficiency (FSS) Program
- PHMAP
- Resident initiatives

1992 — Housing and Community Development Act of 1992
- Comprehensive Grant Program
- PHDEP grants
- Certificates and vouchers for homeownership

1998 — Quality Housing and Work Responsibility Act of 1998
- Merging of rental certificate and rental voucher programs into the HCV Program
- Repeal of federal preferences
- Elimination of "take one, take all" provision

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Types of Subsidized Housing Programs

Within the historical framework of subsidized housing, there are a variety of programs. Some of the programs are no longer in existence today and are noted as such. Some of the programs are typically administered by the private sector. Some of the programs are project-based, some are tenant-based, and some are a blended version.

The Housing Choice Voucher Program is the tenant-based program, and the blended program is Project-Based Vouchers. The project-based programs include Public Housing, Section 8 Moderate Rehabilitation, and the private-sector Section 8 programs. Many of the programs are referred to as "Leased Housing Programs."

Rental Certificate Program (1974-2001) (Formerly Section 8 Existing Housing Program)

The Rental Certificate Program was the result of the experimental housing allowance demonstration. It is significant because the subsidy was tied to the tenant, not the unit. This is known as tenant-based assistance.

The goal of the program remained the same as its predecessor's. Its characteristics included the following:

- The property owner signed a HAP contract with the PHA which defined both party's obligations.
- The PHA signed a contract (ACC) with HUD which defined HUD's and the PHA's obligations, and established budget authority for the contract term.
- The family signed a certificate (like signing a voucher in the rental voucher program) which defined the family's obligations and allowed them to look for a unit.
- The family paid its portion of the contract rent directly to the owner.
- The PHA received funds from HUD (a subsidy) to pay the owner the difference between the total tenant payment (TTP) and the contract rent.
- HUD established fair market rent (FMR) limitations (rent ceilings) for each bedroom size.

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Rental Voucher Program (1984-2001) (Formerly Housing Voucher Program)

Another program aimed at involving the private sector was the Rental Voucher Program. This program was tenant-based, and similar to the Section 8 Rental Certificate Program, except:

- There was no FMR limitation on the part of the family.
- Families (within certain limits) could determine the proportion of family income that will be used for housing costs.
- The family could choose to pay more or less than 30 percent of their adjusted monthly income for rent.
- Contract and budget authority could not be amended because HUD committed to a set amount of funding and not to a number and bedroom size mix of units.
- As in the rental certificate program, the ACC reserve could not be used to support overleasing.

The Housing Choice Voucher Program (2001 to Present)

The final phase in the evolution of housing assistance programs connected to the private sector is the Housing Choice Voucher (HCV) Program. The HCV program replaced the certificate and voucher programs that came before it.

- Basically, assistance under the old voucher and certificate programs was folded into one program, which is the housing choice voucher program we know today.

Project-Based Vouchers

Project-based vouchers are a component of a PHA's housing choice voucher program. A PHA can attach up to 20 percent of its voucher assistance to specific housing units if the owner agrees to either rehabilitate or construct the units, or the owner agrees to set aside a portion of the units in an existing development. Rehabilitated units must require at least $1,000 of rehabilitation per unit to be subsidized, and all units must meet HUD housing quality standards.

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Special Purpose Vouchers ("Boutique" Programs)

Special Purpose Vouchers Q&A

What are Special Purpose Vouchers?

- Special Purpose Vouchers are specifically provided for by Congress in line item appropriations which distinguish them from regular vouchers.

- Examples of Special Purpose Vouchers are:
  - Veteran Affairs Supportive Housing (VASH)
  - Family Unification Program (FUP)
  - Non-Elderly Disabled (NED)
  - Enhanced Vouchers
  - Tenant Protection Vouchers (TPV)

HUD-VASH Vouchers

What is the purpose of HUD-VASH Vouchers?

- The HUD–VASH program combines HUD HCV rental assistance for homeless veterans with case management and clinical services provided by the Department of Veterans Affairs at its medical centers and in the community.

Do HUD-VASH Vouchers qualify for fungibility under the Standard MTW Agreement?

- HUD-VASH Vouchers are not eligible for fungibility under the MTW agreement.

What are the operating requirements for HUD-VASH Vouchers?

- HUD-VASH Vouchers have separate operating requirements and must be administered in accordance with the requirements listed at www.hud.gov/offices/pih/programs/hcv/vash. The operating requirements waive and alter many of the standard HCV statutes and regulations at 24 CFR 982. Unless stated in the HUD-VASH operating requirements, however, the regulatory requirements at 24 CFR 982 and all other HUD directives for the HCV program are applicable to HUD-VASH vouchers.

Are there any operating MTW flexibilities that can be applied to HUD-VASH Vouchers?

- PHAs may submit a request to the Office of Public Housing and Voucher Programs to operate HUD-VASH Vouchers in accordance with MTW administrative flexibilities.
- The request must identify the specific MTW provisions the PHA wants to apply to HUD-VASH vouchers.
- When assessing the request the Voucher Office will consider the impact of the MTW provisions on the target population. If the MTW provisions are not detrimental to the intended population, HUD may approve the request and waive the HUD-VASH operating requirements accordingly.

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- If approved to operate in accordance with MTW flexibilities the agency must update its Administrative Plan but would not be required to amend its Annual MTW Plan.
- In cases where MTW flexibilities conflict with VASH statute or NOFA requirements, the VASH/NOFA requirements take precedence over the MTW flexibility.

What are the reporting requirements for HUD-VASH Vouchers?

- PHAs must follow reporting requirements contained in Notice PIH 2010-12.
- PHAs must submit a regular HUD-50058 for HUD-VASH families using VASH as a special program code.
- If PHAs have received approval from the Office of Public Housing and Voucher Programs to operate in accordance with their MTW agreement, they can also request to submit into the MTW-50058.
- If PHAs utilize MTW flexibilities they must report on HUD-VASH vouchers and their funding separately from other vouchers under the MTW agreement in the VASH Portion of the Voucher Management System (VMS).

Family Unification Program (FUP) and Non-Elderly Disabled (NED) Vouchers

What is the purpose of Family Unification Program Vouchers (FUP)?

- Family Unification Program Vouchers are made available to families for whom the lack of adequate housing is a primary factor in the separation, or threat of imminent separation, of children from their families or in the delay in the discharge of the child, or children, to the family from out-of-home care. FUP vouchers are also made available to youths ages 18 to 21 who left foster care at age 16 or older who lack adequate housing. By statute, FUP vouchers issued to youths may only be used to provide housing assistance for a maximum of 18 months. Family unification vouchers enable these families and youths to lease or purchase decent, safe and sanitary housing that is affordable in the private housing market.

What is the purpose of Non-Elderly Disabled Vouchers (NED)?

- Non-Elderly Disabled Vouchers are designed to provide choices to non-elderly disabled residents in their transition out of elderly designated public housing, care-giving institutions or developments with a preference for elderly tenants.

Do Family Unification Program Vouchers (FUP) and Non-Elderly Disabled Vouchers (NED) vouchers qualify for fungibility under the Standard MTW Agreement?

- FUP and NED funds are not eligible for fungibility under the MTW agreement.

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Do PHAs have the flexibility to operate Family Unification Program (FUP) Vouchers and Non-Elderly Disabled (NED) Vouchers in accordance with their MTW agreements?

- The NOFA language allows vouchers to be administered in accordance with MTW agreements unless MTW provisions are inconsistent with the appropriations act or requirements of the NOFA.
- In the event of a conflict between an MTW agreement and the appropriations act or NOFA language, the act and NOFA govern.
- Applicable NOFAs include FY2009 NED NOFA, FY 2008 and 2009 FUP NOFA and FY 2008 Certain Developments and Designated Housing NOFA.

What are the reporting requirements for Family Unification Program (FUP) Vouchers and Non-Elderly Disabled (NED) Vouchers?

- The HUD-50058 MTW form may be used if MTW flexibilities are applied to these vouchers.
- Special Purpose codes must be identified on HUD-50058 for FUP and NED families.
- PHAs must also report in the FUP and NED components of VMS.

What fields should agencies use to report FUP and NED vouchers in VMS?

- PHAs administering FUP vouchers under FY2008 and subsequent FUP NOFAs must report FUP vouchers leased in the "2008 and 2009 Family Unification" field in VMS. PHAs that are still administering FUP vouchers under pre-2008 FUP NOFAs must report FUP vouchers leased on the "Family Unification" field in VMS.
- PHAs report NED vouchers leased in the "2008 and 2009 Non-Elderly Disabled" field in VMS.

What fields should agencies use to report FUP and NED Vouchers into the MTW-50058?

- The fields for entering FUP and NED Vouchers are 2n & 2p in MTW-50058. HUD will provide future guidance on new code requirements for FUP.
- Two codes can be entered in each 50058.

Enhanced and Tenant Protection Vouchers

What is the Purpose of Enhanced Vouchers?

- Enhanced Vouchers are vouchers administered by the local public housing authorities used to subsidize rents for tenants facing a Housing conversion action—owner opt-outs of Section 8 project-based contracts; owner prepayment of the mortgage or voluntary termination of the mortgage insurance of a preservation eligible property (preservation prepayments).
    - HUD is required by statute to offer enhanced vouchers to families impacted by a Housing conversion action under Section 8(t) of the United States Housing Act of 1937, as amended.

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- Enhanced vouchers may exceed the PHA's ordinary payment standard used for its regular HCV program, allowing the payment standard to equal the gross rent, provided such rent is reasonable in comparison to other similar, unassisted units on the private market.
- Enhanced vouchers provide the tenant the right to remain in the unit after the conversion to market rents.
- If the family moves from the unit, the voucher loses its enhancement and becomes a regular voucher.
- Notice PIH 2001-41 provides additional detailed information.

What is the purpose of Tenant Protection Vouchers (TPVs)?

- Tenant Protection Vouchers (TPVs) are ordinary tenant-based vouchers administered by the local public housing authorities used to subsidize rents for tenants facing a Housing conversion action or HUD enforcement actions against the owner not covered by Enhanced Vouchers—termination or non-renewal of a Section 8 Project-based housing assistance payment contract, sale or foreclosure of a HUD-subsidized mortgage, or demolition/disposition of public housing under Section 18 of the United States Housing Act of 1937, as amended.
  - TPVs do not have an enhanced payment standard and the tenant does not have the right to remain, for example, because in some circumstance the condition of the property does not comply with voucher HQS. Therefore, the tenant must move in order to continue receiving assistance (unless specifically provided in statute e.g., voluntary conversions).
  - Notice PIH 2001-41 provides additional detailed information.

What types of families qualify for Enhanced and Tenant Protection Vouchers?

- Enhanced and Tenant Protection Vouchers are targeted to specific families affected by a Housing conversion action by HUD or owner action in HUD multifamily projects and public housing agencies in the case of public housing projects.
- The vouchers must be offered to specified families according to statute.

Do Enhanced and Tenant Protection Vouchers qualify for <u>fungibility</u> under the Standard MTW Agreement?

- Enhanced and Tenant Protection Vouchers funds are eligible for fungibility one year after a family receives the voucher. If the housing agency decides to utilize fungibility the family must still be provided assistance until the end of the initial protection period which lasts until the family moves out of the residence where the voucher was originally received or is terminated from the program.
- Once the initial protection period ends the Enhanced or Tenant Protection voucher becomes a regular voucher.

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Can MTW fungibility apply to any remaining Enhanced and Tenant Protection Voucher funds after all families affected by housing conversion are provided assistance?

- All housing choice vouchers (enhanced and non-enhanced) provided in connection with a Housing conversion action are to be used first to assist the families targeted for assistance.
- Once all families impacted by the Housing conversion action have been provided a voucher, any unused vouchers may be used by the PHA to assist families on the PHA's waiting list. MTW Agencies can also include any unused Enhanced and Tenant Protection Vouchers in their MTW Block Grant.

Do PHAs have the flexibility to operate Enhanced and Tenant Protection Vouchers in accordance with their MTW agreements?

- Agencies can operate Enhance and Tenant protection Vouchers in accordance with their MTW Agreements one-year after the voucher is originally issued. Any flexibility used can not infringe on the protections applied to these families. The Enhanced or Tenant Protection status lasts until the family moves from the residence or is terminated from the program.

What are the operating Requirements for Enhanced and Tenant Protection Vouchers?

- There are no specific operating requirements.
- Policy and processing guidance is provided in Notice PIH 2001-41 and applicable statutes.

When should Agencies report Enhanced and Tenant Protection Vouchers in the MTW-50058 versus the regular 50058?

- Agencies must report Enhanced and Tenant Protection Vouchers into the regular HUD-50058 during the initial one-year term.
- After the initial one-year term if the Agency applies any MTW flexibilities to these vouchers, the Agency must begin reporting these families in the MTW-50058.

What are the reporting requirements for Enhanced and Tenant Protection Vouchers?

- The MTW-50058 has a field that enables tracking of special purpose vouchers.
- VMS describes the different special purpose voucher types so it is clear how to report expenditures under each of these programs.

What fields should agencies use to report Enhanced and Tenant Protection vouchers into the HUD-50058 and the MTW-50058?

- The field for entering Enhanced and Tenant Protection vouchers is 2m in the HUD-50058.

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- The MTW-50058 does not have a specific place to note Enhanced or Tenant Protection Vouchers. Therefore, agencies can use one of the reserved lines, using the code EV (Enhanced Vouchers) or TPV (Tenant Protection Vouchers).

List of HCV and Public Housing Special Programs

Is there a list of special purpose programs that can be entered into the MTW-50058?

- A list of special purpose programs that can be entered into the MTW-50058 is provided below for Public Housing and Housing Choice Vouchers.

Housing Choice Voucher Special Programs include:

DHAPIK, DHAP-IKE	Conversion Voucher
DHAPK DHAP 85M	Conversion Voucher
FUP	Family Unification Program
KATHU	Katrina Temporary Housing Unit Voucher
LIT	Litigation
MFDES	Designated Multifamily Projects
MS1	Mainstream 1 year
MS5	Mainstream 5 years
MTO	Moving to Opportunity
NED	2009 Non-Elderly Disabled Voucher
NHT	2009 Nursing Homes Transitional Voucher
PA	Project Access
PHDES	Designated Public Housing
PHRR	Public Housing Relocation/Replacement
ROC	Regional Opportunity Counseling
ROSS	Resident Opportunities and Self Sufficiency
TCU	Tax Credit Unit
VASH	Veterans Administration Supportive Housing

Public Housing Special Programs include:

EDSS	Economic Development and Supportive Services Program
HOPE	Homeownership and Opportunity for People Everywhere VI Resident Service Program
PHDEP	Public Housing Drug Elimination Program
ROSS	Resident Opportunities and Self Sufficiency

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Private Sector Section 8 Programs and Characteristics

Looking at private sector leased housing programs as a whole, the program rules are a little different, but there are commonalities.

- In all programs, contracts are entered into between HUD and private owners.
  - This is even the case for the Section 8 New Construction and Substantial Rehabilitation Programs, which provided project-based assistance for newly constructed or substantially rehabilitated developments.
- These programs are generally administered by owners in the private sector and occasionally by PHAs.
- A PHA could act as the contract administrator, the manager, or could be the owner through a nonprofit corporation.
- The owner bills HUD or the contract administrator for the subsidy. Most of the projects which were funded are still being subsidized. They are referred to as “Assisted Housing.”

Section 8 New Construction Program (1974-1984)

To aid in the forward progress of housing assistance programs, the Section 8 New Construction Program was created. The program's goal was to encourage the private sector to build new rental housing for lower income families in areas with limited rental housing stock. Below are some characteristics of this program:

- It was a project-based assistance program.
- Usually it was administered by owners rather than PHAs, but a PHA could've been both an administrator and an owner.
- It provided only rental assistance (guaranteed cash flow) and not construction or permanent financing (long-term mortgage).
- The owner billed HUD directly for monthly subsidy unless the PHA was the contract administrator.

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The Section 8 New Construction Program had several key features which encouraged private sector participation. They included:

- Housing assistance contracts with owners with a maximum term of 20 to 40 years depending on how the project was financed. In contrast, the Section 8 Existing Housing Program had a maximum contract term of 5 to 15 years.
- Permission for the project owner to obtain any type of construction or permanent financing such as FHA mortgages, tax exempt financing (bonds), and loans from conventional lending institutions.
- Permission for the project owner to pledge the housing assistance contract (guaranteed cash flow) to support financing.

In addition, the program allowed various types of new construction projects. These included:

- Single family homes
- Multi-family structures
- Elderly housing
- Housing projects for the disabled
- High rise elevator projects for the elderly (with HUD approval)

In most other respects, the program was similar to the Section 8 Rental Certificate Program. No new projects have been funded since approximately 1982-1984.

Section 8 Substantial Rehabilitation Program (1974-1984)

Rather than focusing on building new housing, the Section 8 Substantial Rehabilitation Program's goal was to improve existing rental housing in need of substantial rehabilitation. Characteristics of this program are:

- It was a project-based assistance program.

24 CFR 881.201

- The "substantial rehabilitation" varied in degree from gutting and extensive reconstruction to completing deferred maintenance. It may have also included renovation, alterations or remodeling as well as replacement of major building systems or components in danger of failure.
- It provided only rental assistance and not construction or permanent financing.

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The key features of this program to encourage private sector participation included:

- Housing assistance contracts with a maximum term of 15 to 40 years depending on how the project was financed.
- Permission for the project owner to obtain any type of construction or permanent financing such as FHA mortgages, tax exempt financing, and loans from conventional lending institutions.
- Permission for the project owner to pledge the housing assistance contract (cash flow) to support financing, like the Section 8 New Construction Program.

In most other respects, the Section 8 Substantial Rehabilitation Program was similar to the Section 8 Existing Housing Program. HUD has not approved any new funding for this program since approximately 1982-1984.

Section 8 Moderate Rehabilitation Program (1978-80)

Another program whose goal is to rehabilitate existing housing is the Section 8 Moderate Rehabilitation Program. However, unlike the substantial rehabilitation program that came before it, this program's goal is to rehabilitate existing housing stock at least to housing quality standards (HQS). It is also a project-based assistance program that provides only rental assistance and not construction or permanent financing.

Key program features to encourage private sector participation in this program include:

- Housing assistance contracts that can have a maximum term of 15 years.
- Possibility for the project owner under the contract to receive the fair market rent (FMR) plus up to 20 percent over the FMR.
- Permission for the project owner to pledge the housing assistance contract (cash flow) to support financing with a commercial lender.

Like many of the other programs that came before it, the moderate rehabilitation program is similar in most other respects to the Section 8 Existing Housing Program. While the program technically still exists, HUD has suspended any new funding except for single room occupancy (SROs) because of program abuses. Many housing authorities still have Mod Rehab projects.

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Public Housing

The public housing program is another type of subsidized project-based housing program, but it differs from those discussed so far in one crucial way: this program is not connected to the private sector. The public housing program was created under the Housing Act of 1937. The buildings are owned by PHAs rather than private owners, and may be any type of permanent structure. Key characteristics of public housing include the following:

- Public housing assistance is project-based because families live in the building to be assisted.
- HUD executes an annual contributions contract (ACC) with the PHA to provide an operating subsidy to assist in covering operational expenses. Although public housing is not based in the private sector, the operating fund or subsidy has been revised to require PHAs to transition to an "asset management" model of property management, which is patterned after the private sector.
- Major repairs to public housing developments are made through the Capital Fund.

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CHAPTER 1 Organizational Profile

SECTION 1.1 INTRODUCTION

The organizational profile is a snapshot of the organization, the key influences on operations, and the key challenges faced by PHAs in the administration of the Housing Choice Voucher Program. The organizational profile is comprised of two aspects: organizational environment and organizational relationships.

In the Organizational Profile chapter, we relate the various aspects of the PHA operations to the principles of the Baldrige Performance Excellence Program. We will discuss the development of Leadership Systems and how the mission, vision and operational strategy drive the Leadership Systems. We will address strategic planning and meeting the needs of your customers, both integral parts of the leadership system. We will see that every function, decision and action taken within the leadership system must tie back to the mission, vision and strategy.

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SECTION 1.2 ORGANIZATIONAL ENVIRONMENT

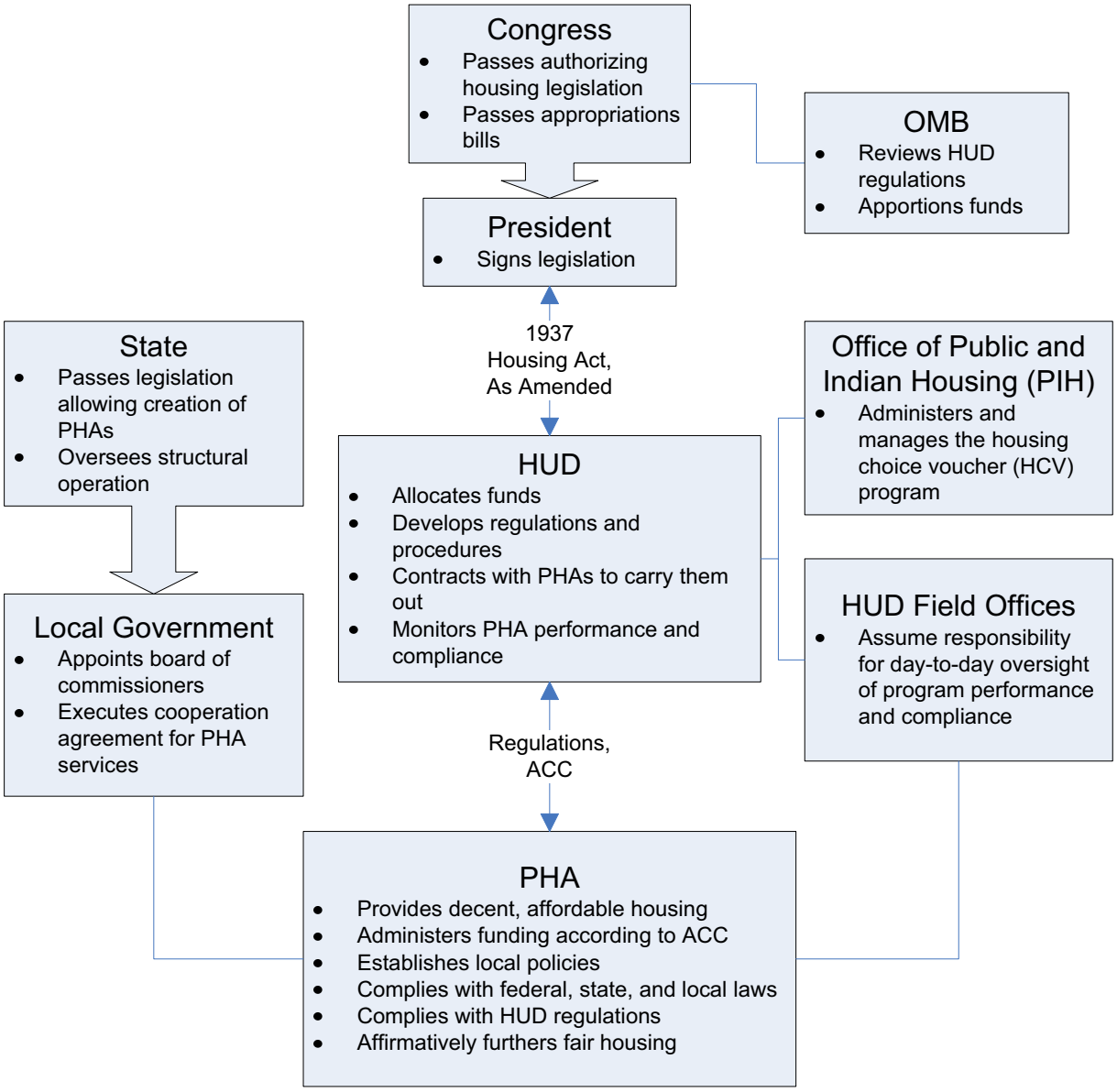
The Organizational Environment defines the operational environment in which the PHA administers the Housing Choice Voucher Program. In this section we will discuss major factors that impact the organizational environment. These factors include the following:

- Service offerings of the PHA
- Regulatory requirements
- The PHA role and structure
- The PHA mission, vision and values
- Strategic thinking, planning and goal setting

Federal statutes, HUD program regulations and local government all impact the organizational environment of a PHA, but most of the factors that affect the organizational environment are the result of actions and decisions made by the organization's leaders.

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Key Functional Relationships



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Service Offerings

PHAs may operate a variety of project-based and tenant based programs (see Types of Subsidized Housing in the Introduction Chapter, Section 00-4). The service offerings described in this section relate to the operation of the Housing Choice Voucher (HCV) Program and its related special purpose vouchers.

PHAs administer the Housing Choice Voucher Program (HCV) in specific jurisdictional areas under a HUD contract. Housing choice vouchers allow very low-income families to choose and lease or purchase safe, decent, and affordable privately-owned housing.

These special purpose vouchers would typically include Veterans Affairs for Supportive Housing (VASH), Family Unification Program (FUP), Non-Elderly Disabled (NED), Enhanced, and Tenant Protection vouchers. (Review the Introduction Chapter, Section 00-4 for a description of these special purpose vouchers.)

Some PHAs have been designated by HUD to operate as a Moving-to-Work (MTW) agency. Moving to Work (MTW) is a demonstration program for PHAs that provides them the opportunity to create and test locally-designed strategies that use Federal dollars more efficiently, help residents find employment and become self-sufficient, and increase housing choices for low-income families. MTW gives PHAs exemptions from many existing public housing and voucher rules and more flexibility on how their Federal funds are utilized. MTW PHAs are expected to inform HUD about ways to better address local community needs. The Office of Public Housing Investments (OPHI), within the Office of Public and Indian Housing (PIH) at HUD headquarters, oversees the MTW Demonstration.

PHAs may also operate specialized programs such as Family Self-Sufficiency and Homeownership programs.

PHAs may utilize vouchers in conjunction with the Project-Based Voucher program described in the Introduction chapter, on page I-26.

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PHAs may administer other affordable housing programs such as Low Income Public Housing, Section 8 Moderate Rehabilitation Program, or Low Income Housing Tax Credits. The housing authority may have established a non-profit corporation to administer other affordable housing units. In addition, the housing authority may have won an award from HUD to be a Multifamily Contract Administrator for Project-Based housing such as Section 8 New Construction or Substantial Rehabilitation to fulfill HUD's role in assuring contract compliance. Information about these other programs and opportunities can be found on HUD's web site at www.hud.gov or www.huduser.gov.

Regulatory Requirements

Housing authorities fall under the purview of several regulatory entities with federal, state and local jurisdiction.

Assisted housing programs exist as a function of federal legislation enacted by Congress. HUD is responsible to interpret the legislation and to publish the necessary regulations to implement the programs.

These housing laws and federal regulations define the parameters within which PHAs operate their programs and create local policies and procedures. Rulings resulting from legal challenges to housing laws, regulations and PHA policies further shape how the industry operates.

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State Regulatory Requirements

Housing authorities are created under state enabling legislation which stipulates the following:

- Number of commissioners and procedures for their appointment or election
- Jurisdiction of the PHA
- By-laws
- Time and place for meetings
- Authority delegated to the Executive Director

Housing authorities are required to file an organizational transcript to be qualified to operate within a specific jurisdiction. The jurisdiction for the typical housing authority is spelled out in state law, but may be modified by special legislation to include a different jurisdiction. State laws vary in their enabling legislation. One state may allow the establishment of a housing authority to operate as a public corporation while another state may require that the housing authority, without special legislation, be part of the city, county or state government. States may allow city, county, multicounty, regional or state-wide jurisdictions.

States have varying requirements for maintaining the housing authority status which usually results in housing authorities having to report changes in the required areas such as the swearing in of a new commissioner or changes in the by-laws.

Federal Legislative Requirements: Congress

The main role of Congress is to pass laws or statutes which establish housing programs. Throughout this process, Congress:

- Establishes basic rules for HUD and PHAs to follow (authorizing legislation).
- Establishes HUD's budget with a programmatic breakdown of funding (appropriations)

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Federal Regulatory: U.S. Department of Housing and Urban Development (HUD)

HUD primarily implements the legislation passed by Congress. HUD has multiple organizational levels with different roles and functions. HUD's organizational levels are:

- Headquarters (or Central) in Washington, D.C.
- HUD regional offices
- HUD Field offices
- Other HUD offices, such as Fair Housing and Equal Opportunity (FHEO), Office of Inspector General (OIG), or Public and Indian Housing (PIH)-Real Estate Assessment Center (REAC)

The following are the different roles and functions for each level of HUD:

- HUD headquarters writes and publishes regulations to further explain the laws passed by Congress and issues Notices of Funding Availability in the Federal Register.
- HUD headquarters publishes PIH Notices to provide additional guidance to PHAs.
- HUD headquarters allocates funding to PHAs.
- HUD regional offices (10 regions) conduct training and outreach and compliance monitoring
- Field offices monitor program compliance and provide guidance and oversight to PHAs within their field area.

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- Other HUD offices or program centers focus specifically on their area of expertise. For example, the HUD Real Estate Assessment Center (REAC) monitors the Financial Assessment Subsystem (FASS) year-end financial reporting for the HCV program. HUD also has a Financial Management Center whose responsibilities include functions such as:
  - Commit and obligate funds
  - Execute Annual Contributions Contracts (ACCs) and Amendments for tenant and project based Housing Choice Voucher Programs
  - Review and approve budgets and requisitions
  - Review and approve year-end statements
  - Maintain funding controls
  - Validate Voucher Management System (VMS) data submissions
  - Monitor timely submission of PHA financial documents.
  - In the case of serious violations of compliance with the financial management requirements, administer sanctions and/or partner with appropriate entities (internal/external) to improve agency performance.

The Office of Inspector General (OIG)'s role is independent and objective reporting to the Secretary and the Congress. The primary function is to conduct audits and report their findings to the HUD Secretary and Congress. Their reports are published and available at www.hudoig.gov. The OIG is also responsible to investigate any allegations of fraud, waste and mismanagement in all HUD programs.

HUD Systems are part of the regulatory environment. The primary systems related to the HCV program include Enterprise Income Verification (EIV), Voucher Management System (VMS), PIH Inventory Management System (IMS/PIC), and the Section 8 Management Assessment System (SEMAP).

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Enterprise Income Verification (EIV)

The purpose of HUD's EIV System is to make integrated income data available to PHAs from one source via the Internet. EIV data is used for income verification during required income reexaminations and as a tool to detect unreported income and tenant fraud.

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

Voucher Management System (VMS)

The Voucher Management System (VMS) supports the information management needs of the HCV management functions performed by the Financial Management Center (FMC) and the Financial Management Division (FMD) of the Office of Public and Indian Housing and the Real Estate Assessment Center (PIH-REAC).

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 PHA use.

IMS/PIC

PIC is evolving into the PIH Inventory Management System or IMS.

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During the 3-year transition period, HUD is using the terminology IMS/PIC to refer to the evolving system. IMS/PIC is responsible for maintaining and gathering data about all of PIH's inventories of housing authorities, developments, buildings, units, housing authority officials, HUD offices, field staff and IMS/PIC users. IMS/PIC allows housing authority officials to electronically submit information to HUD. The first release was successfully implemented on December 15, 1999 and introduced a flexible, scalable, Internet-based approach which enables housing authority users and department personnel to access a common database of housing authority information via their web browser from anywhere. HUD can also monitor progress on annual reexaminations and annual/biennial inspections via IMS/PIC.

Section 8 Management Assessment Program (SEMAP)

The Section 8 Management Assessment Program (SEMAP) which is housed within IMS/PIC, measures PHA management performance in 14 key areas of the Section 8 tenant-based assistance programs. Public housing authorities that manage Section 8 housing are required annually to electronically submit and verify their SEMAP Certifications. PHAs have 60 days following their fiscal year end to complete their certifications online and submit them to their Field Office for review and final approval.

HUD information can be accessed through www.hud.gov. This web site is HUD's primary communication vehicle for providing information to PHAs. Notices, webcasts, and HUD's E-Newsletter for the HCV program are all useful tools.

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Housing Choice Voucher E-Newsletter

October 2010 | Volume 1, Issue 2

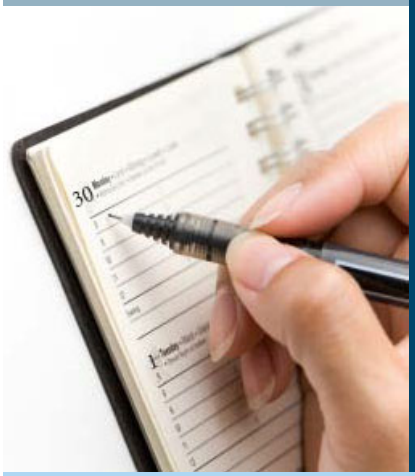
http://www.hud.gov/offices/pih/programs/hcv/

IN THIS ISSUE

» Portability and PIC
» Deadlines
» PIH Notices
» HCV FAQs
» New Rent Reasonableness Requirement Guidance
» New Subsidy Layering Guidelines for Project-Based Vouchers

Deadlines

Application for MTW Program
-November 30, 2010 (see PIH Notices)



Portability and PIC

The information submitted by housing agencies to the PIH Information Center (PIC) about our program participants is used for many purposes at HUD and accuracy of the information is essential. The action codes entered for a portability family allow HUD to determine things such as how many families move under portability, where families are moving to and if portability moves occur within or outside certain geographical areas. HUD uses this information to assist us in making decisions on program rules as well as responding to Congressional inquiries.

When a family moves under portability into a receiving public housing agency's (PHA's) jurisdiction, the PHA should submit an Action Code 4, Portability Move-in, if the family was previously assisted by the initial PHA regardless of whether the receiving PHA absorbs the family or bills the initial PHA.

The initial PHA has until the last day of the month in which the receiving PHA submitted the Action Code 4 to submit the Action Code 5, Portability Move-out. Otherwise, PIC will automatically generate an Action Code 5 on the first day of the next month. For example, the receiving PHA submits an Action Code 4 effective June 1. The Action Code 5 will be automatically generated by PIC on July 1 if the initial PHA does not submit an Action Code 5 with an earlier date.

PHAs can use the Overlapping Dates Report in PIC to identify the families who are pending an auto Portability Move-out action if they wish to submit the Action Code 5 on their own. The effective date of the Action code 5 should be the day before the effective date of the Action Code 4 submitted by the receiving PHA.

Initial PHAs must never complete an Action Code 6, End of Participation, for portability families unless it is confirmed that the family never leased a unit in the receiving PHA's jurisdiction.

If the family was never assisted in the initial PHA's jurisdiction (exercised portability upon first receiving a voucher), the family will be considered an Action Code 1, New Admission by the receiving PHA.

If you have any questions regarding the submission of records to PIC, please contact the PIC Coach in your local HUD Field Office.

PIH Notices

PIH Notice 2010-29, "Request for Applications under the Moving to Work Demonstration Program," issued July 30, 2010. This Notice offers eligible PHAs the opportunity to apply for admission to the MTW demonstration program. HUD has authorization to increase the number of MTW agencies by three. This Notice defines applicant eligibility, lists submission requirements, and describes the selection process. The application due date is November 30, 2010. With this Notice is an attached optional eligibility worksheet.

PIH Notice 2010-30, "Transactions between Public Housing Agencies and their Related Affiliates and Instrumentalities," issued Aug 2, 2010. This Notice extends PIH Notice 2007-15 (HA) for another year. (The Notice was previously extended by 2008-27 and 2009-24.) This Notice provides guidance to PHAs regarding the creation and use of affiliates and instrumentalities so to participate in Public and Indian Housing programs under the United States Housing Act of 1937. No changes were made to the Notice.

To read these Notices: **http://bit.ly/djlvjI**

HCV FAQs

Family Unification Program (FUP)

Question: Are 18-month FUP vouchers eligible for portability? If so, do they need to port to a PHA that has an existing program?

Answer: There is nothing that precludes a FUP participant from utilizing the portability option under the HCV program. FUP is administered the same as the regular HCV program. The main difference is the population to which these vouchers are issued. Additionally, the participant does not have to port to a jurisdiction that administers FUP. If this is the case, and the receiving PHA does not absorb the FUP participant into its regular HCV program, all the other rules of portability apply. Further, it is the responsibility of the initial PHA to initiate termination at the end of the 18-month term of the youth's assistance.

For more information, see the Family Unification Program (FUP) Notice of Funding Availability FR-5342-N-01:
http://www.hud.gov/offices/adm/grants/nofa09/fupsec.pdf

Question: If a parent of a family that was awarded a voucher under FUP loses parental rights and the children move from the voucher unit, does the parent get to keep the FUP voucher to stay in the unit?

Answer: The family is still eligible to keep their FUP voucher, as termination of a FUP voucher is handled in the same way as regular HCVs. The regulations do not permit HCV termination due to loss of parental rights or children reaching adulthood. The problem of vouchers going to families that then lose their parental rights can be managed (to some degree) at the front-end by the Public Child Welfare Agency (PCWA) only referring to the PHA those families that have a strong likelihood of being reunited with their children or maintaining their parental rights.

New Rent Reasonableness Requirement Guidance

HUD recently issued Notice 2010-18 which revises rent reasonableness determinations in the Housing Choice Voucher (HCV) program as it pertains to comparable unassisted units in the premises. This Notice, issued on May 10, 2010, revises and supersedes certain guidance issued in HUD Notice PIH 2009-51.

This Notice affects the determination of rent reasonableness for units in properties undergoing Housing Conversion Actions (HCA), such as decisions by the owner to opt-out or not renew Section 8 project-based contracts, owner prepayment of the mortgage or voluntary termination of the mortgage insurance of a preservation eligible property (preservation prepayments), HUD enforcement actions against the owner (including termination or non-renewal of a Section 8 project-based housing assistance payments (HAP) contract, and HUD property disposition activities.

HUD provides tenant-based rental assistance to assist eligible residents affected by the housing Conversion Actions. In determining the rent reasonableness, the public housing agency (PHA) must ensure that the rents paid for HCV assisted units do not exceed the rents for comparable unassisted units.

When owners decide on their own to charge rents that are below what other tenants are charged and not what the market might bear, those units are not considered "assisted units" for purposes of rent reasonableness determinations and, therefore, must be considered when establishing if an HCV rent to an owner is reasonable.

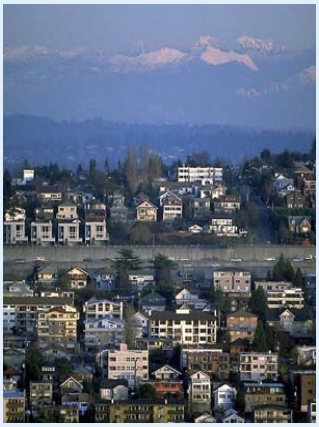
However, this Notice defines circumstances where assisted unit is not only one that is assisted under a Federal, State, or local government program, but also the following:

- Units where the rent and/or rent increase are controlled or restricted by law or a court order (so long as that law or court order does not also apply to voucher participants). The PHA is responsible for verifying the existence and applicability of the law or court order prior to excluding the units from the rent reasonableness determination.
- In cases of a property undergoing a HCA, units occupied by tenants on the date of the eligibility event who do not receive vouchers are considered assisted if the owner chooses to continue below market rents to those families by offering lower rents or other rent concessions to the impacted families. If the owner of such a property intends to charge lower rents to the non-voucher tenants living in the property at the time of conversion, the owner must provide written notice to the PHA and a list of the covered families, a description of the concession, the duration of the lower rents or concessions, the units in which the families are residing, and copies of the families' leases.

The Notice also provides guidance for owners of multifamily properties that underwent a conversion prior to issuance of this Notice.

To read the Notice:**http://bit.ly/djlvjI**

New Subsidy Layering Guidelines for Project-Based Vouchers



In a Federal Register Notice issued July 9, 2010, HUD provides administrative guidelines for subsidy layering reviews pertaining to Section 8 project-based voucher assistance for newly constructed and rehabilitated structures uniting a variety of government assistance.

The Housing and Economic Recovery Act of 2008 (HERA) made several revisions to the Section 8 project-based voucher program. As the Notice explains, Section 102 of the HUD Reform Act (HRA) of 1989 contained provisions "to ensure greater accountability and integrity in the way the Department makes assistance available under certain of its programs." Specifically HUD is to certify that assistance for specific housing "will not be more than necessary to make the assisted activity feasible after taking into account assistance from other government sources." Accordingly, a subsidy layering review must be performed. HERA simplifies this process by eliminating subsidy reviews for existing housing. Through this Notice, HUD identifies that "the HERA provision relating to the elimination of subsidy layering reviews for existing housing is self-implementing; the provision relating to State or local agencies performing subsidy layering reviews for project-based voucher HAP contracts for new construction and rehabilitated projects is not self-implementing."

The Notice makes clear the certification requirements and a PHA's responsibility. HUD further clarifies in this Notice that in accordance with HERA "when project-based voucher assistance is proposed for newly constructed and rehabilitated structures, subsidy layering reviews may be satisfied if the applicable State or local agency has conducted such a review. HUD has defined these agencies to be qualified housing credit agencies (HCA), which may include State housing finance agencies, participating jurisdictions under the HOME program or other State housing agencies that meet the definition of a HCA as defined under Section 42 of the Internal Revenue Code of 1986." The HCA must notify HUD of its intent to conduct such a review.

HUD provides guidelines for the following two categories of subsidy layering reviews to determine if duplicative assistance exists:

- Proposed project-based voucher HAP contracts where the HCA subsidy layering review includes proposed project-based voucher assistance.
    - ° Review all sources of funds for proposed project.
    - ° Determine if development costs and fees are within safe harbor standards.
        - If cost and fees exceed but are within the maximum allowable amount, additional information is required.
        - If cost and fees exceed maximum allowable amount, reduction must be made.
    - ° LIHTC projects include an analysis of equity.
    - ° HUD has established safe harbor percentage allowances including a general condition safe harbor of 6 percent of construction contract amount.
    - ° Operation standards are reviewed and must analyze the "project's 15-year operating pro forma."
- Proposed project-based voucher HAP contracts where subsidy layering review has been performed by qualified HCA without consideration of project-based voucher assistance.
    - ° Limited review consisting of the "15-year operating pro forma" and a review to ensure no duplication of assistance.

Additional details are provided in the Notice on HUD monitoring, analysis of development costs, and an appendix containing documents to be submitted.

You may review the entire Notice by going to: **http://edocket.access.gpo.gov/2010/pdf/2010-16827.pdf**

Contact us:

Public and Indian Housing Information Resource Center (PIH IRC)
2614 Chapel Lake Drive
Gambrills, MD 21054

Toll free number: 1-800-955-2232
Fax number: 1-443-302-2084
E-mail: pihirc@firstpic.org
(Put "Housing Choice Voucher E-Newsletter" in the subject line)

HUD Regulations

HUD regulations for the HCV program are included in 24 Code of Federal Regulations (CFR). The primary regulations utilized by the HCV program include:

- Part 1: Basic Civil Rights
- Part 5: General HUD Program Requirements (Combined Public Housing and HCV)
- Part 8: Nondiscrimination
- Part 100: Fair Housing
- Part 982: Housing Choice Vouchers (primary regulation for program operation and includes homeownership provisions)
- Part 983: Project-Based Vouchers
- Part 984: Family Self-Sufficiency
- Part 985: Section 8 Management Assessment Program (SEMAP)

Local Government

Local government may be a city, county, state or other governmental jurisdiction which has authority in the jurisdiction of the PHA. Their primary role of local government is defined by state law and includes the appointment or election of commissioners.

There may be state and local laws which affect PHAs but, typically, those laws pertain more to requirements of project-based housing, such as local housing codes. PHAs should be familiar with local landlord/tenant laws as well as other local laws that may affect how the PHA operates. For example, there may be local laws that define protected classes that are not covered under federal statutes. There may be local laws that conflict with federal laws or specific HUD requirements and PHAs may have to rely on legal counsel to determine the prevailing law.

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Court Decisions

There have always been legal challenges to federal statutes, regulations and local housing policies Legal challenges cannot be totally prevented, but they can be minimized. How these legal challenges are settled establish legal precedent. PHA executives and managers should be familiar with the rulings and the legal rationales in these cases. Lessons learned from prior court decisions can be helpful for PHAs to minimize legal challenges in terms of which practices and policies to avoid. Responding to legal challenges is costly and time consuming, and losing such challenges may be financially devastating. Many legal challenges are likely to occur as the result of overly-restrictive policies, arbitrary practices, and poor customer service in response to requests from program stakeholders. But the major cause of legal challenges is the failure of a PHA to comply with federal regulations and their own administrative policies. It can be said that an un-trained staff is a lawsuit waiting to happen. When developing policy PHAs should ensure that the policy is reasonable, defensible and complies with HUD requirements.

Some simple actions PHA leaders can take to minimize legal challenges are:

- Pay attention to complaints to determine if there is a pattern that points to an area of legal exposure
- Make sure that all transactions are thoroughly documented
- Train staff and develop procedures to respond to requests for reasonable accommodation
- Do not permit any type of discrimination at any level
- Adopt procedures to ensure that all denials and terminations are legal, well documented and appropriate
- Promulgate, monitor, and enforce strict standards for professionalism throughout the organization
- Ensure that staff are professionally trained in all HUD regulations that apply to their program area
- Provide regular internal training on the administrative plan and hold supervisors accountable for monitoring compliance with agency policies

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By-Laws

PHAs have their own laws and rules to abide by. These are referred to as by-laws. By-laws should be reviewed annually and changed as needs dictate. Generally, they stipulate the:

- Purpose and activities of the PHA
- General powers of the Board
- Place and time of regular board of commissioners meetings
- Qualifications and tenure of the Commissioners
- Authority delegated to the executive director
- PHA's methodology for conducting business

PHA Role

PHAs are usually established as public corporations to provide and coordinate low-cost housing in local communities. A PHA may also be a department of a city, county, or state. To qualify for federal funds, a PHA must be acknowledged in State enabling legislation.

Some PHAs administer only the public housing program, some administer only the HCV program and some administer both programs.

The general responsibilities of a PHA in administering the HCV program are as follow:

- Enter into a contractual relationship with HUD (Consolidated Annual Contributions Contract (CACC).
- Ensure compliance with HUD regulations and the Consolidated Annual Contributions Contract (CACC)
- Utilize all of the funding HUD provides
- Accept applications and determine program eligibility
- Issue vouchers to eligible families within funding constraints
- Approve the housing unit, the tenancy and rent
- Execute housing assistance payments (HAP) contracts with owners to provide housing assistance payments on behalf of families
- Establish policies in all areas of program operations and administration which incorporate definitions, procedures, and administrative practices governing the PHA's operation
- Implement controls, policies and practices to maintain program integrity

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Some PHAs elect to utilize private contractors to perform some or all of the program functions. Some contract out the full operation of the program with the PHA providing oversight, quality control, Finance, and IT management. Other PHAs contract out specific functions such as intake or inspections. If the agency is considering contracting out all or part of the program, it might be useful to survey other PHAs who have contracted services to better understand the benefits and risks of this option.

When PHAs utilize contractors to perform program functions they should retain overall control by:

- Managing and monitoring the contractor(s) activities
- Setting agency policy
- Managing the critical financial aspects
- Quality controlling (testing) the work of the contractors

The Board, Executive Director, and Senior Leaders

The Board of Commissioners

The board of commissioners, or the board of directors, is the local governing body at the top of a PHA's organizational structure. The board operates on behalf of the local government to serve the housing needs and interests of the community's low-income households. State law establishes the number of board members and the procedures for their appointment. A PHA's legal jurisdiction and legal structure, and the political environment all determine the board's role.

Depending on a PHA's legal jurisdiction, the board may be the city council, county commissioners, state legislature, or representatives from a combination of governing bodies.

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Nature of the Board

The board of commissioners oversees policy and hires the executive director or chief executive officer. The board's main function is to approve PHA policies, such as the PHA plan, the administrative plan, PHA budgets, SEMAP certification, and many other policy documents. To build and maintain the PHA's public image, the board's role is to:

- Provide direction in achieving a common purpose that meets the needs of the community
- Govern the organization's resources
- Maintain, preserve, develop, and expand programs and services for those it serves
- Ensure the viability of the agency
- Set policy and monitor bottom-line results
- Act in good faith and uphold integrity
- See that the organization is well managed by the Executive Director and its assets are properly cared for
- Make decisions objectively and with integrity, not based on personal or special interests
- Make decisions about which program(s), activities, or service(s) to fund

The board also gives final approval to staff contracts, approves the hiring of an auditor, and approves the salary structure. However, it is the executive director who seeks bids and makes recommendations for final contract selection, and who determines the activities to be carried out, the level of staffing, and what the staff will actually do. The board is also responsible to evaluate the performance of the executive director and should establish measurable performance standards for doing so.

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The Executive Director/CEO

The executive director/chief executive officer answers directly to the board and is responsible to communicate information about the operation of the program.

- The executive director attends meetings and is expected to make well-supported recommendations.
- The executive director's role is not to "rubber stamp" board decisions, but to provide accurate and timely reports, to provide recommendations and alternatives, and to provide ongoing flow of information about the PHA and its activities.

The board delegates the day-to-day management of the PHAs operations to the executive director. These responsibilities include:

- Implementing board-approved policies
- Representing the PHA in negotiations, public relations, and events
- Working effectively with the community, HUD, and state and local governments
- Hiring, directing, supervising, educating, and disciplining staff

If the board does not understand their role and the role of the executive director, a conflict between the executive director and the board is inevitable. The board must also understand the functions which the PHA is responsible to perform and how the program works. This is why an executive director needs to educate the board regarding PHA policies, HUD regulations, and state and local laws that affect the agency's operations. This may be accomplished by developing a Commissioner's handbook that explains the roles of the various stakeholders, and a description of the programs operated by the PHA. The board must understand and comply with the by-laws and the administrative plan that dictate how the PHA will conduct business.

As part of a good working relationship, the board must understand that the executive director needs to be free to manage the day-to-day activities of the PHA, and that the board's role is governance. Simply stated, the board establishes the agency's direction.

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The executive director is accountable to the entire board, but not to any individual board member. This means:

- The board must speak with one voice when delegating, giving direction, or asking for accountability.
- A strong-willed board member who thinks his or her opinions are more important than the opinions of other board members can be counter-productive to the success of the board and create a difficult working environment.
- It is essential that the executive director give equal respect to all board members to avoid creating an environment that divides the board and results in undermining the agency's mission. The board chair and the executive director should strive for a strong working relationship.

What the executive director must communicate to the board in word and deed is his or her willingness to:

- Perform duties efficiently, demonstrating the highest degree of competence
- Take initiative and make informed, low-risk decisions
- Adapt to a constantly changing environment
- Work as a team with staff and the board
- Be open with knowledge and information about perceived or actual problems confronting the PHA
- Be trustworthy
- Exhibit respect for the board, staff, and both internal and external customers
- Accept responsibility for actions or inactions that have a negative result
- Be open to praise or criticism based on performance

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The Executive Team

It is the responsibility of the executive team to strategically manage the organization. Strategic management is a continuous process and the executive leaders must become strategic thinkers and leaders of the organization. Members of the executive team need to be facilitators, coaches, and consensus-builders. They need to be transformational leaders.

Transformational leadership has been described as "*superior leadership performance that occurs when leaders broaden and elevate the interests of their employees, when they generate awareness and acceptance of the purposes and mission of the group, and when they stir their employees to look beyond their own self interest for the good of the group."*

The executive director is the leader of the executive management team. The executive management team typically consists of the deputy or assistant executive director, finance director, the HCV and other subsidized program managers, internal support usually including IT, and the human resources director. This team is charged with assuring that the goals and objectives of the PHA are met in accordance with the direction set by the board.

- In a smaller PHA, the executive director may take on many of these roles along with other regular duties.

The executive team should lead in unison. Team members should resolve disagreements privately and present a unified front to the staff.

- To be successful, the team should communicate effectively, believe in their ability to lead and manage, be accessible to staff and be committed to the mission of the PHA.

As leader of the executive team, the executive director must ensure that the team promotes the vision, the mission and the agency's goals to the senior leaders and staff. It is critical that each member understands their role and how it affects program outcomes. The executive team creates the culture within the agency.

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Senior Leaders

The senior leadership team is the most important group in the housing authority because its members directly manage the day-to-day performance of the staff. Senior leaders are the direct link between the executive team and staff. They are responsible to represent the policies, protocols and procedures established by executive management with integrity and provide their staff with the leadership, direction and resources to get the job done.

Each senior leader is responsible for a key program area such as intake, occupancy or inspections. As the head of a functional area and a senior leader, they must operate within a budget to ensure the maximum benefit from available resources. The senior leaders' role is to set direction for staff, create alignment throughout the organization, and build the commitment of staff to accomplish the organizational mission, vision, and goals.

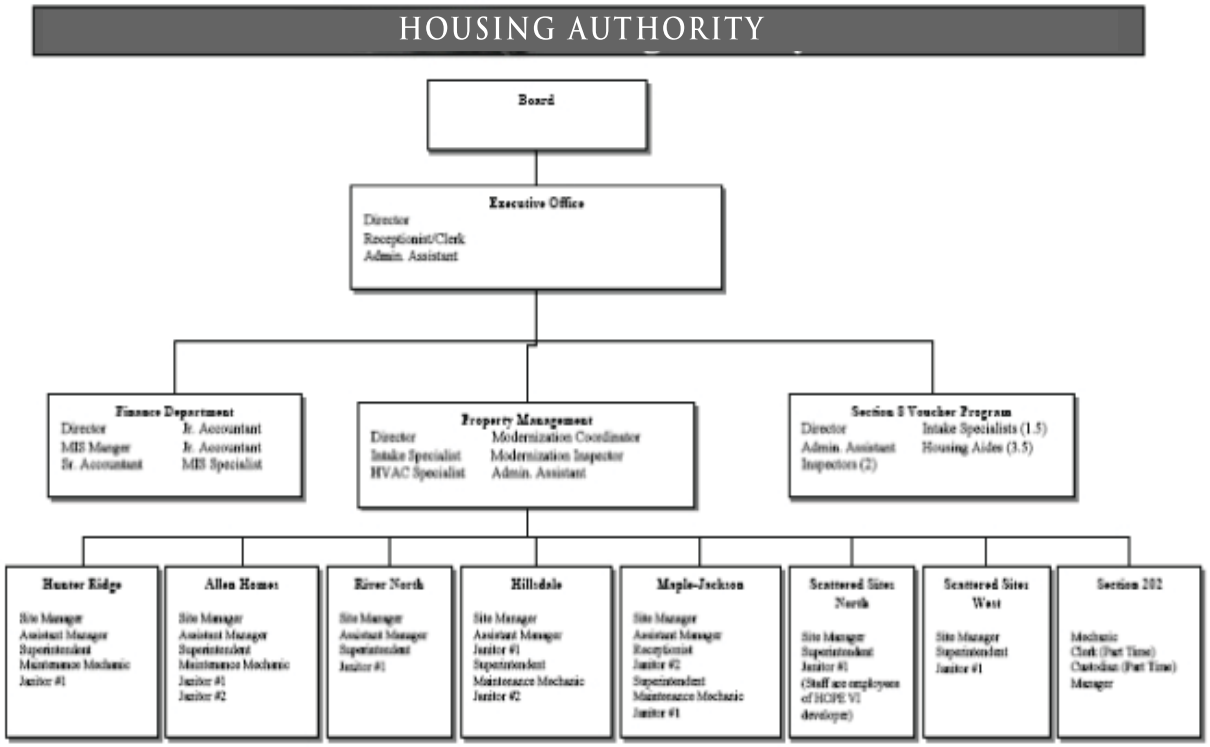
Organizational Structure

The organizational chart establishes the reporting relationships and lines of authority between the Executive Director, the senior leaders, and the staff. PHAs design their own organizational structure, and the structures vary between small, medium and large PHAs. The PHA's organizational structure can change with management and political changes, or to accomplish new organizational objectives.

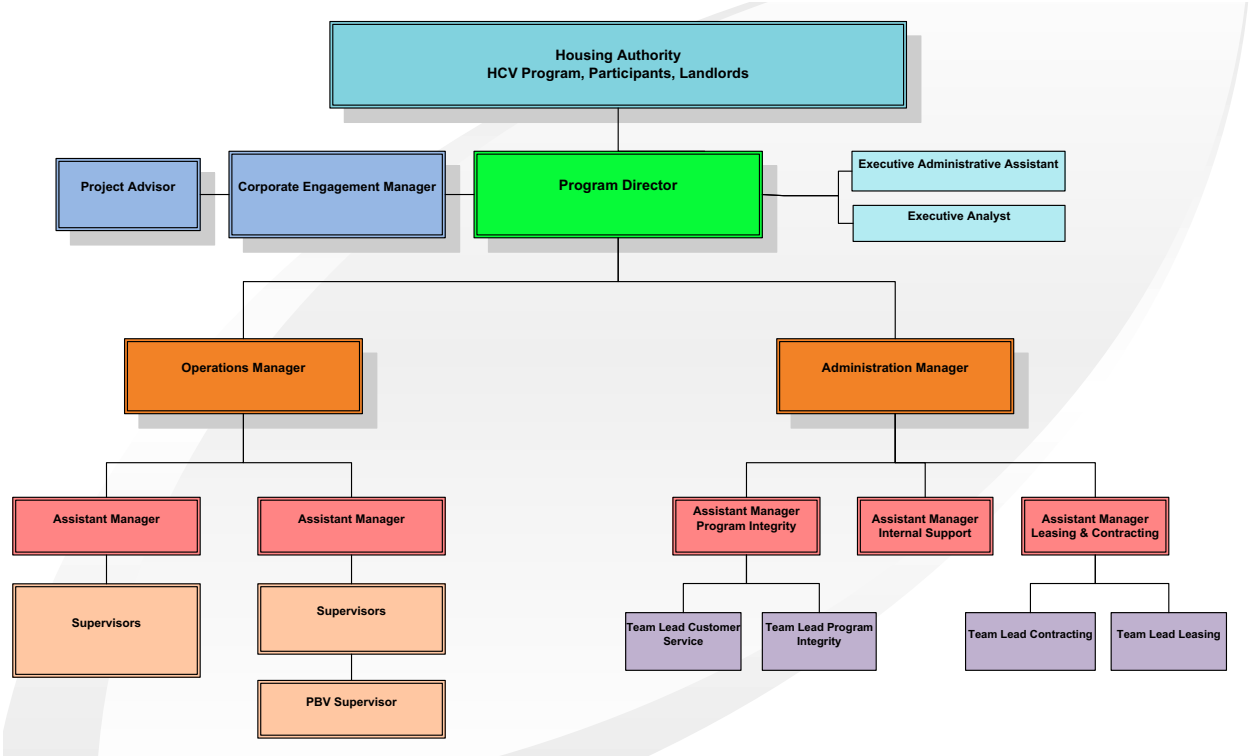
There are several examples of Organizational Charts which illustrate a variety of structures.

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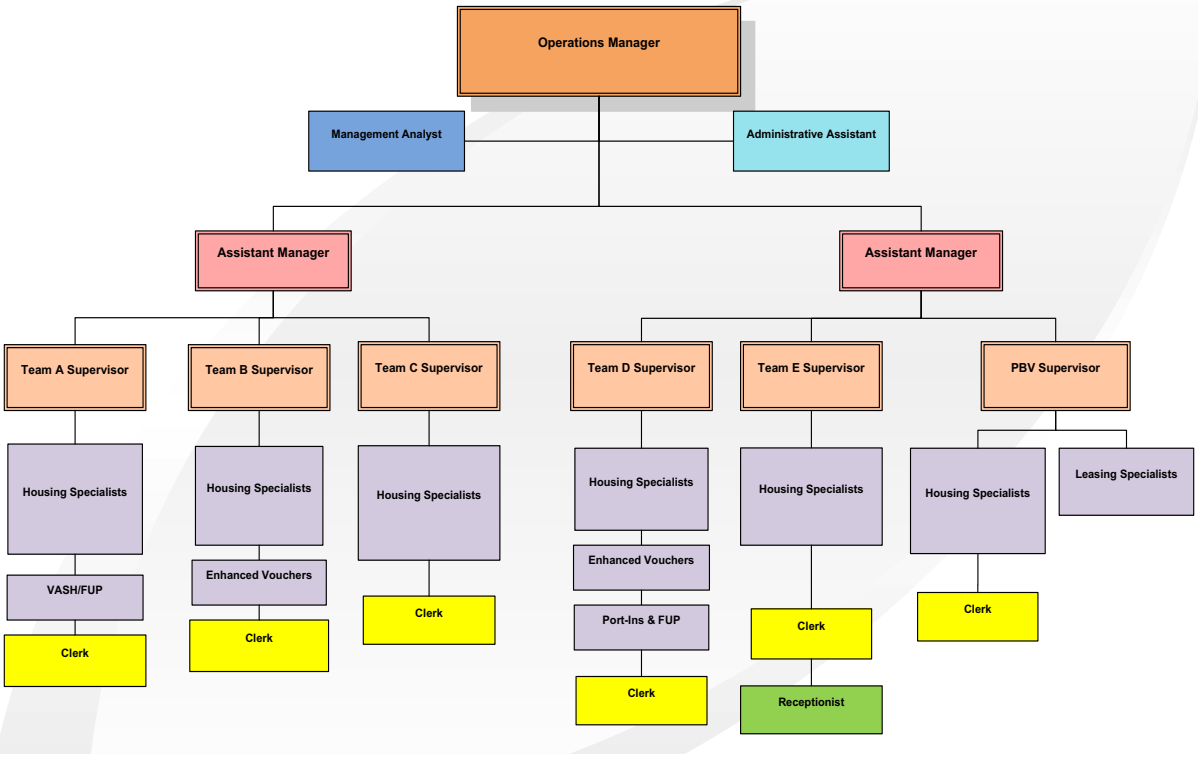
ORGANIZATIONAL CHART: SMALL HCV PROGRAM

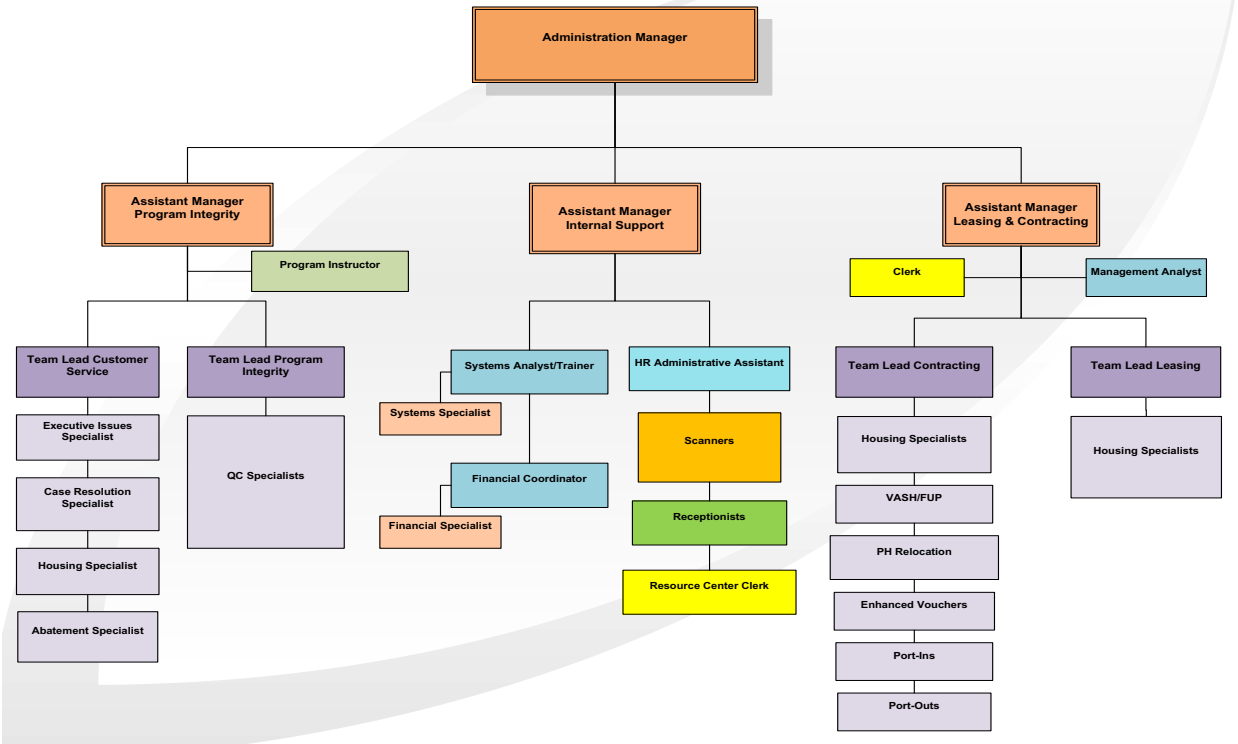


ORGANIZATIONAL CHART: LARGE HCV PROGRAM

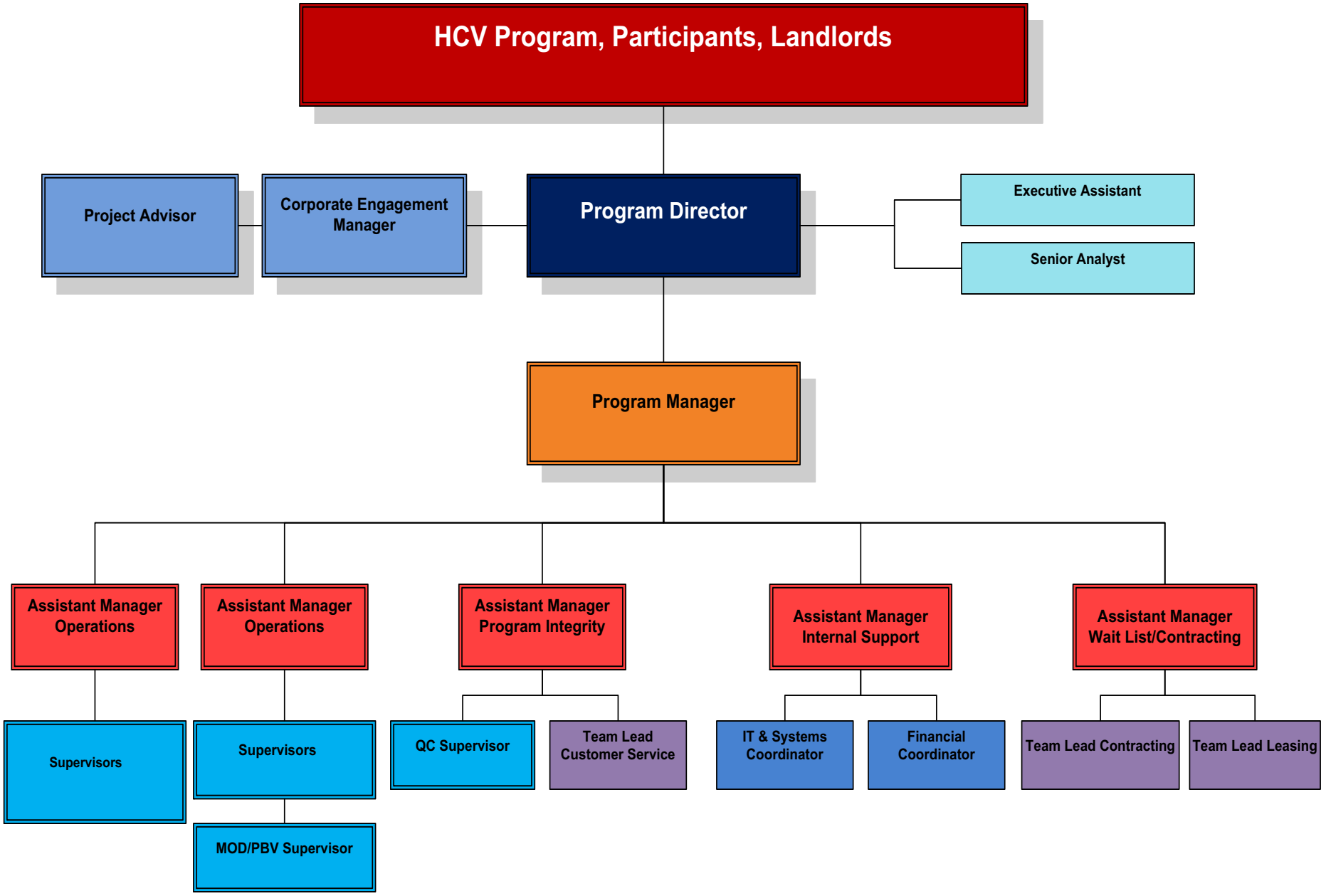


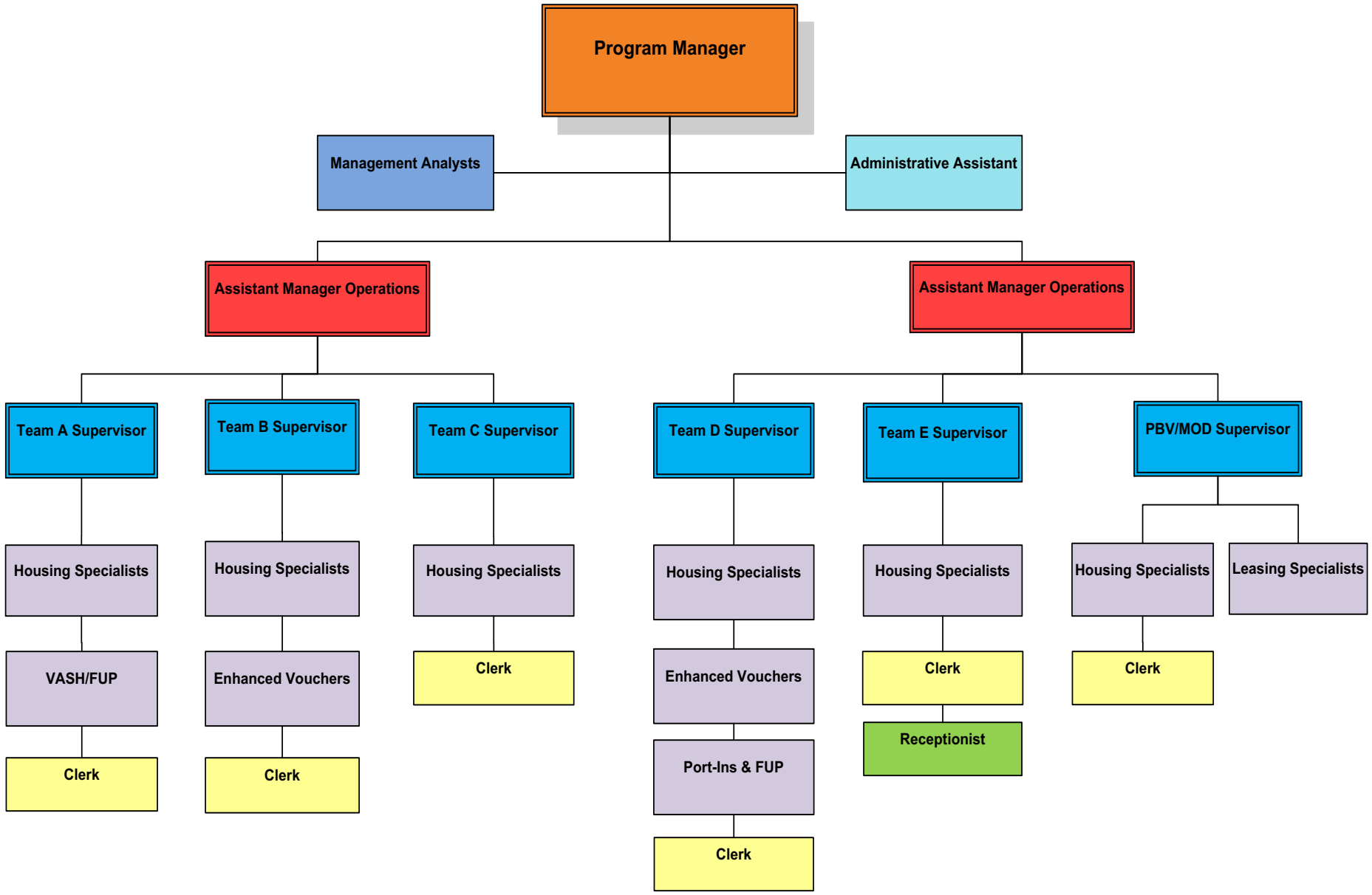
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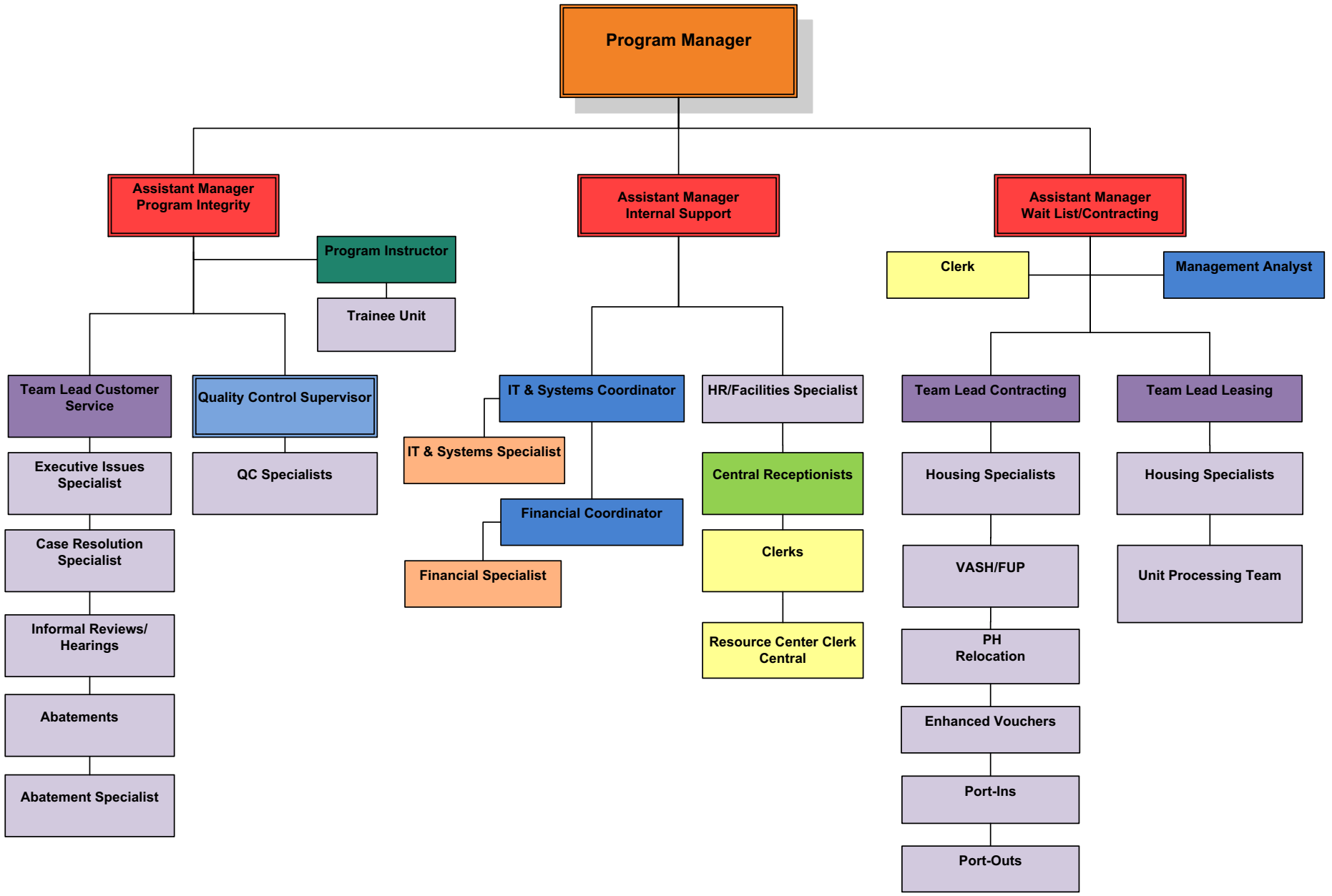




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HCV Program, Participants, Landlords
Project Advisor
Corporate Engagement Manager
Program Director
Executive Assistant
Senior Analyst
Program Manager
Assistant Manager Operations
Assistant Manager Operations
Assistant Manager Program Integrity
Assistant Manager Internal Support
Assistant Manager Wait List/Contracting
Supervisors
Supervisors
MOD/PBV Supervisor
QC Supervisor
Team Lead Customer Service
IT & Systems Coordinator
Financial Coordinator
Team Lead Contracting
Team Lead Leasing


Program Manager
Management Analysts
Administrative Assistant
Assistant Manager Operations
Assistant Manager Operations
Team A Supervisor
Team B Supervisor
Team C Supervisor
Team D Supervisor
Team E Supervisor
PBV/MOD Supervisor
Housing Specialists
Housing Specialists
Housing Specialists
Housing Specialists
Housing Specialists
Housing Specialists
Leasing Specialists
VASH/FUP
Enhanced Vouchers
Clerk
Enhanced Vouchers
Clerk
Clerk
Clerk
Receptionist
Port-Ins & FUP
Clerk


Program Manager
Assistant Manager Program Integrity
Assistant Manager Internal Support
Assistant Manager Wait List/Contracting
Program Instructor
Trainee Unit
Clerk
Management Analyst
Team Lead Customer Service
Quality Control Supervisor
IT & Systems Coordinator
HR/Facilities Specialist
Team Lead Contracting
Team Lead Leasing
Executive Issues Specialist
QC Specialists
IT & Systems Specialist
Central Receptionists
Housing Specialists
Housing Specialists
Case Resolution Specialist
Financial Coordinator
Clerks
VASH/FUP
Unit Processing Team
Informal Reviews/ Hearings
Financial Specialist
Resource Center Clerk Central
PH Relocation
Abatements
Enhanced Vouchers
Abatement Specialist
Port-Ins
Port-Outs

Strengths and Weaknesses of the Current Structure

In order to accurately assess the organization, you will also need to understand the strengths and weaknesses of the current structure. Administrators often recognize what's wrong with the organizational structure but not what is right. First identify what is working well within the existing structure. Remain open minded, and talk with long term employees about past program structures. An idea you are considering may have been tried before. Knowing how the organizational structure has evolved may prevent the repetition of previous mistakes.

If the PHA is part of a larger organization, consider how prospective changes in the current structure may affect the organization as a whole.

Evaluate outcomes produced by the current structure and consider questions such as these:

- How does your agency perform in each of the SEMAP indicators?
- Are there consistent delays or bottlenecks in any area of program operation?
- What people problems occur most often (high turnover or job dissatisfaction, uneven distribution of workloads, lack of communication between teams?
- Are technical tasks being performed accurately and correctly based on quality control and audit results?
- Are there regular complaints from owners and/or participants about accessibility of staff or quality of services?
- What are the types of complaints from staff that may point to the effectiveness of the organizational structure?
- Are individual staff and department production goals being met?
- Do policies and procedures flow from the structure? Do they make sense? Is there overlap and duplication?

You may also want to consider the cost of operating the program within the existing structure. This would require a detailed cost-effectiveness analysis.

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Mission, Vision and Culture

In this section we will discuss how the mission of an organization, the vision of its leaders, and its organizational culture can contribute to performance excellence.

Mission Statements

Ask any business or management expert how to change an organization and they will tell you that the first step is to define your mission and vision and establish goals to achieve them. They will also tell you to involve the entire organization in the process.

A mission statement is a statement of the organization's purpose. It explains why the organization exists. The mission statement should guide the actions of the organization, spell out its overall goal, provide a sense of direction, and guide decision-making. It provides "the framework or context within which the company's strategies are formulated."

A mission statement should address who you serve, what you provide, and how you provide it.

Mission statements help put into words what the board and management would like to see the agency accomplish.

A *mission statement* is meant to communicate your agency or organization's purpose to people inside and outside of the agency. A mission statement should emphasize the types of programs and services your agency offers and what sets it apart from others. Examples of PHA mission statements could include:

- "To serve our community's housing needs using all resources available."
- "To provide affordable housing for all residents through creative partnerships with public and private collaborators."
- "To provide affordable housing that is in good repair, to be stewards of public funds and trust, and to serve all customers with respect."

Mission statements can be developed for a program within the agency, such as the Housing Choice Voucher Program. An example of a mission statement for the Housing Choice Voucher program might be:

- To provide timely and accurate subsidy to maximize the number of families served by the Housing Choice Voucher Program.

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Purpose of Mission Statements

The mission statement is the core principles of an organization. A well-written mission statement provides the guiding direction for developing strategy, defining critical success factors, searching out key opportunities, and making resource allocation choices, all while satisfying customers and stakeholders.

In addition, a mission statement establishes consistency of purpose. It provides a frame of reference for strategic planning, decisions-making and goal-setting. It also informs those in the community of the purpose or business of the PHA, and it provides employees with a sense of purpose.

Developing Mission Statements

In order for any organization to accomplish its mission, the efforts and contributions of all employees are needed. For this reason all departments should have a part in developing the mission statement.

The worksheet below is a helpful tool to assist you in developing a mission statement. You can also reevaluate your current mission statement if the goals, direction or objectives of your agency have changed.

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Worksheet for Developing a Mission Statement

Each member of the mission statement team should answer and be prepared to discuss the following questions. The answers will help to develop the PHA's mission statement.

1. Why do we exist?
2. What programs or services do we currently offer?
3. What are our community's most important housing needs?
4. What needs in the community do we satisfy?
5. What programs or services would serve additional community needs?
6. How can the PHA go about getting resources to offer additional programs or services?
7. Who are our principal customers, clients or service users?
8. How are the programs we operate different today than from three years ago?
9. Are there anticipated changes in the programs we operate that should be considered and might affect the mission statement?
10. What is unique about our PHA?
11. What are our values?

Vision Statements

A vision statement is a vivid idealized description of a desired outcome that inspires, energizes and helps you create a mental picture of what you want your organization to be. A vision statement defines the way an organization will look in the future. A vision statement tells what you want to be, but not how you are going to get there. An example of a vision statement could be:

- "To become the premier provider of quality choice affordable housing"
- "To provide performance excellence in the operation of the HCV program"

The stated mission and vision should be the major factors that affect everything the organization does. All policy and operating decision should be made within the context of how they relate to the mission and vision.

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Organizational Culture

The organizational culture reflects the "personality" of the organization. The assumptions, values, norms, tangible signs and behaviors of personnel are indicators of the organizational culture. You should recognize that the organizational culture has a direct affect on how people relate to each other and how they perform. It may also have a major effect on employee satisfaction and retention.

What is Organizational Culture?

Organizational culture is a term that is difficult to express, but that everyone recognizes when it's pointed out. Visible expressions of organizational culture can be found in how the office facility is arranged and decorated, the clothing staff wear, the organizational processes and structures, the way clients are treated, and the general way staff go about everyday activities in the organization. Other examples of culture can be found not only in value statements and priorities, but in commonly used language and jargon, logos, brochures, company slogans, and status symbols such as cars, window offices, and titles.

Examples of behaviors that are the direct indicators of organizational or "corporate" culture include:

- People feel strongly about a decision, but do not speak up.
- People do not question the status quo; new ideas are not encouraged.
- Colleagues get together socially, or do not socialize at all.
- Rather than discussing an uncomfortable situation with a colleague, a person will criticize the other person to anyone who will listen.
- There are unwritten rules about which subjects one can bring up to the executive staff.

Organizational culture is important to recognize when trying to institute organization-wide change because understanding and assessing the organizational culture can mean the difference between success and failure in today's environment. Moreover, specialists in organizational development realize that organizational change must include not only changing structures and processes, but changing the organizational culture as well. Good cultures are characterized by norms and values supportive of excellence, teamwork, profitability, honesty, a customer service orientation and pride in one's work.

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The Real Organizational Culture

What drives the organizational culture? In reality, the strongest indicators of an organization's culture are the things to which management pays attention and rewards. These things may be quite different than the values that an organization promulgates or the ideals it publicizes.

Think about your organizational culture in light of your stated mission. Does your organizational culture reflect the values and ideals in your mission statement? Consider these questions:

- Does your PHA management encourage or discourage innovation and risk-taking?
- Are employees rewarded for coming up with new ideas and challenging old ways of doing things, or are employees who challenge established practices punished or ignored?
- Is adaptability a norm in your organization or do people protect the status quo?
- Does the organization truly value excellence or is the mentality to simply "get the job done?"
- Does management pay attention to the job satisfaction and well-being of employees or is the focus solely on production?
- Do employees reach out to and support new staff?
- Do employees participate in decision-making that affects their job or are decisions pushed down from management?

Answering these questions honestly gives an opportunity for insight into your PHA's real culture and what the leadership team values.

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Strategic Planning and Strategy Deployment

What is the difference between strategic thinking and strategic planning? Strategic thinking is the application of creativity, analysis, problem solving, and critical thinking in planning and decision-making. Strategic planning is a process that relies on strong strategic thinking. When done correctly, strategic planning is not a one-time event. It is an ongoing process that is reviewed and adjusted on a regular basis as needed. Strategic planning is creating a vision of the future and then managing toward that expectancy. The strategic plan itself is the roadmap to where you want to be in the future. The actions and activities needed to achieve the goals in the strategic plan are deployed on a daily basis throughout the organization.

Introduction

It has been said that any road will get you there if you don't know where you're going. The truth of this adage is often seen in PHAs that constantly operate in a crisis mode. They often spend so much time putting out fires that the required work falls behind. In this section we will discuss the basics of strategic planning and provide a framework to create a strategic plan.

There are two things to remember about strategic planning. First, the process of planning is equally as important as the planning document, The value of strategic planning is derived from the thinking, the discussion, debate, analyses, insights and commitments to action that result during the process. Second, the planning process is never "done." It is a continuous cycle that is part of the management process.

Strategic planning is an effective process for **aligning your short-term decisions with your long-term goals**, and it answers three important questions.

- Where are we today?
- Where do we want to be in the future?
- What should we focus on today to ensure that we get to where we want to be in the future?

Strategic planning bridges the gap between long term vision and day-to-day tactics. It is not about predicting the future but deciding where you actually want your organization to be in the future.

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Roles in Strategic Planning

Senior Leader (Executive Director)

- Leads the planning and implementation effort
- Establishes clear roles and responsibilities
- Allocates resources for action items
- Holds strategic plan meetings with the senior leadership team to monitor the status of the plan
- Leads by consensus, but makes key decisions when necessary
- Incorporates brief status updates at weekly staff meetings
- Communicates plan status, accomplishments, and lessons learned with the workforce
- Communicates results as appropriate to customers, stakeholders, Board

Senior Leadership Team Members

- Support the strategic plan and incorporate in to day-to-day business and processes
- Prioritize objectives
- Define measures for progress and mission performance
- Provide training resources
- Attend strategic plan meetings
- Give brief status updates at weekly staff meetings
- Guide the workforce through implementation issues
- Remove organizational barriers to goal accomplishment
- Create or revise policies and procedures to achieve goals
- Communicate plan status, accomplishments, and lessons learned with their employees

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Beginning the Process

Here is an example of a strategic planning process:

- Define the vision
- Create the Team
- Scan the Environment (Internal and External)
- Establish prioritized goals and objectives: (What must change to achieve the vision)
- Implement strategies to reach goals; Associate timelines and assign responsibilities for each objective
- Assess your resources
- Write the Plan
- Take Action
- Communicate the Plan
- Evaluate and adjust the Plan as needed

Define the Vision. Strategic planning begins with a strong, compelling vision of your desired outcome at a point in the future. This is derived from your agency's mission, vision and values.

Select the team. You'll also need to select the members of the planning team. This is an important decision and key to the success of the process. The members should be the people who will be responsible to carry out the plan; those with a stake in your organization's success along with representatives from any groups who will be directly affected by the plan. Try to get your best thinkers involved.

From here you can establish who else will be directly involved in the planning activities, who will provide key information to the process, who will review the plan document, and who will authorize the document. Make sure that as many stakeholders as possible are involved in the planning process.

Take Inventory of the Current Situation

The next step is to understand where you are now by conducting an environmental scan. This is the process of taking stock and involves an evaluation of the internal and external trends and forces that affect your agency and current outcomes.

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SWOT Analysis

A SWOT analysis provides information that is helpful in matching the agency's resources and capabilities against the environment in which it operates. SWOT is an acronym for Strengths, Weakness, Opportunities and Threats. Strengths and weaknesses are internal factors, opportunities and threats focuses on external factors.

For example, strengths and weaknesses could relate to such things as:

- Organizational structure (Effective or ineffective)
- Utilization of funding (maximized or under-leased)
- The qualifications and experience of staff (Excellent or poor)
- Agency policies, processes
- Infrastructure (Greatly supports or does not support PHA activities)

Examples of opportunities include:

- Mergers, public/private partnerships, or strategic alliances (regionalization of PHAs)
- Developing a non-profit to create non-federally subsidized affordable housing
- Developing other affordable housing such as tax credit properties to reduce HUD reliance
- Managing privately owned multifamily housing
- Contracting with HUD on the Contract Administrator role of private sector assisted housing
- Transitioning families to homeownership
- Positive relationships with landlords

Examples of threats include:

Decreased Congressional and HUD funding, either subsidy or fees

- Changes in federal regulations governing public and assisted housing
- Competitors providing subsidized housing (tax credit housing, project-based assisted multifamily housing)
- NIMBY (“not in my back yard”)
- Landlords who do not want to participate in the HCV program

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Action Planning

Goals and objectives cannot be achieved without action plans and implementation. Goals should be prioritized, and they should include specific activities, timelines for completion and the designated staff responsible to complete them. The strategic plan should include the various methods that will be used to verify and evaluate goal implementation and progress. Here are some guidelines for developing action plans:

- Specify the actions needed to accomplish stated objectives, who will be responsible and the timelines for action.
- Ensure each manager has an action plan that contributes to the strategic goals as a whole.
- The format of the action plan might include financial pro forms, goals, how each goal contributes to the overall strategic goals, what specific results must be accomplished, how those results will be achieved, and timelines.

Some agencies, like the one described in Section 3, even outline strategies to accomplish specific goals and set out their action steps to accomplish those strategies. This helps ensure that things get done, even in small increments.

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The Basics of Writing a Strategic Plan

Here are some points to keep in mind in writing the first draft:

- It's usually a good idea to have a small number of people write it.
- Don't worry about having every detail in this first draft.
- It should be presented to the board for approval.
- It's wise to distribute copies of the plan to major stakeholders.

In addition, employees often provide input to the action planning portion. When it comes to the structure of the plan, the format might include the following factors:

- An executive summary
- Authorization—all the necessary signatures, including the board, designating they approve the contents and support the implementation of the plan
- An organizational description involving the history of the PHA, its major programs and services, highlights, accomplishments, and challenges during its history
- Mission, vision, and values statements that describe the strategic "philosophy" of the PHA
- Strategic goals and strategies
- Any number of appendices, such as an action planning document and strategic analysis data
- The action planning document is a good candidate for an appendix because it may change depending on whether there are shifts in human resources.

Regardless of the plan's contents, it's essential to communicate the strategic plan once it's written. Copies should be provided to board members and managers, and an outline of the plan could be provided to all staff.

- New employees can also benefit by gaining an appreciation of the agency's direction and objectives.
- Train board members and employees on portions of the plan during orientations and staff meetings.

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Monitoring and Adjusting the Strategic Plan

If you cannot measure it, you cannot monitor it. For this reason the plan should include how the achievement of objectives will be measured, and these measurements should tie directly to the overall strategic goals. Strategic measurement is about overall organizational (or departmental) performance, not individual performance so make certain that you are measuring progress toward the organizational goals.

The strategic plan is a living document and will be adjusted with changes in the environment and unforeseen challenges that arise.

Strategic Planning Summary

Here are some points to remember and consider in developing and implementing your strategic plan:

- The real benefit is the planning process, not only the plan document
- There is no "perfect" plan: it's unique to your situation. Do your best and you'll learn from the process.
- Planning is not an "aha" experience - it's a series of decisions and moves
- Don't make it too complicated
- Start simple - but start!

Beginning the process:

- Look at your mission and vision statements again. Are they current? Should you change them now?
- Decide who will be on the planning team
- Establish who will be directly involved
  - Who will provide key information?
  - Who will review the plan document?
  - Who will authorize the plan?
- How many meetings you have depends on if you've done this before, how many issues there are, and the scope of the plan

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The process:

- Establish a baseline
  - Once you have a vision and mission, you have a picture of where you want to go
  - But in order to get there, you have to know where you are now
- Conduct an environmental scan
  - Identify strengths, weaknesses, trends and conditions
  - Draw on internal and external info
  - This is a key process to stay honest and open about changes within and without
- SWOT analysis (see above)
- Writing the Plan
  - Have a small team write the first draft
  - Present to the board (and upper management, if applicable) for review and approval
  - Distribute copies of the plan to major stakeholders

Communicate the plan to:

- Every board member and manager
- All staff - should get a copy
  - Even new employees can gain quick context, appreciation, and meaning from it
  - Train board members and employees on relevant portions of the plan
- Action planning
  - One common pitfall in strategic planning is that the plan is not ever implemented
- You have to have action plans to reach each strategic goal
- The plan should also have methods for verifying and evaluating the implementation
  - Monitoring the status of implementation and evaluating how it’s working are as important as the plan itself
  - It's acceptable to deviate and adjust

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- Board and managers should understand why, and the plan should be updated in writing
  - Frequency of reviews is up to you—quarterly is recommended
  - Use the strategic plan to accomplish goals and objectives

The agency begins by:

- Dividing the plan into a few distinct strategic directions
- Listing goals for those directions
- Listing strategies to achieve goals
- Listing action steps required to implement the strategies

For example:

- Strategic Direction: Improve process and performance
- Goal: Make work processes more transparent, sensible, efficient, user-friendly, and aligned with the agency's mission
- Strategy: Improve productivity in order to further other strategic directions
- Action: Develop streamline, user-friendly, and transparent budget and accounting systems to give staff a better understanding of the availability and use of financial resources
  - The chart on page 1-51 flow charts another strategic direction of the PHA
- Strategic Direction: Sound Business Practice
  - Illustrating where these goals, strategies, and action steps fit into the bigger picture

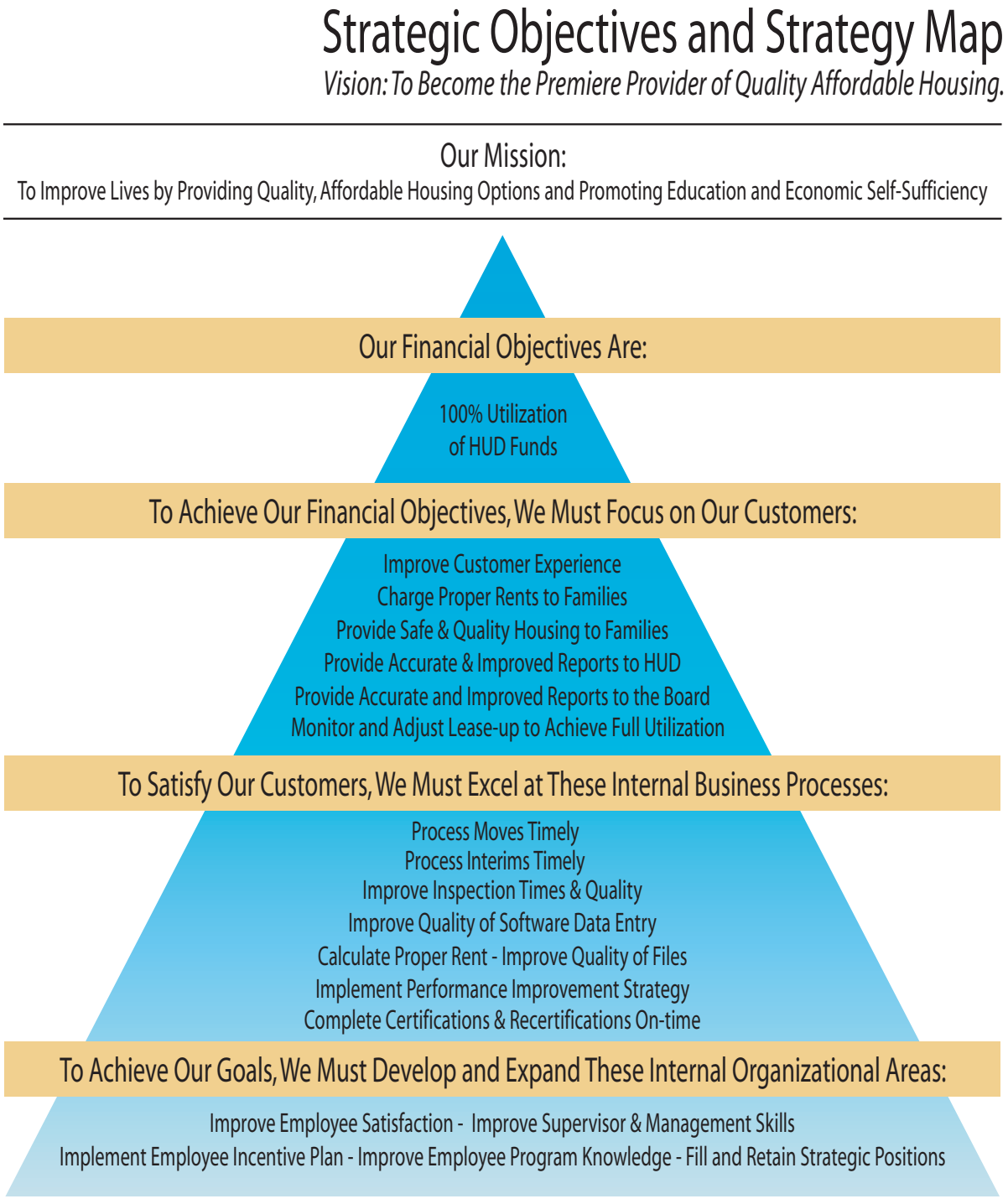
Strategy Deployment

The strategic plan should be deployed throughout the organization and reflected in organizational problem solving and decision making in every department. This will create strategic thinking throughout the organization since every decision made should tie back to the strategic plan.

It is useful to visualize this through a strategy map. A strategy map is a diagram that is used to document the primary strategic goals being pursued by an organization or management team.

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Exhibit 1.2-1 Strategy Map

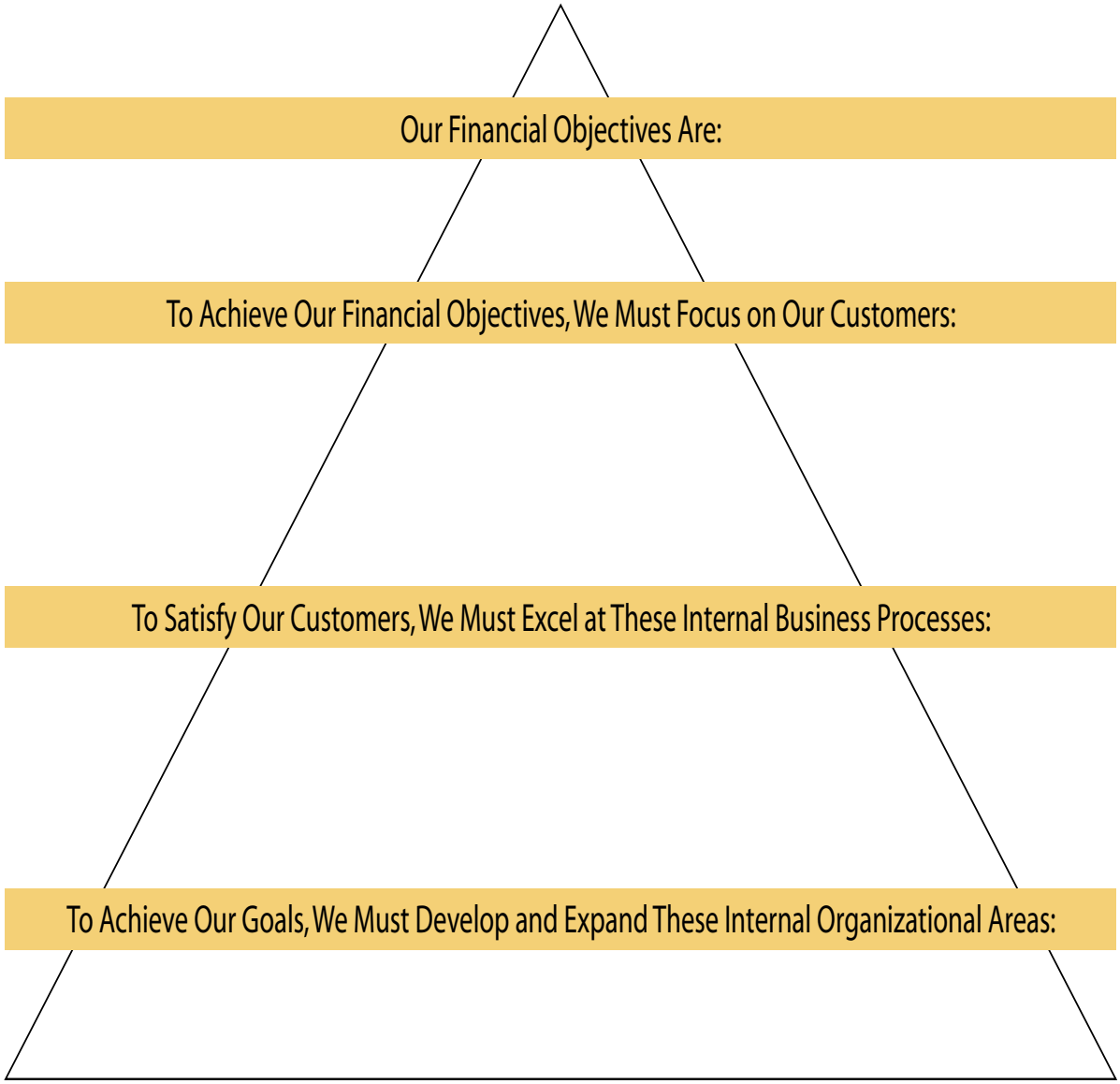


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Strategic Objectives and Strategy Map

Vision:

Our Mission:



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The strategy map makes it easy for supervisors to determine whether their decisions are falling within the strategic plan.

Goals and Objectives

Introduction

Goal setting is an essential element of strategic planning. The vision of an organization's leaders cannot be achieved without defining the strategic objectives. Once objectives are defined, the road from vision to reality is paved with goals. We have said that strategic planning is an ongoing process; it is dynamic. Priorities may change due to forces beyond our control, and leaders must be prepared to adapt and redirect resources to achieve new objectives. They must be able guide the activities of managers and staff in the right direction by setting well articulated measurable goals. In this section we will discuss how to formulate effective goals to meet the objectives in your strategic plan.

As a result of this section you should be able to:

- Identify the components of goal-setting in order to write and implement program goals tied into strategic objectives
- Write a goal that meets the S.M.A.R.T. criteria
- Facilitate goal-setting with others in your agency to ensure that department (or team) goals are in alignment with strategic goals

Goal Definition

A clear definition of a goal is “A written statement that clearly describes certain actions or tasks with a measurable end result.” Setting a goal is how we move from an idea to a reality.

Goals should be written. If they are not written, they are merely ideas that lack power, conviction or motivation. Written goals generate energy and purpose. They help to remind you and others exactly what has to be done, how it will get done, and by when it will be done. Reading a written goal on a regular basis will help to provide the motivation to achieve the goal.

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In the workplace a goal with clearly described actions, tasks and timelines will eliminate misunderstandings between you and the members of your team. Clearly described goals will include action verbs such as create, design, improve, organize, and attain. A test to determine the clarity of your stated goal is to show the statement to 5 people. Ask each of them individually to explain the purpose and objective of the goal. If each one has the same response, your goal is clearly stated. If the responses differ, it is a signal to further clarify your goal.

Goals must have a measurable outcome with a timeframe for completion. A measurable goal is quantifiable. It is described in such a way that the actual result cannot be disputed. If you cannot measure it, chances are you cannot effectively manage it.

When setting goals, remember that some goals may not always remain static. Sometimes unforeseen forces or events may cause a goal to be modified or revised. A good approach to goal-setting is to use the SMART goal model.

Specific – Have a specific objective or outcome in mind. It may be a number, a percentage or a clearly articulated outcome. For example: "reduce rent calculation error rates from the current 8 percent to no more than 2 percent by fiscal year end, December 31."

Measurable – Create the goal in a way that you can measure progress. For example, a baseline of errors by error-type will be established for each case manager based on the most recent quarterly quality control report. We will track the error rates and types by case manager and for the entire department.

Achievable/Attainable – Do you have the personnel with the skills and knowledge needed to accomplish the goal? For example, steps we will take are 1) analyze existing caseloads and adjust them so that they are equitable between case managers; 2) we will track errors by category and provide immediate feedback to case managers to determine the root cause of any error(s), and 3) we will provide one hour targeted training sessions every Friday throughout the goal period.

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Relevant – Think about the underlying purpose of your goals and make certain that they are in line with achieving your stated mission, vision and overall objectives. For example, achieving this goal would be relevant to attaining a high performer status under SEMAP.

Time-bound – Goals should have starting points, ending points and milestones along the way. Progress should be tracked and measured at intervals. For example: Supervisors will review the quality control reports weekly and present a report at bi-weekly staff meetings. Progress reports will also be posted bi-weekly.

Tying Organizational Goals to Departmental Goals

Those who are essential to accomplishing the goal should be involved in identifying the goal and creating the strategy and plans to reach the goal. Failure to involve them may result in a lack of agreement that the goal is realistic and attainable.

You will probably have organization-wide goals, for example, goals in regard to building and running your organization, for example, improving customer service, improving efficiency and avoiding duplication or creating additional affordable housing. You also will probably have specific goals that directly relate to the quality level of services to your clients, both families and owners or other specific performance outcomes. The organizational goals will be further defined by the HCV program goals and the department goals.

Write Down Goals to Address Issues

Below, write the strategic goals needed to address the key issues and challenges the agency is facing. Think about what must be accomplished in order to address issues such as the trend toward reduced funding from Congress.

Write Down Forward-Looking Goals

Next, write down more forward-looking goals which could relate to funding cuts and staffing decisions. Consider goals over the term of your strategic plan, but look very closely at the next year since the funding cycle is on a calendar year basis.

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Next, Associate Strategies with Each Goal

Next, under each goal, write down the major approaches (or strategies) that must be used to achieve each goal. Consider strategies over the term of the strategic plan, but especially over the next year.

Aligning Goals and Strategies with the Organization's Mission, Vision and Values

Does each goal and its associated strategies really contribute toward the mission and vision of the organization? Will the goals be reached by using strategies that are closely aligned with the values of the organization and the strategic plan?

The Goal-Setting Process

Some goals require more complex planning than others because they involve the coordination of activities between work groups or there are multiple variables involved to achieve them. Here are the steps to help guide you through the goal-setting process.

Step 1: Define the objective: What is the problem to be solved or the outcome to be achieved? Is the problem a lack of participating owners? Under-utilization of budget authority? Do you want to improve customer service or improve the coordination of activities between departments that rely on each other? Defining the problem or desired outcome should be done with the participation of those who are most knowledgeable and will be directly involved in the process.

By defining objectives you provide a way to measure the movement towards the vision. This is the real strategy of turning visions into reality. It is the crossover mechanism between where you are now and the desired future. Objectives are stated in precise, measurable terms such as “By the end of the next quarter, we will lease 98% of the baseline units or utilize 98% of the funding.

Step 2: Define and write the goal using the SMART criteria. Creating the goal also includes the following.

- Define the action steps (tasks) that are needed to achieve the goal. Tasks are concrete, measurable events that must occur. An example might be, “The Intake Supervisor will produce and monitor a plan to increase initial unit leasing by 5% over the last month's leasing figures.”

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- Establish timelines: This establishes a priority for the tasks. Since time is precious and many tasks must be accomplished before another can begin, establishing priorities helps your team to determine the order in which the tasks must be accomplished and by what date. For example, "The plan will be presented to the HCV director within two weeks."
- Assign ownership of the tasks to designated personnel. Assigning tasks and responsibilities means ensuring that people know exactly what their responsibilities are, and how progress will be measured.

Step 3: Follow-up

The final step is to follow-up and validate that the team is doing what is required. This kind of leader involvement validates that the goals are worthy of the effort. For the leader it demonstrates the commitment to success in accomplishing the goal. Note that validation does not mean to micro-manage. Micro-management undermines the confidence of others; following up simply ensures that the desired activities are being done as planned.

Using the Strategic Plan to Accomplish Goals and Objectives

This section focuses on applying your PHA's strategic plan to your own departments or areas of supervision, so that you can use the plan to accomplish your team's specific goals and objectives.

Remember, a strategic plan involves implementing various strategies, actions and setting goals in order to accomplish your mission. In your strategic plan, these goals, strategies, and actions are sure to be geared towards different aspects of your operation and specific areas of supervision (departments or teams).

This starts by establishing an effective organizational vision for the future. In Bryson and Farnum's book *Creating and Implementing Your Strategic Plan*; they discuss this process, noting the importance of developing a vision of success and circulating it among staff members and stakeholders.

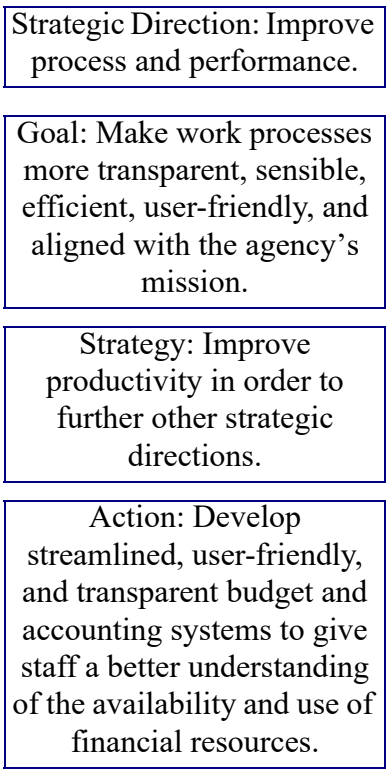
- To create a document that encompasses your agency's vision of the future, simply compile a list of the important elements in your strategic plan and use them as the basis for your vision statement. Such a document can remind people of the core principles and strategies at work to achieve organizational objectives in the strategic plan.

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Whether you have a vision statement for the future or not, you can still apply your agency's strategic plan in accomplishing the goals of your department or area of supervision. Here are some examples of this:

The PHA in our example administers over 1250 vouchers. Their strategic plan involves more than one direction. Each direction has specific goals and strategies and action steps. The directions are broad and agency wide, but the action steps are specific and will apply to specific departments. \

For example, one of this PHA's strategic directions was to improve process and performance. The first goal for this strategic direction was to make work processes more efficient and transparent, in addition to making them more sensible and in line with the agency's mission. Following that, a strategy that this PHA specified in order to reach the goal was to improve productivity to further other strategic directions for the agency. Finally, one of the action steps associated with this strategy is to develop streamlined, user-friendly, and transparent budget and accounting systems so that everyone has a better general understanding of the availability and use of financial resources. This process is summarized in the following illustration:



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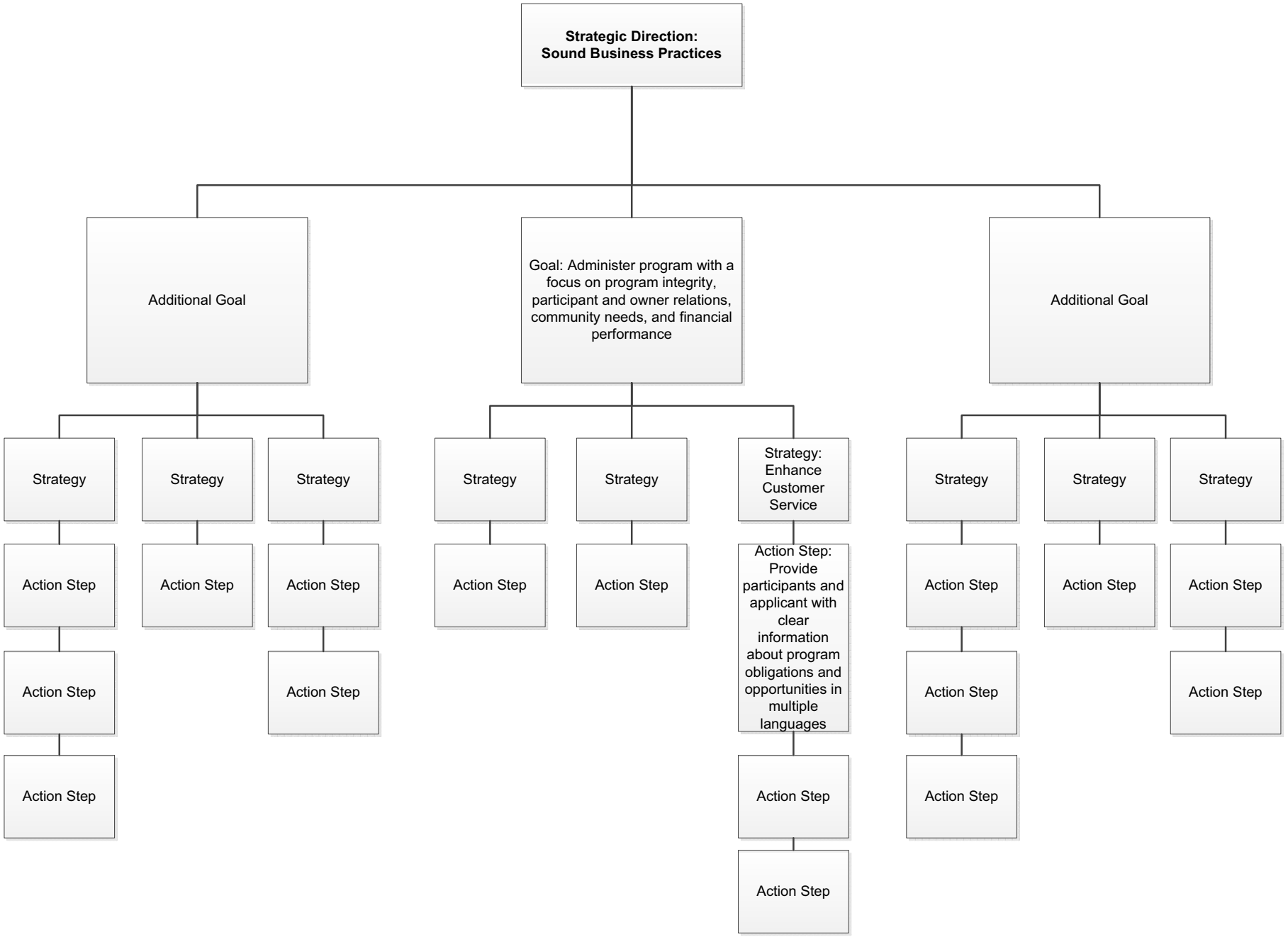
The above example illustrates how your agency's strategic plan can be relevant to you as a manager, and can help you accomplish agency goals and objectives-even all the way down to the department level or in your area of supervision. In this example, the strategic direction provided a catalyst for the goal, and the strategy in a sense defined the action steps necessary to reach the goal. On the department level, a manger would be responsible for improving productivity by developing better budget and accounting systems. This would in turn give staff a better handle on their resources, which in itself would show that the goal is being met and that the agency is indeed moving in the right strategic direction.

Something to keep in mind, however, is that there are often many goals defined following a strategic direction, many strategies outlined for each goal, and several action steps required to set those strategies in motion. Here is another example. In the same PHA's strategic plan, another strategic direction they identify is to have sound business practices.

- There are several goals that the agency outlines related to this strategic direction, but one in particular is to administer the voucher program with a focus on program integrity, owner and participant relations, responsiveness to community needs, and financial performance.
- One of many strategies the PHA proposes to reach this goal is to enhance customer service so that program participation and community support of the agency continue.
- Finally, one of several action steps that can help put this strategy in motion is to provide applicants and participants with useful and clear information regarding their opportunities and obligations under the program. This action step also involves providing information in different languages where appropriate.
- The chart on the following page illustrates where these goals, strategies, and action steps fit it to the bigger picture.

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STRATEGIC DIRECTION CHART



Writing the Action Plan

In the section labeled "Your Action Plans" below, write an action plan for a specific goal you want to accomplish. Action plans specify how the strategic goals and strategies will be carried out. Action plans often include various objectives to be reached while achieving a goal, who is responsible for achieving them, and when they will be completed. Write objectives to meet the "SMART" goal requirements.

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ACTION PLAN

Goals	Tasks	Start Date	End Date
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
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21.			
22.			
23.			
24.			
25.			

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Achieving the Goal

Now that you have a written goal, what steps can you take to ensure you achieve the goal? The following will help you, particularly when you are implementing personal, work-related goals:

- Regularly and vividly imagine your goal as accomplished.
- Share your goal with as many people as possible so they can support and encourage your actions to achieve the goal.
- Break the goal down into small steps or tasks and set deadlines to complete the smaller steps.
- Review your progress regularly.
- Plan each task or step on your calendar by making an appointment to work on a particular part of the task. Block out the time necessary and try to not allow interruptions, phone calls or other tasks distract you.
- If you are having trouble or getting backlogged, ask for help. Also, allow yourself to help others who may be backlogged as well.
- Make the decision that you will accomplish the goal.
- Plan a reward for yourself for the accomplishment of the goal. Even if no one else (like your boss) will provide a reward, there is no reason you can't reward yourself with something that is meaningful to you. This will also help to motivate you to accomplish the goal.

Goal management consists of aligning individual employee goals with agency objectives. That is why it is so important for staff to understand the overall business strategy. Everyone on the team must know what part they play and what results they have to deliver. Tips for goal management include:

- Recognizing goals of individual team-members
- Abandoning goals that are no longer relevant
- Identifying and resolving conflicts between individual goals, department goals and management goals
- Prioritizing goals consistently for optimal team-collaboration

Goal-management provides a mechanism to effectively communicate corporate goals and strategic objectives to each person across the entire organization so that every employee understands how their efforts contribute to the organization's success.

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Leadership Performance Systems

Introduction

This section introduces the Leadership Performance System, utilizing the Baldrige Excellence Program as foundation for the HCV program operations.



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The leadership performance system is the framework within which management and the entire organization operates. Leadership systems give managers the tools they need to be successful within the framework. The effectiveness of its leaders and the leadership system directly relates to the level of excellence the organization will achieve.

The leadership system is derived from the mission, vision and strategy. It provides the foundation for success in meeting goals, customer satisfaction and engagement, and employee performance.

The leadership system refers to how leadership is exercised, formally and informally, throughout the organization. It is the basis for the way key decisions are made, communicated, and carried out.

It includes structures and mechanisms for decision making, two-way communication, selection and development of leaders and managers and reinforcement of values, ethical behavior, directions, and performance expectations.

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Framework for the Leadership System

Part of the framework for the leadership system within a PHA includes the agency work systems. The term Work Systems refers to the way in which an organization aligns its internal operations and workforce with its key vendors, suppliers, partners and collaborators to provide quality and cost effective service to our clients. Our work systems include our communication protocol, our expectations and our tracking mechanisms between our internal work processes and our external resources necessary for us to plan and deliver our services to our customers. HUD regulations, the Administrative Plan, computer software, forms and letters are all a part of a PHA's work systems. The framework also includes work processes such as procedures, mini-procedures and workflows which reference your work systems. For example, you could have a procedure for conducting briefings. This procedure would have specific references to HUD regulations, the administrative plan, the software system, HUD forms and documents, and PHA-created forms and letters. Work systems and work processes will be discussed in detail in the Operational Work Systems chapter 5.

As you read through the chapters of the book, you will see many examples of leadership systems and will have the spreadsheets and forms to go with them. Implementation of a leadership system for a function will usually have five parts:

1. Clear expectations (tied to Performance Standards)
2. Work systems and Processes (HUD briefing requirements, HUD and PHA policy, forms, calendar)
3. Measurement to the expectations (spreadsheets, reports and other tools)
4. Evaluation of the measurement results (analysis of the results)
5. Action planning to make corrections where necessary (corrective action plan)

There is an example in this chapter of a leadership system to ensure required reexaminations are completed on time. This example illustrates the five parts of a leadership system. You can also apply the example to any other HCV program functions such as interims, inspections, eligibility determination or leasing.

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To achieve a strong leadership system within the agency requires the following:

- Measuring leadership effectiveness
- Utilizing consistent standards
- Modeling leadership behavior throughout the organization
- Recognizing good leaders
- Emphasizing leadership with the front line supervisors
- Defining tasks and behavioral expectations at the management, department, team and personal level
- Communicating quality measurements, expectations and results
- Developing skill levels needed for performance excellence

Without leadership systems in place, you may be making decisions based on perception or opinion instead of facts.

- "I feel we need more staff."
- "I think we can lease more units."
- "In my opinion, we can increase the caseloads."

With effective leadership systems information and data will be available to make fact-based decisions. Leadership systems provide consistency so that a new manager can take on their responsibilities and understand the way the department works very quickly because all supervisors are expected to work within the established leadership system.

The leadership system will become a framework within which to manage the day-to-day operations. Consistency and performance excellence will result.

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Leadership System Example

The following are all part of your leadership system:

- Strategy maps and goals
- Organizational chart
- Performance standards
- Work systems
- Work processes and tools
- Quality control measurements

We will use annual reexaminations to illustrate leadership systems.

An effective leadership system is needed to ensure that consistency in production and accuracy of annual reexaminations. Because we have overlapping activities in reexaminations from month to month, the numerous activities for each case can be overwhelming from one month to another. Once we have a leadership system in place, we can measure progress by using the measurement and analysis methods we have established within that leadership system, and we can then improve results by implementing solutions we have instituted as part of our leadership system.

1. Performance Standard: Complete on-time an average of 98% of assigned annual reexaminations during evaluation period.
2. Leadership system: Work systems such as Administrative Plan policy for conducting annual reexaminations, computer software, electronic filing system, criminal background check system, data tracking system; work processes such as procedures, agency forms and letters, and work tools such as a recertification calendar.
3. Measurement: Daily, weekly, monthly and quarterly chart of recertification completion (see chapter on Measurements and Analysis)
4. Evaluation: Comparison of goals and actual completion (leading and lagging indicators discussed in Measurements and Analysis chapter); determine whether reexamination goals were met. For lagging indicators, determine causes and solutions. Determine whether performance standards have been met.
5. Action Plan: Incorporate a plan to redistribute lagging indicators (those unmet goals), address causes of the problem, and apply solutions. Create an Individual Development Plan if needed.

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The Role of Senior Leaders

Senior leaders directly impact the operation of a housing authority. Everything trickles down, and upper management sets the tone and culture for the agency. With effective leadership systems in place, senior leaders have the tools necessary to lead the program and staff to performance excellence.

A leadership system will help senior leaders acquire the knowledge, skills, tools, and expertise to exercise effective leadership in setting values, directions, and expectations and to integrate them into a culture that has a passion for excellence. Senior leaders are the only people in the organization with a whole system perspective, positional power, and the resource control needed to determine both strategy and action.

If senior leaders fail to make vision, values and performance expectations clear (especially defining them in measurable terms), uncertainty may be created among managers about what is to be accomplished and whose direction is to be followed. This may cause managers to substitute their own ideas, objectives and directions which may not be in alignment with those of top leadership or other managers and units. The lack of alignment may also contribute to redundancy and wasted resources. As a consequence, some parts of the organization may work at cross-purposes with other parts of the organization. Therefore, the agency's leadership system defined by performance standards and performance measurements creates the necessary framework for operation.

Sometimes the leadership system is written down; often it is not. Sometimes it is obvious, even if it isn't written down. Most of the time, the absence of a leadership system is obvious. The performance results will reflect the leadership system - or the absence of one.

The decisions of senior leaders have implications for everyone else in the organization, including setting the direction for the future of the organization.

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Leaders all have different qualities but there are at least seven that are common to all. If you want to be someone that people look up to and trust, you can develop these qualities in yourself.

1. They are continually learning. They never assume they're "done" learning and know it all. They are always asking questions and growing. The more they learn, the more they realize they don't know. They are not threatened by those around them who have more knowledge.
2. They serve others in business, in the community, in their families. They reach out and get involved in things that matter most. They are not afraid to dig in with the team and do anything that needs doing - they're not too "important" to do the small things.
3. They take responsibility for their attitude. They see each problem as something from which to learn.
4. Leaders believe in those around them. In addition to getting to know people well enough to place them in the right positions, they also encourage people to grow and be the best they can be every day. Leaders never let others decide for them how they will react to a person or situation. They assess for themselves.
5. Leaders are balanced. They have a good sense of humor and can laugh at themselves. They know their own worth but have no need to brag about it. They make fact-based decisions. They are honest and accept responsibility without excuses. They see themselves as responsible but are not afraid to take disciplinary action if needed
6. Leaders are creative. They look forward to new challenges. They are secure within themselves - they know they did their best every time. They don't avoid people but rather get involved with others and learn from them. Leaders are flexible, not only accepting change, but anticipating it as well.
7. Leaders work to keep all aspects of their life in balance, ensuring that their physical, mental, spiritual and emotional health are attended and renewed.

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Improving Leadership Results

If you want better leadership results, you have to change the leadership system. Agencies with high performance have created leadership systems which produce the results they desire, communicate a consistent, shared mission and vision across the organization, and consistently develop the skills of each of their leaders over time. You cannot improve leadership effectiveness by simply sending your leaders to workshops or asking them to change - you have to change the existing leadership system which is giving you results that are less than desired.

In the subsidized housing industry, we acknowledge that effective utilization of funding and maintaining compliance with laws and regulations is the paramount focus. Therefore, training is primarily focused on these areas, but the management principles behind effective leadership need further attention. The agency and its departments need leadership systems in place for managers to get the work done through people while tracking, measuring, evaluating, and establishing action plans so the HCV program operates efficiently.

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Ethics

Ethics has become one of today's most critical business concerns. You may not think that concerns about ethics are applicable your agency, but the facts are that there are serious problems in the public and private sector relating to ethical issues, and it is imperative that your organization avoid actions and decisions that lead to inquiries involving ethical or legal improprieties.

Ethics refers to a system of moral principles or values, the rules or standards governing the conduct of the members of a profession, or the accepted principles of right and wrong. In simple terms, it means doing what's right, fair, honest and legal.

For the most part, businesses and the majority of people who work in them are being fair, honest, and try to do the right thing.

It's easy to see that each of us has a significant responsibility to act ethically. The actions we take, the decisions we make, and the daily behaviors we exhibit will all ultimately determine how we and our organizations are judged. When it comes to ethics, we are all responsible.

Create an Ethical Culture

Communicate your agency's ethics policy clearly to the employees. Post it around the office and distribute it to employees. Address ethical issues at meetings when relevant, and reward ethical behavior. Ask people to talk about examples of different ethical dilemmas or decisions. Review the rules and the reasons for them. Make it clear that your PHA will not tolerate unethical conduct and outline the consequences for it.

Make it easy for employees to seek guidance when they need help making a decision. Employees may not always be sure of the proper ethical decision or solution. Therefore, it's the responsibility of management to provide the resources that they need to make the right decision. Someone should be available at all times with whom employees can discuss these issues.

Create an atmosphere in which employees can trust their supervisors and know they can report violators of the ethics policy. Supervisors should keep employees who report violators anonymous.

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Ten Myths about Business Ethics

Although this seems simple, there are many myths and a lot of confusion about ethics in the workplace. In Carter McNamara's *Complete Guide to Ethics Management*, the author outlines the ten most common myths about business ethics. They are as follows:

1. *Business ethics are more a matter of religion than management*. Ethical behavior in the workplace is not about altering people's values or saving their souls; it is about managing those values and potential conflicts.
2. *Our employees are ethical so we don't need to pay attention to business ethics*. Most people believe in honesty and being courteous, but most of us will realize there's a "gray area" when trying to behave ethically in complex situations.
3. *Business ethics are part of a discipline best led by philosophers, educators, and theologians*. This myth derives from a lack of involvement of the leaders in an organization or the unethical behaviors displayed by those leaders. Somehow this suggests that ethics are for thinkers, not doers.
4. *Business ethics only emphasize the obvious—"to do good."* Although it is obvious that all people should be honest, there often are occasions of deceit in the workplace.
5. *Business ethics are a matter of the good guys preaching to the bad guys*. Sometimes good people make bad decisions or take bad actions, particularly when stressed or confused. Working toward ethical behavior draws people together, and helps people remain ethical when working through confusing and stressful dilemmas.
6. *Business ethics are the new "flavor of the month" in business practice*. Although many believe the emphasis on ethical behavior is new because of recent corporate problems, Cicero wrote about ethics 2000 years ago!
7. *Ethics cannot be managed*. Ethics always includes managing our behaviors and decisions.
8. *Business ethics and social responsibility is the same thing*. Discussions on social responsibility do not address practical matters concerning ethics in the workplace (e.g., determining responsibility in business dealings and a critique of business decisions).

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9. *Our organization is not in trouble with HUD, so we're ethical*. A person can be unethical yet operate within the limits of regulations, laws, etc. For example, withholding information, fudging on budgets, and constantly complaining about others are all unethical behaviors that can technically operate within the law. Real, serious problems often begin with seemingly unrelated unethical behaviors.
10. *Managing ethics in the workplace has little practical relevance*. Ethics in the workplace involve identifying and prioritizing values to guide workplace behaviors. The code of conduct that may be a part of your PHA's procurement policy is an example of a policy that specifically identifies what behaviors are unacceptable for PHA staff working in that area.

The Ethical Challenges

Being ethical is challenging. The first challenge is knowing the right thing to do. However, even if you know what you should do, the second and more difficult challenge is actually doing the right thing. The third challenge is to manage competing "rights," and the fourth and final challenge is to remember that everything counts.

Knowing the Right Thing to Do

Most of us learned the difference between right and wrong at a young age. We learned that honesty is good, lying is bad, earning is good, and stealing is bad. This is the information that allowed us to separate good from bad and right from wrong.

As we moved through our lives, we found others had different ideas about right and wrong, and we probably encountered a good number of temptations to test our own character and values as well. Most of us probably found that as we get older, the less clearly black or white things seem. That is, sometimes "the right thing" is obvious, and sometimes it's not. When it's hard to know what's right, we need guidelines to help us.

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We can often rely on two kinds of "laws" that can be applied at work. The first category includes common restrictions "everyone knows," (e.g., one shouldn't steal from, assault, or slander another person). The second category relates to business in general, and includes restrictions that are unique to the housing industry and each person's position. These include examples such as procurement, labor or hiring practices, misuse or improper disclosure of proprietary information and discrimination.

Remember:

- Ignorance of a law is not an acceptable excuse for breaking the law.
- Consider not only the actual words and provisions of the laws, but also the probable intentions behind the words. Forgetting the intention of the law often leads to manipulating the law to justify actions.

Every housing authority or agency has rules and procedures, and every employee is responsible for knowing "the company rules." What rules does your agency have? Do you have a Code of Ethics? How do employees learn the rules?

We all make promises or commitments, as members of an organization, and as individuals. We make those commitments to our employees, colleagues, clients, and superiors. A good guideline for knowing what's right or ethical is to live up to your promises or commitments. If you take on a project or task with a deadline, the commitment is that you will complete the project on time. If you accept a position at a higher level within an organization, chances are the job comes with a higher level of responsibility. By accepting the position, you commit to fulfilling the responsibilities.

Remember that ethical behavior is a personal choice-if something feels wrong, there's a good chance that it is wrong.

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Doing What's Right

Sometimes the "right thing to do" depends on who you ask or the circumstances of the situation.

One way to check a decision or planned action for "rightness" is to use a series of questions as a test for the decision or action. A "no" answer to any of the questions would suggest you might want to rethink the decision or find an alternative action:

- Is it legal?
- Does it comply with our rules and guidelines?
- Is it in sync with our organizational values?
- Will I be comfortable and guilt free if I do it?
- Does it match our stated commitments and guarantees?
- Would I do it to my family or a friend?
- Would I be perfectly fine with someone doing it to me?
- Would the most ethical person I know do it?

Managing Competing Rights

This challenge has to do with having to choose between two apparent "rights." This occurs when normal behavioral guidelines don't clearly or easily apply. This usually means that picking one of the rights violates the other. For example:

- It's right to tell the truth, but it's also right to be kind and considerate of peoples' feelings and emotions.
- It's right to apply rules and procedures equally without favoritism, but it's also right to give special consideration to hard working, dependable, productive employees.
- It's right to spend additional time ensuring quality in your work, but it's also right to meet deadlines and avoid "diminishing returns" on your efforts.
- It's right not to share information given to you in confidence, but it's also right to report violations of laws, rules, and ethical standards.

These situations are often referred to as "ethical dilemmas." A dilemma is a situation that requires you to choose between two equally balanced alternatives, or a predicament that offers no good solution. In other words, there are no easy or obvious answers.

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Competing "rights" are issues that have to be thought out, talked out, and worked out using the resources available. When facing a situation involving competing rights, you may want to follow three basic strategies:

1. **Eliminate the conflict.** Look for ways to change the conditions so that the rights no longer collide. For example, imagine that your PHA has neglected to recertify an HCV participant for two years-they just fell through the cracks. When the participant comes in for an interview, he tells the staff that he was working for nine months of the lost year, but was recently laid off due to budget cuts. Normally the PHA would verify the person's income during the lost year and recover the excess rent paid on behalf of the participant. That is the procedure in the case of unreported income. After all, the participant knew he should have had a recertification, right? To eliminate a conflict, you might approve an exception to the policy since it wasn't the participant's responsibility to schedule the recertification.
2. **Decide what's "more right."** If the conflict between the **"**rights**"** can't be eliminated, it will be helpful to identify and choose the "more right" of the two. Here are some questions to ask that may help in the decision: Which of the rights is most in line with laws and regulations? Which is most in sync with organizational values? Which establishes the best precedent for guiding similar decisions in the future?
3. **Ask for assistance—get help!** Go ahead and discuss the situation with your colleagues, the human resources person, the attorney, or anyone else you think might be able to help you sort through the issue. Sometimes an objective viewpoint can be invaluable in deciding when there are no real "wrongs."

Remember that Everything Counts

The last business ethics challenge is to remember that everything counts. In other words, when considering business ethics, all of the activities, functions, decisions and behaviors involved are equally important.

Think about it from the opposite perspective. When is it okay to be unethical? What are the parts of your job and your interactions with people to which fairness, honesty, respect, and doing the right thing don't apply?

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With these realities in mind, you may want to consider some strategies and behaviors for enhancing your personal ethics profile. These include:

- Honor your promises and commitments
- Do business in the open
- Eliminate offensive words and comments from your vocabulary
- Respect organizational resources
- Say “no” to negativity
- Say “no” to gossip in the workplace
- Make sure the mission matters, especially as a leader of people
- Stop the blame
- Be truthful
- Embrace racial, cultural, and creative diversity
- Don't take credit for work done by others
- Maintain confidentiality
- Tell the “straight story”
- Remember that the means do justify the ends
- Recognize others' efforts, contributions, and ethical behaviors
- Talk with people, not at them, and not about them
- Let people know if you are offended or bothered by their behavior
- Consider others' needs and feelings
- Make it safe to be ethical
- Take immediate action when you observe unethical behaviors
- Set the ethical example

One of the secrets to success, both personally and professionally, is to realize how important ethical behavior is, and then to act on that knowledge regardless of what others choose to do. Focus your attention and efforts on the one thing that you have total control over: your behavior.

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Notes

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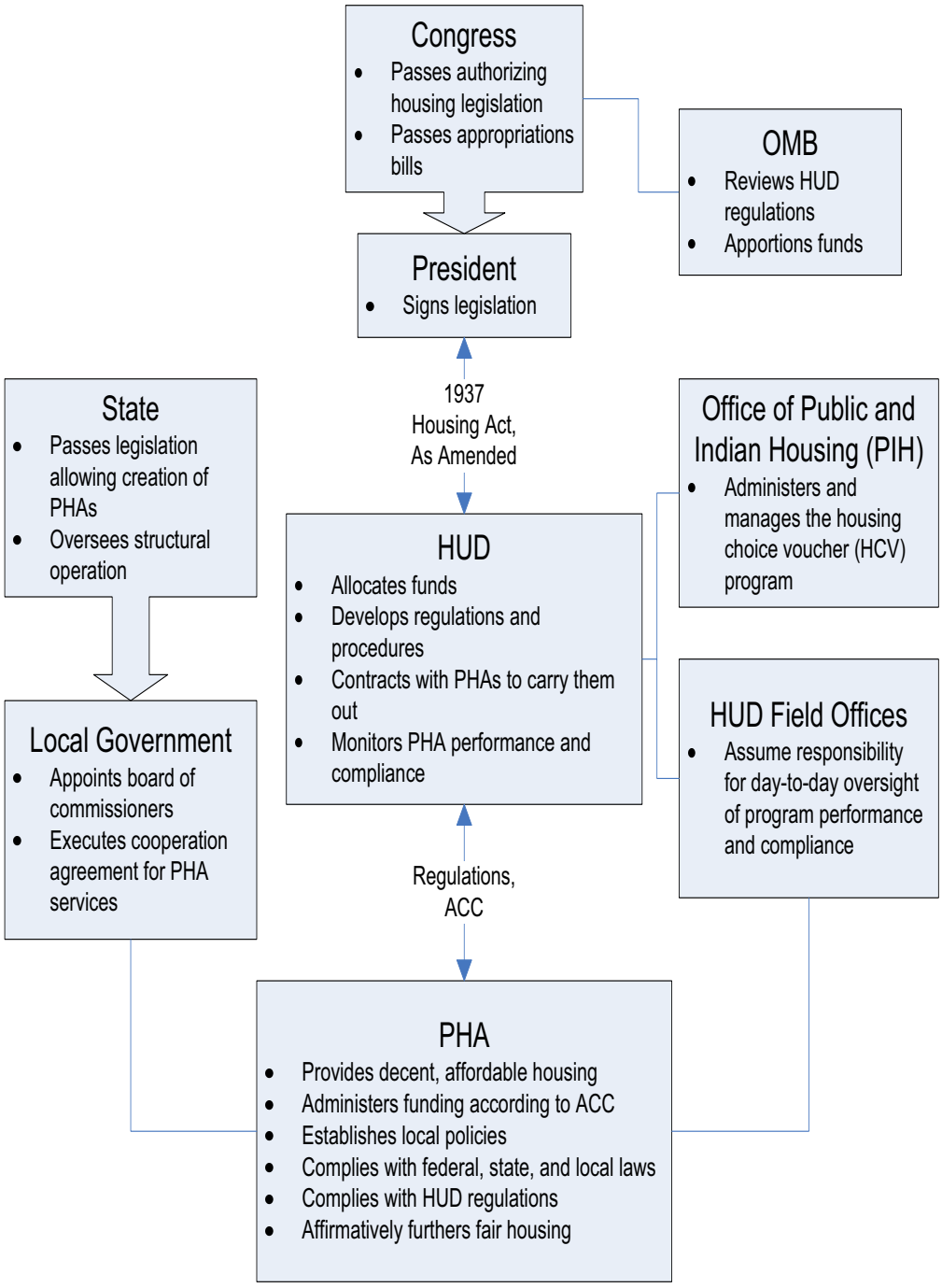
SECTION 1.3 ORGANIZATIONAL RELATIONSHIPS

Organizational relationships define the PHAs customers and how the agency resources are organized to conduct business. Key relationships include HUD and, to a lesser extent, local government. The most direct relationships that define the success of a PHA are the relationships with the families who are served and owners who make housing available to those families.

The following chart describes the key agency functional relationships and adds families and owners.

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Key Relationships



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HUD, Local Government, and Community-Based Stakeholders

HUD is the funding source and the PHA's primary contractual relationship is with HUD, through the Consolidated Annual Contributions Contract. The most direct relationship between the PHA and HUD is with the local field office. The role of the field office is to provide support and oversight to the PHAs within its service area. It is essential to maintain a positive working relationship with the field office.

- Be prepared for field office audits and reviews
- Respond promptly to audits and other inquiries from the field office
- Make every effort to comply with requests from the field office
- Ask for assistance when you need it

Unless the PHA is a department of the city, county or state, local government does not typically have a direct impact on the operations of a housing authority. The exception might be the appointment of board of directors. In larger cities, there may be other relationships, depending on the political environment.

Relationship building and communication within the political environment are essential for PHAs. Local government officials often initiate contact with PHAs on behalf of constituents and to express other neighborhood concerns. Such inquiries should receive a prompt and professional response from PHAs.

PHAs should cultivate and maintain positive relationships with private sector entities as well as other community-based organizations and service providers. This is essential for PHAs that operate special voucher programs such as Veterans Affairs for Supportive Housing (VASH), the Family Unification Program, or an HCV Family Self-sufficiency (FSS) or homeownership program.

Another focus for relationship-building for PHAs is with tenant advocacy and legal service organizations. It is a good practice to communicate PHA policy decisions that affect your mutual customers to these groups and to be responsive to their inquiries and concerns.

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Families and Owners

The contractual relationships between the PHA, owners and families are clearly defined in the voucher and the HAP contract. The "working" relationships between the PHA, owners and families are defined by how well services are delivered. Two key factors in achieving overall program excellence are to plan for and deliver service excellence.

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Organizational Relationships

Board and Executive Staff

1. What is your role with the Board? Are you required to give presentations to the Board? How do you prepare?
2. What do you do if a Board member comes into the office and asks you questions? What type of questions are your asked? What interface do you have with the Executive Director when this happens?
3. What do you do if a Board member approaches you in regard to a specific family or owner?
4. Who are the executive staff at the PHA or local government you deal with in your job? What reports do you provide to executive staff? Do you attend executive meetings? What tips would you give an HCV Director in working with executive staff?

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HUD Departments and Services

1. In what situations would you, as the HCV Director, interface with:
   a HUD Headquarters
   b HUD Local Office
   c FMC
   d VMS

   What do you do in working with staff from these areas? Should you work directly with these entities or are there specific staff assigned to work with these entities?
2. How do you prepare when you know an audit by OIG or HUD is scheduled? How do you respond to audits? How do you fix audits which resulted in massive corrections to tenant files?

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HUD Systems

1. What tips would you provide to your staff in working with these HUD systems?
   a EIV
   b IMS/PIC
   c VMS
2. What are the problem areas and how can they be avoided?
3. How do you analyze your data in each area to know whether there are errors to fix? How often should this be done? Who should do it?
4. If you find major data problems, how do you organize staff to get them fixed?

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Politicians, Media, Community-based Organizations

1. Who are the politicians in your area who may have some level of involvement in the HCV program operation? What level of involvement do they have? What structure of communication dictates your response? (Are you allowed to communicate with them or do you have to go through other executives in your agency?)
2. What do you do if a politician approaches you (or the Director and you have to respond) regarding the condition of properties or neighborhood disturbances (loud parties or potential drug deals) in a particular neighborhood where they believe (true or not) that there are many HCV families residing?
3. Do you deal with the media in any form? What tips do you have in dealing with the media?
4. What community-based organizations do you deal with? (VASH, social service agencies, minority organizations, legal services) What tips can you give HCV Directors on how to deal with these groups?
5. How do you let the community know how much money the HCV program is bringing into the community?

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Families

1. What tips can you give to your staff in dealing with the communication issues in the interactions you have with families?
   a Angry or upset families
   b Call centers and returning phone calls
   c Interviews
   d No-shows for appointments
   e Families whose paperwork is delayed such as move requests and the PHA is at fault
   f Complaints from others regarding families (such as owners and politicians)
2. What do families want from the staff person(s) who service them?
3. What length of time is acceptable for a Housing Specialist to return a phone call?
4. How do you know whether calls are being returned on a timely basis?
5. What innovative ideas have you implemented in providing family services (newsletters, portals, reception areas, tenant council)?

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Owners

1. What tips can you give to your staff in dealing with the communication issues in the interactions with owners?
   a Complaints about families
   b Inspections results (late, don't agree)
   c Rent issues (rent too low)
2. What do owners want from the staff person(s) who service them?
3. What innovative ideas have you implemented in providing owner services (newsletters, portals, reception areas, owner council, owner excellence programs)?

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Voice of the Customer

The “voice of the customer” refers to the process to capturing customer-related information with the ultimate goal to improve customer service outcomes.

Voice-of-the-customer processes are intended to be proactive and continuously innovative to capture stated, unstated, and anticipated customer expectations and needs.

The goal is to achieve customer engagement. Listening to the voice of the customer might include gathering and integrating various types of customer data such as survey data, focus group findings, blog comments and other social media data. This includes analyzing information about complaints that may affect customers' engagement. Ask yourself these questions:

- How do you listen to customers to obtain actionable information?
- How do your listening methods vary for different customers or customer groups?
- How do you use social media and web-based technologies to listen to customers?
- How do your listening methods vary across the customer life cycle?
- What do your customers want from you? (consistency, empathy, responsiveness, respect, accuracy)

Achieving a consistent level of exceptional customer service requires the total commitment and involvement of the executive leader, senior leaders and staff. That is, customer service initiatives created solely by management and pushed down to staff seldom work, and a disconnect often exists between leadership plans and front-line performance. The people who perform the day-to-day functions usually know where the obstacles and opportunities for exceptional service delivery lie. For this reason, establishing an agency-wide approach is essential.

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Here are several essentials to better hear the voice of the customer.

- Conduct a baseline service assessment. The test of customer service is whether we meet or exceed our customer's expectations as they see it. So it's important to first find out how customers perceive our strengths and weaknesses. There are many ways to get feedback from customers: focus groups, periodic surveys, and face-to-face interviews.
- Keep leadership involved. Executive and senior leaders must work in partnership with staff at all levels. Leaders must demonstrate the commitment to excellent service by example through providing direction and support, and be committed to fully empowering staff to perform their jobs at a high level.
- Develop service standards Agencies should develop quality service standards that identify service expectations. Many agencies incorporate these customer service performance standards into their job descriptions.
- Conduct training/communicate once service standards are developed and communicated, it is essential that staff receive appropriate skills training. Middle managers and supervisors should work closely with staff at the points of contact and provide feedback.
- Track and monitor performance by getting ongoing feedback from owners, families and staff. Review complaints to identify individual personnel issues from systemic issues such as policies and procedures.
- Have a momentum strategy: Ongoing promotions and activities keep customer service in the minds of every member of the team. They are essential to long-term consistency. Reward top performers and discuss positive feedback at staff meetings. Incorporate customer service standards into employee evaluations

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Exhibit 1.3-1 Sample Customer Surveys

¡Este documento es importante, tradúzcalo inmediatamente!

HCV PROGRAM CUSTOMER SERVICE SURVEY — *TELL US HOW WE DID!*

*If you need this document in a different language or **LARGER FONT** or if you need a reasonable accommodation (persons with disabilities), please call XXX-XXX-XXXX or TTY: XXX-XXX-XXXX. Advance notice of seven days is required in order to arrange for interpreter services.*

Date: _____ Voucher or Owner #: _____

Name: _____ I am a: ☐ Participant ☐ Property Owner/Manager

Who did you meet with/speak to? _____

What was the purpose of your visit? ☐ Re-examination ☐ Briefing ☐ Presentation

☐ Other (please specify): _____

Were you greeted when you arrived? ☐ Yes ☐ No

Were you treated respectfully? ☐ Yes ☐ No (please explain): _____

Were all of your concerns addressed? ☐ Yes ☐ No (please explain): _____

Are there any additional resources that you need? ☐ Yes (please specify): _____ ☐ No

Please rate the following:

	Excellent	Great	Good	Average	Fair	Poor
Meeting Experience:	☐	☐	☐	☐	☐	☐
Customer Service:	☐	☐	☐	☐	☐	☐
Facility:	☐	☐	☐	☐	☐	☐
Overall Experience	☐	☐	☐	☐	☐	☐

If your visit was for a **Re-examination**, please answer the following questions:

Did we explain the purpose of your visit? ☐ Yes ☐ No

Did we go over each document in your Re-examination Packet? ☐ Yes ☐ No

Were you asked to provide more documentation? ☐ Yes ☐ No

If yes, did we explain the documents that needed to be returned? ☐ Yes ☐ No

Did we provide you a due date to return the documents? ☐ Yes ☐ No

Were you provided a Customer Receipt? ☐ Yes ☐ No

If your visit was for a **Briefing** or **Presentation**, please answer the following questions:

Was the presenter knowledgeable about the information he/she provided? ☐ Yes ☐ No

Was the presenter organized? ☐ Yes ☐ No

Did the presenter meet all the objectives of the presentation? ☐ Yes ☐ No

Were the presentation materials: Organized/Easy to follow? ☐ Yes ☐ No Useful? ☐ Yes ☐ No

Do you have any additional comments/questions? _____

*rev. 12/10

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HOUSING CHOICE VOUCHER PROGRAM
CUSTOMER SERVICE SURVEY

We are always looking for creative ways to improve our services to you. It is very important to us that you share your ideas and experiences about our agency. Please take a few minutes to answer several questions about your visit to the Housing Choice Voucher Program Office.

Date: _____

1) What was the purpose of your office visit today?

Walk-in ○ Appointment ○ Receive Application ○ Return Information ○ Update Information ○ Application Status ○

2) Are you an:

Applicant ○ Tenant ○ Landlord ○ Public Official ○ Advocacy Group ○ Other ○

3) How long did you have to wait before you were seen by a Representative?

15 minutes ○ 30-40 Minutes ○ 45 minutes to an hour ○ 1 hour or longer ○

4) Were you satisfied with the way your questions or concerns were addressed? _____
5=Very Satisfied 4=Somewhat Satisfied 3=Neither Satisfied or Unsatisfied 2=Dissatisfied
1=Very Dissatisfied

5) Our Representatives were knowledgeable and easy to understand. _____
5=Strongly Agree 4=Somewhat Agree 3=Neither Agree or Disagree 2=Disagree
1=Very Dissatisfied

6) How satisfied were you with the outcome of your office visit? _____

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HOUSING CHOICE VOUCHER PROGRAM
CUSTOMER SERVICE SURVEY

5=Very Satisfied 4=Somewhat Satisfied 3=Neither Satisfied or Unsatisfied 2=Dissatisfied
1=Very Dissatisfied

7) During your office visit was there a need to request a Supervisor? ○ Yes ○ No

8) If a Supervisor was requested, how satisfied were you with the Supervisor who resolved your concerns?____
5=Very Satisfied 4=Somewhat Satisfied 3=Neither Satisfied or Unsatisfied 2=Dissatisfied
1=Very Dissatisfied

9) How would you rate the courtesy and professionalism you were shown by staff?
○ Excellent ○ Good ○ Fair ○ Poor

10) Was your issue resolved the way you wanted it to be resolved?
○ Yes ○ No ○ Unsure ○ Pending More Information

11) Overall, what changes can we make to improve upon our Customer Service and any other comments?
_____

THANK YOU FOR COMPLETING OUR SURVEY

YOUR FEEDBACK IS VERY IMPORTANT TO US AND WE TAKE YOUR CONCERNS SERIOUSLY.
OUR GOAL IS TO PROVIDE YOU WITH THE BEST POSSIBLE SERVICE.

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Customer Communication

Establishing effective communication with both families and owners creates better program understanding because clients know the rules and policies which affect them. Analyze the current methods of communication such as PHA forms and letters. Ensure that they are clear, concise and professionally courteous in tone. In addition to written correspondence PHAs utilize web sites and other methods of communication.

An example of simple, clear communication is the document "Protect Your Voucher." Instead of a long reiteration of the language on the voucher, as many PHAs use, this document communicates the message clearly and succinctly with a professional tone. It speaks to the interest of the customer and not the PHA.

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Protect Your Voucher

The (Name of PHA) provides you with rental assistance through the Housing Choice Voucher Program. This assistance enables you to provide a safe and decent home for your family. Your voucher is valuable to you and your family, and there are certain things that could cause you to lose it. We want to help you to avoid these things. Please read this reminder carefully and make sure that you protect you voucher.

The rules for the program are simple.

- Take care of your housing unit; don't damage it, and report maintenance problems to your landlord.
- Pay your share of the rent on time every month. If you get evicted you will lose your voucher.
- When an appointment is scheduled for you, please show up on time. If we request that you provide documents, please bring them with you to your appointment.
- Always provide true and complete information at an interview.
- Do not permit someone to move into your housing unit without approval from the PHA
- Make sure that no family member gets involved in drug-related or violent criminal activity.

Notify your housing representative in writing within ten days if any of the following things occur:

- The birth, adoption or court awarded custody of a child.
- Anyone moves out of your housing unit.
- Anyone in the family begins to receive income, regardless of the source, or has in increase in their current income.
- Anyone in the family loses their income.

Make sure that you review the family obligations on your voucher. If someone outside of this agency gives you advice that may affect your housing assistance and you are not sure if it violates a program rule, call your housing representative and ask. We will always give you the correct information about the program. Please protect your voucher.

If you or anyone in your family is a person with disabilities, and you require a specific accommodation in order to fully utilize our programs and services, please contact _____ at _____.

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Online Portals

Online portals for both families and owners are accessed over the Internet. The portals are usually integrated with the housing software so that duplication of data entry is eliminated.

Family portals allow families to perform these functions from their home computer:

- Complete forms online
- View wait list status
- View certification details and utility information
- View next recertification date
- Download a copy of HAP contract
- View inspection results

Owner portals allow owners to access information such as:

- Inspection results and history
- Remittance statements summarizing HAP paid by date by client name with adjustment information (usually back 2 years)
- Calendar of payment dates
- Print 1099's
- Rent comparability data

Both family and owner portals may also allow clients to schedule and reschedule appointments.

Newsletters and FAQs

Many PHAs produce newsletters to update families and owners of changes in regulations, policies and forms. The newsletter may announce meetings or may also provide relevant information on a specific topic. The PHA may have specific newsletters for families and owners or, more often, have a combined family/owner newsletter. Specific articles from the newsletter may be placed in owner checks and in family notices.

Newsletters are usually produced quarterly. They are mailed or emailed to clients and are also made available at the PHA's offices. Another excellent communication tool is the use of FAQ's (frequently asked questions). Some PHAs also create lists of “Common Program Violations” or “Things to Avoid” for families and owners and mail them periodically.

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Monthly update

A service of the Cuyahoga Metropolitan Housing Authority for landlords and program participants in Cuyahoga County.
June 2012

HCVP Going Green

THIS IS THE LAST MONTHLY REMITTANCE ADVICE MAILING THE HCVP WILL SEND OUT TO LANDLORDS AND PARTICIPANTS.

As of July 1, 2012, landlords and participants will need to use the Landlord Portal at **www.cmha.net/llportal** and the Applicant/Participant Portal at **www.cmha.net/apportal** to view the details of monthly payments and receive any time sensitive notices. In addition, participants can use the Applicant/Participant Portal to submit interims and other forms, view recertification appointments, view current voucher details and receive e-mail and text message reminders of appointments and inspection dates. Registration on the portals should be done as soon as possible.

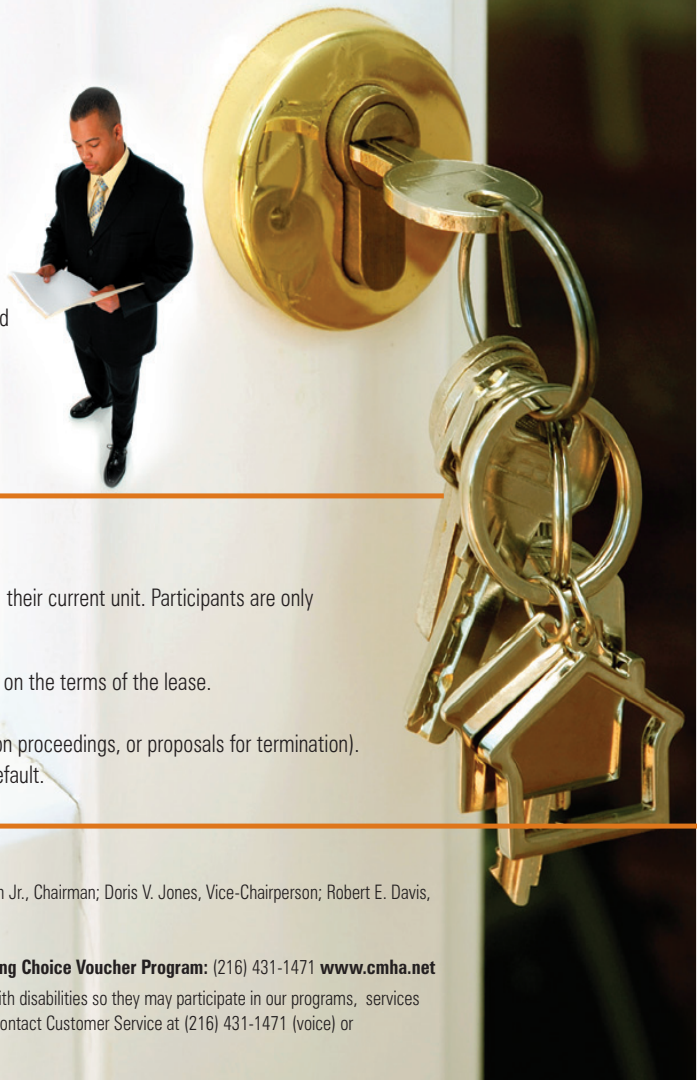
All Newsletters and Monthly Updates will be available online at the CMHA web site, **www.cmha.net.** Also visit this web site for all general information and HCV Program updates.

The Housing Choice Voucher Program

For Your Information: Verifying the Number of Bedrooms in a Unit

When an RFTA is turned in, please be sure that all information, including the number of bedrooms, is accurate.

During the initial inspection, the number of bedrooms on the RFTA will be confirmed by the inspector. If they do not match, the HCVP will research the information on the Cuyahoga County Auditor's website. Once researched, the HCVP will use the information from the auditor's website to make the final rent determination and prepare the HAP contract. All landlords are encouraged to review their unit's description on the Cuyahoga County Auditor's website before turning in a new RFTA. **An RFTA will not be put on hold pending correction of the website, if the landlord does not agree with the information provided on the County website.**



Reminder: Movers Session

All participants must attend a Movers Session when considering moving from their current unit. Participants are only eligible to obtain movers papers if:

- They have lived in a unit for a year or longer and are eligible to move based on the terms of the lease.
- All adults, 18 or older, in the home pass a criminal background check.
- They are in good standing with the HCVP, (i.e. no current judgments, eviction proceedings, or proposals for termination).
- They received notice from the HCVP to move from the unit due to owner default.

CMHA ENRICHING LIVES SINCE 1933 CUYAHOGA METROPOLITAN HOUSING AUTHORITY

Board Of Commissioners: Ronald V. Johnson Jr., Chairman; Doris V. Jones, Vice-Chairperson; Robert E. Davis, Ronnie A. Dunn, Ph.D., Natoya Walker Minor
Chief Executive Officer: Jeffery K. Patterson
HCVP Director: Priscilla Pointer-Hicks, **Housing Choice Voucher Program:** (216) 431-1471 **www.cmha.net**

CMHA's Housing Choice Voucher Program provides reasonable accommodations to persons with disabilities so they may participate in our programs, services and activities. If you need an accommodation, including auxiliary aids and/or services, please contact Customer Service at (216) 431-1471 (voice) or 1-800-750-0750 (Ohio Relay Service).

Monthly update

A service of the Cuyahoga Metropolitan Housing Authority for landlords and program participants in Cuyahoga County. March 2012

Upcoming Training with the HCVP

The 2012 Brown Bag Workshop series will open Friday, April 20, 2012 with a Municipal Resource Fair. The fair will feature several local municipalities that will provide information to landlords participating with the Housing Choice Voucher Program. Owners will have the opportunity to visit tables staffed by representatives from various cities.

The goal of the Fair is to provide landlords with the resources to understand the process followed to register their homes and stay in compliance with the municipal codes. This will be a great session to learn about available community resources and speak directly with experts and personnel from the Local Building Departments.

The event will begin at noon and take place at the Southeast Branch of the Cuyahoga County Library in the Large Meeting Room. The library is located at 70 Columbus Rd, Bedford, OH 44146. Please contact Samantha Stewart at 216.271.2772 or **stewarts@cmha.net** to pre-register.

The Housing Choice Voucher Program

Did You Know?



DEALING WITH INFESTATIONS

One of the most publicized issues in recent months related to housing has to do with infestation. Whether the problem is bugs or rodents or both, it's something that must be addressed swiftly or it will escalate.

Owners involved in the HCVP should know that for single family housing, the tenant is held responsible for an infestation, while for all other unit types, responsibility to correct the problem is the owner's. This is another example of the importance of owners regularly keeping their eyes on their properties. Early detection allows for more successful exterminations, and when an infestation escalates and the city gets involved, the owner will be required to take action–even for single family homes.

Make sure your investment is protected. Inspect your rental units regularly for those pesky pests; enforce your lease; and take immediate action when it comes to infestations.





Scholarships Available

Attending college, technical school or vocational school? The Ohio Housing Authority Conference (OHAC) will be awarding seven annual $1,000 scholarships to students throughout Ohio who participate in the HCVP or live in public housing. Visit **www.cmha.net** for more information and an application form. Applications must be received at CMHA by Friday, March 10, 2012 at 5:00 PM.

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A service of the Cuyahoga Metropolitan Housing Authority for landlords and program participants in Cuyahoga County. January 2012

The Housing Choice Voucher Program Newsupdate

Message from the Director

As 2012 begins, I want to take the opportunity to thank all of the Housing Choice Voucher Program (HCVP) Participants and Landlords for working with the Cuyahoga Metropolitan Housing Authority (CMHA) throughout a year of change and challenges. While we will continue to employ technological innovation to serve our stakeholders in the future, we know from inquiries coming into our on-line portals and phone lines that information about our basic procedures need to be revisited.

This newsletter highlights a couple of key processes for the HCVP. There is a review of the key criteria required to prepare a unit for an initial inspection, as well as the need to always establish rent reasonableness for a new contract rent.

We also address a difficult subject: evictions. Unfortunately, some landlord/tenant relationships do not work out. If ending that relationship involves an eviction, the landlord must follow the law, but also notify the HCVP.

This month, we also feature our Family Self-Sufficiency Program, designed to assist HCVP participants achieve economic self-sufficiency and be rewarded financially in the process. You will be seeing more about the Program as the year progresses, but this issue will introduce our new dynamic FSS team.

Please take some time to read through the entire newsletter, and let us know if you would like information published about any other topics in future issues. Landlords should send inquiries and suggestions through the Landlord Portal at **www.cmha.net/LLportal**, and applicants and participants can do so through the Applicant/ Participant Portal at **www.cmha.net/apportal**.

May you have a prosperous New Year!

Initial Inspections

Prior to signing a Housing Assistance Payment contract, each property must pass an HCVP inspection. Owners should be aware that weather deferrals or conditional approvals cannot be issued for new contracts. The HCVP is not permitted to make exceptions to this process.

Owners should also ensure the following when preparing for an HCVP initial inspection:

- All utilities must be on and operable.
- All furniture should be removed from the unit.
- Owner-provided appliances must be properly installed and operable.
- The unit must be in compliance with city codes.
- All owners should pre-inspect their unit with the information available at **www.cmha.net/hcvp/hqsinspectionchecklist**.

Remember, units proposed for new contracts must be in compliance with Housing Quality Standards (HQS), within 2 inspections.





from left to right: Lita Prestamo, Tara Lamont, Noelle Minter, Siobhan Dupree

CMHA Welcomes New FSS team

The new Family Self-Sufficiency team is thrilled to be of assistance to HCVP families looking to achieve their goals for success. To learn more about how our new and improved resources can benefit you and your family please contact Tara Lamont, FSS Manager, at **lamontt@cmha.net** or 216-271-2438 or visit **www.cmha.net/apportal**.

Requesting a Rent Increase

Federal regulations require that any new contract rents meet the criteria for rent reasonableness. They must be consistent with market rents for other comparable unsubsidized units in the neighborhood. They cannot be higher.

Landlords who are requesting a rent increase should complete the form available at **http://www.cmha.net/hcvp/docs/rentincreaserequestform.pdf**. Before submitting the completed form, please read the instructions and qualifications thoroughly. Keep in mind that if the required rent reasonable test shows comparable units are commanding market rents that are lower than the unit's current rent, the HCVP will be required to **reduce** the contract rent.

A service of the Cuyahoga Metropolitan Housing Authority for landlords and program participants in Cuyahoga County. July 2012

The Housing Choice Voucher Program Newsupdate



Message from the Director

What a beautiful summer Cuyahoga County is experiencing! On behalf of Cuyahoga Metropolitan Housing Authority (CMHA) Housing Choice Voucher Program (HCVP) we hope that everyone is enjoying the weather and all the great events and neighborhood opportunities our area offers!

We all have the chance to experience the benefits of our neighborhoods, but with those benefits come responsibilities. Sometimes it is not enough to just live by the letter of the law. When we choose to live or conduct business in a specific community, we must meet the quality of life standards that are already in place. Failure to do so can disrupt the peaceful enjoyment of the neighborhood and lead to bigger problems. When that happens the HCVP will need to hold any offenders accountable. Unfortunately, that sometimes means the loss of a voucher for a participant or the loss of future contracts for a landlord.

Community and neighbor complaints have been escalating. Landlords should be sure to enforce their leases and attend to community standards. Tenants should familiarize themselves with community expectations such as acceptable noise levels, late night visitors and litter and make sure that members of their households and guests are complying. Keep in mind that small adjustments to our individual behavior can prevent misunderstandings and becoming associated with the stigma of being a bad, absentee landlord or a problem neighbor.

At the same time, tenants and landlords can really benefit from contacting their local City Hall for a complete list of ordinances and community rules. These rules apply to everyone, and if landlords or tenants associated with the HCVP are experiencing problems with their neighbors, they are entitled to ask for assistance from local officials, as well.

When Program participants and landlords make the effort to contribute to a peaceful, clean, orderly neighborhood, there is a lot less hassle, and they can fully enjoy the communities in which they live and work. This is what everyone at the HCVP wishes for you.

Enjoy the rest of this great summer. Be well and be safe.

Moving Qualifications and Procedures

All Housing Choice Voucher Program (HCVP) participants are eligible to move after 1 year, unless the lease states otherwise. Landlords should have the renewal terms outlined clearly in the lease and participants must abide by the terms and notice requirements.

Heads of household and all authorized occupants, 18 years and older must attend a mover's session. Mover's sessions are mandatory; only families that are eligible to move can attend. Background checks and lease reviews are conducted before participants can receive a Request for Tenancy Approval Packet (RFTA) and a new voucher.

Both landlords and tenants are encouraged to keep a copy of the original lease. Any questions regarding the moving process can be sent through the Landlord Portal inquiry system, **www.cmha.net/llportal** or the Applicant/Participant inquiry system, **www.cmha.net/apportal.**

Heads of household and all authorized occupants, 18 years and older must attend a mover's session.



Register: July Brown Bag Workshop

The next HCVP Brown Bag Lunch Workshop, focusing on Inspections, will take place on Friday, July 27, 2012, at the Independence branch of the Cuyahoga County Library, located at 6361 Selig Dr. The workshop will begin at noon and continue until 2:00p.m.

The new Inspections Management team will present information on changes and updates regarding HQS and conditions considered emergency violations, as well as HCVP enforcement of the Lead Law, compliance with local housing codes, Metro inspections, and more. Don't miss out!



Please contact Samantha Stewart at (216) 271-2442 or **stewarts@cmha.net** to pre-register and reserve your spot.



Family Self Sufficiency (FSS)

Starting July 2012, the FSS Team will hold group orientations at the CMHA main Campus, 8120 Kinsman Rd.

Sessions are held, every 2nd Tuesday of the month from 5:00 p.m.-7:00 p.m. and every 2nd Wednesday of the month from 3:00 p.m.-5:00 p.m. Candidates are required to register for the orientation session of their choice.

The orientation sessions will cover program components, expectations, and escrow calculation demonstrations.

Please contact Tara Lamont at (216) 271-2438 or **lamontt@cmha.net** to register.

Email Blast

As of June 1, 2012 Email Blasts have begun to circulate to all landlords. Every Wednesday the HCVP sends any landlord that has provided an email address, a weekly email blast. These email blasts include, updates, workshop/briefing notifications, and reminders about current procedures.

To receive these weekly notices, please register on the Landlord Portal, **www.cmha.net/llportal** and include an email address when completing your personal information.

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Calendar of Events

All Sessions held at 8120 Kinsman Rd,
Cleveland, OH 44104
Please arrive on time;
late arrivals will not be accommodated.

Mover's Session Schedule

(Bring current photo ID)

Tuesdays and Thursdays
10:00 a.m. to Noon and 3:00 to 5:00 p.m.

Saturdays Mover's Session:
10:00 a.m. to Noon
July 14th, August 11th, September 8th

Landlord Briefings

(Required for new landlords before signing an HCVP contract, attendance is limited to 45 persons per Briefing)

Saturday, July 7*	10-11:30 am
Tuesday, July 17	12-1:30 pm
Friday, July 20	8:30-10 am
Monday, July 30	3-4:30 pm
Friday, August 3	8:30-10 am
Saturday, August 18*	10-11:30 am
Friday, August 24	12-1:30 pm
Monday, August 27	3-4:30 pm
Thursday, September 6	12-1:30 pm
Saturday, September 15*	10-11:30 am
Friday, September 21	3-4:30 pm
Tuesday, September 25	12-1:30 pm

*Reservations are required for Saturday classes only, contact Samantha Stewart, 216-271-2442 or **stewarts@cmha.net** to pre-register.

Landlord Briefings on the Road at Cuyahoga County Libraries:

Tuesday, July 10	
Euclid	631 E.222nd St
Tuesday, August 7	
Mayfield Heights	6080 Wilson Mills Rd
Tuesday, September 11	
Fairview Park	21255 Lorain Rd.

Contract Signing Sessions:

After accepting the final rent offer, the Contract Specialist will advise a landlord of the date, time, and location to sign the Contract. (Please bring a current photo ID and two copies of the signed lease agreement).

Eviction Process

THE HCVP DOES NOT ASSIST WITH THE EVICTION PROCESS BETWEEN THE TENANT AND THEIR LANDLORD.

Landlords can be better prepared for an eviction by:

- Understanding Ohio's Landlord Tenant Laws
- Keeping copies of the lease, receipts, repair requests, pictures, and notices
- Issuing a receipt for payments
- Serving legally required notices

Be sure to notify the HCVP of eviction proceedings to begin the HAP holding process. At the conclusion of the court proceedings, provide the HCVP with pictures, supporting documents, and the final judgment. Please note that the HCVP does not conduct move-out inspections, it is a good idea to include maintenance inspection provisions in your lease agreement and conduct a final walk through with the tenant.



The CMHA website is a good source of information for job opportunities and business opportunities for individuals and companies in Cuyahoga County. Information can be found at:

www.cmha.net.



Three's the Limit for Annual Inspections

Each contracted unit is entitled to up to three chances to pass an annual HQS inspection, including when no one is at the unit. Effective January 3, 2011, no additional chances (four or more) will be approved. Accommodating additional inspections can affect the HCVP's ability to conduct timely, thorough inspections for other owners and participants.

Reminder: CMHA HCVP Administrative Plan

The Cuyahoga Metropolitan Housing Authority (CMHA) Housing Choice Voucher Program (HCVP) operates under federal regulations and an Administrative Plan annually authorized by the CMHA Board of Commissioners. Please review the 2012 changes and updates to the Administrative Plan on the CMHA website at **www.cmha.net**.

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Calendar of Events

All sessions held at 8120 Kinsman Rd, Cleveland, OH 44104
Please arrive on time;
late arrivals will not be accommodated.

Mover's Session Schedule

(Bring current photo ID)
Tuesdays and Thursdays
10:00 am to Noon and 3:00 to 5:00pm.

Saturdays Mover's Session:
10:00 am to Noon
January 21st, February 11th, March 10th

Landlord Briefings

(Required for new landlords before signing an HCVP contract, attendance is limited to 45 persons per Briefing)

Friday, January 6 ..... 3:00-4:30 pm
Saturday, January 21* ..... 10:00-11:30 am
Friday, January 27 ..... 8:30-10:00 am
Tuesday, January 31 ..... 12:00-1:30 pm
Friday, February 10 ..... 3:00-4:30 pm
Saturday, February 18* ..... 10:00-11:30 am
Friday, February 24 ..... 8:30-10:00 am
Tuesday, February 28 ..... 12:00-1:30 pm
Thursday, March 8 ..... 12:00-1:30 pm
Friday, March 16 ..... 8:30-10:00 am
Saturday, March 24* ..... 10:00-11:30 am
Monday, March 26 ..... 3:00-4:30 pm

*Reservations are required for Saturday classes only, contact Samantha Stewart, 216.271.2442 or **stewarts@cmha.net to pre-register.**

Landlord Briefings on the Road at Cuyahoga County Libraries:

Tuesday, January 17
Warrensville Heights ..... 22035 Clarkwood
Tuesday, February 17
Parma-Ridge ..... 5850 Ridge Rd
Monday, March 5
Mayfield Heights ..... 6080 Wilson Mills Rd

All off-site Landlord Briefings are from noon to 1:30pm. No reservations required

Contract Signing Sessions:

After accepting the final rent offer, the Contract Specialist will advise a landlord of the date, time, and location to sign the Contract. (Please bring a current photo ID and two copies of the signed lease agreement).

Owner Meetings and Councils

It is said that all organizations train their customers on how to do business with them either by commission or omission. PHAs that train by omission experience a high rate of owner complaints, non-compliance and low owner retention. They keep responding to the same problems and issues over and over again. It is for this reason that many PHAs establish owner groups and sponsor ongoing meetings and workshops to educate owners and to identify their concerns and issues. Such meetings and groups help to identify opportunities to improve service and promote more efficient working relationships.

Other Technology

As the availability of technology increases, PHAs continue to find other methods of communication with clients. These methods can reduce both staff time and costs.

Many PHAs use direct deposit of owner payments, and most require that owners utilize the direct deposit methodology to obtain their payment. A companion owner portal where owners can view current and past payments is a positive benefit for owners. In all cases, multifamily owners need a complete breakdown of the tenants for whom the payment was made and the reason for any adjustment in the payment.

The companion methodology for families is a debit card for families that receive a utility reimbursement payment. Both of these methods result in the elimination of check processing. The concern is whether the payments can be set up quickly enough to ensure that the payment for new owners is timely. Also, should the PHA choose to use debit cards for utility reimbursement payments, the PHA must ensure that no fees are paid by the family for using the card.

Kiosks, similar to airline kiosks, where families can go to the PHA's office without waiting to see a staff person, are being utilized in some PHAs. The family can schedule and reschedule appointments, complete their annual or interim reexamination data, and locate their placement on waiting lists.

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Owner Excellence Programs

Some PHAs have established programs for their property owners who have shown a high level of property management skills and who have few inspection fails and/or are proactive in quickly repairing any needed items.

Owners may apply to participate in these programs. If approved, benefits are extended to them. Examples of benefits include:

- Extended office hours
- Members only Business Center
- Dedicated staff
- Exclusive inspection schedule for initial and annual inspections
- Self-certification of minor HQS fail items

As part of the application, they certify to these types of conditions:

- I/We are not on any PHA or HUD debarred lists.
- I/We are not in any HAP Repayment Agreement with PHA.
- I/We have no liens, owed back taxes or foreclosure proceedings on any HCV Program units.
- I/We have no outstanding or unresolved complaints from tenants, neighbors or community members.
- I/We have no history of failure to enforce lease or failure to manage units.
- I/We are committed to participating in annual continuing education that has been approved by PHA.

The Owner Excellence Programs are motivational in nature. Other others view the benefits and may be more proactive in their interactions with the agency.

Owner councils may also be involved and would provide representation from owners participating in the Owner Excellence Program. These owners may be invited to owner meetings speaking on the program. As more owners qualify for the program, the program efficiency increases.

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CHAPTER 2 Workforce

SECTION 2.1 INTRODUCTION

The workforce is the most valuable asset in any organization. The term “workforce” refers to all people actively involved in accomplishing the work of your organization, including paid employees (e.g., permanent, part-time, temporary, and telecommuting employees, as well as contract employees supervised by the organization) and volunteers, as appropriate. The workforce includes team leaders, supervisors, and managers at all levels.

Workforce management addresses all the responsibilities for maintaining a productive and content work force. It is organizing an accountability framework that ensures that strategic priorities and objectives are administered in an efficient and cost effective way. Workforce management is sometimes referred to as Human Resource Management Systems (HRMS) and typically includes a wide array of topics such as payroll and benefits, HR administration, career and succession planning and others. Many of these topics are covered in NMA's supervision book and course.

Managing a work force is a complex job. Effective workforce management requires workforce planning. This a comprehensive process that serves as a manager's blueprint in formulating staffing decisions based on an organization's mission, strategic plan, budgetary resources, and a set of desired workforce competencies.

Workforce planning includes strategic planning, turnover analysis, budget projections, and workload projections. These factors influence decisions that the HCV manager must make about staffing and staff activities such as recruitment and selection, assignment, training and development, performance management, and retention and succession planning.

Workforce management is important to ensure that an organization has sufficient and qualified human resources to accomplish its mission. It is crucial to have the right quantity of people in the right places equipped with the right skills at the right times.

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SECTION 2.2 WORKFORCE CAPABILITY

The term “workforce capability” refers to your organization's ability to accomplish its work processes through the knowledge, skills, abilities, and competencies of its people.

Capability may include the ability to build and sustain relationships with your customers to innovate and transition to new technologies, to develop new products and work processes, and to meet changing business, market and regulatory demands.

In this chapter we will identify the knowledge, skills and abilities needed by the HCV manager and discuss strategies for self-improvement.

Role of the HCV Manager

It is said that “management is the art of getting things done through people.” So if this is true, the primary role of the HCV manager is to manage people effectively. A manager performs five basic functions; planning, organizing, staffing, directing and controlling. A manager's role is to align the individual employee's objectives and the department objectives with the organizational objectives.

There are typically three levels of management in a PHA, top level, middle level and lower level.

- The top level is the executive level. It consists of board of directors and chief executive and is the ultimate source of authority. The top level manages goals and policies for the agency.
- The middle level is typically departmental managers. They are responsible to the top management for the functioning of their department. They devote more time to organizational and directional functions. Note that in a small PHA there is usually one layer of middle level management, but in larger agencies there may be senior and junior level managers.
- The lower level is the supervisory level which typically manages staff at the operational level. They direct and control the day-to-day functions within a department.

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There are some differences between the role of a middle level HCV manager and the lower (or supervisory) level HCV manager.

Middle level HCV managers oversee and make plans for designated work groups (departments, teams) within the agency. They participate in the employment and training of lower level management. They interpret and explain policies from top level management and are responsible for the coordination of activities within their division or department. They prepare reports and other important data for top level management and evaluate the performance of lower level managers. They are typically responsible to ensure that their departments are adequately staffed and that there are sufficient resources to achieve their mission.

Lower level managers or supervisors assign jobs and tasks to various workers and guide their day to day activities. They are responsible for the quality and quality of production and provide training and necessary resources for getting things done. They evaluate worker performance, ensure discipline and create a motivating environment. Supervisors directly affect the level of customer service because they are in direct contact with the workers and monitor their interactions with the public.

It takes a broad range of knowledge, skills and ability to execute the duties of an HCV manager and those duties will vary depending upon the level of the manager and the organizational structure of the PHA.

But regardless of whether you are a middle level manager or a hands-on supervisor, there is a definite overlap in the skills required. Managers must be able to lead, facilitate, coach, advocate, advise, plan, budget and evaluate.

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Job Description

Job descriptions will vary based on the size and organization of the agency, but some job functions, duties, and responsibilities are commonly shared by all HCV managers. Job descriptions should be updated as duties and responsibilities change. A clear and specific job description helps executive management identify the qualifications needed to fill the position and it formally documents the performance expectations. Job descriptions should include the following items:

- Position title
- Supervisor (who the individual reports to)
- Status (exempt or nonexempt from overtime pay)
- Overall responsibility (paragraph description)
- Duties and responsibilities (showing percent of time and priority for each)
- Relationships and associated responsibilities (include internal and external)
- Supervisory authority (list of supervisory actions that may be taken and titles and number of employees supervised)
- Supervision provided (level of supervision provided to the manager)
- Knowledge and skills required
- Education and experience required
- Other requirements (such as travel)

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Examples of what to include in a job description can be found in the example that follows.

Examples

SUPERVISORY AUTHORITY

The HCV director supervises the activities of the following personnel:

- 2 Intake Counselors
- 2 Eligibility Specialists
- 7 Occupancy Specialists
- 2 Inspectors

SUPERVISION PROVIDED

The HCV director reports directly to the executive director and works independently in fulfilling job responsibilities. The HCV director's decisions are limited by HUD regulations, federal, state, and local laws, the agency's administrative plan, and personnel policies.

MINIMUM QUALIFICATIONS

Minimum qualifications for this position include a bachelor's degree in public administration, social work, or community development; or six years' work experience in a housing program or related field. A minimum of three years' experience in staff supervision is also required. Higher level education may be substituted for some of the experience.

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Functional Accountabilities

Detailed job descriptions make it easy to develop work plans and performance appraisal systems. Work plans and performance appraisals need to include functional accountabilities, work methods, skills, and standards for performance. Including these factors makes it possible for all parties to distinguish between poor, satisfactory, and high performance.

The Section 8 Management Assessment Program (SEMAP) is HUD's tool for evaluating a housing agency's performance in administering the HCV program. If you are an HCV manager, your performance may also be measured by your agency's SEMAP score.

It is the HCV manager's responsibility to maintain adequate data so that the SEMAP score is supported by documentation. If findings or deficiencies are identified, the manager is responsible for identifying the problem and developing a plan to correct them.

Examples of functional accountabilities include:

- Housing administration. This includes administering the HCV and other Section 8 programs of the agency and ensuring that they are operated in line with HUD requirements. Examples of specific duties and accountabilities should be included.
- Financial management. This includes preparing and managing department budgets. It may also include managing and reporting on any fiduciary accounts, in addition to preparing budget forecasts. This also includes effective forecasting and leasing procedures to ensure maximum leasing and utilization. It includes monitoring the projected vs. actual administrative fee revenue and expenses.
- Planning and program development. This involves both planning and monitoring assigned tasks and action plans for implementing programs.
- Staffing and training. This includes recruiting and hiring qualified personnel and providing on-the-job training.
- Staff utilization and performance management. This involves assigning work, reviewing performance, providing feedback, completing formal performance appraisals, and fostering ongoing employee development.

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- Leadership and creativity. This means exercising effective leadership in meeting the agency's mission and objectives through constructive effort and innovation.
- Representation. This involves high standards for representing the PHA to external entities and the community at large.
- Any other special accountability not addressed by the factors described above that should also be listed.

Work Methods and Skills

Examples of work methods and skills include:

- Production and workforce management. This involves organizing day-to-day activities so that production needs and deadlines are met.
- Documenting and reporting. This includes maintaining records to document progress and results and producing all required reports.
- Problem solving and decision-making. This includes the ability to analyze problems, create workable solutions, and exercising maturity in judgment when making decisions.
- Teamwork and team-building. This means maintaining positive working relationships with agency employees, providing assistance when needed and building a positive working environment within the department.
- Communication. This involves both oral and written communication with staff, other levels of management, other agencies and the public.
- Self development. This involves maintaining and improving one's own work-related knowledge and skills, including knowledge of resources that are pertinent to the job.
- Policy compliance. This involves adhering to the all directives, guidelines and policies established by the agency.

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Duties and Responsibilities

Illustrative tasks are central to defining the HCV manager's duties and serve as a basis for performance evaluation. Typically, not all expected tasks are listed on the job description. The duties and responsibilities section of the job description summarizes the tasks identified in the responsibility and task analysis.

The “Illustrative Tasks” worksheets below can be used to periodically review job descriptions of supervisors, program managers, and other supervisory/managerial positions. Copy the charts as needed. Then:

- Check the box in the column marked “Is Part of Job” if the task is part of the current job description.
- Check the box in the column marked “Should Be Added” if the job is not part of the official job description but the individual does it anyway, or if you think the task should be part of the job.
- Check the box in the column “There, but Shouldn't Be” if the task is part of the official job description, but should not be.

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Exhibit 2.2-1 Illustrative Tasks

Illustrative Tasks	Is Part of Job	Should Be Added	There But Shouldn't Be
Request Notifications of Funding Availability			
Submit applications for funding			
Develop annual department plan, to include leasing schedule			
Analyze rent assistance needs to determine amount and type of application to submit			
Advise the executive director of needed program/policy modifications			
Develop and modify administrative plan			
Develop and implement program procedures			
Ensure that all department policies and procedures are consistently applied by staff members			
Ensure that all department staff receive and understand all: • Laws and regulations • Policy guides • Current procedures • Special instructions relevant to their areas of responsibility			
Develop, maintain, and update an HCV program library			
Ensure that leasing schedules are met by monitoring: • Waiting list selections • Voucher issuance • Leased units • Contract turnover • Funding utilization			
Meet regularly with the inspections supervisor to review housing quality standards procedures and problems and to provide policy and procedure guidance			
Meet regularly with the intake supervisor to review procedures and problems and to provide policy and procedure guidance			
Meet regularly with the Family Self-Sufficiency coordinator to review procedures and problems and to provide policy guidance			
Ensure that all units under contract meet the housing quality standards and other related inspection requirements set by HUD			
Develop and modify payment standards for the housing choice voucher program			
Execute all housing assistance contracts with owners			
Ensure that hearing procedures for participants are followed properly			

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Illustrative Tasks	Is Part of Job	Should Be Added	There But Shouldn't Be
Ensure that random reviews are conducted of logs, control systems and tenant files			
Fill in to perform staff duties as needed			
Determine staffing needs, training needs, merit pay increases, and program structure			
Confer with staff regarding workload status; ensure adequate staff coverage			
Interview and hire needed staff			
Train staff in department and agency procedures			
Conduct performance evaluations			
Review, revise and develop job descriptions with employee involvement			
Approve time sheets, mileage claims, purchase orders, and check requests			
Develop employee work schedules and monitor compliance with work schedules			
Determine disciplinary actions, promotions, demotions, and terminations as necessary			
Conduct regular staff meetings			
Develop and monitor staff objectives and assigned projects			
Oversee training of department staff in use of computer and software programs			
Provide finance director with current leasing schedules, payment standards and other information needed to prepare financial reports and fiscal documents			
Meet with the finance director when waiting list selections are to be made to determine number of families to pull into applicant verification pool. Maximize use of program dollars			
Meet with finance director at least monthly to prepare internal budget and to revisit budget			
Analyze department revenue and expenses			
Analyze the rental housing market, subsidy levels, and portability and collaborate with the finance director on recommendations to the board of commissioners			
Evaluate available HCV software			
Communicate with software vendors regarding technical implementation, updating, and ongoing use			
Review effectiveness of computer software in meeting department goals; assess and determine necessary changes and enhancements			

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Illustrative Tasks	Is Part of Job	Should Be Added	There But Shouldn't Be
Develop and maintain good working relationship with officials from the Department of Housing and Urban Development, city/ county personnel, management staff from other housing agencies, social service agencies, and other community based organizations			
Represent the PHA at meetings			
Ensure good rapport with all groups of people by providing program information and responding to inquiries			
Arrange for owner conferences as necessary, to impart current program regulations, changes to program regulations, and general information to participating owners and property managers			
Arrange for the marketing of the HCV programs to prospective rental property owners			
Accept requests to speak to groups about HCV programs			
Develop, maintain, and implement a mechanism for customer feedback			
Handle calls or visits from irate clientele as necessary in a professional manner to resolve issues or conflicts			
Other: (Add those relevant to your PHA)			

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Exhibit 2.2-2 Responsibility for Relationships

Relationship	Is Part of Job	Should Be Added	There But Shouldn't Be
Internal			
Daily personal contact with program staff in providing supervision, technical training, and assistance			
Frequent personal contact with executive director in reporting program status and the completion of agency goals			
Frequent personal contact with finance department in establishing leasing schedule and internal budgets			
Occasional contact with board of commissioners for providing program information			
Other: (Add those relevant to your PHA)			
External			
Frequent personal contact with families in conducting reviews and hearings and mediating landlord-tenant disputes			
Frequent personal contact with landlords in explaining program rules and in contract rent negotiations			
Personal contact with vendors providing program tools and services			
Personal contact with other housing agencies in coordinating service for portable vouchers as well as general information sharing			
Personal contact with representatives from housing associations for updates on legislative and regulatory changes			
Participation in housing conferences and training workshops			
Personal contact with HUD representatives for technical assistance, clarification, and monitoring			
Personal contact with other community service providers in identifying additional services for families			
Other: (Add those relevant to your PHA)			

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Knowledge, Skills, and Abilities (KSAs)

An HCV manager plays many roles that require a wide range of knowledge, skills and abilities.

- Knowledge is what you know or understand. It is information that makes the performance of the job possible. (Example: Knowledge of specific HUD regulations; knowledge of training techniques)
- Skills are what you have learned to do. They are readily observable, quantifiable or measurable. (Example: Perform an inspection in accordance with HQS; perform a quality control file review in accordance with the PHA protocol).
- Ability: The capacity to perform an activity. (Exercise judgment in resolving disputes; Ability to handle multiple tasks; deal with conflict effectively).

To accurately assess your strengths and weaknesses you need to evaluate your current KSAs against the KSA's that are required to manage the program. HCV managers must have both technical housing program knowledge and non-housing knowledge. The chart which follows can help you to assess your current KSAs to identify any improvement opportunities.

Here is a guide to complete a self-assessment:

Need to Know	Know Now	Needs Work
Mark how important knowledge of the subject area is for your job at your PHA	Mark how well you know the subject area.	Check if you need to work on this subject area
4 = Crucial 3 = Extremely important 2 = Moderately important 1 = Not very important 0 = Not applicable at my PHA	4 = Expert 3 = Solid knowledge 2 = Moderate knowledge 1 = Little knowledge 0 = No knowledge at all	✓

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Exhibit 2.2-3 Typical Knowledge, Skills, and Abilities

Subject	Need to Know	Know Now	Needs Work
Technical Housing Knowledge			
Applicable HUD regulations and federal statutes			
Reading and interpreting *Federal Register* and HUD notices			
Organizational structure of HUD and PHAs			
Federal, state, and local fair housing laws			
State and local real property law for renters and owners			
HUD's monitoring, reporting, performance, and audit requirements			
Provisions of the PHA's administrative plan			
Department practices and procedures			
Interrelated departments' functions			
Completing required studies such as rental market, utility allowance, etc.			
Creating sample forms			
Demographics of the HCV program			
Services within the community			
Areas of affordable housing within the jurisdiction for referrals			
Resources available to operate and improve the program			
Completing a funding application			
How to create an internal budget			
Setting up a leasing schedule			
How and when housing assistance payments are made			
How and when to conduct an informal hearing			
How and when to conduct an informal review			
Conducting, documenting, and following up on file reviews			
Other: (Add those relevant to your PHA)			
How program dollars are allocated to PHA			
How program dollars are to be used			
How administrative fees are awarded to PHA			
Acceptable uses of administrative fees			

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Subject	Need to Know	Know Now	Needs Work
All Program Functions			
Taking applications			
Monitoring a waiting list			
Determining number of waiting list selections to ensure full program utilization			
Determining preliminary and final eligibility			
Verifying information			
Conducting all certifications			
HUD requirements for a family briefing			
Terms of voucher			
Housing quality standards for all types of inspections			
Terms of lease addenda and HAP/subsidy contracts			
Conditions of terminating owner from participation			
Portability requirements			
Family self-sufficiency			
Conduct rent reasonableness evaluations			
Other: (Add those relevant to your PHA)			
Management Skills and Abilities			
Computer software, hardware, and multi-user network systems			
Principles of public relations			
Advertising for a job opening in the department			
Hiring			
Interviewing prospective housing staff			
Utilizing staff resources and providing professional development opportunities			
Monitoring and measuring staff performance			
Completing a written performance evaluation			
Conducting staff performance evaluations			
Documenting performance problems			
Firing			
Establishing department goals and objectives			
Monitoring and measuring program performance			

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Subject	Need to Know	Know Now	Needs Work
Working with staff in establishing individual goals and objectives			
Planning job assignments			
Encouraging teamwork and fostering cooperation among staff			
Expectations of the executive director			
Roles and responsibilities of executive director, board, and program staff			
Mediating staff issues and conflicts			
Problem solving			
How to service irate customers			
How to coordinate supportive services			
How to develop and launch a successful marketing plan and conduct program outreach			
Clear verbal and written communication skills			
Active listening skills			
Research skills			
Analytical skills			
Reading comprehension skills			
Math skills			
Interpersonal skills for relating to a broad range of people			
Time management skills			
Public speaking skills			
Creative problem-solving skills			
Decision making skills			
Budgeting skills			
Crisis management skills			
Training skills			
Interviewing skills			
Leading and directing program staff			
Identifying and implementing effective organizational structures			
Explaining and applying HUD program regulations			
Explaining and applying federal statutes			
Explaining and applying applicable state and local laws			
Researching issues within the context of HUD regulations			
Negotiating contract rents and adjustments			
Mediating tenant/landlord disputes			
Conducting hearings and reviews			
Predicting and planning for the effect of social and economic conditions on the HCV program			
Maintaining flexibility			

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Subject	Need to Know	Know Now	Needs Work
Compiling program data and retrieving information			
Gathering and using feedback			
Developing procedures, controls, and information systems			
Analyzing processes and work flow			
Identifying and implementing effective monitoring systems			
Identifying and providing professional development opportunities for staff			
Delegating work responsibilities			
Prioritizing projects and daily work assignments			
Analyzing reports, regulations, and notices			
Working under pressure and meeting deadlines			
Relating and responding to the concerns of families			
Relating and responding to the concerns of property owners			
Relating and responding to the concerns of the community			
Relating and responding to the concerns of program staff			
Enhancing the image of the subsidized housing industry			
Effectively using other PHAs, HUD, and service providers as resources			
Other: (Add those relevant to your PHA)			

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Facilitation Role

As you review this section pay special attention to the skills required for effective facilitation. Facilitation skills are needed in a many manager-related activities such as conducting staff meetings, resolving conflicts and mentoring staff.

What is a Facilitator?

There are two types of facilitators. One type is an "outside" facilitator and the other is a "facilitative leader." The outside facilitator is often viewed as a neutral third party who helps to increase the effectiveness of a group or organization by helping with group process. This person advocates for fair, open and inclusive procedures, does not impose a particular point of view, and has no decision-making authority. The key is that the facilitator is acceptable to all members of the group. The facilitator is the process expert and can help improve the way the group identifies problems, solves problems, and makes decisions. Typically this type of facilitator works with a group on a short-term basis to solve a problem or help develop long-range or strategic plans

The role of "facilitative leader," is applicable to the HCV manager. The facilitative leader is a member of the group or organization and is vested in the group and its mission. He or she is a process and content expert. This person has many of the same skills as the outside facilitator, but uses them on a routine basis to help the group move forward. The facilitative leader, like the outside facilitator, uses fair, open and inclusive procedures to enable all members to participate but can also voice his or her own views.

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What Does a Facilitator Do?

Simply put, the role of the facilitator is to guide and support a group towards accomplishing the group's objective. This support often includes the implementation of decisions or solutions resulting from the facilitation. The most common type of facilitation event is conducting routine staff meetings, although the need for facilitation may arise more spontaneously with informal groups when a crisis arises or there is a problem to be solved.

The results and methods and the nature of how the facilitator works with group members depend on the situation. For example, the facilitator might work in a direct role, making prominent suggestions of what the group should do and how to do it. Or, the facilitator might work in a more indirect role by gently noting what the group might do and how to do it.

Aspects of Facilitation

As people express their ideas and opinions in a meeting or group setting, some ideas catch people's attention while others are forgotten as if they were never spoken. This is often because of the way that the idea is presented. Ideas that are expressed in an acceptable way will be taken more seriously by group members than those presented in a less appealing style. (repetitious vs. succinct; nervous vs. outgoing and confident; exaggerations vs. realistic and documented information; or strongly emotional vs. matter-of-fact). In these cases, many listeners ignore the substance of the idea or opinion being expressed because of the way in which it was presented, regardless of the value of the thought or idea. A main role of the facilitator's job is to use strategies that capture the main idea expressed by a person and re-state it in a way that is more acceptable to the group. This requires certain facilitative skills and strategies.

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The following strategies will help you to focus on the essence of ideas rather than how they are presented. Are these skills that you possess and strategies that you use when you are in the role of a facilitative leader?

- Paraphrasing has both a calming and clarifying effect. It reassures the speaker that his or her ideas are worth listening to and it provides the speaker a chance to hear how others are hearing his/her ideas. The facilitator begins by saying “It sounds like what you're saying is...” or “This is what I'm hearing you say...” or “Let me see if I understand you....” The facilitator then restates what he/she heard, followed by a question asking if the paraphrasing was correct.
- Drawing people out is a way of supporting people to take the next step in clarifying and refining ideas. It is particularly helpful in two situations: when someone is having difficulty clarifying an idea or when someone thinks that she/he is being clear but the thought is vague or confusing to the listener. The facilitator first briefly paraphrases the speaker and then asks open-ended, non-directive questions. (e.g., Can you say more about that? What do you mean? How so?).
- Stacking is a procedure for helping people take turns when several people want to speak at once. It lets everyone know that they are, in fact, going to have an opportunity to speak and when. This enables them to focus on what is being said rather than trying to get a turn. Stacking involves a four step process: 1) ask who wants to speak and have them raise hands, 2) create a speaking order by designating who will be first, second, third, and so on, 3) call on people when their turn has arrived, and 4) when the last person has spoken, ask if there are others who want to speak. If yes, repeat the process.
- Tracking means keeping track of the various lines of thought that are going on simultaneously within a discussion. Participants may be focusing on different aspects of a specific topic. For example, in a discussion of the need to replace a computer system, two people could be talking about the type of software that is needed, two could be expressing concerns about the price and how to pay for it, and several could suggest ways to postpone the purchase until next year. The facilitator needs to step back and summarize the different trains of thought and then check for accuracy. It is important to capture all the tracks, not just the ones that seem most important.

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- Balancing is used after a few people have expressed their thoughts. To assure that the discussion doesn't lead down one road, the facilitator invites others to contribute. For example, balancing questions might include the following: “Okay, now we know where three people stand; does anyone else have a different opinion?” “Are there other ways to look at this?” “We've heard two views, 'A' and 'B'. Is there a third perspective?” “Let's see where we stand on this. I'm not asking for a vote, just a sense of where you are right now. How many of you think it would be good if…?” Balancing helps to draw people out and reassures people that they are encouraged to state their opinions.
- Making space sends the quiet or reflective thinkers the message that what they have to say is important and that the facilitator wants to give them an opportunity to speak. Body language and facial expression can let a facilitator know when to say, “Was there a thought that you would like to express?” or “You look like you were going to say something.” If they decline, move on.
- Listening for common ground is a powerful intervention when group members are polarized. It validates the groups' areas of disagreement and focuses on their areas of agreement. When participants differ on strategies for how to solve a problem, they often forget that they still share the larger goal in common. Listening for common ground has four steps: 1) indicate that you are going to summarize the groups' differences and similarities, 2) summarize them (use visual aid if possible), 3) point out areas of common ground, and 4) check for accuracy.

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Facilitator Attributes and Characteristics

No meeting is effective without an effective leader, and effective facilitators have certain attributes and characteristics. The following attributes can enhance your ability to get better results through facilitation. Personal attributes are difficult to change and to teach. It is up to you to work continuously on self-improvement.

- Sense of humor: Humor is one thing that can break the ice, reduce tension and give you and your group energy in demanding situations. If in your meeting something less than ideal happens, you as the facilitator need to handle the resulting stress with confidence, style, and grace. If you can't laugh at yourself in difficult situations, you will find meeting facilitation very trying.
- Intuition: Facilitation is not a skill that rests on applying a simple formula to get the "right answer." You need to work at finding it on your own by identifying what is best for each situation. Intuition comes from experience, but also includes the ability to act on a hunch or a perception.
- Assertiveness: As the facilitator you need to have the ability and courage to speak the hard truth when necessary. If you are afraid to say what needs to be said when it needs to be said, you will not be as effective or credible. The challenge of assertiveness is knowing when to push and when to pull back. You need to know when to intervene to help keep the group on track and when to let things work themselves out. Remember: There is a big difference between assertiveness and aggressiveness.
- Flexibility: As the facilitator, you must think on your feet, stay on your feet, and accept new and better ideas from others, to change or modify the course as needed. The facilitator who is attached to his or her first idea or to his or her ideas in general, will encounter difficulty.
- Confidence and enthusiasm: A key to success is the ability to appear credible, articulate and knowledgeable in front of the group from the start and to sustain a level of energy and enthusiasm that lasts throughout the meeting.

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- Team player: One way to incorporate teamwork and commitment among the participants is to use alternate facilitators. As the main facilitator you are the moderator, interpreter, and timekeeper, not the star. Your recognition comes from the work you allow others to accomplish and the successes you help to build.
- High self-esteem: If a situation is not going well, the facilitator may be blamed, whether the facilitator was the cause of the problem or not. Even if an individual or group takes their frustration out on you, you cannot take it personally. Make sure you separate your skill, experience, and job from your worth as a human being.
- Sincerity: You, as the facilitator, must truly care about your group and its success and you need to practice what you preach.
- Dedicated to learning: Good facilitators are dedicated to continuous improvement of their skills. The more tools you have available to use, the less likely you will panic when a certain technique doesn't work the way you planned.

Summary

As a facilitator, your main role is to plan, guide and manage a group event to ensure that the group's objectives are met effectively, with clear thinking, good participation and full buy-in from everyone who is involved, not simply to stand by the flip chart and note down all the ideas. In many types of group situation, and particularly in complex discussions or those where people have different views and interests, good facilitation can make the difference between success and failure. As a facilitator, you may need to call on a wide range of skills and tools, from problem solving and decision making, to team management and communications.

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SECTION 2.3 WORKFORCE CAPACITY

The term “workforce capacity” refers to your organization's ability to ensure sufficient staffing levels to accomplish its work processes and successfully deliver your services to your customers, including the ability to meet seasonal or varying demand levels.

Excess staff and staff shortages both result in a variety of problems for a PHA. Calculating staffing requirements depends on accurate forecasts that anticipate both future demand and workforce levels. This is a challenging task and requires insight and experience. Scientific methods can aid in the process.

Optimal workforce levels are essential to maintain a well-functioning organization. Staff shortages increase the workload of existing employees and often result in excessive overtime. This can result in low morale, loss of productivity, absenteeism, and higher overtime wages. On the other hand, hiring excess staff leads to unnecessary wages and creates inefficiencies. Optimal staffing levels allow a PHA to work at its efficient best, and allow employees an enriching work experience that translates to better productivity. Things change over time, and PHAs should be attentive to appropriate staffing needs on an ongoing basis.

There is no universally accepted number of staff required to adequately staff the HCV program. Staffing levels are driven by many factors including administrative fee, political environment, types of programs managed, and size of the HCV program. The caseload may be organized by function such as intake vs. occupancy vs. inspections.

There are a number of considerations in achieving maximum workforce capacity including:

- Caseload Models
- Caseload Assignment
- Caseload and Accuracy Plans
- Calculation of Staffing Needs

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Caseload Models

Caseload organization usually falls into one of three categories: generalist, specialist, or blended.

In a smaller program (less than 1000 units), the caseload may utilize a generalist model where HCV staff perform all of the functions except financial. In a larger HCV program, the generalist model may be used but the caseload is usually divided by functional area. For example, staff may be organized in a case manager generalist format where they handle all of the duties associated with the family from a point, either after briefing or after initial lease-up. The advantage of the generalist model is that the families have a relationship with only one person, their caseworker, and does not have to be referred to another department when questions arise. The disadvantage is that the caseworker has a broad range of responsibility and must be well trained and knowledgeable in all areas.

Another approach to caseload distribution is specialization. In this model staff has a more limited scope of responsibilities. Their designation may be as a “reexamination specialist” or a “portability specialist”. This approach often takes the form of front office/back office where one set of staff either have face-to-face interaction with the client and another set of staff handle the data entry and other administrative functions. The advantage to this approach is that managers have flexibility to match the employee's behavioral style to the job duties. More outgoing staff may be assigned to conduct interviews and have face-to-face contact with the client whenever needed. Those who prefer working with data and are less comfortable with direct client interactions can provide the clerical and administrative support. The disadvantages are that poor communication and coordination between staff may result in errors, and accountability may be more difficult to assess.

The blended approach is a cross between the generalist model and the specialist model. It is similar to the case manager approach except that specific functions are assigned to others. Functions such as intake, moves, portability or inspections may be handled by staff with supervisors who may or may not report to the HCV manager. The blended approach may be the easiest to manage in a larger organization, but the coordination of activities and “hand-offs” between staff can be difficult to manage.

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If there are enough units to justify the programmatic specialization, there may be separate staff for targeted and specialized funding such as Veterans Affairs for Supportive Housing (VASH), Family Unification Program (FUP), and others such as Near Elderly Disabled, and Mainstream. There may be special allocations for specific families such as Public Housing Displacement and Enhanced Vouchers or Opt-Outs. Project-based vouchers are also handled by a specialist if there are enough units to justify the specialization. Families who port in and out are often handled by a specialist. Because of differing eligibility requirements between the targeted programs, intake may be done by a specialist but families are merged into the general caseload once they are admitted to the program.

Caseload Assignment

There is no set standard or HUD requirements for determining caseload assignment or size. It is simply a management decision. The caseload model will usually have the biggest impact on caseload size.

Most PHAs assign caseloads based on number of vouchers and assign their caseloads by alphabet.

In a statewide or multicounty agency, the cases may be assigned by city or county. In a large city, the cases may be assigned by zip code or sometimes aldermanic jurisdiction. If there are owners of large multifamily properties, the caseload may be assigned by owner. In a smaller agency, with a generalist model, the only factor may be intake vs. occupancy vs. inspections.

In some areas, bilingual staff may be assigned a caseload of families requiring a specific language under Limited English Proficiency requirements.

The scope of a caseworker's job is a management decision. The greater the caseload responsibility is, the fewer the cases are that are assigned. In PHAs that assign full caseload responsibility, from initial voucher briefing through termination, the caseload may be about 250 families handled on an annual basis. If some of the other functions are performed by others, such as initial lease-up, moves, and inspections, the caseload may then be about 450. If there are specialized workloads, such as reexaminations, the number of families handled on an annual basis may be closer to 600.

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The amount and type of clerical support can influence the size of the caseload. Many PHAs, as they attempt to reduce costs, assign more duties which are clerical in nature to clerical staff. This allows the more experienced and capable staff to focus on the more difficult functional responsibilities.

There will always be variations in the distribution of caseloads between staff due to turnover and other factors. Some PHAs set a maximum number of cases to be handled and, if the caseload for a particular month exceeds that maximum, the cases are either redistributed or temporary assistance is provided to the caseworker.

Most staff does not prefer to have their cases assigned to another worker. Some PHAs use the buddy system effectively, or assign a "floater." In a heavy month, their buddy (or a "floater" position that can assist any caseworker) assists with some of the duties. For example, in a reexamination, after the regularly assigned caseworker has completed the reexamination interview and gathered the information and documents required, the reexamination is processed by another caseworker. The original caseworker then quality controls the work done by the other caseworker. With a buddy system, these tasks can flow easily back and forth. The advantage is that the family's relationship with the caseworker is not affected.

The supervisor should ensure that caseloads for experienced staff performing the same functions are as even as possible. The supervisor can lay out the assigned reexaminations for the year, for example, to determine whether the monthly caseloads will be about the same, and then can make adjustments as necessary.

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PROJECTED REEXAMS

	1/1/2013	2/1/2013	3/1/2013	4/1/2013	5/1/2013	6/1/2013	7/1/2013	8/1/2013	9/1/2013	10/1/2013	11/1/2013	12/1/2013	Grand Total
Team A	78	76	64	80	86	73	71	93	76	89	107	102	995
Alisa	22	18	20	31	33	19	26	36	29	36	40	45	355
Dominque	29	32	26	23	23	21	20	17	16	19	30	14	270
Matthew	27	26	18	26	30	33	25	40	31	34	37	43	370
Team B	86	91	111	87	92	84	81	78	94	107	109	115	1135
Travis	24	34	35	24	26	31	19	25	18	36	40	32	344
Tracey	26	26	34	30	37	33	37	33	46	39	43	49	433
Anne	36	31	42	33	29	20	25	20	30	32	26	34	358
Grand Total	164	167	175	167	178	157	152	171	170	196	216	217	2130

The team information should also be reviewed to ensure equity between teams.

PER SPECIALIST

Team (# of Specialists)	January	February	March	April	May	June	July	August	September	October	November	December	Grand Total
Team A (3)	26	25	21	27	29	24	24	31	25	30	36	34	332
Team B (3)	29	30	37	29	31	28	27	26	31	36	36	38	378
Grand Total	**55**	**56**	**58**	**56**	**59**	**52**	**51**	**57**	**57**	**65**	**72**	**72**	710

In assigning caseloads, the number of new-hires should be taken into consideration. Most new-hires in PHAs do not have housing experience. If a new hire has had Public Housing experience, they will not be fully operational immediately because they must learn the HCV program rules, procedures and policies. Even if the new hire had HCV experience, they would have to learn the PHA policies and procedures. Therefore, it is not likely that a newly hired person will be able to perform program functions independently until they have been trained and coached. They should be assigned a graduated caseload.

Caseload and Accuracy Plans

There are two primary objectives for case management: production and accuracy. It may take as long as six months before a new staff person can meet the production and accuracy standards independently and assume a full caseload. During the period of new employee ramp-up, both production and accuracy standards should be established on a graduated scale until full production and accuracy performance standard levels can be achieved.

A sample plan is illustrated below.

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Exhibit 2.3-1 Caseload and Accuracy Plan

CASELOAD AND ACCURACY PLAN

Introduction

This plan provides a permanent distribution of caseloads so that staff are assigned a caseload and so that the distribution results in equal caseloads for each level of staff. The plan also provides for a graduated caseload and accuracy plan for new employees to ramp up to a full caseload. The overall objective is to have matching, accurate data between PIC and the housing software and have no backlog in either PIC or the housing software.

Staff identified below are in Housing Specialist positions where they manage a caseload which they are assigned after initial lease-up through termination. They prepare the initial paperwork/computer data entry for moves, inspections, and rent reasonableness but the activities for those functions are handled by other staff. The primary responsibility for these staff is reexaminations and interim adjustments. They will handle terminations.

Caseload Levels

The recommended annual caseload for experienced staff for reexaminations is 450. Since they do not have to handle moves, they are expected to handle up to 45 cases per month. The number of reexaminations per month may vary due to the geographical split of the caseload. Reexaminations should be assigned only to the reexamination staff, regardless of whether there is a reexamination in conjunction with a move.

This plan outlines at what point a newly hired staff person is expected to take on the full caseload.

Level 1: Initial Training Plan with Small Caseload

The first full month after hire date, the employee will be working on sample cases. During this period, they will receive additional classroom training. They will be paired with a more experienced staff person to assist them in completing their sample cases. Their “mentoring partner”, the more experienced staff person they are paired with, would be allowed to assign them various duties to assist in processing their own caseload as a learning experience. These duties could include everything from observing an interview to copying paperwork. The Training Coordinator and the supervisor will begin providing on-the-job training to this group of employees.

The employee is assigned sample cases to do from a library of 30 cases. Test data bases will be set up for each employee to use. Each case will have housing software data entry, calculation and forms to complete so that the entire function is performed on each case. Answers to the case will be included. The employee works these cases on their own and may request assistance from their mentoring partner if they are having trouble completing the case and getting the correct answer. The employee must complete the 30 test cases at this level. All of the cases must be completed with 100% accuracy since they are for learning purposes.

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Level 2: Caseload of 15

The employee would be at level 2 with a caseload of 15 for one month. The accuracy of the employee's cases will be monitored by the supervisor and the employee will be provided with feedback and instructions on corrections where needed. An accuracy rate of 65% is required for cases completed this month. All of their cases will be quality controlled prior to HAP payment.

Their mentoring partner will still be available for assistance on cases, as will the training coordinator and the computer trainer when they are not engaged in training activities.

The employee will be encouraged to complete their active cases and assist others with their cases, participate in training or otherwise be effectively utilized with the supervisor's direction.

Level 3: Caseload of 30

The employee would be at level 3 with a caseload of 30 for one month. The same mentoring staff will be available to assist, but the assistance required should be minimal. An accuracy rate of 80% is required for cases completed this month. At least 50% of their cases will be quality controlled prior to HAP payment.

The employee will be encouraged to complete their cases and assist others with their cases, participate in training or otherwise be effectively utilized with the supervisor's direction.

Level 4: Caseload of 45

After the completion of the 3 month caseload schedule described above, the employee will be assigned a full caseload of 45 per month. A level of 95% accuracy at the submission of the case will be expected. An accuracy rate of 95% is required for cases completed this month. At least 50% of their cases will be quality controlled prior to HAP payment for the first month at this level. After the first month, the employee must retain at least an average of 95% accuracy.

Accelerated Caseloads

If, in the supervisor and the employees determination, the employee can handle an increased caseload during any period above, additional cases may be assigned to the employee. The employee may also act as a mentor to other new staff.

Certification

The employee will complete either a Housing Specialist class encompassing Eligibility, Rent Calculation and Occupancy or the employee may be assigned to complete three online classes on these subjects. The employee must then achieve a passing score of 80% on the Housing Specialist test, either in the classroom or online, to continue employment. One test retake will be allowed within 45 days of the Housing Specialist test.

This certification would have to be achieved by the end of level 2.

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Case Assignment

Caseload assignment will be done by the (position). Only supervisors will be allowed to change a caseload assignment and must justify any changes each month.

Regular Cases

Caseloads are distributed by zip codes by team. Within the team, the supervisor assigns the cases with the objective to comply with the caseload levels identified above and with the goal in mind to achieve a nearly equal caseload to staff within each level.

Backlog Cases

Backlog cases older than 3 months will generally be assigned to level 4 staff as needed and will be nearly equally distributed to this group of staff.

Backlog cases due within the prior three months will be assigned to level 3 staff and above as needed.

Cases in (housing software) but not PIC

These cases will be assigned to PIC staff. The cause of these cases is probably a fatal error which probably occurred due to incorrect or incomplete data entry. Types of errors which created this situation should be identified and should be tracked back to the Housing Specialist who created the error. Performance standards should be applied.

Cases in PIC but not (housing software)

These cases will be assigned to PIC staff or to the supervisor to resolve. A supervisor will be assigned the responsibility of ensuring that these cases are completed in a timely manner. The most likely reason for cases to be in this category is that “hold” codes have not been resolved. If the family is no longer on the program, there must be an End of Participation (EOP) entered in PIC. If the family has decided not to move and has stayed in the same unit or if the family has moved to another unit, the “hold” code will be removed and any required updating to the record will be completed.

Correction of Quality-Controlled Cases

The employee is responsible for correcting all mistakes in his/her quality-controlled files within 3 business days after the notification of the errors.

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Methods used to Calculate Staffing Needs

There are a variety of methods which can be used to calculate the staffing needs of your HCV department functions. The methods discussed in this section will allow you the flexibility and will provide tools to assist you in calculating the staffing needs within your organization.

Quantification

One way to estimate staffing levels is to quantify labor demand and supply.

There are many factors that affect staffing needs such as existing workloads, new funding allocation, new programs or reductions in funding. There are also factors that influence availability of workforce such as attrition due to resignations, terminations, and retirements, or losses due to transfers and promotions. Such factors should be considered when making an assessment.

In order to determine staffing needs, we need to know all of the functions that staff perform and the amount of time it takes to perform each function. We then need the total time available to perform each function. Applying this method would be simple if employees only had one function to perform, but PHA staff performs multiple activities and this makes quantification more complex. Remember that distortions will occur when employees call in sick, take vacation time or quit. There is an illustration of this method of quantification below in this section.

Traditional methods such as time and motion studies involve observing people at work to record the time taken for specific tasks, and other specific work related actions to identify time required to complete tasks and productivity levels. The total work is then divided by time taken, to calculate the staffing requirements. This is called Cycle Time.

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Informal Managerial Judgments

Very often, determining staffing needs depends on the subjective and rule of thumb judgment of an experienced manager. The popular joke "a project manager is the one who thinks that if a mother can deliver a baby in nine months, nine mothers can deliver a baby in one month" illustrates the limitations of relying solely on statistical analysis over floor level practical knowledge. The knowledge and insights of a competent hands-on manager should not be discounted when estimating staff requirements.

A seasoned manager would have a correct understanding of the extent of work involved performing the various housing functions, seasonal spikes and lows, the nature of skills and competencies required and more. A variation of this approach is to employ a few personnel first, and then add to employees as they find existing personnel overwhelmed with work and having to engage in overtime on a regular basis. Most small PHAs adopt this method by default. The point here is that the knowledge and insight of a competent manager should not be discounted when projecting staffing needs.

Benchmarking

Another way that some PHAs estimate staffing requirements is by benchmarking.

A PHA may look at the staffing levels of comparable sized PHAs as a basis for staffing decisions. The logic is that the PHA should not require any less or more staff than the comparable PHA. Such benchmarking should factor in distortions such as the difference in the organizational structure, staff and leadership competencies and experience. The organization of the work also plays a factor. There will not be parity if one agency uses the generalist model and another uses the blended model or the specialist model. The size of the HCV program is also a factor. It is difficult to compare one HCV program staffing with another. The staff of the comparable PHA may be more or less productive and thereby, require more or less staff. Because of these variables caution should be used when benchmarking.

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Cycle Time

The term “cycle time” refers to the time required to fulfill commitments or to complete tasks. Time measurements play a major role in the criteria because of the importance of time performance to improving competitiveness and overall performance. “Cycle time” refers to all aspects of key measures of time performance.

This illustration demonstrates a method to calculate the number of staff needed for each function by utilizing the time needed to perform the function and the total time available to perform the function. Although gathering this data requires time and effort, it will help prevent overstaffing and understaffing. This method will also prove helpful when justifying the need for additional staff. The information needed for this type of assessment includes:

- The tasks needed to perform the various program functions
- The average number of minutes needed to perform each task
- The average number of staff hours available per month to perform functions

When computing the available hours per month, take into account holidays, sick time, vacation time and lunch, breaks.

You want to know whether people are taking too long to finish a task (which could mean they aren't organizing and focusing on the task) or too little time (is it affecting the quality of the task?) You also want to find the ideal average processing time. You want to know whether you are staffed correctly to get the work done in time, especially if some of the activities they are responsible for are late. And you want to be able to set up a corrective action plan if the results are poor.

The example below provides a format which can be used for any functional area.

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Example: PHA Process for Initial Lease-up

For the following example, assume that the intake staff handles the full application through initial lease-up. Each staff person has 128 hours per month available for these functions.

Also, the PHA in this example has determined the number of families to process each month using the forecasting techniques.

PHA Data

Total number contacted:		75
Interviewed	66% of contacted =	50
Briefed	94% of interviewed, eligible =	47
Submitted RFTA	98% of briefed =	46
Passed inspection & rent reasonableness	93% of submitted RFTAs =	43
File completion	100% of passed inspections/RR =	43

PHA Processing

Given the data above, the PHA must now figure out how many staff it will require for each function to process the families.

Let's first look at the steps to achieving initial lease-up:

- Applicant processing
- Briefing
- Request for Tenancy Approval processing
- Inspection and Rent
- File Completion

Once you know how many applicants to process to obtain lease-up, you need to figure out how many staff hours it will take to get the job done. You may want to pull the additional applicants from the waiting list over several months. This process is summarized in the formulas below.

Processing Applications: Total Staff Hours Required

	Number of applicants to process (per forecasting)
Times	Staff hours required for application processing activities

Processing Applicants: Number of Staff Required

	Total staff hours required
Divided by	Total staff hours available for month

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Calculating Staff Needs for Applicant Processing

For these PHA Process learning activities, we are assuming that the intake staff performs all the functions from final eligibility determination through initial lease-up, with 128 staff hours available per staff person for these functions per month. In this example:

- There are 50 applicants to process this month.
- Each applicant is estimated to require 2 staff hours.

Given this information, let's see how the numbers play out in the actual calculation.

- Calculate the total staff hours required for applicant processing and the total staff required.

1. Applicants to process	50
2. Staff hours required for processing one applicant	2
3. Total staff hours required (line 1 multiplied by line 2)	100
4. Hours available per staff member each month	128
5. Total staff required for processing all applicants (line 3 divided by line 4)	.78

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Processing Applicants: Briefings

Next you'll need to estimate the staff time it takes to conduct your briefings. Your PHA may do group or individual briefings or some of each. Figure time for rescheduling families according to your policy as well. Here is the formula:.

	Total families to be briefed
Minus	Families to be individually briefed
Times	Briefing time for each family
Equals	Hours required per month for individual briefings

	Total families to be group-briefed
Divided by	Number of families per briefing session
Equals	Number of briefing sessions needed

	Total briefings to be conducted
Times	Hours required for each briefing
Equals	Hours required for all briefings sessions for the month

To add time for individual questions afterwards or follow-up phone calls:

	Number of minutes for each family briefed
Times	Number of families briefed

Add this to time calculated for briefing sessions.

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Planning Questions on Briefings

For planning questions on briefings, ask yourself:

- How many minutes are required for your briefings?
- How many briefings do you conduct per month?
- How many minutes are required for follow-up briefing activities with the family?

Then apply the questions above to the following formula:

	Total briefing time required
Divided by	Total staff hours available
Equals	Total staff hours needed for briefing activities per month

Illustration: Calculating Staff Needs for Briefing

There are 47 applicants to be briefed. There are 128 hours per staff person available for all activities per month.

- You do group briefings and you normally brief 25 people per session.
- It takes about 1.5 hours to conduct a group briefing.
- You allow about 10 minutes per family for follow-up briefing information when you conduct the group briefings.
- You find you have to do individual briefings (reasonable accommodation, special circumstances) for about 10 percent of the families.
- The individual briefings take about an hour each.
- About another 10 percent of the families have to be rescheduled for a briefing. Allow 15 minutes per family for rescheduling.

The form on the following page shows the calculations.

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Calculating Staff Needs for Briefing

1. Applicants to be briefed	47
2. Percent of families to be individually briefed	10%
3. Applicants requiring individual briefings (line 1 multiplied by line 2; round up)	5
4. Hours required per individual briefing	1
5. Hours required for individual briefings for the month (line 3 times line 4)	5
6. Applicants requiring group briefings (Line 1 minus line 3)	42
7. Number of families per briefing	25
8. Number of briefing sessions required (line 6 divided by line 7; round up)	2
9. Hours required per group briefing	1.5
10. Hours required for group briefings for the month (line 8 multiplied by line 9)	3
11. Number of minutes for group briefing follow-up	10
12. Number of minutes required for group briefing follow-up (line 6 multiplied by line 11)	420
13. Number of hours for group briefing follow-up (line 12 divided by 60 minutes)	7
14. Percent of families who need rescheduling for briefing	10%
15. Number of families requiring rescheduling (line 14 multiplied by line 1; round up)	5
16. Hours per family for rescheduling	.25
17. Hours for rescheduling function (line 15 multiplied by line 16)	1.25
18. Time for rescheduled group briefing (line 9)	1.5
19. Hours of follow-up to rescheduled briefing (line 20 multiplied by line 21, divided by 60; round up to nearest hour)	1
20. Total briefing and follow-up hours required for all staff (lines 5+10+13+17+18+19; round up)	19
21. Hours available per staff each month	128
22. Number of Staff required for briefing (line 14 divided by line 15; round to nearest 100th)	0.15

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RFTA Processing

We also need to project the staffing needs to process the Request for Tenancy Approval (RFTA) and the approval of the unit for leasing. This process differs somewhat by agency, but can be calculated.

To do so, let's look at the functions for this task, which include:

- Review of the RFTA
- Follow-up processing of RFTA (extensions, etc.)
- Schedule and conduct inspection and reinspection if needed
- Review rent reasonableness
- Prepare and execute Tenancy Addendum and Contract

The formula for estimating your time for RFTA processing is:

	Total number of RFTAs submitted
Times	Minutes needed to process each RFTA divided by 60 minutes
Equals	Hours needed to process all RFTA
Plus	Minutes/family for follow-up processing divided by 60 minutes
Equals	Hours required to complete processing

	Hours required to complete processing
Divided by	Staff hours available per month
Equals	Total staff needed for RFTA processing

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Illustration: Calculating Staff Needs for RFTA Processing

Now let's apply what we just learned. In this example, Request for Tenancy Approval forms have been turned in by 46 of the families. There are 128 hours per staff person available for all activities per month.

- It takes staff about 20 minutes per family to review the information submitted, call to verify information if needed and enter it into the computer.
- It takes another 15 minutes per family to perform the follow-up RFTA functions (extensions, coordination with inspection and rent, etc.).
- Note: Round to nearest 100th.

1. Total RFTAs submitted 46
2. Minutes needed to process a RFTA 20
3. Hours needed to process all RFTAs (line 1 multiplied by line 2, divided by 60) 15.33
4. Minutes needed for each follow-up 15
5. Hours needed for follow-up (line 1 multiplied by line 4, divided by 60) 11.5
6. Total hours needed for processing 26.83
7. Hours available per staff each month. 128
8. Number of staff required for RFTA processing (round to nearest 100th). 21

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Inspections and Rent Reasonableness

Units need to be scheduled, inspected and reinspected, if they fail the inspection.

Rent reasonableness must be conducted on all the units as well. Let's take a look at the formula for estimating these:

	Number of inspections which fail and must be reinspected
Times	Minutes needed to schedule reinspection, divided by 60
Equals	Hours needed to schedule reinspections

	Number of inspections which fail and must be reinspected
Times	Minutes needed to conduct reinspection, divided by 60
Equals	Hours needed to conduct reinspections

	Number of units needing rent reasonableness documentation
Times	Minutes needed to perform rent reasonableness test, divided by 60
Equals	Hours needed to perform rent reasonableness

	Total inspection & rent reasonableness time needed
Divided by	Staff hours available for scheduling, inspecting, rescheduling, reinspecting, and conducting rent reasonableness
Equals	Total staff needed

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Illustration: Calculating Staff Needs for Inspections and Rent Reasonableness

To apply what we learned for this calculation, assume there are 43 units that need inspections and rent reasonableness determinations. There are 128 hours per staff person available for all activities per month.

- This requires scheduling and perhaps rescheduling, since 40 percent of the units inspected fail and must be reinspected.
- 10 percent of the units must be rescheduled due to a "no show."
- It requires 30 minutes to schedule and print out notification for an inspection.
- It takes 1.25 hours per unit for the initial inspection, including travel time.
- It takes 1 hour for the reinspection, including travel time.
- It takes 1 hour to write up or enter the inspection or the reinspection and send the letters out to the respective parties.
- Rent reasonableness must be conducted on all of the units. It takes 30 minutes to conduct and document rent reasonableness.

Scheduling Inspections

1.	Initial inspections to be scheduled	43
2.	Percent of units which require a reschedule due to no show	10%
3.	Total units which must be rescheduled due to no show (line 1 multiplied by line 2; round to nearest whole number)	4
4.	Percent of units requiring reschedule due to failed inspection	40%
5.	Number of units requiring reschedule due to failed inspection (line 1 multiplied by line 4; round to nearest whole number)	17
6.	Total units requiring scheduling (lines 1+3+5)	64
7.	Minutes needed to schedule an inspection	30
8.	Hours needed to schedule inspections (line 6 multiplied by line 7, divided by 60; round to nearest hour)	32
9.	Hours available per staff person	128
10.	Number of staff needed to schedule inspections	.25

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Conducting Inspections

11. Initial inspections to be conducted (lines 1+3)	47
12. Hours needed to conduct an inspection, including travel time	1.25
13. Hours needed to conduct the inspections (line 11 multiplied by line 12; round to nearest hour)	59
14. Hours needed to write up/notify the inspection results for an inspection.	1
15. Hours needed to write up/notify results for all inspections (line 11 multiplied by line 14)	47
16. Percent of units needing reinspection	40%
17. Number of units needing reinspection (line1 multiplied by line 16)	17
18. Hours needed for each reinspection, write-up and notification	2
19. Total hours needed for reinspections (line 17 multiplied by line 18)	34
20. Total hours needed for inspections and reinspections (lines 13+15+19)	140
21. Hours available per staff per month.	128
22. Number staff required for inspections (round to nearest 100th)	1.09

Rent Reasonableness

1. Number of units for rent reasonableness documentation	43
2. Number of hours per documentation	.50
3. Number of hours for documentation of all units (round to nearest hour)	22
4. Hours available per staff per month.	128
5. Number staff required for rent reasonableness (round to nearest 100th)	.17

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File Completion

Finally, the lease, tenancy addendum, and HAP Contract must be prepared, copied, and executed by the respective parties. Then the file must be completed and filed. Here is the formula for file completion:

	Number of units to execute documents for
Times	Hours needed to prepare, copy and execute, and file documents, plus enter all data into computer
Equals	Total hours for this function

Illustration: Staff Required for File Completion

All 43 units now must have the lease, Tenancy Addendum, and HAP Contract prepared, copied, executed, and filed. Data entry must also be performed. There are 128 hours per staff person available for all activities per month.

You estimate it takes about 1.5 hours per unit to complete a file.

1. Number of units for document execution. 43
2. Hours needed per unit to complete file 1.5
3. Total hours needed to complete file (line 1 multiplied by line 2) 64.5
4. Hours available per staff per month 128
5. Number staff required for file completion (round to nearest 100th) 50

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Total Staff Needed

Now that you've completed your estimates for each step in the process, you can now determine the total staff needed for the functions to be performed.

- If all functions are to be performed by the same staff, the total for all is used
- If the functions are divided among departments, each department's staff can be assessed.

Example of Calculation: Total Staff Needed for Lease-up

Here is our last calculation example. If the intake staff performs all these functions and you want to know how many staff it will take to complete these functions on an ongoing basis, you must add the staff needed for each of the functions.

Application Processing	.78
Briefing	.15
RFTA Processing	.21
Scheduling Inspections	.25
Conducting Inspections	1.09
Performing Rent Reasonableness Documentation	.17
File Completion	.50
To lease-up these 43 units, how many staff do you need? (round up)	3.15 (4 staff)

This type of calculation can be accomplished for tasks within any functional area.

Knowing how long it takes to complete functions can be combined into positions with functional area tasks which then can be used to determine the number of staff needed for a specific position.

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Notes

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SECTION 2.4 SELECTION AND ONBOARDING

Introduction

How personnel are selected, brought onboard and trained has a major impact on the quality of the workforce. The specific hiring practices, and tools used to hire staff and the methods used to train them are directly linked to a PHAs success. This section focuses on these processes.

Hiring and Selection

Taking the staffing needs into consideration, we now need to hire the right people for the right job. We need to take the job description requirements; the knowledge, skills and abilities needed to do the job and the job attributes into consideration to obtain the best person to fill the job. Why is this important? If you fill the job with the wrong person, just because they are ready, willing and appear to be able, you may end up with a poor job fit and high turnover. After you have invested time and money into the hiring and training process, you will want a perfect "fit" to fulfill your workforce needs.

The hiring process consists of three aspects: an application which will result in knowing whether you have workforce capability (as described above), a testing process to determine whether the person has the workforce capabilities needed, and an interview process to flush out the information to supplement the information gathered from the application.

If you can attract someone with prior housing authority experience, especially HCV experience, it is an advantage. However, housing authorities are organized differently and just because they have HCV experience does not mean they will immediately know how to perform the job duties required for your job. The organization of the prior agency may have combined job duties differently from the duties required for your position. In addition, your policies, procedures and forms will probably differ from the other agency. However, their basic knowledge will be an advantage in acclimating them to your position.

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Current studies reveal that the organizations with the most effective hiring policies were more likely to use the following four practices:

- Job interviews in which candidates are asked to describe specific examples of their skills
- Automated resume screening and search
- Assessments that predict whether candidates are motivated by the factors associated with a particular job or a agency's values and ways of doing things
- Simulations that gauge specific job-related abilities and skills

Identifying People to Consider

The first step involved in selecting personnel is identifying people to consider. In doing this, you basically have two choices: either promote from within, or recruit and select from outside the organization.

Selecting From Within

Many agencies like to promote from within. If qualified and capable people in the agency want to move up, you should definitely consider them. In this scenario, the agency usually will announce an opening, and then interested candidates inquire about the position.

The greatest benefit from promoting or hiring from within your organization is that you can observe first-hand the knowledge, skills, and abilities of the potential employee. If you cannot observe first-hand, other supervisors can provide this information to you.

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Recruiting and Selecting From Outside

There are times when you must seek qualified candidates from outside the PHA. This process takes longer because it consists of marketing the position, reviewing resumes, selecting potential candidates and conducting interviews. Here are some suggested essentials for recruitment

- Conduct a recruitment planning meeting
- Make sure there is a current job description detailing the knowledge, skills, and abilities required for the position.
- Accept applications
- Conduct telephone screening
- Conduct face-to-face interviews with candidates. Make sure that you schedule enough time to properly interview them.
- Schedule a second interview if needed
- Make a recommendation.
- Be prepared to justify your recommendation.

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Recruitment Planning Meeting

Start your recruiting process with a planning meeting. At this recruiting planning meeting, you should follow a specific agenda and make a plan to recruit your new employee.

Recruiting Planning Meeting Checklist

- Develop a job specification from a job analysis and a job description. Schedule the recruiting planning meeting with the appropriate attendees, (Human Resources or hiring manager). Other attendees can include successful coworkers; an indirect, but interested, manager; and other internal customers of the position.
- Based on the job specification and your experience of other employees who have worked successfully in a similar position, rank the most important qualities, experiences, education, and characteristics that your successful candidate will possess. This ranking allows you or your HR recruiter or hiring manager to use these characteristics to write the classified ad, post the job online, and screen the arriving resumes.
- Now that you have the important requirements prioritized, determine where to advertise the position to develop the most exhaustive candidate pool, including asking for internal referrals. Local colleges and universities may be a productive source of candidates.
- Determine who will interview the potential employees and the qualities of the candidates they will need to evaluate. For example, one interviewer needs to consider technical skills, another, cultural fit, a third, customer orientation. Assignments depend on the qualities and characteristics you seek in the new employee. Plan the interview and follow-up process.
- Decide upon the candidate screening questions for the hiring manager or whoever will perform the telephone screening calls.

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- Assign interview topics and questions to the employees who will conduct the interviews. These questions should be behaviorally-based. You can also write scenarios, or brief role plays, and ask the candidates to tell you how they would solve a particular problem, resolve a common work situation, or improve a work process. Ideally, each interviewer will assess a different area of the potential employee's qualifications: cultural fit, technical capabilities, experience, ability to communicate, interpersonal effectiveness, and so forth.
- Decide if testing will assist you to select the best candidate for the job. As an example, you may want to give a writing test to a customer service candidate who will communicate with customers chiefly through email. For a Housing Specialist position, you may want a test that evaluates their proficiency in math and organizational skills. Make sure that every candidate for the position receives the same test at the same point in the selection process; generally test only candidates interviewed.
- Identify the appropriate questions for the candidate post-interview assessment by each interviewer. In addition to several generic questions, these should comprise a checklist that closely mirrors the characteristics you have determined are most important in the person you hire.

This planning meeting and the recruiting activities that result from it will improve your employee selection process. An improved recruiting and selection process will increase the odds of selecting a candidate who will succeed.

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Preparing for the Interview

The interview team was selected at your earlier recruiting planning meeting, so the interviewers have had time to prepare. You will want to use the list of qualities, skills, knowledge, and experience you developed for the resume screening process. Use this list to make sure each interviewer understands his or her role in the candidate assessment. Review each interviewer's questions, too, to make sure the interview questions selected will obtain the needed information.

Your chances of selecting the best candidate improve if you define the qualities, talents and skills you'd most like to have in a new employee. Then, devise a series of interview questions that allow your applicants to demonstrate that they have the desired qualities, talents and skills. These questions should require applicants to explain behaviors and actions they have actually demonstrated in the past.

The interview team should consist of 2-3 managers, including the person who will directly manage the staff. Each person on the interview team should complete the candidate's responses on the sheet with the interview questions. The interviewer also rates the candidate on the interview form. Afterwards, the interviewers should sign and date the sheet and submit it to the interview lead person. This will make review and selection easier.

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Identify Characteristics of Your Best Employees

If you can first define the qualities, characteristics and basic aptitudes you want in a potential employee you can create questions that provide opportunities to demonstrate that they possess the characteristics you desire. Here are some examples of characteristics:

- Excellent Attendance and Dependability
- Flexibility
- Integrity and Honesty
- Motivated and Dedicated
- Detail-Orientated
- Team-Orientated
- Strong Work Ethic
- Positive, Polite, and Approachable
- Highly Organized
- Continuous Improvement Orientated
- Good Communication Skills
- Actual Hands-On Demonstration of capability to perform specific tasks such as data entry or mathematical calculations.

Desired Behavioral Characteristics of a Housing Specialist

The duties of an HCV specialist require the ability to perform repetitive and often complex tasks while paying great attention to detail. It takes individuals with certain behavioral attributes and characteristics to do this effectively. The DISC behavioral profile analysis (see Chapter 3) identifies certain behavior styles that are most adaptable to the job requirements of a housing specialist.

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Common Attributes For a Housing Specialist

DiSC Profile Behavioral Tendencies: High S and High C

High S – Steadiness: Emphasis is on cooperating and sharing responsibilities with others within existing circumstances to carry out the task

- High S Behavioral Tendencies:
  - Team player, family oriented
  - Motivated by established practices
  - Steady, ritualistic
  - Consistent, predictable performance
  - Demonstrates patience
  - Helping others
  - Showing loyalty
  - Being a good listener
  - Calming excited people
  - Creating a stable, harmonious work environment
- High S's need people who:
  - React quickly to unexpected change
  - Become involved in more than one thing
  - Apply pressure on others
  - Work comfortably in an unpredictable environment
  - Help to prioritize work
  - Are flexible in work procedures
- Goal: Being involved with people, but want everyone to do their own share.
  - Need stability
- Fear: Situations where no one knows what is happening, uncertainty, lack of control
- Overuses: Don't like change unless involved in the process, too stable, too modest

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High C – Cautious/Conscientiousness: Working within existing circumstances to ensure quality and accuracy

- High C Behavioral Tendencies:
  - Accurate - precision quality control person, weigh pros and cons
  - Task oriented
  - Motivated by adherence to standards
  - Thinking analytically
  - Using subtle or indirect approaches to conflict
  - Checking for accuracy
  - Analyzing performance critically
  - Using a systematic approach to situations
- High C needs others who:
  - Delegate important tasks
  - Make quick decisions
  - Use policies only as guidelines
  - Compromise with the opposition
  - State unpopular positions
  - Initiate and facilitate discussions
  - Encourage teamwork
- Goal: Compliant to their own standards, accuracy, high standards
- Fear: Unwarranted personal criticism (sometimes even warranted)
- Overuses: Avoid personal, sensitive issues because wrapped up in facts.
  - Probably most sensitive, but mask it best.

Can suffer from analysis paralysis

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Develop Interview Questions to Identify These Characteristics

These are examples of questions that attempt to determine the sample characteristics above.

- What made you decide to apply at ABC Housing Authority?
- Tell me about yourself and your last/current job/class.
- When we speak to your previous employer or references what are they likely to tell us in regards to your dependability/ attendance?
- Tell me about a time when you demonstrated your trustworthiness or integrity in school or at work.
- Tell me about a time when you were working hard to complete a task and you were asked to leave that task before completing it and start a different job.
- Tell me about a time when you had to go above and beyond the call of duty to get a job done.
- Give me an example of how you organize your work when you have many items you are working on at the same time.
- Give me an example of a time when you had set a goal for yourself and tell me how you went about accomplishing it.
- Give me a specific occasion on which you followed a policy with which you did not agree.
- Give me an example of a time when you were able to successfully communicate with another person even when that individual may not have personally liked you (or vice versa).
- Tell me about a time when you improved a task or job you were working on.
- In what kind of a work environment do you do your best work?
- The potential employee then demonstrates the ability to complete any assessment you have created.

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INTERVIEW QUESTIONS

Applicant Name:

Interviewed By:

Date:

Start Time:

End Time:

Possible Positions:

1 Have you ever worked for a public service agency?

2 What made you decide to apply for this type of job?

3 Tell me about your last/current job.

4 What would your previous employer(s) say about your dependability and attendance?

5 What can your skills bring to our team?

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6 What do you consider yourself best at?

7 In what areas would you most like to improve professionally?

8 Do you prefer working as a part of a team or as an individual?

9 Give an example from your past work experience when you accomplished something exceptional. How did you do that?

10 Give an example of how you have demonstrated good customer service skills?

11 What are the most valuable lessons that you learned at your current/former employment?

12 Has your work ever been criticized? How? How did you handle it?

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14 Do you have any specific goals set for yourself? Describe them.

15 Give me an example of how you have handled multiple tasks.

16 Give me an example of when you have used your organizational skills.

17 Give me an example of when you have used your time management skills.

18 Rate your computer skills from 1-10.

19 Which computer programs are you proficient in?

20 Are you proficient in Excel? Describe a pivot table to me. Are you proficient in mail merge?

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Determining job interview questions in advance of the job interview allows you to compare applicants across interviews. It also assists your agency to take a more team-oriented approach to interviewing and selecting candidates. When you have a pre-determined list of job interview questions, you need to provide less training to teams of employees selecting new team members. You control the flow of the conversation and avoid asking illegal interview questions. Your hiring decisions will improve and you'll have a better handle on the characteristics and abilities your applicants will bring to the workplace

You will find some helpful interviewing guidelines below:

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Exhibit 2.4-1 Acceptable and Unacceptable Interview Questions

	Acceptable	Unacceptable
Name	• Have you ever used another name? • Is any additional information relative to change of name, use of an assumed name, or nickname necessary to establish a check on your work and education record? If yes, please explain.	• Maiden Name
Residence	• Place of residence	• "Do you own your own home?"
Age	• Statement that hire is subject to verification that applicant meets legal age requirements • "If hired, can you show proof of age?" • "Are you over eighteen years of age?" • "If under eighteen, can you, after employment, submit a work permit?"	• Age • Birth date • Dates or attendance or completion of elementary or high school • Questions that tend to identify applicants over 40
Birthplace, citizenship	• "Can you, after employment, submit verification of your legal right to work in the United States? • Statement that such proof may be required after employment	• Birthplace of applicant, applicant's parents, spouse, or other relatives • "Are you a U.S. citizen?" • Citizenship of applicant, applicant's parents, spouse or other relatives • Requirement that applicant produce naturalization, first papers, or alien card *prior to employment*
National origin	• Languages applicant reads, speaks, or writes, if use of a language other than English is relevant to the job for which the applicant is applying	• Questions as to nationality, ancestry, national origin, descent, or parentage of applicant, applicant's parents, or spouse • "What is your mother tongue? Or "What language do you commonly use?" • How applicant learned to read, write, or speak a foreign language

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	Acceptable	Unacceptable
Sex, marital status, family	• Name and address of parent or guardian, if applicant is a minor • Statement of company policy regarding work assignment of employees who are related	• Questions that indicate applicant's sex • Questions that indicate applicant's marital status • Number or ages of children or dependents • Provisions for child care • Questions regarding pregnancy, child bearing, or birth control • Name or address of relative, spouse, or children of adult applicant • "With whom do you live?" • "Do you live with your parents?
Race, color		• Questions as to applicant's race or color • Questions regarding applicant's complexion or color of skin, eyes, or hair.
Physical description **Photograph**	• Statement that photograph may be required after employment	• Questions as to an applicant's height and weight • Requirement for an applicant to attach a photograph to the application • Request an applicant, at their option, to submit a photograph • Requirement of a photograph after interview but before employment
Physical description **Handicap**	• Statement by employer that an offer may be contingent on applicant passing a job-related physical examination • "Do you have any physical condition that may limit your ability to perform the job applied for? If yes, what can be done to accommodate your limitation?"	• Questions regarding applicant's general medical condition, state of health, or illnesses • Questions regarding receipt of worker's compensation • "Do you have any physical disabilities or handicaps?"

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	Acceptable	Unacceptable
Religion	• Statement by employer of regular days, hours, or shifts to be worked	• Questions regarding applicant's religion • Religious days observed • "Does your religion prevent you from working weekends or holidays?"
Arrest, criminal record	• Have you ever been convicted of a felony? (Such a question must be accompanied by a statement that a conviction will not necessarily disqualify an applicant from employment)	• Arrest record • "Have you ever been arrested?"
Bonding	• Statement that bonding is a condition of hire	• Questions regarding refusal or cancellation of bonding
Military service	• Questions regarding relevant skills acquired during applicant's US military service	• General questions regarding military service, such as dates and type of discharge • Questions regarding service in a foreign military
Economic status		• Questions regarding applicant's current or past assets, liabilities, or credit rating, including bankruptcy or garnishment
Organizations, activities	• "Please list job-related organizations, clubs, professional societies, or other associations you belong to. You may omit those that indicate your race, religious creed, color, national origin, ancestry, sex, or age."	• "List all organizations, clubs, societies, or lodges you belong to."
References	• "By whom were you referred for a position here?" • Names of persons willing to provide professional or character references for applicant	• Questions of applicant's former employers or acquaintances that elicit information indicating the applicant's race, color, religious creed, national origin, ancestry, physical handicap, medical condition, marital status, age, or sex
Name in case of emergency	• Name and address of person to be notified in case of accident or emergency	• Name and address of relative to be notified in case of accident or emergency

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Conducting the Interview

Using the information developed to prepare for the interview, have the interview team (2-3 supervisors including the person who will supervise the person to be hired) conduct the interview. The interviewers should inform the candidate that they will be asking questions of all candidates and writing down the responses to the questions to assist in accurate decision making.

The lead interviewer should open and close the meeting and the questions should be asked by each of the interviewers. Responses should be documented by all team members. Follow-up questions are permitted but the amount of time given should be controlled by the lead interviewer.

The lead interviewer should let the candidates know that references will be checked on finalists and provide the approximate time frame for final decision making.

After the interview is concluded, the interview panel members should discuss the candidates strength and weaknesses for the position and complete a Candidate Summary Form. The interviewer also rates the candidate on the interview form. Afterwards, the interviewers should sign and date the sheet and submit it to the interview lead person. This will make review and selection easier. About 15 minutes should be scheduled for this task before the next candidate arrives.

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Exhibit 2.4-2 Examples of Candidate Summary Forms

Though very simple, this form can help determine whether the candidate or employee has the abilities and interests to do the job. If they have the interest, but need more knowledge or skill development to be successful, you need to make the decision as to whether there are enough time and training resources available to wait for improvement in the key result area for the job. This form should be completed by each interviewer directly after the interview is conducted.

Key Result Areas

Likes	**Does well**
Does not like	**Does not do well**

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Exhibit 2.4-3 Candidate Summary Form

Rating: Rate the candidate from 1 to 5 for each category.
5 = Strongly Agree; 4 = Agree; 3 = Somewhat Agree; 2 = Disagree; 1 = Not sure
Explain basis for rating as appropriate in Comment Column.

Candidate:	Interviewed By:	Date:	Start Time:	End Time:
Positions Candidate May Be Qualified for:				
When Can the Candidate Start to Work With Us?				

GENERAL KNOWLEDGE AND TECHNICAL REQUIREMENTS	RATING	COMMENTS
Core competency case study results: The candidate demonstrated the necessary skills to complete the Case Study successfully.		
The resume' indicates that the candidate has acquired the technical skills needed for the position.		
The technical skills disclosed during the interview are compatible with the skills needed for the position.		
Based upon prior work experience and accomplishments, the candidate appears to have a general level of knowledge that is compatible with the position requirements.		
The candidate seems to meets the minimum educational and training requirements needed to perform in the position.		

COMMUNICATION SKILLS	RATING	COMMENTS
Eye Contact: The candidate's eye contact was appropriate throughout the interview and demonstrated openness and interest.		
Verbal skills: The candidate demonstrated the ability to express or explain their thoughts, ideas and situations clearly. The candidate was effective in making him or her self understood.		
Responsiveness to questions: The candidate's answered appropriately responsive to the questions asked. The candidate demonstrated that they listened and understood the questions that were asked.		
ATTRIBUTES	**RATING**	**COMMENTS**
Openness: The candidate's demeanor was open, accessible and non-defensive.		
The candidate appeared to be inquisitive about the agency's goals and vision.		
The candidate appeared to be interested in growth opportunities.		
The candidate's questions indicated that they were looking for a career.		
The candidate's comments indicated a desire and willingness for self-improvement.		
The candidate was alert and attentive during the interview.		

Checking References and Offering the Job

Although most employers will only provide basic information, such as starting and ending dates of employment, you should try to get an answer to one very important question, “Would you rehire this person if a position was available?” If a college degree or certification is required, you should verify whether this was obtained.

When you are ready to offer the position, you should know the salary amount you will offer and whether it is negotiable, in which case a salary range should be decided on before you make the offer call. The offer may be made informally on the phone and then followed up by a formal written job offer.

Onboarding

Onboarding refers to the mechanism through which new employees acquire the necessary knowledge, skills, and behaviors to become effective organizational members and insiders. Tactics used in this process include formal meetings, lectures, videos, printed materials, or computer-based orientations to introduce newcomers to their new jobs and organizations. Research has demonstrated that these socialization techniques lead to positive outcomes for new employees such as higher job satisfaction, better job performance, greater organizational commitment, and reduction in stress and intent to quit.

Onboarding is particularly important in the housing authority arena because of the technical regulatory and policy knowledge needed as well as strong computer and organizational skills required. Some housing authorities' onboarding process is to have the new employee read the regulations and then sit down and observe an employee doing the job. A more formal onboarding process is usually more effective.

Employee Security Forms

Because the agency deals with confidential information and restricts program access under certain HUD regulations, it is advisable to have employees sign documents to ensure these conditions. The documents should be reviewed by the agency attorney before using. In addition, the agency has required confidentiality forms for areas such as EIV security.

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Exhibit 2.4-4 Confidentiality Agreement

It is the policy of the [insert name of PHA] to safeguard private information provided to the PHA by persons who apply for and/or participate in assistance programs administered by the PHA. Private information is any information obtained about a person that might identify him or her as an applicant for assistance or a program participant.

Private information to which the undersigned commissioner, officer, employee, or consultant of the PHA (herein referred to generally as a PHA associate) gains access shall not be used, published, disclosed or disseminated in any form to any person, agency (governmental or otherwise), corporation or other entity except (i) as required in fulfilling the legal responsibilities of HUD or other contractual obligations in administering a program, or (ii) as required by law, as determined by an opinion of the PHA's general counsel, or (iii) as requested in writing by the applicant, enrollee, or program participant specifying the information to be given, the form in which it is to be given and the party or parties to whom it is to be given.

The undersigned agrees to maintain the strict privacy of information and to follow the PHA's procedures established from time to time to insure the privacy of data concerning individuals. Access to private information is to be strictly limited to those PHA associates who require it to conduct their job activities.

If the undersigned is subpoenaed or otherwise believes that he or she may be called upon to make a disclosure of private information to any court or governmental agency, he or she shall immediately notify the PHA Executive Director. If so required by the PHA Executive Director, the undersigned shall cooperate in all lawful efforts to protect private information

The failure of the undersigned to comply with the above confidentiality requirements is grounds for dismissal

The restriction of this agreement regarding use and disclosure of private information shall continue to apply after termination of employment or other relationship with the PHA.

The undersigned PHA associate has read and understands the above statement and agrees to comply with it in every respect.

Dated this _____ day of _____, 20_____.

_____

PHA Associate Signature

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Exhibit 2.4-5 Disclosure of Family Relationships Between PHA Employees and Participants

It is the policy of the [insert name of PHA] to require that its employees disclose to the PHA any members of their immediate family who participate in the Section 8 Rental Assistance Programs and any other PHA administered assistance program.

Households that contain members of a PHA employee's immediate family shall be permitted to participate in the program(s) unless the PHA Executive Director determines that there is a conflict of interest. A conflict of interest exists when the employee would be in a position to make a policy decision which could affect the household's payment or eligibility or deal with its cause in the enrollment, payments, housing inspection, or certification processes.

The undersigned PHA employee understands the need to disclose family relationships that exist with members of program participants to avoid the fact and appearance of conflicts of interest. The undersigned agrees to inform the PHA Executive Director if to his or her knowledge a household which consists of one or more members of his or her immediate family enrolls in a PHA administered assistance program.

Dated this_____ day of _____, 20_____.

_____

PHA Employee Signature

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Exhibit 2.4-6 Disclosure of Interest in Real Estate

It is the policy of the [insert name of PHA] to require that its employees make the following disclosure of any interest in real estate in [insert relevant jurisdiction(s)].

1. Do you or does any member of your immediate family own or have any financial interest in any rental property in _____?

   Yes _____ No _____

   If yes, please list such property:

2. Do you or does any member of your immediate family have any financial interest in, or are employed by, any business dealing with the real estate industry in _____? (For example, rehabilitation, inspection, maintenance, brokerage, construction, contracting)

   Yes _____ No _____

   If yes, list the activities:

3. Do you or does any member of your family have any financial interest in any business or property which might receive funds under a PHA administered program or benefit financially from it?

   Yes _____ No _____

   If yes, list them:

To the best of my knowledge, all of the information contained in this form is true, accurate and complete in every respect. It is understood and agreed that the PHA is relying on the truth of the information.

_____

SignatureDate

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New Hire Orientation

Upon hire, all new staff members should participate in a structured employee orientation program. The employee orientation program should include, but is not limited to, the following components:

- An overview of the organization, including its structure, mission, vision, programs, services, staff members, board of directors, collaborative relationships and funding sources.
- An overview of the position's job duties (highlighting all essential functions), responsibilities, and work expectations (e.g., travel, evening and weekend hours).
- An overview of all employee benefits, including, but not limited to, medical, dental, and vision insurance; short-term and long-term disability insurance; life insurance policy; 401 k plan or other retirement plan; vacation, sick, and other types of leave; and other benefits, if applicable.
- An overview of the organization's regular and personnel policies and procedures.
- A tour of the organization's facility and introduction to all staff members.
- Where the individual's work are or office will be, what equipment is available for him/her to use, where to access office supplies, and any required passwords and security standards.

To assist in the onboarding process, there are two sample forms which can assist orienting the new employee to complicated regulations and new software systems. The sample New Hire Checklist can be modified for any organization but a form like this should be in place so you can document that everything was completed for each new employee.

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Exhibit 2.4-7 Sample New Hire Checklist

SAMPLE NEW HIRE CHECKLIST

ACCESS CHECKLIST

Date Requested	Date Granted	
☐_____	☐_____	Network
☐_____	☐_____	Badge
☐_____	☐_____	Electronic Filing System
☐_____	☐_____	Phone
☐_____	☐_____	Housing Software System
☐_____	☐_____	Communication Software
☐_____	☐_____	Screening Reports
☐_____	☐_____	Sharepoint
☐_____	☐_____	Desk Guide
☐_____	☐_____	(Computer drives needing access)
☐_____	☐_____	(Computer drives needing access)
☐_____	☐_____	Outlook Groups
		Email Group Access Needed
		_____
		_____
☐_____	☐_____	WASS ID/EIV (PIC)
☐_____	☐_____	WASS ID/EIV

CLASSES CHECKLIST

Date Taken	
☐_____	Explanation of New Hire Pathway
☐_____	Introduction to Housing
☐_____	Introduction to PHA
☐_____	Introduction to Learning Resources
☐_____	HR/Benefits
☐_____	Systems 101
☐_____	EIV
☐_____	Bed Bug
☐_____	Core Housing Software
☐_____	Housing Software Workflow
☐_____	Attend Yardi/Policy Training
☐_____	Watch Archived Housing Software/Policy Training
☐_____	HCV Specialist

SHADOWING CHECKLIST

Date	
☐_____	Shadow an Interview
☐_____	Shadow a Briefing
☐_____	Conduct an Interview
☐_____	Conduct a Briefing
☐_____	Process a Recert
☐_____	Process an Interim
☐_____	Process a Transfer
☐_____	Close a Salesforce Case
☐_____	Send Forms/Letters to Scanning
☐_____	Covering the Lobby

_____ _____

Supervisor Signature Date

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The sample New Hire Pathway lays out an onboarding plan for the first two months of employment for a Housing Specialist could be tweaked for other positions in the agency such as an inspector position.

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Exhibit 2.4-8 Sample New Hire Pathway

SAMPLE NEW HIRE PATHWAY

Name:_____ Team:_____ Position:_____

	PRIOR TO FIRST DAY	FIRST DAY	WEEK 1	WEEK 2	WEEK 3	WEEK 4	SECOND MONTH
NEW HIRE	• Review Network Access Form • Fax/Email Back for Early Processing (if possible)	• Coffee/Introductions • Introduction to Housing/Nan McKay • HR/Benefits Training • Attends Systems 101 • Fills out Forms & Receives Manuals	• Have successfully read Admin Plan • Attend Bed Bug Training • Sit through Interview with another Housing Specialist • Sit through Briefing with another Housing Specialist • Shadows Team Mates • Watches EIV Video • Begin attending Yardi/Policy Trainings	• Attend Core Yardi Training • Attend Yardi WorkflowTraining • Shadows Team Mates • Attend Forms Training	• Works through case studies and reviews answers • Leads first briefing(s) and/or interview(s) with Supervisor and/ or trainer shadowing • Processes first cases with assistance from Systems and Policy Trainer	• Watch selection of archived Yardi/Policy Trainings on I:\ • Works through case studies and reviews answers • At Supervisors discretion, begins working solo.	• Attend HCV Specialist Training
TRAINER		• Systems Trainer Conducts Systems 101 • Policy Trainer Explains Training Pathway • Systems Trainer Introduces Learning Resources to New Hire	• HR supervisor conducts Bed Bug Training • Policy and Systems Trainers meet with New Hire to discuss areas learned and address questions and concerns • Trainer trains procedures using Desk Guide • Trainer demonstrates how to use WIKI references	• Conduct Core Yardi Training • Conduct Yardi Workflow Training • Meets with New Hire at end of week to discuss areas learned and address questions and concerns • Meets with Supervisor to discuss New Hire's Training Needs • Conduct Training	• Shadows new employee in first briefing(s) and/or interview(s) • Systems and Policy Trainers assist processing first cases. • Meets with New Hire at end of week to discuss areas learned and address questions and concerns • Meets with Supervisor to discuss New Hire's Training Needs • QC trainer demonstrates checklists and how file reviews are conducted	• Meets with New Hire at end of week to discuss areas learned and address questions and concerns • Meets with Supervisor to discuss New Hire's Continual Training Needs • Tracks I: Classes	• Conducts HCV Specialist Training
SUPERVISOR		• Introduces New Hire to Supervisor and Team • Explanation of Job Duties • Sets up Shadowing schedule • Explanation of Performance Goals	• Meets with Trainer(s) to discuss New Hire's Training Needs	• Meets with Trainer(s) to discuss New Hire's Training Needs	• Meets with Trainer(s) to discuss New Hire's Training Needs • Shadows New Hire in first briefing(s) and/or interview(s) • Conducted 100% QC on all work completed by New Hire.	• Schedules New Hire for HCV Training • At Supervisors discretion, New Employee flies solo • Conducts first month performance review.	

Also note how the graduated caseload and accuracy plan for new employees described in section 2.3 can be used in the onboarding process.

Staff Training

Providing appropriate initial and ongoing training for new staff members is essential, not only in terms of preparing individuals for their new position, but also in retaining them for a longer period of time. Employees who are trained properly are more knowledgeable, more competent, and are able to meet the requirements of the job sooner.

After orientation, there is normally a probationary training period that is specific to the position and job requirements. Training during this period is generally more extensive, as you're trying to bring the employee up to speed, as quickly as possible. The main focus should be on knowledge, skills and abilities required to perform the job for which they were hired.

The effectiveness of any HCV program depends upon the capabilities of its workforce. Not all employees have with the same job skills, so a strong, effective training program is essential to enable the individual to succeed.

The training program should be a combination of the following types of training:

- On-the-job training (OJT)
- Classroom instruction
- On-line training
- Self-study

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On-the-job Training (OJT)

On-the-job training (OJT) allows employees to learn practical skills while performing their job tasks. They learn new skills and improve existing skills through observation and practice.

Characteristics of OJT

OJT occurs every day and usually involves one-on-one or small group instruction and guidance by the administrator or other staff members. OJT can involve:

- Trial and error, practice
- Demonstration
- Question and answer
- Use of a job aid
- Vendor training sessions

Advantages and Disadvantages of OJT

The biggest advantage of OJT is that instruction takes place while on the job with supervision and access to information and support. Many people learn best by doing, so the more relevant the instruction is to the job, the better.

OJT also has its disadvantages. One such disadvantage is that people learn differently. On-the-job training is excellent for people who learn primarily by doing, but is not as effective for people who learn by reading or watching (visual learners), or by hearing (audio learners).

In addition, training limited to OJT tends to teach only one method of solving a problem, thus reducing the creativity of your staff to get the job done in their own way. OJT works best when it is part of a comprehensive training program.

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Ensuring that OJT Is Effectively Transmitted

As an HCV manager, you are responsible for making sure that the OJT offered in your department is effective. The best way to determine this is by watching the training and noting employee performance afterward. If you find deficiencies in either one, stop and evaluate the content of the OJT and how it is being presented. After your evaluation, make adjustments. You might change:

- Who is delivering the training
- The content of the instruction
- How the instruction is being presented
- Who is being trained

Sources for OJT

There are several sources within an organization that can help provide the on-the-job training. These sources can include supervisors, other employees, and even contractors.

Supervisor

As a supervisor, you are an important source of training. The information you pass on to the employees will guide their direction and help them develop their knowledge, skills and abilities.

Other Employees

Employees can learn from each other while on the job, and you should encourage them to exchange helpful ideas. Experienced co-workers can act as mentors to new employees, offering advice, guidance, and explanation. New employees can shadow their mentors at work and see how the experts do things.

Contractors

Contractors who are also experts in the voucher program can be brought in to teach specific skills to employees.

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Off-the-job Instruction

Off-the-job instruction is training that takes place outside of work. Off-the-job instruction could include:

- Classroom instruction
- Self-study at work or at home

When using off-the-job instruction, require the employee to report what they learned and discuss any questions about the training content.

- Observe the employee on the job to see that the training has improved job performance.
- Ask the employee to complete an evaluation of the training.
- Require the employee to take a certification examination if it was offered with the training
- Forward a copy of the certificate of completion, signed by the trainer, to the personnel office for record keeping.

Advantages of Off-the-job Instruction

There are several advantages of off-the-job instruction. The biggest of these advantages are:

- The presenter is usually an expert who presents the material objectively.
- The administrator can spend more time on the day-to-day responsibilities of program management rather than staff training.
- Off-the-job instruction is usually comprehensive and up-to-date.
- The student can learn at their own pace and in their own way, particularly if the program is self-study.

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Training on Work Systems and Work Processes

The work systems are part of the leadership systems adopted by the agency to guide performance excellence within the agency. Work systems and work processes are discussed in Chapter 5.

The work systems and work processes are the resources to be used for training staff. The work systems and processes to be used in training would include:

- HUD regulations pertinent to the HCV program
- Administrative Plan (agency policy)
- HCV procedures
- Reports and record-keeping
- Case management protocols
- HCV Forms and Letters
- Desk Guide
- Wiki

Software training must be integrated into the work processes so that the staff person being trained understands how the housing rules and policies are carried out through the software.

An overall housing voucher training plan includes other components such as:

- Quality control process training
- Quality control results training
- Mini-training on common errors

Regardless of the amount of external and internal training provided, daily personal one-on-one involvement by the supervisor with each staff person is the most critical part of developing high performers. Staff need constant mentoring and feedback in person, not by email.

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Exhibit 2.4-9 Sample Training Plan

Housing Specialist

Day 1. Orientation to the organization and program:

- Review employee manual and personnel policies, sign up for employee benefits
- Review confidentiality, standards-of-conduct, and conflict-of-interest policies
- Meet co-workers
- Review physical set-up
- Background orientation on the PHA and HCV program
- Receive program materials with instructions for review in the following order:
  1. Assisted Housing 101 (NMA)
  2. Administrative Plan
  3. Equal Opportunity Housing Plan
  4. PHA manuals and policy/procedural memoranda
  5. Copies of program and internal processing forms (e.g., computer input/output)
  6. Briefing package
  7. NMA HCV Master Book, including HUD and *Federal Register* notices.

Day 2. Sit in on an intake interview. Discuss the interview with the interviewer.

- Read program materials with a specified period for questions and discussion of progress with the supervisor.
- ***Note:*** This should happen early to give the new interviewer a sense of what it's like to attend the interview with little to no knowledge of the program (i.e., what it's like for the applicants).

Day 3. Sit in on a briefing session and voucher issuance; discuss with the briefer.

- Review the PHA market data used for rent reasonableness.
- Read the program materials with a specified period for questions and review. Supervisor begins to probe for understanding of key program concepts.

Day 4. Sit in on intake interview with a different interviewer to get a sense of the differences in style.

- Discuss the interview with the interviewer. Ask questions about relevant things that happened during the interview.
- Read program materials; discuss with supervisor.

Day 5. Spend one-half day with an HQS inspector.

- Try to schedule a cross-section of the types of units selected for the program. Inspector should discuss what he or she is doing and why, and reviews HQS and rent reasonableness.
- Read program materials; discuss with supervisor.

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Day 6. Spend time with the supervisor going through key chapters of the NMA HCV Master Book in great detail.

- Sit with the person taking preliminary applications. Discuss the process and the types of situations and problems that might arise.
- Receive general training on interview techniques.
- Spend more time reviewing verification and payment processing.

Day 7. Discuss the following with supervisor: FMRs, rent reasonableness, and the PHA's relationship with landlords.

- Review frequently asked questions by owners and participants.
- Role play with the supervisor or other occupancy specialist acting as an applicant coming in for an interview. Discuss the interview in detail with the supervisor.

Day 8. Role play another intake interview with a different type of applicant; discuss in detail.

- Role play with the supervisor acting as a new owner coming in to sign the HAP contract; discuss in detail.
- Take more time to review program materials and ask questions. Supervisor may administer an oral quiz which, with the role play, will be key in judging whether the employee is ready for his or her first interview.

Day 9. More review based on input from the employee and the supervisor's judgment.

- Employee conducts first interview of a new applicant. Usually leave it to the employee whether he or she wants the supervisor or other interviewer to sit in. If not, supervisor remains close by and available for questions.
- Discuss the interview with the supervisor in detail; supervisor reviews forms and worksheets.
- Review program materials as necessary.

Day 10. Conduct another intake interview and an annual reexamination.

- Discuss each in detail with the supervisor who reviews interview materials. Supervisor makes a decision about additional training needed and how large a workload the person will start with.
- ***Note:*** If all goes well, the new employee will be assigned about 60 percent of a normal caseload, which will build up with new cases. For the initial period, the person will conduct about three intake interviews for each two annual reexaminations in his or her workload.
- Supervisor will debrief the person after each interview for a few days and be readily available for questions as interviews are conducted. Interview processing will be examined more carefully than usual during an initial period depending on the employee's progress.
- Supervisor will ask the employee to formally evaluate the training at the end of the training and again a few months later, after they have had a chance to gain some experience.
- Other ongoing training activities that might be included as the opportunity arises include attending a board meeting or to observe.

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SECTION 2.5 PERFORMANCE MANAGEMENT

Introduction

The performance management system of the agency is part of its leadership system. The overall goal of performance management is to ensure that the organization and all of its subsystems (processes, departments, teams, employees, etc.) are working together in an optimum fashion to achieve the results desired by the organization.

Performance Management optimizes results by aligning all subsystems to achieve overall organizational goals. Within the organization, the manager may focus on a department, a process, or individual employees.

Achieving the overall goal requires several ongoing activities including:

- Identification and prioritization of desired results to be able to assess how well results are achieved (performance standards)
- Establishing means to track and measure progress toward the results (discussed in the Performance Measurements chapter 6)
- Assuring knowledgement management and intervening to improve progress where needed (discussed in Performance Solutions chapter 7)
- Terminating employees who cannot or will not achieve the standards

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Performance Standards

The overall goal of performance management is to ensure that the organization and all of its subsystems (processes, departments, teams, employees, etc.) are working together in an optimum fashion to achieve the results desired by the organization.

Performance management optimizes results by aligning all subsystems to achieve overall organizational goals. Within the organization, performance may focus on a department, a process, individual employees, etc. Plans, activities, & accomplishments tie into the overall PHA success.

Achieving the overall goal requires several ongoing activities including:

- Identification and prioritization of desired results
- Establishing means to measure progress toward the results
- Setting standards for assessing how well results were achieved
- Tracking and measuring progress toward results
- Exchanging ongoing feedback among those participants working to achieve results, periodically reviewing progress
- Reinforcing activities that achieve results
- Intervening to improve progress where needed

To achieve high performance, you must begin with your expectations which must be in writing, reasonable to achieve, and measurable. If you establish standards and you never measure to them and then follow up to see that they are met, they won't be met.

Then you have to be ready to take appropriate action when they are not met, but you will not have the fact-based documentation you need to terminate employment.

Performance standards set expectations, and people need to know what is expected of them to achieve the desired results. Performance standards must be measurable. With clear expectations, the supervisor and the employee can objectively measure performance. With continued feedback, you and the employee will have few surprises at performance evaluation.

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Performance standards are set for the job duties in the position description. Performance standards for a housing specialist or caseworker, for example, primarily relate to the production and accuracy requirements stated in the Caseload and Accuracy Plan.

New Employees

Special performance standards should be developed for new employees to assess and track their progress in acquiring the competencies needed to do the job. These new-employee standards should have graduated production and accuracy requirements. If there is a six-month ramp-up period, for example, the performance standards would be monitored throughout the six month period. If the standards are realistic and adequate training has been provided, and the employee is under-performing, it may be more expedient to terminate the employee at that point, rather than to continue trying to get them to the necessary level. This may seem harsh, but if a person cannot perform during the protected ramp-up period, the chances are high that they will not be able to manage the job.

Experienced Employees

After initial ramp-up, new employees become subject to the established performance standards for their staff position. Performance should be measured on an ongoing basis. If an employee does not meet any of the performance standards, an Individual Development Plan (IDP) should be made with the employee that identifies the specific tasks and activities needed to improve performance. If the employee fails to meet the requirements of the IDP and there are not reasonable exceptions such as vacation, sick or maternity leave, the employee should be terminated. The employee should be required to sign the performance standards as a condition of employment.

Mangers need to establish clear expectations, measure, analyze performance and provide effective supervision.

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Exhibit 2.5-1 Checklist For Developing Task List and Performance Standards

Defining Terms

_____ Task: A required activity of a position which results in a single work product (one significant duty).

_____ Performance Standard: A written description of how well an employee must perform a task in order to perform it in a satisfactory manner.

_____ Task List: A written list of the regular tasks which an employee performs.

Implementing Tasks and Standards Project

_____ Supervisors tell subordinates what tasks and standards are, how they are developed, and why the agency is doing them.

_____ Supervisors ask each person for a list of tasks they regularly perform.

_____ Supervisors review each list and make necessary changes; discuss changes with employee concerned.

_____ Supervisors make a tasks/standards list for each employee as follows:

Tasks/Standards List

Name of employee _____ Position/Title _____

Dept._____ Division _____ Date _____

Tasks	Standards

_____ Supervisor writes the first task for which standards are going to be written in the tasks column and numbers it "1."

_____ Supervisor writes the standards for task "1" in the standards column.

- _____ Numbers the first standard "1-a," the second "1-b," etc.
- _____ Uses as many ways of expressing standards as are necessary to describe satisfactory and realistic standards. (See "Types of Standards" and "Suggested Questions to Use in Setting Standards" below for specific examples.)

_____ Supervisor proceeds in the same manner with each task.

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_____ Standards given to the employee concerned while still tentative for suggestions as to appropriate revisions.

_____ Supervisor discusses employee's tasks and standards with him/her. Note that final responsibility is the supervisor's.

_____ Supervisor refers recommended standards to department manager and personnel office for review.

_____ Final list of tasks and standards are given to employee, supervisor, department manager, and personnel department.

_____ Periodic review and update of tasks and standards.

Key Points in Preparing Task List

_____ Avoid making the lists too long or too short. Most jobs can be broken down into 5 to 20 regular tasks. Task lists which fall outside these limits are usually either too specific or too general.

_____ Use care in writing the task down.

- _____ Keep all statements simple and brief.
- _____ Make sure task results in a single, meaningful work product.
- _____ Don't let tasks overlap.
- _____ Begin each sentence with an active, present-tense verb.
- _____ Don't use fuzzy language (keep away from "handles," "checks," "is responsible for," etc.)

Key Points in Setting Standards

_____ Set standards for the specific tasks of each position.

- _____ A single set of standards may apply to several positions only when the tasks of those positions are identical.

_____ Set standards at the level excepted from a fully trained and competent employee.

- _____ Not at perfection, unless nothing short of perfection is acceptable.
- _____ Not necessarily at the current level.
- _____ Not at the most desirable, but at the most reasonable level.

_____ Write standards in simple, brief, easy-to-understand language.

_____ Develop standards in cooperation with the employee.

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Types of Standards

Measure	Task Example	Standard Example
Number of work units to be completed within a specified time	Process applications for assistance	Processes 50 to 75 applications a day
Results of adequate amount of work completed	Interviews applicants for assistance	Interviews a sufficient number of applicants so that no applicant is kept waiting more than 10 minutes
Time limit in which work is to be completed	Takes and transcribes dictation	Transcribes letters with 6 to 8 working hours after dictation
Accuracy	Takes and transcribes dictation	Transcribes dictation so that ideas and content are accurately reproduced
Effect desired	Maintain stock of office supplies	Keeps sufficient stock on hand to fill requests
Knowledge needed	Answer switchboard	Has sufficient knowledge of building personnel to refer calls to correct extensions
Physical appearance of product	Types letters and memoranda	Types mailable letters and neat and readable memoranda
Method	Writes reports on investigations	Writes reports according to form set up in manual of instruction
Personal Requirements		
Appearance	Acts as receptionist for division	Is dressed and groomed to give neat and businesslike appearance
Speech	Answers telephone	Speaks clearly and distinctly enough to be understood by caller without repeating
Behavior	Gives information to the public	Answers questions courteously in a friendly manner

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Exhibit 2.5-2 Sample Tenant Services Staff Performance Plans

Tenant Services
Staff Performance Plans

Fred Flintstone	Housing Specialist	Wilma Flintstone	Central
Employee Name	Job Title	Rater's Name	Department
3/1/09 – 2/28/20010	12345	Supervisor	
Rating Period	Employee Number	Rater's Title	Date to be Completed by

Evaluate Employee performance at the end of the rating period under **"Achievement"** and **"Comments"**

Objective-Task	Achievement	Evaluation Criteria
		E=Excellent ER=Exceeds Requirement MR=Meets Requirement NI=Needs Improvement
Complete an average of 98% of assigned Annual Reexaminations prior to the required notice of the effective date.	Number Assigned – Number Completed – Percentage –	E – 99% - 100% ER – 97% - 98% MR – 95% - 96% NI – 95% or lower
Complete Interim Rent Adjustments (when TR is decreasing), and family composition changes within 30 days of receipt of request.	Number received – Number Completed w/30 days – Percentage –	E – 98% - 100% ER – 96% - 97% MR – 90% - 95% NI – 80% or lower
Provide excellent customer service with survey rating of at least 4.0.	Number of Families Surveyed – Survey Rating –	E – 4.5% - 5% ER – 4.0% - 4.4% MR – 4.0% NI – Below 4.0%
Timely and accurately process owner requests for rent increase within 60 days of receipt.	Number received – Number Completed w/60 days – Percentage –	E – 96% - 100% ER – 90% - 95% MR – 81% - 89% NI – 80% or lower

Timely and accurately process contract termination requests, within 48 hours of receipt.	Number received – Number Completed w/48 days – Percentage –	E – 99% - 100% ER – 98% MR – 95% - 97% NI – 95% or lower
Maintain 95% accuracy rate for quality controlled file reviews	Number files QC'd – Number with no errors – Accuracy Percentage –	E – 99% - 100% ER – 98% MR – 95% - 97% NI – 95`% or lower

Additional Employee Comments:

Tenant Services
Staff Performance Plans

Employee Name	Job Title	Rater's Name	Department
Rating Period	Employee Number	Rater's Title	Date to be Completed by

Evaluate Employee performance at the end of the rating period under **"Achievement"** and **"Comments"**

Objective-Task	Achievement	Evaluation Criteria
		E=Excellent ER=Exceeds Requirement MR=Meets Requirement NI=Needs Improvement
	Number Assigned – Number Completed – Percentage –	E – 99% - 100% ER – 97% - 98% MR – 95% - 96% NI – 95% or lower
	Number received – Number Completed w/30 days – Percentage –	E – 98% - 100% ER – 96% - 97% MR – 90% - 95% NI – 80% or lower
	Number of Families Surveyed – Survey Rating –	E – 4.5% - 5% ER – 4.0% - 4.4% MR – 4.0% NI – Below 4.0%
	Number of Reviews Audited – Number of Reviews with errors – Percentage –	E – 99% - 100% ER – 97% - 98% MR – 95% - 96% NI – 95% or lower

	Number received – Number Completed w/60 days – Percentage –	E – 96% - 100% ER – 90% - 95% MR – 81% - 89% NI – 80% or lower
	Number received – Number Completed w/48 days – Percentage –	E – 99% - 100% ER – 98% MR – 95% - 97% NI – 95% or lower
	Number files QC'd – Number with no errors – Accuracy Percentage –	E – 99% - 100% ER – 98% MR – 95% - 97% NI – 95`% or lower

Performance Plan Individual Goals / Performance Management Rating Form

Goals are derived from the job description, lists of Duties and other indicators (see description below)

Evaluate Employee performance at the end of the rating period under **"Achievement"** and **"Comments"**

Individual Goals	Achievement	Comments

Staff Comments:

Overall Evaluation

Improvement Needed	Meets Requirement	Exceeds Requirement	Exceptional

Supervisor Comments:

Performance Plan Acknowledgement and Signatures

Sign & date in the appropriate areas below

Supervisor agrees to support plan	Date	Supervisor agrees with evaluation	Date
Employee agrees with plan	Date	Employee has received evaluation	Date
Reviewing manager agrees with plan	Date	Reviewing manager agrees with evaluation	Date

Additional Employee Comments:

Performance Incentives

Each agency should design a performance incentives plan to encourage and reward employees for performance excellence results. By placing an emphasis on performance excellence, production and accuracy will usually increase, and an incentives program is much less expensive than paying overtime because you have fallen behind. The incentives' bar should be set high but attainable.

Although most agencies do not have large monetary incentives and sometimes do not have enough positions available for upward mobility, high performance should be rewarded which will help create a motivational environment.

Since production and accuracy are two of the most critical aspects of most of the HCV jobs, monitoring production and accuracy according to what is to be accomplished during a specific period and sharing results rewards the high performers with recognition.

For example, in a larger agency, the supervisor can send out a daily chart of progress so people can monitor their performance against others. In a smaller agency, the supervisor may want to do this on a weekly basis. Weekly the HCV Director can send an email of congratulations to the high performers.

This feedback can also tie into quality control. For example, for incentives, a minimum of ten files per week are pulled for quality control including some or all of the HUD 50058 codes. The quality control team needs to ensure that the files reviewed are balanced.

Monthly the figures are compiled and the high performers are rewarded with money, gift certificates, or other prizes. Time off is usually a very good incentive, especially for younger workers. Even half a day off in a month can be a highly prized treat!

Incentives can also be related to customer service. For example, if you conduct a customer service survey, the person with the highest scores can be rewarded. If a complimentary letter comes into the agency about a staff person's performance, it can be circulated with a congratulatory email.

The high performers can be recognized in the monthly all-staff meeting. As an additional award, you can award a $5 lunch card weekly for staff who achieve an overall 100% accuracy and monthly a $25-50 gift card to any staff who achieves 100% accuracy.

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Exhibit 2.5-3 Employee Recognition Program

Goal: To assure high performance, employee retention, employee work ethic, and team cohesion

Purpose Statement: To promote and reinforce work that contributes to and supports the goals of the HCV department and strategic plan.

Important Characteristics/Outcomes for Parties Involved:

Executive Team	**Supervisors**	**Employees**
Increased Productivity and Accuracy	Efficient Administration	Recognition for Performance
Return on Investment	Motivates Staff	Enhance Staff Morale
Improve Attitudes	Creates Pride	Timeliness of Recognition of Efforts
Build Loyalty and Commitment	Meet Performance Objectives	Award for Commitment to NMA
Generate Positive Feedback	Involves All Employees	Fosters Open Communication and Appreciation
Empowers Workforce	Develops a Team Atmosphere	Fosters Independent Thinking and Pride in Work

1. **Quarterly Team Award**
2. **Team of the Year Award**
3. **Quarterly Behind the Scenes Award**
4. **Behind the Scenes Yearly Award**
5. **Random Recognition**
    a. 'Stress Support Kit' – including aspirin, joke, little toy, candy, stress ball, etc

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Criteria:

Quarterly Team Award

- Quality of work (QC Results): 90% +
- % of work completed on time: 95% +
- % of Salesforce cases completed: 95% +
- Attendance, Punctuality: Team with fewest days missed

Team of the Year Award

- Quality of work (QC Results): 90% +
- % of work completed on time: 95% +
- % of Salesforce cases completed: 95% +
- Attendance, Punctuality: Team with fewest days missed

Quarterly Behind the Scenes Award (Support Departments)

- Work level above and beyond in supporting NMA to meet contractual obligations
- Attendance, Punctuality: ≤ 2 days missed/quarter; ≤ 2 late days/quarter
- Nomination and write-up from Supervisor

Behind the Scenes Yearly Award

- Work level above and beyond in supporting NMA to meet contractual obligations
- Attendance, Punctuality: ≤ 6 days missed; ≤ 6 late days
- Nomination and write-up from Supervisor

Recommendation and Approval:

- Team Awards will be decided using data from QC Results, SharePoint, Salesforce, and ADP
- Support Department Awards will be based on nomination and write-up from Supervisor and decided upon by executive management team.

Awards:

- Quarterly Team Award – $500/Team or Luncheon
- Team of the Year Award – Dinner hosted by Executive Team
- Quarterly Behind the Scenes Award – Monetary Award equal to Quarterly Team Award allocation or Luncheon
- Behind the Scenes Yearly Award – Dinner hosted by Executive Team

Recognition:

- Awards announced during the last All Staff Meeting of the quarter
- The award recipients listed on the All Staff Meeting Agenda
- Award descriptions and recipients of the awards listed on ADP homepage
- Certificate for each quarterly award recipient
- Plaque/small trophy for each yearly award recipient

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Quarterly Behind the Scenes Award

Supervisor Nomination Form

Positions eligible for this award include: Administration Analysts, Administrative Assistants, Internal Support Team Clerks, Management Analysts, Quality Control Specialists and Receptionists.

Submission deadlines are as follows:

1st Quarter – January through March; **deadline is April 5th**

2nd Quarter – April through June; **deadline is July 5th**

3rd Quarter – July through September; **deadline is October 5th**

4th Quarter – October through December; **deadline is January 5th**

Name of Nominated Employee:	**Today's Date:**
Nominated Employee's Position and Department:	**Name of Nominator and Position:**

WHAT MAKES THE EMPLOYEE DESERVING OF THIS AWARD?

Complete this form to the best of your ability. Please be specific in your descriptions and use examples, if possible. If additional space is needed, please attach additional notes to this form.

1. **Rate the following:**

Outstanding Work Performance Traits	Not Applicable	Poor	Fair	Good	Excellent
Dedication & Initiative	**N/A**	**1**	**2**	**3**	**4**
Leadership	**N/A**	**1**	**2**	**3**	**4**
Customer Service Skills	**N/A**	**1**	**2**	**3**	**4**
Reliable	**N/A**	**1**	**2**	**3**	**4**
Technical Proficiency	**N/A**	**1**	**2**	**3**	**4**
Work Accomplishment Ability	**N/A**	**1**	**2**	**3**	**4**

2. **Job Accomplishments:** This includes changes or improvements to existing procedures, systems, and/or service delivery; changes that have improved the functioning of the department; and changes or accomplishments that support or further NMA's mission.

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3. **Other Information:** This includes any other information that is relevant to the nomination. Examples include: QC results, personal accomplishments (attainment of degrees or other education, certificates, recognition and/or awards); community contributions, etc.

4. **Please use this space to provide any additional information:**

Nominator Signature: **Date:**

Committee Receipt of Nomination: **Date:**

Program Director Approval: **Date:**

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Individual Development Plans

Chapter 6, Measurements and Analysis, establishes your leadership systems for performance measurement. After the results are analyzed, if the performance results are not up to the level of the performance standards, the supervisor needs to undertake performance improvement techniques. This could include coaching, training, policy or procedure clarification, or other methods. If performance improvement is needed, it should be written into an Individual Development Plan.

Individual Development Plans (IDPs) are used to clearly define the actions and activities needed to improve performance. IDPs are written to close the gap between the actual performance and the desired performance. The IDP provides an opportunity for the employee to clearly understand what is expected of them and how to meet those expectations. It can be used at any point during employment, from new employee through serving as part of the performance evaluation. It can either be used to document performance improvement or to document the basis for termination of employment.

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Exhibit 2.5-4 Sample Individual Development Plan

Name: Martha Candue
Job Role: Housing Specialist
Status: - Draft
Title: 90 day Improvement Development Plan for Martha Candue
Description: Martha has been a housing specialist for 3 years. During the past 6 months her performance has been a problem. She has high error rates in calculation of subsidy and rent; team members have complained that she does not cooperate and is argumentative. Several owners have complained that she does not respond to telephone calls and is often abrupt, if not rude, when she does. She is currently 7 to 10 days behind in her annual reexaminations
Start Date: March 1
Expiration Date: June 30
GOAL #1 Title: Improve proficiency in rent and subsidy calculations.
Description - At the end of the improvement plan, Martha's error rate in subsidy and rent calculations will be less than 2 percent.
Action #1 Title: Analyze error reports **Activities:** Meet with supervisor for 2 one-hour sessions over the first two weeks to analyze specific areas where errors occur **Due Date:** March 15
Action #2 Title: Recalculate subsidy and rents in files with errors **Activities;** Based upon error analysis, Martha will recalculate subsidy and rent using 50058 worksheets and review with supervisor **Due Date; April 30**
Action #3: Perform quality control checks **Activities:** Meet with Senior Team Leader one hour each week for 4 weeks to quality control subsidy and rent calculations in 5 of Martha's files. **Due Date:** March 31
Action #4: Take on-line training class **Activities: Enroll and complete NMA on-line rent calculation training** **Due Date:** March 31
Action #5: Attend Online training Activities: Attend NMA online training in rent calculation and pass certification examination **Due Date: April 30**

GOAL #2 - Title: Improve planning and organizational skills
Description: At the end of the improvement plan period, Martha will have established a work schedule with benchmarks and oversight by supervisor.
Action #1: Meet with senior team leader **Activities:** Martha will meet with senior team leader to review her existing work plan: Team leader will assist Martha analyzing and improving her work plan using the department model. The completed monthly work plan will be discussed with Martha's supervisor. **Due Date:** March 31
Action #2: Develop a weekly and daily goal log **Activities:** Martha will develop a weekly log that defines daily activities to be completed. She will submit this log and discuss with supervisor. **Due Date:** March 30
Action #3 : Meet with supervisor Activities: Martha will meet with her supervisor for 30 minutes after each Friday staff meeting for 4 weeks to review weekly performance goals
Action #4: Read book on organizational skills Activities: Martha will read a resource book on improving organizational skills and discuss points that she can apply in her situation with supervisor. **Due Date: April 1**
GOAL #3 - Title: Improve customer service skills
Description: At the end of the improvement period Martha will improve her attitude towards team members, owners and families.
Action #1: Title: Meet with HR Director **Activities:** Martha will meet with the HR Director to identify sources of conflict and to discuss resources to reduce stress and improve relations with internal and external customers. **Due Date: March 20**
Action # 2: Title: Participate in Team-building Meeting. **Activities:** Martha will participate in a scheduled Team-building meeting scheduled for March 22. She will prepare a presentation on ideas as to how team members can better communicate. She will meet with supervisor to discuss what she learned **Due Date: March 22**
Action # 3: Improve telephone skills Activities: Martha will meet with chief receptionist for 15 minutes each week for 3 weeks to observe and discuss ways to improve telephone skills. April 15.
Action #4: Title: Attend NMA customer service training and make report **Activities:** Martha will attend NMA customer service training and debrief with supervisor. Ideas learned at the seminar will be presented at the next general staff meeting **Due Date: June 15**

Addendum to Individual Development Plan

Identify specific goals and timetables

Employee comments: (Note any areas of disagreement or incidents of importance not covered in the review form)

☐ I have discussed this with my supervisor

☐ I would like to discuss this report or other matters report with someone other than my rating supervisor

Employee Signature_____ Date_____

(Additional space for comments on reverse side)

Probationary personnel only:

☐ Recommend regular status ☐ Recommend rejection ☐ Extended probation

Rated by: _____ Date_____

Reviewed by: _____ Date_____

Department Head: _____ Date_____

Comments: (other than the rater)

Personnel Department Review: _____ Date_____

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Termination

Most agencies have a mix of good, average and poor performers. The goal is to have all high performers. You need to train and mentor staff, develop performance metrics and monitor them. However, the result may be to terminate poor performers.

In a smaller program, one person not performing well or “pulling their own weight” can cause havoc to the program. If poor performers are tolerated, it causes motivational problems for the rest of the staff. The poor performer has set the standard.

In a large program a poor performer may not stand out as much as in a smaller program, but will still have a negative impact on employee morale. An option is to hire additional staff so that you will have staff in place when you terminate poor performers. But if you don't terminate poor performers, you will be overstaffed.

Regardless of agency size, if you don 't terminate poor performers, staff morale will be low and resentment will grow. Good performers will resent that they receive the same amount of pay as poor performers.

Unless you get poor performers on a development plan, you will eventually lose your good people and be left with poor performers.

The answer is to create your leadership systems, monitor to the metrics you have set, evaluate staff, and take action where needed.

If you keep the focus on both production and accuracy, you should end up with high performing staff resulting in higher accuracy and production. Therefore, you should be able to reduce the number of staff needed.

Refer to Chapter 3, Effective Supervision, for more information.

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CHAPTER 3 Effective Supervision

SECTION 3.1 INTRODUCTION

In the previous chapter we discussed the workforce. In this chapter we will discuss the persons who are responsible to manage the day to day activeadership positions are responsible to manage and coordinate the activities of otities of the workforce; supervisors. We will discuss the role of supervisors, and the knowledge, skills and abilities needed to supervise effectively.

Management is the art of getting things done through people. Those in lhers in order to achieve the goals of the organization. As a manager or supervisor you must provide your staff with the direction, the resources, the support and the leadership needed to maximize their performance. Simply stated, good managers grow people.

In this chapter the terms supervisor and manager are used interchangeably.

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Notes

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SECTION 3.2 THE TRANSITION FROM FRONT LINE STAFF TO SUPERVISOR

Every new manager or supervisor must learn the skills needed to manage the activities of others through effective leadership. The transition to a supervisory level position is especially challenging if you have been promoted within an organization and have no prior experience working at a supervisory level. Few housing agencies take the time to prepare staff for promotion to the next level, and as a result most new managers are not prepared for the responsibilities of supervision.

Prepare for the Transition from Front Line Staff Member to Manager

When PHAs promote from within, they usually select from those who have demonstrated high technical expertise and knowledge of the program rules, policies and procedures. However, technical expertise doesn't always translate into success as a manager. If you have recently been given the opportunity for a supervisory promotion, you may want to explore these themes:

- Are you prepared to grow and learn new things? The things that made you successful at the lower level will not necessarily make you successful as a manager. You must be committed to learning new skills. This means reading, studying, putting in more time and probably working harder than you did before being promoted.
- Are you prepared to take the risk? As a front line staff member, you had some cushion when something went wrong. Your manager was ultimately responsible for finishing a job or meeting a deadline. As a manager, the responsibility for results is ultimately yours.
- Are you willing to broaden your perspective? As a technician your focus was on the activities and tasks needed to do your job, and you probably evaluated management decisions in terms of how they affected you and your department. As a supervisor you will have to take a broader “agency” view as part of the management team.

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- As a supervisor your technical skills are no longer your major value to the PHA. You may find that your technical skills decrease as you learn new things and take on a broader range of activities.
- Do you recognize your managerial strengths and weaknesses? Are you willing to set specific goals and acquire the knowledge and skills needed to lead effectively and turn your vulnerabilities into strengths? Are you willing to study as hard to be a manager as you did to be a technician?
- As a manager you will need to understand your own behavioral tendencies as well as those of your subordinates, your peers, and your own superiors, and how to blend these relationships.

Your success is directly linked to the success of your staff. The most effective managers model the behavior they want from those they supervise. For example, if you say that you expect all staff to be on time each day without exception, and you come in 15 or 20 minutes late, it will create resentment, even if you work longer hours than they do.

You must now consider a broader view of the housing agency, its purpose, and the methods by which business is conducted. As a member of the management team, you will be expected to take a proactive and supportive stance in communicating decisions and explaining procedures to the people you supervise.

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Common Challenges for New Managers

As you plan your transition to manager, be aware of some common challenges and prepare to overcome them.

- Relying Solely on Objective Measurement
  - One trouble spot is continually relying solely on objective measurement. You probably developed your technical skills to include objective measurements that could be controlled. As a manager you will still rely on objective measurement, but you will also have to rely on your judgment and intuition in dealing with work performance, attitudes, biases, perceptions, and feelings.
- Analysis Paralysis
  - We all want to make fact-based decisions, but there will be times when all of the facts are not available, and a decision must be made. Decisions involve risk, and many new mangers experience “analysis paralysis.” It is always a good idea to weigh the pros and cons in making a decision, but there will be times when a decision is necessary even though you do not have all of the facts that you think you need. There are very few risk-free decisions, and all decisions cannot be wholly fact-based.
- Fear of Loss of Knowledge
  - Some new managers fear a loss of knowledge as they get farther removed from day-to-day tasks. You may have the technical skills to do the job better than anyone else, but as a manager you must get things done through other people. This is the essence of supervision. The job now is to grow the technical expertise and competence of your staff. You will only achieve your goals through their efforts.

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- Inability to Delegate
  - One of a manager's most valuable skills is the ability to delegate. You will be balancing competing priorities and will have to delegate assignments and projects to others who are capable of doing them. Delegating assignments and responsibilities empowers your staff and provides them the opportunity to develop their skills and knowledge. Delegation also gives the manager more time to spend managing.
- Lack of Interpersonal Skills
  - Many managers say they really would enjoy their jobs, if only they didn't have to supervise people. Poor interpersonal skills are a major factor in the failure of new managers. Examples of interpersonal skills include communication, listening, coaching, giving feedback, resolving conflicts and leadership skills.

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SECTION 3.3 SUPERVISORY SKILL BUILDING

The skills needed to be a successful supervisor are quite different from the role as a housing specialist or technician. We discussed leadership in Chapter 1 and role of the manager in Chapter 2. An excellent web site to access supervisory information and build your supervisory skills is www.managementhelp.org. In this section, we will explore some of the most critical skills needed for effective supervision.

Communication

The essence of communication is to make your message understood by others. There are three main types of communication, and you must master them all to be effective as a manager:

- *Written*: Correspondence, reports, email, memoranda and other written messages.
- *Verbal*: Face to face communication, conducting meetings, giving instructions, training. There are two aspects of verbal communication; the content of the message and how the message is delivered, and they are equally important. The tone of your voice directly affects "how" the message is received.
- *Nonverbal*: These are messages you send through your gestures, facial expressions, and overall body language. Body language and other non-verbal cues can enhance or detract from your message. Make certain that there is congruence between your words and your body language.

When managers fail to establish consistent communication guidelines, materials and protocols for employees, it will lead to a significant breakdown in communication within the agency. A supervisor who is unclear about the priorities of the Executive Director may not meet an important deadline to implement a new policy. A housing specialist may send an e-mail with an inappropriate signature comment that offends a co-worker. When clear communication guidelines and policies are not established, this may cause serious problems for a PHA. Management should brand and standardize outgoing communications and provide accessible hardcopy or electronic documentation that speaks to the organization's mission, values, and services as well as its policies and guidelines.

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Too often management learns of the need for communication by having to respond to the lack of it. We have referred to different aspects of communication in various contexts throughout the Master Book. In this section we want to address communication within the organization, interpersonal communication, and some specific situations where communication plays a vital role for a manager.

The CEO and senior leadership team of a PHA set the expectation for effective communication through their commitment to open, honest and timely communication. Their actions, behaviors and messages send a strong message to supervisors and staff about the tone and tenor of communications within the agency. Employees will emulate the style and tone in communication that they receive from their managers. Even if there is top-down commitment by management to internal communication systems, the success of communication will depend on the communication skills of the individuals who manage and do the work. We are referring here to basic verbal (speaking) skills, listening skills, writing skills, questioning skills, and skill in providing effective feedback.

Without effective communication managers cannot perform the basic functions of management, i.e., Planning, Organizing, Leading and Controlling. Communication serves as a foundation for performing these functions. Managers generally devote approximately 6 hours per day in communicating. They spend much time on email, on the telephone or in face to face communication with their superiors, subordinates, other managers, and customers. They must use written communication in the form of letters, emails, reports or memos wherever oral communication is not feasible. Speaking or sending a written message to others, however, does not guarantee that your meaning will be understood by those who receive it. Few people are natural communicators, and most professionals seek out training and education to help them improve their communication skills. They recognize that their success as a manager is directly related to their ability to communicate with others.

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Here is a way to think about communication. Communication is what the listener does. You can email or talk extensively, but what you say will not come through if it is not understood by the recipient. People all process communication differently, some emotionally and some logically. Peter Drucker believed that individuals were either readers or listeners. Knowing how one prefers to receive information can effectively get your point across. Face to face, through e-mail, direct, with emotion, through others are all valid ways to communicate. It is less relevant which method the sender thinks is best; it is how the receiver processes and acts upon it that matters.

Barriers to Communication

There are many potential barriers to effective communication between people and within organizations. The removal of communication barriers will improve productivity and efficiency. Here are some common communication barriers:

- One Way Communication: The failure of an organization to provide an outlet for employees to voice their issues and concerns will result in a frustrated and demotivated staff. Organizations should not just be concerned with communication that flows from upper management to employees, but also from lower level employees to upper management. Employees should be able to make suggestions, report inefficiencies, air grievances and provide feedback to management.
- Non-Responsiveness: When management solicits feedback from employees and then disregards the information they receive, this can not only hamper communication within the organization, but lead to demotivation and mistrust. If upper management solicits feedback or suggestions from employees, it must be ready to act on the information received. Organizations that are not responsive to employee feedback are stifling effective organizational communication and risk losing out on employee loyalty, commitment, satisfaction and engagement.

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- Poorly written or spoken communication and improper use of language may lead to confusion and can act as a barrier to communication.
- Language Barriers: Communication is sometimes hindered by the very words we use to express our ideas. In the extreme, speakers of different languages may be unable to communicate without the assistance of a translator. Other barriers include differences between speakers' accents or dialects, as well as the use of slang or jargon that may be unfamiliar.
- Message Competition. Communicators are often faced with messages that compete for attention. If you're talking on the phone while scanning a report, both messages are apt to get short shrift. Even your own messages may have to compete with a variety of interruptions: The phone rings every five minutes, people intrude, meetings are called, and crises arise. In short, your messages rarely have the benefit of the receiver's undivided attention.
    - To overcome competition barriers, avoid making demands on a receiver who doesn't have the time to pay careful attention to your message. Make written messages visually appealing and easy to understand, and try to deliver them when your receiver has time to read them. Oral messages are most effective when you can speak directly to your receiver (rather than to intermediaries or voice mail).
- Physical and Structural Barriers, or Organizational Structure: Communication can be challenging when staff members who would benefit from a close proximity are located on a separate floor or department, or building. This builds invisible barriers around those who should be communicating about significant projects and decreases the frequency of valuable communication.

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There are five basic points to consider in providing clear direction:

- Keep a courteous and professional tone
- Keep it simple
- Communicate the what and the why
- Ask for feedback
- Follow up, follow up, follow up

Communication regarding behavioral and disciplinary issues should be made in writing. Behavioral standards should be administered and enforced consistently. Supervisors should be willing to explain these standards and answer questions as needed.

- Open office etiquette
- Dress code
- E-Mail Etiquette

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Inter-office Memorandum

April 7, 2011

To: All NMA Staff

From: Deputy Program Director

Subject: Open Office Etiquette

One of the biggest things to remember when working in a cubicle setting is the lack of doors and the accompanying lack of privacy. Please remember to treat cubicles as though they have doors.

The following are some helpful tips to ensure we respect each other's work space:

- Never barge in unannounced and this goes double for sneaking up behind people.
- Knock on the wall or announce your presence before walking in to someone's area. Not only does this keep the occupant from having the fright of their lives, but it also allows them to wrap up anything they are working on before the conversation begins.
- After entering the cubicle of a co-worker, remember that you are a guest in their space. Even though you may be out of paperclips or pens, don't grab supplies or any other items from their desk.
- Don't enter someone's cubicle and hover behind them while they are busy taking a phone call.
- Don't pick up documents and begin reading, or stand behind someone and read what is on their computer screen.
- If the person appears to be occupied, turn around and come back later when they are free, or send an e-mail asking for a good time to come by to have a chat.

Sound travels, and in an open environment it seems to travel even more than normal. Personal phone calls, or any call you don't wish to have the entire office hear should be made in a conference room or on a personal phone in a more private location like the passenger elevator hallway or the freight elevator stairwell. A recent online survey found that co-workers' annoying habits are the No. 1 source of stress in the workplace. The top complaint was talking too loudly on the phone.

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Inter-office Memorandum

Never use your speaker phone while in your cubicle. If you need a speaker phone, use a conference room and close the door. Take your cell phone with you when you leave your desk or turn it on vibrate if you must leave it behind.

If you have a question for someone on the other side of your wall, the temptation to just yell it out is great, avoid talking over walls or rows. Not only is it very disturbing to all those around you, it also can make others privy to conversations that they really should not hear about. Get up from your chair and walk to the other cubicle, or use e-mail to have chats with your neighbors without disturbing everyone around you.

Whether on a personal phone call or with a close associate in the office, THE USE OF PROFANITY WILL NOT BE TOLERATED.

Besides phones and conversation, other daily tasks can generate disruptive noises. If you enjoy listening to music at your desk, be sure to use headphones. Also, mute your computer speakers.

Some people have asthmatic and allergy conditions, so avoid strong perfumes and colognes or use them sparingly.

Don't be afraid to ask someone to turn the music down a notch or to stop sneaking up on you while you have your headphones on. Chances are they don't realize their actions are disturbing you.

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NMA Dress Code

NMA's Dress Code affords our staff a comfortable work environment while projecting a professional image for our customers, employees and the community.

Management /Supervisors

All management and supervisor staff must wear a full suit and tie Monday through Thursday. Business casual attire (described below) is acceptable on Friday and Saturday.

Non Management/Supervisors

Full suit is preferred but not required. Staff may wear business casual attire as defined below.

The following dress will not be considered appropriate for work on any day: shorts, sweat shirts/pants, sneakers, athletic shoes, flip-flops, tank tops, muscle shirts, and any garments which contain rips or holes.

Additionally, clothing that works well for the beach, yard work, dance clubs, exercise sessions, and sports contests is not appropriate at work. Work Clothing that is too low-cut (either in front or in back), exposes any part of the midriff or stomach, or exposes undergarments, is not appropriate. Clothing should be pressed and not wrinkled; Torn, dirty, or frayed clothing is unacceptable. All seams must be finished. Any clothing that has words, terms, or pictures that may be offensive to other employees is unacceptable. Sports team, university, and fashion brand names on clothing are generally unacceptable.

Guide to Business Casual Dressing for Work

This is a general overview of appropriate business casual attire. Items that are not appropriate for the office are listed, too. Neither list is all-inclusive and both are open to change. The lists tell you what is generally acceptable as business casual attire and what is generally not acceptable as business casual attire.

No dress code can cover all contingencies so employees must use a certain amount of judgment in their choice of clothing to wear to work. If you are uncertain about acceptable, professional business casual attire for work, please ask your supervisor.

Slacks, Pants, and Suit Pants

Slacks that are similar to Dockers and other makers of cotton or synthetic material pants, wool pants, flannel pants, dressy capris (mid-calf length), and dress synthetic pants are acceptable. Inappropriate slacks or pants include denim jeans, sweatpants, exercise pants, Bermuda shorts, short shorts, shorts, bib overalls, leggings, and any spandex or other form-fitting pants such as people wear for biking.

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Skirts, Dresses, and Skirted Suits

Casual dresses and skirts, and skirts that are split at or below the knee are acceptable. Dress and skirt length should be at a length at which you can sit comfortably in public. Short, tight skirts that ride halfway up the thigh are inappropriate for work. Mini-skirts, skorts, sun dresses, beach dresses, and spaghetti-strap dresses are inappropriate for the office (a spaghetti strap dress that is worn under an appropriate blouse, sweater or jacket is acceptable).

Shirts, Tops, Blouses, and Jackets

Dress shirts, button up shirts, sweaters, tops, and dress turtlenecks are acceptable attire for work. Most suit jackets or sport jackets are also acceptable attire for the office, if they violate none of the listed guidelines. Inappropriate attire for work includes tank tops; midriff tops; shirts with potentially offensive words, terms, logos, pictures, cartoons, or slogans; halter-tops; tops with bare shoulders; sleeveless tops with straps that are less than 3 inches thick; sweatshirts, jerseys, casual shirts and t-shirts unless worn under another blouse, dress shirt, jacket, or dress.

A t-shirt is defined as a loose-fitting, cotton shirt, without buttons or a collar, with or without a pocket.

Shoes and Footwear

Loafers, clogs, boots, flats, dress heels, and leather deck-type shoes are acceptable for work. Flip-flops, athletic shoes, sneakers, slippers, and any men's shoe with an open toe are not acceptable in the office.

Hats and Head Covering

Hats are not appropriate in the office. Head covers that are required for religious purposes or to honor genuine cultural tradition are allowed.

Conclusion

If clothing fails to meet these standards, as determined by the employee's supervisor and management staff, the employee will be asked not to wear the inappropriate item to work again. In the discretion of management or if the problem persists, the employee may be sent home to change clothes and will receive a verbal warning for the first offense. All other policies about personal time use will apply. Progressive disciplinary action will be applied if dress code violations continue.

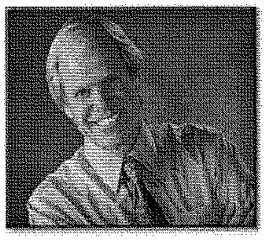
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Writing Tip: Follow basic email etiquette for greater productivity

Adapted from *Writing to Get Things Done*® seminar

Productivity Tip

Poorly written emails today suffer the same consequences as poorly written memos and letters of earlier times. So, when writing emails to your colleagues and clients, remember to create a professional image by following these simple guidelines. As you do, you will help others meet important deadlines and keep projects on target.



Stan Berry

Keep It Short and Sweet

Avoid rambling as you type one idea after another.
Instead, be clear in your thinking, use one of the three models of *Writing to Get Things Done*® *(WGTD)* and finesse with tone.

Make the Organization Visually Apparent

Avoid presenting one paragraph after another with no clear visual connection tying them together. Instead, make the organization of your emails apparent to your readers. Here are two simple, yet powerful, ways to do this:

- Organize a list of key points under a forecasting sentence in a bullet-point paragraph format. (Like we're doing here.)
- Use headings to forecast the content of your paragraphs. (Like we're doing with the paragraphs in this article.)

Write in the Style of Educated Professionals

Avoid thinking that good writing rules don't apply to emails. Instead, follow Standard American English rules for grammar, sentence structure, punctuation, word usage, spelling and capitalization. Remember:

- Few readers notice good grammar. When was the last time you thought, "Gosh, I like the way she used that semicolon! Super choice of punctuation!"
- All readers notice bad grammar. It knocks readers off message and makes the writer look uneducated and careless.

Must we also say?

- AVOID ALL CAPS. Readers will think you're yelling—which you are. Or is it just laziness?
- Avoid the use of smileys. ☺☹ Reserve these for fun between friends and family. In business, they can easily be interpreted the wrong way.

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- Avoid text-messaging language: BTW, IMHO, J/K, LOL, BAK, MTFBWY, etc. These are great shortcuts in texting and should be reserved for texting. In business, they, as with smileys, can be misinterpreted and detrimental to your message.
- Avoid using colored type, freaky styles and sizes, colored backgrounds and unnecessary logos and graphics. These distract readers from your message.

Do a Final Revision

Avoid firing off your email as soon as you're finished typing. Take a minute to add some finishing touches:

- Engage your reader with a forecasting subject line that describes the topic of your email.
- Include a friendly salutation or greeting, such as "Good morning Brenda," if appropriate.
- Check that you have a professional, positive tone that encourages cooperation.
- Proofread each sentence carefully, even after doing spelling and grammar checks. As we all know from experience, a spelling check will miss the error of using *to* when we mean *too*.

Forward with Care

Avoid automatically relaying email from others. Respect the privacy of the messages you receive.

- Consider confidentiality before you forward, and use the "Reply to All" function with care.
- Ask permission before forwarding someone's private email on to others.
- Consider attaching only the last email in a chain of emails and deleting prior emails.

Make it Media-Ready

Avoid thinking that just because you respect the privacy of others, they will return the favor. Avoid putting things in your email that you wouldn't want anyone to see. Your email could end up on the desk of your boss, on the front page of the *New York Times* or in a court of law. And in such cases, you want to look your best.

Keep it Professional

Finally, avoid taking people to task via email. Conflict is often better addressed face-to-face or over the phone. Be aware that every email you send becomes a written record of your performance. It also reflects on those you represent—your work group, your department and your company.

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By consistently following basic email etiquette, you demonstrate your professionalism and communication skills. Your readers will appreciate the effort. And your productivity soars.

Stan Berry has devoted the past 34 years to improving the writing skills of over 55,000 business and government professionals. After completing his Master's degree from Yale University, he co-authored five books on writing that he uses in his seminars. He's been a member of the American Society for Training and Development (ASTD) since 1975 when he served as the newsletter editor and on the Board of Directors for the Twin Cities Chapter. Stan can be reached at www.BerryWritingGroup.com or 612-578-1487.

Stu Tanquist has presented at four American Society for Training and Development (ASTD) National Leadership and TechKnowledge conferences, and written two best selling ASTD Info-Lines. With over 20 years in the learning and development field, Stu's expertise has ranged from working as a professional trainer to serving as a strategic-level director for training and development. He holds three degrees including a Masters in management. Stu can be reached at www.BerryWritingGroup.com or 612-799-1686.



Stu Tanquist

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Getting Information from Others

Managers are in a constant state of information gathering, and the information they gather is used to guide their daily activities and decisions. Much of this information comes from emails, written or automated reports and other data sources. Often the most important information needed by a manager is the information obtained directly from others through conversations. It is for this reason that interviewing skills (the ability to ask questions effectively) are essential to your success as a manager.

Questions are a powerful tool for learning, relationship building, problem-solving, conflict resolution, avoiding misunderstandings, diffusing a heated situation, and persuading people.

Meanings are in people, not in words, and people do not always express themselves clearly when making statements, or in making their needs known. So before responding it is often necessary to ask some questions of your own to get a clear understanding of what they mean by what they say. You can't solve a problem if you don't know the facts. Here are some practical tips and techniques for effective questioning.

Framing the Question

One of the most important factors to remember when questioning someone is proper positioning, which will allow you to gain permission to ask for the information you need. Framing the conversation by telling the person what you are going to do for them is the perfect way to achieve this. Explain to the person that you are going to ask them some questions and why you are going to ask them. Let them know "what's in it for them" when they answer the questions. This will justify your questions in advance. Here is an example:

> *"Okay John, I'm going to ask you some questions about X, Y, and Z, so I can give you the best possible solution to your situation."*

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The Funnel Effect

The funnel effect provides a logical technique for asking questions. It utilizes open questions, probing questions, and closed questions in sequence.

- Open questions are used when an explanation is required. They usually begin with words like “what”, “how” or “why.”
- Probing questions are used when additional information is needed to clarify a previous answer. Probing questions are often subtle commands such as “Could you explain how…,” or, “Tell me more about….”
- Closed questions require that the answer be either a specific fact, or a “yes” or “no.” Examples of closed questions are, “When is the deadline for the report?” or “Do you need any additional resources?”

When using the funnel effect, always start with open questions about the issue at hand. This will give you the information you need to take the conversation further. The use of probing questions will allow you to delve deeper into the person's answers to find out the reasons and emotions behind those answers. When using probing questions, remember to use TED (tell, explain, and describe). By starting a question with one of these words, you will obtain the most information possible. Finally, follow with closed questions. Closed questions allow you to confirm both your understanding and the other person's understanding of what has been discussed or agreed upon. It will also show the person that you have been listening.

By listening to the answers you get (the whole answer); you have time to formulate what your next question will be. The main part of this technique is to ensure that you're not jumping from one subject to another. Use the funnel effect and move on to the next line of questioning after confirming your understanding with closed questions.

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Standard English

People will judge you by how well you speak and write. In a formal context, such as a business letter or a presentation, use proper grammar, pronunciation, spelling, and word usage. If this is not your strong point, it might be worth taking an evening class, reading a book on English usage, or having someone in your office proofread your work. If you write a business letter on a computer, use the built-in spell checker. Also, when communicating to a non-housing person, avoid jargon and technical terms.

Cultural Diversity

We are fortunate to live in a country that is culturally diverse. This is one of the strengths of our nation, and cultural differences should be acknowledged and respected by everyone.

Cultural miscommunication is probably the single most difficult barrier to overcome when dealing with people from different backgrounds. Cultural differences can arise through geographic influences, religious affiliation, and ethnic or racial backgrounds.

It is important to realize that a basic understanding of cultural diversity is the key to effective cross-cultural communications. Without necessarily studying individual cultures and languages in detail, we must all learn how to better communicate with individuals and groups whose first language, or language of choice, does not match our own.

Cultural factors affect most aspects of verbal and nonverbal communication. Identify the cultures presented in your PHA and become aware of specific ways in which cultural factors influence communication. There are many helpful publications available that describe cultural attitudes. It's important to be aware of what behaviors are considered appropriate and inappropriate in different cultures.

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Here are some tips to help in communication:

- **Speak clearly and pronounce your words correctly.**
  - Exaggerated pronunciations will not help your listener and may cause more confusion. However, you may find that it helps to pronounce some words as the non-native speaker does. This will be especially true if the proper pronunciation is very different from the non-native.
- **Avoid the use of unnecessary words.**
  - The idea is to remove the "noise" from your speech. If you speak with localisms, slang, or use words such as "um," "like", "you know," or other fillers, you will be more difficult to understand by someone who is not fluent in English. For example, they might misinterpret use of the word "right" when what you mean is "that is correct."
- **When possible, opt for simple words instead of ones that are complex.**
  - The more basic a word is, the better the chance is that it will be understood. ("Big" is a better choice than "enormous" for example. "Make" is a better choice than "manufacture.")
- **Be aware that other cultures have different standards regarding touching, eye contact and personal space.**
  - Someone standing too close or not looking you in the eye may be a cultural norm that is not intended to offend.
- **Avoid using contractions.**
  - Use long forms. "Can't" is one word you must use the long form with. It is difficult for a non-native speaker to understand the difference between "can" and "can't" in a sentence. For example, "I can't take you on Friday" and "I can take you on Friday." Use the long form, "cannot."

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- **If asked to repeat something, first repeat it as you said it the first time.**
  - It could be that they simply didn't hear you. If your listener still does not understand, change a few key words in the sentence. It may be that they couldn't understand one or two of the words. Also repeat the whole sentence and not just the last couple of words. It's time consuming, but it helps prevent confusion.
- **Be patient and smile.**
  - The more relaxed you are, the more you are in control of your communication.

Dealing with Emotional Behavior

Those who work directly with the public often see the best and worst in people. Some people seem to have good reason to be upset and angry while others are being unreasonable and demanding. People expect that we will somehow always be able to give them what they want or have a quick-fix to their problem. There may be co-workers or colleagues who get upset when given feedback about their work or get frustrated when they do not get their own way. If you are not careful, your response to these situations may unintentionally inflame the situation. The key to dealing with these issues is to work on preparing and changing your responses to the challenging behavior of others.

In any environment where people must interact, there will be situations where individuals will demonstrate emotional behavior. It is predictable, no matter how we may try to prevent it. There will be dissatisfied, upset or angry employees, participants and owners. As a manager you must learn to respond to emotional behavior with calm and efficiency.

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When people are angry, they are often looking for some type of relief from a situation, or they perceive that they have been treated unfairly, or they are in a predicament that they cannot resolve themselves. They are upset. They are normally reasonable people who are temporarily acting in an unreasonable way. It is important that you recognize that you cannot deal with the actual problem until you deal with the emotions. The basic steps for dealing with upset person are as follow:

- Acknowledge the person's emotions and the situation. *(You seem to be upset, or I can see that you are frustrated by this problem.)*
- Ask questions *(Let me get some information from you so that I can help.)*
- Re-focus *(Make the transition from dealing with emotions to dealing with the actual problem.)*
- Move to problem solving *(Here are some things we can do to resolve this.)*

Here is a magic thought when you are approached by an angry client: ask yourself this: "*What does this person need from me right now, and how can I best provide it?"*

Listening

Listening is the ability to accurately receive messages in the communication process. Listening is key to all effective communication. Without the ability to listen effectively, messages are easily misunderstood, communication breaks down, and the sender of the message can easily become frustrated or irritated.

Listening is not the same as hearing. Hearing is physiological and refers to the sounds that you hear. Listening requires focus and effort. Listening is a choice. It means paying attention not only to the content, but how the content is being related. This means the use of language and voice (tone, quality), and the body language of the other person. In other words, it means being aware of both verbal and non-verbal messages.

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Listen not only to what is being said, but also to what is left unsaid or only partially said. Look for inconsistencies between verbal and non-verbal messages. Listening requires you to concentrate and use your other senses in addition to simply hearing the words spoken.

1. Stop Talking

   > *"If we were supposed to talk more than we listen, we would have two tongues and one ear."* Mark Twain

   Don't talk, listen. When somebody else is talking listen to what they are saying, do not interrupt, talk over them or finish their sentences for them. Stop, just listen. When the other person has finished talking you may need to clarify to ensure you have received their message accurately.

2. Prepare Yourself to Listen

   Relax. Focus on the speaker. Put other things out of mind. The human mind is easily distracted by other thoughts - what's for lunch, what time do I need to leave to catch my train, I wonder what the kids are doing - try to put other thoughts out of mind and concentrate on the messages that are being communicated.

3. Put the Speaker at Ease

   Help the speaker to feel free to speak. Remember their needs and concerns. Nod or use other gestures or words to encourage them to continue. Maintain eye contact but don't stare - show you are listening and understanding what is being said.

4. Remove Distractions

   Focus on what is being said: don't doodle, shuffle papers or look out the window. Avoid unnecessary interruptions. These behaviors disrupt the listening process and send messages to the speaker that you are bored or distracted.

5. Empathize

   Try to understand the other person's point of view. Look at issues from their perspective. Let go of preconceived ideas. By having an open mind you can more fully empathize with the speaker.

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6. Be Patient

   A pause, even a long pause, does not necessarily mean that the speaker has finished. Be patient and let the speaker continue in their own time; sometimes it takes time to formulate what to say and how to say it. Never interrupt or finish a sentence for someone.

7. Avoid Personal Judgments or Biases

   It is often the perception of differences that results in conflict between people. Don't focus on how someone may be different than you. Everyone has a different way of speaking. Some people are for example more nervous or shy than some others; some have regional accents or make excessive arm movements; some people like to pace while speaking. Focus on what is being said and try to ignore styles of delivery.

8. Listen to the Tone

   The use of volume, pitch and tone can add or detract from the meaning of what someone is saying. A good speaker will use both volume and tone to further clarify their message. Paying attention to them will help you to better understand the message.

9. Listen for Ideas, Not Just Words

   Look at the big picture, of what someone is saying, not just individual facts. An important aspect of listening is the ability to link together pieces of information to better understand the ideas of others.

10. Wait and Watch for Non-Verbal Communication

    Gestures, facial expressions, and eye-movements can all be important. We don't just listen with our ears but also with our eyes - watch and pick up the additional information being transmitted through non-verbal communication.

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Different Types of Listening

The bullets that follow offer a brief discussion of different listening types.

- *Passive listening:* No non-verbal cues. A passive listener provides little to no non-verbal feedback to demonstrate that they are engaged in what is being said. Although a passive listener will usually remain still while the speaker talks, they will not make eye contact, nod or use empathetic facial expressions. The message that the speaker receives is that the listener is hearing them, but is not truly interested.
- *Biased listening* occurs when the listener has a different view, an opposition to the speaker, or has already decided the facts and is listening only for information that supports their view. Biased listening is a communication killer.
- *Data listening* occurs when the listener is only interested in content and fails to consider other signals that the speaker may be sending such as tone of voice, facial expressions, and emotions. Data listeners often miss the true meaning of the communication.
- *Empathic listening* occurs when the listener is more affected by the emotions of the speaker than by the content. Empathic listeners often overlook important facts and information being communicated.
- *Active listening* occurs when the listener uses feedback to demonstrate the desire to understand and to validate that the message is understood. This is done by repeating or paraphrasing the message back to the speaker for validation. An example of this technique would be, “So what you're saying is…, or, “let me make sure I understand…….” When someone is actively listening, they use non-verbal cues to demonstrate their interest in what is being said. They may nod, lean forward, make eye contact or exhibit facial expressions in response to the conversation. This encourages the speaker to continue talking and helps them to feel as though the listener is interested.

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Managing Conflict

Conflict in and of itself it not a bad thing. Conflict management involves implementing strategies to limit the negative aspects of conflict and to increase the positive aspects of conflict. The aim of conflict management is to enhance learning and group effectiveness. It is not concerned with eliminating all conflict or avoiding conflict. Conflict can be valuable to groups and organizations. Two people may be in heated conflict about how a problem should be solved and the best solution possible is a combination of both of their ideas.

To manage negative conflict effectively you must be a skilled communicator. That includes creating an open communication environment among your staff by encouraging them to talk about work issues. Listening to employee concerns will foster an open environment. Make sure you really understand what employees are saying by asking questions and focusing on their perception of the problem. Whether you have two employees who are fighting for the desk next to the window or one employee who wants the heat on and another who doesn't, your immediate response to conflict situations is essential. Here are some tips you can use when faced with employees who can't resolve their own conflicts.

- **Acknowledge that a difficult situation exists.**
  - Honesty and clear communication play an important role in the resolution process. Acquaint yourself with what's happening and be open about the problem.
- **Let individuals express their feelings.**
  - Some feelings of anger or hurt usually accompany conflict situations. Before any kind of problem-solving can take place, these emotions should be expressed and acknowledged.
- **Define the problem.**
  - What is the stated problem? What is the negative impact on the work or relationships? Is differing behavioral styles part of the problem? Meet with employees separately at first and question them about the situation.

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- **Determine underlying need.**
  - The goal of conflict resolution is not to decide which person is right or wrong; the goal is to reach a solution that everyone can live with. Looking first for needs, rather than solutions, is a powerful tool for generating win/win options. To discover needs, you must try to find out why people want the solutions they initially proposed. Once you understand the advantages their solutions have for them, you have discovered their needs.
- **Find common areas of agreement, no matter how small:**
  - Agree on the problem
  - Agree on the procedure to follow
  - Agree on worst fears
  - Agree on some small change to give an experience of success
- **Find solutions to satisfy needs:**
  - Problem-solve by generating multiple alternatives
  - Determine which actions will be taken
  - Make sure involved parties buy into actions. (Total silence may be a sign of passive resistance.) Be sure you get real agreement from everyone.
- **Determine follow-up you will take to monitor actions.**
  - You may want to schedule a follow-up meeting in about two weeks to determine how the parties are doing.
- **Determine what you'll do if the conflict goes unresolved.**
  - If the conflict is causing a disruption within the work team and remains unresolved, you may need to explore other avenues. An outside facilitator may be able to offer other insights on solving the problem. In some cases the conflict becomes a performance issue, and may become a topic for coaching sessions, performance appraisals or disciplinary action

Conflict is an inevitable part of life. How you manage conflict when you encounter it can determine how successful you are at resolving the conflict and reaching successful solutions.

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Avoidance

An avoidance strategy is exactly what it sounds like. Instead of facing the problem and dealing with the conflict, you avoid the issue altogether. While this may provide temporary harmony, it will not solve the problem, and the conflict will surface again. It is usually classified as a lose-lose approach. An example of this would be ignoring a roommate's dirty dishes. It might avoid a fight, but the dishes will continue to pile up, inevitably forcing the conflict to surface again.

Accommodation

An accommodation conflict strategy involves one side making concessions to another side. It is typically classified as a lose-win approach, as the person making concessions does not receive anything for their efforts, but the recipient of the concession wins. This can avoid a confrontation, but it usually leaves one side feeling bitter and unhappy. An example of this strategy might occur when a boyfriend gives up drinking because his girlfriend doesn't approve. He has made a choice to avoid a fight.

Competition

A competitive approach to conflict occurs when at least two mutually exclusive solutions are presented for a problem and one must be selected. This is classified as a win-lose approach, as only one solution can be selected. While this can, at times, encourage effective solution development in large groups by developing an incentive for putting out one's best work, it can also serve to enhance tensions in smaller groups. An example of this might be when two senior executives recommend a different software product and only one can be chosen; the competition is over which software will be selected.

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Compromise

Compromise is a conflict management strategy where all parties involved make a sacrifice to achieve a common goal. It is usually classified as a lose-lose approach, as each side must give up something of importance. This approach can be a successful one in long-term relationships but may breed frustration in short-term engagements, leading to dissatisfaction with the final decision. An example of compromise might be a parent allowing a child to attend a party, but the child agreeing to be home earlier than they would like to be.

Collaboration

Collaboration occurs when parties involved in a conflict work together to develop a solution that meets everyone's needs. This approach is classified as a win-win strategy. It usually results in the development of a solution not previously considered in the conflict. Collaboration works best when there is plenty of time to develop a solution, and the amount of people involved is small enough to facilitate meaningful conversation.

Giving Feedback

The ability to provide effective feedback is essential to performance management and performance improvement. Most people associate feedback with criticism, even though they may not verbalize this. An important principle to remember when giving feedback is to avoid extremes. The goal is to give “balanced” feedback. Giving too little positive feedback or too much positive feedback can both have negative results.

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Too Much Negative Feedback

When giving too much negative feedback people learn what you don't like, but they often have to guess at what you do like or want from them. They may feel overwhelmed and discouraged by criticism, take it personally and lose confidence when everything they do seems wrong. If the only time an employee hears from their manager is when there is a complaint or criticism of their work, they may become defensive and avoid interactions. Negative feedback, however, is necessary and appropriate at times. The key to being effective is that negative feedback needs to be specific and non-judgmental. Here are two examples:

1. "I can't believe that you turned in such sloppy work. Don't you know any better?"
2. "One of your conclusions was faulty and you had 3 typos on the report."

The first comment is shaming and demotivating. It ensures that the person will feel badly, but doesn't tell them what to do differently. The second comment seems intentionally unemotional. It is not shaming, but it doesn't provide information about what can be done to improve in the future.

Too Much Positive Feedback

Many managers rely too heavily on positive feedback to avoid hurting someone's feelings. If all you give is positive feedback, employees may have an unrealistically high view of their worth and performance levels. Positive reinforcement is definitely important, but to be effective it also needs to be specific and clear. Here are two examples:

1. "Good job. Keep it up."
2. "Your report was clear, your conclusions were on target, and the writing was clear and accurate."

The first comment may make the person feel good, but they are not really sure what was good about their work. Easy comments like "good job" when overused can come across as "canned" or insincere. The second comment also makes the person feel good, but it also tells them what was valued about their work and clearly shows the person giving the feedback read the report.

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Balanced Feedback

Balanced feedback provides feedback on what is being done well and what could be improved. The positive feedback builds confidence and reinforces the behavior that you want more of. It clarifies expectations, and it feels good. The negative feedback is given factually and preferably with suggestions for improvement. Consider this example of balanced feedback:

"Your report was comprehensive, most of your conclusions were on target, and the writing was clear and accurate. There were several typos, and for that I suggest more careful proofing. And one of your conclusions wasn't clear to me. Let's talk it over this afternoon and compare notes. Overall, you did a very good job!"

As a manager you must lead, coach and develop people. You can do this by providing balanced feedback that builds confidence, shows the direction you want the performance to take, and highlights areas for improvement in a clear and non-punishing way. Also note that people react differently; some crave honest feedback, and some crave the feel-good aspects of positive feedback. As a manager you should always strive to be honest and straightforward.

Employees need feedback about their performance that provides information that they can act on. It must be provided in a manner that is understandable to them and is perceived as being provided in a respectful manner. Providing feedback requires skills in effective listening, verbal and non-verbal communication and working in multi-cultural environments. In conclusion, here are some things to do and to avoid when giving feedback:

- Be clear about what you want to say before you say it.
- Be concise and specific when giving feedback. State what the feedback is, state what you want and how they can achieve it. Then you can add more descriptive information if needed.
- Avoid generalizations. Avoid the use of words like, "all," "never," and "always." These words lack credibility and place arbitrary limits on behavior. Be precise about quantity or proportion if you address terms of quantity and proportion.
- Be descriptive rather than evaluative. State what you are seeing, hearing or feeling. Avoid evaluative words such as "good" or "bad." If it is appropriate to share a particular feeling, do not dwell on it or become emotional.

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- Own the feedback. The information should be about your own perception, not about other's perceptions, assumptions and motives. Use “I” statements to indicate that your impressions are your own.

Delegation

Do not confuse delegating with work directing. Work directing is telling someone what to do and how to do it. There is much less freedom as to how the employee does the task, and many times there is less ownership, participation, and learning on the part of the employee. Delegating is a critical skill for managers at any level and the first step to empowering staff. It involves assigning an employee to accomplish a goal or complete a project and granting them sufficient authority and responsibility to achieve the goal or complete the project. It means granting them freedom in deciding how the goals will be achieved while you remain available as a resource. It also means assessing the quality of their effort and addressing performance issues. Ultimately, the manager retains responsibility for the attainment of the goals, but chooses to achieve the goals by delegating the assignment to someone else. Delegation is challenging for new managers because they are concerned about giving up control or do not have confidence in the abilities of others. If you can learn to delegate effectively as a manager, you can free up time to concentrate on jobs where you are needed most, cultivate expertise in your staff and develop your own leadership skills. Managers typically delegate new assignments they have been given or responsibilities that do not require their complete involvement.

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The Delegation Process:

- Try to select a person whose strengths match the requirements needed for the assignment or someone who shows a willingness to take on additional responsibilities. Evaluate their current workload and if the delegation is short-term, you may have to re-assign some of their duties temporarily.
- Specify your preferred results: Be clear and specific about the results you desire and when they should be accomplished.
- Give them the authority, not just the responsibility. Enough authority should be given to the designee so that they can take the necessary actions to accomplish the assignment. It is also necessary for the limits of that authority to be clearly defined. This means that the designee knows not only what they may decide, but also what they may not. Communicate the lines of authority to others who may be affected by them or have a need to know.
- Ensure that the designee has the appropriate and sufficient resources to get the job done.
- Ask the designee to explain the project or task and describe the results you prefer.
- Establish benchmarks for communication and reporting. The manager should work out the details of how and when communication and reporting will take place throughout the delegation, but don't micro-manage.
- Address inadequate performance and reward performance for a job well done.

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Time Management

Production and efficiency are the main objectives of good time management. One of the most frequent concerns and complaints of people today is that they don't have enough time to do what they need to do. Consequently, there are many resources with guidelines and tips to manage time more effectively. Time management and stress management often are closely related and discussed together. Here are some suggestions on time management:

- Managing time takes practice. Ask yourself this question throughout the day: “Is this what I want or need to be doing right now?” If yes, then keep doing it.
- Find some way to realistically and practically analyze your time. Logging your time for a week in 15-minute intervals is not that hard and does not take up that much time. Do it for a week and review your results.
- Make a “to-do” list for your day. Do it at the end of the previous day. Mark items as “A” and “B” in priority. Set aside two hours right away each day to do the important “A” items and then do the “B” items in the afternoon. Let your voice mail take your calls during your “A” time.
- At the end of your day, spend five minutes cleaning up your space. Use this time, too, to organize your space, including your desktop. That'll give you a clean start for the next day.
- Learn the difference between “Where can I help?” and “Where am I really needed?” Experienced leaders learn that the last question is much more important than the former.
- Learn the difference between “Do I need to do this now?” and “Do I need to do this at all?” Experienced leaders learn how to quickly answer this question when faced with a new task.
- Delegate projects or tasks. Delegation is one of the most important skills for a leader to have. Effective delegation will free up a great deal of time for you.
- Use a “Do Not Disturb” or “Meeting in Progress” sign. During the early part of the day, when you're attending to your important items (your “A” list), hang this sign on the doorknob outside your door.

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- Sort your mail into categories including “read now,” “handle now” and “read later.” You'll quickly get a knack for sorting through your mail. You'll also notice that much of what you think you need to read later wasn't really all that important anyway.
- Read your mail at the same time each day. That way, you'll likely get to your mail on a regular basis and won't become distracted into any certain piece of mail that ends up taking too much of your time.
- Have a place for everything and put everything in its place. That way, you'll know where to find it when you need it. Another important outcome is that your people will see that you are somewhat organized, rather than out of control.
- Schedule 10 minutes every day to do nothing. That time can be used to just sit and clear your mind. You'll end up thinking more clearly, resulting in more time in your day. The best outcome of this practice is that it reminds you that you're not a slave to a clock. If you take 10 minutes out of your day to re-focus, you and your organization won't fall apart.
- Learn good meeting management skills. Meetings can become a terrible waste of time.

Meeting Management

Meetings are a vital part of the organization of work and the flow of information. They act as a mechanism for gathering together resources and information, solving problems and making decisions to accomplish organizational objectives. Meetings are seen by some as a negative activity because they are often futile, boring, time-wasting, dull, and inconvenient. As with every other managed activity, meetings should be planned beforehand, monitored for effectiveness, and reviewed afterwards for improving their management.

Meeting management tends to be a set of skills often overlooked by leaders and managers. Meetings are expensive when you consider the cost of employee salaries and how much can or cannot get done in them. As a manager, you should take meeting management seriously.

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The process used in a meeting depends on the kind of meeting you plan to have, e.g., staff meeting, planning meeting, problem solving meeting, etc. However, there are certain basics that are common to various types of meetings.

A meeting is the ultimate form of managed conversation; as a manager, you can organize the information and structure of the meeting to support the effective communication of the participants. If you learn to hold decisive, effective meetings, then people will value them more and prepare professionally so that their contribution will be heard.

This section focuses primarily on how to manage your meetings. According to the book *Leader Effectiveness Training* by Dr. Thomas Gordon, meetings generally fall into two categories: informational and problem solving. We'll go over each one in detail below.

Informational Meetings

Informational meetings are for such purposes as personal growth, continuing education, and keeping informed about what group members are doing. You shouldn't try attempting to problem solve in an informational meeting, and the number of participants need not be limited. Informational meetings would be appropriate for such functions as:

- A group member reports about what they learned at a conference or a site visit to another agency.
- An outside consultant is brought in to tell the group about something innovative or promising.
- Each group member informs all the others about what is going on in their department.
- The leader routinely reports to the group what actions were taken or decisions made in the management group one level above.

In such informational meetings, participants can ask questions or make comments, but it is important that no problem solving or decision making occur. Should problems or issues arise-and they often do-they should be placed on the agenda for the next problem solving meeting, when facts can be presented.

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Problem Solving Meetings

All organizations have problems. An organization without many problems is one that is not growing, changing, or adapting. There are several types of problem solving meetings, all of which use one or more steps in the problem solving process.

Problem Identification Meeting

One type of problem solving meeting is a problem identification meeting. This type of meeting can help group members deal constructively with changes in HUD regulations, change in office policy, or other changes. The response to change depends on how it is interpreted by those it affects. People are less stressed if they feel they have some control. You can help them cope with change by identifying the problems they fear could result from it. Often something is bothering the program staff, and the administrator might not know about it. The staff might not even know the real complaint. The problem identification meeting can help you keep in touch with what is happening and reduce the pressure of the unknowns on the staff.

Solution Generating Meeting

In a solution generating meeting, a group takes on a problem or issue and generates ideas about it. Brainstorming is often the method of choice, and the rule is being nonjudgmental of people's ideas. Usually a leader writes down the ideas as they are brought up, or the group can select a recorder. These meetings can be fun and can generate enthusiasm and excitement. Group members are often amazed at the number and originality of their solutions.

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Evaluation and Decision Making Meeting

Unlike the first two kinds of meetings, an evaluation and decision making meeting usually runs more efficiently with limited participants. Beyond 12 to 15 people, groups find it harder to reach consensus, and they often fall back on deciding by vote.

Although it is not always possible, groups should strive for agreement. If they have enough time, a group should discuss a problem until it reaches a solution everyone can live with. That being said, group members without strong feelings about a position should be willing to go along with the majority. Also, group members should be particularly sensitive to whether further advocacy is likely to change the majority.

Never vote unless it is a straw vote to determine how the group is lining up on a particular problem. For some problems, the group should defer to those members who will implement the solution, or to those under whose authority the problem most logically falls. When time is too short for full agreement, the group may delegate the final decision to one member, to two or three members acting as a subgroup, or to the group leader.

Implementation Meeting

Another type of problem solving meeting is an implementation meeting. A leader may hold a meeting to enlist the participation of group members in determining how a previously made decision is to be implemented (e.g., working out the practical details of a policy). Many groups arrive at high quality decisions only to neglect the equally important step of working out the plans for implementing those decisions.

Assigning tasks to members of the group can be left to the leader, but group members often contribute to better plans than a leader can make alone.

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Other Meeting Considerations

Frequency of Meetings

If possible, groups should be scheduled to meet at the same time on the same day. The number of problems the group has to solve, the number of decisions the group has to make, the complexity of the problems and decisions, and the effectiveness of the group, may require the meetings more or less frequently.

Duration of Meetings

Meetings should begin and end at specified times so that people can schedule their time effectively. Groups should not meet longer than two hours without a break.

Priority of Meetings

The group should decide at the outset on the importance of its meetings compared with other organizational requirements. Few other organizational requirements should have greater priority than attendance at the group meetings. Also, meeting participants should hold all phone calls until later so that no one is called out of the meeting.

Alternates for Members

It should be the responsibility of each group member to appoint an alternate to attend group meetings in that member's absence. The member should keep the alternate informed. An alternate should have full authority to speak for the department in the group meeting. However, this may not be appropriate if the department is small.

Physical Arrangements

The physical arrangements of the meeting are more important than you might think. Blackboards or flip charts should be available at all meetings, and people should be seated so that each person can see everyone else. The leader should minimize status by not always sitting at the head of the table. Also, coffee, tea, and ice water should be available and free.

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The Recording Function

The group should decide on their own appropriate methods. Some groups have a permanent recorder, whereas other groups rotate that function. A useful format for recording decisions is a brief statement of the problem and who is supposed to do what by when.

Developing the Agenda

The group, rather than the leader, should develop the agenda. Certain members can assume responsibility for submitting agenda items to someone who makes a list, which allows groups to have formal agendas prepared ahead of time. This agenda can then be sent out to all members prior to the meeting. As an alternative, members can write items on a conveniently located flip pad during the week.

Establishing Priority for Agenda Items

The group should establish a procedure for determining the relative importance of each agenda item so that the most important items are taken care of first. This can be done quickly at the start of the meeting, or, in the case of the prepared agenda, those who submit items should indicate the importance of each.

Rules for Speaking

The group should work out its own rules for handling communication during the meeting, but the rules should be minimal. Effective problem solving groups are usually informal, letting people talk when they want, without getting permission from the leader. Each member should assume sole responsibility for the appropriateness and timing of their own contributions, and for facilitating communication from others. The leader must be careful not to dominate or control the dialog, and group members must overcome the tendency to feel inhibited in the presence of the boss.

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Appropriate topics for the Meeting

When we talk about holding problem solving meetings, what kinds of "problems" are we talking about? Generally, problems appropriate for the group to solve are:

- Problems that are most likely to require data from group members for their solution
- Problems whose solutions may affect members of the group or may have to be implemented by members of the group

Each person, including the leader, should tell the group exactly what their agenda item requires from the group. This entails:

- A decision
- Each group member's ideas, after which the group member will pick a solution
- A sounding board to test a tentatively chosen solution

Inappropriate Topics for Meetings

On the other hand, there are certain types of problems that are inappropriate for meetings. The group should never use its time trying to solve problems that:

- Concern only a few of its members
- Are too unimportant for the level of the group
- Require staff study and preliminary data gathering
- Are outside the authority or scope of the group

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Disposition of Agenda Items

Group meetings should touch upon each agenda item. More specifically, every agenda item should be disposed of in one of the following ways:

- A solution reached
- The problem delegated for further study outside the group
- The problem delegated to an individual or subgroup for a recommendation to the total group
- The item placed on the agenda of a future meeting
- The problem taken off the agenda by the member who submitted it
- The problem redefined in other terms

Minutes of the Meeting

The group should document what happens at the meeting in some way. If your group prepares minutes, they should be typed and distributed to all members of the group as soon as possible after the meeting. Individual members of the group should personally communicate important outcomes of the meeting to subordinates. Minutes of the meeting should contain at least:

- All decisions reached by the group
- A record of the disposition of every agenda item
- All task assignments and due dates

Closing Meetings

Always end meetings on time and attempt to end on a positive note. At the end of a meeting, review actions and assignments, and set the time for the next meeting. Clarify when the meeting minutes and/or actions will be reported back to members.

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Social Media and the Workplace

Introduction

In every agency and business social media has become a major problem for supervisors. Staff are on cell phones, plugged into their IPODS, using texting language in emails, surfing the net, streaming on YouTube . . . and the list goes on. This section discusses issues and potential solutions for managing the use of social media in the workplace.

We have reached the social media age, and it will only increase, not decrease. This presents a range of problems for agencies and managers. Some use of social media may be appropriate, but guidelines are needed. The inappropriate use social media during work time is a major problem. Not only is this a disciplinary issue, but if affects productivity and quality of work. In addition there is the potential of jeopardizing confidential data, records of families and owners.

Most organizations are establishing written policies, guidelines and standards. This should be done in consultation with your Legal Counsel.

Some studies indicate that employees spend between one and three hours a day surfing the Web at work. Since most studies depend on employee self-reported data, this productivity loss, combined with the concerns employers have for “where” their employees are surfing the Web at work, causes more employers to monitor employee use of the Internet.

In fact, according to the 2007 results of the annual Electronic Monitoring and Surveillance Survey, conducted since 2001 by the American Management Association (AMA) and The ePolicy Institute, the percentage of employers monitoring their employees' Internet use increases each year.

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Sample Internet and Email Policy

Voice mail, email, and Internet usage assigned to an employee's computer or telephone extensions are solely for the purpose of conducting agency business. Some job duties require access to the Internet and the use of software in addition to the Microsoft Office suite of products. Only those appropriately authorized for business purposes should use the Internet or access additional software.

Software Access Procedure

Software needed, in addition to the Microsoft Office suite of products, must be authorized by management and downloaded by the IT department.

Internet Usage

Only those staff authorized to use Internet sites during working hours to conduct PHA business will be allowed to use the internet. Internet use brings the possibility of breaches to the security of confidential Agency information. Internet use also creates the possibility of contamination to the automated system via viruses or spyware. Spyware allows unauthorized people, outside the agency, potential access to agency passwords and other confidential information. Removing such programs from the Agency network requires IT staff to invest time and attention apart from their normal duties.

Additionally, under no circumstances may agency computers or other electronic equipment be used to obtain, view, or reach any pornographic, or otherwise immoral, unethical, or non-business-related Internet sites. Doing so can lead to disciplinary action up to and including termination of employment.

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Inappropriate Email Usage

Email is also to be used for PHA business only. Agency confidential information must not be shared outside of the agency, without authorization, at any time. Employees are not permitted to use agency email or computers to conduct personal business. This should be kept in mind when forwarding non-business emails to associates, family or friends. Sending non-business-related emails is a violation of this policy. Viewing pornography, or sending pornographic jokes or stories via email, is considered sexual harassment and will be addressed according to our sexual harassment policy.

Emails That Discriminate

Any emails that discriminate against employees by virtue of any protected classification including race, gender, nationality, religion, or other category will be dealt with according with the PHA personnel and harassment policies.

Agency Owns Employee Email

Keep in mind that the PHA owns any communication sent via email or that is stored in the system. Management and other authorized staff have the right to access any material in your email or on your computer at any time. Please do not consider your electronic communication, storage or access to be private if it is created or stored at work.

Things to Consider for your Social Media Policies

How does the use of social media affect employee productivity? Do you want employees accessing social media sites at work for either personal or business relations?

What legal issues are at issue regarding proper disclosure and/or advice? Remember that small print exists for a reason, and it's usually not contained within 140 characters.

Determine what constitutes social media (Facebook, Twitter, YouTube, etc.) and include this definition in your policy. This is especially true because new web sites and tools emerge all the time. One definition of social media is “any web site or medium (including video) that allows for communication in the open arena.”

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Decide who is responsible for managing and participating in social media. It is important that all employees understand and adhere to the agency' social media policy, while networking in social media online. However, one employee or a team must assume the agency's public persona and manage agency social media efforts to follow and respond to public commentary, praise, or complaints about the agency.

Here are some references for more information about managing social media in the workplace:

- www.humanresources.about.com
- www.socialmediagovernance.com

Creating a Motivational Environment

The success and productivity of an organization comes primarily from the engagement and motivation of its employees. People are motivated by different things. One person may crave what another person thinks is unimportant. People are motivated and proud when they believe they are doing meaningful work. In a recent survey, three thousand people who identified themselves as line staff were asked what motivated them to produce more. Here is what they said (in this order):

- Full appreciation for work done
- Feeling a part of the organization
- Sympathetic understanding of personal situations
- Opportunity for promotion and growth within the organization
- Good wages
- Interesting work
- Good physical working conditions
- Job security

Motivation comes from within. As a supervisor you can inspire others, you can create a motivational environment, but you cannot actually motivate others.

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Employees want to be recognized as individuals, shown appreciation, and be given opportunities to grow. This requires managing people as individuals rather than assuming that all persons are motivated by the same thing. Here are ideas to help in creating a positive and motivating environment:

- Encourage comments from external and internal customers. Post praise.
- Remind staff how their work matters to the families
- Call an employee into your office just to say thank you without discussing any other issue.
- Write a thank you card or e-mail.
- Send a card to the employee's spouse/family thanking them for their support.
- Create an employee newsletter to share updates and recognition.
- Post a bulletin board for employees to share news, hobbies, and recognition.
- Celebrate birthdays, anniversaries, and special achievements.
- Reserve the best parking spot for an employee-of-the-month. Let staff decide how the spot is earned.
- Pitch in and help an employee who is under pressure or temporarily overwhelmed. Ask what can be done and help complete the task side-by-side.
- Create a change of pace by giving employees a chance to work on exciting projects or learn new skills.
- Delegate worthy projects, not just menial tasks, to increase feelings of trust and pride.
- Pass on helpful articles that could benefit employees and attach a note that says, “Saw this and thought of you.”
- Learn about their hobbies, families, children, pets, etc. showing interest in what matters most to them.
- Ask an employee who is proficient in a certain area to train others, or make a presentation at a staff meeting.
- Help build skills with a training library filled with books, tapes, and other resources that employees can check out.
- Allow employees to attend seminars and ask them to make a presentation to others sharing what they learned.

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Exhibit 3.3-1 100 Ways to Say "Very Good"

1. You're right!
2. Good Work!
3. Well done.
4. You did a lot of work today!
5. It's a pleasure to work with you.
6. Now you have it.
7. Fine job!
8. That's right!
9. Neat!
10. Super!
11. Nice going.
12. That's coming along nicely.
13. That's great!
14. You did it that time!
15. Fantastic!
16. Terrific!
17. Good for you!
18. Make it so!
19. That's better.
20. Excellent!
21. Good job (name).
22. Super fine!
23. That's good.
24. Good going
25. That's really nice.
26. You're learning fast.
27. You certainly did well today.
28. I'm glad your approach is working.
29. Keep it up!
30. I'm proud of you.
31. That's the way.
32. You're learning a lot.
33. That's better than ever.
34. Quite nice.
35. You've figured it all out.
36. Perfect!
37. Fine!
38. I'll sign the order.
39. You've got it.
40. You've figured that out fast.
41. Very resourceful.
42. Wow!
43. Keep up the good work.
44. Outstanding!
45. Bravo!
46. Good for you.
47. What talent!
48. Good thinking.
49. Exactly right!
50. You make it look easy.
51. Yes!
52. Awesome!
53. Way to go.
54. Superb!
55. OK!
56. You're on target.
57. I knew you could do it.
58. Wonderful!
59. You're great.
60. Beautiful work.
61. You've worked hard on this!
62. That's the way!
63. Keep trying.
64. That's it.
65. Let's tell the boss.
66. You're very good at that.
67. Sharp!
68. Right on!
69. That's wonderful.
70. You mastered that in no time.
71. Very nice!
72. Congratulations.
73. That was first class work.
74. Sensational.
75. Right!
76. You do not miss a thing.
77. You make our work fun.
78. You must have been practicing it.
79. I'm glad I assigned this to you.
80. You came through again.
81. Dynamite!
82. I knew I could count on you.
83. You are really improving.
84. Look at you go.
85. You've got that down pat.
86. Tremendous!
87. I like that.
88. I couldn't do it better myself.
89. Now that is what I call a fine job.
90. You did that very well.
91. Impressive!
92. You deserve a raise.
93. How can I help you with this?
94. Go for it!
95. The best!
96. You have my complete support.
97. Marvelous!
98. Clever idea.
99. I'm glad you are on our team.
100. Thank you!

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A part of creating a motivating environment is to recognize and reward high performers. This can be done in a variety of ways such as posting performance results, email and other incentives such as gift certificates, recognition at staff meetings or time off (see Chapter 2. Workforce.)

Coaching Employees

Coaching is another important skill for supervisors. To coach means to tutor, train, give hints to, or prime with facts. Leaders and organizations have come to understand the value of effective coaching and they're adding "the ability to coach and develop others" to the list of skills they require in all their managers.

Coaching focuses on helping another person learn in ways that let him or her keep growing after the coaching is done. It is based on asking rather than telling, on provoking thought rather than giving directions and on holding a person accountable for his or her goals.

Broadly speaking, the purpose is to increase effectiveness, broaden thinking, identify strengths and development needs and set and achieve challenging goals. Research from the Center for Creative Leadership has boiled down the skills managers need to coach others into five categories:

1. Building the relationship. It's easier to learn from someone you trust. Coaches must effectively establish boundaries and build trust by being clear about the learning and development objectives they set, showing good judgment, being patient and following through on any promises and agreements they make.
2. Providing assessment. Where are you now and where do you want to go? Helping others to gain self-awareness and insight is a key job for a coach. You provide timely feedback and help clarify the behaviors that an employee would like to change. Assessment often focuses on gaps or inconsistencies, on current performance vs. desired performance, words vs. actions and intention vs. impact.
3. Creative thinking is an important part of the coaching process. Coaches ask open-ended questions, push for alternative solutions to problems and encourage reasonable risk-taking.

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4. Supporting and encouraging. As partners in learning, coaches listen carefully, are open to the perspectives of others and allow employees to vent emotions without judgment. They encourage employees to make progress toward their goals, and they recognize their successes.
5. Coaching relationships that work reflect individualized formulas tailored by the manager for each team member. The best coaches have learned that what works great for one person can does not work for another. They coach everyone differently because each individual has unique, personal motivators and needs. They provide direction and support based on what each team member needs. Remember, the objective of coaching is to improve performance.

Coaching Skills and Characteristics

Effective coaches have a combination of skills and characteristics that include:

- Responsiveness
- Active listening skills
- Ability to dealing with feelings
- Being open-minded
- Giving and receiving feedback.
- Communication skills,
- Tolerance: accommodates individual differences in personalities and learning styles
- Enthusiasm Is energetic, optimistic, prepared, willing to commit time
- Sense of Humor: Able to incorporate humor in personal and real-life examples during coaching
- Sincerity/honesty: Takes every question seriously and does not pretend to know the answer if they do not know it

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Coaching Checklist

You can use the following checklist to remind yourself of important concerns in a coaching session. This checklist can be applied to any kind of a coaching session; simply modify your notes to address the issue.

- ❒ Put the employee at ease by being relaxed and friendly.
- ❒ Explain the reason for the scheduled discussion.
- ❒ Express your thoughts about the situation (e.g., the new assignment or the performance issue that needs to be resolved).
- ❒ Describe the issue and the effect it has on you as a supervisor, the employee, the department, and the agency.
- ❒ Listen to and acknowledge the employee's feelings.
- ❒ Ask for the employee's opinion on ways to resolve the issue or complete the assignment.
- ❒ Ask open-ended questions to encourage the employee's analysis and draw out specific suggestions.
- ❒ Let the employee know you respect their ability to solve problems and develop solutions.
- ❒ Offer suggestions when appropriate, but concentrate on building on the employee's ideas when possible.
- ❒ Agree on actions or a plan to accomplish the objective.
- ❒ Schedule a follow-up meeting to check progress and provide feedback from both your viewpoint and the employee's.
- ❒ Provide positive feedback as soon as possible.

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Performance Evaluation

Performance appraisals offer a valuable opportunity to focus on work activities and goals, to identify and correct existing problems, and to encourage better future performance so that the performance of the whole organization is enhanced. For many employees, an "official" performance evaluation may be the only time they get to have exclusive, uninterrupted access to their supervisor. The value of this purposeful interaction between a supervisors and subordinate should not be underestimated. Performance appraisal offers an excellent opportunity for a supervisor and subordinate to recognize and agree upon individual training and development needs.

There are obvious benefits to well designed performance evaluations. First, employees need to receive feedback, praise, and constructive criticism of their work. Second, you can recognize and reward good employees and identify and coach workers who are having trouble. Third, the communication required to make the evaluation process effective ensures that you will stay in tune with the needs and concerns of your workforce.

The best performance evaluation functions as a meaningful management tool. It is an ongoing process of assessment, exploration, and goal setting. In this section, we will learn more about this process.

Checklist for Writing the Evaluation

This checklist will help you prepare the performance evaluation and conduct the performance conference.

- ❒ Remember that two of the objectives of writing performance evaluations are to *communicate* and *document* information concerning the employee's performance.
- ❒ Remember that the evaluation should reflect performance over the entire rating period, not just the recent part.
- ❒ Be specific in your wording. In order not to be misunderstood, avoid hinting or being too subtle in your comments.
- ❒ The review should be written in such a way as to *document and bring about improvement* when the employee's performance has been substandard and improvement is imperative. Be prepared to support statements with facts.

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- ❒ The review should be written in such a way as to *document and compliment* the employee when the performance has been very good or outstanding.
- ❒ If the employee's performance has been satisfactory but not much more, the review should be written in such a way to *encourage improvement* and to identify areas where improvement is most desirable.
- ❒ Avoid writing something nice just to be the "good guy." Refer to demonstrated strengths only.
- ❒ Avoid overusing the word "you" in criticizing, but be sure to use it in complimenting. In other words, when criticizing, stress *what* is wrong and *how* it is to be improved rather than *who* is wrong.
- ❒ You should be consistent between what you write and how you feel or speak about the employee's performance.
- ❒ If any category on the performance report is rated lower than "meets standards," you must include the following in the evaluation:
  - A statement of the problem or concern
  - The desired improvement
  - Suggestions as to how to improve
  - The time frame for improvement
  - Provisions for assisting the employee
- ❒ Include all "below standard" areas on your list to evaluate again next year or earlier regardless of their status. Review previous evaluations and note improvements, if any, made in areas rated "below standard."
- ❒ Remember that to the particular employee you are reviewing, this evaluation is the most important one you have ever written.
- ❒ Check your reports for inaccuracies before the evaluation conference. A typographical error in a date or comment can become an issue if it changes the facts.

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Evaluation Conference Checklist

Now that we've been over the checklist for writing the performance evaluation, let's discuss the evaluation conference. There are several issues to consider both before and during the conference.

Before the Conference

❒ Think through what you want to accomplish.
- What would you specifically like the employee to do differently as a result of the review discussion?
- What effect will the discussion have on the employee's motivation?
- What can you learn about yourself as a supervisor from this discussion?
- What aspects of work performance do you want the employee to continue, and how can you best convey this?

❒ Make sure you have the facts straight.
- Are you clear and specific regarding strengths, weaknesses and performance results?
- Do you have records to back up your points?
- Are your suggestions specific on how to improve?

❒ Consider what you know about the employee.
- Are you familiar with the employee's personality and needs?
- Do you know how the employee usually reacts in different situations?
- Can you predict the attitude the employee will bring to the conference?
- How might the employee react to different parts of the evaluation and to your suggestions?

❒ Arrange a time and place for the review session.
- What time will least interrupt the employee's work and schedule?
- Is there a private place where you will not be interrupted?
- Will you have the time to talk it out?

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During the Discussion

- ❒ Set an appropriate atmosphere:
  - Be relaxed and help the employee to relax.
  - Start on a friendly, positive note.
  - Avoid becoming defensive or argumentative.
  - Keep the discussion problem-centered.
- ❒ Be specific and constructive in your comments
  - Give the employee credit willingly and sincerely for strong areas of performance.
  - Tell the employee specifically how she or he needs to improve.
  - Discuss weakness in a factual, objective manner, avoiding personal criticism.
  - Avoid comments not related to the work.
  - Be prepared to make suggestions, but help the employee to make her or his own, too.
  - Keep your goals in mind.
- ❒ Make the discussion a two-way street.
  - Listen for what the employee says (and doesn't say).
  - Encourage the employee to express how they feel and do not show disapproval when this happens.
  - Remember you are discussing past performance during the rating period, not a grade or something you gave the employee.
  - Acknowledge any problems you may have caused the employee through your own supervisory methods.
- ❒ Arrange for follow-up.
  - Make a plan with the employee for correcting weaknesses.
  - Set specific objectives and let the employee know how you will help.
  - If conflict develops between you and the employee, follow up the meeting with a conference memorandum to provide a basis for documenting the differences.
  - Set a date for further discussion.
- ❒ End the meeting on a positive, friendly note.

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The performance evaluation should focus on what has occurred during the review period and the goals to improve future performance. It is a powerful tool to improved communication between supervisor and employee and a springboard to manage performance improvement.

The remainder of this chapter contains sample forms and useful tools to help you to conduct successful performance evaluations and to help you to better manage your staff in other ways.

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Exhibit 3.3-2 Example of Format for a Management by Objectives System

Employee Name: _____Appraisal Period: _____

Position Title: _____Date of Appraisal: _____

Reviewed by: _____

Summary of Performance Plan		Performance Review
Responsibilities	**Performance Objectives**	**Actual Achievements**
1. Verify/certify eligibility	All verifications completed on time; all eligibility determinations and 98% of TTP calculations accurate; 85% of cases have no other errors.	
2. Intake interview	Conduct average of 15 intake interviews per month; no more than 5% have tenant reporting errors.	
3. Manage caseload	Manage a case load of 300; all reexams processed and notifications made on time.	
Approve leases/rents; calculate tenant rent and HAP payments	95% of tenant rent calculations accurate; 98% of HAP calculation correct; 100% of notices of change on time.	
Provide program information	Conduct 4 group briefings of voucher holders per month. Participate in 3 owner group briefings per year.	
Screen applicants/take preapplications	Take an average of 30 potential preapplication calls/correspondence per month; non-eligibles screened out.	

Long Range Goals (Work/Career) Supervisor's Comments

Help required from supervisor to achieve goals. Supervisor's Comments

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Exhibit 3.3-3 Sample Performance Evaluation Form

Each year, on the anniversary month of joining (the agency) individuals and supervisors will be getting together to discuss performance, review the progress made towards attaining last years standards and goals, and establishing new standards and goals for the next year.

The primary objective of supervisor and individual involvement is just that: to involve you in the process of reviewing responsibilities, achievements, and strengths; and in setting out future improvement opportunities, performance goals and personal growth objectives.

The attached appraisal form is intended to help you prepare for the discussion between you and your supervisor. Your supervisor will be filling out a similar form which will be brought to the meeting. Please complete the form as objectively and thoroughly as you can.

Employee: _____

Position: _____

Date Conducted: _____ For Period: From:_____ To: _____

Evaluation: ____ Initial ____ Annual ____ Other (Specify) _____

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Part I:

In reviewing your standards and goals for last year, identify your most significant accomplishments during the last year.

Part II:

Identify those standards and goals you did not accomplish as well as you would have liked to accomplish.

Part III:

For those things you listed above, what were the reasons they were not met?

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Part IV:

Supervisor/individual performance feedback: Help your mutual growth by pointing out and explaining areas of both current strength, and improvement opportunity. Some possible topics are listed below. Also, discuss any others which seem appropriate. Indicate whether they are a current strength or need improvement by checking the appropriate column. If an item does not apply, mark (n/a).

Place an "x" in the column that corresponds to how you would rate the employee according to the following topics.

Current Strength = 4

Satisfactory = 3

Improvement Opportunity = 2

Unsatisfactory = 1

	4	3	2	1	Comments
1. Organizational Mission. Knowledge of the mission, goals, and objectives of the agency and willingness to weigh decisions in light of the total organizational good.					
2. Specific Knowledge. Technical knowledge and skill for the areas of specific responsibility assigned. Is the person competent, experienced, well informed, and keeping abreast of developments in these areas?					
3. Emotional Stability. Does the person maintain an emotional balance, keeping his/her "cool" in difficult circumstances? Is he/she able to keep emotions from unduly affecting decisions?					
4. Human Relationships. Does the person use tact and diplomacy in human relationships?					
5. Democratic Processes. Knowledge and skill in using democratic processes when appropriate. Does the person solicit input from subordinates and /or others within the agency? Does he/she recognize the interests of others and value others' opinions? Is he/she willing to provide constructive input with or without being asked?					
6. Personal Integrity. Does the person deal with others with honesty and openness?					
7. Work Level. Ability and willingness to dig in and work hard, to put in extra work hours if needed, willingness to do difficult tasks, and to do extra work.					

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	4	3	2	1	Comments
8. Organization. Ability to organize area of responsibility and tasks so that work is completed with a maximum of efficiency. Ability to expedite work and accomplish objectives effectively through good organizational procedures and structure.					
9. Creativeness. Ability to perceive and use new or creative approaches in work, and willingness to try new ideas and concepts. Is the person flexible? Committed to change?					
10. Problem Solving. Ability to use good problem solving techniques. Does he/she study alternatives, collect facts thoroughly, and study results of previous decisions?					
11. Morale Maintenance. Does the employee work effectively to maintain a high morale among subordinates and between himself/herself, his/her staff, and others within the agency?					
12. Personal Appearance. Does the person maintain customary standards of personal appearance?					
13. Administrative Protocol. Awareness of the administrative structure and willingness to work within it. Does the person respect lines of authority and staff relationships? Are decisions made appropriately and communicated to appropriate offices?					
14. Foresight. Ability to look ahead and plan well in advance. Ability to avoid problems by anticipating them and planning solutions ahead of time.					
15. Internal Communication. Ability of the person to communicate clearly in written and spoken form. Is he/she clear and concise in statements? Is internal communication in the form of memos, letters, and other printed materials distributed within the agency clear, free of spelling errors, and professionally written? Does he/she seek to develop full understanding?					
16. External Communication. Ability of the person to communicate clearly in written and spoken form. Is he/she clear and concise in statements? Is external communication in the form of memos, letters, and other printed materials distributed outside the agency clear, free of spelling errors, and professionally written? Does he/she seek to develop full understanding?					

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	4	3	2	1	Comments
17. Agency Commitment. Is the person an organization person? Is he/she willing to subvert self-interest for the good of the agency?					
18. Customer Service. Does the person provide a high level of customer service as evidenced by attitudes in dealing with agency clients (i.e., is helpful, courteous, willing to go the extra mile, sees all customer contact as a customer service opportunity)? The use of the phrase "is not my job" should not be expressed by either words or actions.					
19. General Achievements. What is your general rating of this person's achievement as an employee in his/her area during the past year?					
Total Point Rating					Total Points

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Part V:

Manager/individual rating of overall performance during past twelve months' review period or other review period (circle one):

1. Unsatisfactory, immediate improvement needed.
2. Marginal, continuance in position questionable.
3. Mostly adequate, some areas need improvement.
4. Meets all job requirements, continued improvement desirable.
5. Exceeds position requirements.
6. Now ready for additional responsibilities.

Part VI:

Standards for the Next Performance Period: From: _____ To: _____

Standard	This will be accomplished if:

Part VII:

Job Related Goals for the Next Performance Period (please note that goals should include some goals towards improving customer service):
From ____ To: _____

Part VIII:

Goal	This will be accomplished if:

Job Skill Development for the Next Performance Period:
From _____ To: _____

Skill To Develop	This will be accomplished if:

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Part IX:

Continuing Education Planned for the Next Performance Period

From: _____ To: _____

Education Planned	This will be accomplished if:

Signatures: (Sign only if form has been filled out completely)

_____ _____

Supervisor Date of Performance Interview

_____

Employee

Your signature does not mean that you necessarily agree with everything that is stated on the this form, only that you have seen the completed form.

When completed, give copies to the employee and retain one copy for the employee's file.

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Exhibit 3.3-4 Performance Planning Work Sheet

Complete steps 1 - 4 in 30 minutes

1. What do you want to be doing one year from today with the agency?

2. What do you want to be doing five years from today?

3. Sit down and discuss for 15 minutes items one and two with someone other than your supervisor.

4. Identify at least two things you can do in the next three months to start you towards accomplishing your one- and five-year goals.
   a.
   b.

Complete steps 5 - 11 in 15 minutes.

5. List three things you do well.
   a.
   b.
   c.

6. List two things you do not do well.
   a.
   b.

7. If you could rewrite your job description, what one duty would you add? Why?

8. What can you do to improve the agency's image in the community?

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9. Name two critical matters that the agency needs to take care of within the next three months (does not have to be within your current job description).

   a.

   b.

10. Name one task in your current job that you could give up without violating HUD regulations or agency policy?

11. Name two things your supervisor should do to improve your job or the agency.

    a.

    b.

Complete steps 12 - 18 in one to one and one-half hours.

12. What tasks are you currently assigned to do every day?

13. What tasks are you currently assigned to do weekly (not every day)?

14. What tasks are you currently assigned to do monthly (not every day or every week)?

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15. Do you have any other regularly scheduled tasks?

16. Go back to items 12, 13, 14, and 15 and estimate the number of hours for each task. Use your timecard history if necessary to help you develop an estimate. You can come up with a reasonable average by picking an average work month for yourself (a month when you weren't sick or on vacation or didn't have a lot of comp time). Write the estimates next to each item.

17. Do any of the items in 12, 13, 14, 15 have a specific time of day or deadline? If so write that on your list.

18. Do a Gantt chart of your regular tasks identified in items 12, 13, 14, 15. These are the steps:
    a. Use a pencil.
    b. List all your tasks down to the left side of the page.
    c. Write the number of hours next to the task.
    d. Divide the page horizontally into three months.
    e. Talk to your supervisor about whether you should use a weekly, monthly or quarterly Gantt chart. Employees with all tasks that repeat daily or weekly should use a weekly chart.
    f. Everyone should list as one of their tasks "the unexpected" and estimate 15% of your total time for the quarter to go to this task. (This is 78 hours over 3 months.) Spread the 78 hours out evenly over the 3 months.
    g. The purpose of a Gantt chart is to visually see how busy you are, and when and where you can fit in more work. It also helps your supervisor to develop realistic expectations for your time. The next step is to map out the times of day or days of week that your tasks will be done.

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Complete steps 19-25 in two hours or less

19. Now that you know how much of your time will be devoted to regularly scheduled tasks, you can develop projects. Your extra time each day, week or month can go into these projects. How many hours do you have available for projects?

20. What projects should be considered to fill this time?

21. Prioritize the list of projects from 20 with your supervisor. Write the priority down next to each.

22. Now do a rough estimate of the total number of hours for each project and write it on your list in 21.

23. What do you have time to do? Discuss with your supervisor and come to a mutual agreement. Set realistic deadlines.

24. For each project, make a separate list of tasks that must be completed to accomplish the end goal. Make a separate Gantt chart following the steps in 18 for each project. Be sure to consider the sequencing of tasks and hours per task.

25. Verify that your estimate of hours for a project and your deadlines are reasonable for each project and adjust if necessary.

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Complete steps 26-29 in one and one-half hours

26. Now, you can write your performance standards and objectives.

Standards - written for each regular task identified in 12, 13, 14, 15 and will not change from quarter to quarter unless your job changes

Objectives - written for each project and will change from quarter to quarter

Standards and Objectives must be:

- ❒ Measurable; usually by deadline or quantity
- ❒ Timely; have sufficient priority and assist the company in meeting its goals
- ❒ Phrased as an outcome rather than an action
- ❒ Written down on one page or less
- ❒ Challenging but realistic

27. Review your performance standards and objectives with your supervisor. Once you agree, they should be written on one piece of paper and you both sign them. The employee keeps the original; the supervisor a copy.

    a. In your discussions, the supervisor should determine how he/she will review your work. For example, examining the telephone log for the receptionist, reviewing your Gantt charts for projects, etc.

    b. You should write a monthly report due on the last day of the month and discuss:

        - ❒ Status of your standards and objectives
        - ❒ The "unexpected" that you did and the amount of time spent
        - ❒ Other work you took on in addition to that identified in *a* and *b*
        - ❒ Whether you anticipate meeting all your standards and objectives at the end of the quarter
        - ❒ Suggestions you have to improve your job or the company
        - ❒ Problems you foresee.

        Note: Monthly reports do not have to be more than one page or take more than 30 minutes. Verbal feedback from your supervisor is expected at this time.

28. Written expectations from 27 may be adjusted with sound business reasons.

29. Quarterly reviews are verbal during goal-setting; 6 month reviews are written and go in your personnel file.

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Employee Discipline

Discipline of employees often gives rise to employment litigation. Establishing guidelines for dealing with employees with disciplinary problems may help your PHA to avoid litigation and to better defend PHA decisions when legal challenges occur. Management should establish clear disciplinary standards and documentation that employees were given notice of such standards. Disciplinary standards must always be applied uniformly and consistently. The PHA should retain the right to determine what discipline will be imposed in each individual situation. The disciplinary procedure should follow four rules:

- The employee must know the nature of the problem.
- The employee must know what he or she must do to fix the problem.
- The employee must have a reasonable period of time in which to fix the problem.
- The employee must understand the consequences of inaction.

The discipline policy should not limit the right to enforce appropriate disciplinary measures. The law requires employers to match the discipline to the seriousness of the offense. The challenge for employers is how to reconcile being consistent in the application of discipline, but still take into consideration the specific facts which tend to make each disciplinary incident unique. Evaluate these 4 criteria when determining the most effective level of disciplinary action:

1. The severity of the offense.
2. The employee's past performance record.
3. The employee's length of service with the organization.
4. The organization's past practice when dealing with this situation.

How you respond to these types of issues can have a major impact on the individual and your department or agency. In this section we will discuss an approach to disciplinary issues, common errors that managers may make, and what the disciplinary process might look like.

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Common Errors About Discipline

Error #1: Discipline is punishment:

One of the most common misperceptions is that discipline is always punishment. The manager that perceives discipline as a punishment process tends to apply negative sanctions as a first resort, expecting that those negative sanctions will have some sort of positive effect. Unfortunately, the use of negative sanctions on their own may bring about unpredictable results. In rare cases, they may work, through the fear factor. In other cases, they have an effect opposite to the one intended, and can contribute to escalation in friction between the employee and the supervisor. Negative sanctions will succeed when the employee:

- Values what is taken away or fears what is threatened.
- Sees the sanction as fair, and consistent with the "offense."
- Acknowledges and respects the right of the manager to impose the sanction.

Unless these three elements are in place, employees respond to punishment with resentment, and counter-attacking, either covertly or overtly.

An alternative perspective is to consider discipline as an opportunity for the employee to learn. This approach focuses on what the employee must learn in order to bring his or her behavior in line with the needs and expectations of the organization or the job requirements. This does not mean that there will not be consequences if the behavior or performance is not corrected; it simply means that the focus is on the positive improvement and not the penalty. Often, a positive approach may solve the problem without having to discipline an employee. This positive approach is not complicated but requires commitment and consistency on the part of the manager. When constructive feedback is required, give the feedback calmly and professionally (in a coaching context), as close to the event as possible.

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Error #2: Discipline is a "You and I" Confrontation

Effective discipline requires that both you and the staff member to work together to solve a problem. The fundamental task, when possible, is to create a situation which encourages the staff member to work with you to identify causes of problematic behavior, and to take action to correct those problems. Discipline is a "we process."

Error #3: Waiting until it is too late

Sometimes managers are too slow to respond to an emerging issue or problem. There are a number of reasons for this:

- The tendency to see an emerging problem (e.g. a first instance), as a quirk, a fluke, or accident, and something not worth addressing.
- The desire to have harmony and avoid conflict
- Uncertainty of how to handle the situation

Delaying action sends a message that undesirable behavior will be accepted. Delaying disciplinary action over time may also cause growing anger on the part of the supervisor (even though they did nothing to deal with the behavior). Second, delay can have an adverse effect on the manager later, if the problem increases in frequency and intensity to a point that it cannot be ignored. When a problem is allowed to grow, the manager often will develop an emotional mindset towards the employee that makes constructive interaction difficult. In other words, the manager becomes angry at the employee, even if the manager has done nothing prior to stop the behavior.

It is very important that inappropriate behavior or actions in the workplace be noted and discussed at the first occurrence. This need not be a lengthy or difficult discussion, particularly if the event is relatively minor.

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Error #4: A Non-Progressive Approach

This relates to error #3 above. Progressive discipline starts with the least possible use of power and disciplinary action, and over time, will involve stronger actions, if the situation continues.

Managers who delay disciplinary action tend to wait until action must be taken, when the situation has become so severe that it must be addressed immediately. Often the manager feels the need to apply harsh sanctions, because, perhaps the inappropriate behavior has become more extreme.

When harsh initial action is taken for a long standing problem that was not previously addressed by the manager, it is often perceived as too harsh by the employee and even by co-workers. A key here is to employ progressive discipline by starting with least forceful action as early as possible, unless the offense is so severe that it requires immediate harsh action.

Progressive Discipline

Progressive Discipline is defined as a series of disciplinary actions or steps that are progressively more severe leading to improvement of performance or termination from employment. It is usually a set of circumstances or warnings - three strikes and you're out.

The primary purpose of progressive discipline is to assist your employees to understand that:

- An opportunity exists for improvement or,
- A severe performance problem may exist

The progressive discipline system normally begins with the recruitment process and continues through orientation, training, performance evaluations and daily supervision. A progressive discipline system consists of the following:

- A verbal warning
- A written warning
- Suspension
- Termination

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The primary purpose for using progressive discipline is to assist the employee to understand that a performance problem or opportunity for improvement exists. The process features increasingly formal efforts to provide feedback to the employee so he or she can correct the problem. The goal of progressive discipline is to improve employee performance. It involves progression of activities that include coaching, oral and written warnings and may end in termination if performance or behavior does not improve.

If you implement progressive discipline from the beginning of employment, it should be included in the employee handbook and provided in writing to each employee so that there is no ambiguity as to what is acceptable. This protects the PHA and informs your employees as to how discipline action will be taken when needed.

Unless the behavior is threatening or criminal in nature, most organizations have a progressive discipline policy in place or follow one in practice. Used properly, progressive discipline gives managers the tools they need to make fair, consistent, and legally defensible disciplinary decisions. Because it's based on communication and collaboration, true progressive discipline also helps employees improve, which is the ultimate goal of any disciplinary system.

But how do you use progressive discipline to get results? How do you decide what type of discipline is appropriate in a particular situation? And how do you deliver that disciplinary message in a way that produces actual improvement? The first step in progressive discipline is to address the issue directly with the employee. Here are some steps to consider below:

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Step 1: Gather Information

You need to know what's really going on before you can decide how to address it. Some situations are relatively clear cut. For example an employee may have been showing up to work late, missed a deadline, or failed to follow required security procedures. However, if it's tough to tell exactly what the problem is or who's causing it, you may need to investigate a bit before deciding what to do. This can happen if, for example, one employee accuses another of misconduct.

Step 2: Assess the Severity

How is the employee's problem affecting the PHA? It is important to determine the answer to this question before you impose discipline, for several reasons. It will help you choose an appropriate disciplinary measure, give you a basis for objective, consistent disciplinary decisions, and allow you to communicate the importance of the situation and why it has to change to the employee.

Step 3: Decide How to Respond

The point of progressive discipline is proportionate response: choosing a disciplinary measure that reflects how serious the problem is. In choosing a disciplinary measure, consider the effect of the behavior on other employees or clients, the frequency of the behavior, the employee's disciplinary history and the legality of the behavior.

Step 4: Prepare to Coach the Employee

Plan ahead for your meeting, so you are ready to explain the problem, why it has to change, and how it has to change. Make sure you have a few concrete examples of what the employee is doing wrong. You should also be prepared to explain exactly what the employee needs to improve and why. You might find it helpful to bring a copy of company policies, the employee's job description, performance appraisals, or other documents where these expectations are clearly stated.

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Step 5: Meet With the Employee

When you meet, you'll want to start by telling the employee what the problem is and how it's affecting the department or agency. If you've already discussed this problem with the employee, you should briefly review those conversations. Listen carefully to the employee's responses, and try to determine the root cause of the problem.

Once you and the employee have talked about the problem, it's time to start thinking about solutions. Help the employee come up with steps or measures that need to be taken to solve the problem. An employee who helps develop the action plan is much more likely to stick to it. After you come up with a general plan for improvement, talk about the details, especially what needs to happen and when it needs to happen.

Step 6: Document

Document all discussions and disciplinary decisions in writing and have the employee sign the action plan. You want written proof that the employee was made aware of the problem, agreed to the corrective actions and received a fair chance to improve.

Step 7: Follow Up

Remember, the ultimate goal of discipline is to fix the problem and improve the employee's performance. You'll need to check in often on the status of the action plan and work closely with the employee to ensure a positive outcome. Progressive discipline is a process, not a single meeting or document. To get the most out of it, you need to stay involved until the problem is solved.

Termination of employment is the last and final step when everything has failed and the employee's behavior or performance does not improve to acceptable standards.

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Disciplinary Documentation

When you are required to take disciplinary action against an employee, it is essential to create and keep a good record of what steps have been taken. A good record will contain details of the incident or conduct that led to the disciplinary action, the objective circumstances surrounding your meeting with the employee, and what you communicated regarding your expectations about the employee's future conduct. Such a record can serve many purposes. If you have a workforce with disciplinary problems, it can help you keep each employee's record straight. Use of a format that demonstrates consistent application of your policies can be strong evidence that your actions are not the result of discrimination. And, if an employee doesn't work out despite your best efforts, you will have built a substantial written case demonstrating why it was necessary to terminate the employee.

Here is a sample of a disciplinary documentation form.

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Exhibit 3.3-5 Sample Discipline Documentation Form

Discipline Documentation Form

Employee Information

Name of Employee: _____

Employee's Job Title: _____

Incident Information

Date/Time of Incident: _____

Location of Incident: _____

Description of Incident: _____

_____

_____

_____

Witnesses to Incident: _____

Was this incident in violation of a company policy? **Yes** **No**

If yes, specify which policy and how the incident violated it. _____

_____

_____

Action Taken

What action will be taken against the employee? _____

_____

_____

Has the impropriety of the employee's actions been explained to the employee? **Yes** **No**

Did the employee offer any explanation for the conduct? If so, what was it? _____

_____

_____

_____

Signature of person preparing report: _____

Date: _____

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SECTION 3.4 DiSC® PROFILE: MANAGING YOURSELF AND OTHERS

The person who is truly productive in working with other people knows her/himself and understands how they affect other people, why they affect people the way they do, and why other people affect them the way they do. They know their own strengths and weaknesses. They not only know these things, they do something about it! This person maximizes their strengths and minimizes their weaknesses. They develop a positive attitude about themselves which causes others to trust and have confidence in them. The truly successful person develops the ability to study situations and people and adapts appropriate behavioral strategies.

The perception of differences is often the root of conflict between people. When people solely focus on their differences, they are less productive. When people acknowledge and work to understand differences, and build on common ground towards common goals, they are more productive.

In the HCV Executive Management course, you will complete an online assessment called a DiSC® profile. These can also be purchased through the NMA office. DiSC is a self-assessment instrument used to improve work productivity, teamwork, and communication. DiSC is non-judgmental and helps people discuss their behavioral differences. When you completed your online DISC profile, you were asked to complete a series of questions that produced a detailed report about your preferred behavior. You can utilize this knowledge to better manage yourself and your team in your work environment.

DiSC is not a personality test. It does not measure intelligence, aptitude, mental health or values. DiSC profiles describe human behavior in various situations, for example how you respond to challenges, how you influence others, your preferred pace, and how you respond to rules and procedures. It indicates behavioral styles. This is important because behaviors are adaptable and can be modified in the short term. Personalities are intrinsic and cannot be modified in the short term.

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The DiSC provides several benefits and opportunities:

- An understanding of your behavioral tendencies
- An awareness of the behavioral tendencies of others
- An opportunity to adapt your behavior to be more productive with others

This knowledge results in the following benefits:

- The ability to recognize how different styles want to be communicated with.
- The understanding that each style has a preferred work environment.
- An understanding of how each style will react to certain situations.
- An understanding of what to avoid when dealing with different styles.

DiSC profiles will help you and your team:

- Increase your personal knowledge about yourself such as your response to conflict, your motivational needs, your stress triggers, and how you approach problem solving.
- Learn how to adapt your own style to better meet the needs of others.
- Facilitate constructive and creative group interactions.
- Foster better teamwork and minimize team conflict.
- Develop stronger customer service skills by identifying and responding to customer styles.
- Manage more effectively by understanding the behavioral styles and priorities of employees and team members.

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In the DiSC model, there are four behavioral styles. They are Dominance (D), Influencing (I), Steadiness (S) and Conscientiousness (C). These behavioral styles influence how people behave, interact, react, and make decisions. Understanding the different styles will help managers understand that they cannot rely on their own dominant style to deal with all situations. They must modify their style to be more effective in working with others.

Each of the four behavior styles has recognizable behaviors, and each style has strengths and vulnerabilities. Most people have a dominant style. Behavior styles are not "good" or "bad." All four styles are needed for the success of an organization. We can effectively work together with all styles – provided that certain conditions exist:

- Mutual respect
- Mutual trust
- Willingness to adapt behavior as needed

High D (Dominance)

High D style's emphasis is on shaping the environment by overcoming opposition to accomplish results.

This person is likely to be direct, strong-willed, and forceful. Their priorities include getting immediate results, taking action, and challenging themselves and others.

A person with a D style:

- Is motivated by winning, competition and success.
- Prioritizes accepting challenge, taking action and achieving immediate results.
- Is described as direct, demanding, forceful, strong willed, driven, and determined, fast-paced, and self-confident.
- May be limited by lack of concern for others, impatience and lack of concern for others.
- May fear being seen as vulnerable or being taken advantage of.
- Values competency, action, concrete results, personal freedom, challenges.

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The personal goals of this behavioral style include:

- Unique accomplishments
- New opportunities
- Control of audience
- Independence

The high D needs others who:

- Weigh pros and cons
- Calculate risks
- Use caution
- Research facts
- Deliberate before deciding
- Recognize the needs of others

When communicating with the D style individuals, give them the bottom line, be brief, focus your discussion narrowly, avoid making generalizations, refrain from repeating yourself, and focus on solutions rather than problems.

High I: (Influence)

High I's emphasis is on shaping the environment by influencing or persuading others.

This person is likely to be sociable, talkative, and lively. They are motivated by social recognition, disapproval, loss of influence, and being ignored.

A person with a high I style:

- Is motivated by social recognition, group activities, and relationships
- Prioritizes taking action, collaboration, and expressing enthusiasm
- Is described as convincing, magnetic, enthusiastic, warm, trusting and optimistic
- May be limited by being impulsive and disorganized and having lack of follow-through.
- May fear loss of influence, disapproval and being ignored
- Values coaching and counseling, freedom of expression and democratic relationships

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The personal goals of this style include:

- Victory with flair
- Friendship and happiness
- Authority and prestige status symbols
- Popularity

This style needs others who:

- Concentrate on the task
- Seek facts
- Speak directly
- Develop systematic approaches
- Prefer to deal with things instead of people
- Take a logical approach
- Demonstrate follow-through

When communicating with the I style individual, share your experiences, allow the I style person time to ask questions and talk about themselves, focus on the positives, avoid overloading them with details, and don't interrupt them.

High S (Steadiness)

High S's emphasis is on cooperating with others within existing circumstances to carry out the task.

This person is likely to be gentle, accommodating, and soft-hearted. Characteristics about this person you will notice include patience, team person, calm approach, good listener, humility.

A person with a high S style:

- Is motivated by cooperation, opportunities to help and sincere appreciation
- Prioritizes giving support, collaboration and maintaining stability
- Is described as calm, patient, predictable, deliberate, stable and consistent.
- May be limited by being indecisive, overly accommodating and a tendency to avoid change
- May fear change, loss of stability and offending others.
- Values loyalty, helping others and security

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Their personal goals include:

- Personal accomplishments
- Group acceptance
- Power through formal roles and positions of authority
- Maintenance of status quo and controlled environment

This style needs others who:

- React quickly to unexpected change
- Become involved in more than one thing
- Are self-promoting
- Apply pressure on others
- Work comfortably in an unpredictable environment
- Help to prioritize work
- Are flexible in work procedures

When communicating with S Style individuals, be personal and amiable, express your interest in them and what you expect from them, take time to provide clarification, be polite, and avoid being confrontational, or overly aggressive.

High C (Conscientiousness)

High C's emphasis is on working conscientiously within existing circumstances to ensure quality and accuracy.

This person is likely to be private, analytical, and logical. Characteristics you may notice include accurate, task-oriented and motivated by adherence to standards. The C style would make a good quality control person.

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A person with a high C style:

- Is motivated by opportunities to gain knowledge, showing their expertise, and quality work.
- Prioritizes ensuring accuracy, maintaining stability, and challenging assumptions.
- Is described as careful, cautious, systematic, diplomatic, accurate and tactful.
- May be limited by being overcritical, overanalyzing and isolating themselves.
- May fear criticism and being wrong.
- Values quality and accuracy

Their personal goals include:

- Unique accomplishments
- Correctness
- Stability
- Predictable accomplishments
- Personal growth

The High C person needs others who:

- Delegate important tasks
- Make quick decisions
- Use policies only as guidelines
- Compromise with the opposition
- State unpopular positions
- Encourage teamwork
- Initiate and facilitate discussions

When communicating with the C style individual, focus on facts and details; minimize “pep talk” or emotional language; be patient, persistent and diplomatic.

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Summary

As you work with each style, think:

- What if I were supervising a person with this style?
- What if I were being supervised by a person with this style?
- Will the knowledge I now have shape the way I relate to people?

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SECTION 3.5 SITUATIONAL LEADERSHIP

A leader is a person who provides direction and purpose to the actions of others through the exercise of effective authority. Your leadership style is not how you see yourself, but is the pattern of behaviors others see in you.

No one leadership style is right for every supervisor all the time. Instead, an effective supervisor uses a variety of leadership styles that correspond to the development level and needs of the employee. This concept provides the basis for a theory of "situational leadership," originally developed by Kenneth Blanchard and Paul Hersey. In situational leadership theory, there are four basic leadership styles:

- Directing
- Coaching
- Supporting
- Delegating

Further, each of these styles is associated with certain types of behavior:

Style	Directive Behavior	Supportive Behavior
Directing	High	Low
Coaching	High	High
Supporting	Low	High
Delegating	Low	Low

In essence, the leadership styles differ in the amount of direction and support provided by the supervisor. To best meet the employee's need, you must use the leadership style that corresponds to the development level of the employee. This chart shows the leadership style needed for each development level.

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Matching Developmental Levels to Leadership Styles

Developmental Level of Employee		Appropriate Leadership Style
Level 1	Employee demonstrates high level of enthusiasm and commitment and low level of competence on a job or task.	Directing style • Use structure, control, and close supervision.
Level 2	Employee demonstrates some competence on a job or task and the level of enthusiasm is low.	Coaching style • Provide direction and support.
Level 3	Employee demonstrates high job and task competence and variable levels of commitment.	Supporting style • Praise, listen and facilitate.
Level 4	Employee demonstrates high competence and commitment.	Delegating style • Turn over responsibility for day-to-day decision making.

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Leadership Styles

The points below summarize each of the styles in more detail.

Style 1: Directing

- Identifies problems
- Sets goals and defines roles
- Develops an action plan to solve problems
- Controls decision making
- Provides specific directions
- Initiates problem solving and decision making
- Announces solutions and decisions
- Closely supervises and evaluates work

Style 2: Coaching

- Identifies problems
- Sets goals
- Recognizes and praises progress
- Explains decisions
- Solicits ideas
- Makes final decisions after hearing a person's ideas, opinions, and feelings
- Continues to direct work
- Evaluates work

Style 3: Supporting

- Involves the employee in identifying problems and setting goals
- Lets the employee take the lead in defining how the task is to be done or the problem is to be solved
- Provides assurance and support, resources, and ideas if requested
- Shares responsibility with the employee for problem solving and decision making
- Listens and facilitates problem solving and decision making by the employee
- Evaluates the way the employee works with them

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Style 4: Delegating

- Jointly defines problems with the employee
- Collaborates with the employee in setting goals
- Lets the employee develop an action plan and control decision making about how, when, and with whom the problem should be solved or the task completed
- Accepts the employee's decisions
- Evaluates performance only periodically
- Lets the employee take responsibility and credit

Employee Progress

Individuals will progress through different development levels based upon their level of competence and commitment to the task. Here's how a new employee in your organization might progress:

Level 1

A new assistant starts in your department with the responsibilities of answering telephones, responding to some inquiries, accepting applications and basic data entry.

- Most new employees start their jobs with high enthusiasm, but low competence. The manager must provide maximum direction, instructions and ongoing feedback. The employee needs high direction and low support.

Level 2

The assistant has begun to master the daily and weekly tasks and is working somewhat on their own. As their competence has increased, their enthusiasm and commitment have decreased. This is natural.

- The manager continues to monitor work performance and give feedback but at less frequent intervals. Now you must provide support and praise frequently to build their self-esteem and confidence.

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Level 3

The assistant has completed training and can work independently. But as new tasks or projects are assigned, their levels of competence and commitment vary.

- The manager focuses on support, including praising, listening, and facilitating decision making about tasks with the goal of building confidence and motivation.

Level 4

The assistant has mastered the job tasks and has demonstrated continuous high levels of enthusiasm.

- The manager uses a delegating leadership style and checks in periodically with the assistant.

The pace at which an employee progresses through the four levels will vary according to the job tasks and the employee's personality. Some employees may plateau at one level and not progress, depending on their maturity and experience.

The Situational Leadership model means that for supervisors and managers to be effective, they must match the appropriate leadership style to the development level of the employee.

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CHAPTER 4 Financial Management and Program Utilization

SECTION 4.1 INTRODUCTION

Housing Choice Voucher (HCV) managers need to have a basic understanding of not only how the HCV program is financed and the corresponding funding and leasing requirements under the program, but also how to use tools to track, monitor, and forecast lease-up and funding dollars. In this chapter we will discuss these topics and provide an overview of the financial information you need in order to manage your program.

Upon completion of this chapter, you will be able to:

- Identify the parts of the annual contributions contract (ACC) and list the requirements that PHAs must follow.
- Understand the ACC funding exhibit, including its terminology, numbering system, and the increment terms.
- Indicate the PHA requirements for HAP funding, Restricted Net Position (RNP) and cash management requirements.
- Identify the reporting requirements for submitting voucher management system (VMS) data and financial audits to HUD.
- Describe the various important aspects of monitoring your funding.
- Point out the potential problems that can arise in managing funding and suggest potential solutions to those problems.
- Understand the Voucher Issuance Program (VIP).
- Illustrate ways in which your PHA can have better coordination and communication between the HCV and finance departments.
- Discuss the strategies for simplifying program administration to reduce costs and maximize resources.
- Describe the HCV fee for service process and its application.

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SECTION 4.2 ANNUAL CONTRIBUTIONS CONTRACT (ACC)

Overview of the Master Document

As a contract administrator for HUD, your PHA enters into a contract known as the Consolidated Annual Contributions Contract, form HUD-52520. This document is commonly referred to as the CACC or ACC, and is perhaps the cornerstone of your PHA's financial responsibilities. For this reason, it is an excellent place to start.

The ACC consists of the following parts:

- The actual contract document (form HUD-52520), which contains definitions of terms used in the ACC and a description of the obligations and requirements of both HUD and the PHA.
- A funding exhibit which contains a listing of the increments available to the PHA and their associated funding. It is from this document that a PHA can identify the increment numbers that still have funding, the number of units HUD awarded the PHA, the term of the funding obligation, and the amount of funding HUD is providing for each increment.

Under the terms of the ACC, HUD makes payments to the PHA in order to operate the voucher program in accordance with HUD regulations and requirements. For each funding cycle (January-December), HUD provides funding to cover housing assistance payments (HAPs) and an administrative fee (AF) for program administration.

If HUD determines that a PHA has failed to comply with any of the obligations under the ACC, HUD can reduce payments to the PHA. However, HUD must provide the PHA with written notice of any reduction.

Some of the specific requirements listed in the ACC that PHAs **must** follow include:

- Complying, and requiring owners to comply, with the obligations of the 1937 Housing Act, all HUD regulations, and other requirements. This includes any amendments or changes in the law or HUD regulations.
- Using program funds received, or receipts, to provide decent, safe, and sanitary housing for eligible families in compliance with the 1937 Act and all HUD requirements.

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- If HUD requires, promptly giving back to HUD any program receipts in excess of current needs, or investing those funds in accordance with HUD requirements. HUD may also offset receivables from future funding.
- Only depositing funds in a depository that has executed a depository agreement with the PHA (form HUD-51999).
- Maintaining complete and accurate books of account and records for the program. The books and records must be in accordance with HUD requirements, and must permit a speedy and effective audit.
- Furnishing HUD such financial information and program reports, records, statements, and documents at such times, in such form, and accompanied by such supporting data as required by HUD.

The ACC also gives HUD the ability to take possession of all or any PHA property, rights or interests in connection with a program, including funds held by a depository, program receipts, and rights or interests under a contract for housing assistance payments with an owner, if HUD determines that a PHA:

- Fails to comply with any obligations under the ACC
- Fails to comply with obligations under a housing assistance payments contract with an owner
- Fails to take appropriate action in enforcing the requirements of owner participation in the program
- Makes any misrepresentation to HUD of any material fact
- Fails to carry adequate fidelity bond coverage, as HUD requires of its officers, agents, or employees handling cash or authorized to sign checks

The pages that follow contain a sample consolidated annual contributions contract and the HUD notice amending the ACC for the funding exhibit, which will be the next topic of discussion.

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Exhibit 4.2-1 Form HUD-52520 (12/97)

Consolidated Annual Contributions Contract

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

Rental Certificate and Rental Voucher Programs

Section 8

Table of Sections

	page
1. Definitions	1
2. Funding for HA Certificate or Voucher Program	1
3. Term	2
4. HUD Payments for Program	2
5. Maximum Payments for Program	2
6. Reduction of Amount Payable by HUD	2
7. ACC Reserve Account	2
8. Separate ACC for Funding Increment	2
9. Budget and Requisition for Payment	2
10. HUD Requirements	2
11. Use of Program Receipts	2
12. Administrative Fee Reserve	3
13. Depositary	3
14. Program Records	3
15. Default by HA	3
16. Fidelity Bond Coverage	3
17. Exclusion from Program	3
18. Exclusion of Third Party Rights	4
19. Consolidated ACC	4

1. Definitions

ACC Annual contributions contract.

ACC Reserve Account An account established by HUD for a program from amounts by which the maximum payment to the HA under the consolidated ACC (during a HA fiscal year) exceeds the amount actually approved and paid. This account is used as the source of additional payments for the program.

Annual Contributions Contract The contract for each funding increment. HUD's commitment to make payments for each funding increment ("project") listed in the funding exhibit constitutes a separate ACC.

Budget Authority The maximum amount of funds available for payment to the HA over the term of a funding increment. Budget authority is authorized and appropriated by the Congress.

Consolidated Annual Contributions Contract (consolidated ACC) This consolidated contract for the HA certificate program and voucher program. HUD's commitment to make payments for each funding increment in a program constitutes a separate ACC. However, commitments for all the funding increments are listed in this consolidated ACC.

Contract Authority The maximum annual payment by HUD to the HA for a funding increment. The amount of contract authority for each funding increment in a program is listed in the funding exhibit for the program.

Fiscal Year The HA fiscal year. The funding exhibit states the last month and day of the HA fiscal year.

Funding Exhibit An exhibit to the consolidated ACC. The funding exhibit states the amount and term of funding for a program. There are separate funding exhibits for the HA certificate program and voucher program.

Funding Exhibit A The funding exhibit for the HA certificate program.

Funding Exhibit B The funding exhibit for the HA voucher program.

Funding Increment (also called a "Project"). Each commitment of budget authority by HUD to the HA for a program under the consolidated ACC. The funding increments for the program are listed on the program funding exhibit.

HA Housing agency.

Housing Agency (HA) The agency that has entered this consolidated ACC with HUD.

HUD U.S. Department of Housing and Urban Development.

Program The HA certificate program or voucher program.

Program Expenditures Amounts which may be charged against program receipts in accordance with the consolidated ACC and HUD requirements.

Program Receipts Amounts paid by HUD to the HA for a program, and any other amounts received by the HA in connection with the program.

Project A funding increment for the program.

2. Funding for HA Certificate or Voucher Program

a. The funding increments in the HA certificate program or voucher program are listed in the funding exhibit for the program.

b. The amount of contract and budget authority for each funding increment in a program is stated in the program funding exhibit.

c. By giving written notice to the HA, HUD may revise the funding exhibit for a program:
   (1) To add a funding increment, or
   (2) To remove a funding increment for which the ACC term has expired.

d. The HUD notice must include a revised funding exhibit, specifying the term, contract authority and budget authority for each funding increment under the consolidated ACC. The HUD notice of a revised funding exhibit for a program constitutes an amendment of the consolidated ACC.

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3. Term

a. The funding exhibit states the first date and last date of the ACC term for each funding increment.

b. If the first or last date of the ACC term for a funding increment is not entered before the consolidated ACC is signed by the HA, HUD may enter the date subsequently, by giving written notice to the HA.

4. HUD Payments for Program

a. HUD will make payments to the HA for a program in accordance with HUD regulations and requirements.

b. For each HA fiscal year, HUD will pay the HA the amount approved by HUD to cover:

(1) Housing assistance payments by the HA for a program.

(2) HA fees for administration of the program.

c. The amount of the HUD payment may be reduced, as determined by HUD, by the amount of program receipts (such as interest income) other than the HUD payment.

5. Maximum Payments for Program

a. **Annual Limit** Except for payments from the consolidated ACC reserve account, the HUD annual payments for a program during a fiscal year must not be more than the sum of the contract authority amounts for the funding increments in the program.

b. **Limit on Payments for Funding Increment** The total amount of payments for any funding increment over the increment term must not exceed budget authority for the funding increment.

6. Reduction of Amount Payable by HUD

a. If HUD determines that the HA has failed to comply with any obligations under the consolidated ACC, HUD may reduce to an amount determined by HUD:

(1) The amount of the HUD payment for any funding increment.

(2) The contract authority or budget authority for any funding increment.

b. HUD must give the HA written notice of the reduction.

c. The HUD notice must include a revised funding exhibit specifying the term, contract authority, and budget authority for each funding increment under the consolidated ACC. The HUD notice of revisions to the funding exhibit for a program constitutes an amendment of the consolidated ACC.

7. ACC Reserve Account

An ACC reserve account may be established and maintained by HUD. The amount in the account is determined by HUD. The ACC reserve account may be used by HUD to pay any portion of the program payment approved by HUD for a fiscal year.

8. Separate ACC for Funding Increment

HUD's commitment to make payments for each funding increment ("project") listed in the funding exhibit constitutes a separate ACC.

9. Budget and Requisition for Payment

a. Each fiscal year, the HA must submit to HUD an estimate of the HUD payments for the program. The estimate and supporting data must be submitted at such time and in such form as HUD may require, and are subject to HUD approval and revision.

b. The HA must requisition periodic payments on account of each annual HUD payment. Each requisition must be in the form prescribed by HUD. Each requisition must include certification that:

(1) Housing assistance payments have been made in accordance with contracts in the form prescribed by HUD and in accordance with HUD requirements; and

(2) Units have been inspected by the HA in accordance with HUD requirements.

c. If HUD determines that payments by HUD to the HA for a fiscal year exceed the amount of the annual payment approved by HUD for the fiscal year, the excess must be applied as determined by HUD. Such applications determined by HUD may include, but are not limited to, application of the excess payment against the amount of the annual payment for a subsequent fiscal year. The HA must take any actions required by HUD respecting the excess payment, and must, upon demand by HUD, promptly remit the excess payment to HUD.

10. HUD Requirements

a. The HA must comply, and must require owners to comply, with the requirements of the U.S. Housing Act of 1937 and all HUD regulations and other requirements, including any amendments or changes in the law or HUD requirements.

b. The HA must comply with its HUD-approved administrative plan, and HUD-approved program funding applications.

c. The HA must use the program forms required by HUD.

d. The HA must proceed expeditiously with the programs under this consolidated ACC.

11. Use of Program Receipts

a. The HA must use program receipts to provide decent, safe, and sanitary housing for eligible families in compliance with the U.S. Housing Act of 1937 and all HUD requirements. Program receipts may only be used to pay program expenditures.

b. The HA must not make any program expenditures, except in accordance with the HUD-approved budget estimate and supporting data for a program.

c. Interest on the investment of program receipts constitutes program receipts.

d. If required by HUD, program receipts in excess of current needs must be promptly remitted to HUD or must be invested in accordance with HUD requirements.

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12. Administrative Fee Reserve

a. The HA must maintain an administrative fee reserve for a program. The HA must credit to the administrative fee reserve the total of:
   (1) The amount by which program administrative fees paid by HUD for a fiscal year exceed HA administrative expenses for the fiscal year, plus
   (2) Interest earned on the administrative fee reserve.

b. The HA must use funds in the administrative fee reserve to pay administrative expenses in excess of program receipts. If any funds remain in the administrative fee reserve, the HA may use the administrative reserve funds for other housing purposes if permitted by State and local law.

c. If the HA is not adequately administering any Section 8 program in accordance with HUD requirements, HUD may:
   (1) Direct the HA to use the funds to improve administration of the Section 8 program or for reimbursement of ineligible expenses.
   (2) Prohibit HA use of administrative fee reserve funds.

13. Depositary

a. Unless otherwise required or permitted by HUD, all program receipts must be promptly deposited with a financial institution selected as depositary by the HA in accordance with HUD requirements.

b. The HA must enter an agreement with the depositary institution in the form required by HUD.

c. The HA may only withdraw deposited program receipts for use in connection with the program in accordance with HUD requirements.

d. The agreement with the depositary institution must provide that if required under a written notice from HUD to the depositary:
   (1) The depositary must not permit any withdrawal of deposited funds by the HA unless withdrawals by the HA are expressly authorized by written notice from HUD to the depositary.
   (2) The depositary must permit withdrawals of deposited funds by HUD.

e. If approved by HUD, the HA may deposit under the depositary agreement monies received or held by the HA in connection with any contract between the HA and HUD.

14. Program Records

a. The HA must maintain complete and accurate books of account and records for a program. The books and records must be in accordance with HUD requirements, and must permit a speedy and effective audit.

b. The HA must furnish HUD such financial and program reports, records, statements, and documents at such times, in such form, and accompanied by such supporting data as required by HUD.

c. HUD and the Comptroller General of the United States, or their duly authorized representatives, must have full and free access to all HA offices and facilities, and to all the books, documents and records of the HA relevant to administration of the program, including the right to audit and to make copies.

d. The HA must engage and pay an independent public accountant to conduct audits that are required by HUD. The cost of audits required by HUD may be charged against program receipts.

15. Default by HA

a. Upon written notice to the HA, HUD may take possession of all or any HA property, rights or interests in connection with a program, including funds held by a depositary, program receipts, and rights or interests under a contract for housing assistance payments with an owner, if HUD determines that:
   (1) The HA has failed to comply with any obligations under this consolidated ACC; or
   (2) The HA has failed to comply with obligations under a contract for housing assistance payments with an owner; or
   (3) The HA has failed to take appropriate action, to HUD's satisfaction or as directed by HUD, for enforcement of the HA's rights under a contract for housing assistance payments (including requiring actions by the owner to cure a default, termination, or reduction of housing assistance payments, termination of the contract for housing assistance payments, or recovery of overpayments); or
   (4) The HA has made any misrepresentation to HUD of any material fact.

b. HUD's exercise or non-exercise of any right or remedy under the consolidated ACC is not a waiver of HUD's right to exercise that or any other right or remedy at any time.

16. Fidelity Bond Coverage

The HA must carry adequate fidelity bond coverage, as required by HUD, of its officers, agents, or employees handling cash or authorized to sign checks or certify vouchers.

17. Exclusion from Program

Single-headed households, pregnant females, and recipients of public assistance may not be excluded from participation in or be denied the benefit of a program because of such status.

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18. Exclusion of Third Party Rights

a. A family that is eligible for housing assistance under this consolidated ACC is not a party to or third party beneficiary of the consolidated ACC.

b. Nothing in the consolidated ACC shall be construed as creating any right of any third party to enforce any provision of this consolidated ACC, or to assert any claim against HUD or the HA.

19. Consolidated ACC

a. The consolidated ACC is a contract between HUD and the HA.

b. This consolidated ACC supersedes any previous annual contributions contract for a program. Matters relating to funding or operation of the program under a previous annual contributions contract are governed by this consolidated ACC.

United States of America

Secretary of Housing and Urban Development
Signature of Authorized Representative

Date signed:

X

Name & Official Title: (print or type)

Housing Agency

Name of Agency: (print or type)

Signature of Authorized Representative:

Date signed:

X

Name & Official Title: (print or type)

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Consolidated
Annual Contributions Contract

U. S. Department of Housing and Urban Development

Office of Public and Indian Housing

Housing Choice Voucher Program

Section 8

HUD NOTICE TO HOUSING AGENCY AMENDING

CONSOLIDATED ANNUAL CONTRIBUTIONS CONTRACT

Housing Agency: **XXXX**
XXX HOUSING AUTHORITY

In accordance with Paragraph 2.c. of the Consolidated Annual Contributions Contract between HUD and the HA, you are notified that the funding exhibits of the Consolidated Annual Contributions Contract is hereby revised to add a new funding increment as provided in the attached revised funding exhibit. (This notice adds one or more funding increments listed on the attached funding exhibit.)

The revised funding exhibit is attached to this HUD notice. This revised funding exhibit replaces and revises the prior funding exhibit.

In accordance with Paragraph 2.d. of the Consolidated Annual Contributions Contract, this HUD notice and the attached funding exhibit constitutes an amendment to the Consolidated Annual Contributions Contract.

United States of America	Secretary of Housing and Urban Development Authorized Representative	Date of Document:
	XXXXXX XXXXX, Director Financial Management Center	7/9/XXXX

Form HUD-52520A (12/97)

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U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PIH SECTION 8 - FUNDING EXHIBIT

PROGRAM-BASED

ACC NUMBER: XXXXXX

FIELD OFFICE: **XXXX**

XXXXX
XXX HOUSING AUTHORITY
XXX ST

XXX, XX XXXXXXXXX

HA FISCAL YEAR-END: **12/31** PROGRAM TYPE: **Voucher Program**

FUNDING INCREMENT NUMBER	FIRST DAY OF TERM	LAST DAY OF TERM	CONTRACT TERM	BUDGET AUTHORITY	UNITS
WI195VO0054	10/1/2004	12/31/2004	3	1,461,068	1107
WI195AF0001	1/1/2005	1/31/2005	1	47,951	N/A
WI195VO0055	1/1/2005	1/31/2005	1	512,155	1107
WI195VOA054	10/1/2004	1/31/2005	4	147,552	N/A
WI195VO0F05	3/1/2004	2/28/2005	12	45,743	N/A
WI195VO0056	2/1/2005	8/31/2005	7	3,604,239	1107
WI195AFHV01	10/1/2005	10/31/2005	1	6,000	N/A
WI195VO0057	9/1/2005	11/30/2005	3	1,384,404	1107
WI195AF0002	2/1/2005	12/31/2005	11	572,751	N/A
WI195VO0058	12/1/2005	12/31/2005	1	344,946	1107
WI195AF0003	1/1/2006	1/31/2006	1	50,791	N/A
WI195AFHV02	1/1/2006	1/31/2006	1	1,000	N/A
WI195VO0059	1/1/2006	1/31/2006	1	500,073	1107
WI195AF0004	2/1/2006	2/28/2006	1	50,791	N/A
WI195VO0060	2/1/2006	2/28/2006	1	500,073	1107
WI195VOOF06	3/1/2005	2/28/2006	12	46,200	N/A
WI195AF0005	3/1/2006	6/30/2006	4	212,452	N/A
WI195VO0061	3/1/2006	6/30/2006	4	2,030,076	1107
WI195AF0006	7/1/2006	10/31/2006	4	203,026	N/A
WI195VO0062	7/1/2006	10/31/2006	4	2,020,148	1107
WI195AF0007	11/1/2006	12/31/2006	2	103,412	N/A
WI195AFHV03	12/1/2006	12/31/2006	1	1,000	N/A
WI195VO0063	11/1/2006	12/31/2006	2	1,010,073	1107
WI195AF0008	1/1/2007	1/31/2007	1	51,706	N/A
WI195VO0064	1/1/2007	1/31/2007	1	505,037	1107
WI195AF0009	2/1/2007	2/28/2007	1	49,397	N/A
WI195VO0065	2/1/2007	2/28/2007	1	475,559	1107
WI195AF0010	3/1/2007	3/31/2007	1	50,552	N/A
WI195VO0066	3/1/2007	3/31/2007	1	490,298	1107
WI195AF0011	4/1/2007	4/30/2007	1	50,552	N/A
WI195VO0067	4/1/2007	4/30/2007	1	490,298	1107
WI195AF0012	5/1/2007	5/31/2007	1	50,552	N/A
WI195VO0068	5/1/2007	5/31/2007	1	490,298	1107
WI195AF0013	6/1/2007	6/30/2007	1	50,552	N/A
WI195VO0069	6/1/2007	6/30/2007	1	490,298	1107
WI195AF0014	7/1/2007	7/31/2007	1	55,066	N/A

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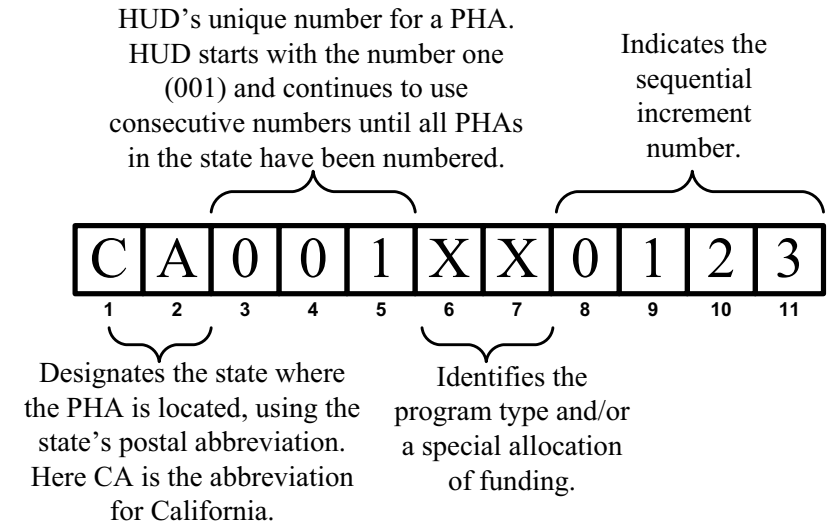
WI195VO0070	7/1/2007	7/31/2007	1	723,118	1107
WI195AF0015	8/1/2007	10/31/2007	3	165,198	N/A
WI195AF0017	10/1/2007	10/31/2007	1	800	N/A
WI195VO0071	8/1/2007	10/31/2007	3	1,570,674	1107
WI195AF0018	11/1/2007	12/31/2007	2	110,134	N/A
WI195VO0073	11/1/2007	12/31/2007	2	1,047,116	1107
WI195VOSA01	12/1/2007	12/31/2007	1	33,622	N/A
WI195AF0019	1/1/2008	2/29/2008	2	105,618	N/A
WI195VO0074	1/1/2008	2/29/2008	2	1,047,116	1107
WI195AF0020	3/1/2008	3/31/2008	1	52,809	N/A
WI195VO0075	3/1/2008	3/31/2008	1	523,558	1107
WI195VO0076	4/1/2008	4/30/2008	1	459,214	1107
WI195AF0021	4/1/2008	5/31/2008	2	105,618	N/A
WI195AF0022	6/1/2008	6/30/2008	1	52,809	N/A
WI195AF0023	7/1/2008	7/31/2008	1	52,809	N/A
WI195AF0016	10/1/2007	9/30/2008	12	2,290	N/A
WI195AF0024	8/1/2008	9/30/2008	2	96,240	N/A
WI195VO0072	10/1/2007	9/30/2008	12	22,574	4
WI195VO0077	5/1/2008	9/30/2008	5	2,296,055	1107
WI195AF0025	10/1/2008	10/31/2008	1	47,197	N/A
WI195VO0078	10/1/2008	10/31/2008	1	459,211	1111
WI195AF0026	11/1/2008	11/30/2008	1	51,667	N/A
WI195VO0079	11/1/2008	11/30/2008	1	458,052	1111
WI195AF0027	12/1/2008	12/31/2008	1	38,750	N/A
WI195AF0029	12/1/2008	12/31/2008	1	1,114	N/A
WI195VO0080	12/1/2008	12/31/2008	1	458,051	1111
WI195AFHV04	1/1/2009	1/31/2009	1	1,000	N/A
WI195AF0028	1/1/2009	2/28/2009	2	103,570	N/A
WI195VO0081	1/1/2009	2/28/2009	2	943,391	1111
WI195AF0030	3/1/2009	3/31/2009	1	51,785	N/A
WI195VO0082	3/1/2009	3/31/2009	1	471,696	1111
WI195AF0031	4/1/2009	4/30/2009	1	51,785	N/A
WI195VO0083	4/1/2009	4/30/2009	1	471,696	1111
WI195AF0032	5/1/2009	5/31/2009	1	51,785	N/A
WI195AF0033	5/1/2009	5/31/2009	1	3,504	N/A
WI195VO0084	5/1/2009	5/31/2009	1	495,281	1111
WI195VO0085	5/1/2009	5/31/2009	1	6,804	N/A
WI195AF0034	6/1/2009	6/30/2009	1	57,792	N/A
WI195AF0035	6/1/2009	6/30/2009	1	12,289	N/A
WI195VO0086	6/1/2009	6/30/2009	1	477,774	1111
WI195AF0036	7/1/2009	7/31/2009	1	57,792	N/A
WI195AF0037	7/1/2009	7/31/2009	1	5,291	N/A
WI195VOC209	7/1/2009	7/31/2009	1	67,098	N/A
WI195VO0087	7/1/2009	9/30/2009	3	1,433,322	1111

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Understanding the ACC Funding Exhibit

In reviewing the Funding Exhibit, the first step is to interpret the 11-digit numbering system on the exhibit, identify the increment terms, and understand the terminology the funding exhibit uses. Review each section of the sample funding exhibit below carefully.

Numbering System Used on the ACC Funding Exhibit



Over the years, HUD has used these program identifiers (characters XX in the above graphic) for increment numbers:

- VO - voucher program
- MR - moderate rehabilitation program
- DV - mainstream 5-year vouchers
- VOA - previously identified the increment as administrative fee funding
- AF - replaced the VOA code as the designator for administrative fee funding
- AAF - used by HUD in 2004 for increased funding due to an appeal of the annual adjustment factor used to calculate HAP funding
- HT - previously identified the increment as hard-to-house funding
- AU - previously identified the increment as audit cost funding
- LP - previously identified the increment as lead based paint fee funding
- F - previously identified the increment as family self-sufficiency coordinator funding
  - FSF - FSS coordinator funding
  - FSH - homeownership coordinator funding
- AFHV - administrative fees for homeownership closings
- C1; C2; C3; C4 - award of set-aside funding
- S - settlement of administrative fees; HUD may use other codes for administrative fee settlement such as FY09, etc.
- Increments using an 800 series number designate mainstream
- Increments using a 900 series number designate a state or housing finance agency

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Increment Terms

Although funding for the Housing Choice Voucher program is awarded for a calendar year (January-December), the actual obligation of funds will depend on the increment terms found on the ACC funding exhibit. Understanding how to read these terms on the funding exhibit is relatively straightforward. The basic features of increment terms include the following:

- Each increment on the funding exhibit will have a beginning and end of term.
- Increment terms will be based on available funds at the time an increment expires and is renewed.
- Regardless of how terms are determined during the year for expiring increments, PHAs will receive during a 12-month period (Jan–Dec) all the funds that HUD committed in their funding letters, less any amounts due to proration or prior recaptures. However, with the implementation of the cash management requirements, the funding may reside in the HUD held reserve account for the PHA until that point in which the PHA has established a need.

Terminology on the ACC Funding Exhibit

In order to read the funding exhibit, you need to understand its terminology. Below is a list of terms you will find on the exhibit followed by their definitions.

- *Budget Authority* - the total dollars HUD will make available for the term of an increment.
- *Contract Term* - the number of months HUD will fund an increment.
- *First Day of Term* - the first day funding can begin for an increment.
- *Funding Increment Number* - a unique number that identifies a group of awarded units or a special allocation of funds, such as FSS coordinator funds.
- *Last Day of Term* - the last day funding can be disbursed for an increment.
- *Units* - the number of units HUD made available to the PHA for the increment (authorized units).

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SECTION 4.3 KEY POINTS OF HAP AND FEES FUNDING

Introduction

HCV managers need to understand how both HAP and administrative fees are funded. Each year, Congress establishes a methodology for allocating appropriated HAP renewal funding and administrative fee funding. This methodology for appropriations can vary greatly from year to year. It is extremely important to know the current dollars you have available to manage your programs finances, but be aware that funding methodologies are subject to change.

Despite the changes in methodology that might occur in HAP and fees funding from one year to the next, some financial aspects remain the same. They are the PHA requirements for HAP funding, HUD's quality assurance reviews, and the administrative fee restriction. In this section, we will explain each of them briefly.

PHA Requirements for HAP Funding

In order to continue to be eligible for funding, PHAs must manage their programs in a prudent manner to enable them to serve families within their yearly allocations and voucher baselines. PHAs should review their policies and operations to ensure they are not incurring costs beyond what is needed to support decent housing of a modest nature within market rents for HCV participants.

In recent years, HUD has used the data reported in the Voucher Management System (VMS) to establish the benchmark for funding the following year's HAP funding. This adds to the importance of having timely and accurate amounts reported in VMS.

Notice PIH 2015-16

PHAs must continue to report required data to the VMS on a monthly basis. PHAs that do not will be subject to sanction. Review this notice and all of the FMC-Related PIH Notices on HUD's Website.

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Quality Assurance

To ensure the integrity of PHA-reported data for the HCV program, as well as compliance with other program requirements, HUD will continue to conduct on-site VMS data quality assurance reviews. It is each PHA's responsibility to retain the appropriate records to support their VMS submissions. Recalculation of funding will occur if a review demonstrates that costs were incorrectly reported, resulting in excess funding.

Review staff will also check compliance with rent reasonableness requirements to ensure that owners are receiving rents that are comparable to similar unassisted units in the market.

In addition to HAP renewal funding, Congress provides for the payment of ongoing administrative fees for managing the HCV program. The next section will discuss the rules outlined by Congress for administrative fees.

Administrative Fee Restriction

Appropriations acts beginning with FFY 2004 have specified that administrative fee funding may be used only for activities related to the provision of HCV assistance, including related development activities. Examples of related development activities include, but are not limited to, unit modification for accessibility purposes and development of project-based voucher units. In addition, administrative fees that were not spent and subsequently moved into Unrestricted Net Position (also known as administrative fee equity) at year-end must only be used for the same purpose in the following years. These restrictions regarding administrative fees have been in effect since 2004, and are likely to continue.

Notice PIH 2022-18, issued on June 13, 2022, specifies that PHAs may use administrative fee funding for both administrative and "other expenses" needed to employ strategies and undertake activities beyond regular administrative responsibilities to facilitate the successful leasing and use of housing choice vouchers by families, such as through the use of security deposit assistance and landlord recruitment and incentive payments, among other allowable expenses specified in the notice. PHAs are also permitted to use UNP for these expenses.

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SECTION 4.4 REPORTING REQUIREMENTS

Overview

HCV managers need to understand the reporting requirements. PHAs use two HUD systems to report financial information to HUD. One system is known as the Voucher Management System (VMS) and the other is the Financial Assessment Subsystem (FASS-PH).

Use of the VMS

In addition to supporting the information management needs of the housing choice voucher program, the VMS supports the management functions performed by the Financial Management Division (FMD) and Financial Management Center (FMC).

This system's primary purpose is to monitor and manage PHAs' use of vouchers. VMS collects PHA data that enables HUD to fund, obligate, and disburse funding in a timely manner based on actual PHA use. The Web-based VMS application facilitates PHAs' electronic submission of monthly program data and makes the data accessible to users in REAC, FMD, field offices, and HUD headquarters.

The long-term goal of the VMS project is to integrate budgeting and funding activities into the VMS application and automate the currently manual tasks. Automation will be accomplished by implementing electronic entry of all relevant data, automatic data calculations, complex report generation, and automated business workflows including an online approval process.

HUD uses the VMS system to reconcile and fund the administrative fees earned by the program. In addition, per the cash management requirements, actual HAP disbursements are based on the previous quarterly HAP costs reported in VMS.

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Notice PIH 2008-39

PHAs are required to comply with reporting requirements and timelines for reporting monthly through the VMS. Effective for reporting periods following January 11, 2006, HUD will impose a 10 percent penalty against a PHA's monthly administrative fees for failure to comply with VMS reporting requirements.

- The imposition of such penalties represents a permanent reduction for the calendar year that will not be reversed.

To access and use the VMS (or FASS-PH), you must be a qualified PHA employee with a valid user ID and password.

- There are two types of PHA users: coordinators and users
- Coordinators and users can register online. Once a coordinator has been approved the coordinator's ID is sent to the executive director of the PHA and may take up to two weeks to be issued. User IDs will be emailed directly to the user.
- Users must be assigned user rights (access) to the PHAs data by the coordinator.

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SECTION 4.5 MONITORING YOUR FUNDING

Introduction

One of the most important responsibilities of an HCV manager is to ensure that the HAP annual budget authority (ABA) is used to assist as many eligible participants as the funding will support, and does not exceed the number of the PHA's authorized units and funded dollars. In order to maximize the annual budget authority, HCV managers must determine approximately how many units the HAP budget authority will support. This is not a simple task. A number of factors complicate the issue, such as the following:

- In years past, if a PHA leased more units than its baseline units, HUD typically supplied additional funding to cover the overleasing. Today, HUD is statutorily prohibited from funding overleasing.
- In working to meet the 98 percent lease up rate required for maximum points under the SEMAP leasing indicator, many PHAs have used excess funds to support units over their ACC authorized units. This is no longer permitted.
- PHAs may lease in excess of ACC authorized units in a given month or months, but must manage to within ACC authorized units by the end of the calendar year.
- If a PHA's actual per unit cost (PUC) is higher than the funded PUC, there will be no increases from HUD to cover the additional costs.
- Failure to lease all the units possible (within baseline) within the total funding amount may impact future funding.
- An underleased PHA may deliberately overlease near the end of their calendar year on a monthly basis in order to fully utilize calendar year funding. This will result in the PHA's being overleased at the beginning of the next calendar year and could result in a cash-flow issue.
- Similarly, an overleased PHA may deliberately underlease on a monthly basis near the end of their calendar year in order to not exceed calendar year funding. This will result in the PHA's being underleased at the beginning of the next calendar year.

In this section, we will review approaches to monitoring that can help you to manage these complex issues.

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Tracking PUC

PHAs will be notified by e-mail letter of their total renewal HAP funding within 60 days of an appropriations act becoming law. It is important understand that your PHA's current per unit costs may be more or less than the Per Unit Cost (PUC) HUD used to estimate renewal funding. Although PHAs are not assessed on whether their actual PUC exceeds the funded PUC amount, tracking the actual PUC and the actual lease-up on a monthly basis will provide you with information you need to manage your funds.

Unit months leased (UML) represent the cumulative number of units leased each month in the year to date. For example, if the PHA had one unit leased for all twelve months of a fiscal year, the total unit months leased would be 12 (1 unit x 12 months).

To arrive at the actual PUC for a month, divide the total HAP paid for a month by the actual number of units leased for that month. To arrive at a PUC for multiple months, divide the HAP for those months by the unit months leased during this period. Examples of this calculation follow.

Example (One Month)

HAP Costs for March	$294,300
Families leased for March	900
Actual PUC for March	$327.00

Example (Multiple Months)

Total HAP Paid January through March		$879,450
Families leased for January through March		
January	860	
February	905	
March	900	
TOTAL	2,665	
Actual PUC (January through March)	$330.00	

The funded PUC is an important benchmark to track against actual PUC. The funded PUC can be derived by dividing the total renewal funding that will be received by the total unit months HUD used in determining your HAP renewal funding. Both of these numbers can be found on the worksheet HUD sends with your calendar year funding letter, which is sent to the PHA by email. Trending actual PUC to funded PUC is a quick way to determine if you will stay within your funding.

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Tracking Administrative Fees

It is also important to track administrative fees. A PHA is no different from a private-sector property-management company when it comes to managing administrative costs within budget. If a PHA spends more than it earns in fees, the program will become insolvent. If you can spot an adverse trend in time, you can reduce monthly administrative expenses to better control total administrative costs so as not to exceed administrative fees earned.

An effective way to monitor this is to start with developing an annual operating budget (non-HAP expenses). You can then monitor monthly operating income (admin fees earned) and program operating expenses against the budget. Significant variances up or down from budget should be investigated.

Developing and Using Monitoring Tools

It is clear that monitoring the HCV program for financial control is an important responsibility of an HCV manager. To maintain financial control and make fact-based decisions, you need timely and reliable information, and you must dedicate time to monitor the program's financial performance. Here are some suggested tools for monitoring the program:

Monthly Lease-Up and Financial Reports

A monthly lease-up report will help you to keep track of the actual leasing activities so that you can stay within your funding. The report should be prepared monthly and you should consider tracking the following information:

- The number of units awarded by HUD
- The number of units estimated to be funded with HUD PUC
- The actual number of units leased
- The variance between HUD awarded units and leased units
- The variance between estimated units and leased units
- The percentage of units leased for each variance.

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One example of a report for the HCV program is shown in Sample A: Funding Analysis Report for Program Administration. Other formats might include the number of units leased by bedroom size. Knowing whether the PHA is leasing the number of units awarded by HUD will give you an idea of whether more units can be issued, taking into account the amount of HAP budget authority available.

You should also compare the number of units leased to the number of units that were estimated to be funded (considering the PUC and total funding amount). Normally, if the PHA's lease-up is greater than the estimated lease-up, costs will exceed what was funded. HUD will not provide additional funding, so your PHA should track this closely.

Monthly Financial Reports

Monthly financial reports provide a wide range of information and can alert a manager to negative trends to monitor:

- If housing assistance payments are higher than HUD funding due to per unit costs or leasing. (The HCV manager has less control over per unit costs than over leasing.)
- If housing assistance payments are higher than advances from HUD. If HUD funding does not cover housing assistance payments, the agency can quickly develop cash flow problems, and the PHA may need to requisition front-loaded funds from HUD.
- If earned and funded voucher program administrative fees will cover actual administration expenses. If not, the PHA may incur an administrative fee deficit. If the PHA doesn't have available unrestricted net position (admin equity) to cover this deficit, a non-federal source of funding will need to be identified to cover the deficit as HAP funds may not be used to pay for administrative expenses.
- If the actual PUCs are higher than the HUD-funded PUC level. This information will assist the PHA in identifying necessary cost-cutting measures, such as the reduction of payment standards and/or subsidy standards.

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- The restricted net position (RNP) account which represents the accumulation of prior year unspent HAP funds. PHAs are allowed to use amounts in the RNP to support HAP costs up to the authorized number of units balance.
- The unrestricted net position (UNP) balance. This account will gradually be reduced with HUD's cash management requirements. Should a PHA incur an unanticipated but necessary expense, reserves should be available to cover and avoid a deficit.

Sample Reports

What follows is an example of a report to assist in monitoring and managing funding:

- *Funding Analysis Report for Program Administration*, reflects HAP dollars budgeted evenly across each month.

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Exhibit 4.5-1 Funding Analysis Report for Program Administration

Agency:									Year:				
Enter Data into Green fields Yellow fields autocalculate but may be overriden. Overriding removes formulas.	**JAN**	**FEB**	**MARCH**	**APRIL**	**MAY**	**JUNE**	**JULY**	**AUG**	**SEPT**	**OCT**	**NOV**	**DEC**	**TOTAL**
HAP													
HAP Budget Authority	**$482,130**	**$482,130**	**$482,130**	**$482,130**	**$482,130**	**$482,130**	**$482,130**	**$482,130**	**$482,130**	**$482,130**	**$482,130**	**$482,130**	**$5,785,555**
Actual HAP (inc port outs & FSS)	$475,696	$475,235	$477,211	$480,123	$480,999	$483,765	$484,501	$484,051	$483,104	$481,753	$479,998	$477,565	**$5,764,001**
Variance	-$6,434	-$6,895	-$4,919	-$2,007	-$1,131	$1,635	$2,371	$1,921	$974	-$377	-$2,132	-$4,565	-$21,554
Percent Variance	98.67%	98.57%	98.98%	99.58%	99.77%	100.34%	100.49%	100.40%	100.20%	99.92%	99.56%	99.05%	99.63%
YTD Variance	-$6,434	-$13,328	-$18,247	-$20,253	-$21,384	-$19,748	-$17,377	-$15,456	-$14,481	-$14,858	-$16,989	-$21,554	-$21,554
PUC													
HUD-Funded PUC	**$541.72**	**$541.72**	**$541.72**	**$541.72**	**$541.72**	**$541.72**	**$541.72**	**$541.72**	**$541.72**	**$541.72**	**$541.72**	**$541.72**	**$541.72**
Actual HAP PUC	549.94	548.14	548.52	548.71	549.09	549.73	549.94	549.43	549.61	549.32	548.57	547.04	549.00
Variance	8.22	6.42	6.80	6.99	7.37	8.01	8.23	7.71	7.89	7.60	6.85	5.32	7.29
Percent	101.52%	101.18%	101.26%	101.29%	101.36%	101.48%	101.52%	101.42%	101.46%	101.40%	101.26%	100.98%	101.35%
UNITS													
HUD Baseline Units	**890**	**890**	**890**	**890**	**890**	**890**	**890**	**890**	**890**	**890**	**890**	**890**	**10,680**
Actual Leased (inc port outs)	865	867	870	875	876	880	881	881	879	877	875	873	**10,499**
Variance to baseline	-25	-23	-20	-15	-14	-10	-9	-9	-11	-13	-15	-17	-181
YTD Variance to baseline	***-25***	***-48***	***-68***	***-83***	***-97***	***-107***	***-116***	***-125***	***-136***	***-149***	***-164***	***-181***	***-181***
ADMINISTRATIVE FEES													
HUD Funded Admin Fees	$47,656	$47,761	$47,918	$48,181	$48,233	$48,443	$48,496	$48,496	$48,391	$48,286	$48,181	$48,076	**$578,119**
Earned Fees	$63,541	$63,681	$63,891	$64,241	$64,311	$64,591	$64,661	$64,661	$64,521	$64,381	$64,241	$64,101	**$770,825**
Billed Port-in Earned Fees													
Total Admin Fees Paid	$47,656	$47,761	$47,918	$48,181	$48,233	$48,443	$48,496	$48,496	$48,391	$48,286	$48,181	$48,076	**$578,119**
Actual Admin Costs (month)	$45,012	$44,443	$48,756	$45,213	$49,563	$47,321	$48,511	$41,255	$45,121	$45,111	$45,875	$45,222	$551,403
Variance to Paid fees	-$2,644	-$3,318	$838	-$2,968	$1,330	-$1,122	$15	-$7,241	-$3,270	-$3,175	-$2,306	-$2,854	**-$26,716**
Percent	-5.87%	-7.47%	1.72%	-6.56%	2.68%	-2.37%	0.03%	-17.55%	-7.25%	-7.04%	-5.03%	-6.31%	-4.85%
Cumulative Variance	-$2,644	-$5,962	-$5,124	-$8,092	-$6,763	-$7,885	-$7,870	-$15,111	-$18,381	-$21,556	-$23,862	-$26,716	-$26,716
PORTABILITY OUT													
Units	6	6	6	5	5	6	7	7	7	6	6	5	72
HAP	$4,567.00	$4,568.00	$4,765.00	$4,123.00	$4,132.00	$4,987.00	$5,757.00	$5,764.00	$5,732.00	$4,899.00	$4,678.00	$4,122.00	$58,094.00
Actual PUC port outs	$761.17	$761.33	$794.17	$824.60	$826.40	$831.17	$822.43	$823.43	$818.86	$816.50	$779.67	$824.40	$806.86
PORTABILITY IN													
Units													
HAP													
Actual PUC port ins													

Column A Admin Fees $	74.99
Column B Admin Fees $	69.99
Fee Factor	75%

Earned Fees = Number of units under lease as of the first of the month times the HUD published Admin Fee amounts

HUD Funded Fees = Earned Fees times the Proration Fee Factor

FSS Monitoring Report

An FSS monitoring report is another type of report that can help your PHA in maintaining financial control. When participants in the FSS program receive escrow deposits, HCV managers should get a monthly report on the status of the escrow accounts to make sure new accounts are being set up promptly and monthly activity is posted to them. The report should list the names of FSS participants and the monthly amount of any escrow payment due to them, so you can determine which FSS accounts are being set up and whether activity is being posted promptly. Remember that the monthly escrow payments are paid from the HAP funding, and should be included in any monthly HAP reporting.

Such a report might contain the following elements:

Tenant No	Participant Name	Program Type	Payments Began	Current Monthly Escrow Payment	Amount of Interest	Total Balance	Date of Last Statement
101	Jones, Kim	HCV	01/01/XX	$75.00	$18.00	$918.00	12/31/XX

Monitoring Repayment Agreements

Monitoring the status of repayment agreements is another important aspect of program control. As an HCV manager, you should review monthly a list of repayment agreements with program participants and landlords. Without monthly monitoring, delinquencies can go unnoticed. With monthly monitoring, you can take prompt action to improve collections or to write off uncollectible amounts. Such a report might contain the following elements:

Tenant No	Participant Name	Reason for Agreement	Total Due	Monthly Amount	Payment Due	Date of Last Payment	Balance Due
100	Adams, Joe	Unreported Income	$1,200	$100	5th	10/05/XX	$900

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Monitoring Portability Activity

HCV managers must establish procedures to monitor and manage portability payments and billings as both the initial PHA (IHA) and the receiving PHA (RHA).

- The initial PHA is the PHA that issues a voucher to a family who moves to the jurisdiction of another PHA.
- The receiving PHA (RHA) is the PHA that has jurisdiction in the area to which the family wants to live.

If administering the voucher, the RHA bills the initial PHA for reimbursement of the housing assistance payments made on behalf of the family. The initial PHA will reimburse the RHA for the housing assistance payment and will also pay the receiving PHA the lesser of 80 percent of the initial PHA's ongoing administrative fee (column B rate) or 100 percent of the receiving PHA's ongoing administrative fee.

- Proration should be a factor when the RHA bills the initial PHA.

HCV managers must ensure that both activities are carefully monitored and should receive financial reports to monitor whether transactions are being handled in a timely manner.

Note: Per Notice PIH 2016-09, if the receiving PHA fails to send form HUD-52665 within 10 working days following the effective date of the change in the billing amount, the initial PHA is not responsible for paying any increase in the monthly billing amount incurred prior to the notification.

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Status of Administrative Fee Equity (Unrestricted Net Position)

HCV managers should be updated on changes in the administrative fee reserve as well. HUD does not cap the maximum amount that a PHA can accumulate in its administrative fee reserve and allows PHAs to use the amounts retained to cover future administrative fee deficits.

If the reserve is going down, it is the HCV manager's job to ascertain whether this is because of periodic deficits or a long-term trend in deficit spending. One-time or periodic events are what administrative fee equity is intended to cover. Long-term trends should alert the HCV manager that if a pattern of continued deficit spending continues, the PHA will deplete its administrative fee equity. In addition, PHAs are also permitted to use UNP for "other expenses" as specified in Notice PIH 2022-18.

- The administrative fee equity should not be used to fund long-term expenses, unless doing so in the short run will result in an increase in fee revenue. For example, assume the PHA had a reserve balance of $100,000, and the PHA decided to add an employee and pay a salary of $25,000 per year. If this PHA were currently running at break-even (income equals expenses), adding the staff person would cause a deficit. At $25,000 per year, administrative fee equity would be depleted in four years. If the deficit continued, the PHA would deplete its administrative fee equity and have no cushion to absorb unexpected administrative costs.

If the administrative fee equity balance is negative, the PHA should be prepared to answer the question: "What funds were used to pay for these costs?"

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Status of HAP Equity (Restricted Net Position)

PHAs have two main funding sources to support voucher leasing:

1. Annual HAP renewal budget authority; and
2. Available funding in the PHA's restricted net position (RNP) account at the beginning of the year which will eventually be converted to a HUD held reserve balance.

The utilization of RNP should be tracked as well as the utilization of annual HAP renewal funding. PHAs should maintain, if possible, a modest, reasonable RNP to absorb unexpected costs and keep the program financially sound.

PIH Notice 2011-67 implemented new cash management requirements for PHAs. HUD is required to control disbursement of funds to PHAs in such a way as to ensure that PHAs do not receive federal funds before they are needed.

Congress mandated that, "Advances to a recipient organization will be limited to the minimum amounts necessary for immediate disbursement needs and will be timed to be in accord only with the actual immediate cash requirements of the recipient organization in carrying out the purpose of an approved program or project. The timing and amount of cash advances will be as close as is administratively feasible to the actual disbursements by the recipient organization for direct program costs and the proportionate share of any allowable indirect costs."

Each month's disbursement to a PHA will be based on the most recent quarter's validated PHA costs from the Voucher Management System.

Disbursements will be scheduled to arrive at the PHAs' banks on the first business day of the month. This schedule ensures that PHAs do not receive advances from HUD for more than each PHA's immediate disbursement needs.

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At the end of each quarter, and as soon as data for the final month of the quarter has been validated, each PHA's actual costs will be compared to funds disbursed for the quarter and investment interest earned each month (as reported in VMS). Subsequent disbursement(s) will be adjusted as needed to immediately recoup any excess disbursements. Any disbursement shortfalls will be made up through extra disbursement(s). A final reconciliation will be performed at the end of the year in accordance with procedures that will be announced at a later date. This reconciliation will include updating actual HAP expenses for the year, as PHAs may have revised their prior VMS submissions after quarterly reconciliations were completed.

The purposes of the final reconciliation will be to:

1. Determine total HAP expenses incurred by the PHA for the year and compare them to total HAP disbursements to the PHA for the year in order to determine whether the PHA has received excess or insufficient advances. An additional payment or offset will be provided as needed to complete this reconciliation of funds;
2. Compare HAP budget authority provided and other revenue for the year to HAP costs for the year in order to determine the increase or decrease to the HUD held reserve and the new balance.

The requirements of the notice do not pertain to Section 8 Moderate Rehabilitation, but they do pertain to MTW agencies and the Five Year Mainstream Program.

These disbursement procedures will mean that PHAs will not directly receive the entire ABA apportioned to them on a calendar year basis. Remaining funds will reside in the HUD held reserve, accessible only through the demonstration of a need and approval from HUD. The HUD held reserve should be reviewed periodically to determine the amount available that may be able to be used for future budgeted HAP costs.

The key difference between RNP and HUD held reserve is that the PHA holds the cash balances of the RNP account where HUD holds the cash balances for the HUD held reserve. HUD will eventually transfer the majority of the RNP account to the HUD held reserve to meet the cash management requirements.

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Notes

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SECTION 4.6 YEAR-END FINANCIAL REPORTING REQUIREMENTS

Introduction

In addition to the requirements for VMS reporting, there are also requirements for year-end financial reporting. All PHAs administering the HCV program are required to submit unaudited year-end financial data electronically no later than 2 months following the PHA's fiscal year end. PHAs use a web based template called the financial data schedule (FDS), accessed through REAC's Financial Assessment Subsystem (FASS-PH).

PHAs that are being audited or are required to be audited under the OMB Super Circular must also submit an audited financial data schedule and an independent public accountant's report no later than 9 months following the PHA's fiscal year end. Financial data must be submitted in accordance with generally accepted accounting principles (GAAP).

Effective for reporting periods following January 11, 2006, HCV only PHAs with fiscal years ending December 31, 2005, and later that fail to comply will be sanctioned.

- HUD will impose a 10 percent penalty against a PHA's monthly administrative fees for failure to comply with these reporting requirements.
- The imposition of such penalties represents a permanent reduction for the calendar year that shall not be reversed.

These year-end financial reporting requirements apply to all PHAs, including those that only administer HCV programs.

HUD reconciles amounts reported in VMS, including HAP costs, portability costs, RNP and UNP balances, cash and investment balances to the amounts reported on the financial data schedule. Large discrepancies could result in the rejection of the financial data schedule.

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HUD Monitoring

HUD will continue quality assurance reviews of VMS data submitted by PHAs. This is to ensure the integrity of PHA VMS reported data and compliance with program requirements.

- HUD will monitor both the over- and under-utilization of PHA annual budget authority (ABA) and unit months leased (UMLs).

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SECTION 4.7 MANAGING FUNDING

Introduction

Now that we have discussed the financial aspects of the program that should be monitored by the HCV manager, it follows that we should adopt procedures and strategies to manage funding. This section focuses on the potential problems an HCV manager might encounter in managing HAP funding, and offers a variety of solutions.

Managing HAP Funding

To properly manage HAP funding, the PHA needs to constantly review the following:

- Actual HAP costs against HAP funding based on a calendar year and fiscal year basis
- Actual PUC against funded PUC
- Actual leased units against baseline units and funded units
- Monthly cash flow of HAP funding

With this information, the manager will be able to spot trends, such as an increase in the PUC. This may indicate the PHA may not have sufficient funding to continue to lease as many units in the future. Monitoring trends, such as an increasing PUC, allows the manager to take action before the situation turns critical.

HUD has created a two-year forecasting tool which is an Excel spreadsheet that can be used by PHAs to track various leasing and utilization trends over the course of two years.

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Potential Problems and Solutions

1. Overleasing

Overleasing is defined by HUD as either leasing more unit months in a calendar year than authorized unit months available or expending more on HAP than funding available in a calendar year. For example, if the PHA has only one voucher, the maximum unit months it could lease in a calendar year would be 12 unit months.

Appropriations acts since FFY 2003 have prohibited overleasing in a calendar year. However, a PHA can be overleased one month and underleased in other months without recourse, as long as at the end of the calendar year the PHA has not overleased.

Overissuing vouchers to achieve adequate lease-up is not considered overleasing. This is because overissuing is necessary in most markets to achieve adequate lease-up. If the PHA finds more families are leasing than projected, current figures should be used to forecast, including projecting whether current attrition rates will sufficiently reduce lease-up to within authorized units for the calendar year.

- Few PHAs are funded at 100 percent of authorized units.
- PHAs that had projected possible underleasing of their program in the previous calendar year may have subsequently overleased on a monthly basis to ensure full program utilization through the end of the calendar year. As a result, they may have found themselves overleased on January 1. The sooner utilization is under control, the sooner this 'see-saw' effect will cease to be an issue.

Actions that a PHA may take to eliminate overleasing include stopping voucher re-issuance and recalling any newly issued vouchers. Notice PIH 2004-7 directs PHAs to consult with their Public Housing field office staff for assistance in determining other needed actions.

The number of vouchers issued should be sufficient to achieve leasing goals. For instance, a PHA wants to lease an additional 24 units. Their current success rate of leasing is 80%. Therefore the PHA should issue 30 vouchers to meet their desired outcome of leasing 24 units.

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2. Overspending

Regardless of the number of authorized units, the maximum amount the PHA can spend in a calendar year is its available ABA and any amounts in their RNP and HUD held reserve balances, after maintaining a modest reasonable RNP to absorb unexpected increases in HAP costs. Eventually, the HUD held reserve account held by HUD will replace the RNP account held by the PHA.

The fact that most PHAs are not funded for the calendar year at 100 percent of authorized units must be taken into consideration in tracking data. Unless local housing costs have dramatically dropped, a PHA annually leasing full authorized units when they have been funded for fewer units will result in an overspending of available funding by calendar year's end. A PHA is also in danger of overspending if the actual PUC has increased.

Actions that a PHA may take to ensure they are not incurring excess HAP costs have, in part, been identified by HUD [Notices PIH 2004-7 and PIH 2005-9]. PHAs have been advised to take the following administrative steps into consideration when concerned about increases in per unit costs:

- Review subsidy standards. The subsidy standards established by the PHA must provide for the number of bedrooms needed to house a family without overcrowding, and must be consistent with space requirements under housing quality standards (HQS).
    - The payment standard used in calculating HAP and family share is the lower of the payment standard amount for the family unit size (voucher size) or the payment standard for the actual number of bedrooms of the unit leased by the family.
- Reduce the payment standards. PHAs may set payment standards at 90-110 percent of the published SAFMR/FMR for that unit size. PHAs may request HUD field offices to approve payment standards below 90 percent of FMR. 24 CFR 982.503(d) states that HUD will not approve such payment standard amounts if the family share for more than 40 percent of voucher participants exceeds 30 percent of monthly adjusted income. However, Notice PIH 2005-9 allows PHAs experiencing financial difficulties to request HUD to waive this requirement for good cause.

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24 CFR 982.505(c)(3)

A decrease in payment standard will apply upon any subsequent execution of a HAP contract. When the payment standard is reduced during the term of a HAP contract, the PHA is not required to reduce the payment standard amount used to calculate the subsidy for the families under HAP contract for as long as the HAP contract remains in effect. If the PHA chooses to reduce the payment standard during the HAP contract term in accordance with their administrative plan, the new, lower payment standard may not be applied any earlier than the effective date of the family's second regular reexamination following the effective date of the decrease in payment standard amount.

Notice PIH 2005-9 states that regulatory waiver requests concerning payment standards must provide justification for the waiver. Requests should, at a minimum, include the calculation your PHA used to arrive at the projected funding shortfall. This involves:

- Anticipated voucher turnover
- Costs savings measures the PHA has taken or will take in the future
- Actions taken to protect "at risk" families
- Current rent burden to families prior to implementation of the lower payment standard
- An affirmative statement that implementation of the waiver will allow the PHA to manage programs within budget.

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Notice PIH 2005-9

Further actions that a PHA may take to ensure they are not incurring excess HAP costs as identified by HUD include:

- Using the prior year's RNP equity and possibly administrative fee equity balances to supplement HAP in order to achieve maximum utilization (up to baseline).
- Reviewing utility allowances to determine if they are too high. Changes in utility allowances may be implemented immediately, but not later than the next regularly scheduled reexamination of family income.
  - CFR 982.517(c) requires PHAs to revise utility allowances when there is a utility rate increase of 10 percent or more. Once again, Notice PIH 2005-9 allows PHAs experiencing financial difficulties to request HUD to waive this requirement for good cause.
- Reviewing rent to owner to determine if rents are reasonable. Regulations at 24 CFR 982.507(a) (3) provide that the PHA may redetermine the reasonable rents of units under contract at any time.
  - Initial rent and all rent increases must comply with any state or local rent control limits.
  - Owner leasing promotions for unassisted tenants must be taken into consideration in determining rent reasonableness. For example, if an owner gives the first month's rent free; eleven months of rent would be prorated over 12 months.
  - Rents may be reduced as early as the first of the next month. Your PHA could request owners to temporarily reduce rent or defer a rent increase to avoid termination of family assistance.

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- Increasing income matching and verification efforts and other fraud detection activities. Discovery of previously unreported or underreported income can reduce per unit costs.
- Reviewing interim reporting requirements for families who have an increase in income. The affect of conducting interim reexaminations when families have an increase in annual income will be a reduction in per-unit cost.
- Reviewing the PHA minimum rent. PHAs may impose a minimum rent from $0 to $50.
- Terminating HAP contracts, as per 24 CFR 982.454 if your PHA determines that funding is insufficient to support continued assistance for families in the program.
    - The PHA's administrative plan needs to include policies for terminations due to insufficient funding. Such policies should include how your PHA determines which contracts will be terminated in addition to any policies with respect to resuming assistance for impacted families.

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Notice PIH 2016-09
24 CFR 982.354(e)(1)

- Reviewing moves and portability policy.
  - Your PHA may also deny a family's request to move to a new jurisdiction under the portability procedures or to a higher cost area within the PHA's jurisdiction if the PHA does not have sufficient funding available under their calendar year budget to accommodate such a move and the receiving PHA under portability will not absorb the family.
    - *Higher cost area* is defined as an area where a higher subsidy amount will be paid for a family because of higher payment standard amounts or more generous subsidy standards.
    - PHAs do not need a regulatory waiver from HUD to make a determination in order to deny such moves, however, a PHA may only deny moves for this reason if the move would force the PHA to terminate HAP contracts of current participants.
    - If a portability move is denied, the PHA must provide written notice to the local HUD office within 10 business days of the determination supporting and documenting the lack of funds.
  - Notice PIH 2016-09 specifies exactly what denying such moves would entail and penalties for improper denials.
    - Penalties can include an up to 10 percent reduction of a PHA's administrative fee for two quarters.

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HUD's formula for insufficient funding includes the following steps:

1. Calculate the total HAP funding available for the calendar year. Include the renewal funding and available RNP balances and project reserve account balances.
2. Determine the number of families under lease for each month starting in January and the average HAP per unit cost (PUC). This is the same data your PHA enters into VMS on a monthly basis.
3. Find the average turnover per month (which should be reflected in the PIC ad hoc report for end of participation.
4. Based on 2 and 3, calculate the anticipated expenditures for the calendar year based on the example below.

Month	Turnover	Leased	Av. HAP	Mo. HAP
January	1	72	435	31,348
February	2	71	407	28,886
March - Dec.	9	701	421	295,121
Total				355,355

5. When the PHA would run out of money is based on the total from 4 minus 1.

Data sources for the insufficient funding formula include:

- Annual budget authority (FMC)
- Leased units (VMS)
- Turnover (turnover report, PIC ad hoc report or PHA data, if more current)
- Monthly HAP (VMS)
- Projections based on monthly turnover and HAP as of last month with actual data

Examples of Estimating and Calculating HAP Needs

There are two charts on the following pages that may help you to prevent overleasing. The first chart illustrates estimating HAP needs, and the second involves calculating HAP needs.

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Exhibit 4.7-1 Example 1: Estimate of CY HAP Needs

PHA Name: Anywhere Housing Authority
PHA Number: XX003
Authorized ACC Units 11,600
Annual Budget Authority for the Calendar Year 117,560,800
Available RNP 3,541,984
Number of units leased in funding benchmarking period 132,100

Average HAP from VMS data = total HAP/leased units 969

Month	Turnover	Leased	Av. HAP	Mo. HAP	
January	Actuals	11,358	969	11,005,902	
February	40	11,318	969	10,967,142	
March	40	11,278	969	10,928,382	
April	40	11,238	969	10,889,622	
May	40	11,198	969	10,850,862	
June	40	11,158	969	10,812,102	
July	40	11,118	969	10,773,342	
August	40	11,078	969	10,734,582	
September	40	11,038	969	10,695,822	
October	40	10,998	969	10,657,062	
November	40	10,958	969	10,618,302	
December	40	10,918	969	10,579,542	
Total HAP needs				129,512,664	
Projected shortfall including RNP				8,409,880	(If negative, there is a surplus)

Funded PUC: 890 per unit month (117,560,800/132,100)

Anticipated number of units over leased: 8,679 annually or 723 monthly (8,409,880/PUC of 969)

Notes
Formula for monthly HAP will change based on last month of actual date from VMS or PHA
Formula for projected cost of terminated families will change based on effective date.

Data Sources:
Annual budget authority (FMC)
Leased units (VMS)
Turnover (PIC Ad Hoc report for End of Participation or PHA data if more current)
Monthly HAP (VMS)
Projections based on monthly turnover and HAP as of last month with actual data

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Exhibit 4.7-2 Example 2: Calculating HAP Needs

Additional Information			
ACC baseline	2765	ACC unit months baseline cap (2765 x 12 = 33,180)	33,180
Projected annual attrition rate	15.0%	(2765 x 15% = 415 415/12 months = 35)	
Average vouchers on street	30		
Success rate of vouchers reaching HAP status	70%	Estimated vouchers on street reaching HAP contract (39 x 70% = 21)	21

Estimate of Calendar Year HAP Needs – ABA $13,317,560						
Month	**Turnover**	**New Leases**	**Leased**	**Avg. HAP**	**Mo. HAP**	
January	Actuals	0	2,765	404	1,117,060	
February	Actuals*	0	2,720	411	1,117,920	
March	35	21	2,706	411	1,112,166	
April	35	21	2,692	411	1,106,412	
May	35	21	2,678	411	1,100,658	
June	35	21	2,664	411	1,094,904	
July	35	21	2,650	411	1,089,150	
August	35	21	2,636	411	1,083,396	
September	35	21	2,622	411	1,077,642	
October	35	21	2,608	411	1,071,888	
November	35	21	2,594	411	1,066,134	
December	35	21	2,580	411	1,060,380	
Total HAP needs:					13,097,710	
Projected shortfall (surplus):					(219,850)	(if negative, there is a surplus)
Number of additional unit months that could be supported up to the baseline count: **534 unit months** (Surplus 219,850/average HAP cost 411)						
*Actuals provided by PHA for month of February						

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3. Underleasing (Unit Underutilization)

Another potential problem is underleasing. The performance standard for the leasing indicator under SEMAP is: "the percent of units leased during the last PHA fiscal year was 98 percent (or 95 percent) or more, or the percent of allocated budget authority expended during the last fiscal year was 98 percent (or 95 percent) or more." We will discuss "units leased" in this section and "percentage of budget authority" in the next section. It is important to note that the SEMAP leasing indicator was changed from fiscal year to calendar year in accordance with the federal register released May 31, 2012.

It may be difficult for the average PHA to meet this SEMAP measurement based on the percent of units leased because few PHAs are funded at 100 percent of authorized units. PHAs should be aware that:

- Failure to lease at least up to the funded unit or budget levels for the calendar year could have a negative impact on future funding.
- More important to the local community, failure to assist as many low-income families as funding permits overlooks the fundamental purpose of the housing choice voucher program: providing decent, safe, and sanitary housing for low-income families at an affordable level.

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4. Underspending (Funding Underutilization)

As stated above, most PHAs were not funded at 100 percent of authorized units for the calendar year. If unable to meet the 98 (or 95) percent lease-up requirement based on units, the PHA must meet the lease up requirements based on the use of funds. Because the total dollars spent on HAP may affect the amount of the funding the PHA qualifies for the following year, there is cause for concern if actual HAP expenditures are substantially below the funding. This type of situation should be addressed immediately.

The primary cause of funding underutilization is underleasing. Using the current PUC, PHAs should determine the number of families they can afford to assist each month, and compare this to their actual lease-up rate. Next, PHAs should project monthly lease-up through years' end. There are several important factors to consider when making this projection, including:

- Historical attrition rates
- Current local market conditions that may impact lease-up
- Ensuring lease-up projections do not exceed calendar year authorized units

In this section, we have seen many of the issues that can arise while managing your funds. The next section specifically addresses the issue of underutilization through using software to manage the voucher issuance process.

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SECTION 4.8 HUD PROGRAM TOOLS

HUD's Two-Year Forecasting Tool

Over the past several years with funding uncertainties and the lack of proper planning, many PHAs have had large swings in lease up, followed by attrition and then cutbacks to avoid overspending.

In order to help PHAs maximize the utilization of their funding and prevent these large swings in program lease up, HUD has developed a planning tool in Excel called the HCV Two Year Forecasting Tool.

Eliminating abrupt cutbacks requires planning across calendar years since spending patterns in one year impact funding in the next year.

Often PHAs will have a goal of achieving a high average leasing for the year which can result in over leasing in the final months of the year.

This can then result in starting the next year over leased and the need to attrition leasing to prevent over spending. In order to adequately project leasing over multiple years PHAs need to understand and track the following key variables:

- Success Rates-the percentage of vouchers that result in a lease
- Turnover Rate-the annual rate of participants leaving the program
- Issuance to Leasing-Time-the percentage of vouchers leased that are within certain time frames (30, 60, 90 days etc.)
- Per Unit Cost-the monthly HAP expenses divided by the number of leased units

The spreadsheet tool allows the user to factor in all these variables when planning lease up goals.

Users can plan leasing patterns for the current year plus two years into the future.

It also allows the user to estimate the subsequent year's renewal funding based on projected patterns of leasing and spending in year one.

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The spreadsheet tool projects the subsequent year's HAP renewal funding based on the current appropriations methodology or possible changes in the methodology.

The spreadsheet tool incorporates options for changing three key variables relevant to the HAP renewal funding methodology.

The three variables are:

- Re-benchmarking period: CY or FFY (the default)
- Set-aside funding for year-end higher leasing: Yes (the default) or No
- RNP offset: None (the default) or enter a percent of funding

The spreadsheet tool also provides:

- A projection of administrative fees that will be earned based on the leasing data input elsewhere in the tool and the current admin fee tables
- A tab where users can maintain data to track success rates and the time from issuance to lease
- A tab to facilitate analysis of per unit cost trends to better calculate projections

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SECTION 4.9 INTERDEPARTMENT COORDINATION

For years, in most PHAs, the finance department has had rules that related to budget and year-end settlement statements. On the other hand, HCV program staff has had their rules that related to intake, leasing, annual and interim reexaminations, terminations and inspections. HCV managers were not directly involved in financial issues and leasing needs based upon funding and budgets. But each department plays a role critical in program utilization. For this reason, it is increasingly important for both the HCV manager and the finance manager to understand each other's role and to communicate and coordinate their efforts to have a fully utilized program.

There is much important information to be obtained from the finance department including the following:

- HAP Equity balances are reconciled based on data submitted in the financial data schedule to REAC.
- HAP costs reported on the financial data schedule are reconciled to the amounts reported for the year in the Voucher Management System (VMS).
- Administrative Fee equity balances are calculated from the financial reports submitted to REAC on the financial data schedule.
- The reconciliation and reporting of portability and fraud receivable balances on the financial data schedule should have supporting documentation.
- Auditors will use the financial statements, including the balances reported for fraud, port activity and equity balances, as their basis to start the audit.

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HCV managers must learn how to discuss program management in financial terms so that they can communicate and coordinate with finance personnel. Here are some considerations for Finance and the HCV Manager:

- Forecast funding the PHA will utilize over the calendar year.
- Determine program utilization by reviewing the HUD-funded budget authority vs. actual HAP, HUD PUC vs. actual PUC, and leased units vs. awarded units.
- Determine if the PHA is leasing more or fewer units than the HUD funding will support and, if so, determine how to counteract the situation.
- Schedule monthly meetings to review financial reports such as utilization, determine RNP, project reserve account administrative fee balances, review costs reported on an actual-to-budget financial report, and determine the proper amounts to be reported in VMS.
- Review SEMAP to determine projected status as of year-end.
- Form an internal partnership between finance and management to achieve full funding utilization.

Ongoing and effective communication and collaboration between the HCV department and finance about funding and expenditures on a monthly basis will result in more accurate forecasting and increased accountability of both departments.

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SECTION 4.10 MAXIMIZING ADMINISTRATIVE RESOURCES

Introduction

In addition to the financial and technical aspects of financial management, in this section we will discuss the more managerial and administrative aspects of managing your PHA's finances. As with any good business, the HCV program needs to maximize program resources and minimize costs. The strategies of doing business efficiently will have interconnected goals:

- Analyze program administration
- Identify unnecessary work
- Simplify program administration
- Reduce costs

This section highlights such strategies for efficient PHAs, touching upon budgeting and use of administrative fees, simplification strategies for reducing unnecessary work, and other areas impacting administrative costs.

Budgeting Administrative Fees and Operating Expenses

PHAs earn administrative fees based on units leased on the first of each month. Each year HUD establishes monthly rates that are used to determine the amount of fees a PHA earns. There is an “A” rate for the first 600 units leased in a month and a “B” rate for all units in excess of 600 units leased in the month. Over the past few years the congress has not appropriated sufficient funding to pay PHAs at 100 percent of their eligible fees and HUD has had to prorate the funding provided monthly to PHAs. Therefore, it is more important than ever to have an operating budget for the HCV program and manage to the budget.

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The HCV manager must not only be familiar with the amount of administrative fees expected to be earned during the fiscal year, but also be involved in the budgeting of HCV program operating expenses. In budgeting administrative expenses, there are several areas that should be considered. These include:

- The level of direct program staffing and its expense
- Routine operating expenses
- Equipment needs for the program
- The level of indirect costs charged the program
- The level of fixed costs vs. variable costs

Variable costs are those that change based on volume or that can be controlled in the short term by management. Examples include travel, training, office supplies, postage, and bank charges. Fixed costs are those that do not change based on volume or that can't be easily altered by management because of long-term contracts. Examples include rent, insurance and benefit contributions. The PHA's salary and benefit expense is the largest operating expense of the program.

Fixed costs and regular periodic expenses should also be taken into consideration. For example, PHA A may pay insurance premiums on a monthly basis, while PHA B may pay insurance premiums annually, and PHA C pays semi-annually.

Planning and projecting expenses versus projected fees is critically important. Once fixed costs and regular periodic expenses are identified, a PHA can allocate the use of discretionary funds to other items, such as staff training, or travel to association meetings.

- PHAs may find it useful to divide the monthly operating expenditures by the number of units leased on the first day of the month to determine the actual administrative cost per unit compared to the funded administrative fee per unit.

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Administrative Expenses

There are certain expenses that are typically viewed as “fixed costs” that could actually be adjusted. The following is a list of expenses that are often overlooked in considering ways to reduce administrative expenses. PHAs should review these items at least annually.

- ***Cleaning Fees.*** Ask yourself the following questions: Could your PHA's cleaning schedule change to every other day or weekly? Have you conducted price comparisons for more inexpensive services? Have you approached your cleaning service to negotiate a 'long-term customer' discount?
- ***Copier Fees.*** Many contracts are for 'x' number of copies, charging more for any extra copies above the contracted amount. Often, a review of the number of copies actually made can indicate that the basic contracted amount needs to be increased or decreased. If more copies are being made than the basic contracted amount, increasing the contracted amount can result in significant savings, as extra copies are often charged at a premium rate.
- ***Telephone Services.*** Compare telephone providers to determine the most cost-effective provider. Then, contact your existing provider and explain your inclination to change. They may very well match the other service provider's rates.
- ***Cell Phones.*** Analyze actual cell phone usage. Minutes used above basic plan minutes can be charged at a premium level. Lower or increase basic plan minutes as necessary. Does everyone who has a cell phone actually require one? Could a phone be shared between employees rotating time off the premises?
- ***Review Utility Costs.*** Is the HVAC (heating, ventilation, air conditioning) energy-efficient? Are lights turned off when rooms are empty? Do you heat or cool the premises over the weekends, or on holidays?
- ***Review Association Memberships.*** Are all memberships necessary? Does more than one staff member have a membership to the same organization? Does your staff belong to multiple organizations that provide you with duplicative information?

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- ***Office Rent and Space Costs.*** Review office rental agreements and space utilization. Is office space appropriate to the needs of the program? Is the program paying for office space it doesn't need or use?
- ***Storage Fees.*** Many PHAs have off-site storage facilities. When was the last time the facility was cleaned out? Could your PHA utilize a smaller storage facility, or do away with the facility altogether?
- ***Travel.*** How many commissioners attend out of town events? Could you reduce the number of attendees? Could you rotate attendees?
- ***Corporate Credit Cards.*** Credit cards often offer free miles or other benefits. Does your PHA maximize these benefits by using credit card miles earned for travel to training?
- ***Office Supplies.*** Are office supplies available for the taking, or are they dispensed and monitored? Does your PHA have a policy regarding personal use of PHA office supplies? Studies have indicated that employees do not typically recognize the large costs incurred by employers for misused or misappropriated office supplies. However, over time, this misappropriation by multiple employees actually results in significant losses to employers.
- ***Contractors.*** PHAs should analyze whether it is actually more cost efficient to utilize staff before hiring contractors. This is especially true when dealing with personnel from temporary agencies, as costs tend to be higher than what the PHA would pay in salaries. Not to be overlooked is the time spent training an outside individual on the tasks necessary to complete their assignment. In contrast, it may be more cost effective to contract out an entire function.
- ***Training.*** Although quality training is essential to ensure competency, training alternatives should be explored. For example, online training allows employees to complete classes at their desks, thus not incurring travel costs such as airfare or hotel rooms. Additionally, online training may be completed in increments shorter than a day, allowing employees to split time between learning and performing necessary tasks.

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- ***Perks.*** What **"**perks**"** are offered by your PHA to employees? Do employees really care about some of these items? Does the expense truly warrant the value received? For example, a water filtering system might be more cost-effective than having water coolers. Can you cap the number of days your agency will pay for jury duty?
- ***Analyze Purchasing or Sharing vs. Recreating.*** Before taking on a large task, look at the resources already available. It is often more cost-effective to purchase or share resources versus spending valuable staff time to create them. For example:
  - Each PHA needs to determine what child care costs are reasonable for the type of care provided within its own jurisdiction. Consider contacting a local entity that either licenses child care providers or those funds or reimburses child care expenses for low-income families. More than likely, they have already conducted surveys and are willing to share their data or even their payment schedule.
  - Administrative plans can be purchased and amended at far lower costs than they can be written anew or updated.
  - Sample forms are available to PHA's in the back of the HUD Public Housing Guidebook. Most of these forms are equally viable for the housing choice voucher program.

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Staffing and Workload

Salaries are typically the single greatest expense incurred by any business, including PHAs. A PHA may have little control over actual per-hour salary rates, but may want to consider other cost-cutting measures. For example, many PHAs automatically provide cost of living increases. If a review of your expenses indicates your administrative fees will not cover all expenses, consider waiving or reducing cost of living increases for one year. Efforts that will usually have a greater impact on controlling salary expenses require a close, unbiased look at PHA effectiveness. Questions PHAs need to periodically ask are:

- Is our program is as streamlined as it needs to be?
- Are our caseloads comparable to industry standards?
- Are salaries higher than those of others relative to similar jobs in the area?
- Is the use of overtime high?
- Are pay raises and cost of living adjustments higher than what is normally paid in our area?
- Are employee bonuses cash compensation?

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Staffing Considerations

Reviewing worker efficiencies in the PHA helps determine whether the staff is fully utilized. Does the receptionist have work to do when business in the lobby is slow? Could the IT person double as a hearing officer? Streamlining work flows can eliminate bottlenecks and inefficiencies.

Workforce management and staffing PHA operations are discussed in other chapters and will provide excellent guidance to assist you in analyzing program efficiency. This is important because salaries and benefits are one of the PHAs greatest expenses.

Consider the following strategies:

- Develop standard operating procedures to eliminate variations by staff.
- Track production and identify under-performers
- Create work plans and hold staff accountable
- Establish performance standards for staff.
- Assign staff to multiple functions to make full use of their time.

Improving staff performance ensures that functions are properly completed the first time.

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Caseloads

The size of the caseload is determined by the functions the person is responsible to perform. There are typically five basic structures used. These consist of PHAs where:

1. The staff person performs all program functions: eligibility, occupancy, and inspection functions (usually small PHAs).
2. The staff person performs eligibility and occupancy functions, but inspections are separate.
3. The staff person performs only one of the program functions (Eligibility, occupancy, or inspections)
4. Staff performs highly specialized tasks within a functional area. (Example: only conducts intake interviews and briefings)

PHAs must also decide how special programs (FSS, homeownership) and portability will be managed.

- Folded into existing caseloads
- Create a separate department

Generally speaking, the larger the PHA, the more flexibility there is in how the PHA is organized and the level of specialization.

- Caseload sizes are dependent upon the organizational structure. To determine the reasonableness of the caseload size, PHAs need to analyze all of the following:
- What activities are included
- How long it takes to perform each activity
- The capacity of the staff (number of weeks per year, number of hours per day)
- Whether there are “paperwork only” days

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Simplification Strategies for the PHA

PHAs should evaluate ways to reduce non-essential work, reduce costs and maximize resources. Following are some suggestions for program simplification.

Waiting List Management

In terms of waiting list management, consider:

- Purging the waiting list before mass outreach to families
- Screening for required drug and other criminal activity before verification of other factors
- Accepting applications by mail or fax

Family Files

Analyze the organization of family files. Disorganized files waste staff time and lead to errors. Use standardized organization, tabbed for key areas, and delete or archive data that is not required for more than three years.

Owner Issues

Try keeping the following in mind for issues pertaining to owners:

- It is not necessary to require new HAP contracts for families who are already on the program when owners offer a new lease at the end of an initial term and there are no material changes such as utility responsibilities.
- It is not necessary to send letters to owners reminding them to send in requests for rent increases.

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Inspections

Consider allowing high performing owners to certify for minor HQS repairs instead of conducting a physical reinspection.

It is not necessary to inspect homeownership units annually.

HUD regulations now specify that PHAs must perform unit inspections at least biennially rather than annually—annual inspections are now considered discretionary [24 CFR 982.405].

- PHAs may employ both annual and biennial inspections, as long as the criteria for when each is conducted are uniformly applied.
- Keep in mind that HUD discourages PHAs from adopting biennial inspections for reasons unrelated to the owner's record of HQS compliance. For example, a policy based on the unit's distance from PHA facilities would not be acceptable [Notice PIH 2016-05].

Instead of conducting a complaint inspection, conduct a biennial or annual inspection when close to the next biennial or annual inspection.

HUD also allows PHAs to satisfy the inspection requirement by relying on alternative inspections (i.e., inspections conducted for LIHTC, HOME, or other housing assistance programs) as long as HCV units are included in the population of units forming the basis of the sample [24 CFR 982.406]. In such cases:

- The PHA must identify the method in the admin plan
- The PHA may not rely on such inspections if the property fails
- If the property passes, even if deficiencies are identified, the PHA may rely on such inspections.
- The PHA must obtain inspection reports and other data from the entity conducting the inspection within five business days of the inspection.
- Reports must be available for HUD inspection for at least three years from the date of the last inspection.

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In addition, the PHA has the option in a mixed-finance property that is assisted with project-based vouchers (PBVs) and is also financed under a federal, state, or local housing program to rely on alternative inspections conducted at least triennially [24 CFR 982.406(a)(3)].

- For example, LIHTC inspections are at least once every three years, so in mixed-finance projects with both LIHTC and PBV, the PHA could rely on the triennial LIHTC inspection.

Family Issues

PHAs may elect to conduct streamlined income determinations at annual reexamination for family members with fixed sources of income (e.g., Social Security, pensions, annuities, retirement income or other income subject to a cost of living adjustment, etc.).

- While at admission, third-party verification of all income sources is required, after admission, PHAs may establish a policy to conduct a full reexamination every three years for all fixed sources of income.
- The PHA may, however, obtain third-party verification of all income, regardless of the source.
- The PHA must perform third-party verification of all income sources at the family's request.
- The PHA adjusts the family's income according to the percentage of a family's unadjusted income that is from fixed income.
- When 90 percent or more of the family's unadjusted income is fixed, the PHA must apply a COLA or COLAs to the family's fixed sources, providing that the family both certifies that such income is fixed and that the fixed sources have not changed since the previous year.
- When less than 90 percent of a family's unadjusted income is fixed, PHAs must apply a COLA to each of the family's sources of fixed income, and all other income must be determined according to the non-streamlined requirements.
- The PHA must use the COLA that applies to each specific source of fixed income.

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- The COLA or interest rate must be verified through a public source or tenant-provided third-party documentation. If no public verification or tenant-provided documentation of the COLA is available, then the owner must obtain third-party verification of the income amounts in order to calculate the change in income for the source.
- See 24 CFR 982.516(b)(2) and Notice PIH 2016-05.

The PHA may also allow families to self-certify net assets of $5,000 or less at annual reexamination [24 CFR 982.516(a)(3)].

- The PHA must still require third-party verification at admission and when a new family member is added, however, and must obtain third-party verification of assets every three years.
- The family's declaration must show each asset and the amount of income expected from that asset.
- All family members 18 years of age and older must sign the family's declaration.

Evaluate your policy for conducting interim reexaminations for families who have an increase in income

- ***Note:*** Exceptions should be made for family members entering the phase-in period for the earned income disallowance, and for subsequent increases during the phase-in period. However, the PHA could consider not conducting interim reexaminations for minimal increases in family income.

It is no longer necessary to conduct interim reexaminations of income when new family members are added.

- HUD removed this requirement in the Streamlining Administration Regulations Final Rule, effective April 7, 2016.
- HUD did not, however, remove the requirement to verify other aspects of program eligibility.

It is not necessary to reverify citizenship status at each annual reexamination.

- It is also not necessary to require SSN and proof of identity documentation at each annual reexamination.

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Miscellaneous Issues

In addition, the following are suggestions pertaining to miscellaneous issues:

- There is no need to perform rent reasonableness determinations more frequently than HUD requires.
- Try to avoid creating local forms that duplicate HUD forms (e.g., a family obligations form that duplicates the voucher).
- Make use of available technology to schedule and process reexaminations and inspections.
- Don't wait until midyear to absorb portable families when you are underutilizing your budget authority.

HUD Regulatory Waivers

PHAs may request HUD to grant waivers of regulatory requirements, which proves to be another excellent simplification strategy for PHAs. Below are some key points involving regulatory waivers:

- HUD generally approves waivers on a family-by-family basis depending on the justification provided by the PHA. HUD may also approve PHA-wide waivers.
- HUD will not grant waivers that have an adverse impact on families or owners, with some exceptions (e.g., reducing payment standards because PHA has insufficient funds).
- HUD will not grant waivers that are tantamount to rulemaking (e.g., allowing PHAs to establish term limits).

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Other Areas Impacting Administrative Costs

Taxpayer Identification and 1099s

Several other areas are important to keep in mind because of the ways they can impact your administrative costs. One such area involves the IRS requirement for PHAs to obtain accurate taxpayer identification numbers. If a PHA does not do this, the IRS can assess a penalty of 50 dollars per incorrect ID number. Also, incorrect ID numbers could result in the agency issuing a 1099 to the wrong person, which could cause serious problems for both the PHA and the person who incorrectly received the 1099.

- The HCV manager should work with the finance department to quickly correct any inaccurate tax payer numbers. Besides preventing an IRS penalty, early correction can also reduce program fraud. Although most errors in tax payer numbers are caused by a misunderstanding of whose number should be used, some are attempts at fraud.

Portability Transactions

Portability transactions can also impact your administrative costs. Portability has a financial effect on both initial and receiving PHAs. Communication and cooperation between the finance and the HCV departments is essential to avoid errors or late payments. Regardless of whether your PHA absorbs or bills for incoming portable families, the HCV manager should ensure there is a procedure in place to provide the required information to the finance department in a timely manner. The finance department needs:

- Information on the portability billing form, including the name of the family, the jurisdiction they moved to or from, and the amount of the housing assistance payment
- A copy of the 50058 form to send with the billing
- Any changes to the status of the family after a portable family has been set up in the system

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A decision to absorb a family should not be made before analyzing the housing assistance payment's effect on the available annual budget authority. The budget authority must be sufficient to absorb incoming portable families because doing so has the same effect on the budget authority as issuing additional units. Before a final decision is made, the HCV manager should inform the finance department of the cost to support the unit, and the finance department should calculate the effect of absorbing the family on the budget authority. The closer a PHA is to using all of its budget authority, the more critical the analysis becomes.

Notices PIH 2011-03, 2012-42 and 2016-09

Notices PIH 2011-03, 2012-42 and 2016-09 dictate actions and associated deadlines to be taken by initial and receiving PHAs under portability. Failure to take the required actions in a timely manner can result in substantial penalties to a PHA. Penalties include administrative fee reductions and the loss of allocated units. PHAs must closely monitor and track not only their actions under portability requirements, but the actions of the other PHA involved. The enforcement provisions for this notice are as follows:

- If the receiving PHA does not submit a billing to the initial PHA by the specified deadline, the initial PHA must contact the receiving PHA to determine the status of the family. If the family is not yet under HAP, the initial PHA can inform the receiving PHA in writing that it will not accept any subsequent billing on behalf of the family.
- However, the initial PHA may not withhold payment solely because the receiving PHA did not submit the updated form HUD-50058 by the annual recertification date.
- Once the initial PHA has notified the receiving PHA that it will not accept subsequent billings, the initial PHA is not required to honor any billing received after the billing deadline.

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- If the receiving PHA reports that the family is already under HAP contract and it cannot absorb the family, the initial PHA must accept the late billing. However, in this case, the initial PHA may report to HUD the receiving PHA's failure to bill within the deadline, and HUD may take action against the receiving PHA. HUD action against the receiving PHA can include reducing the receiving PHA's administrative fee and transfer of vouchers from the receiving to the initial PHA.
- If the initial PHA fails to pay the receiving PHA portability amounts owed according to the deadlines prescribed by these notices, the receiving PHA can request that HUD transfer vouchers from the initial to the receiving PHA.
- If HUD determines that the receiving PHA has not notified the initial PHA that a billing arrangement has been terminated no later than 10 working days after the effective date of termination, and has continued to accept payments from the initial PHA, HUD may reduce administrative fees for the receiving PHA. According to the notice, "the receiving PHA **must** notify the initial PHA no later than 10 working days following the effective date of the termination of the billing arrangement."
- The reduction in fees will be 10 percent of the monthly billing amount in question for each month that the billing payments continued after the billing arrangement was terminated.
- In addition, the receiving PHA must return the full amount of the overpayment to the initial PHA.

Summary

PHAs need to periodically assess ways to maximize income and reduce costs. This involves:

- Saving administrative fees
- Reducing errors and avoiding audit findings
- Improving overall PHA performance
- Improving customer relations
- Keeping in mind other ways in which administrative costs can be affected

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SECTION 4.11 HOUSING CHOICE VOUCHER PROGRAM FEE FOR SERVICE

HUD encourages, and several PHAs are analyzing, the adoption of an HCV program fee for service methodology for the treatment of overhead costs (administrative costs). Here is how it works:

- HUD pays the current administrative fee to PHAs in order to operate the HCV program. The fee covers both direct costs (e.g., salaries of the staff administering the HCV program) and indirect costs (e.g., portion of the executive director's salary that is allocated to the HCV program). Under the fee for service methodology, a PHA may, instead of an overhead allocation, charge the HCV program a management fee for these indirect or overhead costs. Direct costs will remain being charged to the program as it was in the past. This fee for service system was brought on due to the regulations generated from the requirement of PHAs with 400 or more of public housing units to convert and manage their projects based on the asset management model.

Existing appropriations language limits the use of administrative fees to activities related to the provision of tenant-based rental activity authorized under the housing choice voucher program.

- Day-to-day operational costs such as salaries of occupancy specialists or inspectors, or monthly rent for intake activities, are clearly covered by the appropriations language.
- Overhead costs, however, require more stringent documentation (e.g., cost allocation plan supported by timesheets, copies of invoices showing allocated charges).

PHAs that choose to use a fee for service methodology for overhead or indirect costs will be allowed to charge a management fee of up to 20 percent of the administrative fee, or up to $12 PUM per voucher leased, whichever is a higher amount. This method will meet the requirements of the appropriations act. PHAs will also charge the HCV program a $7.50 PUM bookkeeping fee for program accounting in addition to the management fee.

PHAs that adopt the fee for service model will not use an indirect cost allocation plan and will establish a central office cost center (COCC). For more detail on the concept of fee-for-service and the establishment of a COCC, see Chapter 7 of HUD's Supplement to HUD Handbook 7475.1, REV, CHG-1, Financial Management Handbook.

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The following chart from HUD's Handbook 7475.1, REV, CHG-1 provides examples of costs that are to be paid from the HCV management fee (indirect costs) and which are considered front line costs (direct costs).

PHAs should exercise caution as the housing choice voucher program may not have the ability to sustain paying the maximum fees allowed to the COCC after considering the level of direct costs charged to the program. This risk is heightened with reduced funding of administrative fees due to prorations. The administrative fee budget should be able to note a problem with the charging of the maximum fee.

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Table 7.1: Front-Line Costs and Fee Costs under the HCV Program

Fee Expenses[29]	Front-Line Expenses
• A share of the personnel costs (indirect personnel) for permanent and part-time staff assigned to the COCC. Indirect personnel costs include gross salary, federal and state payroll taxes and all employee benefits. • Establishment, maintenance, and control of an accounting system adequate to carry out accounting supervision responsibilities over the HCV Program. • General maintenance of HCV books and records (general ledger, accounts payable and receivable, payroll, etc.). • Supervision by COCC management staff of overall HCV Program operations. • Procurement of supplies, equipment and contract services for HCV Program activities. • Preparation of monitoring reports for internal staff and external reporting to HUD, other governmental agencies and other interested parties. • Preparation, approval, and distribution of HCV Program disbursements other than HAP. • COCC staff training, and ongoing certifications related to HCV Program activities. • Travel of COCC staff for training, or supervision related to HVC Program activities. • Attendance of COCC staff at meetings (including travel), with landlords, tenants, HUD, or other interested parties regarding HCV planning, budgeting, and review of general HCV Program activities. • Work with auditors for audit preparation and review. • Indirect cost allocations imposed on the HCV Program by a higher level of local government. • Hiring, supervision, and termination of front-line HCV staff. • Preparation and submission of HCV Program budgets, financial reports and year-end financial reports to HUD and other interested parties. • Monitoring and reporting on abandoned property as required by states. • Investment and reporting on HCV proceeds. • Storage of HCV records and adherence to federal and or state records retention requirements. • Development and oversight of office furniture, equipment and vehicle replacement plans. • Insurance costs for fidelity or crime and dishonesty coverage for COCC employees based on a reasonable allocation method. • The costs of board member stipends and non-training travel. • The costs of board member training that exceed HUD standards.	• Actual costs for direct personnel permanent and part-time staff, assigned directly to the HCV Program. Direct personnel costs include gross salary, federal and state payroll taxes and employee benefits. • Travel and training for personnel assigned directly to the HCV Program. • Preparation, approval, and distribution of HCV Program HAP disbursements. • Legal fees directly rated to the operation and management of the HCV Program, including tenant and landlord enforcement actions, and other HCV Program related matters. • The cost of obtaining and receiving background reports on tenants, verification of landlord ownership and other checks related to tenant and landlord selection and participation in the program. • All bank charges related to the HCV Program. • Costs of telephone, including basic services, directory listings, and long distance charges related to direct delivery of the HCV Program. • All advertising costs related specifically to the operations of the HCV Program to include but not limited to advertising for applicants, landlords and employees in newspapers, newsletters, radio, cable TV, and telephone books. • Postage and delivery costs for HAP checks, disbursements and other mailings required to support the activities of the HCV Program. • HCV office furniture, equipment, computers and vehicles. • Service agreements and warranties to support HCV office furniture, equipment, computers, and vehicles. • Insurance costs related to auto coverage for HCV vehicles and other equipment and assets of the HCV Program. • Insurance costs for fidelity or crime and dishonesty coverage for front-line (direct cost) employees based on a reasonable allocation method. • Direct costs of collection activities related to fraud recovery. (Regulations allow the direct costs of fraud recovery to be offset against fraud collections, but indirect costs may not be offset against fraud collections. Indirect costs of fraud collection activities must be born by the HCV management fee.) • Costs of preparing and maintaining tenant and landlord files and processing tenant applications, determining eligibility, tenant rent, tenant certifications, tenant re-certifications and unit inspections. • Public relations expenses related to maintaining positive relationships between the local community, landlords and tenants. • Professional service contracts related to direct services performed for the HCV Program. • Board member training and related expenses up to a limited amount as provided by HUD[30].

[29] Fees include management and bookkeeping fees
[30] Board training and related expenses must be reasonable and approved by the Board before being incurred. Training expenses incurred by COCC staff are management fee expenses and may not be charged to programs.

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SECTION 4.12 LEASING BUDGET PROJECTION WORKSHEET

Introduction

An underleased PHA may deliberately overlease near the end of the year in order to fully utilize annual funding, but will be overleased at the beginning of the next year. If the funding for the next year is the same or higher, the PHA will need to underlease.

An overleased PHA may deliberately underlease not to exceed annual funding, but if underleasing takes place at the end of the year, the PHA risks being underleased at the beginning of the next year.

Therefore, watching the money carefully throughout the year and making adjustments as necessary will assist in alleviating the yo-yo effect of being overleased or underleased at the end of the calendar year.

The purpose of the Leasing Budget Projection worksheet is to project what the funding and unit usage will be at the end of the year using current circumstances. This spreadsheet will allow you to make the needed adjustments to units and funding as you progress through the year.

The Worksheet and Its Explanation

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HCV Leasing Budget Projection

Unit Projections	Month	Vouchers on the Street	Voucher Issuance Projection	Allocated Units	Projected Utilized Units as of 1st of Month	VMS Utilized Units as of 1st of Month	Projected Attrition	Projected New Leases	Utilized Units as of End of Month	Projected Monthly Utilization Rate
	January-11	0	20	1,200	1,079	1,079	11	0	1,068	89.92
	February-11	30	30	1,200	1,068	1,081	11	10	1,068	90.08
	March-11	30	40	1,200	1,068	1,075	11	25	1,082	**89.58**
	April-11	15	40	1,200	1,082	1,096	11	35	1,106	91.33
	May-11	5	40	1,200	1,106		11	35	1,130	*94.16*
	June-11	5	40	1,200	1,130		11	40	1,159	*96.56*
	July-11	0	40	1,200	1,159		12	40	1,187	*98.92*
	August-11	0	40	1,200	1,187		12	40	1,215	*101.27*
	September-11	0	40	1,200	1,215		12	40	1,243	*103.59*
	October-11	0	40	1,200	1,243		*12*	40	1,271	*105.89*
	November-11	0	40	1,200	1,271		*13*	40	1,298	*108.16*
	December-11	0	40	1,200	1,298		*13*	40	1,325	***110.41***
	Running Total (UML)			**14,400**	**13,905**					**96.56%**

HAP Projections	Month	VMS PUC	Current Month HUD Funded	Current Year HAP Funded	Projected HAP Expenses	VMS Current Month HAP Expenses	VMS Prior Month HAP Expenses	Current Year HAP Spent	Variance from Budget	HAP Utilitization
	January-11	$ 610.00	$ 720,000	$ 720,000	$ 658,190	$ 658,190		$ 658,190	$ 61,810	91.42%
	February-11	$ 610.00	$ 720,000	$ 1,440,000	$ 651,608	$ 659,410		$ 1,317,600	$ (597,600)	91.50%
	March-11	$ 610.00	$ 720,000	$ 2,160,000	$ 651,192	$ 655,750		$ 1,973,350	$ (1,253,350)	91.36%
	April-11	$ 610.00	$ 720,000	$ 2,880,000	$ 659,930	$ 668,560		$ 2,641,910	$ (1,921,910)	91.73%
	May-11	*$ 610.00*	$ 720,000	$ 3,600,000	$ 674,681			$ 2,641,910	$ (1,921,910)	*73.39%*
	June-11	*$ 610.00*	$ 720,000	$ 4,320,000	$ 689,284			$ 2,641,910	$ (1,921,910)	*61.16%*
	July-11	*$ 610.00*	$ 720,000	$ 5,040,000	$ 706,791			$ 2,641,910	$ (1,921,910)	*52.42%*
	August-11	*$ 610.00*	$ 720,000	$ 5,760,000	$ 724,123			$ 2,641,910	$ (1,921,910)	*45.87%*
	September-11	*$ 610.00*	$ 720,000	$ 6,480,000	$ 741,282			$ 2,641,910	$ (1,921,910)	*40.77%*
	October-11	*$ 610.00*	$ 720,000	$ 7,200,000	$ 758,269			$ 2,641,910	$ (1,921,910)	*36.69%*
	November-11	*$ 610.00*	$ 720,000	$ 7,920,000	$ 775,086			$ 2,641,910	$ (1,921,910)	*33.36%*
	December-11	*$ 610.00*	$ 720,000	$ 8,640,000	$ 791,736			$ 2,641,910	$ (1,921,910)	*30.58%*
	2011 Totals	$ 610.00	$ 8,640,000	$ 8,640,000	$ 8,482,173	$ 2,641,910	$ -	$ 2,641,910	$ 5,998,090	*30.58%*
	Running Total (ABA)			**$ 8,640,000**	**$ 8,482,173**					**98.17%**

Expenditure Balance as of Current date	Projected EOY Expenditure Balance
$ 2,641,910	**$ 157,827**

Understanding the HCV Leasing Budget Projection Worksheet

Unit Information

Column 1: Date

Column 2: Vouchers on the Street

- Number of vouchers issued that have not leased up

Column 3: Voucher Issuance Projection

- Vouchers projected to be issued during the month

Column 4: Allocated United

- Awarded units, Baseline units

Column 5: Projected Utilized Units as of 1st of Month

- This number is taken from the previous month "Utilized Units as of End of Month" column and becomes the projected utilized units as of the 1st of the following month

Column 6: VMS Utilized Units as of 1st of Month

- Actual number of units reported in VMS

Column 7: Projected Attrition

- Percentage (determined by PHA) of "Projected Utilized Units as of 1st of Month" column

Column 8: Projected New Leases

- Percentage (determined by PHA) of "Voucher Issuance Projection" column
- Example: Assumption
  - 0% of the vouchers issued for the January are leased up
  - 50% of the vouchers issued in January will lease up in February and the other 50% will lease up in March

Column 9: Utilized Units as of End of Month

- Projected Utilized Units as of the 1st of Month - Projected Attrition + Projected New Leases

Column 10: Projected Monthly Utilization Rate

- Projected Utilized Units as of 1st of Month / Allocated Units

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HAP Information

Column 1: Date

Column 2: VMS PUC

- "VMS Current Month HAP Expenses" / "VMS Utilized Units as of 1st of Month"

Column 3: Current Month HUD Funded

- "Allocated Units" x HUD funded PUC (determined by PHA)

Column 4: Current Year HAP Funded

- This column accumulates on a monthly bases the Current Month HUD Funded

Column 5: Projected HAP Expense

- Projected Utilized Units as of 1st of month x VMS PUC

Column 6: VMS Current Month HAP Expenses

- VMS Utilized Units as of 1st of Month x PUC (determined by PHA)
- **Note**: On this spreadsheet the PUC is entered in the calculation field as an amount not using the VMS PUC column. Even though on the spreadsheet the numbers are the same, the reasoning might be that the PUC changes.

Column 7: VMS Prior Month HAP Expenses

- HAP adjustments

Column 8: Current Year HAP Spent

- "VMS Current Month HAP Expenses" + current month "VMS Prior Month HAP Expenses" + "Prior month HAP Expenses"

Column 9: Variance from Budget

- "Current Year HAP Funded - "Current Year HAP Spent"

Column 10: HAP Utilization

- "Current Year HAP Spent" / "Current Year HAP Funded"

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CHAPTER 5 Operational Work Systems

SECTION 5.1 INTRODUCTION

In this chapter we will discuss the need for PHAs to design and manage the work systems and work processes that are essential to the operation of the HCV program. We will also discuss key program documents that support them, and how they tie into the leadership system. The objectives are 1) to ensure that PHAs create work systems that meet the needs of PHA partners and stakeholders and 2) that PHAs create work processes that support those systems and meet the needs of both internal and external customers. Work systems and work processes are integral to the leadership system. Understanding the definitions in Section 5.2 is important to this discussion.

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SECTION 5.2 WORK SYSTEMS AND PROCESSES

Work Systems: The term Work Systems refers to the way in which an organization aligns its internal operations and workforce with its key vendors, suppliers, partners and collaborators to provide a quality and cost effective service to our clients. Our work systems include our communication protocol, our expectations and our tracking mechanisms between our internal work processes and our external resources necessary for us to plan and deliver our services to our customers. Some examples of external resources that would be included in our Work Systems include external partners such as the Veterans Administration, DFS and groups that may help us lease up our special vouchers. If we outsource activities such as inspections, reexaminations, call center or even our printing services, if it contributes to our core service delivery and customer value chain, it should be included in our Work Systems.

Decisions on work systems are very strategic for the organization. The decisions involve the best ways to provide services to our clients with the highest level of quality, customer service and cost efficiencies. How we interact with our external partners (Mayor's office, city council, HUD, Veteran's Association owners, other community groups) and the decision to outsource pieces of our program to improve the delivery of our overall mission is a key decision that may improve the level of service we are able to provide.

To better understand the concept of work systems we will use HUD as an example, because they are a major PHA partner. Remember, Work Systems refers to the way in which an organization aligns its internal operations and workforce with its key partners. Here are examples of things that would be considered a part of a PHA’s Work Systems:

- Policies, procedures and standards created by PHA senior leaders that ensure compliance with HUD requirements
- Communication of HUD requirements and expectations to staff
- Quality control plans to ensure HUD compliance
- Established protocols and procedures to ensure accurate and on-time electronic reporting

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Work Processes: Our Work Process are a subset of our overall work systems. The term Work Processes (simply stated) means everything that happens (all of the activities) within a work system. The term "process" refers to linked or coordinated activities with the purpose of producing a result (or service) for an internal or external customer. Generally, processes involve combinations of people, machines, tools, techniques or materials, in a defined series of steps or actions.

In some situations, processes might require adherence to a specific sequence of steps, with documentation (sometimes formal) of procedures and requirements, including well-defined measurement and control steps. (Example: data entry and transmission of a 50058). But some are informal and depend on the skill, experience and judgment of the employee, such as how to coach or mentor an employee.

In situations when customers are directly involved in the service (such as in a PHA) process is used in a more general way (i.e., to spell out what must be done, possibly including a preferred or expected sequence). If a sequence is critical, the service needs to include information to help customers understand and follow the sequence. Such service processes also require guidance to the providers of those services on handling contingencies related to the possible actions or behaviors of those served. An example of this is the process of accepting applications. Applicants need to understand the types of information and documents they must provide and how to complete an application; PHA intake staff must understand what to do when required documents are not provided by an applicant or the applicant fails to keep an appointment.

Sustainability: The term sustainability refers to your organization's ability to address current business needs and to have the agility and strategic management to prepare successfully for your future business and operating environment. Both external and internal factors need to be considered.

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Sustainability considerations might include workforce capability and capacity, resource availability, technology, knowledge, core competencies, work systems, facilities, and equipment. For PHAs sustainability might be affected by changes in the marketplace, changes in the legal and regulatory environment or unexpected turnover of key personnel. In addition, sustainability has a component related to day-to-day preparedness for real-time or short-term emergencies.

Building Strong Partnerships

A strong operation requires strong partnerships. Work systems and work processes are an integral part of your leadership system and will define how effective and productive your relationship is with the external partners who are so essential to the success your operation. As a manager your objective is to ensure that the organization of your workforce, your work systems, and your work processes are designed to support those relationships.

As a manager you are responsible to ensure that your PHA's relationship with external partners is efficient and productive. This means that both you and your partners are getting what you need from each other in terms of communicating and meeting each other's informational needs and that any deliverables and deadlines are being met. Make a list of your PHA's key vendors, suppliers, partners and collaborators and analyze whether staffing, work systems and processes are aligned to meet their needs and yours.

HUD is the main external partner for PHAs. HUD requirements demand that managers design work systems and processes to ensure that HUD's reporting requirements and deadlines are met and that HUD required operating systems and forms are properly utilized.

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SECTION 5.3 REQUIRED PHA POLICIES AND POLICY DEVELOPMENT

HUD regulations and HUD-required policies are mandatory and a major part of a PHA's work systems and work processes. We have included several of these policies with descriptions and required contents on HCVExecMgmtResources.nanmckay.com. In this chapter we will focus primarily on the consolidated plan, the PHA plan, the assessment of fair housing (AFH), and the administrative plan.

The Consolidated Plan

The consolidated plan (ConPlan) requires the jurisdiction receiving federal funds for community planning and development programs to state in one document its plan to pursue providing decent affordable housing, a suitable living environment, and expanding economic opportunities principally for low and moderate income persons.

The ConPlan was implemented to serve the following functions:

- Act as a policy planning document for jurisdictions, requiring significant citizen participation
- Be an inclusive application for federal funds under HUD's formula grant programs
- Provide a strategy to be followed in carrying out HUD programs
- Provide an action plan that provides a basis for assessing performance of a jurisdiction in the utilization of federal dollars

The formula grant programs included in the ConPlan submission are:

- The Community Development Block Grant (CDBG) programs
- The Emergency Shelter Grant (ESG) programs
- HOME Investment Partnerships (HOME)
- Housing Opportunities for Persons with AIDS (HOPWA)

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In addition many programs require that the jurisdiction receiving funds from HUD provide certification that the application for funds is consistent with the HUD approved ConPlan for the jurisdiction.

The Consolidated Plan was the model for the Public Housing Agency Plan.

Submission of a Plan with Goals and Objectives

The final regulations allow frequency of submission of a complete plan to be determined by the jurisdiction; however, a jurisdiction cannot elect to submit the plan less frequently than every five years; consequently, all jurisdictions opted to submit complete plans on a five year cycle.

Because the complete ConPlan is so detailed and requires significant citizen participation, it often serves as a policy statement; further refined by housing authorities into strategic and business plans and, of course, the public housing agency plan.

Further, the goals, objectives and actions included in the PHA plan are incorporated into the HCV administrative plan, the public housing admissions and continued occupancy policy, and other PHA operational policies or procedures.

The ConPlan is usually prepared by the jurisdiction, city or county or state.

The agencies that administer a part of the ConPlan, that is, a redevelopment agency, would administer CDBG while a housing authority may administer HOME, would then use excerpts or data from the ConPlan in their individual planning efforts.

A complete submission of the ConPlan includes the components that follow.

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Components of the ConPlan

Analysis of housing and homeless needs in the community

This analysis includes:

- Information on the estimated housing needs for the five-year period, based on the most current census data available
- Information on the persons affected; the number and type of families in need of housing for extremely low, low, moderate, and middle income families; further shown as owners or renters; and further shown as elderly, single, and large families
- Discussion on cost burden, overcrowding, substandard housing conditions, disproportionate need among any racial or ethnic group
- The section of the analysis that speaks to homeless needs must include the nature and extent of homelessness in the community, and the need for facilities and services for individuals and families with children
- Information as noted above is also required for the homeless population.

Housing market analysis

This part of the plan must describe the significant characteristics of the jurisdiction's housing market including supply, demand, condition, and cost of housing and the housing available to serve persons with disabilities and their families.

This section also includes information on the jurisdiction’s public and assisted housing where relevant, including the information on the physical condition of the units, rehabilitation needed, and the PHA’s strategy for improving the management and operations of the public and assisted housing programs.

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Action Plan

This is one of the most critical sections of the ConPlan and includes information on the priorities of the jurisdiction and how the funds received under the formula programs will be distributed among those priorities.

- HUD requires that the plan include a description of the basis for assigning priorities

Any obstacles to meeting the needs of the underserved population in the jurisdiction are included in the strategic plan, e.g., NIMBYism, lack of funding, lack of political support, federal or state eminent domain actions.

For each specific priority and objective, the plan must include proposed accomplishments over a specific term, such as five years or one year.

A jurisdiction must also include a housing assistance plan (HAP), a carryover table from early housing program applications, as well as a full description of housing priorities, housing objectives, proposed use of funds for housing and proposed accomplishments—almost a strategic plan for housing within the greater "strategic plan."

The ConPlan is used then as the basis for individual planning documents.

- For example, a PHA would use the housing needs analysis and obstacles identified in the ConPlan to develop its goals and objectives that would be a part of a PHA strategic plan and/or business plan. A PHA should not have a goal that does not in some way address the needs of the community as identified in the ConPlan.

The ConPlan is a supporting document to the PHA agency plan. The agency plan requires a certificate of consistency with the ConPlan and the housing needs assessment information included in the PHA agency plan usually comes directly from the Consolidated Plan.

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Certifications

Certifications are required for both the comprehensive, five-year submission, and the annual action plan submission.

- Anti-displacement and relocation for activities carried out with CDBG or HOME programs
- Drug Free Workplace
- Anti lobbying
- Consistency
- Relocation Assistance and Property Acquisition Policy Act of 1970
- Section 3
- In addition, there are specific additional certifications required when a jurisdiction is requesting CDBG, ESG, HOME or HOPWA funds.

Note: Action plans are required to be submitted each year and target specific resources and activities to be undertaken in the upcoming year using any of the four sources of funds available under a ConPlan submission.

The PHA Plan

The PHA Plan, required by the Reform Act of 1998, is Congress' mandate that PHAs submit a business plan.

The PHA Plan consists of either one or two elements:

1. A five-year plan that describes the mission of the agency and its goals and objectives
2. An annual plan that covers policies and procedures of the agency.

The PHA Plan's mission and goals must take into account the needs of the community, and thus must be consistent with the jurisdiction's Consolidated Plan.

The PHA five-year and annual plans are submitted to HUD electronically via a HUD-provided template. While this could be the starting point for a PHA's strategic plan, the PHA needs to go beyond the template for a cohesive strategic plan.

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The PHA is also required to conduct a public hearing on the proposed PHA Plan, and invite comments from the public.

Significant amendments or modifications to the plan undergo the same review and approval process as the annual PHA plan.

PHA Plan Exemptions

The Housing and Economic Recovery Act (HERA), Title VII, Small Public Housing Authorities Paperwork Reduction Act exempted qualified PHAs from the annual plan requirement.

A qualified PHA is a PHA that:

1. Has a combined unit total of 550 or less public housing units and section 8 vouchers; and
2. Is not designated troubled under section 6(j)(2) of the 1937 Act, the Public Housing Assessment System (PHAS), as a troubled public housing agency during the prior 12 months; and
3. Does not have a failing score under the Section 8 Management Assessment Program (SEMAP) during the prior 12 months.

PHAs that do not meet the definition of a qualified PHA are required to fully comply with all provisions of the PHA plan including the submission of a five-year plan and annual plan.

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THE PHA PLAN TIMELINE

Action	Jan. 1 FY Start	April 1 FY Start	July 1 FY Start	Oct. 1 FY Start
Begin preparations for developing PHA plan, including compiling information and obtaining a copy of the jurisdiction's Consolidated Plan	May	Aug.	Nov.	Feb.
Draft plan developed for discussion with partners	Mid-July	Mid-Oct.	Mid-Jan.	Mid.-April
Notice of hearing and plan on file for review	Mid-Aug.	Mid-Nov.	Mid-Feb.	Mid-May
Public hearing	First week of Oct.	First week of Jan	First week of April	First week of July
PHA plan due ****Note:** exact due date depends on calendar days in PHA's fiscal year	Mid-Oct.	Mid-Jan.	Mid-April	Mid-July

Certification of Compliance (form HUD-50077)

PHAs must certify that they are in compliance with the Fair Housing Act, Title VI of the Civil Rights Act, Section 504 of the Rehabilitation Act of 1973, and other federal nondiscrimination and equal opportunity laws, as well as certifying they are affirmatively furthering fair housing choice.

A PHA plan that is submitted without form HUD-50077 will be considered incomplete and the PHA's funding will be at risk.

Consequences for Failure to Submit an Approvable PHA Plan

PHAs that fail to submit their PHA Plan will not receive funding until their plan has been submitted and approved by HUD.

HUD may impose sanctions including, but not limited to, the withholding or future reductions in Section 8 administrative fees, Capital Fund program, or Operating Fund, where applicable.

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Civil Rights Certification

24 CFR 5.150-151

On June 10, 2021, HUD issued an interim final rule restoring certain definitions and certifications to its affirmatively furthering fair housing (AFFH) regulations that were stripped by a final rule issued in 2020 without notice and comment procedures and at odds with statutory AFFH requirements.

- Under the new rule, *affirmatively furthering fair housing* once again means to take meaningful actions, in additional combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, this includes taking meaningful actions that taken together address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated ad balanced living patterns, transforming racially or ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights laws. The duty to affirmatively further fair housing extends to all of a program participant's activities and programs relating to HUD.
- *Meaningful actions* means significant actions that are designed and can be reasonably expected to achieve a material positive change that affirmatively furthers fair housing by, for example, increasing fair housing choice or decreasing disparities in access to opportunity.
- Additional definitions, including those for *disability, fair housing choice, and significant disparities for opportunity*, among others, have also been restored under the rule.

24 CFR 5.152

While the new rule does not go so far as to re-require an analysis of impediments (AI) or an Assessment of Fair Housing (AFH), the rule does reinstate a process by which HUD will provide technical support for PHAs engaged in fair housing planning to support their certifications. PHAs are not currently required to request this technical support from HUD—it is only for the benefit of those who would like assistance in fulfilling their statutory obligations to affirmatively further fair housing.

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Keep in mind, however, that while an analysis of impediments (AI) or an assessment of fair housing (AFH) are not technically required under the new rule, a PHA's certification that it will affirmatively further fair housing does mean that the PHA certifies that it will comply with their obligation to do so per the statutory and restored regulatory definitions and requirements.

24 CFR 903.7(o)

The PHA must certify that it will carry out its plan in conformity with title VI of the Civil Rights Act of 1964, the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, and Title II of the Americans with Disabilities Act of 1990, and other applicable federal civil rights laws. The PHA must also certify that it will affirmatively further fair housing consistent with 24 CFR 5.151 and 5.152. The certification is applicable to both the 5-year plan and the annual plan, including any plan that is incorporated therein.

24 CFR 903.15

The PHA must ensure that the annual plan is consistent with any applicable consolidated plan for the jurisdiction in which the PHA is located. It must submit a certification by the appropriate state or local officials that the annual plan is consistent with the consolidated plan and include a description of the manner in which the applicable plan contents are consistent with the consolidated plans. A PHA is obligated to affirmatively further fair housing in its operating policies, procedures, and capital activities. All admission and occupancy policies for public housing and Section 8 tenant-based programs must comply with Fair Housing Act requirements and other civil rights laws and regulations and with a PHA's AFFH plans. The PHA may not impose any specific income or racial quotas for any development or developments.

24 CFR 903.23

Recordkeeping

PHAs must maintain records reflecting actions to affirmatively further fair housing pursuant to 24 CFR 5.151, 5.152, and 903.7(o) of this title.

Administrative Plan Required Content

All agencies that operate an HCV program must adopt an administrative plan. The purpose of the administrative plan is to establish policies for carrying out the programs in a manner consistent with HUD requirements and local goals and objectives contained in your PHA’s agency plan.

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The required contents of the administrative plan are described in 24 CFR 982.54. They include:

- Policies regarding selection and admission of applicants from the waiting list, including any PHA admission preferences, procedures for removing applicant names from the waiting list, and procedures for closing and reopening the PHA waiting list
- Policies on issuing or denying vouchers, including PHA policy governing the voucher term and any extensions of the voucher term
  - If your PHA decides to allow extensions of the voucher term, the administrative plan must describe how you determine whether to grant extensions or suspensions, and how you determine the length of any extension
- Any special rules for the use of available funds when HUD provides funding to your PHA for a special purpose (e.g., desegregation), including funding for specified families or a specified category of families
- Occupancy policies, such as defining what group of persons may qualify as a "family," defining when a family is considered to be "continuously assisted," and standards for denying admission or terminating assistance based on criminal activity or alcohol abuse in accordance with 982.553
- Policies encouraging participation by owners of suitable units located outside areas of low income or minority concentration
- How to assist a family that claims that illegal discrimination has prevented them from leasing a suitable unit
- How your PHA will provide information about a family to prospective owners
- Policies on the disapproval of owners
- Policies on subsidy standards
- Policies on family absence from the dwelling unit
- How to determine who remains in the program if a family breaks up
- Informal review procedures for applicants
- Informal hearing procedures for participants
- The process for establishing and revising voucher payment standards

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- The method of determining that rent to owner is a reasonable rent (initially and during the term of a HAP contract)
- Policies concerning special housing types in the program (e.g., use of shared housing)
- Policies concerning payment by a family to your PHA of amounts the family owes your PHA
- Policies regarding interim redeterminations of family income and composition
- Restrictions, if any, on the number of moves by a participant family
- Policies on the approval by the board of commissioners or other authorized officials to charge the administrative fee reserve
- Procedural guidelines and performance standards for conducting required housing quality standards inspections
- Policies on the PHA screening of applicants for family behavior or suitability for tenancy

Over all, the administrative plan summarizes how each PHA will implement the statutory or regulatory requirements in its jurisdiction. The plan is a supportive document to the PHA agency plan. It must be available for public review as required by 24 CFR Part 903.

Mandatory Vs. Discretionary Policies

HUD gives PHAs the authority to adopt discretionary policies in many areas of the HCV program. Such policies must be reasonable and not conflict with or ignore a HUD requirement or prohibition. Discretionary policies give PHAs the opportunity to design their programs to meet the unique needs of their communities, and they normally reflect the philosophy of the Board and Executive Director. However, there are some areas of the program in which HUD dictates certain mandatory policies that PHAs must implement and enforce.

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The administrative plan serves the following key purposes:

- It provides staff guidance and consistency in decision making
- It provides the public a resource to view and reasonably predict a PHAs decisions
- It helps the PHA to defend decisions made by staff and to mitigate the likely success of legal challenges

Mandatory Policies

A mandatory policy is one that is required by a current law, regulation, PIH notice, HUD Handbook or a ruling from HUD's Office of General Counsel. These policies **must** be followed.

- For example, 24 CFR 982.25 states, "The PHA **must** maintain a utility allowance schedule for all tenant-paid utilities (except telephone), for cost of tenant-supplied refrigerators and ranges, and for other tenant-paid housing services."
- 24 CFR 5.615(c)(5) states, "The PHA may not include imputed welfare income in annual income if the family was not an assisted resident at the time of sanction."
- Opinions or rulings by HUD's Office of General Counsel

Discretionary Policies

As noted, the minimum required contents of the administrative plan can be found at 24 CFR 982.54. This regulation contains a list of the specific policies and procedures that must be included in the administrative plan. Although addressing these policies is mandatory, the policies that the PHA adopts within each policy area are discretionary. In other words, PHAs make discretionary policies and procedures within regulatory limits, but those policies cannot change intent of the regulation.

Here is an example of developing a discretionary policy within an area that is mandatory requirement.

- In 24 CFR 982.54 it states that the PHA must adopt "policies regarding selection and admission of applicants from the waiting list, including any PHA admission preferences, procedures for removing applicant names from the waiting list, and procedures for closing and reopening the PHA waiting list."

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Although the requirement to develop these policies is mandatory, the PHA has wide discretion to decide how families will be placed on the waiting list and selected for admission to the program. For example, a PHA may choose to adopt one or more local preference or simply use date and time of receipt of the application to determine the ranking of families on the waiting list.

Throughout the regulations governing the HCV program there are numerous areas in which PHAs have discretion to make local policy.

For example: At 24 CFR, 982.552 C(1)(v) it states that "a PHA may deny admission to the program if the family currently owes rent or other amounts to the PHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act."

HUD does not stipulate whether or not a PHA should deny admission for this reason, so PHAs have the discretion to decide whether they will or will not deny admission for prior debts. In the absence of a written policy different staff may make this decision on a case-by-case basis, and this could result in a legal challenge of discrimination or improper denial of admission.

HUD regulations do not address all issues that could arise. Therefore, the administrative plan should be comprehensive enough to ensure consistent program administration. Discretionary policies can also be made in area where the regulations are silent provided that they do not conflict with an existing HUD prohibition or requirement.

The following HUD reference documents are nonbinding. That is, PHAs are advised, but not required, to follow them, unless the specific guidance provided is based on mandatory reference or requirement:

- Guidebooks
- Notices that have expired
- Handbooks that have expired
- Recommendations from individual HUD staff, preferably in writing

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"Safe Harbor"

For areas and issues within which PHAs have discretion to make policy, HUD recommends that those policies and procedures be based on HUD guidance. Using HUD guidance creates a "safe harbor" for PHAs because HUD has determined that the guidance is consistent with applicable requirements. PHAs may, however, elect to adopt policies that are not based on HUD guidance (or safe harbor). If alternative approaches in developing policies are used, make certain that they are consistent with all applicable HUD requirements.

State Law

PHAs must also keep state law in mind when there is no mandatory federal guidance. That is, your PHA must comply with state law, if it exists.

- Where state law is more restrictive than federal law, but does not conflict with it, the PHA should follow the state law.

Industry Practice

Industry practice can also be used to support PHA policy where no law or HUD authority exists on a particular subject.

- An *industry practice* is a way of doing things that is followed by most housing authorities.

Administrative Plan Policy Development

In this section we will discuss an approach to policy development that will help you recognize where policies may be needed. This approach is based upon identifying decision points within the regulations. Whenever you are reading a HUD regulation or other issuance upon which PHAs must act or operate, there are certain words or phrases to look for that indicate a policy decision point. It could be where a decision is needed as to whether the PHA will or will not do something; it could be the need to define a term that is interpretive or the need to further clarify a HUD term.

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Examples are:

- Sentences that begin with "the PHA may…." Whatever follows in this sentence is optional for the PHA and therefore is a decision point. This indicates the need to make a policy decision.
- "The PHA must give reasonable notice of…:" This indicates the need to define a time period that is reasonable. How the PHA will define "reasonable" is a decision point.

Step 1: Identifying Decision Points

The first step in the process of policy and procedure development is identifying PHA decision points.

Example: Child Care Expenses

To better understand how to identify decision points, we will use the child care allowance as an example:

To begin, review and analyze the two HUD regulations that authorize the childcare allowance:

24 CFR 5.611(a)(4)

- Any **reasonable** child care expenses necessary to enable a member of the family to be employed or to further his or her education [must be deducted from annual income].

24 CFR 5.603(b)

- *Child care expenses*. Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is **necessary to enable a family member to actively seek employment, be gainfully employed**, or to **further his or her education** and only to the extent such **amounts are not reimbursed**. The amount deducted shall reflect **reasonable charges** for child care. In the case of child care necessary to permit employment, the amount deducted **shall not exceed the amount of employment income** that is included in annual income.

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HUD has further interpreted these child care regulations in its verification guidance. HUD guidance suggests that PHAs **may not**:

- Disallow a deduction for child care expenses because there is an unemployed adult family member who may be available to provide the care.
- Decide who will provide child care for an applicant's or participant's child(ren).
- Decide the type of child care available for a participant's child(ren).

Looking at the regulatory language and guidance, your PHA must then be able to identify the decision points before you can develop the policies and procedures necessary to implement the deduction.

Decision Points

Point 1: "Necessary to…enable a family member to [engage in a qualifying activity]"

- In determining whether child care expenses are necessary, your PHA should compare the hours child care is provided to the hours family members are working or engaging in one of the other qualifying activities.
- This first point sets the stage for the other points that follow. Each qualifying activity will be discussed below.

Point 2: "Enable a family member to actively seek employment"

For Point 2, try asking yourself the following questions:

- What does actively mean?
- What kinds of activities can be considered "seeking"?
- How often do those activities have to occur (i.e., what is your PHA's performance standard on this point)?
- How will you document "actively seeking"?
- Can more than one family member be "actively seeking" employment?

Answering these questions can help you pinpoint exactly what it means to be "actively seeking employment," thereby resulting in fewer holes in the policy.

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Point 3: "Enable a family member to…be gainfully employed"

When more than one family member works, your PHA needs to determine which family member or members are being enabled to work by the child care provided.

- Notice that the above definition of *child care expenses* limits the amount allowed for these expenses to the amount of employment income included in the family's annual income.
- One suggestion in dealing with this issue is for PHA policy to adopt the assumption that the child care expenses enable the lowest-paid family member to work unless this is obviously not the case.

Point 4: "Enable a family member to…further his or her education "

This point requires your PHA to verify that the family member who is enabled to further his or her education is actually enrolled in and attending an educational institution or program.

- Similar to point 1, the days and times during which the child care is provided must correspond to the days and hours of school attendance.

Point 5: "Such amounts are not reimbursed"

Put simply, this means that no one else may be paying for the child care expenses either directly or indirectly.

- Your PHA will need to require the family to sign a certification of nonreimbursement (which may be included on your application or /reexamination form) to ensure that no portion of the childcare expenses are reimbursed by a third party.
- You will also need to obtain certification from the child care provider on a third-party verification form for the same purpose.

Point 6: "Reasonable charges"

The *Housing Choice Voucher Program Guidebook* and the *Public Housing Occupancy Guidebook* say that PHAs must determine whether child care costs are "reasonable." Ask yourself what your PHA's standard for "reasonable" is.

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In this particular context, *reasonable* means reasonable for the care being provided (e.g., in-home care versus care at the day care center or elsewhere).

- Remember: Families may choose the type of care to be provided.

Your PHA's policy should define reasonableness as it applies to child care expenses.

- The policy could include the requirement to conduct some type of market survey to determine the rate of child care under comparable conditions within the local market, for example.

Step 2: Translating Requirements into Policies and Procedures

Once you have identified the decision points within the regulation, the next step is to decide on your policy. For example:

- The PHA will consider the following activities acceptable for "seeking employment"
- The PHA will utilize the following schedule of expenses to determine if the amounts of child care expenses are "reasonable"

NMA has an Administrative Plan template that includes a revision service to accommodate future changes in regulations. This model plan identifies all of the policy decision points and offers policy options for the PHA. The PHA may then choose the policy option that best suits its needs.

There is a sample of one of the chapters of the Administrative Plan template on HCVExecMgmtResources.nanmckay.com to help you to visualize how the plan is designed.

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SECTION 5.4 KEY WORK PROCESSES

Work processes create the internal structure of how the work is accomplished and involve all of the activities needed to sustain the various program functions. They involve how staff is utilized and which tools should be created by the PHA to accomplish the work. Examples of work processes include written procedures for the functional areas of the program, mini-procedures for a specific task, workflows, automated reports, meetings, and checklists.

Work processes should be easy to reference, simple to understand, be designed in a step-by-step process, and tie into procedure checklists. When HUD regulations and forms and agency policy, systems, letters and forms are referenced within these processes, it allows staff a better understanding of how your work processes are integrated.

"Projects" are unique work processes intended to produce an outcome and then go out of existence. The primary benefit of effective work processes in your day-to-day operation ensures consistency in operations, high quality control results in file reviews, and more productivity because staff has needed resources.

Procedures

Written procedures are essential to ensure consistency in operations. If your people know what to do, when to do it, how to do it, errors (and frustration) are greatly reduced. In addition, the sustainability of your organization greatly increases because there will be a roadmap for all future staff to follow.

The difference between a policy and a procedure is that policies are words of direction created to ensure and support key requirements, mission or vision. Procedures are documented actions to be taken to show how the policy is incorporated into daily operations. Policies may not always have supported procedures, but procedures should always support a policy (and may support many policies.)

HUD regulations define what PHAs "must" do and what PHAs "may" do. When you make a policy, in effect, you are converting regulatory "mays" into PHA "musts." Procedures are the essential steps that define how policy is implemented.

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Good procedures include:

- The specific tasks to be accomplished
- Designation of responsible staff
- Timeframes in which tasks must be performed (if applicable)
- The appropriate forms, documents and systems to be used
- Approvals (if necessary)
- Regulatory or administrative plan references as applicable

Each program function or area (intake, hearings, annual reexaminations, etc) should have a set of procedures which provide step-by-step instructions.

A single procedure could involve multiple tasks. For example, the procedures for conducting annual reexaminations would typically include the following tasks:

- Generate current list of reexaminations due from the automated system
- Prepare annual reexamination packets
- Print and mail appointment letters with packets
- Enter scheduled appointments into excel spreadsheet and calendar
- Conduct interviews
- Etc.

Steps to Developing a Procedure for Annual Reexaminations

1. To begin to develop a procedure, create a simple step-by-step procedure outline of each step it takes to complete a process, such as annual reexaminations. There is an example of this Reexamination Procedure Outline on HCVExecMgmtResources.nanmckay.com.

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Exhibit 5.4-1 Sample Reexamination Procedures

Reexamination Procedures

I. SCHEDULE AND SEND INTERVIEW APPOINTMENT

1. Print reexamination list based on next reexamination.
2. Schedule reexamination appointment
3. Send reexamination appointment letter
4. Review recertification list and provide to staff

II. PREPARE FOR INTERVIEW

1. Set up file folder with names, voucher numbers, reexamination effective date, and appointment date/time on folder – put checklist and customer receipt in file
2. Obtain and print EIV report
3. Review EIV report and note on Checklist whether discrepancy (i.e. new hire date, income, etc.)
4. Call head of household for expectations and clarifications
    a. Send out any additional forms needed – Debts Owed and Criminal Background Check Release forms for other adult household members
5. Review software to familiarize yourself with family's data
    a. Review memos
    b. Most recent 50058/Calculation Summary Report; look for future 50058 transaction
    c. Members turning 18 before effective date
    d. Language needs, if applicable
    e. Reasonable accommodation, if applicable
    f. Check STATUS (Current, Notice, Evict, Past)

1

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Reexamination Procedures

g. Check subsidy screen for abatements, holds, 18 month issues, and date lease ends

6. Review file for documents and note Checklist

   a. Government-issued photo ID for each adult family member

   b. Social security number verification for all household members

   c. Proof of age/birth certificates for all household members

   d. Citizenship documents for all family members

   e. Check for documents for discrepancies in information on the documents. If missing, review Document Replacement procedure

      i. Current voucher

      ii. Current request for tenancy approval (RTA)

      iii. Current lease

      iv. Current HAP contract

         1. Verify utility allowance fuel type and responsibilities on HAP

      v. Rent reasonableness and Rent to Owner

         1. Is rent supported by rent reasonableness documentation?

      vi. Current and initial (for missing document) inspection

         1. Verify structure type and bedroom size

         2. Verify structure type is supported by rent reasonableness

         3. Verify utility allowance factors are consistent on HAP Contract, inspection, and RTA

      vii. Disclosure of Information for Pre-1978 Housing Rental and Leases

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Reexamination Procedures

viii. Disclosure of Information for Elevated Blood Level for children under 6 years of age

7. Prepare day before interview

   i. Review memos in software; Look for call-ins

   ii. Complete interview folder; complete Checklist to date

   iii. Prepare extra copies of required HUD and PHA forms

III. INTERVIEW THE FAMILY

1. Verify all adult members present; If not, set up second appointment

   a. View picture IDs of all adult members; copy any missing IDs

   b. Verify address, phone number(s), and email and update in software

2. Ensure these documents are completed and signed

   a. Application for Continued Eligibility

   b. Supplement to Application for Federal Housing

   c. Debts Owed form – all adults in household (including live-in aide)

   d. Criminal Background Release form – all adults in household (including live-in aide)

      i. Run Criminal Background Check

   e. 9886 form – all adults in family

   f. Citizenship Declaration form – all family members not in file

3. Obtain signatures on all missing forms identified in pre-interview review

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Reexamination Procedures

4. Based on reviewing the Application for Continued Eligibility, collect the following required verification documents when applicable:
    a. Copy documents provided by family
    b. Get signature on third party verifications where needed – Send to appropriate third party
    c. Collect the following, if applicable, and obtain signatures and dates:
        i. Full-time student status verification
        ii. Medical expenses verification
        iii. Disability assistance expenses verification
        iv. Child care expense verification
        v. Zero income affidavit if adult is zero income
        vi. Zero income questionnaire if entire family is zero income
        vii. Reasonable accommodation for live-in aide
    d. Provide Outstanding Documents list (receipt) to family
    e. Confirm income on application for continued eligibility, EIV and tenant-provided documents
    f. Discuss policy changes since last reexam
    g. Note software interview status (i.e. “No Show”, “Interview Attended”)

IV. COMPLETE THE REEXAMINATION (AFTER INTERVIEW INCLUDING SOFTWARE DATA ENTRY)

1. Send out Additional Documents Request letter if applicable
2. Send out second and final appointment letter if applicable
3. Send out third party verification forms if applicable

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Reexamination Procedures

4. Document software memos
5. Review Criminal Background Check results
    a. Print out any conditional/denied background checks for supervisory review
    b. If denied by supervisor, send Intent to Terminate and note status in software (NOTE: Review in 10 calendar days and do 50058 End of Participation if no request for hearing)
6. Enter the information gathered into software
    a. Verify head of household, address, phone and email are correct
    b. Verify status is correct – SAVE
    c. Verify caseworker and program – SAVE
    d. Enter Reexamination Action Code in software and effective date
    e. Verify all family members are in software and Dates of Birth, Social Security Numbers, and names are correct– SAVE
    f. Change Next Reexam Date (verify with Admission Date) – SAVE
    g. Check $50 Minimum Rent – SAVE
    h. Verify all assets and enter into software – SAVE
    i. Verify and enter all income on EIV (SS and SSI) – SAVE
    j. Enter/verify all non-EIV income; send verifications as needed – SAVE
        i. If applicable, call regarding Food Stamps and TANF and input data
        ii. If applicable, input and verify student status for adults
        iii. Run INCOME REVIEW REPORT to check all income data

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Reexamination Procedures

k. Enter/verify all expenses – SAVE
    i. If applicable, input and verify medical expenses
    ii. If applicable, input and verify disability expenses
    iii. If applicable, input and verify child care expenses
    iv. Run EXPENSE REVIEW REPORT to check all expense data

l. Review CALCULATION SUMMARY to ensure you have entered all of the data items

m. Update and print verification screens in software for each source and show all calculations (check Desk Guide for detailed procedures on sequence of which type of verification to use first, second, etc.)

n. Update software Memos for all calculations

o. Ensure verification letters were printed and mailed within 48 hours of interview

p. Obtain outstanding documents within 5 days of interview

q. Review Voucher Screen
    i. Verify number of bedrooms on voucher – SAVE
        1. Update Voucher size per family composition
    ii. Review if family is moving to unit – "NO" checked if applicable
    iii. Review payment standard

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Reexamination Procedures

iv. Review utility allowance accuracy

1. Verify structure type on most recent inspection matches 50058
2. Verify number of bedrooms in unit; ensure matches inspection report
3. Review overrides and defaults; if not matching, SAVE; if match, uncheck override

v. Verify resulting information for rent portion changes

vi. If HAP equals zero, send out Zero HAP letter

vii. SAVE other necessary computer Screens

r. Add 50058

i. Ensure correct minimum rent has been picked up on 50058

ii. Ensure correct caseworker ID

iii. Check next reexamination date; verify annual date is entered

s. SAVE 50058 and approve

t. Check subsidy screen for correct HAP and effective date

u. Print and send rent adjustment letters to owner/tenant

v. File documents

w. Document successful recertification in software

x. Forward file to supervisor for approval

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2. Then turn the procedural outline into a checklist for the Housing Specialist to use in completing the reexamination which would be included in the file.

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Exhibit 5.4-2 Annual File Review Checklist

ANNUAL REEXAMINATION HOUSING SPECIALIST PROCEDURES CHECKLIST

Unusual or difficult situations should be escalated to supervisors for resolution. If an answer is not available right away, the problem should be noted and work should continue.

Participant Name: ID #:

Appointment Date: _____ Housing Specialist: _____

IN FILE	COLLECTED AT INTERVIEW	ACTIONS/REQUIRED FILE DOCUMENTS	COMPLETED
PREPARATION			
		SET UP FILE FOLDER	Y N
		OBTAIN, REVIEW AND PRINT EIV REPORT; NOTE DISCREPANCY ON CHECKLIST	Y N
		CALL HOH FOR EXPECTATIONS AND CLARIFICATIONS; SEND AD'L FORMS	Y N
		IN SOFTWARE	
		REVIEW SOFTWARE MEMOS	Y N
		REVIEW MOST RECENT 50058/CALC SUMMARY - LOOK FOR FUTURE 58 TRANSACTION	Y N
		REVIEW MEMBERS TURNING 18 BEFORE EFFECTIVE DATE	Y N
		REVIEW LANGUAGE NEEDS IF APPLICABLE	Y N
		REVIEW REASONABLE ACCOMODATION IF APPLICABLE	Y N
		CHECK STATUS (CURRENT, NOTICE, EVICT, PAST)	Y N
		CHECK SUBSIDY SCREEN FOR ABATEMENTS, HOLDS, 18 MONTH ISSUES AND DATE LEASE ENDS	Y N
		FILE DOCUMENTS	
Y N		GOVT ISSUED PHOTO ID FOR EACH ADULT FAMILY MEMBER	Y N
Y N		VERIFICATION OF SSN FOR ALL HOUSEHOLD MEMBERS	Y N
Y N		BIRTH CERTIFICATE OR PROOF OF AGE FOR ALL HOUSEHOLD MEMBERS IF BIRTH CERTIFICATE NOT AVAILABLE	Y N
Y N		CITIZENSHIP DOCUMENTS FOR ALL FAMILY MEMBERS	Y N
Y N		CHECK DOCUMENTS FOR DISCREPANCIES IN INFO; IF MISSING, SEE PROCEDURE	Y N
Y N		>CURRENT VOUCHER	Y N
Y N		>CURRENT REQUEST FOR TENANCY APPROVAL (RTA)	Y N
Y N		>CURRENT LEASE	Y N
Y N		>CURRENT CONTRACT	Y N
Y N		>>VERIFY UTILITY ALLOWANCE FUEL TYPE & RESPONSIBILITIES ON HAP	Y N
Y N		>RENT REASONABLENESS & RENT TO OWNER (IS RENT SUPPORTED BY RENT REASONABLENESS)	Y N
Y N		>CURRENT AND INITIAL INSPECTION	Y N
Y N		>>VERIFY STRUCTURE TYPE & BEDROOM SIZE	Y N
Y N		>>VERIFY STRUCTURE TYPE IS SUPPORTED BY RENT REASONABLENESS	Y N
Y N		>>VERIFY UA FACTORS ARE CONSISTENT ON HAP CONTRACT, INSPECTION & RTA	Y N
Y N		DISCLOSURE OF INFORMATION FOR PRE-1978 HOUSING RENTAL AND LEASES	Y N
Y N		DISCLOSURE OF INFORMATION FOR ELEVATED BLOOD LEVEL FOR CHILD UNDER 6	Y N
		DAY BEFORE INTERVIEW	
Y N		REVIEW SOFTWARE MEMOS; LOOK FOR CALL-INS	Y N
Y N		COMPLETE INTERVIEW FOLDER; COMPLETE CHECKLIST TO DATE	Y N
Y N		PREPARE EXTRA COPIES OF REQUIRED HUD AND PHA FORMS	Y N
INTERVIEW		INTERVIEW ROOM	
Y N	Y N	VERIFY ALL ADULT MEMBERS PRESENT; IF NOT, SET 2ND APPOINTMENT	Y N
Y N	Y N	>VIEW PICTURE IDS OF ALL ADULT MEMBERS; COPY ANY MISSING IDS	Y N
Y N	Y N	>VERIFY ADDRESS, PHONE NUMBERS AND EMAIL; UPDATE IN SOFTWARE	Y N
Y N	Y N	ENSURE DOCUMENTS ARE PRESENT, COMPLETED, SIGNED AND DATED	Y N
Y N	Y N	>APPLICATION FOR CONTINUED ELIGIBILITY	Y N

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Y	N	Y	N	>SUPPLEMENT (HUD-92006)	Y	N	
Y	N	Y	N	>DEBTS OWED FORM (ALL ADULTS IN HOUSEHOLD INCLUDING LIVE-IN AIDE)	Y	N	
Y	N	Y	N	>CRIMINAL BACKGROUND RELEASE FORMS (ALL ADULTS IN HH INCLUDING LIVE-IN AIDE)	Y	N	
Y	N	Y	N	>>RUN CRIMINAL BACKGROUND CHECKS	Y	N	
Y	N	Y	N	>HUD-9886 (ALL ADULTS IN FAMILY)	Y	N	
Y	N	Y	N	>CITIZENSHIP DECLARATION FORM (ALL FAMILY MEMBERS NOT IN FILE)	Y	N	
Y	N	Y	N	OBTAIN SIGNATURES ON ALL MISSING DOCUMENTS IDENTIFIED IN PRE-INTERVIEW REVIEW	Y	N	
Y	N	Y	N	BASED ON ACE, COLLECT APPLICABLE VERIFICATION DOCUMENTS - SIGNATURE AND DATE	Y	N	
Y	N	Y	N	COPY DOCUMENTS PROVIDED BY FAMILY	Y	N	
Y	N	Y	N	OBTAIN SIGNATURE ON THIRD PARTY VERIFICATIONS WHERE NEEDED	Y	N	
Y	N	Y	N	>IF APPLICABLE: FULL-TIME STUDENT STATUS VERIFICATION	Y	N	
Y	N	Y	N	>IF APPLICABLE: MEDICAL EXPENSES VERIFICATION	Y	N	
Y	N	Y	N	>IF APPLICABLE: DISABILITY ASSISTANCE EXPENSES VERIFICATION	Y	N	
Y	N	Y	N	>IF APPLICABLE: CHILD CARE EXPENSE VERIFICATION	Y	N	
Y	N	Y	N	>IF APPLICABLE: ZERO INCOME AFFIDAVIT IF ADULT IS ZERO INCOME	Y	N	
Y	N	Y	N	>IF APPLICABLE: ZERO INCOME QUESTIONNAIRE IF ENTIRE FAMILY IS ZERO INCOME	Y	N	
Y	N	Y	N	PROVIDE OUTSTANDING DOCUMENTS LIST (RECEIPT) TO FAMILY	Y	N	
				CONFIRM INCOME ON ACE, EIV AND TENANT-PROVIDED DOCUMENTS	Y	N	
				DISCUSS POLICY CHANGES SINCE LAST REEXAM	Y	N	
Y	N	Y	N	NOTE SOFTWARE INTERVIEW STATUS (I.E. NO SHOW, INTERVIEW ATTENDED, ETC.)	Y	N	
AFTER INTERVIEW							
Y	N			SEND OUT ADDITIONAL DOCUMENTS REQUEST LETTER IF APPLICABLE	Y	N	
Y	N			SEND OUT 2ND & FINAL APPOINTMENT LETTER IF APPLICABLE	Y	N	
Y	N			SEND OUT THIRD PARTY VERIFICATION FORMS IF APPLICABLE	Y	N	
				DOCUMENT SOFTWARE MEMOS	Y	N	
				REVIEW CRIMINAL BACKGROUND CHECKS	Y	N	
Y	N			>PRINT OUT ANY CONDITIONAL/DENIED BACKGROUND CHECKS FOR SUPERVISORY REVIEW	Y	N	
				>IF DENIED BY SUPERVISOR, SEND ITT AND NOTE STATUS IN SOFTWARE; CHECK IN 10 DAYS	Y	N	
				SOFTWARE			
				VERIFY HEAD OF HOUSEHOLD, ADDRESS, PHONE AND EMAIL ARE ALL CORRECT	Y	N	
				VERIFY STATUS IS CORRECT	Y	N	
				VERIFY CASEWORKER AND PROGRAM	Y	N	
				ENTER REEXAMINATION ACTION CODE & EFFECTIVE DATE	Y	N	
				VERIFY FAMILY MEMBERS ARE ALL IN SOFTWARE & CHECK DOBS, SSNS, AND NAMES	Y	N	
				CHANGE NEXT REEXAM DATE	Y	N	
				CHECK $50 MIN RENT	Y	N	
				VERIFY AND ENTER ALL ASSETS IN SOFTWARE	Y	N	
				VERIFY AND ENTER ALL INCOME ON EIV (SSI, SS)	Y	N	
				ENTER/VERIFY ALL NON-EIV INCOME; SEND VERIFICATIONS AS NEEDED	Y	N	
				>IF APPLICABLE, CALL RE FOOD STAMPS AND TANF AND ENTER DATES	Y	N	
				>IF APPLICABLE: INPUT & VERIFY STUDENT STATUS FOR ADULTS	Y	N	
				>RUN INCOME REVIEW REPORT TO CHECK ALL INCOME-RELATED DATA	Y	N	
				ENTER/VERIFY ALL EXPENSES; SEND VERIFICATIONS AS NEEDED	Y	N	
				>IF APPLICABLE: INPUT & VERIFY MEDICAL EXPENSES	Y	N	
				>IF APPLICABLE: INPUT & VERIFY DISABILITY EXPENSES	Y	N	
				>IF APPLICABLE: INPUT & VERIFY CHILD CARE EXPENSES	Y	N	
				>RUN EXPENSE REVIEW REPORT TO CHECK ALL EXPENSE DATA	Y	N	
Y	N			REVIEW CALCULATION SUMMARY SHEET TO ENSURE ALL DATA HAS BEEN ENTERED	Y	N	
Y	N			UPDATE AND PRINT VERIFICATION SCREENS FOR EACH SOURCE; SHOW ALL CALCULATIONS	Y	N	

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		UPDATE SOFTWARE MEMOS FOR ALL CALCULATIONS	Y N
		ENSURE VERIFICATION LETTERS WERE PRINTED AND MAILED WITHIN 48 HRS OF INTERVIEW	Y N
		OBTAIN OUTSTANDING DOCUMENTS WITHIN 5 DAYS OF INTERVIEW	Y N
		REVIEW VOUCHER SCREEN	Y N
		> VERIFY NUMBER OF BEDROOMS ON VOUCHER	Y N
		>>UPDATE VOUCHER SIZE PER FAMILY COMPOSITION	Y N
		>REVIEW IF FAMILY IS MOVING TO UNIT = "NO" CHECKED IF APPLICABLE	Y N
		>REVIEW PAYMENT STANDARD FOR ACCURACY	Y N
		REVIEW UTILITY ALLOWANCE ACCURACY	Y N
		>VERIFY STRUCTURE TYPE ON MOST RECENT INSPECTION MATCHES 50058	Y N
		> VERIFY NUMBER OF BEDROOMS IN UNIT; ENSURE MATCHES INSPECTION REPORT	Y N
		> REVIEW OVERRIDES &A DEFAULTS IF NOT MATCHING	Y N
		>VERIFY RESULTING INFO FOR RENT PORTION CHANGES	Y N
Y N		>IF HAP EQUALS ZERO, SEND OUT ZERO HAP LETTER	Y N
		SAVE SOFTWARE SCREENS IF NECESSARY	Y N
		ADD 50058	Y N
		>ENSURE CORRECT MIN RENT HAS BEEN PICKED UP ON 50058	Y N
		>ENSURE CORRECT CASEWORKER ID	Y N
		>CHECK NEXT REEXAM DATE; VERIFY ANNUAL DATE IS ENTERED	Y N
		SAVE 50058 & APPROVE	Y N
		CHECK SUBSIDY SCHEDULE FOR CORRECT HAP & EFFECTIVE DATE	Y N
Y N		PRINT & SEND RENT ADJUSTMENT LETTERS TO OWNER/TENANT	Y N
Y N		FILE DOCUMENTS	Y N
		DOCUMENT SUCCESSFUL REEXAMINATION IN SOFTWARE	Y N
		FORWARD FILE TO SUPERVISOR FOR APPROVAL	Y N

RECERTIFICATION COMPLETION DATE: _____

HOUSING SPECIALIST SIGNATURE: _____

REVIEWER SIGNATURE: _____

NOTES:

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3. Create an Advanced File Checklist as an advanced procedure guide to be used when staff reach and maintain an accuracy level of at least 95%.

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Exhibit 5.4-3 Advanced Annual File Review Checklist

ANNUAL REEXAMINATION HOUSING SPECIALIST CHECKLIST: ADVANCED

Unusual or difficult situations should be escalated to supervisors for resolution. If an answer is not available right away, the problem should be noted and work should continue.

Participant Name: _____ ID #: _____

Appointment Date: _____ Housing Specialist: _____

IN FILE	COLLECTED AT INTERVIEW	ACTIONS/REQUIRED FILE DOCUMENTS	INSTRUCTIONS
		VIEW PICTURE ID OF EACH ADULT BEFORE INTERVIEW	
		REVIEW SOFTWARE NOTES AND MOST RECENT HUD 50058/CALCULATION WORKSHEET	
		PRINT EIV IN FILE	
	Y N	APPLICATION FOR CONTINUED ELIGIBILITY	All questions must be answered. No blanks allowed. ("None" or "0" applied). Signed and dated by Head and Spouse or co-head.
	Y N	SUPPLEMENT TO APPLICATION FOR FED HOUSING (HUD 92006)	Signed by head of household
	Y N	DEBTS OWED TO FEDERALLY ASSISTED HOUSING PROVIDERS FORM	Signed by all adults in household including live-in aides
	Y N	REQUEST FOR CRIMINAL HISTORY RECORD INFO	One form signed by each adult 18+ in household including live-in aide
	Y N	HUD 9886/AUTHORIZATION FOR RELEASE OF INFO	Signed by all adults 18+ in family
	Y N	DECLARATION OF CITIZENSHIP OR NON-CITIZENSHIP	All family members listed. Adult signs and dates on behalf of minors/Adult signs on own behalf.
IN FILE	**COLLECTED AT INTERVIEW**	**REQUIRED VERIFICATIONS**	**INSTRUCTIONS**
Y N	Y N	GOVT-ISSUED ID	For each adult family member
Y N	Y N	SOCIAL SECURITY NUMBER VERIFICATION	
Y N	Y N	PROOF OF AGE/BIRTH CERTIFICATE	
Y N	Y N	DISABILITY VERIFICATION (Family members disabled)	
Y N	Y N	FULL-TIME STUDENT STATUS VERIFICATION	
Y N	Y N	INCOME VERIFICATION	
Y N	Y N	MEDICAL EXPENSE VERIFICATION	
Y N	Y N	DISABILITY ASSISTANCE EXPENSE VERIFICATION	
Y N	Y N	CHILD CARE EXPENSE VERIFICATION	
IN FILE	**RECREATE FOR INTERVIEW**	**REQUIRED FILE DOCUMENTS**	**INSTRUCTIONS**
Y N	Y N	VOUCHER: BEDROOM SIZE _____	Correct bedroom size; signed by head of household
Y N	Y N	LEASE: EFFECTIVE DATE _____	Lease is for correct address; lease is signed by owner and family
Y N	Y N	HAP CONTRACT: EFFECTIVE DATE _____	For effective date; signed signed by PHA and owner; signed and executed within 60 days from eff date
Y N		RENT REASONABLENESS DOCUMENTATION	In file for correct address
Y N		INSPECTION DOCUMENTS FOR CORRECT ADDRESS	Most current inspect #BR___ Structure Type_____; Original inspection #BR __ Structure Type _____

All of the above-required steps were followed, required documents reviewed, and actions taken as indicated.

_____ _____

Housing Specialist Signature Date

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4. Create a formal procedure for this area which references forms and supporting documents. (A full example of this procedure is on HCVExecMgmtResources.nanmckay.com.)

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Exhibit 5.4-4 Annual Reexamination Procedures

Annual Reexaminations: Pre-Interview Activities

Routine Actions	Comments, Secondary Actions	Forms, supporting documents
Pull next batch of reexaminations	The annual reexamination process begins 120 days prior to the anniversary date.	
Print annual reexamination list	The supervisor reviews the reexamination list and distributes to staff	
Identify tenant in the system by name and SSN	Search using the tenant's SSN, not the tenant ID.	Family detail information screen
Generate and mail annual reexamination appointment letter. See differences between PHAs who scan documents and PHAs that do not scan documents below.		
Schedule the meeting rooms (if needed)		
PROCEDURES FOR PHAs WHO SCAN DOCUMENTS		
Set up interview locations	Letter generated from the system or a shared PDF document	Annual Reexamination Interview Notice.pdf
Set up file folder with names, voucher numbers, effective date of reexamination. Put appointment date and time on folder. Place annual reexamination checklist and customer receipt in file.	Clerical staff arrange rooms	
Obtain and print an EIV report	Review EIV and note any discrepancies on File Checklist	Annual Reexamination Checklist for Housing Specialist (excel)

Review family data in software to include: • Memos and correspondence • Most recent 50058/summary report • Members turning 18 before effective date • Language needs, if applicable • Reasonable accommodation, if applicable • Check current family status • Check subsidy screen for abatements, holds, lease end date	Look for future transaction Eviction notice, past due notice, etc.	
Review file for required documents and note on file review checklist • Gov't issued ID for all members 18+ • SSN documentation for all members • Proof of age/birth certificates for all members • Citizenship documentation for all members • Identify any documents that may be missing: - Current voucher - *Current RFTA - Current executed HAP contract - **Initial and current Inspection documents - Disclosure of information Pre-	Note on checklist any missing documents or information. When calling the head of household (next step) inform them that they must provide missing document(s) or information at the scheduled reexam interview. If any document(s) is/are missing, observe Document Replacement Procedure. *Verify utility allowance, fuel type and responsibilities on HAP contract with lease and RFTA **Verify structure type, bedroom size Verify structure type corresponds with rent reasonableness data and utilities are	

1978 Housing rental and leases - Elevated Blood Level disclosure for children under 6 years of age	consistent with HAPC and RFTA	
CONTACT HEAD OF HOUSEHOLD BY TELEPHONE		
Clarify expectations to explain reexamination process and expectations Clarify any discrepancies in EIV data and file data Identify and mail additional forms as needed (criminal background authorization forms, Debts owed, etc)		
DAY BEFORE INTERVIEW		
Review file memos, Look for call-ins Complete interview folder; complete checklist to date Prepare extra copies of required HUD and PHA forms		
PROCEDURES FOR PHAS WHO DO NOT SCAN DOCUMENTS	As a rule, PHAs who do not scan documents do not prepare a temporary folder during the annual reexamination process. They work directly from the tenant file.	
Pull next batch of reexaminations Print annual reexamination list	The annual reexamination process begins 120 days prior to the anniversary date. The supervisor reviews the reexamination list	

	and distributes to staff	Annual Reexamination Interview Notice.pdf
Generate and mail annual reexamination appointment letter. Include the required documents with appointment letter in accordance with PHA procedures: (Application for Continued Assistance; form 9886 Authorization; Debts owed; etc) Schedule the meeting rooms (if needed)	Search using the tenant's SSN, not the tenant ID. Letter generated from the system or a shared PDF document Clerical staff arrange rooms	
Review family data in software to include: • Memos and correspondence • Most recent 50058/summary report • Members turning 18 before effective date • Language needs, if applicable • Reasonable accommodation, if applicable • Check current family status • Check subsidy screen for abatements, holds, lease end date	Look for future transaction Eviction notice, past due notice, etc.	
Review file for required documents and note on file review checklist • Gov't issued ID for all members 18+ • SSN documentation for all members • Proof of age/birth certificates for all members • Citizenship documentation for all members • Identify any documents that may be	Note on checklist any missing documents or information. When calling the head of household (next step) inform them that they must provide missing document(s) or information at the scheduled reexam interview. If any document(s) is/are missing, observe	Annual Reexamination Checklist for Housing Specialist (excel)

missing: - Current voucher - *Current RFTA - Current executed HAP contract - **Initial and current Inspection documents - Disclosure of information Pre-1978 Housing rental and leases - Elevated Blood Level disclosure for children under 6 years of age	Document Replacement Procedure. *Verify utility allowance, fuel type and responsibilities on HAP contract with lease and RFTA **Verify structure type, bedroom size Verify structure type corresponds with rent reasonableness data and utilities are consistent with HAPC and RFTA	

5. Turn the procedure into a Desk Guide. (A more complete Desk Guide example is on HCVExecMgmtResources.nanmckay.com.)

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REEXAMINATION CORE YARDI

Introduction

Reexaminations are conducted biennially. Re-exams should be scheduled with **Interviewer** preparing file 120 days in advance of scheduled effective date.

This chapter discusses the steps to follow to conduct a reexamination in Core Yardi.

The HA conducts reexamination of family income and composition on a biennial schedule. This includes gathering and verifying current information about family composition, income, and expenses. Based on this updated information, the family's income and rent must be recalculated.

01_Schedule and Send Reexamination Appointment Letter

02_Prepare for Interview

03_Interview the Family

04_ Complete the Reexamination

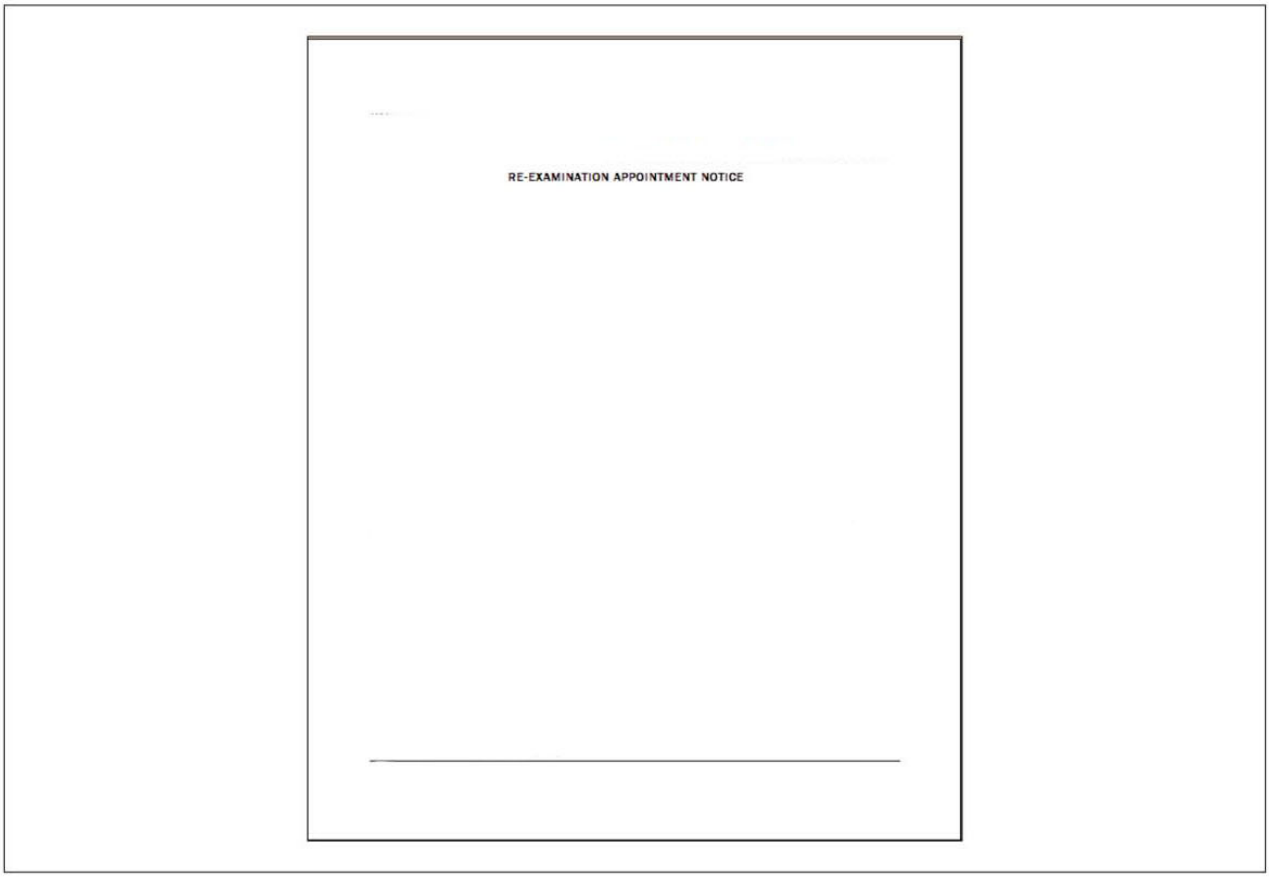
There will be a Yardi workflow which guides the user through the steps available some time in 2011. The Desk Guide will be revised when that program is released.

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Step 1. Schedule and Send Reexamination Appointment Letter

STEP	STEP PROCEDURE	STEP DETAILS	ROLE	REFERENCE
1. 0	**Print Reexamination List and**	**Operations Analyst** prints a **Recertification Listing** for the month which is distributed to supervisors. This list includes appointment dates and times for each **Housing Specialist**.	**Operations Analyst**	**24 CFR 982.516** **AP 11-I-A, pp. 11-1 through 11-4**
		Supervisors review the list and make any necessary changes.	**Team Supervisor**	**HA Policy**
	Schedule Reexamination Appointments	**Operations Analyst** makes the changes and forwards the schedule to the **Supervisor of Support Services** for mailing and to NMA staff for posting to SharePoint.	**Operations Analyst**	**HA Policy**
1.1	**Print and Send Reexamination Appointment Notice**	The mailing house sends out the first appointment letter by first class mail. It contains the date, time, and location of the interview. In addition, it will inform the family of the information and documentation to be brought to the interview.	**Support Services Supervisor**	**Reexamination Appointment Notice**
	Provide Recertification Information to Staff	Data is uploaded into SharePoint for tracking.	**NMA Staff**	
		Staff can view appointment dates and times of initial reexamination appointment in SharePoint.	**Housing Specialists**	

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STEP	STEP PROCEDURE	STEP DETAILS	ROLE	REFERENCE
1.2	**Request for Reasonable Accommodation**	Review reasonable accommodation needs in family's Yardi file and in reasonable accommodation request. If justified, re-schedule date and time and/or home visit based on reasonable accommodation request.	**Housing Specialist**	**24 CFR 100.204**
1.3	**Reschedule Request**	If the family is unable to attend a scheduled interview, the family should contact their assigned **Housing Specialist** in advance of the interview to schedule a new appointment. If participation in an in-person interview poses a hardship because of a family member's disability, the family should contact the HA to request a reasonable accommodation. If the family has not rescheduled and misses their first appointment, the Housing Specialist will schedule a second appointment and send the letter to the family. **Tip:** Family can only have 2 missed appointments before they are forwarded for termination.	**Housing Specialist**	

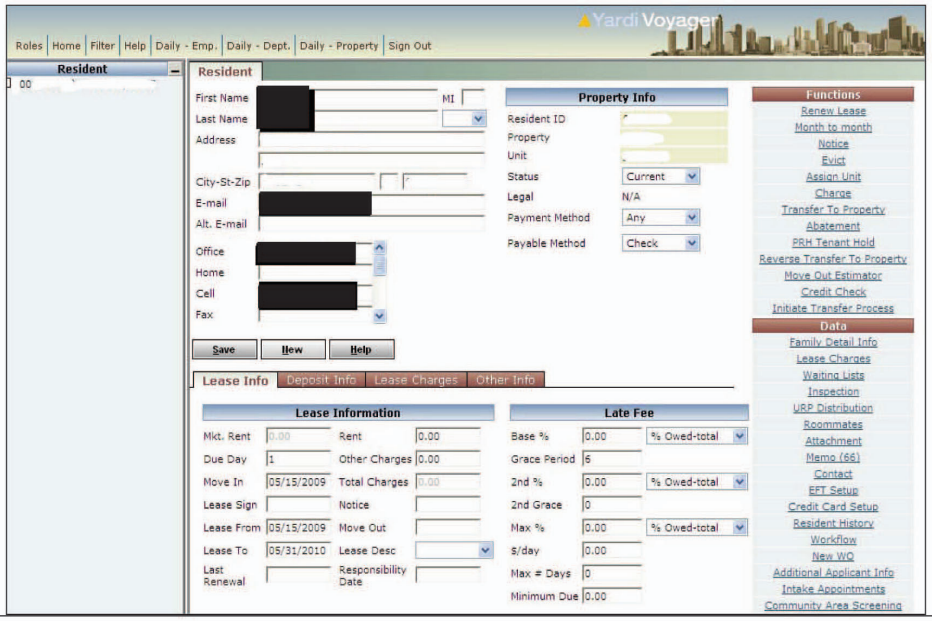
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Step 2. Prepare for Interview

STEP	STEP PROCEDURE	STEP DETAILS	ROLE	REFERENCE
2.1	**Set up File Folder**	Set up file folder with names, voucher numbers, recert effective date and appointment date/time on folder. Place checklist and customer receipt in file.	**Clerk**	
2.2	**Obtain EIV**	Obtain and print EIV report. **NOTE: Current release (executed at last bi-annual re-exam or later) 9886 must be in file for all adult household members before you can generate a new EIV report.)**	**Clerk**	
2.3	**Note Discrepancies**	Note on **Checklist** whether there is a discrepancy in new hire date, income, etc. from data in Yardi.	**Housing Specialist**	
2.4	**Call HOH**	Call head of household for interview expectations and answer clarification questions.	**Housing Specialist**	
2.4.1	**Send Forms**	Send out additional forms needed for other adult household members such as **Debts Owed** and **Criminal Background Check Release.**	**Clerk**	

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STEP	STEP PROCEDURE	STEP DETAILS	ROLE	REFERENCE
2.5.0	**Review Yardi to Familiarize Yourself with Family's Data**	Advance preparation will assist you in performing a thorough and comprehensive reexamination for the family. Review Yardi memos for pertinent information. REVIEW MEMOS (under Reports Menu)	**Housing Specialist**	



6. Procedures could have an accompanying “wiki” with links to other “how to” areas. (A more comprehensive example of a wiki is on HCVExecMgmtResources.nanmckay.com.)

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NMA Portal

All Sites Adv

NMA Portal > Nan McKay Wiki > Recertifications

Recertifications

Recertifications

TABLE OF CONTENTS

RECERTIFICATIONS AT THE HA
PRE-INTERVIEW RECERTIFICATIONS PROCEDURES
CONDUCT INTERVIEW
RUN CRIMINAL BACKGROUND CHECK
PREPARE FDI
REVIEW FAMILY COMPOSITION
DELETE ALL ASSETS
ENTER FAMILY INCOME
DISABILITY EXPENSES
MEDICAL EXPENSES
CHILD CARE EXPENSES
FAMILY VERIFICATIONS
MINIMUM RENT
DETERMINING BEDROOM SIZE
DETERMINING STRUCTURE TYPE
UTILITY RESPONSIBILITIES
VOUCHER SCREEN OVERRIDES
CALCULATION SUMMARY
ADD 50058
APPROVE 50058
REVIEW RESIDENT SUBSIDY SCHEDULE Back To Wiki Home

RECERTIFICATIONS

EXPLANATION OF RULES AND REGULATIONS CONCERNING RECERTS HERE.

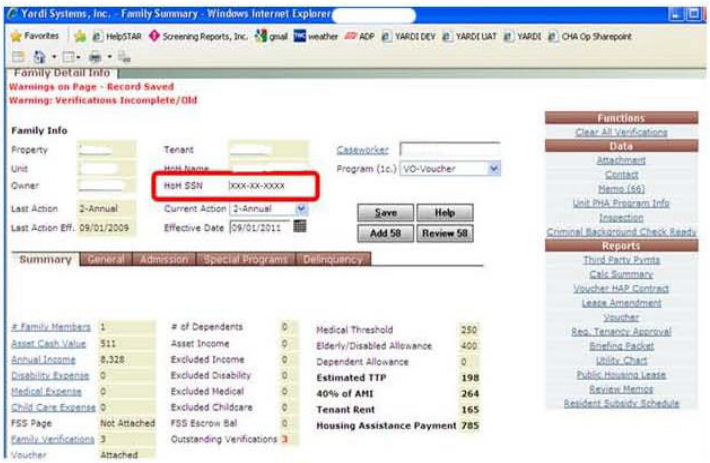
PRE-INTERVIEW RECERTIFICATIONS PROCEDURES

There is a significant amount of preparation that must take place before the family is even notified of their Recertification Interview.

- (Pre-Interview) Look up Tenant by SSN After receiving the Tenant ID
  - It is important to locate the tenant's SSN (located on the Famliy Detail Info (FDI) screen and searching using this SSN rather t the tenant ID. (See the Tenant ID article for more information.)

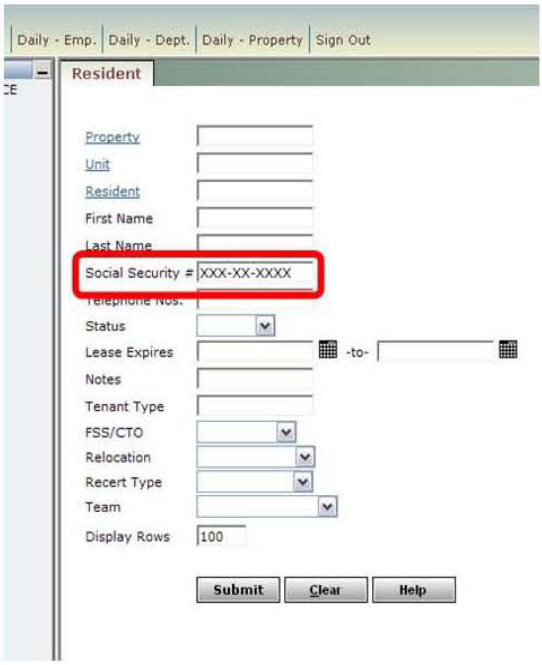
01RECERT.jpg

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- Entering the SSN into the Filter and searching only the SSN will reveal every tenant ID associated with the Resident, rather th individual tenant ID.
- Click SUBMIT

02RECERT.jpg



- In this case, only one Tenant ID is returned, meaning that this is the only file on which you should be working.
- If more than one tenant ID is returned, than you will need to investigate each one to ensure you are entering the recert on th current ID.

03RECERT.jpg

Support staff, such as Clerks, could be assigned procedures as part of the overall function. For example, assume the Clerk was assigned the following responsibilities:

CLERK PRE-FILE RESPONSIBILITIES

Clerk's pre-file responsibilities will be the following:

Running EIV (Annual & Interim re-certifications)
Running CBC (Annual only)
Reviewing existing 58

1. Calc Summary
2. Highlighting household members 17yrs of age
3. Highlighting existing Reasonable Accommodation if any
4. Core Docs (and what they should be looking for regarding these documents, ie are SS#'s clear, is the lease date legible & signed)
    a. Gov't issued photo ID (adult members)
    b. Social Security numbers for all household members
    c. Citizenship documents for all household members
    d. Current Voucher
    e. Current RTA
    f. Current Lease
    g. Current Contract
    h. Verify UA types and responsible party on HAP
        i. Verify UA factors are consistent on HAP contract, inspection & RFTA
        ii. Structure, type, bedroom size, supported by bedroom size, & RR
    i. Rent Reasonableness (is rent to owner supported by RR)
    j. Current & Initial inspection
    k. Unit structure & type
    l. Disclosures; pre-1978 Housing Rental & leases, Elevated blood level

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The procedures for those responsibilities could be something like this:

PRE-FILE PROCEDURES

1.) When opening Pre-File Check document for use immediately ***Save As*** i.e. **PF 0987560 LastName**
    a. If you write over the Pre-File Check template clear fields and save
2.) Open and login to: Yardi and Electronic filing system
3.) Select the Participant's to Pre-File (Supervisors will assign which files to pre-file for HS)

YARDI:

4.) Using Yardi, select Resident, select Review, enter Resident ID or first and last name and submit
5.) Verify or Run CBC, ***Participant main screen, under functions 'credit check' (follow instructions provided from IT)***
6.) Viewing Yardi fill-in information on the Pre-File Check document:
    a. Enter Participant Name ***i.e. First / Last, address, and zip***
    b. Recert Month, ***use drop down box and select***
    c. Voucher #, ***enter as listed in Resident ID field***
    d. Case Worker ID, select family detail, view case worker id***, enter ID even if incorrect, if ID is incorrect make note in the discrepancy box***
    e. # Family Members, family detail screen, family member number on left, ***enter #***
    f. Most current 50058 code, select family detail info, select Review 58 button, viewing upper left screen most recent date view code in ( ), ***using drop down box select code and enter***
    g. Print Calc Summary, select family detail screen, under 'Reports' open, ***print Calc Summary***
    h. Check for the Initial Inspection and Current Inspection Booklet; Home screen, Inspections, Inspections Booklet, if they're in Yardi ***use drop down box***, you will also be searching for these in Electronic filing system .
    i. Close Yardi

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Electronic Filing System:

7.) Using Electronic filing system, select HCV Docs Search – TenantID or Tenant Name
   a. Using TenantID is equal to field enter Resident ID # and select Search
   b. Select DocumentDate field, click to sort (2 times) until most current date is first

8.) Viewing Electronic filing system fill-in information on the Pre-file Check
   a. Search for Voucher, electronic filing system upper screen, use 'DocumentType Voucher is like' field and enter Voucher, (field will auto populate) select search
   b. Select DocumentDate field, click to sort (2 times) until most current date is first
   c. Select most current dated voucher and open, if voucher is signed and dated ***return to Pre-file Check sheet, using drop down box select Yes or No, if No enter note is discrepancies stating issue, ie. Missing voucher, voucher missing signature***
   d. Search Electronic filing system for ***RFTA***, remembering to always sort on date to view the most current information VERFIY ADDRESS IS THE SAME AS IN YARDI
   e. Search for ***Current Inspection***, open documents, review, and fill in Pre-File Check areas required, any discrepancies enter details, ie. Missing initial inspection, current inspection doesn't show # of Bedrooms..etc. VERFIY ADDRESS IS THE SAME AS IN YARDI
   f. Search for ***Rent Reasonableness***, open document, review and fill in Pre-File Check areas required, any discrepancies enter details, ie. Missing RR or information fields incomplete
   g. Search for the HAP Contract, review and fill in Pre-File Check areas required, any discrepancies enter details, ie. Missing dates, not signed, missing Utilities VERFIY ADDRESS IS THE SAME AS IN YARDI
   h. Search for the Lease, review and fill in Pre-File Check areas required, any discrepancies enter details, ie. Missing dates, not signed…***VERIFY EFFECTIVE DATE MATCHES HAP CONTRACT AND VERIFY ADDRESS MATCHES WHAT IS IN YARDI***
   i. Search all 'OTHER' documents, enter any discrepancies, ie. If family has 5 members, and only 4 Birth Certificates, the correct answer is NO, CBC may take 24 hrs, EIV access is currently not available, enter details in discrepancy box

9.) Print off the Pre-File Check, sign and date, place in file for Housing Specialist

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These procedures could include their own accompanying checklist:

Gray areas use drop down box selection

PRE- FILE CHECKLIST

PARTICIPANT NAME:

ADDRESS: **APT#** **(city)**

When viewing RFTA, INSP, HAP, & Lease documentation compare address & apartment #, any discrepancies please note below.

VOUCHER #: **CASE WORKER:**

Is Current Voucher in Electronic Filing System (EFS) Correct:

RECERT MONTH:

Family #:

YARDI 50058 Code:

VERIFY THAT ALL OF THE FOLLOWING DOCUMENTS ARE IN EFS FOR THE UNIT LISTED ON THE 50058

RFTA

In EFS?

Same Address:

CURRENT INSPECTION:

Same Address:

In Yardi:

In EFS: Date:

BDRMS:

Structure Type:

LEASE

Term: thru

Contract Rent:

Is it signed?:

RENT REASONABLENESS

Date:

BDRMs:

Structure Type

Offered Rent:

Tenant Utility Responsibility:

HAP CONTRACT Same Address: HAP Term: thru

Utility Responsibility: Utility Type:

Signed within 60 Days?:

Contract Rent:

Is it Void?:

Discrepancies:

OTHER

If any are missing, answer 'No' explain in discrepancies

Photo ID's

SS Card's

Birth Cert

Printed EIV
annual & interim re-certifications

Calc Summary

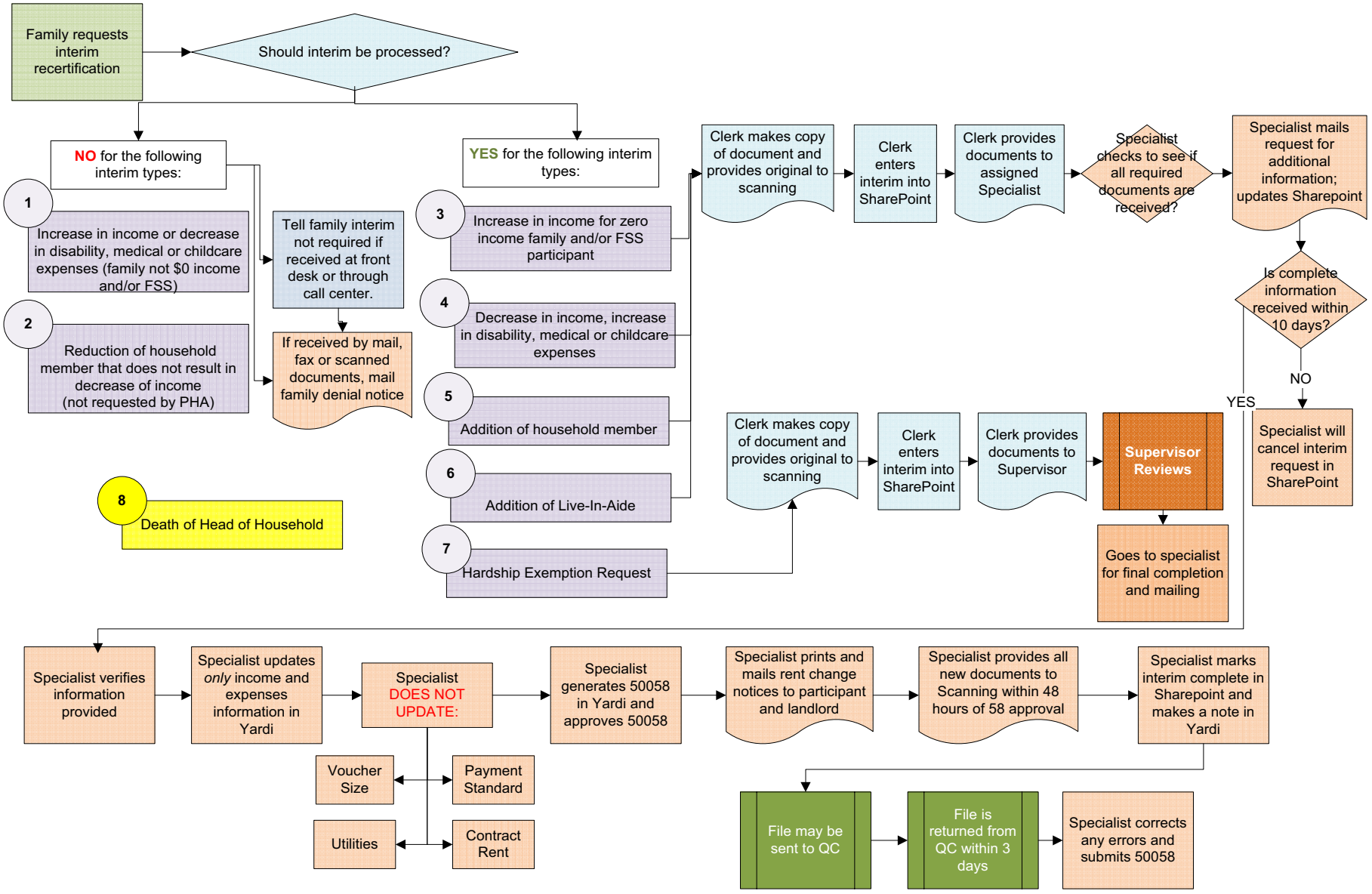
Clerk Signature & Date:

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Procedures could be in the form of a workflow or a workflow could accompany the procedures. (Go to HCVExecMgmtResources.nanmckay.com for other workflow examples).

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Interim Process High-Level Overview



When should procedures be developed? Procedures are typically needed when a function or process:

- Is lengthy (example: SEMAP supervisory audits).
- Is complex (example: (data entry and transmission of a 50058).
- Is routine, but it's essential that everyone strictly follows the same rules (example: organization of documents in the tenant file).
- Demands consistency (example: rent reasonableness).
- Involves documentation (example: verification of income).

Other indicators of when a procedure may be needed are when the same questions are asked repeatedly by staff, when people seem confused about what to do, if there are several ways to interpret how something should be done, or if the same errors are made by different staff.

It may be helpful to include a header with your written procedures to provide additional guidance and information to staff. Here is an example:

Procedure Name	Informal Hearing Procedures
Administrative Plan Reference:	Chapter 12, Section 3.1, pages 3-12 through 3-14
Applicable To:	Housing Specialists; HCV Supervisor; Hearing Officer; HCV Participant
Effective Date:	June 1, 2010
Date of Revision:	May, 2012
Legal and Other References:	24 CFR 982.555; PIH Notice XXXXX
Approval Required:	HCV Director, Inspection Supervisor, etc.

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Tips for writing the procedure

- A procedure is a set of instructions that outlines the steps for performing a task(s).
- A procedure should tell someone how to do something not just what to do.
- A procedure breaks a task or tasks into discrete sequential steps.
- A procedure uses short, active voice/action statements. “Make three copies” is better than “should make three copies.” For example, “Place a copy of the signed consent form in Tab 4 of the tenant file behind the initial application for assistance.”
- A procedure includes timeframes and document expectations, when appropriate. These can include signatures, copies of forms, case notes, etc.
- Finally, it is important to test the procedures before fully implementing them and get feedback from staff that uses them.

You may also want to include a footer on each procedure. Here is an example:

Executive Director _____	Date
HR Director _____	

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Sample Minimum Procedures

Note: This is an excerpt from ABC Housing Authority administrative plan. Italicized notes comment on the policy or explain what additional material would be included. Attachments refer to ABC PHA's policy, not to this book. The example includes first the policy itself, followed by the accompanying procedure.

POLICY:

Minimum Rent. The PHA has established a minimum total tenant payment (TTP) of $25.

Hardship Exemptions. Currently participating families may request a hardship exemption from this requirement in the case of the following hardship circumstances:

(1.) The family would be evicted as a result of inability to pay the minimum rent.

(2). The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program… (Note: Policy would continue with regulatory language.)

(3). Family income decreases because of unemployment or a family member death.

(4). Other hardship circumstances may be approved by the executive director. (Note: Rather than specifying other hardships, the policy would leave this decision to the executive director on a case-by-case basis.)

Short-Term Exemptions. If the agency determines the hardship is short-term, the minimum payment will be suspended beginning the first of the month following the family's request. During the suspension period, the minimum rent obligation continues to accrue. Once the short-term period ends… (Policy would continue here to talk about repayment requirements and agreements.)

Long-Term Exemption…

(Policy would continue here.)

PROCESSING STEPS:

1. Informing program participants. Information about the availability of minimum rent exemptions and the process for obtaining an exemption will be provided in writing (see Attachment 1) and explained:

A At the time of the briefing session

B Whenever a family requests an interim reexamination based upon reasons that could qualify the family for this exemption

C At annual reexaminations if the family indicates a hardship

2. Processing Family Requests

A Families must request the exemption in writing.

B Upon receipt the housing specialist date-stamps the request and enters the family name, date of request, and reason on the computerized Special Request Tracking Log (tracking log) found on the agency's F drive. (see Attachment 2).

C Within 2 working days of receipt of the request, the housing specialist:

(1.) Sends a letter to the family and to the owner, notifying them of the suspension of minimum rent (see Attachment 3)

(2.) Sends a notification of minimum rent suspension to the finance department (see Attachment 4)

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3. Determining Eligibility

A ***Verification.*** The housing specialist must verify the circumstances explained in the family's request in accordance with the agency's verification policy. (see Attachment 5 for verification form)

B ***Review of Justification.*** In addition to verifying the circumstances described in the family's request, the housing specialist must determine whether the circumstances actually support an exemption. (For example, the death of a family member who contributed no income to the family generally would not support an exemption.)

C ***Recommendation to Supervisor.*** The housing specialist:

(1.) Completes a Recommendation for Approval/Denial of Minimum Rent Exemption (see Attachment 6).

(2.) Forwards the recommendation to the HCV director

(3.) Logs the status on the tracking log.

D ***Approval/Recommendation.*** The HCV director reviews the request to determine if the hardship justification has been verified and meets the agency's criteria for approval.

Listed below are additional sections that would be included in the procedure.

4. Criteria and Processing for Long-Term Exemptions

5. Criteria and Processing for Case-by-Case Exemptions

6. Notifications

7. Tracking During the Exemption Period

8. Extension/Termination of the Exemption

9. Repayment Agreements (see Attachment 10 for sample agreement)

10. File documentation

Attachments would follow the last section.

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In functional areas involving multiple steps or a wide range of activities, it may be necessary to break create mini-procedures for specific steps. For example, rent calculation is voluminous and must be broken into mini procedures which are then referenced through the primary procedure such as those below. These mini-procedures usually incorporate screen shots of the computer program used to input data so that staff knows exactly what to do to accomplish the needed task.

For example, you could have these types of mini-procedures

- Zero Income Procedures
- Verification of Disability Procedures
- Verification Hierarchy Procedures
- Utility Allowance Procedures

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Exhibit 5.4-6 Mini-procedures

PROCEDURES FOR ZERO INCOME FAMILIES

Purpose. The purpose of this advisory is to inform staff of changes that affect families and adults with zero income in the HCV Program.

Definition: A zero income family is a family in which no one is receiving any income. If the family has income that excluded per program regulations (i.e. Fostercare payments, wages of a minor, food stamps) then the family is not a zero income family. Therefore, persons receiving excluded income are not required to sign **Zero Income Affidavit form** nor the **Zero Income Questionnaire.**

Procedures for Running Zero Income Reports. Per the Administrative Plan {Section XX}, the agency is required to check EIV data every six months for those participants who report Zero Income. If EIV indicates any hire date, quarterly wages, receipt of unemployment or receipt of Social Security benefits within in the past two years, then the housing specialist must verify if the income was received during that period and if it still being received. If there is unreported income, the agency will proceed with a repayment agreement or initiate termination proceedings for failure to comply with the HCV Program Family Obligations

If the housing specialist were to run this report in 5/11, they should verify if this person still works at Sports because there are quarterly wages in the most recent 2 years.

Wages Pay Period	Amount	FEIN	Employer Name and Address	Date Received by EIV
Q3 of 2009	$4,038.00		SPORTS	03/22/2010
Q2 of 2009	$2,495.00		SPORTS	11/18/2009
Q4 of 2008	$712.00		SPORTS	05/26/2009
Q3 of 2008	$3,911.00		SPORTS	02/25/2009
Q2 of 2008	$3,357.00		SPORTS	11/19/2008
Q4 of 2007	$487.00		SPORTS	07/26/2008
Q3 of 2007	$3,561.00		SPORTS	02/16/2008
Q2 of 2007	$2,693.00		SPORTS	11/16/2007

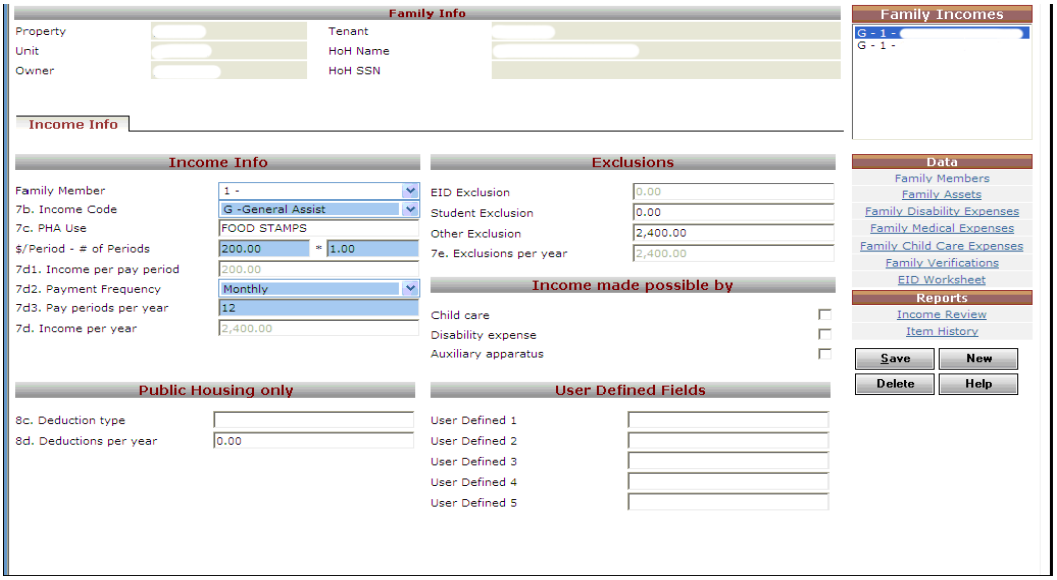
Confidential Privacy Act Data. Civil and Criminal penalties apply to misuse of this data.

The Supervisor of each department will distribute the caseload and the housing specialist will run the report for zero income families. Each Housing Specialist will review the household's EIV report, current 50058 as well as all submitted paperwork on file from the participant. These items will be used to identify any discrepancies with families who did or did not report income.

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The following procedures should be followed when there are discrepancies on the EIV report for zero income families.

1. View the (software) to determine what was counted. A good tool to use is (the software's) Item History, it's a report that include the family's income and transaction history



2. Housing Specialist discusses the discrepancy with the tenant. This could be done over the phone and does not have to be a face-to-face interview. If the Housing Specialist cannot reach the tenant over the phone, send a letter to schedule an interview.
3. If the family does not attend the scheduled interview, an **Intent to Terminate (ITT)** notice is issued immediately.
4. Request that the tenant provide any documentation to confirm or dispute the unreported or underreported income (i.e. award letter from SSA, termination of employment, letter from unemployment etc). Also, review electronic filing system for any evidence that the family did not report the income. If the family did report this income accurately and is still receiving it, the income will be counted prospectively, but not retroactively.
5. If tenant is unable to provide documentation to resolve income discrepancy regarding their employment or unemployment benefits, request third party verification from the employer or from the Department of Employment Security(for unemployment benefits). If the tenant cannot resolve their SSA amounts, request that they obtain their current award letter from SSA by going online at www.ssa.gov or calling (800)-xxx-xxxx.

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6. If the tenant was required to report this change and did not per the admin plan (zero income families are required to report the new income within 30 days when), refer to supervisor to determine course of action: 1) Tenant pays full amount or ITT 2) Tenant enters into a repayment agreement with PHA (admin plan allows for both).

   If a repayment agreement is to be done, refer to documentation of when they started receiving the income and calculate what the HAP amount would have been if they had reported the change. Compare that to the amount paid in (software) (location in software). The repayment period will commence the first of the following month after the date the family began receiving the income. The family is not entitled to 30 day notice for failure to report income accurately.

   Example: the agency paid $1,000 in HAP up to 7/15/2011

   Tenant started receiving SS benefits on 12/1/2010 and did not report this to the agency. If the tenant had reported this income, HAP would have decreased to $400.

   An interim should be processed effective 8/1/2011 (30-day notice is not required because the tenant caused the error) with new HAP amount of $400

   The tenant owes the difference $1,000-$400=$600 for the period of 1/1/2011-7/1/2011 ($600X7=$4,200)

   If amount owed is more than $5,000, then no repayment agreement is signed. Send to supervisor for possible referral to OIG.

7. Calculate down payment. Per the admin plan, the family must pay the greater of 10% of the balance owed or $500 (i.e. Since repayment amounts may not exceed $5,000, $500 is generally going to be larger than 10%). If the amount owed is $2,000 or less, the debt must be repaid within12 months. If the amount owed is more than $2,000, it must be repaid within 24 months.
8. Have the family sign the repayment agreement form. If the tenant refuses to sign the repayment agreement, an **Intent to Terminate (ITT)** notice is issued immediately.

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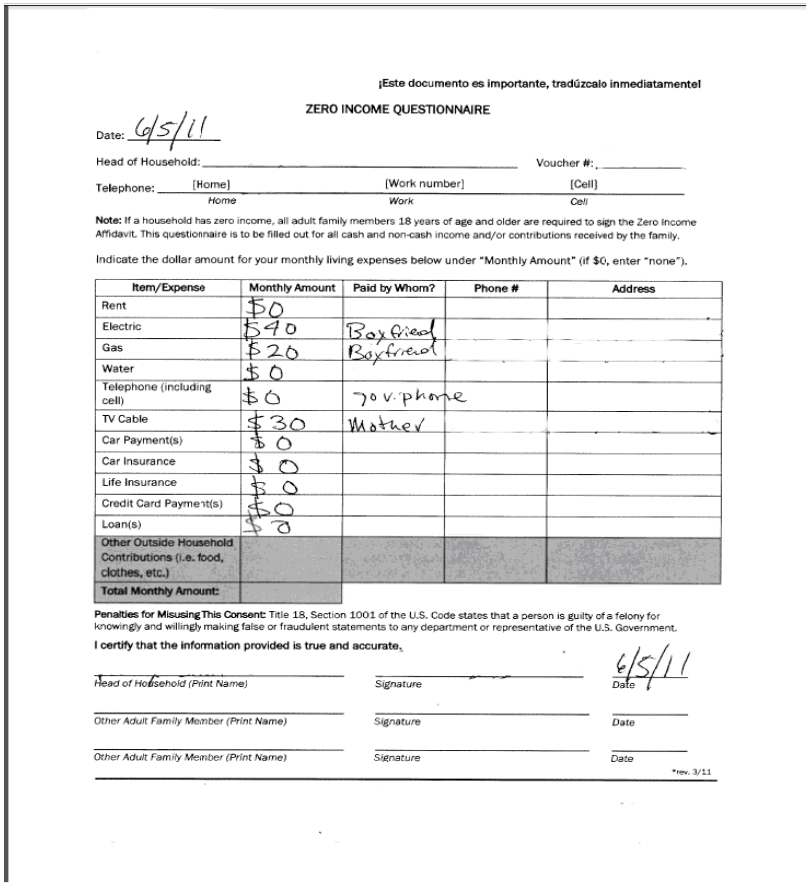
Procedures for zero income families at intake and annual reexaminations

1. All adult members reporting zero income and no contributions must sign a **Zero Income Affidavit form**.
2. If the entire family is zero income, the head of household must complete a **Zero Income Questionnaire**. The purpose of the questionnaire is to determine if the family has unreported contributions by comparing their regular expenditures with their claim of zero income. It is preferred if the specialist ask the questions on the form orally and write down their responses. If they have expenditures for car, a cell phone, cable television, the Housing Specialist should ask **who** is paying for these items (a friend, a relative, an agency). If the tenant indicates they are paying for these items themselves, then the Housing Specialist should further pursue this discrepancy. It's important that these questions be phrased in a neutral and nonthreatening manner: "You have stated on your application that you have no income, yet you claim that you are paying for (insert expenditures) on your own. Could you explain where you get the money to pay these items?"

   If these expenditures are being paid by a source outside the family, then this is income. If they are paying for these items with a credit card or using savings, it's not considered income. Whichever is the case, the Housing Specialist should document the result of the conversation. The **Zero Income Questionnaire** should be signed by all adults who stated they have contributions.

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3. Verify any contribution stated on the questionnaire. If the person states their mother pays their utility bill, then the Housing Specialist obtain a letter from the mother. If the letter cannot be obtained, document that no letter was provided use the amount stated on the questionnaire as a tenant declaration.
   This example below, the agency should try to obtain letters from the boyfriend and the mother that verified amounts.



¡Este documento es importante, tradúzcalo inmediatamente!

ZERO INCOME QUESTIONNAIRE

Date: 6/5/11

Head of Household: _____ Voucher #: _____

Telephone: [Home] _____ [Work number] _____ [Cell] _____
Home Work Cell

Note: If a household has zero income, all adult family members 18 years of age and older are required to sign the Zero Income Affidavit. This questionnaire is to be filled out for all cash and non-cash income and/or contributions received by the family.

Indicate the dollar amount for your monthly living expenses below under "Monthly Amount" (if $0, enter "none").

Item/Expense	Monthly Amount	Paid by Whom?	Phone #	Address
Rent	$0			
Electric	$40	Boyfriend		
Gas	$20	Boyfriend		
Water	$0			
Telephone (including cell)	$0	70 v. phone		
TV Cable	$30	Mother		
Car Payment(s)	$0			
Car Insurance	$0			
Life Insurance	$0			
Credit Card Payment(s)	$0			
Loan(s)	$0			
Other Outside Household Contributions (i.e. food, clothes, etc.)				
Total Monthly Amount:				

Penalties for Misusing This Consent: Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department or representative of the U.S. Government.

I certify that the information provided is true and accurate.

Head of Household (Print Name) _____ Signature _____ Date 6/5/11

Other Adult Family Member (Print Name) _____ Signature _____ Date _____

Other Adult Family Member (Print Name) _____ Signature _____ Date _____

*rev. 3/11

4. Calculate and annualize income in (software). Code as N (other income-non wage source).

Procedures at Interims

1. If a family member reports a loss of income that would cause them to be zero income, then that family member should sign the **Zero Income Affidavit** and if the loss of income causes the entire family to be zero income, a **Zero Income Questionnaire** should also be signed.

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VERIFICATION OF DISABILITY PROCEDURES

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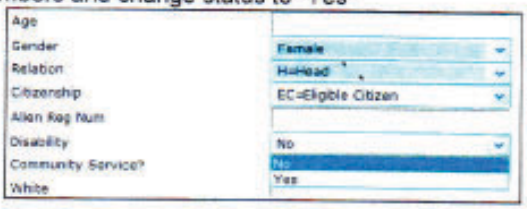
August 15, 2011

To: All NMA Staff

From: NMA, VP Program Management

Subject: Verification of Disability Procedures

1. Review the application to see if the person checked disability field "yes" or "no"
2. If yes, see if tenant receives Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI). Receipt of these benefits is proof that they are disabled
3. Check EIV
   a. If EIV shows that the tenant receives SSI and the tenant agrees with the information, then no verification of disability is needed
   b. If EIV is not available, tenant must bring in an award letter from SSA dated within 60 days of the interview date
      i. This can be obtained online via www.ssa.gov or by calling 1-800-
   c. Once you receive the award letter showing SSI with the dollar amount, no further verification is needed
4. If tenant receives Social Security, verify that it is a disability benefit (SSDI) and not a retirement or spousal benefit
   a. Generally, anyone who receives Social Security under their record who is under 62 years of age, is receiving a disability benefit
      i. You must request a copy of the tenant's award letter
   b. Pay attention to the codes adjacent to the tenant's Social Security number.
      i. "A" means that tenant is receiving a benefit under their record
      ii. "DI" means that the benefit is for disability
      iii. "HA" is another code which applies to disability
      iv. See the SSA website for a complete list of codes
5. If the tenant does not receive SSI or SSDI, or if the specialist cannot verify SS benefits are for disability, then a third-party verification of disability from a qualified health care professional is required
   a. Specialist should wait 10 days for reply
   b. On the 11th day, the specialist should call the doctor to follow up on the status of the request and to request that the document be provided as soon as possible
6. If the verification of disability is received timely, change the tenant's status in Yardi under FDI
   a. Click on Family Members and change status to "Yes"



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7. If verification of disability is not received, then the specialist must **document** that they could not verify disability and that no deduction will be give **in Yardi memos**
    a. Specialist must also send a copy of the verification form to scanning and write "No response received"

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VERIFICATION HIERARCHY

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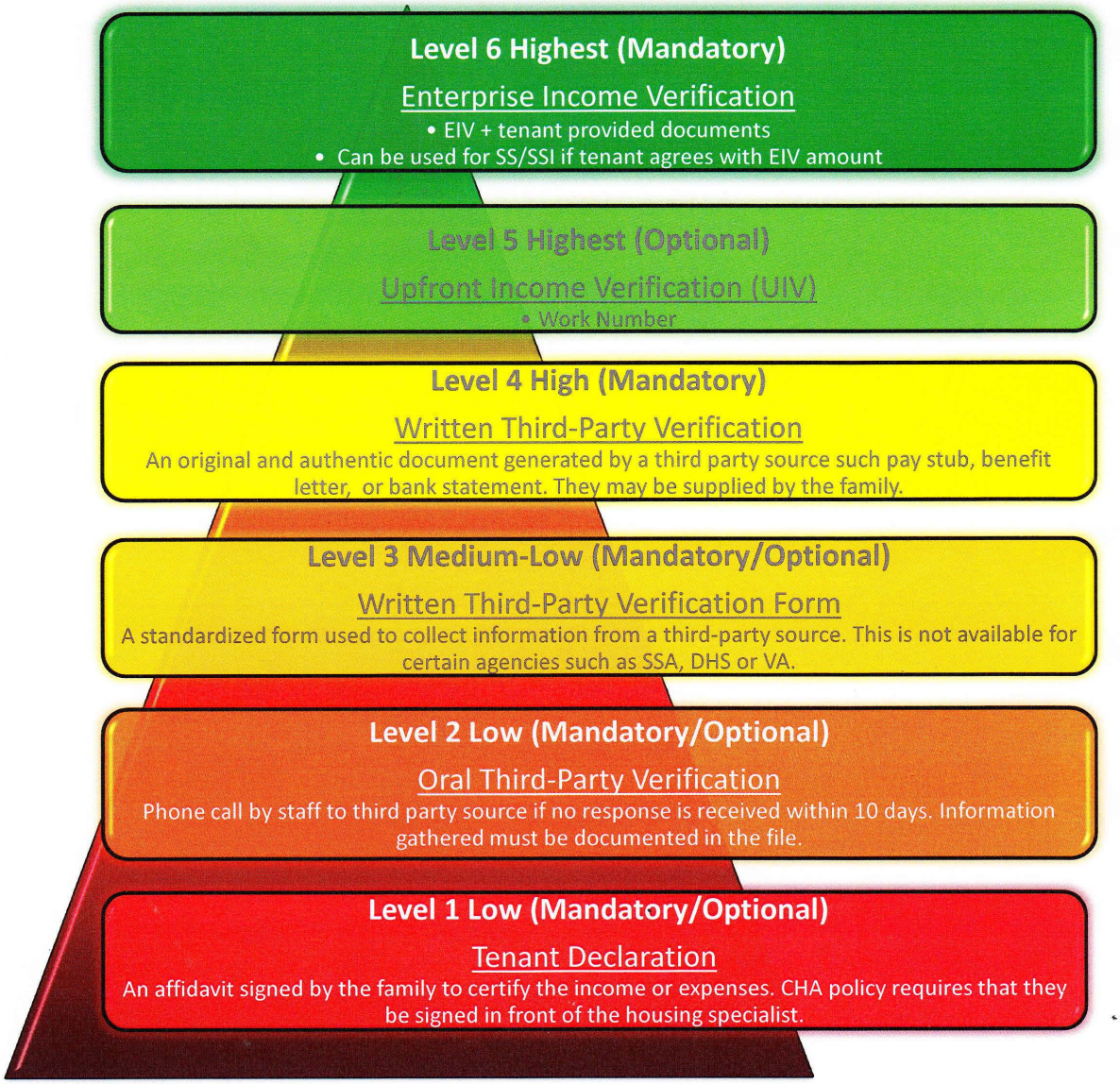
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August 31, 2011

To: All NMA Staff

From: , NMA, VP Program Management

Subject: Verification Hierarchy



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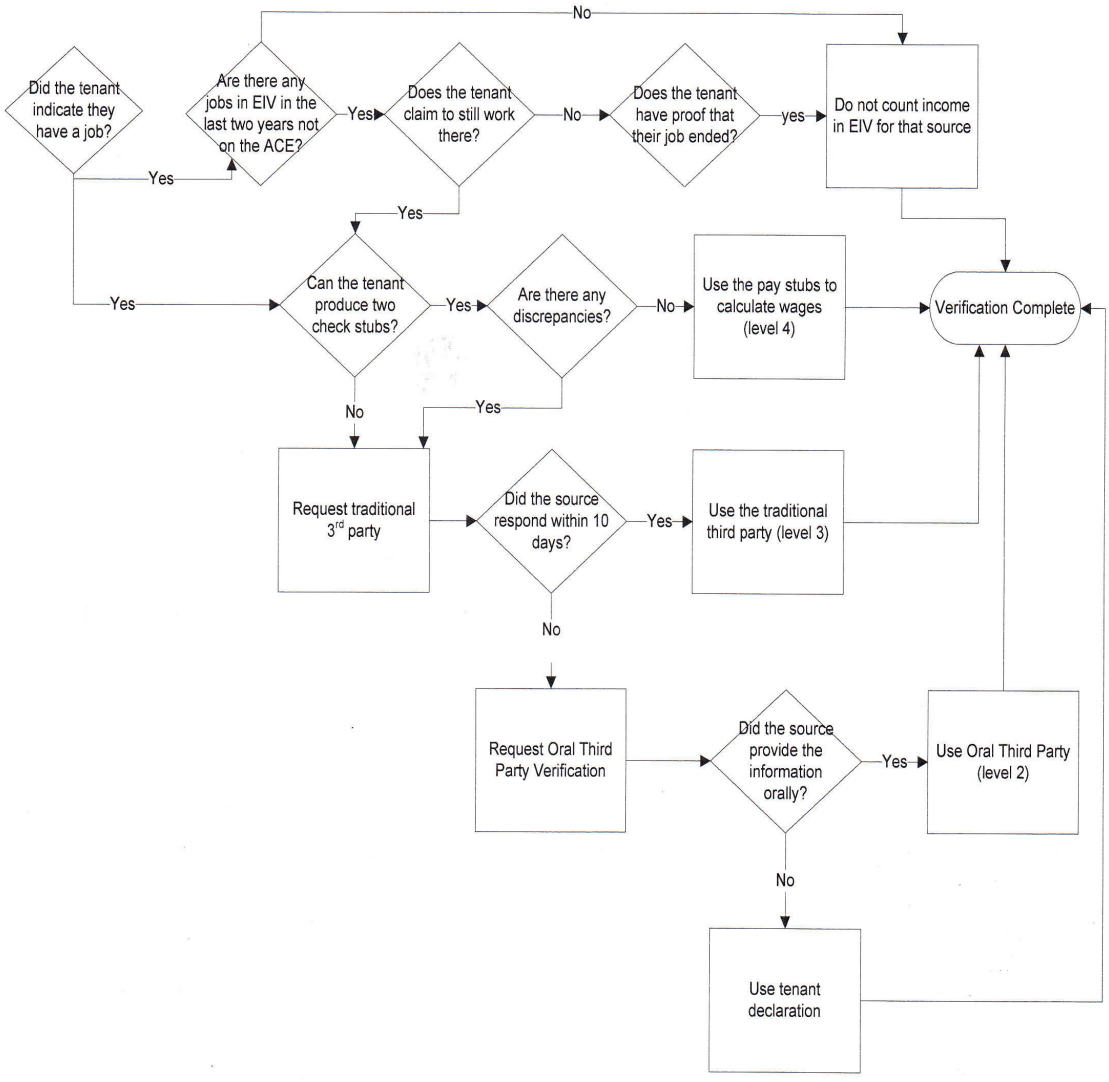
Wage and Salary	
HUD EIV (Level 6)	While this is highest on HUD's hierarchy, the quarterly wages cannot be used to project income. If a job appears in EIV during the last two years, the specialist should ask the family if they still work there. If yes, they need two check stubs; If no, they need to provide proof that employment ended. This level is not available at intake.
UIV (Level 5)	The work number: www.theworknumber.com Search for company and client SSN. Info should be faxed within 5 days.
Written 3rd party tenant provided (Level 4)	HA policy requires that the specialist attempt to obtain 2 current consecutive pay stubs. If not obtained, the following documents also would serve as third party: • Payroll summary reports • Employer notice/letters of hire/termination • W-2 forms • Tax returns
Traditional 3rd party (Level 3)	Send HA form Verification of Income-Employment from Q: drive
Oral Third Party (Level 2)	If source does not respond to written request within 10 days: • Call the source and attempt to verify income over the phone. • Document in the verification screen the date and time of the telephone call or visit, the name of the person contacted, the telephone number, as well as the information confirmed. • Print the verification screen and send to scanning.
Tenant Declaration (Level 5)	Use only if the other verification levels are not available. All self-certifications must be signed in the presence of a HA representative. Note: Staff must document why third party verification was not available.

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EIV and Pay Stub Flow Chart



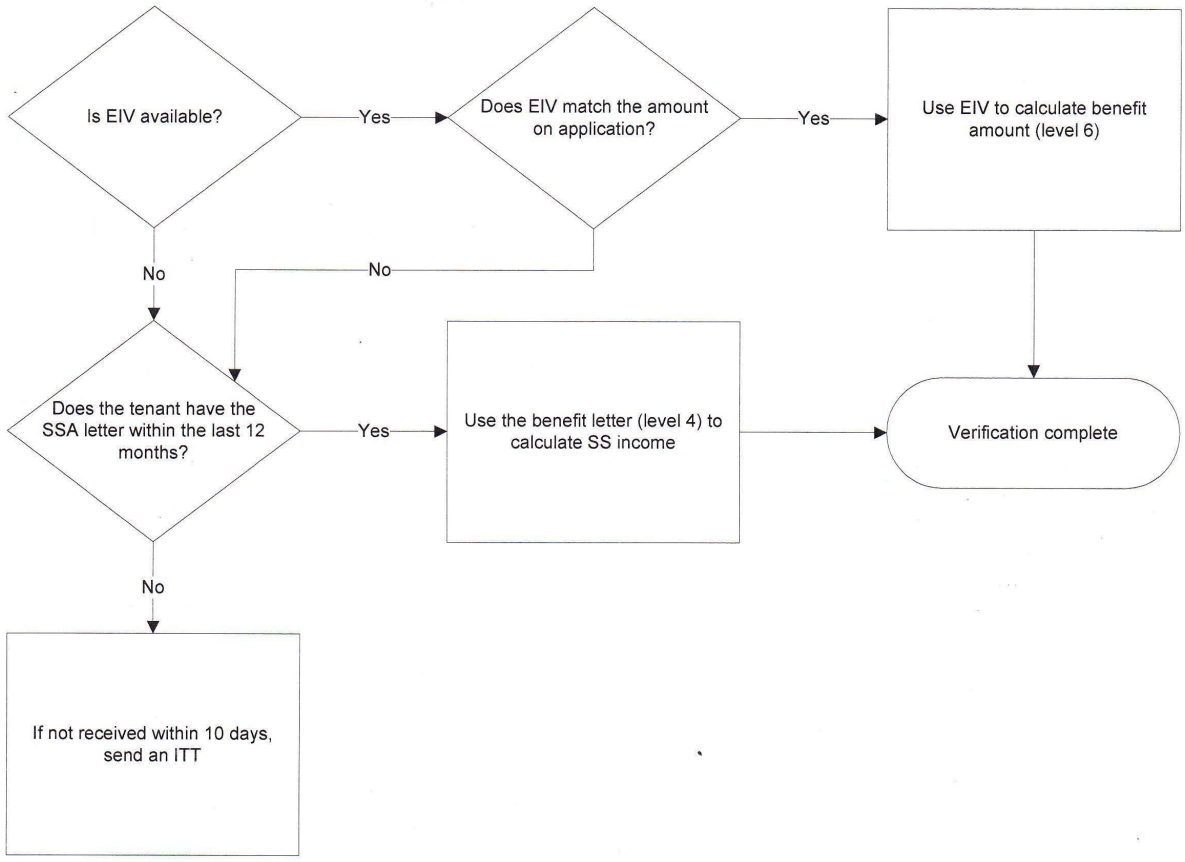
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Social Security	
HUD EIV (Level 6)	The HA may use this when the amounts declared on the tenant's application match the amount in EIV. If they do not match, move to level 4. This level is not available at intake.
UIV (Level 5)	Not available
Written 3rd party tenant provided (Level 4)	Social Security award letter dated within the last 12 months. The tenant may obtain by calling 1-800- - or www.ssa.gov
Traditional 3rd party (Level 3)	Not available (SSA will not respond)
Oral Third Party (Level 2)	Not available (SSA will not respond)
Tenant Declaration (Level 5)	This should not be used since an award letter can be easily obtained from SSA.

Social Security Flow Chart



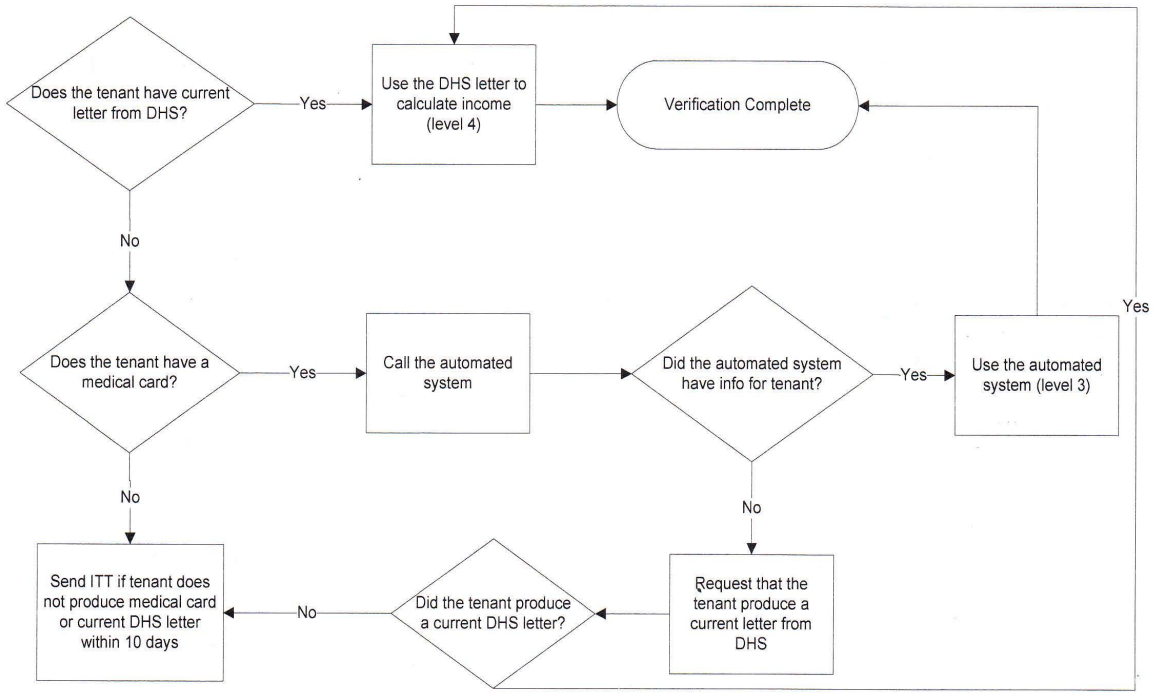
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Welfare Benefits	
HUD EIV (Level 6)	Not available
UIV (Level 5)	Not available
Written 3rd party tenant provided (Level 4)	Original benefit notice from DHS dated within the last 120 days.
Traditional 3rd party (Level 3)	Not available (DHS will not respond)
Oral Third Party (Level 2)	Use the automated system by calling 1-800 - . You need the SSN and the last 4 digits of the case ID. The case ID can also be obtained on their medical card. Write the amount of the cash and/or food stamps on the medical card. Document in the verification screen the date and time of the telephone call or visit, the name of the person contacted, the telephone number, as well as the information confirmed. Document that the tenant did not produce the letter.
Tenant Declaration (Level 1)	This should seldom be used since an award letter can be easily obtained from DHS.

Welfare Benefit Flow Chart



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Veterans Benefits	
HUD EIV (Level 6)	Not available
UIV (Level 5)	Not available
Written 3rd party tenant provided (Level 4)	A VA benefit letter dated within the last 120 days.
Traditional 3rd party (Level 3)	Not available (VA does not respond)
Oral Third Party (Level 2)	• If the tenant does not have their award letter or it is dated later than 120 days, then call (800) - . Make sure you have VA claim number. • Document in the verification screen the date and time of the telephone call or visit, the name of the person contacted, the telephone number, as well as the information confirmed. Print the verification screen and send to scanning.
Tenant Declaration (Level 5)	This should seldom be used since an award letter can be easily obtained from VA.

Self Employment	
HUD EIV (Level 6)	Not available
UIV (Level 5)	Not available
Written 3rd party tenant provided (Level 4)	• Tax Return Schedule C • Financial Audit Documents • Invoices • Letters from customers
Traditional 3rd party (Level 3)	Not available
Oral Third Party (Level 2)	Not available
Tenant Declaration (Level 5)	Use only if the other verification levels are not available. All self-certifications must be signed in the presence of a HA representative. HA may require receipts or records to support the amount of business deductions claimed. Note: Staff must document why third party verification was not available.

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Child Support and Alimony *Usually paid in two ways: 1) from the state and local government agency or 2) directly from the payer.*	
HUD EIV (Level 6)	Not available
UIV (Level 5)	Not available
Written 3rd party tenant provided (Level 4)	• If payments are made through a state or local entity, the HA will request a record of payments for the past 12 months and request that the entity disclose any known information about the likelihood of future payments. • Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules • Copy of the latest check and/or payment stubs, or, in the case of electronic deposit, a print-out of payments and disbursements • A print out from Child Support Services website showing amounts received
Traditional 3rd party (Level 3)	Send HA form Verification of Income-Child Support from Q: drive
Oral Third Party (Level 2)	If source does not respond to written request within 10 days: • Call the source and attempt to verify income over the phone. • If payment is received by the Circuit Court of County, Child Support Division, try to verify the information via the automated system by calling - - . • Document in the verification screen the date and time of the telephone call or visit, the name of the person contacted, the telephone number, as well as the information confirmed. Print the verification screen and send to scanning.
Tenant Declaration (Level 5)	Use only if the other verification levels are not available. All self-certifications must be signed in the presence of a HA representative. HA may require receipts or records to support the amount of business deductions claimed. Note: Staff must document why third party verification was not available.

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Workers Compensation	
HUD EIV (Level 6)	Not available
UIV (Level 5)	Not available
Written 3rd party tenant provided (Level 4)	• Original benefit notice or letter • Two check stubs from insurance company
Traditional 3rd party (Level 3)	Send HA form Verification of Income-Workers Compensation from drive
Oral Third Party (Level 2)	If source does not respond to written request within 10 days: • Call the source and attempt to verify income over the phone. • Document in the verification screen the date and time of the telephone call or visit, the name of the person contacted, the telephone number, as well as the information confirmed. • Print the verification screen and send to scanning.
Tenant Declaration (Level 1)	Use only if the other verification levels are not available. All self-certifications must be signed in the presence of a HA representative. Note: Staff must document why third party verification was not available.

Financial Aid	
HUD EIV (Level 6)	Not available
UIV (Level 5)	Not available
Written 3rd party tenant provided (Level 4)	• Financial aid letters or documents by the educational institution that show the amount of awards per academic term. If these documents indicate the amount the student receives in excess of tuition, no further documentation is needed. • Billing documents generated by the education institution may be used to show tuition charges separate from other items
Traditional 3rd party (Level 3)	Send HA form Verification of Income-Financial Aid from drive
Oral Third Party (Level 2)	If source does not respond to written request within 10 days: • Call the school and attempt to verify income over the phone. • Document in the verification screen the date and time of the telephone call or visit, the name of the person contacted, the telephone number, as well as the information confirmed. Print the verification screen and send to scanning.
Tenant Declaration (Level 1)	Use only if the other verification levels are not available. All self-certifications must be signed in the presence of a HA representative. Note: Staff must document why third party verification was not available

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Checking or Savings Account	
HUD EIV (Level 6)	Not available
UIV (Level 5)	Not available
Written 3rd party tenant provided (Level 4)	Current bank statement for a checking or savings account. Staff should use the ending balance as the cash value. Online print outs from the bank are acceptable.
Traditional 3rd party (Level 3)	This should not be used since most tenants can print out their statement online.
Oral Third Party (Level 2)	This should not be used since most tenants can print out their statement online.
Tenant Declaration (Level 1)	This should not be used since most tenants can print out their statement online.

Verification of Disability	
HUD EIV (Level 6)	If the person receives SSI, and the tenant agrees with the amount of SSI indicated in EIV, no further verification is needed. If they receive Social Security Disability Insurance (SSDI), skip to level 4.
UIV (Level 5)	Not available
Written 3rd party tenant provided (Level 4)	An SSA award from SSA with the codes DI or HA adjacent to the SS number
Traditional 3rd party (Level 3)	Send HA form Disability from drive
Oral Third Party (Level 2)	If the source does not respond in 10 days: • Call the source (usually the doctor) to request that the form be submitted to the HA. Disability should not be verified orally. If the form is not returned, no deduction is given.
Tenant Declaration (Level 1)	Verification of disability should not be verified by tenant declaration. If the form is not returned, no deduction is given.

Verification of Full-Time Student Status	
HUD EIV (Level 6)	Not available
UIV (Level 5)	Not available
Written 3rd party tenant provided (Level 4)	• A letter from the school stating the student is enrolled in a full time course load. • A class schedule showing the number of credits/hours **&** a print out showing the school's definition of full time.
Traditional 3rd party (Level 3)	Send HA form Verification of Student Status from drive
Oral Third Party (Level 2)	If the source does not respond in 10 days: • Call the school to see if student status can be verified orally • Document in the verification screen the date and time of the telephone call or visit, the name of the person contacted, the telephone number, as well as the information confirmed. • Print the verification screen and send to scanning.
Tenant Declaration (Level 1)	Verification of full time status should be provided by the school or the tenant. If the tenant cannot prove their student status, the tenant should be coded in Yardi as A (other adult).

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Contributions	
HUD EIV (Level 6)	Not available
UIV (Level 5)	Not available
Written 3rd party tenant provided (Level 4)	Statement from the person paying the contribution stating the amount and the frequency. This can be a letter hand delivered by the tenant.
Traditional 3rd party (Level 3)	HUD stated this level would be impossible to obtain for this income source.
Oral Third Party (Level 2)	HUD stated this level would be impossible to obtain for this income source.
Tenant Declaration (Level 1)	Use only if the other verification levels are not available. All self-certifications must be signed in the presence of a HA representative. HA may require receipts or records to support the amount of business deductions claimed. Note: Staff must document why third party verification was not available. The amount of the contributions stated on the zero income questionnaires may suffice as a tenant declaration.

Medical Expenses	
HUD EIV (Level 6)	Not available
UIV (Level 5)	Not available
Written 3rd party tenant provided (Level 4)	• Printouts or receipts from the source showing the amount the tenant paid. • Copies of checks used to make medical expense payments.
Traditional 3rd party (Level 3)	Send HA form Verification of Medical Expenses from drive. Note: HIPPA privacy laws may make this method difficult to obtain.
Oral Third Party (Level 2)	If the source does not respond in 10 days • Call the school to see if medical expense can be verified orally. • Document in the verification screen the date and time of the telephone call or visit, the name of the person contacted, the telephone number, as well as the information confirmed. • Print the verification screen and send to scanning.
Tenant Declaration (Level 1)	This method should not be used. If the tenant cannot provide receipts or the specialist cannot verify expenses, families will not receive the deduction.

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Pensions	
HUD EIV (Level 6)	Not available
UIV (Level 5)	Not available
Written 3rd party tenant provided (Level 4)	An original benefit notice from the pension provider provided by the tenant.
Traditional 3rd party (Level 3)	Send a request for information to the source
Oral Third Party (Level 2)	If the source does not respond in 10 days: • Call the source to see if pension can be verified orally • Document in the verification screen the date and time of the telephone call or visit, the name of the person contacted, the telephone number, as well as the information confirmed. • Print the verification screen and send to scanning.
Tenant Declaration (Level 1)	This method should not be used unless to verify that the tenant is looking for work. If the person claims that they are looking for work, this method may be used to record of a log of their efforts. However, it's unlikely the tenant can justify 8 hours of looking for work each day.

Child Care Expenses	
HUD EIV (Level 6)	Not available
UIV (Level 5)	Not available
Written 3rd party tenant provided (Level 4)	Original or authentic child care agency print outs of payments made by the family that identify the child for which services were provided.
Traditional 3rd party (Level 3)	Send HA form Verification of Child Care from drive.
Oral Third Party (Level 2)	If the source does not respond in 10 days: • Call the source to see if child care expense can be verified orally • Document in the verification screen the date and time of the telephone call or visit, the name of the person contacted, the telephone number, as well as the information confirmed. • Print the verification screen and send to scanning.
Tenant Declaration (Level 1)	This method should not be used unless to verify that the tenant is looking for work. If the person claims that they are looking for work, this method may be used to record of a log of their efforts. However, it's unlikely the tenant can justify 8 hours of looking for work each day.

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MEDICAL EXPENSE PROCEDURES

Nan McKay AND ASSOCIATES, INC.

Inter-office Memorandum

September 15, 2011

To: All NMA Staff

From: , NMA, VP Program Management

Subject: Medical Expense Procedures

1. **Determine if eligible for deduction**.
   - Only elderly or disabled families may receive the deduction for medical expenses. If not an elderly or disabled family, skip the question on the ACE or application that asks about medical expenses.
     - Disabled family means a family whose head, spouse or co-head is a person with disabilities.
     - Elderly family is a family whose head, spouse or co-head is at least 62 years of age.

2. **If it is an elderly or disabled family, deductions are only provided for out of pocket expenses that are anticipated and ongoing.**
   - Medical expenses that have already been paid cannot be counted. Also, explain that in order to make a difference, the medical expense has to be substantial.

3. **Verify medical expenses.**
   - Typically there are two types of medical expenses: prescription drugs and medical debt.
   - Prescription must be verified by the family bringing in a 12-month print out which indicates the amount they paid.
   - Medical debt should be verified by the family bringing in copies of the bill(s) and providing proof that they are paying these bills.
   - The specialist should give a deduction for the amount that the family is anticipating to pay (based on what they have paid in the past). If the family is not paying anything towards its medical bill, it will not receive the deduction.
   - If they did not provide verification of their medical expenses during the interview, instruct them that they have 10 days to provide these receipts and that failure to do so will result in them not getting credit for the medical expenses. If the family does not provide the receipts, then the specialist must deny the deduction. However, it is essential that the specialist **DOCUMENT** this in Yardi Memos.

4. **Annualize medical expenses.**
   - If you are working with a print out from a pharmacy, make sure the period is for 12 months. Refer to the amount that the client paid and enter into Yardi.
   - If the medical expense is past due medical debt, then annualize based on the frequency that they are making payments.
     - Example: If the medical debt owed is $2,000, but they are only making payments of $100 per month, then the medical expense deduction would be $1,200 annually.

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Sometimes mini-procedures are needed due to a specific situation. For example, as a newly-hired HCV Manager, you may discover that many of the files do not contain the executed HAP Contract. This will probably be an audit finding if discovered by HUD or OIG. Therefore, you may need a procedure of how to handle this specific situation until the staff is trained and the situation no longer exists.

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PROCEDURES FOR REPLACING THE HAP CONTRACT

HOW TO REPLACE THE HOUSING ASSISTANCE PAYMENTS CONTRACT FORM HUD-52641

If the HAP Contract for the current unit or the last two years is missing, follow these procedures to replace the document.

Step 1: Be certain it does not exist. Sometimes the HAP Contract can be located in the 1900, 2005 or 2006 index of electronic filing system.

Step 2: Contact the owner for a replacement copy. If the owner has retained the original executed HAP Contract and is willing to furnish a copy to the HA, this will eliminate the need to follow the replacement document procedures.

If there is a phone number in the Yardi (review vendor info), start with a phone call: "Hi, this is (insert name) from the XXX Housing Authority. Unfortunately, the contract we have with you is not in file. We apologize if this causes any inconvenience. However, in order ensure that there is no cessation in your payments, we wanted to know if you had the original HAP Contract. If not, we need you to sign a substitute document." If there is no phone number, contact via e-mail. If the owner does not have the original or does not respond, start the replacement document process.

Step 3: Start the replacement document process by retrieving a blank HAP Contract. This should not be done in Yardi because FDI will reflect current information. Since the memorandum specifies that the replacement contract: "must be regenerated with the missing time period for which HAP was paid," the HAP contract is to be recreated based on data that would have been entered when the contract was originally signed.

Step 4: Locate the appropriate 1, 4, 7 transaction type 50058 form in Yardi (FDI, review 50058, 50058 tree to the left). This contains information needed to populate the HAP Contract

Step 5: Obtain the lease from lectronic filing system. If the lease is not in the electron filing system contact the owner or the tenant to see if they have retained a copy).

Step 6: Make sure that the unit did not change ownership during the term of the replacement HAP Contract.

a. Review the vendor record in Yardi.

i. If the owner un Yardi matches any of the original documentation (RFTA, lease, inspection letter, rent reasonableness), the owner is the same. Proceed to initial lease term, contract rent, HAP payment, utilities and appliances.

ii. If the current owner in Yardi does not match the original documentation OR if the there is no original documentation, the owner has changed.

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Another way to determine if the owner has changed is to enter the enter the vendor number and search for change of ownership docs.

A. If same owner, proceed to step 7. If there is a new owner, speak with your supervisor.

Step 7. Fill out the HAP Contract. The chart below summarizes how the HAP contract is to be populated and specifies the preferred source to complete the contract.

HAP Contract Item	Preferred Source Document	Alternatives to preferred document	Other comments or instructions
Item 2-Tenant	HUD 50058 (Line 3a, Member 1)	None	HOH
Item 3-Contract Unit	Lease	HUD 52580-A RTA Rent Reasonableness	
Item 4-Household	HUD 50058 (Line 3a, Member 2 and up)	None	Everyone one else (otl than HOH)
Item 5-Initial Term of Lease	Lease	HUD 50058 (Line 2b)	Lease ends on the las of the 12th month after lease term begins
Item 6-Initial Rent to Owner	Lease	HUD 50058 (line 12k)	
Item 7-Initial HAP Payment	HUD 50058 (line 12s)	None	
Item 8-Utilities and Applicances	RFTA Initial Lease	Rent Reasonableness 52580-A	If questionable, verify the tenant

Step 7: Fill out owner and PHA information. Enter XXX Housing Authority as the PHA and enter the owner information as it appears in Yardi.

Step 8: Document in Yardi Memos the following: Case review showed that HAP Contract for this unit was missing from electronic filing systme. Created a Substitute Document and emailed/faxed/mailed (select appropriate one) to owner of record. Returned document should be forwarded to Scanning and an email forwarded to the Housing Specialist to provide notification the document(s) has been received.

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Step 9: Complete a Substitute Document Acknowledgement. This can be obtained from Q Drive. The substitute document form must be signed by a supervisor.

Step 10: Send to the owner for execution. If there is an email on file, attach the HAP Contract and Additional Documents Requested Letter and email to the owner for signature. If there is a fax number, fax to owner for signature. If neither is available, mail to owner address in Yardi. The Additional Documents Letter should request a signature with **a current date**. It should be explained to the owner that this contract does not change anything; it's a replacement document. The Additional Document Letter should include a deadline to return the requested document(s).

Step 11: Once the HAP contract is returned then it must be executed by the Supervisor or Manager. It should be sent to scanning along with the "Substitute Documentation Acknowledgement" as a single document .

Step 12: If the document is not returned, upload an owner ITT request in SharePoint.

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VERIFICATION OF DISABILITY PROCEDURES

Nan McKay AND ASSOCIATES, INC.

Inter-office Memorandum

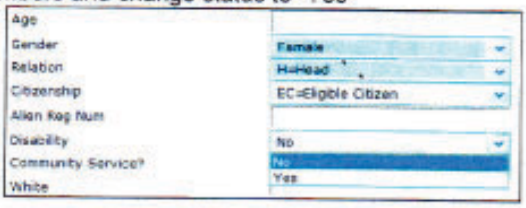
August 15, 2011

To: All NMA Staff

From: NMA, VP Program Management

Subject: Verification of Disability Procedures

1. Review the application to see if the person checked disability field "yes" or "no"
2. If yes, see if tenant receives Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI). Receipt of these benefits is proof that they are disabled
3. Check EIV
   a. If EIV shows that the tenant receives SSI and the tenant agrees with the information, then no verification of disability is needed
   b. If EIV is not available, tenant must bring in an award letter from SSA dated within 60 days of the interview date
      i. This can be obtained online via www.ssa.gov or by calling 1-800-
   c. Once you receive the award letter showing SSI with the dollar amount, no further verification is needed
4. If tenant receives Social Security, verify that it is a disability benefit (SSDI) and not a retirement or spousal benefit
   a. Generally, anyone who receives Social Security under their record who is under 62 years of age, is receiving a disability benefit
      i. You must request a copy of the tenant's award letter
   b. Pay attention to the codes adjacent to the tenant's Social Security number.
      i. "A" means that tenant is receiving a benefit under their record
      ii. "DI" means that the benefit is for disability
      iii. "HA" is another code which applies to disability
      iv. See the SSA website for a complete list of codes
5. If the tenant does not receive SSI or SSDI, or if the specialist cannot verify SS benefits are for disability, then a third-party verification of disability from a qualified health care professional is required
   a. Specialist should wait 10 days for reply
   b. On the 11th day, the specialist should call the doctor to follow up on the status of the request and to request that the document be provided as soon as possible
6. If the verification of disability is received timely, change the tenant's status in Yardi under FDI
   a. Click on Family Members and change status to "Yes"



Nan McKay
AND ASSOCIATES, INC.

Inter-office Memorandum

7. If verification of disability is not received, then the specialist must **document** that they could not verify disability and that no deduction will be give **in Yardi memos**
    a. Specialist must also send a copy of the verification form to scanning and write "No response received"

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These written procedures also make excellent training tools. For example, one of the most difficult areas for staff to comprehend is the application of the utility allowance. This is an example of a utility allowance procedure which is used for training purposes and incorporates a worksheet.

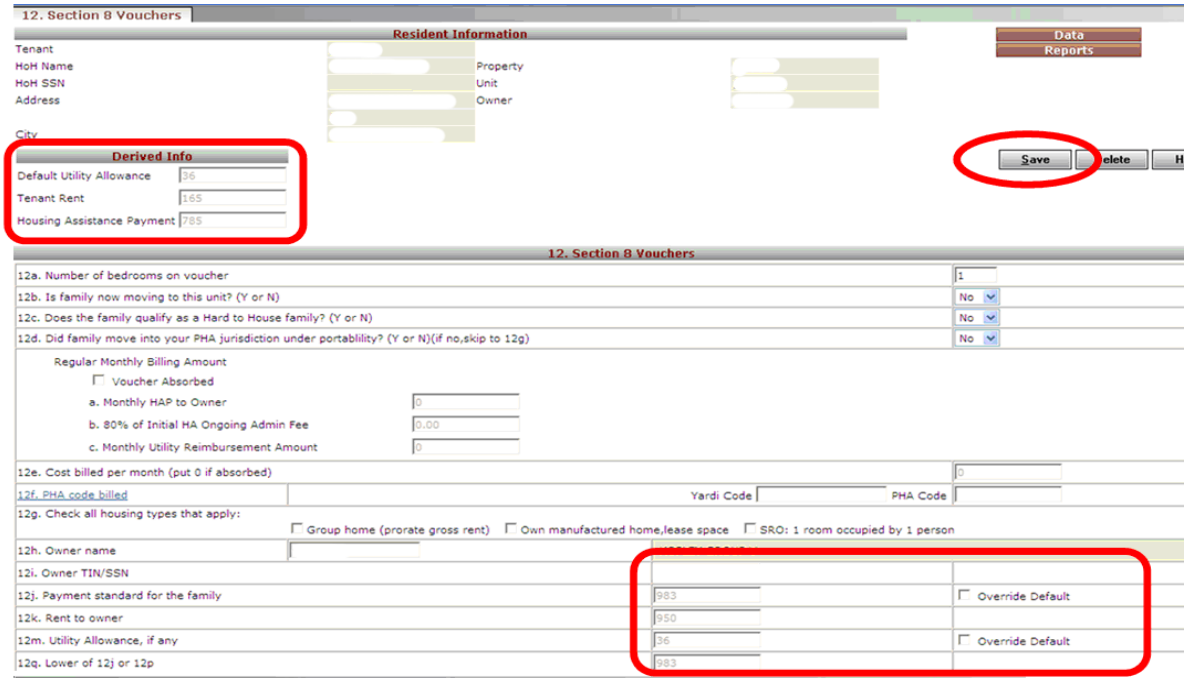
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UTILITY ALLOWANCE PROCEDURES

Utility allowance Procedures

Step 1. Click on the voucher link in FDI

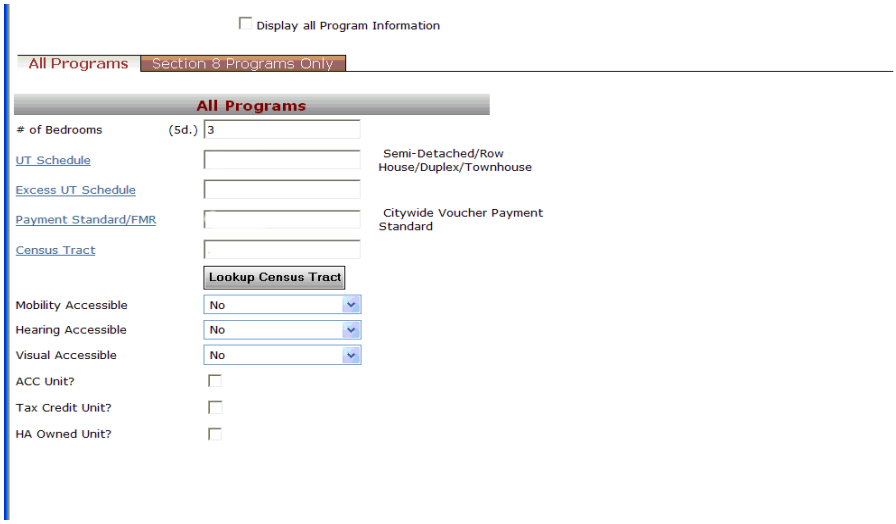
- In the voucher link, compare the default Utility Allowance (UA) to field 12m UA. If they do not match, hit save
- If UA override box is checked and default UA / 12m UA match, uncheck box



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Step 2. Determine if bedroom size is correct. Utility allowances are based on the lower of the voucher size or the size of the unit actually leased.

- Check in Yardi the number of bedrooms



- Compare this information with the current inspection. If the bedroom sizes match, no further action is needed.
- If they do not match, research initial inspection report and rent reasonableness. If these agree with 50058/Yardi info, use this to calculate the UA. A unit size conflict resolution request should be forwarded to Owner Services for clarification and a note entered in Yardi explaining the reason for unit type used.

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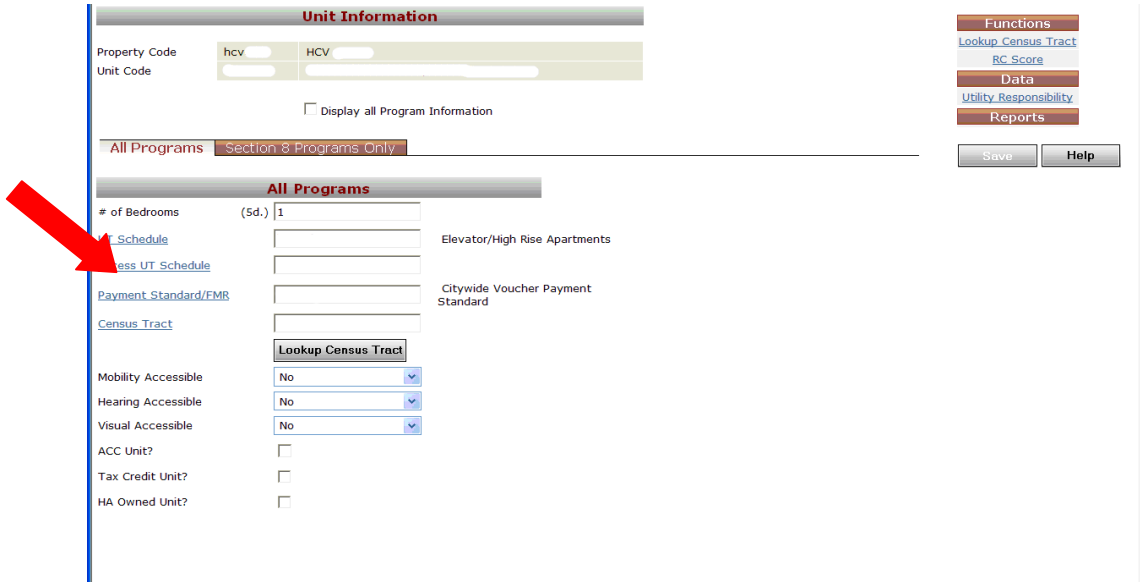
Step 3. Determine if Structure Type is correct.

- Determining the structure type can be confusing because HUD does not use the same language on the Inspection Report, RFTA and 50058 form. The Yardi UT schedule also is different. This key aims to clarify the corresponding structure definition on each document.

Inspection Report	50058	RFTA	UT Schedule Yardi
Single Family Detached	Single Family Detached	Single Family Detached	Detached-Single Family
Duplex or Two Family	Semi-Detached	Semi-Detached/ Row House	Semi-Detached/RowHouse /Duplex/ Townhouse
Low Rise: 3, 4 story	Low Rise	Garden/Walk Up	Garden/Walk Up
High Rise: 5 or more stories	High Rise	Elevator/High Rise	Elevator/High Rise
Row House or Town House	Row House/Town House	Semi-Detached/ Row House	Semi-Detached/RowHouse /Duplex/ Townhouse

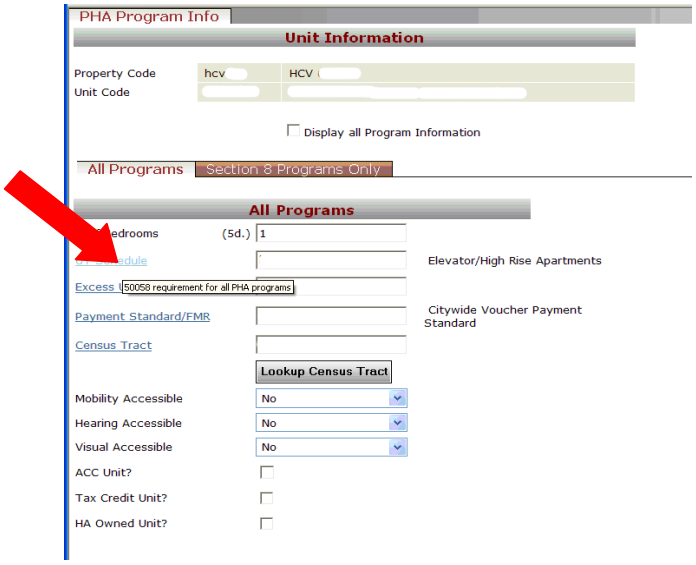
- Check the structure type in Yardi.

FDI->Unit PHA Info



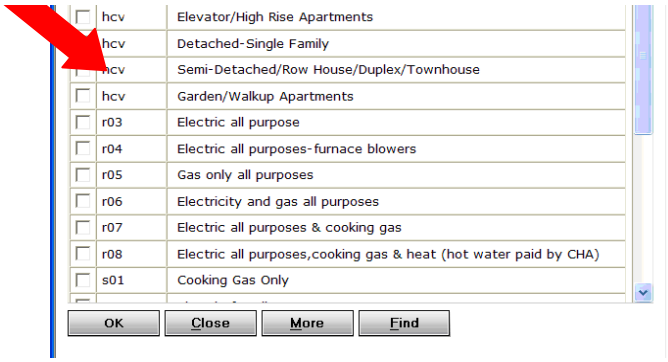
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- Compare this information with the current inspection. If the structure types match, no further action is needed.
- If they do not match, research initial inspection report and rent reasonableness. If these agree with 50058/Yardi info, use this to calculate the UA. A unit type conflict resolution request should be forwarded to Owner Services for clarification and a note entered in Yardi explaining the reason for unit type used.
- When changing the structure type in Yardi, click on UT Schedule

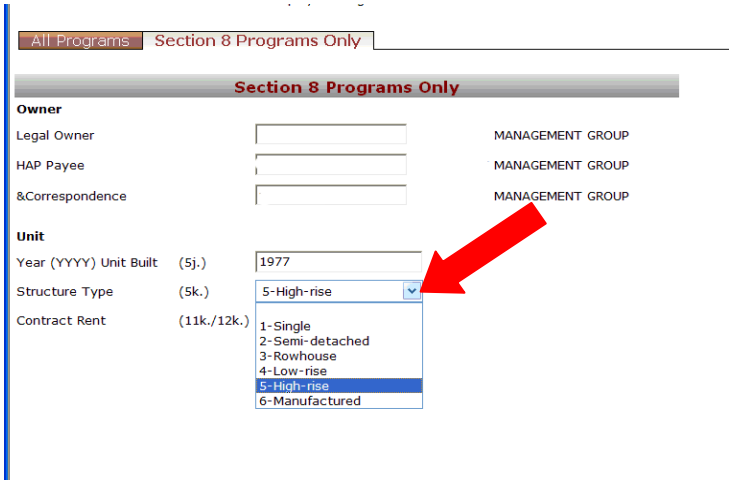


- Only use the utility allowances that commence with HCV. Check appropriate box. Refer to key if any confusion.

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- Also change the structure type in the Section 8 tab only. Refer to key if any confusion.



Step 4. Make sure the utility responsibilities on the HAP Contract and Yardi correspond.

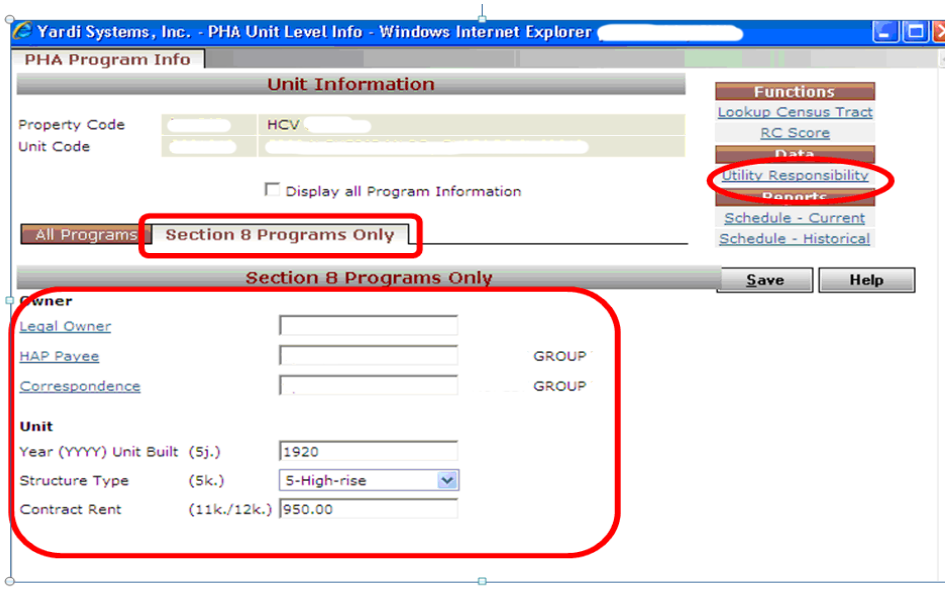
- Click on PHA Unit Info

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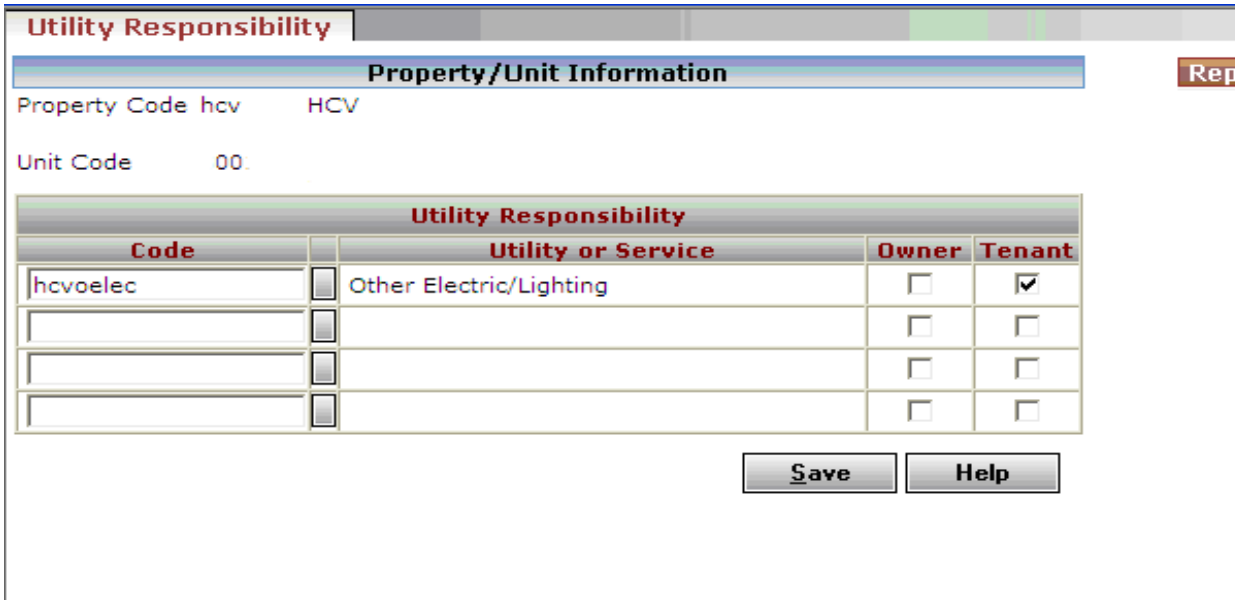


- Click on Utility Responsibilities

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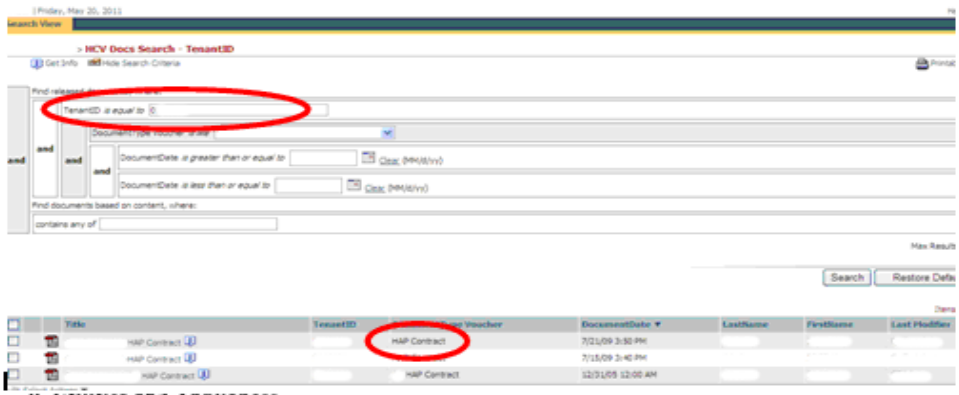


You will now see the utility responsibilities in Yardi.



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- Retrieve the HAP Contract from the electronic filing system. Make sure you find the HAP Contract for the current unit



9. Utilities and Appliances

The owner shall provide or pay for the utilities and appliances indicated below by an **"O"**. The tenant shall provide or pay for the utilities and appliances indicated below by a **"T"**. Unless otherwise specified below, the owner shall pay for all utilities and appliances provided by the owner.

Item	Specify fuel type			Provided by	Paid by
Heating	☒Natural gas	☐Bottle gas ☐Oil or Electric	☐Coal or Other	O	O
Cooking	☒Natural gas	☐Bottle gas ☐Oil or Electric	☐Coal or Other	O	O
Water Heating	☒Natural gas	☐Bottle gas ☐Oil or Electric	☐Coal or Other	O	O
Other Electric				T	T
Water				O	O
Sewer				O	O
Trash Collection				N/A	N/A
Air Conditioning				N/A	N/A

- If the Yardi does not match the HAP Contract, change the utilities in the in Yardi to match the HAP Contract
- If the HAP Contract is missing, it must be replaced (see Missing HAP Contract memo). Use rent reasonableness to determine utilities and confirm this with owner and tenant.
- If the HAP Contract does not have the utilities specified, refer rent reasonableness to determine utilities and confirm this with owner and tenant. The owner should enter the correct utilities on the contract and put their initials adjacent to the change. The corrected HAP Contract should be sent to scanning.
- If the HAP Contract has the incorrect utilities or the responsibilities have changed, then a new lease and HAP Contract are required.

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UTILITY WORKSHEET

Structure Type

50058 (Check box that applies)	**Inspection Report (Check box that applies)**
Single Family ☐	Single Family Detached ☐
Semi-Detached ☐	Duplex or Two Family ☐
Low-Rise ☐	Low Rise: 3, 4 story ☐
High-Rise ☐	High Rise: 5 or more stories ☐
Rowhouse/Townhouse ☐	Row House or Town House ☐

Number of Bedrooms (write in the number)

50058____ **Inspection Report____**

Utility Responsibilities

50058

Fuel Type					Paid or Provided T=Tenant/ O=Owner
	Natural Gas	Bottle Gas	Oil	Electric	
Heating					
Cooking					
Water Heating					
Other Electric					
Water					
Sewer					
Trash Collection					
Range					
Refrigerator					

HAP Contract

Fuel Type				Paid or Provided T=Tenant/ O=Owner
	Natural Gas	Bottle Gas	Oil or Electric	
Heating				
Cooking				
Water Heating				
Other Electric				
Water				
Sewer				
Trash Collection				
Range				
Refrigerator				

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SECTION 5.5 SUMMARY: IMPLEMENTING POLICIES AND PROCEDURES

Here is a summarization of the key steps in developing policies and procedures:

1. Identify required policies in 24 CFR 982.54 and review HUD requirements in HCV regulations/current PIH Notices and other HUD directives.
2. Review the language carefully to identify decision points.
3. Analyze possible options and decide on policy.
   - Remember that although guidebooks are not mandatory, they are helpful references you can refer to for acceptable policy language.
   - Revisions to the administrative plan require board approval.
4. Create procedures to implement policies (in consultation with operational staff) using the guidelines above.
5. Provide staff with written procedures and training.
6. Monitor procedures for staff compliance.
7. Revise procedures as needed.

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Notes

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SECTION 5.6 DOCUMENT CREATION

The documents created by PHAs are an important part of its internal work processes. All forms and letters used by staff should be approved by management. They fall into three basic categories; interactive forms, form letters and internal forms and reports.

Interactive forms are forms that the PHA creates to collect data and information from applicants and participants. Examples of interactive forms are the initial application form, the full application form, the annual reexamination form or a move request form. Make certain your application and reexamination forms address all HUD-required items. All types of income and assets should be listed in a way that requires families to affirmatively declare or deny them. Have a person who is not familiar with the program review your application and reexamination forms, and ask them to provide feedback.

Form letters are created to notify applicants and participants of various program requirements or events or to communicate information to them. Examples of form letters are appointment notices to schedule interviews or inspection, notification of a change in tenant rent or notification of termination of assistance. PHA form letters should be reviewed for the right balance of tone, clarity, word usage and layout. Keep the language non-technical to the extent possible. Avoid underlining, exclamation points and inflammatory or threatening language. The tone and language in these letters reflect the agency's level of professionalism.

Internal forms and reports: PHAs often create forms or reports that are used to communicate between departments. Examples of internal forms or reports could include a leasing summary report from the HCV manager to finance, an inspection report from the inspections supervisor, or a quality control report.

It is suggested that PHAs create a forms inventory system of management-approved forms and letters. This system should be maintained by a designated person who is responsible to review them periodically and revise them as needed. Review all of your current forms to ensure that they meet a high professional standard. They are a direct reflection on how your agency views its customers and does business.

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Notes

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SECTION 5.7 SOFTWARE

Every agency has selected a housing software system to manage the HCV program. There are several major vendors in the industry which provide this software. The software should be customized as little as possible because, when the vendor updates the software, the customization will probably be lost or the agency will be subject to paying high fees to continue to customize the updates. The agency's work processes are driven by the software, not vice versa. PHAs often try to make the software fit their work processes, and this usually results in not properly utilizing the potential of the software and will often result in extensive data problems. When a PHA changes software vendors, they will usually have to change their internal work processes to accommodate the new software.

The housing software may not be comprehensive enough for mid-size and larger agencies. Other software utilized may include an electronic filing system, call center software, a call tracking system, a criminal background check system, a data tracking system, rent reasonableness system, inspection system, kiosks, and a performance management system.

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SECTION 5.8 WORK PROCESS TOOLS

As part of the work systems and processes, tools will further ensure that the work to be done is being accomplished in a timely manner. Once we have work processes and tools in place, we can measure progress. These could take many forms such as calendars, software tracking systems, and file systems.

These tools function as part of our leadership system to ensure consistency in operation so that timely results are achieved. We have included examples of tools for managing annual reexaminations. The tools could be converted to tools for other functions such as inspections, interims, and many other activities. We have chosen annual reexaminations because there are overlapping activities in reexaminations and the number of types of duties can be overwhelming from one month to another.

Reexamination Calendar

The calendar is used to structure the activities needed to complete each set of monthly reexaminations over a 135-140 day period. The supervisor creates a calendar to show reexamination activities and set specific tasks for each month so that a pattern emerges. When the supervisor creates this calendar for each month, staff knows exactly what has to be accomplished each week for each monthly batch of reexaminations to be "on time." This can greatly improve time management and organizes the work so that it is manageable for the staff to perform and for the supervisor to monitor.

Each set of monthly reexaminations is completed over a four-plus month period. For each monthly reexamination batch to be completed and implemented by the reexamination effective date, the timing for these activities is:

- Mailings for reexam interviews 4.5-5 months out
- Interviews for reexams 4 months out
- Begin processing for reexams 3 months out
- Close out processing for reexams 2 months out

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In addition to the regular activities, the calendar must accommodate additional appointments granted (the number of missed appointments allowed to be rescheduled is determined by the Administrative Plan). It must also have a date set each month for deadlines on other activities such as the date the families must provide their missing documents so that termination of assistance for missed documents can be provided timely. The calendar also could accommodate due dates for Clerks for the pre-file review of the needed documents so they can call families as an appointment reminder and to let them know what to bring with them to the interview. Clerks can reschedule appointments if needed at that time.

The other activity which should be calendared is close out dates. These are necessary so that Finance has the paperwork needed to have the proper check cut and so that families have the required thirty day notice if there is to be a rent increase.

When these activities are calendared, each staff person knows what has to be done when on which batch of reexaminations. The supervisor can then check to see whether the activities were completed on a timely basis and, if not, knows which staff needs further coaching or discipline.

In the example, we have not included holidays, for ease of viewing. Holidays do have to be incorporated into the schedule, of course.

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September

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Notes:				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15 **Mail out February appointment letters**	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	Notes:

October

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Notes:						1
2	3 **February 1st Appointments**	4	5	6	7	8
9	10 **Review/Process December Recerts**	11	12	13	14 Mail out March appointment letters	15
16	17 Feb Addt'l Docs Due/ Send ITT **Clerk: March Pre-file review**	18 **February 2nd Appointments**	19 **Housing Specialist: Review/Process January Recerts**	20	21	22
23	24 **Clerk: March Pre-file review**	25	26 **Housing Specialist: Close out December Recerts**	27	28	29
30	31 **December Recerts Due**	Notes:				

November

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Notes:		1	2	3	4	5
		March 1st Appointments				
6	7	8	9	10	11	12
	Review/Process January Recerts					
13	14 March Addt'l Docs Due/ Send ITT	15 Mail out April appointment letters	16	17	18	19
			March 2nd Appointments			
	Clerk: April Pre-file review		**Housing Specialist: Review/Process February Recerts**			
20	21	22	23	24	25	26
	Clerk: April Pre-file review		**Housing Specialist: Close out January Recerts**			
27	28	29	30 January Recerts Due	Notes:		
	Clerk: April Pre-file review **Housing Specialist: Close out Jan Recerts**					

December

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Notes:				1 April 1st Appointments	2	3
4	5 April 1st Appointments	6	7 Review/Process February Recerts	8	9	10
11	12 Housing Specialist: Review/Process February Recerts	13	14	15 Mail out May appointment letters	16 April Addt'l Docs Due/ Send ITT	17
18	19 April 2nd Appointments Clerk: May Pre-file review	20 Housing Specialist: Review/Process March Recerts	21	22	23	24
25	26 Clerk: May Pre-file review	27 Housing Specialist: Close out February Recerts	28	29	30 February Recerts Due	31

Reexamination Tracking

The supervisor needs an easy way to determine whether the activities on the calendar were completed according to schedule. SharePoint, a Microsoft program, works well to track these and other related activities.

First you need to gather the data. This is the hardest part because the staff needs to be conscientious about entering the data. The supervisor will need to remind them at first because if the data isn't entered, the supervisor will be unable to track the progress. Review the sample SharePoint screen to view the fields for data entry.

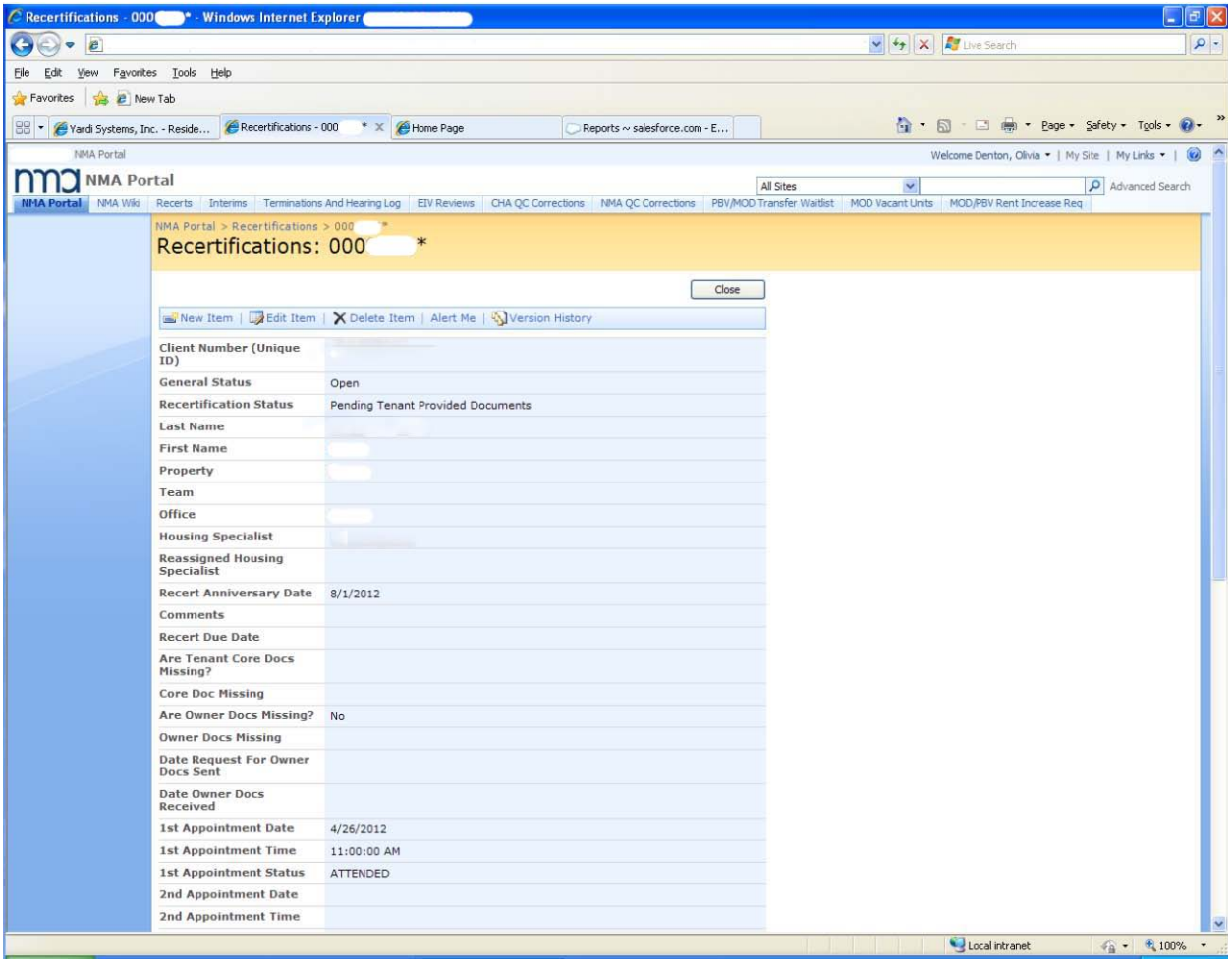
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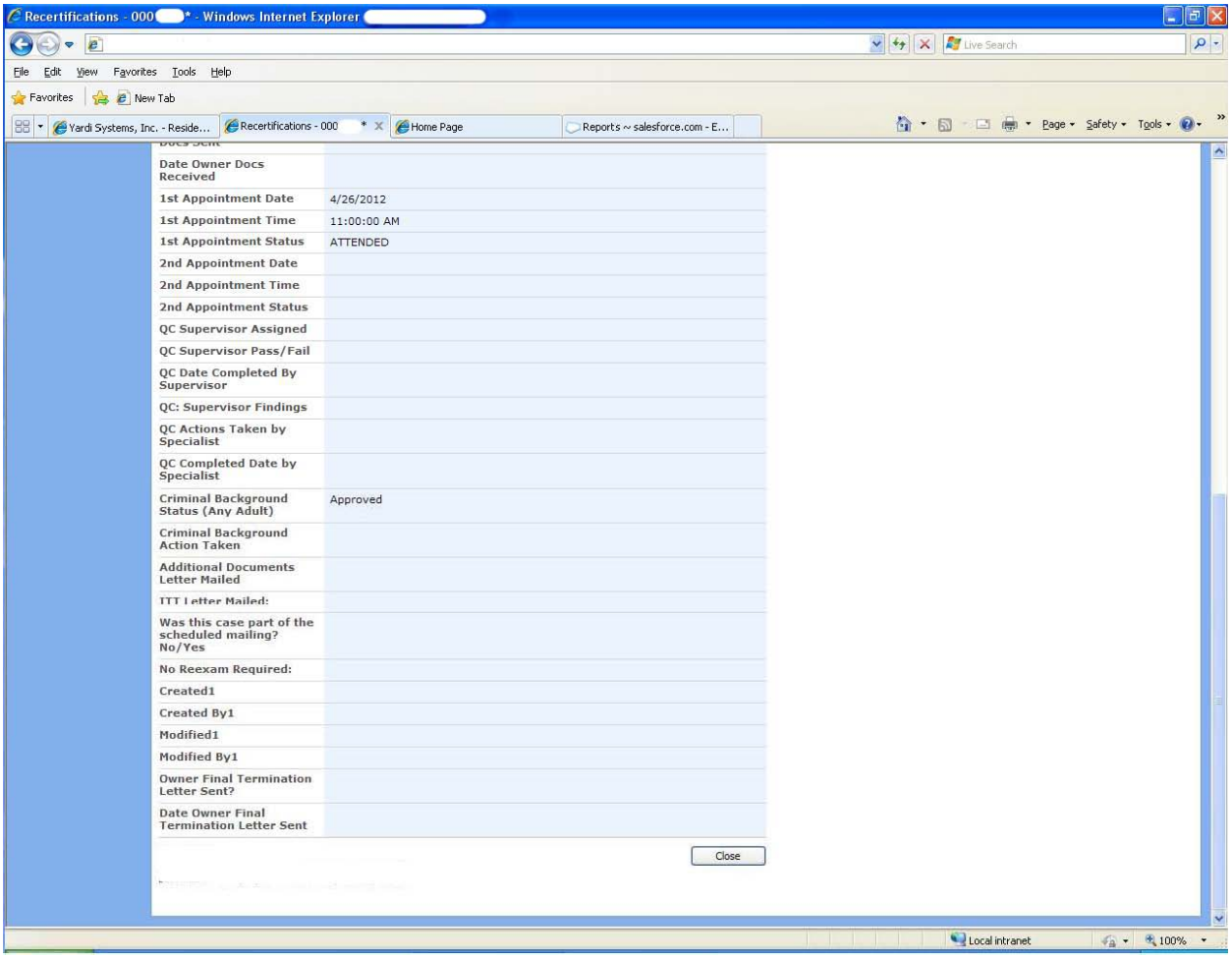
Reexam Processing Tools

Tracking regular reexamination activities over a four month period can be very difficult for a supervisor. There are two parts to this tracking methodology:

1. Housing Specialists enter data into SharePoint
2. Supervisor runs Excel report using SharePoint data

This is a data entry screen for SharePoint:





Once you have the data entered into SharePoint, you can extract the data into a spreadsheet such as Excel. On HCVExecMgmtResources.nanmckay.com, we have included a sample of the entire Excel spreadsheet that would be used from the SharePoint data entered on the previous form. On that spreadsheet, you will see the headings and their description. On the next line you will see whether there is a drop-down menu and, if there is, what the menu choices would be. The first two pages of the spreadsheet are included below.

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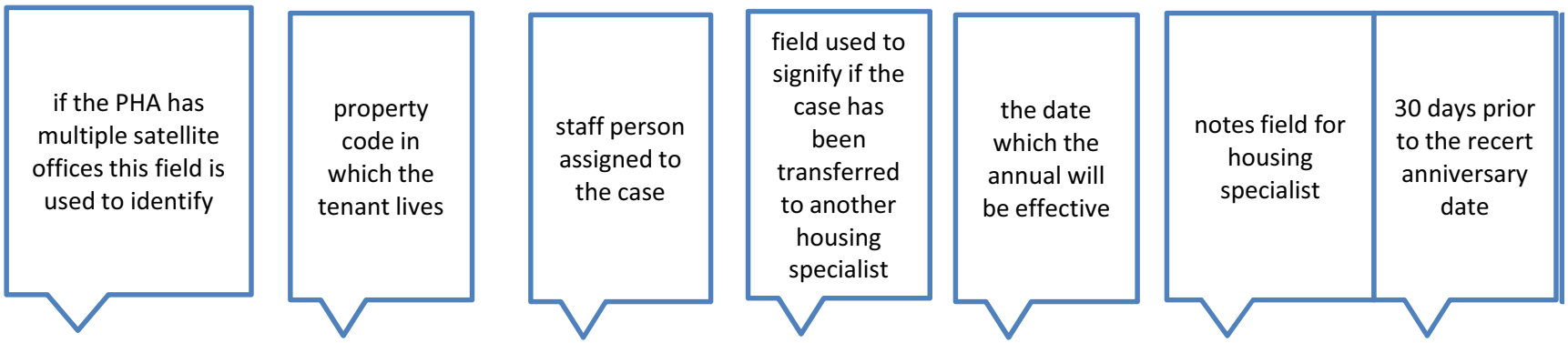
The ID associated with the tenant in the PHA

Open/Closed, used to group cases based on whether or not they still require action

Used to determine where the case stands, i.e. complete, pending documents, TTP ready terminated, ITT sent

Tenant Name

Column Name	Client Number (Unique ID)	General Status	Recertification Status	Last Name	First Name
Data Type for Sharepoint	Single Line of Text	Choice (menu to choose from)	Choice (menu to choose from)	Single Line of Text	Single Line of Text
Options		OPEN	ITT		
Options		CLOSE	Pending Tenant Provided Documents		
Options			TTP Ready		
Options			Complete		
Options			Terminated		
Options			Port Out		
Options			1st Appointment Pending		
Options			2nd Appointment Pending		
Options			Pending PHA Provided Documents		



Office	Property	Housing Specialist	Reassigned Housing Specialist	Recert Anniversary Date	Comments	Recert Due Date
Choice (menu to choose from)	Choice (menu to choose from)	Choice (menu to choose from)	Single Line of Text	Date and Time	Multiple Lines of Text	Date and Time
OFFICE CHOICE 1	PROPERTY CODE 1	Specialist 1				
OFFICE CHOICE 2	PROPERTY CODE 2	Specialist 2				
OFFICE CHOICE 3	PROPERTY CODE 3	Specialist 3				
OFFICE CHOICE 4	PROPERTY CODE 4	Specialist 4				
ETC.	ETC.	ETC.				

Temporary File Organization

While the reexamination is in process, you will need to set up some temporary files if you are using an electronic filing system. If you are not using an electronic filing system, you don't want the entire batch of all reexamination files out of the filing cabinet. It not only looks messy; you will have breached security of the file information. Therefore, temporary files can be used and reused during the annual reexamination process. Along with the Reexamination Calendar, SharePoint data entry, and the Excel report from the SharePoint data, the temporary files are the final organizational piece during the annual reexamination.

The desk folders (temporary files) are set up to match the families' status in SharePoint. For example, if a reexamination file is found under “Pending Tenant Provided Documents” in SharePoint, the family's data should be in a temporary file with that name in the staff person's desk.

The temporary files are color-coded and set up in the following order:

- Blue – TTP/Data Entry Ready
- Yellow – Pending Tenant Provided Documents
- Purple – Second Appointment Pending
- Green – Pending 3rd Party/PHA Documents
- Red – Intent to Terminate

During the reexamination, there should be no papers outside the folders, preventing desk clutter and security breach.

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Desk Checks

Desk checks are usually conducted about once a month. This consists of looking inside the housing specialist's desk to assure that everything remains organized, neat and easily accessible from an outsider's perspective. There should not be any loose paperwork found at this time.

Desk checks can be performed while the housing specialist is present at their desk. The supervisor can ask if they feel their desk is organized. Typically, the housing specialist will open their desk drawer to explain this or the supervisor can ask specific questions such as “How many TTP Ready files do you have?” to prompt this reaction.

Desk checks can also be done solely by the supervisor after hours. This may allow for a more in-depth look if the supervisor has concerns about a disorganized housing specialist's desk. This method may be preferred if you are receiving complaints about a specific housing specialist misplacing documents.

If it is difficult to locate the documents, further discussion is necessary with the housing specialist.

Desk checks also make transitions run smoothly should a housing specialist vacate his/her current position as a result of temporary absence, promotion or termination.

Caseload Status Report

The supervisor can have the housing specialist complete this form in the following situations:

- If a staff person is falling behind, they can complete it monthly until they catch up.
- If a staff person is in training, they complete it weekly and it is reviewed by the trainer.
- If a staff person leaves for an extended period such as vacation and leaves of absence.

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Exhibit 5.8-1 Caseload Status Report

CASELOAD STATUS REPORT

Caseload # _____ **Date:** _____

Reexam Month	Total Number of Reexams	Number of Files Pending First Review of Reexam Packet	Total Number of Files Pending Follow-up
Prior Months			

Other Pending Work	Number Pending
Interims:	
EOPs (Drops):	
Moves (Vouchers Issued):	
Other:	

Assessment Completed by: _____ _____

Print Name & Signature Date

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CHAPTER 6 Measurements and Analysis

SECTION 6.1 INTRODUCTION

We have discussed the essential components of PHA operation that include workforce management, leadership systems, work systems and work processes. This chapter discusses strategies to determine whether production and quality goals are being met by creating a quality control plan. We will also discuss performance measurement; how you select, collect and align and integrate data for tracking daily operations and organizational performance that are relevant to your strategic objectives, and how this data can be analyzed to identify the reasons for errors and opportunities for improvement.

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Notes

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SECTION 6.2 QUALITY CONTROL PLANNING

Introduction

Developing a quality control program is essential to achieve a high-performing HCV program. It is only through effective quality control that an HCV manager can know the status of production, accuracy and compliance with HUD requirements. The objectives of a quality control program are:

- Prevention of errors before they are unrecoverable and have a negative legal or financial impact
- Identification of the root causes of errors and deficiencies and taking steps to prevent their recurrence.
- Tracking negative and positive trends in production and accuracy
- Documenting compliance with HUD program requirements and PHA administrative policies and procedures
- Documenting performance by establishing a baseline to track improvement over time
- Documenting the status of program operations to show improvement over time

An effective quality control program clarifies expectations in terms of both individual and organizational performance. It enables managers to identify leading and lagging indicators in production and accuracy and take steps toward improvement. In addition, it helps managers to identify underperforming staff as well as to identify and reward improved or excellent performance.

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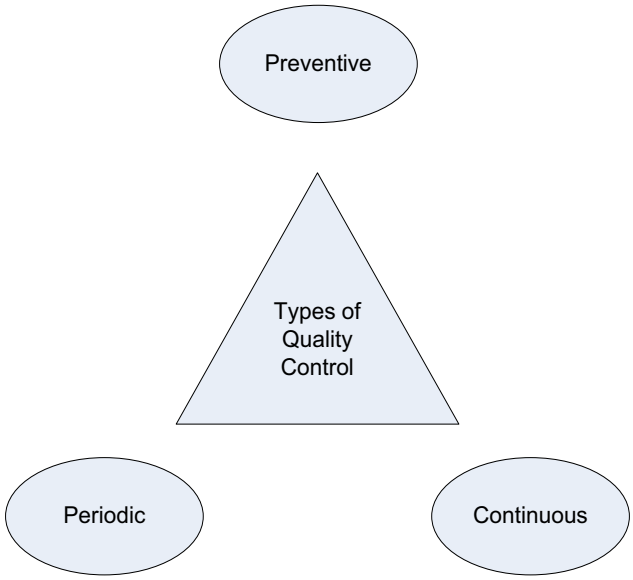
Staff often perceive quality control as a negative; something that is done *to* them. Unfortunately, in some cases their perception is correct. Quality control staff must understand how important they are in the overall error reduction strategy and the opportunity they have to coach and provide feedback to staff on their findings in a positive way. The HCV manager should ensure that quality control staff has the direction and training to communicate with staff on error reduction in a productive way. Your quality control program should be seen as a path to performance improvement and program excellence and portrayed as such by the HCV manager.

This chapter provides discussion and suggestions on the following topics:

- The different types of quality control, the benefits and limitations of each type and when they would be used.
- The quality control cycle
- How to design a quality control program and suggestions for data collection tools.

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Types of Quality Control



There are three types of quality control:

- *Preventive quality control.* Detects errors before they have a negative impact
- *Periodic quality control.* A comprehensive review an organization's performance, policies, and procedures that takes place periodically (often annually)
- *Continuous quality control.* The ongoing process of regularly collecting and analyzing information about key activities or transactions

There is no "one size fits all" quality control program. There are variables that affect the amount and type of quality control that is performed in different PHAs. It is, however, important that your quality control program includes elements of each type.

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Preventive Quality Control

Preventative quality control should be used when:

- The consequences of errors are high
- An error is not recoverable (i.e., once made, the damage is done)

Examples of preventative quality control are:

- An occupancy supervisor decides to review 100 percent of the rent calculations completed by new staff prior to transmitting the 50058 for their first 90 days after assuming a caseload.
- Requiring a new staffer to conduct a mock tenant briefing with PHA staff before conducting their first briefing with new voucher holders.

Limits to Preventive Quality Control

While it is a good idea, preventive quality control has its limitations. These limitations involve the availability of resources and common sense. PHAs do not have the time to double or triple check every aspect of every transaction, and not everything requires this level of effort.

Periodic Quality Control

Periodic quality control can be considered a picture-in-time assessment of PHA operations. It involves a broader scope of factors such as compliance with PHA policies and procedures, reviewing a variety of transactions, and looking closely at rent calculation, verification and the presence of PHA and HUD required documents.

Special HUD audits or reviews, independent audits, and supervisory audits of SEMAP indicators are good examples of periodic quality control. Most PHAs conduct periodic reviews as a part of their overall quality control program. Periodic quality control file reviews can be used to evaluate multiple program areas simultaneously such as: selection from the waiting list, pre-contract inspections, determination of adjusted income, annual/ biennial inspections, and rent reasonableness.

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Limits of Periodic Quality Control

Periodic quality control may be an accurate picture-in-time assessment, but it does not help a manager to see trends or take corrective actions during the year. Periodic reviews are labor-intensive and require highly knowledgeable and skilled staff with a significant investment of staff time.

Continuous Quality Control

Continuous quality control involves choosing a limited number of areas for regular (generally monthly) analysis. Continuous quality control enables managers to take action on a continuing basis, not just in response to a point-in-time review. It gives managers an opportunity to see developing trends, correct errors immediately, to target areas where errors are most likely to occur, and to evaluate where coaching or training are needed.

Limits of Continuous Quality Control

To remain manageable, continuous quality control can track only a limited number of issues, but it can provide powerful feedback on individual errors and trends and production.

Summary of Quality Control Types

An effective quality control program utilizes all three types of quality control in evaluating their operations. In summary, here are examples of the three types.

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QC Activity	Preventative	Continuous	Periodic
100% file review for new staff prior to 50058 data entry	X		
Monthly review of 10% of all reexaminations to determine income and rent determination accuracy		X	
Supervisory audit of SEMAP Indicator #3, Determination of adjusted income			X
Quarterly review of all new lease-ups to determine if units passed HQS prior to lease effective date		X	
Supervisor reviews all proposed terminations before termination notice is mailed	X		

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The Quality Control Cycle

If error detection was the only objective of a quality control program, then the same types of errors would occur over and over again. The quality control cycle represents the essential steps of the overall error reduction strategy. As you design your system, be sure to follow through with all steps of the cycle. They are as follows:

- Data collection (file reviews, surveys, reports)
- Identification of the error or deficiency
- Correction of the error or deficiency
- Identification of the root cause of the error or deficiency
- Individual, focused coaching with appropriate staff
- Identification of error trends
- Focused group/staff training geared to error trends
- Increased, detailed communication to improve consistency in operations

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Program Integrity Schedule

Maintaining program integrity goes far beyond just reviewing tenant files. A Program Integrity Schedule is a comprehensive document which includes all of the program areas you want to quality control, acceptable performance standards, and the frequency of the reviews that will be conducted in those areas.

Typical areas for a Program Integrity Schedule would include:

- Finance
- SEMAP
- IMS/PIC
- Portability
- EIV
- Criminal History Checks
- Inspections (non-SEMAP)
- Briefings
- Voucher Issuance
- HAP Contract Execution
- Denials and Terminations
- Hearings and Reviews
- Tenant Files
- Customer Service
- Zero Income Families

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Exhibit 6.2-1 Program Integrity Schedule (SAMPLE)

Program Integrity Schedule (SAMPLE)

Program Area		Focus	Review Elements	Satisfactory Measurement Threshold	Review Requirements	Frequency	Responsibility
1. Finance	A	Checks, Balances, Audit trails	Determine if: financial controls ensure: o Safeguarding of funds o Financial accountability o Corporate integrity o Sufficient audit trail is in place	o Adequate safeguards are in place o Transactions clearly reflect initiator o Records maintained as required by HUD o Recordkeeping contains verifiable evidence of all transactions	o For all elements, review of financial processes, procedures, documents and recordkeeping	o All elements: recommend Quarterly	
	B	Reporting Requirements	HUD reporting requirements are met in a timely manner, including: o Quarterly VMS reporting o FYE FDS submission o FYE Audited FDS/IPA report o Internal financial reporting requirements are met	o 100% timely reporting	o Monitor VMS reporting records o Monitor submission of FDS/audited FDS/IPA report o Monitor internal financial reporting is complete by 15th bus. day each month	o VMS: monthly o FDS: 2 mos post FYE o Audited FDS/ IPA rept: 9 mos post FYE	
	C	Reporting accuracy	o Accurate VMS reporting o Accurate self audit o Accurate FDS reporting o Accurate internal reporting	o 100% accuracy in all elements	o Same as 1B	o Concurrent with 1B	
	D	HAP Accuracy	o Accurate and timely payments o Correct HAP payments made to correct owner in accordance with current electronic data o Correct and timely processing of manual and back payments o Retro adjustments correct; retro HAP collected appropriately o Current repayment records; timely notification to staff of payment arrears	o 100% accurate payments o 98% accurate processing of manual payments within required time frame o Overpayment collection data current within 30 days o Late payment notification to staff within 10 business days	o Compare s/w report to HAP registers o 10% of manual payment requests compared to HAP registers o 15% of collection records reviewed compared to collection receipts o Review 15% of late payments and records of notification to staff	o All elements: recommend Quarterly	

Program Area		Focus	Review Elements	Satisfactory Measurement Threshold	Review Requirements	Frequency	Responsibility
2. SEMAP	A	Selection from the Waiting List	Determine o whether the PHA has written administrative plan policies for selection applicants from the waiting list o if the PHA follows those policies when selecting applicants for admission from the waiting list	o PHA has waiting list selection policies o PHA follows policies in selecting applicants from the waiting list at least 98% of the time	o Universe: applicants who reached the top of the waiting list o Sample: applicants who reached the top of the waiting list; families admitted to the program o Both: determine if policies were followed for selection from the waiting list Sample size: first, ensuring SEMAP minimum sample size requirements are met, then 5% of files (based on previous month activities)	Recommend Quarterly until families are selected from the WL	
	B	Reasonable Rent	Determine o If PHA has compliant rent reasonable (RR) methodology o If RR determinations were conducted at required events, following policy	o PHA's RR policy is reasonable o RR determinations were conducted and documented at required events in at least 98% of the files	Universe: assisted families o Sample: total of files where the following events occurred: o Initial lease up o Rent increase o HAP contract anniversary if 5% decrease in published FMR effective 60 before contract anniversary o HUD or PHA required RR redetermination o Review policy and RR documentation in each file o Sample size: see 2A	TBD Recommend Monthly	

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Program Area		Focus	Review Elements	Satisfactory Measurement Threshold	Review Requirements	Frequency	Responsibility
2. SEMAP (cont)	**C**	Determination of adjusted income	Determine ○ If, at admission and annual reexam, the PHA verifies and correctly determines adjusted annual income for each family, including using appropriate utility allowance	○ At least 90% of files are correct	○ Universe: The number of assisted families ○ Independently calculate adjusted income ○ determine if verification requirements are met ○ determine if correct utility allowance applied ○ Sample size: first, ensuring SEMAP minimum sample size requirements are met, then 10% of files (based on previous month activities) Include verification of correct Payment Standard used (not included in SEMAP requirements)	○ Monthly	
	D	HQS quality control inspections	Determine whether PHA supervisor / other qualified person reinspected a sample of units under contract during the FY, drawn from recently completed HQS inspections (within 3 months of preceding inspection), and if QC inspection sample represents a cross section of neighborhoods and a cross section of inspectors	○ The number of QC inspections conducted met minimum sample requirements, were conducted within required time frames, and represented cross section of neighborhoods and inspectors	○ Review QC inspection records for compliance	Ongoing	

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Program Area		Focus	Review Elements	Satisfactory Measurement Threshold	Review Requirements	Frequency	Responsibility
2. SEMAP (cont)	**E**	HQS enforcement	Determine whether, following each HQS inspection of a unit under contract where the unit failed HQS ○ Cited life-threatening HQS deficiencies were corrected within 24 hours ○ Non-life threatening HQS deficiencies were corrected within 30 days of the inspection or any PHA approved extension ○ If HQS deficiencies were not corrected timely, whether the PHA stopped HAP beginning no later than the first of the month following the specified correction period or terminated the HAP contract, or, for family caused defects, took prompt and vigorous action to enforce family obligations.	○ All life-threatening HQS deficiencies were corrected within 24 hours of the inspection ○ For at least 98% of cases sampled, all other cited HQS deficiencies were corrected within no more than 30 calendar days from the inspection or any PHA approved extension ○ If HQS deficiencies were not corrected timely, the PHA stopped HAP payments beginning no later than the first of the month following the correction period or took prompt and vigorous action to enforce family obligations.	○ Universe: number of families assisted ○ Sample: The number of failed HQS inspections ○ Review to see if HQS deficiencies were corrected within required timeframes. If not corrected within required time frames, determine if PHA took appropriate action in a timely manner ○ Sample size: See 2A	○ Monthly	
	F	Annual reexaminations	Determine whether the PHA completed a reexamination for each participating family at least every 12 months.	○ Fewer than 5% of all PHA reexaminations are more than 2 months overdue.	○ Universe: number of participating families ○ Review IMS / PIC records for timely/late reexaminations	○ Monthly	
	G	Pre-contract housing quality standards (HQS) inspections	Determine whether newly leased units passed HQS inspection on or before the beginning date of the assisted lease and HAP contract	○ At least 98% of newly leased units passed HQS inspection before the beginning date of the assisted lease and HAP contract	○ Universe: Newly leased units ○ Review files to determine if units passed HQS inspection before the date of the assisted lease and HAP contract ○ Sample size: See 2A	○ Monthly	

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Program Area		Focus	Review Elements	Satisfactory Measurement Threshold	Review Requirements	Frequency	Responsibility
2. SEMAP (cont)	**H**	Annual/biennial HQS inspections	Determine whether the PHA inspects each unit under contract at least once every 24 months **NOTE:** Effective July 1,2014, the PHA may establish a policy permitting biennial inspections. HUD has stated that SEMAP scores will reflect the new statutory requirement [*Federal Register* notice 6/25/14]	○ Fewer than 5% of annual/biennial HQS inspections of units under contract are more than 2 months overdue	○ Universe: Units under contract ○ Review IMS/PIC records for timely/late annual/biennial HQS inspections	○ Monthly	
	I	Lease-up	Determine whether the PHA enters HAP contracts for the number of units reserved under ACC for at least one year; if the PHA has not done so, determine whether the PHA has expended sufficient budget authority	○ The percent of units leased during the PHA fiscal year was 98% or more or the percent of allocated budget authority expended during the last PHA fiscal year was 98% or more	○ Review internal financial records to determine ytd lease up (units and budget authority) ○ Compare VMS and lease-up data	○ TBD	
	J	Family self-sufficiency* Needs under review	Determine whether ○ The PHA has filled 80% or more of its mandatory FSS slots ○ If 30% or more of FSS families have escrow account balances	○ The PHA has filled 80% or more of its mandatory FSS slots; and ○ 30% or more of FSS families have escrow account balances	○ Review internal financial and FSS and records to determine ○ the number of families currently participating in FSS plus those families who have fulfilled their FSS contract; compare to mandatory slots ○ the number of families who have escrow accounts plus those families who have received their FSS escrow accounts ○ Determine if required levels are met ○ Sample size: See 2A	○ Monthly	

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Program Area		Focus	Review Elements	Satisfactory Measurement Threshold	Review Requirements	Frequency	Responsibility
2. SEMAP (cont)	**K**	Utility Allowance Schedule	Determine whether the PHA has reviewed utility rate data within the last 12 months, and adjusted its utility allowance schedule if there has been a change of 10% or more in a utility rate since the last time the utility allowance schedule was revised	○ The PHA has reviewed utility rate data within the last 12 months, and adjusted its utility allowance schedule if there has been a change of 10% or more in a utility rate since the last time the utility allowance schedule was revised	○ Review utility allowance schedule and back up documentation to determine if requirements have been met	○ Annually	
	L	Payment Standards	Determine 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, and, if applicable, separate payment standard amounts by unit size of a PHA-designated part of an FMR area, which payment standards do not exceed 110% of the current applicable FMRs, and which are not less than 90% of the current applicable published FMR unless a higher or lower payment standard amount is approved by HUD	○ The PHA's payment standard schedule contains payment standards which do not exceed 110% of the current applicable published FMR and are not less than 90% of the current applicable published FMR unless approved by HUD	○ Review current FMRs, payment standard schedule, and documentation of HUD approval for payment standards that exceed 110% or are less than 90%	○ Annually, and at any time payment standards are revised	
	M	Correct tenant rent calculations	Based on MTCS reporting, the PHA correctly calculates family share of the rent to owner	○ 2% or fewer of PHA family share of the rent to owner calculations are incorrect	○ Review IMS/PIC data records to determine calculations that are incorrect based on data sent to HUD by the PHA on Forms HUD-50058	○ Ongoing	

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Program Area		Focus	Review Elements	Satisfactory Measurement Threshold	Review Requirements	Frequency	Responsibility
3. IMS - PIC	**A**	Timely Submissions	Determine whether IMS – PIC data is submitted timely	○ 98% timely submission of IMS – PIC data	Addressed with 2.F (annual reexams) and 2.H (annual/biennial) HQS inspections	Monthly	
	B	Accuracy of information submitted	Monitor accuracy of submitted IMS – PIC data	○ 98% of data submitted to IMS – PIC is accurate	Compare PIC data to Yardi data	Monthly	
	C	Correction of IMS – PIC errors	Monitor timely correction of IMS – PIC errors	○ Corrected within 5 business days of submission / month end reconciliation	○ Monitor IMS – PIC transaction logs to ensure addressed within 5 bus days of 50058 transmission	Monthly	
4. Portability	**A**	IHA: document submission to RHA	Determine whether required documents were submitted to RHA accurately and timely	○ 98% of documents were submitted to RHA accurately, and by HUD required deadlines	○ Review portability log to ensure all family data is properly entered, and requirements were met		
	B	IHA: timely payments to RHA	Monitor timeliness of initial and monthly payments to RHA	○ 98% of payments were made timely to RHA	○ Review financial records to determine if payment deadlines were met		
	C	IHA: family status	Monitor 'closure' of outcomes of families porting out	○ 100% of port out families properly accounted for	○ Review portability log to ensure family status is determined or that follow up actions have been taken		
	D	RHA: IHA document receipt	Monitor accuracy / timeliness of documents received by IHA	○ 100% of required documents are received in a timely manner or appropriate action is taken	○ Review portability log to ensure all family data is properly entered and requirements were met		
	E	RHA: document submission to IHA	Monitor accuracy / timeliness of document submission to IHA	○ 98% of documents were submitted to IHA accurately, and by HUD required deadlines	○ Review portability log to ensure all family data is properly entered and requirements were met		

Program Area		Focus	Review Elements	Satisfactory Measurement Threshold	Review Requirements	Frequency	Responsibility
	F	RHA receipt of timely payments	Monitor receipt of IHA payments	○ 98% of payments are rec'd in a timely manner or appropriate action is taken	○ Review financial records to determine payments were received		
5. EIV	**A**	Income Validation Tool (IVT) Report	Determine whether HUD's EIV IVT report has been run and if discrepancies have been addressed in accordance with established threshold	○ 100% : IVT has been obtained and analyzed ○ Discrepancies must be addressed within 60 days	○ Review IVT with responsible party ○ Review dates obtained ○ Review actions taken ○ Review tracking logs	Monthly	
	B	EIV security	Determine whether family EIV records are maintained separate from files in a secure location	○ 100%	○ Review EIV storage location to ensure secure ○ In the course of file reviews, identify any EIV data stored inappropriately in the family file	Quarterly	
6. Criminal History	**A**	General criminal history checks	Determine whether required criminal history background checks took place in accordance with policy	○ 100% policy followed	○ Review new admission files to determine if background checks took place in accordance with policy ○ Sample size:10%	TBD	TBD
	B	Consent Forms	Determine whether required consent for release of criminal conviction records is on file for adult household members	○ 100%	○ Concurrent with 6.A, review new admission files to determine if required consent forms are on file ○ (Same sample as 6.A)		
	C	Sex offender lifetime registrant criminal history check	Determine whether required sex offender registrant check took place for all applicants	○ 100% applicant check	○ Concurrent with 6.!, review new admission files to determine if sex offender registration checks took place ○ (Same sample as 6.A)		
		Initial	Monitor intervals between date of	○ 100% unit inspection within	○ Review initial inspection	Quarterly	

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Program Area		Focus	Review Elements	Satisfactory Measurement Threshold	Review Requirements	Frequency	Responsibility
	A	inspection	unit availability per RTA and inspection	15 days, unless owner or family causes delay	logs and related RTAs o Sample size:10%		
7. Inspections (Non-SEMAP)	B	Customer communication	Review notifications of inspection to owner/family Review notification of results to owner/family	o Annual/biennial inspections: owner/family provided written notice at least two weeks prior to inspection: 99% o Inspection results: owner/family provided written notice within 5 business days of inspection: 99%	o Review inspection logs and copies of written communications o Sample size: 5%	Quarterly	
	C	Timeliness of lifting HAP abatements	Determine that owner HAP abatements are lifted in a timely manner	o 98% of HAP abatements are lifted within 5 business days of HQS deficiency correction	o Review documentation of owner correction of HQS deficiency, date of inspection, date of abatement being lifted o Sample size: 10%	Monthly	
8. Briefings	A	Briefing Information	Determine if briefing information is provided consistently and as required	o 100%	Attend briefing, review: o is information provided compliant with policy and 982.301 (a); o does briefing packet include requirements in policy and 982.301 (b), and LBP notice	Quarterly; once a quarter per location	

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Program Area		Focus	Review Elements	Satisfactory Measurement Threshold	Review Requirements	Frequency	Responsibility
9. Voucher Issuance	**A**	Voucher size	Determine if voucher size is correct	○ 99%	○ Review family composition per policy	Ongoing	
	B	Voucher term	Determine that initial voucher term is correct	○ 99%	○ Review issuance date and expiration date	Ongoing	
	C	Extensions	Determine that extensions were granted correctly	○ 99%	○ Review extension requests and outcome	Ongoing	
	D	Receipt of RTA	Determine if RTA was received prior to voucher expiration	○ 100%	○ Review voucher and receipt date of RTA	Ongoing	
10. HAP Contract Execution	**A**	RTA	Determine that RTA is complete and signed by family and owner	○ 100%	○ Review RTA for completeness	Ongoing	
	B	Eligible Unit	Determine that unit is eligible type	○ 100%	○ Concurrent with 9.A.	Ongoing	
	C	Lease	Determine that the lease is in the file	○ 100%	○ Review file for presence of lease	With monthly file reviews	
	D	Tenancy addendum	Determine that the lease includes the tenancy addendum	○ 100%	○ Concurrent with 9.D., review file for tenancy addendum	With monthly file reviews	
	E	Affordable rent	Determine that the rent to owner is affordable under 24 CFR 982.305 (a) (5)	○ 100%	○ Run affordability check in appropriate circumstances	With monthly file reviews	
	F	Utilities/ unit type	Determine that utility responsibilities and unit type/size are consistent in documentation		○ With SEMAP: Ind. #3; review RTA, inspection forms, lease, HAPC	With monthly file reviews	
	G	HAPC execution	Determine that the HAP contract is executed within 60 days of beginning of the lease term	○ 100%	○ Review lease effective dates and HAPC execution dates ○ Sample size: 5%	With monthly file reviews	
	H	HAPC	Determine that a properly executed HAP contract is in file	○ 100%	○ Concurrent with 9.H ○ Sample size: 5%	With monthly file reviews	

Program Area		Focus	Review Elements	Satisfactory Measurement Threshold	Review Requirements	Frequency	Responsibility
11. Denials and Terminations	**A**	Supervisor Approval	Determine denial / termination was approved by Team Leader	○ 100%	○ Review files to check for Team Leader approval ○ Sample size: 5%	TBD recommend Quarterly	
	B	Opportunity to Dispute	If denial/term. is due to criminal background record, determine that applicant/participant was provided an opportunity to appeal the criminal record as inaccurate or irrelevant prior to denial or termination	○ 100%	○ Review files for notice of opportunity to appeal criminal record ○ Sample size: 5%	TBD recommend Quarterly	
	C	Action Appropriate	Determine if denial/termination action was in accordance with requirements/policy	○ 100%	○ Review denial / termination documents to determine if action was taken appropriately ○ Sample size: 10%	TBD recommend Quarterly	
12. Hearings and Reviews	**A**	Notice to family	Determine that family was correctly notified of opportunity to appeal	○ 98%	○ Review notice to family to ensure provided timely; information included as to what can be appealed; how to appeal; and deadline by which to appeal ○ Sample size: 5%	TBD recommend Quarterly	
	B	Scheduling	Determine if Informal Review / Hearing was scheduled timely	○ 95%	○ Review family request for Review/Hearing; review scheduled date of review/hearing ○ Review schedule ○ Sample size: 5%	TBD recommend Quarterly	

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Program Area		Focus	Review Elements	Satisfactory Measurement Threshold	Review Requirements	Frequency	Responsibility
	C	Discovery	Family informed of family / PHA right to Discovery	○ 95%	○ Concurrent with 11.B., review notice of Review/Hearing date for Discovery information ○ Sample size: 5%	TBD recommend Quarterly	
13. Family Files	**A**	File structure	Review files for consistency of organization	TBD	○ With SEMAP Ind. #3, review files for proper filing and consistency of organization	With monthly file reviews	
	B	File security	Determine if family files are secure	○ 100%	○ Perform random area checks to ensure security of applicant/participant files		
14. Customer Service	**A**	Overall customer satisfaction	Monitor complaints, outcomes, customer service survey results	○ **TBD**	○ Review customer complaint records, including outcomes, review customer service surveys to determine positive trends	○ Monthly	
	B	Owner rent increase requests	Determine if owner rent increase requests are processed and that owners are notified of results in a timely manner	○ 98% of owner rent increases are processed, and owners notified, within 5 business days of receipt of rent increase request	○ Review documentation of owner request for rent increase, date RR was performed, and notification to owner (and family, when increase is approved) of result ○ Sample size: 5%	○ Quarterly	
15. Zero Income Families	**A**	Multiple subsidy reports	Ensure agreed upon treatment of Zero Income families is being followed	○ TBD	○ TBD	○ Once every 6 months	

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Designing a Quality Control Plan

Where to Start

Once you have created your Program Integrity Schedule, you can begin the design of a quality control plan.

In strategic planning we identify the specific goals and outcomes we want to achieve for the HCV program. Your quality control program and planning should support these goals and outcomes. Here are some basic questions you will need to answer:

- To achieve your goals and objectives, what program areas or activities will you QC? Example: HUD reporting; intake; inspections; IMS/PIC errors.
- What will you measure or test in the program area? Example: Timeliness of annual reexaminations; selections from the waiting list; precontract HQS inspections.
- What are the review elements? What are you trying to determine or learn about the program area or activity? Example: Are families selected in accordance with the administrative plan; do units pass inspections before the lease effective date; how long does it take to perform the inspection from the date the unit is available.
- What are the desired outcomes? (what are satisfactory results) Example: 100% of annual reexaminations are completed; 100% of all units pass inspection before the lease effective date; 100% of all units are inspected within 15 days of unit availability date.
- What are the review requirements? (What data will we collect or review? How many or what percentage will we check?) Example: Review PIC report and tracking log monthly; review 10% of all initial lease-ups monthly and compare inspection log to RFTA.
- When will the data be collected? Example: With monthly file reviews? Quarterly? Prior to data entry?
- Who will be responsible to collect the data? This would be the person or position designated by the HCV manager.

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A Quality Control Plan helps you schedule all of the tasks needed to make sure that you are meeting your department or agency goals and objectives. Developing a quality control plan should be a collaborative effort of the management team, because the need to perform quality control extends to all areas of operation, not just the day-to-day housing functions. The decisions, assumptions and recommendations for continuous quality improvement should always tie back to the strategic plan and your PHAs mission.

Once you have determined the areas of the program to be included in your quality control plan, you must decide the following:

- What is the desired outcome for each of the areas?
- What would success look like for each area?
- How will you confirm/measure performance?
- What measurement methods will be used?
- How will the results be documented and reported?

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Big Picture vs. Specific Outcomes

Goals or outcomes can be broad or they can be very specific. Generally, the more specific the desired outcome, the easier it will be to develop a quality control measurement process.

Here is an example of continuous quality control for a specific outcome: "All initial inspections will be performed within 15 days of the date of unit availability"

Program Area	Focus	Review Elements	Satisfactory Outcome	Review Requirements	Frequency	Responsibility
Inspections	Timeliness of Initial HQS Inspections	Determine if initial inspections are performed within 15 days	100% of initial unit inspections conducted within 15 days of receipt of RFTA	Review initial inspection logs and compare to RFTA Sample size 10%	Quarterly	Inspection Supervisor

Let's review the thought process for creating a quality control strategy using a broader outcome.

Desired Outcome: "*Improve owner satisfaction through excellent customer service."*

What does success look like?

- High retention of owners
- Reduction in owner complaints
- Positive feedback from owners

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Possible Ways to Measure

To confirm that owners are receiving excellent service:

- Ask them; interview and survey new and existing owners
- Track owner complaints and resolution
- Review informational literature provided to owners
- Take notes of comments at owner meetings
- Sit in on owner briefings

Program Area	Focus	Review Elements	Satisfactory Outcome	Review Requirements	Frequency	Responsibility
Owner Relations	Quality and consistency of customer service provided to owners	Evaluate new owner intake procedures and literature Utilize written and telephone owner surveys Evaluate PHA complaint resolution	98% of owner surveys earn a minimum rating of 8. Owner complaints are reduced by 90% over a 12 month period	Implement new owner telephone surveys Review complaint log Evaluate service recovery procedures Implement written owner surveys Exit meetings with owners getting off of the program	Monthly Monthly Once Qtly Ongoing	HCV Mgr Team Leads HCV Supv HCV Mgr HCV Mgr

Designing to Support Desired Outcomes

Remember to think through the process before you begin any data collection or analysis. Track the elements that have the most effect on error reduction and program quality, and be realistic in your data collection efforts.

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Income and Rents Quality Control Plan

QC Actions (Responsible Party)	Frequency			Selection Plan/Comments	Result Reports/ Communication
	Each Month	Each Quarter	Each Year		
1. Review files (QC specialist)	(a)		(b)	(a) Review *x* files for each specialist monthly; compare with 50058 submission. Identify number and types of errors. (b) Review random sample of intake and occupancy files each year. Identify number and types of errors.	Reports posted monthly by team Supervisor report by individual; department head report by supervisor "Most common errors" report published for all staff Share with individual
2. Observe briefings and interviews (Occupancy manager and supervisors per schedule)			x	Review one briefing or interview for each specialist annually.	Debriefing with employee and supervisor (if other than supervisor is observer)
3. Monitor 50058 submissions (Occupancy manager)	(a)	(b)		(a) Check 50058 report rate and transmission error reports monthly. (b) Look at trends for further analysis quarterly.	Debriefings with employees
4. Review PIC and PHA software reports	x			Analyze the timeliness of transactions by transaction type and individual.	Reports posted monthly by team Supervisor report by individual; department head report by supervisor
5. Double-check automated system calculations (QC specialist)	–	–	–	Double-check calculations for each type of transaction, each calculation rule. Repeat whenever automated systems are updated.	Report to software vendor (external) or IT department (internal) when errors occur

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Rolling out the Finalized Quality Control Plan

The planning itself is as important as the plan document.

- Think through the process before you begin data collection
- Collect information about the areas that have the most effect on error reduction
    - Be realistic about what data you can collect

These tips will assist you in rolling out the finalized plan to the staff:

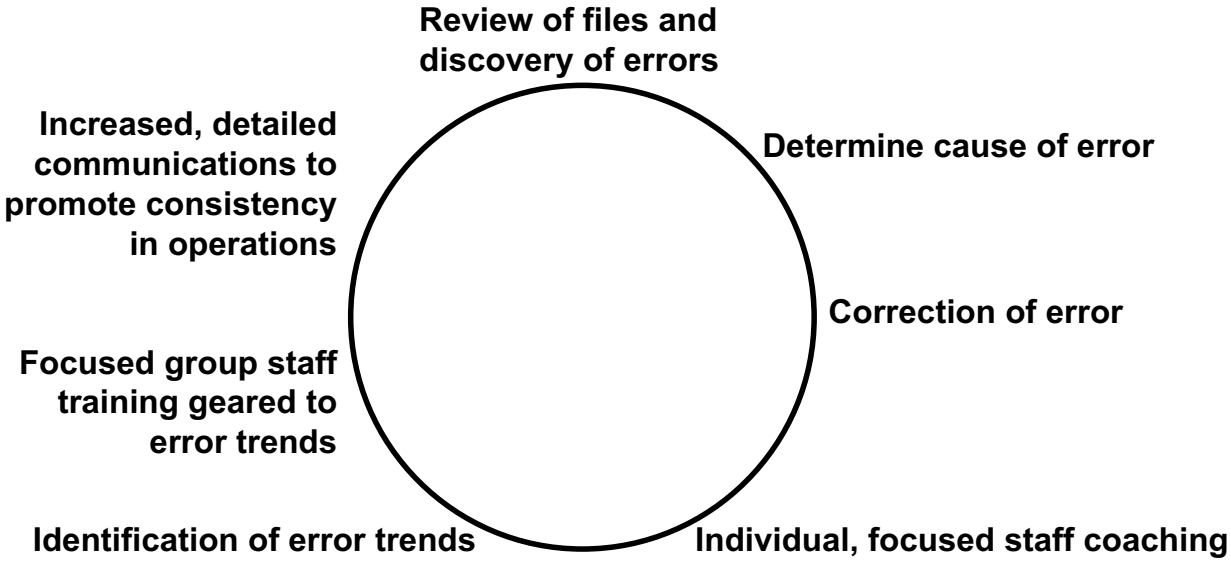
- Educate QC staff on how to interact with program staff in a positive and helpful way. Disallow the "gotcha" mentality and emphasize the goal of performance improvement
- Educate staff on how QC will be performed and the overall objectives
- Review the QC tools with staff
- Conduct meetings with QC staff to discuss concerns, findings and successes (improvements)
- Formally communicate QC results with all staff, such as internal QC newsletter/report or scorecard

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SECTION 6.3 CONDUCTING QUALITY CONTROL

Once we identify the outcomes we want, we must decide on the "how to" aspects of QC as a part of our quality control plan. For example, once we have conducted our file reviews, what happens next? What steps are needed to ensure that the same errors will not happen again? In the rest of this chapter we will discuss the other activities in the quality control cycle that should be included in your Quality Control Plan.

THE QUALITY CONTROL CYCLE



Your plan should contain instructions, sample forms, worksheets and any other tools to be used in the quality control cycle. In this section will use the example of tenant file reviews as a method to detect, analyze, reduce and prevent errors.

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Internal Quality Control

Internal quality control, as described in this section, means the review of tenant file data that is done prior to the submission of the file for owner payment. The objective is to conduct as much quality control as possible prior to the HAP payment being made. The first level of quality control should be done by the staff person who does the work or "certifies" that the work is correct. Staff should quality control their own files prior to submitting them for payment using a detailed checklist (noted in the Organizational Work Systems chapter.)

The second level is done by the QC specialist or supervisor, depending on your QC plan. Once the HAP payment is made, it may be tricky and time consuming to make the correction, and it is awkward to explain the error to the owner and family.

It may not be practical for the QC person (or supervisor) to review all of the files prior to payment, especially in a larger PHA. But if errors are found prior to payment, at least a percentage of files should be reviewed. The supervisor should determine the number of files to review each week and how much time to spend on this function. This will be determined by program size. The supervisor should review past reports to identify staff that is most likely to make errors and concentrate preventative file reviews on those low performers.

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Exhibit 6.3-1 Annual Reexamination File Review Checklist

ANNUAL REEXAMINATION HOUSING SPECIALIST PROCEDURES CHECKLIST

Unusual or difficult situations should be escalated to supervisors for resolution. If an answer is not available right away, the problem should be noted and work should continue.

Participant Name: ID #:

Appointment Date: _____ Housing Specialist: _____

IN FILE	COLLECTED AT INTERVIEW	ACTIONS/REQUIRED FILE DOCUMENTS	COMPLETED
PREPARATION			
		SET UP FILE FOLDER	Y N
		OBTAIN, REVIEW AND PRINT EIV REPORT; NOTE DISCREPANCY ON CHECKLIST	Y N
		CALL HOH FOR EXPECTATIONS AND CLARIFICATIONS; SEND AD'L FORMS	Y N
		IN SOFTWARE	
		REVIEW SOFTWARE MEMOS	Y N
		REVIEW MOST RECENT 50058/CALC SUMMARY - LOOK FOR FUTURE 58 TRANSACTION	Y N
		REVIEW MEMBERS TURNING 18 BEFORE EFFECTIVE DATE	Y N
		REVIEW LANGUAGE NEEDS IF APPLICABLE	Y N
		REVIEW REASONABLE ACCOMODATION IF APPLICABLE	Y N
		CHECK STATUS (CURRENT, NOTICE, EVICT, PAST)	Y N
		CHECK SUBSIDY SCREEN FOR ABATEMENTS, HOLDS, 18 MONTH ISSUES AND DATE LEASE ENDS	Y N
		FILE DOCUMENTS	
Y N		GOVT ISSUED PHOTO ID FOR EACH ADULT FAMILY MEMBER	Y N
Y N		VERIFICATION OF SSN FOR ALL HOUSEHOLD MEMBERS	Y N
Y N		BIRTH CERTIFICATE OR PROOF OF AGE FOR ALL HOUSEHOLD MEMBERS IF BIRTH CERTIFICATE NOT AVAILABLE	Y N
Y N		CITIZENSHIP DOCUMENTS FOR ALL FAMILY MEMBERS	Y N
Y N		CHECK DOCUMENTS FOR DISCREPANCIES IN INFO; IF MISSING, SEE PROCEDURE	Y N
Y N		>CURRENT VOUCHER	Y N
Y N		>CURRENT REQUEST FOR TENANCY APPROVAL (RTA)	Y N
Y N		>CURRENT LEASE	Y N
Y N		>CURRENT CONTRACT	Y N
Y N		>>VERIFY UTILITY ALLOWANCE FUEL TYPE & RESPONSIBILITIES ON HAP	Y N
Y N		>RENT REASONABLENESS & RENT TO OWNER (IS RENT SUPPORTED BY RENT REASONABLENESS)	Y N
Y N		>CURRENT AND INITIAL INSPECTION	Y N
Y N		>>VERIFY STRUCTURE TYPE & BEDROOM SIZE	Y N
Y N		>>VERIFY STRUCTURE TYPE IS SUPPORTED BY RENT REASONABLENESS	Y N
Y N		>>VERIFY UA FACTORS ARE CONSISTENT ON HAP CONTRACT, INSPECTION & RTA	Y N
Y N		DISCLOSURE OF INFORMATION FOR PRE-1978 HOUSING RENTAL AND LEASES	Y N
Y N		DISCLOSURE OF INFORMATION FOR ELEVATED BLOOD LEVEL FOR CHILD UNDER 6	Y N
		DAY BEFORE INTERVIEW	
Y N		REVIEW SOFTWARE MEMOS; LOOK FOR CALL-INS	Y N
Y N		COMPLETE INTERVIEW FOLDER; COMPLETE CHECKLIST TO DATE	Y N
Y N		PREPARE EXTRA COPIES OF REQUIRED HUD AND PHA FORMS	Y N
INTERVIEW		INTERVIEW ROOM	
Y N	Y N	VERIFY ALL ADULT MEMBERS PRESENT; IF NOT, SET 2ND APPOINTMENT	Y N
Y N	Y N	>VIEW PICTURE IDS OF ALL ADULT MEMBERS; COPY ANY MISSING IDS	Y N
Y N	Y N	>VERIFY ADDRESS, PHONE NUMBERS AND EMAIL; UPDATE IN SOFTWARE	Y N
Y N	Y N	ENSURE DOCUMENTS ARE PRESENT, COMPLETED, SIGNED AND DATED	Y N
Y N	Y N	>APPLICATION FOR CONTINUED ELIGIBILITY	Y N

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Y	N	Y	N	>SUPPLEMENT (HUD-92006)	Y	N	
Y	N	Y	N	>DEBTS OWED FORM (ALL ADULTS IN HOUSEHOLD INCLUDING LIVE-IN AIDE)	Y	N	
Y	N	Y	N	>CRIMINAL BACKGROUND RELEASE FORMS (ALL ADULTS IN HH INCLUDING LIVE-IN AIDE)	Y	N	
Y	N	Y	N	>>RUN CRIMINAL BACKGROUND CHECKS	Y	N	
Y	N	Y	N	>HUD-9886 (ALL ADULTS IN FAMILY)	Y	N	
Y	N	Y	N	>CITIZENSHIP DECLARATION FORM (ALL FAMILY MEMBERS NOT IN FILE)	Y	N	
Y	N	Y	N	OBTAIN SIGNATURES ON ALL MISSING DOCUMENTS IDENTIFIED IN PRE-INTERVIEW REVIEW	Y	N	
Y	N	Y	N	BASED ON ACE, COLLECT APPLICABLE VERIFICATION DOCUMENTS - SIGNATURE AND DATE	Y	N	
Y	N	Y	N	COPY DOCUMENTS PROVIDED BY FAMILY	Y	N	
Y	N	Y	N	OBTAIN SIGNATURE ON THIRD PARTY VERIFICATIONS WHERE NEEDED	Y	N	
Y	N	Y	N	>IF APPLICABLE: FULL-TIME STUDENT STATUS VERIFICATION	Y	N	
Y	N	Y	N	>IF APPLICABLE: MEDICAL EXPENSES VERIFICATION	Y	N	
Y	N	Y	N	>IF APPLICABLE: DISABILITY ASSISTANCE EXPENSES VERIFICATION	Y	N	
Y	N	Y	N	>IF APPLICABLE: CHILD CARE EXPENSE VERIFICATION	Y	N	
Y	N	Y	N	>IF APPLICABLE: ZERO INCOME AFFIDAVIT IF ADULT IS ZERO INCOME	Y	N	
Y	N	Y	N	>IF APPLICABLE: ZERO INCOME QUESTIONNAIRE IF ENTIRE FAMILY IS ZERO INCOME	Y	N	
Y	N	Y	N	PROVIDE OUTSTANDING DOCUMENTS LIST (RECEIPT) TO FAMILY	Y	N	
				CONFIRM INCOME ON ACE, EIV AND TENANT-PROVIDED DOCUMENTS	Y	N	
				DISCUSS POLICY CHANGES SINCE LAST REEXAM	Y	N	
Y	N	Y	N	NOTE SOFTWARE INTERVIEW STATUS (I.E. NO SHOW, INTERVIEW ATTENDED, ETC.)	Y	N	
AFTER INTERVIEW							
Y	N			SEND OUT ADDITIONAL DOCUMENTS REQUEST LETTER IF APPLICABLE	Y	N	
Y	N			SEND OUT 2ND & FINAL APPOINTMENT LETTER IF APPLICABLE	Y	N	
Y	N			SEND OUT THIRD PARTY VERIFICATION FORMS IF APPLICABLE	Y	N	
				DOCUMENT SOFTWARE MEMOS	Y	N	
				REVIEW CRIMINAL BACKGROUND CHECKS	Y	N	
Y	N			>PRINT OUT ANY CONDITIONAL/DENIED BACKGROUND CHECKS FOR SUPERVISORY REVIEW	Y	N	
				>IF DENIED BY SUPERVISOR, SEND ITT AND NOTE STATUS IN SOFTWARE; CHECK IN 10 DAYS	Y	N	
				SOFTWARE			
				VERIFY HEAD OF HOUSEHOLD, ADDRESS, PHONE AND EMAIL ARE ALL CORRECT	Y	N	
				VERIFY STATUS IS CORRECT	Y	N	
				VERIFY CASEWORKER AND PROGRAM	Y	N	
				ENTER REEXAMINATION ACTION CODE & EFFECTIVE DATE	Y	N	
				VERIFY FAMILY MEMBERS ARE ALL IN SOFTWARE & CHECK DOBS, SSNS, AND NAMES	Y	N	
				CHANGE NEXT REEXAM DATE	Y	N	
				CHECK $50 MIN RENT	Y	N	
				VERIFY AND ENTER ALL ASSETS IN SOFTWARE	Y	N	
				VERIFY AND ENTER ALL INCOME ON EIV (SSI, SS)	Y	N	
				ENTER/VERIFY ALL NON-EIV INCOME; SEND VERIFICATIONS AS NEEDED	Y	N	
				>IF APPLICABLE, CALL RE FOOD STAMPS AND TANF AND ENTER DATES	Y	N	
				>IF APPLICABLE: INPUT & VERIFY STUDENT STATUS FOR ADULTS	Y	N	
				>RUN INCOME REVIEW REPORT TO CHECK ALL INCOME-RELATED DATA	Y	N	
				ENTER/VERIFY ALL EXPENSES; SEND VERIFICATIONS AS NEEDED	Y	N	
				>IF APPLICABLE: INPUT & VERIFY MEDICAL EXPENSES	Y	N	
				>IF APPLICABLE: INPUT & VERIFY DISABILITY EXPENSES	Y	N	
				>IF APPLICABLE: INPUT & VERIFY CHILD CARE EXPENSES	Y	N	
				>RUN EXPENSE REVIEW REPORT TO CHECK ALL EXPENSE DATA	Y	N	
Y	N			REVIEW CALCULATION SUMMARY SHEET TO ENSURE ALL DATA HAS BEEN ENTERED	Y	N	
Y	N			UPDATE AND PRINT VERIFICATION SCREENS FOR EACH SOURCE; SHOW ALL CALCULATIONS	Y	N	

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		UPDATE SOFTWARE MEMOS FOR ALL CALCULATIONS	Y N
		ENSURE VERIFICATION LETTERS WERE PRINTED AND MAILED WITHIN 48 HRS OF INTERVIEW	Y N
		OBTAIN OUTSTANDING DOCUMENTS WITHIN 5 DAYS OF INTERVIEW	Y N
		REVIEW VOUCHER SCREEN	Y N
		> VERIFY NUMBER OF BEDROOMS ON VOUCHER	Y N
		>>UPDATE VOUCHER SIZE PER FAMILY COMPOSITION	Y N
		>REVIEW IF FAMILY IS MOVING TO UNIT = "NO" CHECKED IF APPLICABLE	Y N
		>REVIEW PAYMENT STANDARD FOR ACCURACY	Y N
		REVIEW UTILITY ALLOWANCE ACCURACY	Y N
		>VERIFY STRUCTURE TYPE ON MOST RECENT INSPECTION MATCHES 50058	Y N
		> VERIFY NUMBER OF BEDROOMS IN UNIT; ENSURE MATCHES INSPECTION REPORT	Y N
		> REVIEW OVERRIDES &A DEFAULTS IF NOT MATCHING	Y N
		>VERIFY RESULTING INFO FOR RENT PORTION CHANGES	Y N
Y N		>IF HAP EQUALS ZERO, SEND OUT ZERO HAP LETTER	Y N
		SAVE SOFTWARE SCREENS IF NECESSARY	Y N
		ADD 50058	Y N
		>ENSURE CORRECT MIN RENT HAS BEEN PICKED UP ON 50058	Y N
		>ENSURE CORRECT CASEWORKER ID	Y N
		>CHECK NEXT REEXAM DATE; VERIFY ANNUAL DATE IS ENTERED	Y N
		SAVE 50058 & APPROVE	Y N
		CHECK SUBSIDY SCHEDULE FOR CORRECT HAP & EFFECTIVE DATE	Y N
Y N		PRINT & SEND RENT ADJUSTMENT LETTERS TO OWNER/TENANT	Y N
Y N		FILE DOCUMENTS	Y N
		DOCUMENT SUCCESSFUL REEXAMINATION IN SOFTWARE	Y N
		FORWARD FILE TO SUPERVISOR FOR APPROVAL	Y N

RECERTIFICATION COMPLETION DATE: _____

HOUSING SPECIALIST SIGNATURE: _____

REVIEWER SIGNATURE: _____

NOTES:

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If the supervisor finds that there is a vertical line through all of the items on the checklist, this is an indication that the review of the staff person was cursory and that each individual review component may not have actually been verified. Whether or not the supervisor finds errors in these cases, staff should be informed that this is an unacceptable method. Each item should be separately checked as it is verified by the staff person doing the initial review.

Some supervisors set up a buddy system where two or three people review each other's files. These groups can be rotated. If the supervisor finds a file that has errors after it has been quality controlled, the supervisor should call both parties in to discuss the error. The supervisor should always follow through and "close the loop" rather than simply returning the file or making the correction themselves.

Sometimes supervisors establish a "QC Day" for regular QC reviews such as the Wednesday before the Friday submission for payment. Quality control reviews take time, and if the files are not submitted for quality control until the last week of the month, there may not be enough time to quality control the file and correct any error(s). A spreadsheet can be used to log in all errors from regular QC file reviews. The spreadsheet should include the type of error, the date it was found and the date it was corrected. Any errors found when using the "buddy" system are corrected immediately and not logged into the spreadsheet. Even though these are not monitored, finding and correcting the errors will improve the quality control "score."

The originating staff should be notified of the error and all errors should be corrected within a specified time period. We suggest that all errors found prior to the payment should be corrected within one day. The file should be considered "incomplete" until the error is corrected. Remember, the goal is to ensure correct HAP payments.

Both HUD and the Office of Inspector General (OIG) conduct file reviews as a measure of PHA performance. It follows that PHAs need to conduct their own file reviews to avoid findings by a HUD or OIG review.

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Formal Quality Control

In the previous section we discussed preventative file reviews to avoid errors in HAP payments. This section discusses continuous QC file reviews which are performed on files after payments have been initiated. It is a more formal review.

Some PHAs establish a QC department to perform continuous quality control file reviews; some designate a high-performing staff person as a QC specialist; and some PHAs designate QC to a Supervisor.

Regardless of who conducts the reviews, there should be a quality control plan and system in place. This is essential to ensure 1) that the file reviews are done in a consistent manner, 2) that corrections are made and reported as completed in a prescribed manner, and 3) that there are systems in place to ensure the errors do not happen again.

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Selecting and Training Quality Control Staff

When there is inconsistency in how QC is conducted and confusion among staff as to what constitutes an error, the result can be a negative attitude toward quality control. This is why the selection and training of QC staff is so important. Beyond error detection, quality control is a positive tool to track performance improvement, and a role of the QC function is to support staff by providing good feedback to facilitate performance improvement. Here are some important factors and considerations for the QC staff:

- They must know the HUD regulations, the PHA administrative plan and keep up to date with all changes. They must know the PHA's procedures and protocols.
- They must know the PHA software and be able to identify errors, their causes and to make corrections.
- They must know how to use all of the PHA tools to ensure consistency in reviews
- They must keep communications with staff positive and supportive.
- They should encourage and be open to disagreement with their findings by staff. They should be willing to discuss and explain their reasoning.

The quality control staff must also have tools to do their job. NMA has an automated quality control tool which is one of the best methods for conducting quality control. Many housing authorities use the HUD RIM Review checklist (included on HCVExecMgmtResources.nanmckay.com).

The QC Plan should establish the quality control schedule and the number and types of files to be reviewed. It should also include the specific methodology and process for conducting the reviews, and the tools to be used. The Plan should be transparent to all staff.

All scheduled quality control activities should be communicated to supervisors and staff in advance. This can be done by posting or email.

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Sample Email to Recertification Supervisors From QC

Hi, All.

Starting tomorrow morning, at least 2 QCers Will be working with the Team

Supervisors to pull files for hard copy file QCing. This is the process we'd like to use.

1. At 8:30AM, the QCer assigned your team will come and pick up 10-12 hard copy files that were completed recert files by your team.
2. Before 5PM, the QCer will return the files directly to you with comments. If there are comments that the QCer believes would be valuable to talk through during the day, the QCer will work through the supervisor to talk through comments with staff.

Ariana will spend a full Wednesday each Wednesday for the next month in the site office doing hands on file reviews.

For Thursday and Friday of this week:

- Eric will review Nate's Team Files
- Meagan will review Medina's Team Files
- Terrence will review Daryle's Team Files

Please have files ready for the QCer to review each morning.

Regarding putting hard copy files reviewed by QC in electronic filing system:

1. Error free files should be submitted immediately to scanning by the QC-er after the review is complete and documented.
2. If you believe that there are errors or discrepancies in the file, please return it to the Supervisor the same day of the review to discuss your findings.

Supervisors have requested that QCers not submit to scanning files with errors, until the file is reviewed with the Supervisor.

Let me know of questions and concerns and how this process is working.

Have a great one –

QC Director

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The files to be reviewed and transaction types should be selected by the designated QC staff. PIC reports can generate lists for some transactions. The PHA vendor software may be able to generate reports that list files in categories. If HUD or the OIG has conducted a recent audit, those types of files and files completed by specific housing specialists with high error rates could be targeted by QC staff for review.

When deciding on the size of the file sample to be reviewed, one rule of thumb is to always pull at least enough files to meet the SEMAP requirements.

The review should be conducted using the protocols, forms and tools developed by the PHA. The reviewer should first complete a calculation using the data in the file before reviewing the 50058 completed by the housing specialist. Discrepancies between the paper file and the electronic file should be identified.

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Appendix A

Tenant File Review Checklist
Rental Integrity Monitoring
Public Housing / Sec. 8 Housing Choice Voucher

PHA Name:	
PHA No.:	
HUD Reviewer:	
Date of Review:	
Last Name of Family Head:	
SSN of Family Head:	

A. Family Composition

	Last Name	First Name	Relation	Date of Birth	Sex	SSN	9886? √	Dis? √	C/EI? √
1.a.			Head						
b.									
c.									
d.									
e.									
f.									
g.									
h.									
i.									

Recent Admission Family only:

2.a. **Date of Admission:**

		Yes	No	Unclear
b.	Application materials complete and capture all information for eligibility, income and rent?			
c.	Family executed form HUD-9886: Authorization for Release of Information / Privacy Act Notice?			
d.	Family composition and characteristics identified? Verified & documented?			
e.	SSNs disclosed, or certification if no SSN assigned? Verified & documented?			
f.	Evidence of citizenship or eligible immigration status for all members? Verified & documented?			

Reexamination Family only:

3.a. **Current Reexam Effective Date:** **Prior Reexam/Admission Effective Date:**

b. **Reexam Type:** Annual Income & Composition; 3-Year Income & Composition (**PH** only); Interim / Special / Other; Annual Composition (**PH** only)

		Yes	No	Unclear
c.	***All Sec. 8 HCV only:*** PHA conducts annual reexam of income & composition?			
d.	***All PH only:*** PHA conducts annual reexam of composition?			
e.	***PH income-based rent only:*** PHA conducts annual reexam of income?			
f.	***PH flat rent only:*** PHA conducts at least 3-year reexam of income?			
g.	Reexamination materials complete and capture all information for eligibility, income and rent?			
h.	Family composition & characteristics identified, including new members? Verified & documented?			
i.	Family executed form HUD-9886: Authorization for Release of Information / Privacy Act Notice?			
j.	SSNs disclosed, or certification if no SSN assigned? Verified & documented?			
k.	Evidence of citizenship / eligible immigration status for all members? Verified & documented?			

Shaded cells represent information which may be cross-referenced with HUD-50058

B. Annual Income and Assets

*** For detailed calculations, refer to *B. Annual Income and Assets Worksheet* in Appendix C**

1.	**Final Asset Income** (ref. HUD-50058, line 6j.):	**PHA:**	* $	**HUD:**	* $		
						Yes	No	Unclear
2.	PHA identifying assets for all family members? Verified &documented?							
3.	PHA accurately calculating net cash value of assets?							
4.	PHA accurately calculating anticipated actual income from assets?							
5.	Assets > $5000: PHA accurately calculating imputed asset income, using correct passbook rate?							
6.	PHA accurately calculating final asset income, using larger of anticipated actual vs. imputed?							
7.	**TOTAL ANNUAL INCOME** (ref. HUD-50058, line 7i.):	**PHA:**	* $	**HUD:**	* $		
						Yes	No	Unclear
8.	Wages and earned income accurately calculated, verified & documented?							
9.	Earned income exclusion/disallowance accurately calculated?							
10.	**PH:** Where PHA uses Individual Savings Account (ISA), PHA deposits appropriate amount?							
						Yes	No	Unclear
11.	Welfare benefit income accurately calculated, verified & documented?							
12.	Where family member subject to "Specified Welfare Benefit Reduction", PHA uses imputed welfare income?							
13.	Family requested review of imputed welfare income calculation? If denied, PHA provided written notice?							
						Yes	No	Unclear
14.	SS/SSI/pension income accurately calculated, verified & documented?							
						Yes	No	Unclear
15.	"Other" income accurately calculated, verified & documented?							
						Yes	No	Unclear
16.	Total Annual Income accurately calculated, verified & documented?							

	Family Member	Type of Income	Date and TYPE of Verification	Income Rate	Annualized Income	Income Excluded	Income After Exclusions
1.a.				$	$	($)	$
b.				$	$	($)	$
c.				$	$	($)	$
d.				$	$	($)	$
e.				$	$	($)	$
f.				$	$	($)	$
g.				$	$	($)	$
h.				$	$	($)	$
i.				$	$	($)	$
j.				$	$	($)	$
k.				$	$	($)	$
2.						Total:	$
3.						Final Asset Income (from Asset Table):	$
4.						**TOTAL ANNUAL INCOME:**	**$**

**greater of EIV or tenant-provided (w/I $200 monthly); EIV + 3rd party; 3rd party/no EIV w/explanation; Other, explain*

Shaded cells represent information which may be cross-referenced with HUD-50058

C. Dwelling Unit / Utility Allowance

** For detailed calculations, refer to *C. Utility Allowance Worksheet* in Appendix C

1.a. **Unit Address:** | b. **No. of Bedrooms:**

2.a. ***PH only* – Project Name:** | b. ***PH only* – Project No.**

		Yes	No	Unclear
3.a.	Tenant family responsible for some or all utilities in unit?			
b.	**Total Utility Allowance** (ref. HUD-50058, line 10e., 10r., 12m.): **PHA:** ** $ **HUD:** ** $			
c.	Correct Utility Allowance used, computed accurately?			

Utility Allowance Table:

Utility	Type	Scheduled UA	Utility	Scheduled UA
Heating		$	Trash	$
Cooking		$	Air Conditioning	$
Water Heating		$	Range	$
Other Electric		$	Refrigerator	$
Water		$	Other:	$
Sewer		$	Other:	$

Total Utility Allowance for dwelling unit (if none, enter $0): **$**

D. Adjusted Income

* For detailed calculations, refer to *D. Adjusted Income Worksheet* in Appendix C

		Yes	No	Unclear
1.a	**Dependent Deduction** (ref. HUD-50058, line 8r. and 8s.): **PHA:** * $ **HUD:** * $			
b.	Dependent Deduction accurately calculated; verified & documented by PHA?			
2.a.	**Elderly / Disabled Family Deduction** (ref. HUD-50058, line 8p.): **PHA:** * $ **HUD:** * $			
b.	Elderly/Disabled Family Deduction accurately calculated; verified & documented by PHA?			

Dependent Deduction:

1.a.	Total number of dependents in Family:	
b.	**Dependent Deduction** (Total number of dependents X $480):	**$**

Elderly / Disabled Family Deduction:		Yes	No	Unclear
2.a.	Family qualifies as "Elderly" or "Disabled" family?			
b.	If "Yes", enter $400 **Elderly / Disabled Family Deduction**. If "No", enter $0:	**$**		

Shaded cells represent information which may be cross-referenced with HUD-50058

3.a.	**Medical/Disability Assistance Expenses Deduction:**	**PHA:**	* $	**HUD:**	* $

(ref. HUD-50058, line 8n.)

b.	Medical/Disability Assistance Exp. Deduction accurately calculated; verified & documented by PHA?			

Medical Expenses

	Family Member	Medical Expense Description	Date of Verification	Annual Expense Amount
3.a.				$
b.				$
c.				$
d.				$
e.				$
f.				$

4.	**Total Annual Medical Expense:**	$

Disability Assistance Expenses

	Family Member	Disability Assistance Expense Description	Date of Verification	Annual Expense Amount
5.a.				$
b.				$
c.				$
d.				$
e.				$

6.	**Total Annual Disability Assistance Expenses:**	$

	Medical / Disability Assistance Expenses Deduction:		Yes	No	Unclear
7.	Three (3) percent of Annual Income (Annual Income Table **Line 4.** x **0.03**):	$			
8.a.	Family includes both "disabled" family member(s) and employed family member(s)?				
b.	Family incurs disability assistance expenses to enable family member(s) to be employed?				
c.	Amount of disability assistance expenses that are unreimbursed & reasonable:	$			
9.	**Line 8.c.** minus **Line 7.**:	$			

- If result is a negative number and **Line 2.a.** is "Yes", copy amount from **Line 8.c.**
- If result is a negative number and **Line 2.a.** is "No", enter $0

10.	Amount of employment income made possible by disability assistance expenses:	$
11.	The lower amount of **Line 9.** or **Line 10.**:	$

- If **Line 8.c.** is less than **Line 7.** and **Line 2.a.** is "Yes", copy amount from **Line 9.**

12.	If **Line 2.a.** is "Yes", amount of unreimbursed medical expenses for entire family:	$
13.	Sum of **Line 11.** and **Line 12.**:	$
14.	**Medical / Disability Assistance Expenses Deduction:**	$

- If **Line 8.c.** = $0, subtract **Line 7.** from **Line 13.** If negative result, enter $0
- If **Line 8.c.** is less than **Line 7.**, subtract **Line 7.** from **Line 13.** If negative result, enter $0
- If **Line 8.c.** is greater than or equal to **Line 7.**. enter amount from **Line 13.**

Shaded cells represent information which may be cross-referenced with HUD-50058

4.a.	**Child Care Expenses Deduction** (ref. HUD-50058, line 8t.):	**PHA:**	* $	**HUD:**	* $		
b.	Child Care Expenses Deduction accurately calculated; verified & documented by PHA?						

Child Care Expenses

	Family Member	Child Care Expense Description	Date of Verification	Annual Expense Amount
15.a.				$
b.				$
c.				$
d.				$
e.				$

16.	**Total Annual Child Care Expenses:**	$			
17.a.	Family includes member(s) under age 13?				
b.	Amount of unreimbursed, reasonable child care costs incurred by family:	$			
18.a.	Family has any member(s) employed?				
b.	Child care costs enable member(s) to be employed?				
c.	Amount of employment income enabled by child care costs:	$			
d.	Amount on **Line 17.b.**, not to exceed amount on **Line 18.c**.	$			
19.a.	Family has any member(s) furthering education?				
b.	Child care costs enable member(s) to further education?				
20.	**Child Care Expenses Deduction:**	$			

- Where both **Line 18.a.** and **Line 18.b.** are "Yes", enter amount from **Line 18.d.**
- Where **Line 18.a.** is "No", but **Lines 19.a.** and **19.b.** are "Yes", enter amount from **Line 17.b.**

6.a.	**Total All Deductions** (ref. HUD-50058, line 8x.):	**PHA:**	* $	**HUD:**	* $		
b.	Total All Deductions accurately calculated; verified & documented by PHA?						
7.a.	**TOTAL ADJUSTED INCOME** (ref. HUD-50058, line 8y.):	**PHA:**	* $	**HUD:**	* $		
b.	Total Adjusted Income accurately calculated; verified & documented by PHA?						

Shaded cells represent information which may be cross-referenced with HUD-50058

Complete Section F. for a Section 8 Housing Choice Voucher family only.

F. Family Rent and HAP – Section 8 HCV only

*** For detailed calculations, refer to *F. Section 8 HCV Rent and HAP Worksheet* in Appendix C**

Total Tenant Payment (TTP)

1.	**TTP** (ref. HUD-50058, line 9j. or 12r.):	**PHA:**	* $	**HUD:**	* $		
						Yes	**No**	**Unclear**
2.	TTP accurately calculated?							
3.a.	Family qualified for Minimum Rent financial hardship exemption? Verified & documented?							
b.	Minimum Rent TTP suspended for long-term hardship and reinstated for temporary hardship?							

Total Tenant Payment (TTP)

1.a.	Monthly Income (Annual Income ÷ 12):	$	
b.	10% of Monthly Income (**Line 1.a.** X 0.10):	$	
c.	Monthly Adjusted Income (Adjusted Income ÷ 12):	$	
d.	30% of Monthly Adjusted Income (**Line 1.c.** X 0.30):	$	
e.	Welfare Rent (if applicable):	$	
f.	Minimum Rent:	$	
g.	"Enhanced Voucher" Minimum Rent (if applicable):		
2.	**TOTAL TENANT PAYMENT (TTP)**		$

- Highest of **Line 1.b., 1.d., 1.e., 1.f.** or **1.g.**

Payment Standard

4.a	**Payment Standard** (ref. HUD-50058, line 12j.):	**PHA:**	* $	**HUD:**	* $		
						Yes	**No**	**Unclear**
b.	Correct Payment Standard used?							

Payment Standard

Recent Admission / Mover / Portability-In / Enhanced Voucher Family:

3.	Payment Standard :	$

Reexamination Family:

						Yes	**No**	**Unclear**
4.	Current Payment Std. based on:	**a.** actual unit size:	$	**b.** subsidy std.:	$			
5.	Prior Payment Std. based on:	**a.** actual unit size:	$	**b.** subsidy std.:	$			
6.a.	Based on actual unit size – current Pay. Std. *increased* or *remained the same* over prior Pay. Std.?							
b.	If "Yes", record Current reexam Payment Std., based on actual unit size, from **Line 4.a.**		$					
c.	If "No", record Prior reexam Payment Std., based on actual unit size, from **Line 5.a.**		$					
7.a.	Based on subsidy std. – current Pay. Std. *increased* or *remained the same* over prior Pay. Std.?							
b.	If "Yes", record Current reexam Payment Std., based on subsidy std., from **Line 4.b.**		$					
c.	If "No", record Prior reexam Payment Std., based on subsidy std., from **Line 5.b.**		$					

8.	Payment Standard :	$

Shaded cells represent information which may be cross-referenced with HUD-50058

Gross Rent and Total HAP

5.	**Gross Rent** (ref. HUD-50058, line 12p.):	**PHA:**	* $	**HUD:**	* $
6.	**Total HAP** (ref. HUD-50058, line 12s.):	**PHA:**	* $	**HUD:**	* $

		Yes	No	Unclear
7.	Total HAP accurately calculated?			

Reexamination Family only:

		Yes	No	Unclear
8.a.	Reexamination has resulted in HAP of zero ($0) dollars?			
b.	If "Yes", HAP contract remained in effect up to 6 months after reexam effective date?			

Gross Rent and Total HAP

9.	Rent to Owner:	$
10.	Utility Allowance:	$
11.	**Gross Rent** (**Line 9.** + **Line 10.**):	$
12.a.	Payment Standard (**Line 3.** or **Line 8.**) minus TTP (**Line 2.**):	$
b.	Gross Rent (**Line 11.**) minus TTP (**Line 2.**):	$
c.	**Total Housing Assistance Payment (HAP)** = Lowest of **Line 12.a.** or **Line 12.b.** :	$

Family Rent to Owner and HAP to Owner (Non-prorated, Non-mixed Family only)

9.	**Total Family Share of Rent** (ref. HUD-50058, line 12t.):	**PHA:**	* $	**HUD:**	* $
10.	**HAP to Owner** (ref. HUD-50058, line 12u.):	**PHA:**	* $	**HUD:**	* $
11.	**Family Rent to Owner** (ref. HUD-50058, line 12v.):	**PHA:**	* $	**HUD:**	* $
12.	**Utility Reimbursement** (ref. HUD-50058, line 12w.):	**PHA:**	* $	**HUD:**	* $

		Yes	No	Unclear
13.	Family Rent to Owner and HAP (Non-prorated) accurately calculated by PHA?			
14.	HAP agrees with HAP register?			

Family Rent to Owner and HAP to Owner (Non-prorated)

Recent Admission / Mover / Portability-In Family:

13.a.	40% of Monthly Adjusted Income (**Line 1.c.** x 0.40):	$
b.	**Total Family Share of Rent** = (**Line 11.** minus **Line 12.c.**) <= **Line 13.a.**	$

Reexamination / Enhanced Voucher Family:

14.	**Total Family Share of Rent** = **Line 11.** minus **Line 12.c.** :	$

15.	**HAP to Owner** (Lowest of **Line 9.** or **Line 12.c.**):	$
16.	**Family Rent to Owner** (**Line 9.** minus **Line 15.**):	$
17.	**Utility Reimbursement** = **Line 12.c.** minus **Line 15.**, not to exceed **Line 10.** :	$

Family Rent to Owner and HAP to Owner (Prorated, Mixed Family only)

Shaded cells represent information which may be cross-referenced with HUD-50058

15.	**Prorated Family Rent to Owner** (ref. HUD-50058, line 12ai.):	**PHA:**	* $	**HUD:**	* $			
16.	**Prorated HAP to Owner** (ref. HUD-50058, line 12aj.):	**PHA:**	* $	**HUD:**	* $			
						Yes	**No**	**Unclear**
17.	Family Rent to Owner and HAP (Prorated) accurately calculated by PHA?							
18.	HAP agrees with HAP register?							

Family Rent to Owner and HAP to Owner (Prorated)

18.	Total Non-prorated HAP (**Line 12.c.**):	**$**	
19.a.	Total Number of family members:		
b.	Number of family members eligible for prorated rent subsidy		
20.	**Total Prorated HAP** = (**Line 19.b.** ÷ **Line 19.a.**) X **Line 18.** :	$	
21.	**Prorated Family Share of Rent** (**Line 11.** minus **Line 20.**):	**$**	
22.	**Prorated Family Rent to Owner** (**Line 21.** minus **Line 10.**):		**$**
23.	**Prorated HAP to Owner**:		**$**

- **Line 9.** minus **Line 22.**, if **Line 22.** is positive
- **Line 9.**, if **Line 22.** is negative

Shaded cells represent information which may be cross-referenced with HUD-50058

QC Interim Checklist

- **Only the following are instances necessitating an interim:**
  - Loss of Income. (All programs.)
  - Increase in Income. (Required only for Zero-Income families. FSS participants may also request.)
  - Any addition of a household member that leads to overcrowding of the unit. (Addition of Live-In Aide does not necessitate an interim, unless overcrowding imminent.)
  - Reduction of household member does not require an interim. (Exception may be agency-required removal based on Criminal Background.)
- **QC steps:**
  - Read (housing software) notes and corresponding file docs to ensure that interim was necessary and not intended as annual or other action.
  - Verify that Request for Interim is in file. Verify that EIV has been pulled and is in file.
  - Check for timeliness of 50058 compared to date of request and submission of docs.

  Docs to check for:
    - Valid Citizenship Declaration.
    - Valid 9886 and possibly addendum to cover time that interim EIV was pulled.
    - Valid Debts Owed.
  - Depending on date of last annual, there may or may not have been a criminal background check done. Determine if one is necessary.
  - In cases of zero income, ensure completion and accuracy of docs.
  - Look for Hardship exemption requests. The request is enough to trigger exemption from min rent. Long term exemptions are good until circumstances explained in admin plan. (Potentially good for multiple years.)
  - Verify correct income recalculation.
  - Follow normal QC protocol reviewing for accurate payment standard, rent, UA, and necessary core docs (HAP, Lease, etc.)
  - Verify all allowances and expenses are valid and calculated correctly. Relying on older docs is appropriate in this instance, for they should have been current at time of last action 50058.)

  In the case of Live-In Aid addition, the following is needed:
    - Criminal Background Release.
    - Debts Owed.
    - Approved Reasonable Accommodation (Request and Approval.)
    - SS card.
    - Photo ID.

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Results must be recorded, tracked and corrected. QC reports are divided into those errors with financial consequences (affecting HAP) and those without financial consequences. The files that do not have financial consequences usually include those with a missing or unsigned document. Even when these types of errors do not result in an incorrect HAP payment, they will still fail a HUD audit.

All errors must be corrected within the time periods established in the QC plan. It may seem easier to have the quality control staff correct the file errors, but this does not help the staff person who made the error. They need to understand why the error occurred and how to prevent it in the future. They also need to understand that errors have consequences. If QC staff correct errors, it is likely that those same errors will repeat themselves because the staff person will not know that the error occurred or the reason for the error.

There may be times when it is advantageous to have the quality control staff correct the files, but not as a routine practice. For example, if there is a HUD or OIG audit in progress or an audit which has uncovered massive errors, the quality control staff may need to assist.

It is effective for the quality control staff to train the staff on how they are going to review a file, explaining their methodology and forms. There are two other functions that a quality control staff may be involved in:

- Mentoring staff on how to fix errors
- Training staff in groups on error resolution

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SECTION 6.4 PRODUCTION MEASUREMENT

Introduction

In this section we will discuss performance measurement; how you select, collect, align and integrate data for tracking daily operations and organizational performance that are relevant to your strategic objectives. As an HCV manager you need to know what is being produced, and what is not being produced, relative to your established performance standards. You also need to know whether what is being produced is accurate. Production will be delayed when files have to be re-worked because of a high rate of error corrections.

There are many ways to monitor staff and organizational performance, and we will discuss some of the critical program data the managers should track to identify and solve problems. Performance measures should be created for all functional areas of the program from intake to finance, and these measures should tie back to the individual performance standards for each staff position performing that function. Managers should measure both the level of production (are deadlines met) and the quality and accuracy of the work performed.

Production measurement tests whether or not the required functions and activities have been completed within designated deadlines.

This example shows our projected workload for reexaminations.

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PROJECTED REEXAMS

	1/1/2013	2/1/2013	3/1/2013	4/1/2013	5/1/2013	6/1/2013	7/1/2013	8/1/2013	9/1/2013	10/1/2013	11/1/2013	12/1/2013	Grand Total
Team A	78	76	64	80	86	73	71	93	76	89	107	102	995
Alisa	22	18	20	31	33	19	26	36	29	36	40	45	355
Dominque	29	32	26	23	23	21	20	17	16	19	30	14	270
Matthew	27	26	18	26	30	33	25	40	31	34	37	43	370
Team B	86	91	111	87	92	84	81	78	94	107	109	115	1135
Travis	24	34	35	24	26	31	19	25	18	36	40	32	344
Tracey	26	26	34	30	37	33	37	33	46	39	43	49	433
Anne	36	31	42	33	29	20	25	20	30	32	26	34	358
Grand Total	164	167	175	167	178	157	152	171	170	196	216	217	2130

PER SPECIALIST

Team (# of Specialists)	January	February	March	April	May	June	July	August	September	October	November	December	Grand Total
Team A (3)	26	25	21	27	29	24	24	31	25	30	36	34	332
Team B (3)	29	30	37	29	31	28	27	26	31	36	36	38	378
Grand Total	**55**	**56**	**58**	**56**	**59**	**52**	**51**	**57**	**57**	**65**	**72**	**72**	710

We need to monitor the progress as we go along to determine whether our reexaminations are on time and, if not, take action. Assume this was the data from the last six months.

Total Reexams Completed on Time Team A

Team	January	February	March	April	May	June	TOTALS
Alisa	21	18	19	31	33	19	141
Dominque	26	30	26	22	22	18	144
Matthew	25	25	18	25	30	33	156
Grand Total	72	73	63	78	85	70	441

Reexams Completed on Time Team B

Team	January	February	March	April	May	June	TOTALS
Travis	20	29	28	11	15	21	124
Tracey	26	24	33	26	35	30	174
Anne	25	17	30	21	17	11	121
Grand Total	71	70	91	58	67	62	419

Late Reexams Team A

Team	January	February	March	April	May	June	TOTALS
Alisa	1	0	1	0	0	0	2
Dominque	3	2	0	1	1	3	10
Matthew	2	1	0	1	0	0	4
Grand Total	6	3	1	2	1	3	16

Late Reexams Team B

Team	January	February	March	April	May	June	TOTALS
Travis	4	5	7	13	11	10	50
Tracey	0	2	1	4	2	3	12
Anne	11	14	12	12	12	9	70
Grand Total	15	21	20	29	25	22	132

On Time Rate	**92.30%**	**96.00%**	**98.40%**	**97.50%**	**98.80%**	**95.80%**	96.47%

On Time Rate	**82.50%**	**76.90%**	**81.90%**	**66.60%**	**72.80%**	**73.80%**	**76.00%**
	0.825581	0.769231	0.81982	0.666667	0.728261	0.738095	0.760436

Production measurement tools provide the manager with a clear picture of production deficiencies and their source so that appropriate solutions can be developed.

The status of all annual reexaminations should be checked on a daily, weekly and monthly basis. The sooner that the manager is aware of a backlog of reexaminations, the sooner steps can be taken to correct it. Staff should be required to complete a caseload status report if they are behind in their production.

The Daily, Weekly and Monthly Production charts will assist you in detecting a major problem before it may be too late to solve it.

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DAILY PERFORMANCE TRACKING REPORT

HOUSING SPECIALIST	OUTSTANDING INTERIMS	RECERTS IN PROGRESS	CALLS OPEN CASES	OVERDUE RECERTS	PENDING OCT RECERTS	LEVEL 1 QUALITY CONTROL	LEVEL 2 QUALITY CONTROL	TOTALS
TEAM A	29	47	18	51	26	64	2	237
NAME 1	6	7	4	13	2	20	2	54
NAME 2	9	2	4	6	7	22	0	50
NAME 3	5	32	0	13	0	5	0	55
NAME 4	6	5	7	13	15	12	0	58
NAME 5	3	1	3	6	2	5	0	20
TEAM B	62	39	12	48	30	65	1	257
NAME 6	6	3	4	0	0	0	1	14
NAME 7	9	7	0	5	7	20	0	48
NAME 8	21	2	5	10	3	20	0	61
NAME 9	14	15	1	8	7	4	0	49
NAME 10	9	7	1	5	6	2	0	30
NAME 11	3	5	1	20	7	19	0	55
TEAM C	59	73	20	62	86	31	1	332
NAME 12	7	4	3	10	8	8	1	41
NAME 13	10	18	4	5	20	1	0	58
NAME 14	8	17	2	3	2	10	0	42
NAME 15	13	22	8	27	44	0	0	114
NAME 16	0	0	0	0	0	0	0	0
NAME 17	21	12	3	17	12	12	0	77
TEAM D	92	42	10	21	43	45	3	256
NAME 18	46	17	6	11	13	24	0	117
NAME 19	35	22	3	7	23	5	1	96
NAME 20	4	2	1	3	3	10	2	25
NAME 21	7	1	0	0	4	6	0	18
TEAM E	82	13	5	17	27	43	0	187
NAME 22	23	1	2	5	2	16	0	49
NAME 23	9	0	0	3	0	7	0	19
NAME 24	25	12	3	7	18	18	0	83
NAME 25	25	0	0	2	7	2	0	36

TOTALS TEAM	SHAREPOINT INTERIMS	SHAREPOINT RECERTS	SALESFORCE OPEN CASES	YARDI PENDING OVERDUE RECERTS	YARDI PENDING OCT RECERTS	NMA QUALITY CONTROL	PHA QUALITY CONTROL	TOTALS
TEAM A	29	47	18	51	26	64	2	237
TEAM B	62	39	12	48	30	65	1	257
TEAM C	59	73	20	62	86	31	1	332
TEAM D	92	42	10	21	43	45	3	256
TEAM E	82	13	5	17	27	43	0	187
TOTALS	324	214	65	199	212	248	7	1269

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How to use the Daily Report

- Let's say I am the Supervisor for Team A and the October recertifications are due on 8/31/12. Based on the Daily Report on page 6.4-5, I need to create a daily plan for my staff. The daily plan that I make has to be measurable through the next day's report, as well as attainable. If it is the beginning of the month, Team A can work on things other than the recertifications that aren't due till 8/31. However, if it is the end of the month, processing the October recerts should be given priority.
- Below is what I would direct staff to focus on if it were:
  - 8/1/12:
    1. QC
    2. Overdue Recerts
    3. Interims
    4. Calls
  - 8/15/12:
    1. QC
    2. Current Recerts for Name 4
    3. Overdue Recerts for Names 1, 2, 3, and 5
    4. Overdue Recerts for Name 4
  - 8/30/12:
    1. Current Recerts
    2. QC
    3. Overdue Recerts
- Next, I would plan to set up a schedule to prevent these cases from becoming lagging indicators next month. This might include:
  - A scheduled clean-up of all overdue recertifications
  - A set schedule for recertification processing noting what tasks should be done by certain times of the month
  - Implementation of a timeframe within which calls must be returned
  - A week day that is dedicated solely to quality control and processing interim examinations

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DATA FOR OCTOBER RECERTIFICATIONS COMPLETED IN AUGUST 2011 - BY SPECIALIST

Housing Specialist	Complete	Total Assigned	Percentage Complete
NAME 1	29	29	100.00%
NAME 2	41	41	100.00%
NAME 3	24	24	100.00%
NAME 4	18	18	100.00%
NAME 5	37	37	100.00%
NAME 6	11	11	100.00%
NAME 7	36	36	100.00%
NAME 8	36	36	100.00%
NAME 9	24	24	100.00%
NAME 10	2	2	100.00%
NAME 11	27	27	100.00%
NAME 12	43	43	100.00%
NAME 13	26	26	100.00%
NAME 14	34	34	100.00%
NAME 15	59	59	100.00%
NAME 16	23	23	100.00%
NAME 17	34	34	100.00%
NAME 18	27	27	100.00%
NAME 19	11	11	100.00%
NAME 20	30	30	100.00%
NAME 21	37	37	100.00%
NAME 22	29	30	96.67%
NAME 23	40	42	95.24%
NAME 24	54	57	94.74%
NAME 25	24	26	92.31%
NAME 26	40	44	90.91%
NAME 27	27	30	90.00%
NAME 28	20	24	83.33%
NAME 29	13	16	81.25%
NAME 30	29	37	78.38%
NAME 31	3	6	50.00%
NAME 32	11	29	37.93%
Grand Total	**899**	**950**	**94.63%**

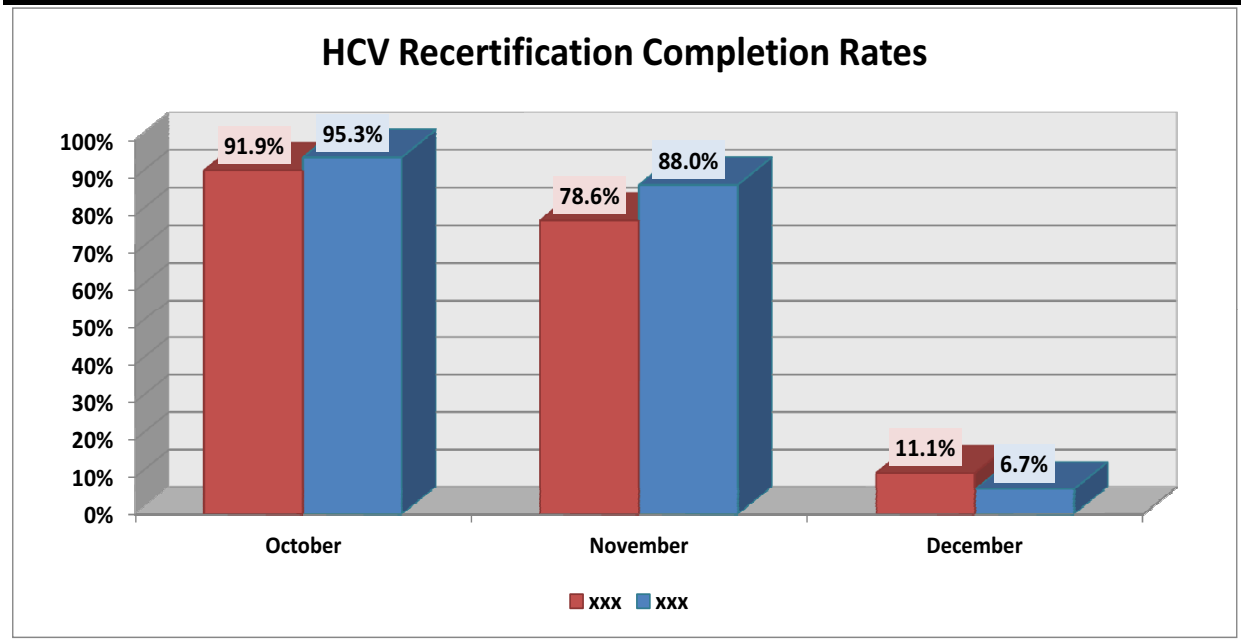
DATA FOR OCTOBER RECERTIFICATIONS COMPLETED IN AUGUST 2011 – BY TEAM

Team	Complete	Total Assigned	Percentage Complete
MOD/PBV	225	225	100.00%
Team A	131	131	100.00%
Team D	110	113	97.35%
Team E	92	95	96.84%
Team B	136	146	93.15%
Team C	205	240	85.42%
Grand Total	**899**	**950**	**94.63%**

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MONTHLY REPORT – HCV RECERTIFICATIONS

	Office	Schedule	Processed Re-exams	Terminations Processed	Pending Termination	Incomplete	% Complete
October	xxx	529	467	19	22	43	91.9%
	xxx	212	198	4	4	10	95.3%
	Grand Total	**741**	**665**	**23**	**26**	**53**	**92.8%**
November	Office	Schedule	Processed Re-exams	Terminations Processed	Pending Termination	Incomplete	% Complete
	xxx	505	381	16	28	108	78.6%
	xxx	250	218	2	16	30	88.0%
	Grand Total	**755**	**599**	**18**	**44**	**138**	**81.7%**
December	Office	Schedule	Processed Re-exams	Terminations Processed	Pending Termination	Incomplete	% Complete
	xxx	452	47	3	9	402	11.1%
	xxx	224	12	3	17	209	6.7%
	Grand Total	**676**	**59**	**6**	**23**	**611**	**9.6%**



Leading and Lagging Indicators

For each data point you monitor, you will have leading and lagging indicators. Leading indicators are a predictive tool. They track what is to be produced during a specific time period; in other words, they are the goal. Examples of leading indicators include:

- The number of families to be pulled from the waiting list
- The number of vouchers to be issued,
- The number of reexaminations to be done or
- The number of annual/biennial inspections to be done

A lagging indicator occurs when you fall short of the goal. It tells you what has not happened during the specific period of time for which the goals have been set. So, if the goal was to issue 100 vouchers by a certain date and only 80 were issued, 20 would be a lagging indicator. A new goal (leading indicator) would then be set to issue the 20 vouchers that fell short. Managers can monitor the current status of department goals by creating reports, calendars, dashboards or other tools.

This chart represents monthly reexaminations to be produced for a quarter. As we noted in the Reexamination Calendar, there are overlapping activities. For example, the chart shows that in August, the staff needs to interview their November reexaminations (those reexaminations that have an effective date to be completed, with the family notified, as of November 1.) In addition, in August, the staff needs to process their October reexaminations, and they need to prepare the December reexaminations for interview.

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MONTHLY RECERTIFICATION PRODUCTION PROGRESS REPORT
AUGUST

HSG SPEC		NOV REEXAMS INTERVIEWED							OCTOBER REEXAMS PROCESSED											DEC REEXAMS PREPARED FOR INTERVIEW						
DAYS OF MO	GOAL	1	2	3	5	8	9	TOTAL	GOAL	10	11	12	16	17	18	19	22	23	24	TOTAL	GOAL	25	26	28	30	31	TOTAL
Name 1	10	0	1	3	1	2	1	8	8	0	0	2	2	1	0	1	0	1	1	8	23	5	5	0	2	0	12
Name 2	20	3	4	2	4	4	1	18	35	0	4	5	6	6	3	6	5	0	0	35	30	10	4	12	1	2	29
Name 3	35	5	4	3	0	0	0	12	30	0	0	2	3	3	2	5	7	0	0	22	32	6	8	6	6	6	32
Name 4	30	5	4	5	5	5	6	30	37	3	5	6	6	5	0	5	7	0	0	37	35	6	7	6	6	10	35
TOTAL	95	13	13	13	10	11	8	68	110	3	9	15	17	15	5	17	19	1	1	102	120	27	24	24	15	18	108

The goal for each housing specialist for each of the three activities to be done in August is the leading indicator, what is to be produced. The numbers across the page by the goal are dates of the month, accommodating for weekends. The third of August under the November Reexaminations Interviewed is about the middle of the week where the supervisor should be checking to see whether the staff person has about half of the interviews completed. In this case, on August 3, for Name 1, there were four families interviewed to this date. This is about half of the production goal that was set. However, the supervisor might want to look at the interview schedule and see if the other six interviews are scheduled for the rest of the week. The supervisor should know the appointment no-show rate and should take that into consideration. The supervisor does not want to end the week with an unexpected surprise.

As you can see on this chart, there were 95 interviews for the team to do and only 68 (7l.5%) were completed. This means that the additional 27 interviews for this team are going to have to be rescheduled either for another week in the month or for another month. The 27 are lagging indicators which becomes a new goal (or leading indicator) when they are rescheduled. However, repeated rescheduling will generally mean the staff person continues to fall behind, and this makes it more difficult to catch up. That is why the supervisor should monitor this progress so there are few or no lagging indicators by the end of the month.

Using Reports to Track Production

These are additional reports to monitor production.

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REEXAMINATION DATA – REEXAMS PROCESSED

Team A Reexams Completed							
Team	March	April	May	June	July	August	TOTALS
Name 1	50	38	34	37	36	40	235
Name 2	20	25	21	16	12	17	111
Name 3	30	33	29	32	35	38	197
Grand Total	100	96	84	85	83	95	543

Team B Reexams Completed							
Team	March	April	May	June	July	August	TOTALS
Name 4	28	24	25	24	23	28	152
Name 5	35	32	24	30	32	32	185
Name 6	23	27	23	18	19	13	123
Grand Total	86	83	72	72	74	73	460

Late Reexams Team A							
Team	March	April	May	June	July	August	TOTALS
Name 1	2	3	1	4	2	2	14
Name 2	12	6	7	12	10	13	60
Name 3	4	5	6	3	4	3	25
Grand Total	18	14	14	19	16	18	99

Late Reexams Team B							
Team	March	April	May	June	July	August	TOTALS
Name 4	4	5	9	13	11	10	52
Name 5	0	2	1	4	2	3	12
Name 6	11	14	12	12	12	9	70
Grand Total	15	21	22	29	25	22	134

Total Number of Reexams To Do Team A							
Team	March	April	May	June	July	August	TOTALS
Name 1	52	41	35	41	38	42	249
Name 2	32	31	28	28	22	30	171
Name 3	34	38	35	35	39	41	222
Grand Total	118	110	98	104	99	113	642

Total Number of Reexams to Do Team B							
Team	March	April	May	June	July	August	TOTALS
Name 4	32	29	34	37	34	38	204
Name 5	35	34	25	34	34	35	197
Name 6	34	41	35	30	31	22	193
Grand Total	101	104	94	101	99	95	594

On Time Rate	**84.75%**	**87.27%**	**85.71%**	**81.73%**	**83.84%**	**84.07%**

On Time Rate	**85.15%**	**79.81%**	**76.60%**	**71.29%**	**74.75%**	**76.84%**

Total # of Interims Processed Per Month Team A							
Team	March	April	May	June	July	August	TOTALS
Name 1	3	3	4	3	6	5	24
Name 2	2	5	3	3	5	4	22
Name 3	3	2	1	2	4	4	16
Grand Total	8	10	8	8	15	13	62

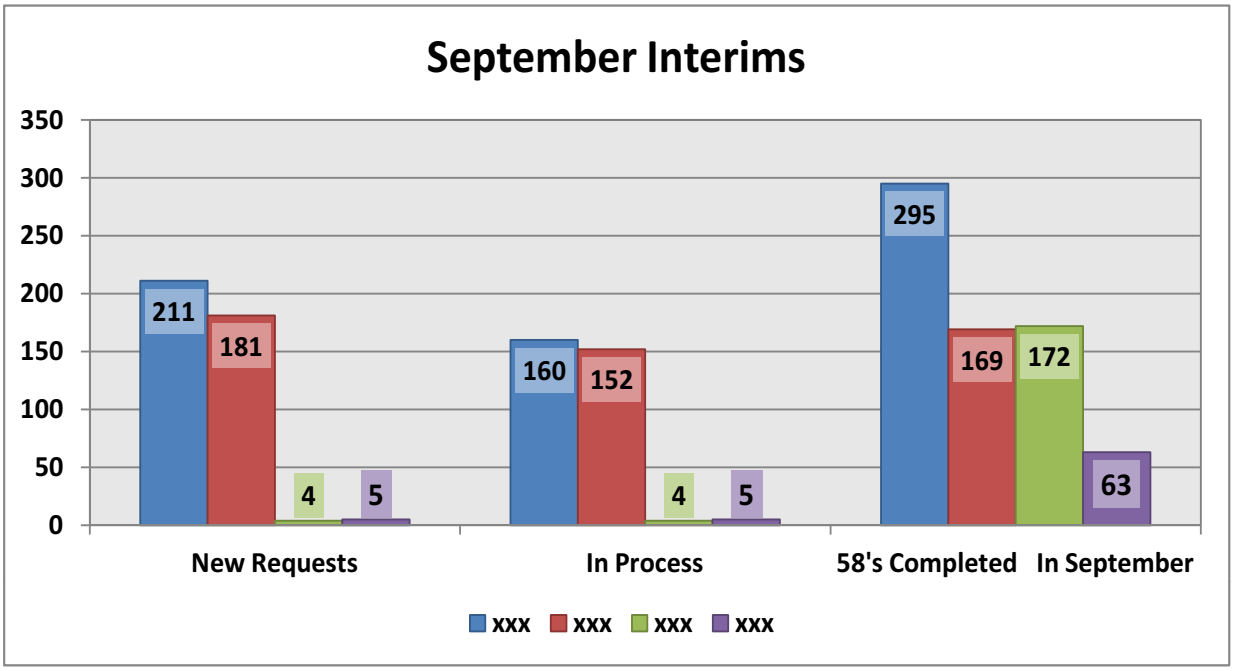
Total # of Interims Processed Per Month Team B							
Team	March	April	May	June	July	August	TOTALS
Name 4	5	6	5	4	7	7	34
Name 5	4	6	6	3	5	3	27
Name 6	5	3	5	5	6	5	29
Grand Total	14	15	16	12	18	15	90

Total # of Moves Processed Per Month Team A							
Team	March	April	May	June	July	August	TOTALS
Name 1	3	3	4	4	5	7	26
Name 2	4	2	3	5	6	5	25
Name 3	3	5	1	4	5	6	24
Grand Total	10	10	8	13	16	18	75

Total # of Moves Processed Per Month Team B							
Team	March	April	May	June	July	August	TOTALS
Name 4	5	6	5	4	7	7	34
Name 5	4	6	6	3	5	3	27
Name 6	5	3	5	5	6	5	29
Grand Total	14	15	16	12	18	15	90

MONTHLY REPORT – INTERIMS

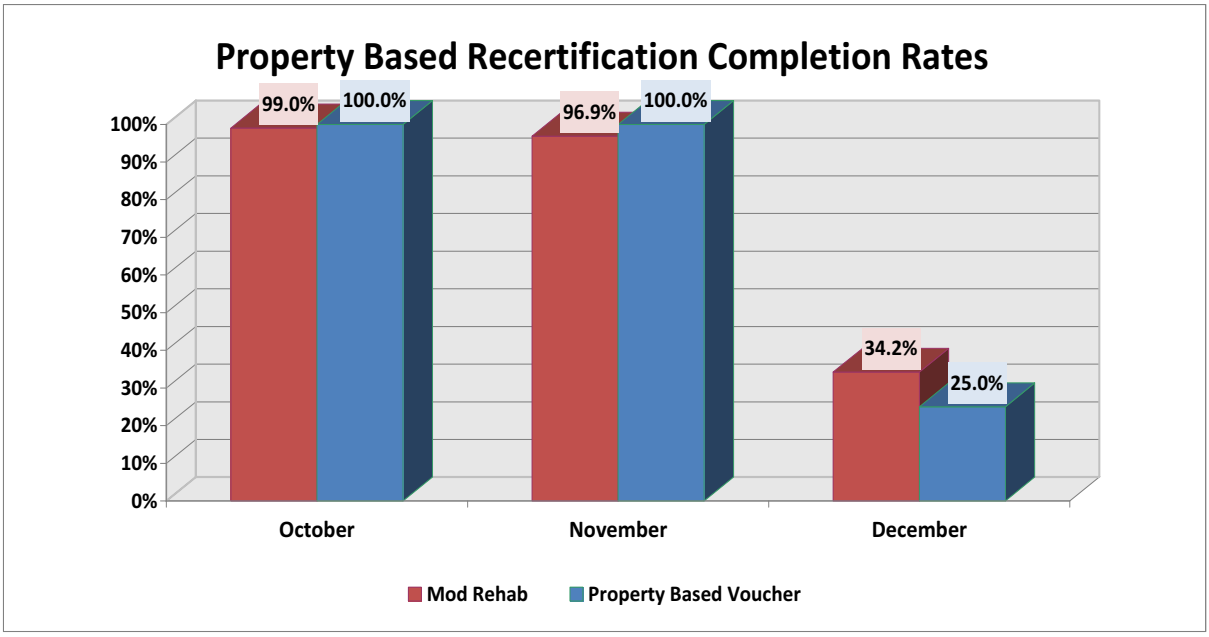
	Office	New Requests	In Process	58's Completed In September
September	xxx	211	160	295
	xxx	181	152	169
	xxx	4	4	172
	xxx	5	5	63
	Grand Total	**401**	**321**	**699**



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MONTHLY REPORT – PBV/MR RECERTIFICATIONS

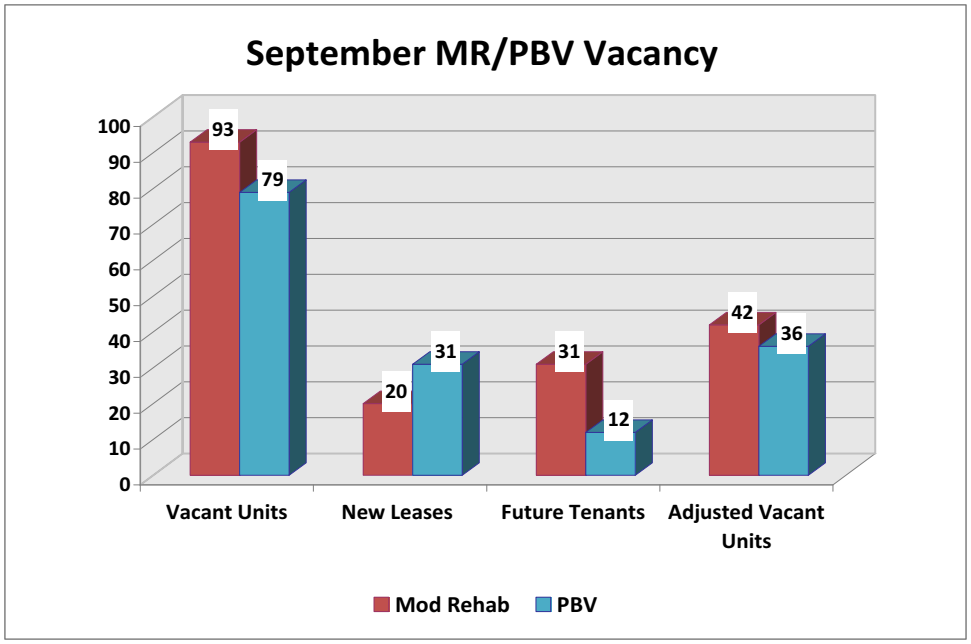
	Office	Schedule	Processed Re-exams	Terminations Processed	Pending Termination	Incomplete	% Complete
October	Mod Rehab	207	188	17	2	2	99.0%
	PBV	18	17	1	0	0	100.0%
	Grand Total	**225**	**205**	**18**	**12**	**2**	**99.1%**
November	Mod Rehab	192	167	19	6	6	96.9%
	PBV	90	88	2	0	0	100.0%
	Grand Total	**282**	**255**	**21**	**4**	**6**	**97.9%**
December	Mod Rehab	76	25	1	4	50	34.2%
	PBV	20	4	1	1	15	25.0%
	Grand Total	**96**	**29**	**2**	**4**	**65**	**32.3%**

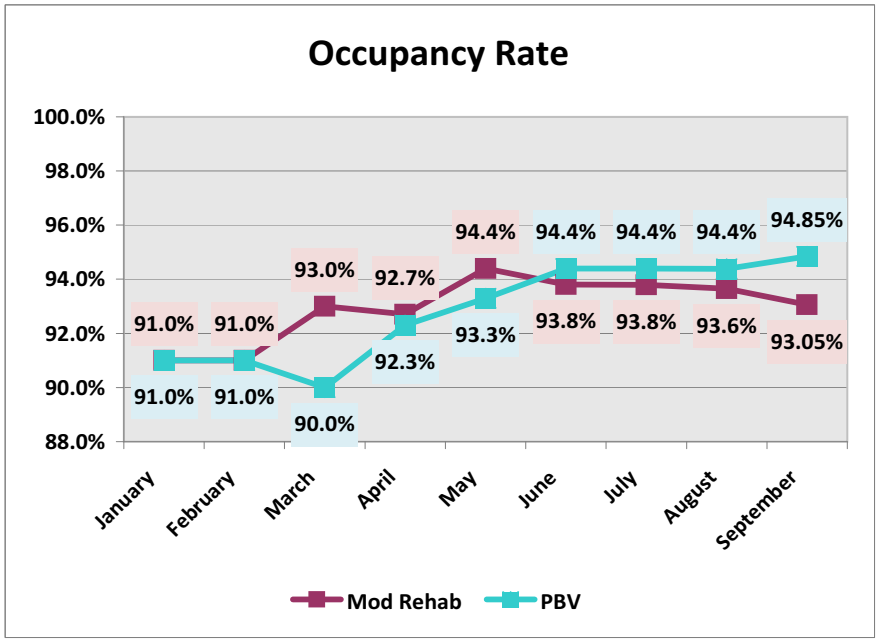


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MONTHLY REPORT – PBV VACANCY

September	Office	Total Units	Units Leased 1st of the Month	Vacant Units	Vacancy Rate	New Leases	Future Tenants	Adjusted Vacant Units	Adjusted Vacancy Rate
	Mod Rehab	1339	1246	93	6.95%	20	31	42	3.14%
	PBV	1533	1454	79	5.15%	31	12	36	2.35%
	Grand Total	**2872**	**2700**	**172**	**5.99%**	**51**	**43**	**78**	**2.72%**





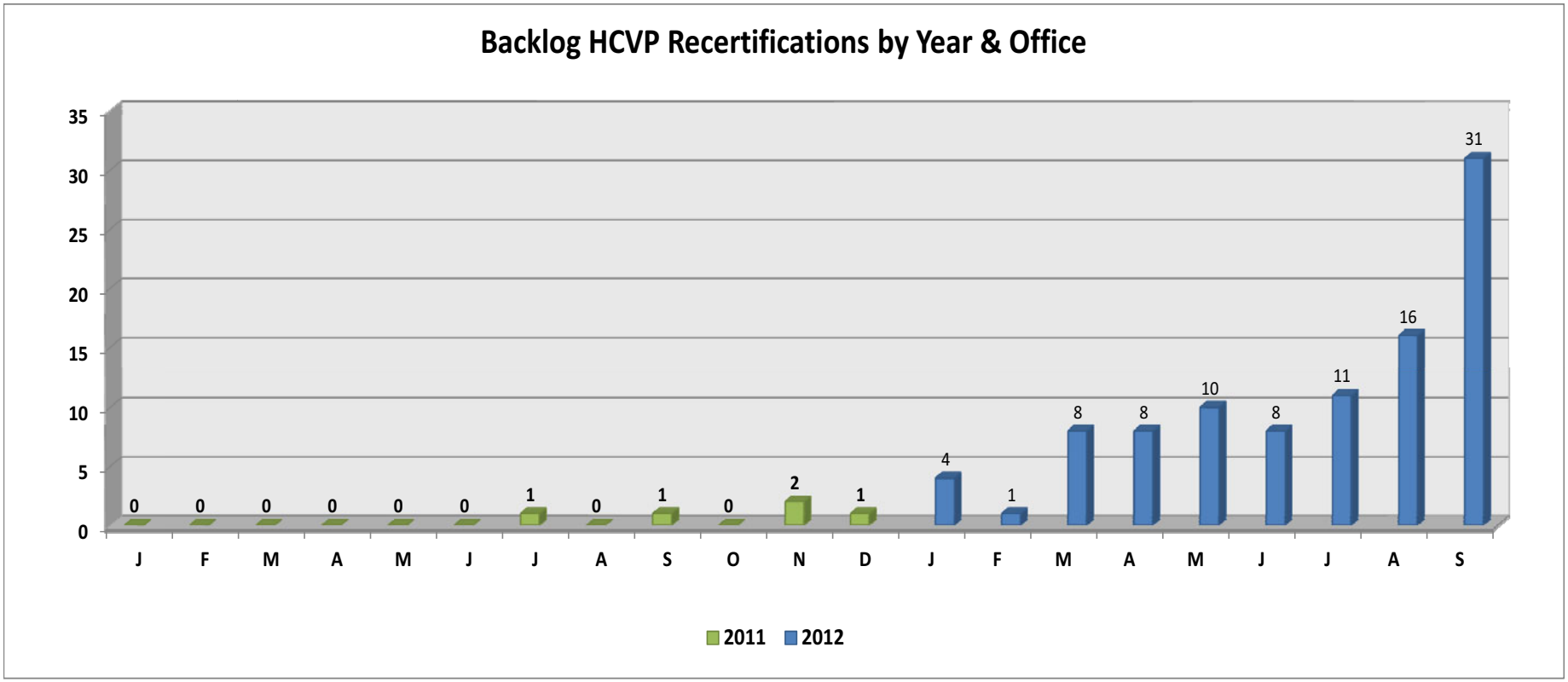
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BACKLOG RECERTIFICATIONS

Backlog HCVP Recertifications

	Office	January	February	March	April	May	June	July	August	September	October	November	December	Total
2011	XXX	0	0	0	0	0	0	1	0	1	0	1	0	**3**
	XXX	0	0	0	0	0	0	0	0	0	0	1	1	**2**
	XXX	0	0	0	0	0	0	0	0	0	0	0	0	**0**
	Total	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**1**	**0**	**2**	**1**	**5**

	Office	January	February	March	April	May	June	July	August	September	October	November	December	Total
2012	XXX	2	0	3	3	3	5	6	6	9				**37**
	XXX	2	1	4	4	5	3	5	9	21				**54**
	XXX	0	0	1	1	2	0	0	1	1				**6**
	Total	**4**	**1**	**8**	**8**	**10**	**8**	**11**	**16**	**31**	**31**	**0**	**0**	**128**



Cycle Time

In Chapter 2 we discussed how to determine staffing needs, caseloads and performance standards; all important to performance measurement. But in order to set realistic goals for production, managers need to know how long it takes to perform the various tasks required to do a particular job. This is not difficult for one dimensional tasks such as scheduling appointments, but it is much more challenging for conducting annual reexaminations because they take place over a long period of time and they are cyclic. Most importantly, if annual reexaminations fall substantially behind, it takes a long time to catch up.

There are several ways to determine cycle time. The supervisor could ask each person to track how long it takes, on the average, to do a specific task. The supervisor could create a form where the housing specialist would document the start and finish of each task. The supervisor could have a consultant or another staff member such as a quality control person to observe the times and note them on the form.

Regardless of the method used, the results should be put into a chart.

Document the times for any tasks that are part of the position you are analyzing.

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HOUSING SPECIALIST – TASKS

#	Reexam Task	Time in Mins
1	Prep	30
2	Interview	60
3	Verification	30
4	Rent Calc	30
5	Data Entry	30
6	Correspondence	30
7	Quality Control	30
8	Reschedule	30
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
	Total Minutes	270
	Total Hours	4.5
	Over 3 months = 1.5 hrs each month	

#	Interim Task	Time in Mins
1	Prep	15
2	Interview	15
3	Verification	15
4	Rent Calc	15
5	Data Entry	15
6	Corres	15
7	QC	15
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
	Total Mins	105
	Total Hours	1.75
	Over 1 Month	

#	Moves Task	Time in Mins
1	Receive Notice	5
2	Criminal Background (if applicable)	15
3	Check for Intent to Terminate	5
4	Prepare move packet/ issue Voucher	15
5	Schedule and hold moves briefing	60
6	Review paperwork	5
7	Request missing docs	15
8	Receive missing docs & enter data	20
9	Request rent reasonableness	5
10	Request inspection	5
11	Review results of rr and inspection	15
12	Enter data into computer	30
13	Complete move paperwork	15
14	Quality Control	30
15		
16		
17		
18		
19		
20		
	Total Minutes	240
	Total Hours	4
	Over 1 Month	

In the example, it is assumed that the housing specialist position is responsible to perform annual and interim reexaminations and moves. There are no reexaminations done in conjunction with moves unless it is a regularly scheduled reexamination. The analyst for the department schedules the reexamination appointments and mails the appointment letters. The clerk of the department is responsible to call the family to remind them of the appointment, the required documents, and to reschedule the appointment if necessary. In addition to the functions described above, the housing specialist must correct any file errors determined by QC, attend staff meetings and scheduled training, must respond to phone calls and email, and handle walk-ins.

To begin, you must determine how much time in the month is available for the housing specialist to do his/her work. You can generally assume there are about 20 work days in a month. If the work hours are 8 AM to 4:30 PM with 60 minutes for lunch and two 15-minute breaks, there are approximately seven hours of work time in a day. Seven hours times 20 days equals 140 available work hours in a month. This can vary due to holidays and vacation and sick time taken per month. You need to determine how many hours, taking these factors into consideration, are actually available per month.

In this chart, you can see that the reexamination activities over a three month period take three hours each. (The fourth month is not counted because there is nothing for the staff person to do once the notice has been mailed). Although the reexamination activities are not divided equally each month, we assume that the housing specialist spends about one hour per reexamination per month. (We reached that assumption because if one reexamination takes three hours to complete, spread over three months, the reexamination activities would average about one hour in a month.)

The interim activities, over a one to two month period, take a little over an hour, and the move activities take about 2 hours each in the example. You should review your actual data to determine whether the interims and moves are accomplished over a one or two month period. Then you need to determine, on an average, how many requests for moves and interims there are per month.

You will need to know how much staff time is taken up by other administrative activities. Other activities could include meetings, file corrections, filing, scanning and copying, returning calls and seeing walk-ins.

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When you have the time data for each task in a position, you can determine how many reexaminations can be processed in a month. This will give you an indication of whether you are overstaffed or understaffed.

The figures are predicated on the activities that are required of the position, the time available during the month, and the time it takes to do each activity. These figures could indicate that there are more activities than noted, the activities take longer than projected, or there were fewer hours in the month if the staff is busy full time. If a staff person takes several days a month off for sick time, vacation, training, etc., it will affect the time available. If there is a large no-show rate and appointments have to be rescheduled, it affects the time to do the activities. There are many factors like this, but when the figures are reviewed, the time available is estimated more accurately.

You can then measure the actual cycle time, analyze the data, and determine your course of action.

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SECTION 6.5 ACCURACY MEASUREMENT

Production and accuracy are the two keys to reexamination performance excellence. If the files are completed on time, but they have errors, the reexamination was not a success. If the inspection was conducted on time, but HQS fail items were missed, then the inspection was not successful. Both production and accuracy are needed.

Conducting Tenant File Reviews

File reviews are essential to performance measurement because they provide quick access to maximum data. File reviews will help you to:

- Evaluate the accuracy and timeliness of the work of housing specialists
- To determine if required documents and documentation are present
- Evaluate compliance with PHA policies

Files for this purpose include not only paper files but also automated 50058 records.

Selecting a File Review Sample

In selecting a file review sample, consider whether the files will be used for continuous reviews or in a periodic review.

- Samples for continuous reviews are limited, focusing on key transactions
- Samples for periodic reviews are generally more comprehensive and include multiple metrics

This type of consideration in selecting a file review sample is part of what is referred to as a "directed" sample. Using a "directed sample" means that a PHA develops a framework for selecting files based upon the purpose of the file review and then selects files randomly within that framework.

The following chart illustrates the many program and family variations to consider when developing a sample.

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SELECTING SAMPLE FILES FOR REVIEW
Housing Choice Voucher Program

The methodology for selecting sample files may vary depending upon the purpose of the review. Continuous QC samples tend to be limited; periodic reviews and audits tend to be more comprehensive. This chart shows examples of the various types of programs, circumstances, and transactions from which a cross section could be selected depending on the review purpose.

Cross Section of Household Characteristics

- Elderly, persons with disabilities, other families
- Income sources and ranges (including zero income)
- Types of deductions
- FSS participation
- Geographic distribution

Cross Section of Transactions

- New admissions
- Annual reexaminations
- Interim reexaminations
- Applicant rejections

Cross Section of Administrative Characteristics

- Staff person who completed the review
- Supervisor
- Department (e.g., intake, occupancy)
- Time period when calculations were completed (e.g., from different time frames, before/after a policy change, etc.)
- 50058 error reports

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Focus on error-prone areas

A file review plan should consider both preventative and continuous quality control and focus on the areas where errors are most likely to occur. Preventative file reviews should be done by the staff person who completed the work and another qualified person or supervisor should perform continuous reviews. Historical HUD and OIG reviews indicate the following error prone areas and issues:

- Utility allowances in the HCV program
- Pensions, public assistance, and other income
- Earned income
- Deductions
- Asset income

Reviewers indicated that the most common causes of errors are:

- Lack of appropriate HUD-required verification of income and deductions
- Lack of PHA quality control, reflected in consistency errors, calculation errors, and transcription errors
- Improper transfer of data from applicant and participant files to the PIC system

Here are some other factors that may contribute to errors, such as:

- Outdated or unclear policies
- Insufficient or incomplete policies and procedures
- Inconsistencies between or among policies, procedures, and practices
- The use of incomplete or poorly designed forms and other tools to manage the income and rent determination process

Continuous Quality Control File Samples

When selecting file samples for continuous quality control the focus is normally to monitor the accuracy of income and rent determination and would generally include files representing:

- Each specialist
- A range over a specified period of time (monthly, quarterly)
- An array of basic transaction types (new admissions, interim and annual reexaminations)

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Periodic Quality Control Samples

The focus of a periodic review is more comprehensive and would be broader to include files representing:

- Each specialist
- A broader array of transaction types (e.g., adding retroactive adjustments, corrections, portability, terminations, etc.)
- A broader array of program types
- A cross section of income sources and household types

Tools for Selecting File Samples

Possible tools for selecting fine samples include:

- PIC reports with generated lists based upon various criteria.
- PHA/vendor software generated reports listing files by designated categories
- Internet site: www.random.org.

Logistics

You also need to take several logistical aspects into account when conducting file reviews. Consider the following:

- The number of files you need to review will depend upon the purpose for the review and the number of programs you administer.
- Decide on the file review protocol. For example, you could use HUD's RIM forms for the HCV program or create your own. The protocol should focus on all of the aspects you want to test.
- Make sure that you evaluate the file data and perform you own calculations before comparing to the 50058.
- Compare the paper file to the electronic file.
- Check for errors in your PHA or vendor software.

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Forms

If an automated process is used, the forms will be imbedded in the software. Staff enters the data required by the forms.

If you are not using an automated system, the HUD RIM Review Checklist referred to as Appendix A, HUD Tenant File Review Checklist (on HCVExecMgmtResources.nanmckay.com) is the checklist HUD uses when they conduct a RIM Review audit. Many PHAs use this tool because it is the tool HUD uses.

The checklist tool does not contain all of the file review components. You may want to use the Annual Reexamination File Review Checklist to verify that all forms that are required by your PHA are in the file and signed and dated.

Using Reports to Track Accuracy

Although identifying individual errors is an important element of quality control, it's not the only aspect. Looking at performance and production over time (trends) using reports can provide important insights that lead to error reduction.

Looking at performance over time can also provide data for benchmarking-the process of establishing performance standards. Regardless of the intended use, you'll need to determine what data to look at in order to use reports to track quality.

The most useful information to track depends upon the circumstances at each agency. Generally tracking is valuable to look for variations in:

- The number and percentage of errors by error type, staff person and team (or department)
- The improvement in error rates

We reviewed the Daily Performance Report when we were looking at production. However, this report can also be used to document quality control results. Note Level 1 (by the supervisor) and Level 2 (by the quality control person.) The results of both QCs are documented. Levels 1 and 2 should be assigned for the type of quality control used in the agency. The number of files with errors are noted in the columns.

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WEEKLY PI QC DETAIL REPORT

Week Ending	9/2/2011	Total Reviewed	28	**HAP Errors: 6**	**Reviewer**	Name	
TEAM		Total with Errors	10				
Supervisor							

Review Date	Tenant ID	Tenant Name	TEAM	Housing Specialist (s)	Errors	Comments/Error Description	Errors Impacting HAP?	Inspct or RR Missing or Incomplete?	Void or Missing HAP?	Other Docs Missing or Incomplete?	HS Initiated Replacing Missing Docs?
8/29/2011	xxx	Tenant Name 1	A	Staff Name 1	1	Debts Owed not in file.	n	n	n	y	n
8/29/2011	xxx	Tenant Name 2	A	Staff Name 1	0						
8/26/2011	xxx	Tenant Name 3	A	Staff Name 2	1	HAPC void: undated by PHA.	n	n	y	n	n
8/26/2011	xxx	Tenant Name 4	A	Staff Name 2	1	Food stamps not excluded.	y	n	n	n	
8/29/2011	xxx	Tenant Name 5	A	Staff Name 2	0						
8/26/2011	xxx	Tenant Name 6	A	Staff Name 3	0						
8/29/2011	xxx	Tenant Name 7	A	Staff Name 3	0						
8/29/2011	xxx	Tenant Name 8	A	Staff Name 4	1	SS amount on 50058 reflects net; reviewer used gross.	y	n	n	n	
8/30/2011	xxx	Tenant Name 9	B	Staff Name 5	1	Rent Adjustment Letter not in file.	n	n	n	y	n
8/30/2011	xxx	Tenant Name 10	B	Staff Name 5	1	RFTA not in file. Only documentation in file of contract rent decrease is incomplete Rent Reasonableness 1/2004.	n	y	n	y	n
8/30/2011	xxx	Tenant Name 11	B	Staff Name 6	0						
8/30/2011	xxx	Tenant Name 12	B	Staff Name 7	1	Additional medical deductions verified by docs in file not given on 50058. Voucher not in file. RFTA not in file. HAPC shows gas cooking; 50058 shows electric. Rent reasonableness for contract rent not in file. 30-day notice not given for tenant portion increase.	y	y	n	y	n
8/30/2011	xxx	Tenant Name 13	C	Staff Name 8	0						
8/30/2011	xxx	Tenant Name 14	C	Staff Name 8	1	Not all food stamps income excluded on 50058. Voucher for most recent move, within last two years, not in file.	y	n	n	y	n
8/30/2011	xxx	Tenant Name 15	C	Staff Name 8	0						
8/29/2011	xxx	Tenant Name 16	D	Staff Name 9	0						
8/29/2011	xxx	Tenant Name 17	E	Staff Name 10	0						
8/29/2011	xxx	Tenant Name 18	E	Staff Name 10	1	SS# incorrect on 50058. Current inspection not in file. Debts Owed not in file Criminal Request not in file. Registration/referral not in file.	n	y	n	y	n
8/30/2011	xxx	Tenant Name 19	E	Staff Name 10	0						
8/29/2011	xxx	Tenant Name 20	Intake	Staff Name 11	1	Wage income amount on 50058 does not correspond to check stubs in file, nor calculation written on them. Child care expense not deducted on 50058.	y	n	n	n	
8/30/2011	xxx	Tenant Name 21	Intake	Staff Name 11	0						
8/30/2011	xxx	Tenant Name 22	Intake	Staff Name 11	0						
8/30/2011	xxx	Tenant Name 23	Intake	Staff Name 11	0						
8/30/2011	xxx	Tenant Name 24	Intake	Staff Name 11	0						
8/30/2011	xxx	Tenant Name 25	Intake	Staff Name 11	0						
8/30/2011	xxx	Tenant name 26	Intake	Staff Name 11	0						
8/30/2011	xxx	Tenant Name 27	Intake	Staff Name 11	0	C: Prior receipt of SSI, terminated due to increase in earned income, is sufficient verification of disability.					
8/30/2011	xxx	Tenant Name 28	Intake	Staff Name 11	0						

Sample QC Report

(Date)

Summary

Our team randomly selected 42 recent completed recertification files. Of these 42 files, 40 files (or 95% of the files) contained one or more errors. This report provides a detailed summary and graph of the error types which indicate the most common error types and the percentage of files sampled with that type of error. However, if a file contained more than one error in a given category it was only counted once. For example, if a file was missing social security cards for two members of the household the error was counted in that error category only.

Description of Error Type

The following is a listing of the types of errors identified in this report:

***Missing/Incomplete Documents*:** Files are missing or contain incomplete Applications for Continued Occupancy, Birth Certificates, Social Security cards, Picture IDs, HUD Forms 9886s, Debts Owed and/or criminal background check consent forms.

***Income Calculation*:** Income calculations were not completed correctly or did not include all income sources. This resulted in line 7i of the HUD 50058 not being correctly reported.

***Utility Allowance Errors*:** Utility responsibilities were not assigned on the HAPC or were miscalculated.

Payment Standards: Payment standards were not applied correctly. Households that have had a decrease in family composition were given a smaller voucher size.

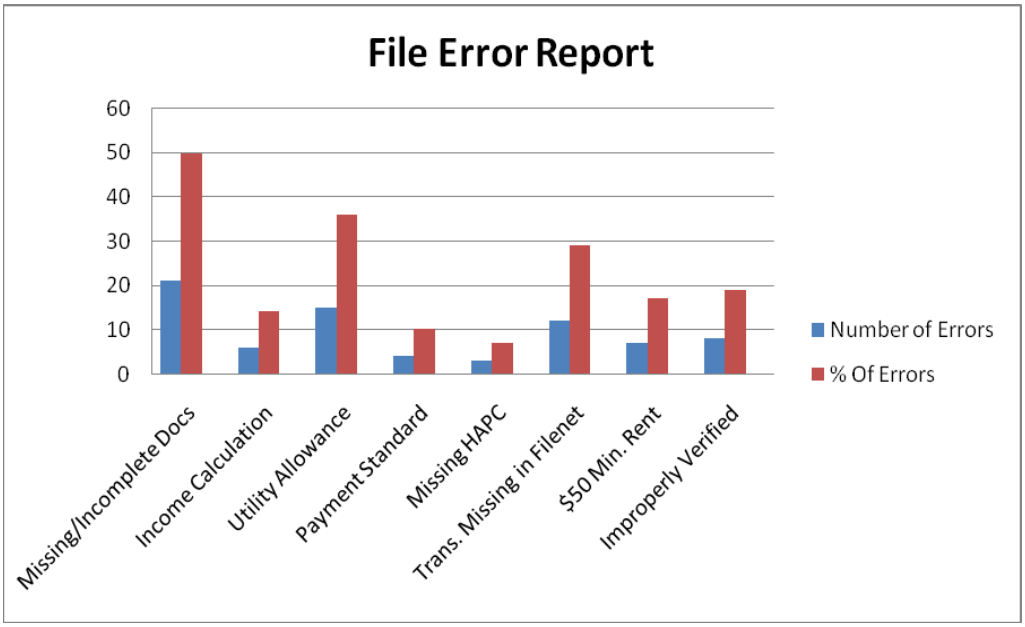
Missing HAP Contract: HAP contract could not be found in electronic filing system.

Transaction Missing in Electronic File System: System did not contain documentation for an annual recertification that had been randomly selected and completed and submitted in (housing software) in 3/1/11, 4/1/11, or 5/1/11. Please note that although documentation for some of these transactions was later discovered in desks on the 9th floor we did not analyze these documents because they were not in electronic file system.

$50 min rent: Files containing this error had 50058s without correct minimum rents.

Improperly Verified: Verifications in file are missing, incomplete, or out of date.

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Individual File Results

Below is the listing of the files sampled and a description of the errors contained in each file (example below):

Tenant ID	Tenant Name	Submitted the 50058	Error Description
XXXXXXX		Staff Name	EIV not signed by tenant
XXXXXXX			No errors. Note: Birth Certificate not in file but Passport is.
XXXXXXX			Citizenship form missing, Decrease in household composition after 10/1/10 Tenant should have been issued 1 bedroom voucher to move. Currently single person living in a three bedroom unit. Incorrect payment standard. HAPC states tenant is responsible for heating, cooking, water heating, other electric, refrig, and range. UA calculated by reviewer $164. UA on 50058 $52. UA incorrectly calculated.
XXXXXXX			Application not dated by HOH, EIV not signed, Family composition does warrant a 3 bedroom unit. Tenant moved into unit 10/12/10 which falls under the new subsidy standards. Tenant should be issued a voucher. Pg 5-8 Admin Plan
XXXXXXX			No documents in EFS 3/1
XXXXXXX			No documents in EFS 3/1
XXXXXXX			No errors. Note: Missing EIV signature
XXXXXXX			No documents in EFS 3/2

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Tenant ID	Tenant Name	Submitted the 50058	Error Description
XXXXXXX			Family composition change should have resulted in a change in unit size, unit going from a 3 bedroom to a 2. According to policy pg5-8 Admin Plan. PHA used incorrect payment standard. UA miscalculated $188 on 58, reviewer calculated $147. A utility responsibility for other electric is not completed on RFTA form.
XXXXXXX			Ronald missing criminal background check, and signature on citizenship form. Min rent $50. UA incorrect, reviewer cal. $149
XXXXXXX			No Errors
XXXXXXX			Children are coded as foster children on the 50058. BCs have been changed to show head as having adopted them, need to be coded as youth Payments in excess of $480 shall be excluded for each adopted child. Pg 6-19. Income calculation error. Family members are not included on the citizenship form. Kristine is spelled Kristina on her BC and SSC. UA incorrect. Reviewer cal. $152 using a 4 bedroom UA
XXXXXXX			Krystal did not sign 9886 or supplement. Middle initial missing from 50058 for Krystal. Full time student status verification not in file. Adjusted income incorrectly calculated.
XXXXXXX			Application not completed. HUD UIV missing signature of HOH.
XXXXXXX			No documents in electronic filing system 3/1
XXXXXXX			Reviewer unable to locate HAPC in EFS. Unable to calculate UA.
XXXXXXX			Income calculation error. PHA failed to include income from the tenant's annuity resulting in $10200 in non included income. 50058 list $2,400 from general assistance. Reviewer could not locate verification documents. Incorrect UA calculation, reviewer used lease for UA responsibilities because HAPC did not contain them, Reviewer cal. is $52
XXXXXXX			50058 missing middle initials for Javier and Davion. EIV not signed. Tenant claimed childcare and medical expenses. PHA did not verify. Birth Certificate not on file for HOH. Application and Photo ID state Bday is 7/25/76, 50558 states 7/26/76. 50058 gives 104 for UA. Reviewer cal. $142 us the UA for a three bedroom semi detached unit. HAPC state tenant pays heating, cooking, other, and water heating. (natural gas)

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ERROR TYPE BREAKDOWN REPORT

Error Type Breakdown – Month of _____

Total Month
All Teams
Total Files: Average Errors per File:
Total Errors:

Calc Error
UA
RR/Inspect
Docs
Data Entry
Verifications

Week of _____
All Teams
Total Files:
Total Errors:

Calc Error
UA
RR/Inspect
Docs
Data Entry
Verifications

Week of _____
All Teams
Total Files:
Total Errors:

Calc Error
UA
RR/Inspect
Docs
Data Entry
Verifications

Week of _____
All Teams
Total Files:
Total Errors:

Calc Error
UA
RR/Inspect
Docs
Data Entry
Verifications

Week of _____
All Teams
Total Files:
Total Errors:

Calc Error
UA
RR/Inspect
Docs
Data Entry
Verifications

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FILE REVIEW ERROR REPORT

	Caseload	Number of Files		Files with Errors		Files with Comments		Verification	Calculation	Data Entry	Policy	Late	Noncritical	TOTAL ERRORS
		Completed	Reviewed	Number	Percent	Number	Percent							
JAN–MARCH														
APRIL–JUNE														
JULY–SEPT														

Continued on next page...

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		Number of Files		Files with Errors		Files with Comments		Verification	Calculation	Data Entry	Policy	Late	Noncritical	TOTAL ERRORS
	Caseload	Completed	Reviewed	Number	Percent	Number	Percent							
9 months	George	Betty	Fred	Tom	Tonya	Michelle	Total							
ERRORS BY TYPE														
Verification														
Calculation														
Data Entry														
Policy														
Late														
Noncritical														
TOTAL ERRORS														

Error Definitions

Verification: missing verification, no third party with explanation, errors in understanding verification data

Calculation: math mistake

Data Entry: transcription errors on manual forms, data entry errors in automated system

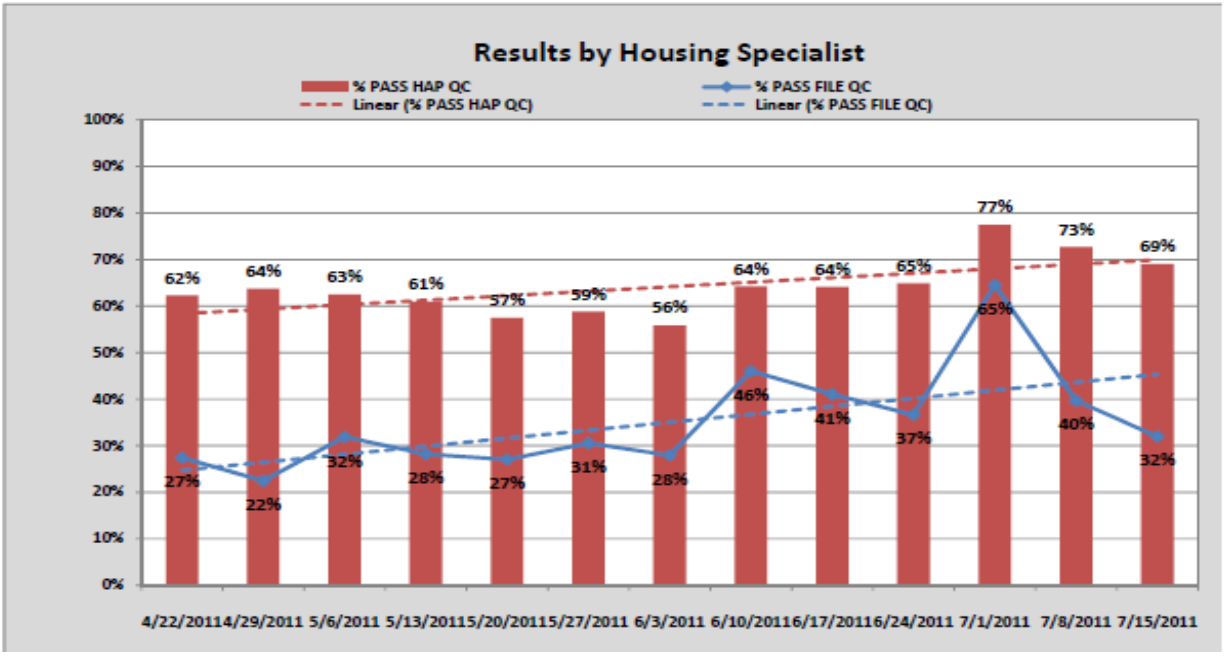
Policy: program rules not being followed

Late: annual reexaminations not completed at least 30 days in advance

Noncritical: missing/incorrect data that doesn't affect rent calculations

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QC DASHBOARD



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INDIVIDUAL HOUSING SPECIALIST QC FORM

Housing Specialist:				Name	Overall Pass %:	23.13%	Overall HAP Pass %:	65.99%	
Quarter	Month	Week	Week2	Specialist	Files Reviewed	Files with Errors	% Pass QC	HAP Errors	% Pass HAP
2	April	4/22/2011	4/22/2011	xx	6	6	0.00%	2	66.67%
2	April	4/29/2011	4/29/2011	xx	4	4	0.00%	0	100.00%
2	May	5/6/2011	5/6/2011	xx	5	5	0.00%	2	60.00%
2	May	5/13/2011	5/13/2011	xx	4	4	0.00%	1	75.00%
2	May	5/20/2011	5/20/2011	xx	3	3	0.00%	2	33.33%
2	May	5/27/2011	5/27/2011	xx	7	7	0.00%	3	57.14%
2	June	6/3/2011	6/3/2011	xx	2	2	0.00%	1	50.00%
2	June	6/10/2011	6/10/2011	xx	5	0	100.00%	0	100.00%
2	June	6/24/2011	6/24/2011	xx	4	3	25.00%	1	75.00%
			QUARTER 2 Results		Files	Failed Files	Pass %	HAP Errors	Pass HAP %
					40	34	15.00%	9	77.50%
3	July	7/8/2011	7/8/2011	xx	3	2	33.33%	1	66.67%
3	July	7/15/2011	7/15/2011	xx	2	2	0.00%	2	0.00%
3	July	7/22/2011	7/22/2011	xx	4	3	25.00%	1	75.00%
3	July	7/29/2011	7/29/2011	xx	6	6	0.00%	3	50.00%
3	August	8/5/2011	8/5/2011	xx	6	5	16.67%	4	33.33%
3	August	8/12/2011	8/12/2011	xx	13	10	23.08%	5	61.54%
3	August	8/19/2011	8/19/2011	xx	4	3	25.00%	3	25.00%
3	August	8/26/2011	8/26/2011	xx	14	10	28.57%	5	64.29%
3	Septembe	9/2/2011	9/2/2011	xx	2	2	0.00%	0	100.00%
3	Septembe	9/23/2011	9/23/2011	xx	3	2	33.33%	0	100.00%
3	Septembe	9/30/2011	9/30/2011	xx	18	12	33.33%	3	83.33%
				QUARTER 3 Results	Files	Failed Files	Pass %	HAP errors	Pass HAP %
					75	57	24.00%	27	64.00%
4	October	10/7/2011	10/7/2011	xx	13	8	38.46%	1	92.31%
4	October	10/14/2011	10/14/2011	xx	7	6	14.29%	3	57.14%
4	October	10/21/2011	10/21/2011	xx	4	3	25.00%	3	25.00%
4	October	10/28/2011	10/28/2011	xx	8	5	37.50%	4	50.00%
			QUARTER 4 Results to date		Files	Failed Files	Pass %	HAP errors	Pass HAP %
					32	22	34.38%	11	65.63%
				Overall Files		Failed Files	Weekly Pass Avg	HAP errors	Weekly HAP Pass Avg
					147	113	19.11%	50	62.53%
							Overall Pass Avg		Overall HAP Pass Avg
							23.13%		65.99%

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EIV Measurement

Upfront income verification using HUD's EIV system and Income Validation Tool (IVT) is the most preferred method of verification and an important tool for reducing errors by detecting unreported income. EIV performs income-matching activities based upon social security numbers in the PIC system. HCV managers must ensure that staff utilizes EIV as a third-party source of income verification, that any discrepancies between EIV and family-provided data are resolved, that overpaid subsidies are recouped, and that the file is properly documented that EIV was used when required.

These are useful HUD resources:

- Notice PIH 2012-4 Effective Use of the Enterprise Income Verification (EIV) System's Deceased Tenants Report to Reduce Subsidy Payment and Administrative Errors (on HCVExecMgmtResources.nanmckay.com)
- HUD EIV Immigration Tip Sheet (on HCVExecMgmtResources.nanmckay.com)
- HUD Handouts such as "I Am A U.S. Citizen," "I Am A Permanent Resident" and "I am a Refugee or Asylee" (on HCVExecMgmtResources.nanmckay.com)
- Notice PIH 2018-18 Administrative Guidance for Effective and Mandated use of the Enterprise Income Verification (EIV) System
- Notice PIH 2018-24 Verification of Social Security Numbers, Social Security and Supplemental Security Income Benefits, and Effective Use of the Enterprise Income Verification System's Identify Verification Report (on HCVExecMgmtResources.nanmckay.com)

PHAs must generate Identity Verification Reports and Deceased Tenants Reports monthly before issuing HAP checks. Other HUD EIV reports that should be used include the following:

- Income Validation Tool (IVT) Report
- Multiple Subsidy Report
- New Hires Report
- Immigration Report

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The data from the reports often needs follow-up work. To keep track of what needs to be done, spreadsheets can be created such as:

- Failed SSA Screening Status
- Failed EIV Pre-screening Report
- Immigration Report
- Deceased Tenants
- Multiple Subsidies Report

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FAILED SSA SCREENING STATUS

HOH SSN	HOH Name	HOH DOB	Tenant ID	Property Code	Housing Specialist	Action Needed	Status	Notes	Submitted to PIC	Pic Accepted Submission?	change registered in PIC?	Member SSN	Member Name	Member DOB	Failed Verification Description
xxx	xxx	xx/xx/xxxx	xxx	hcvxxx	xxx	Interim/EOP	Complete		Yes	Yes		xxx	xxx	xx/xx/xxxx	SSN is verified; individual is deceased 01/01/2011
xxx	xxx	xx/xx/xxxx	xxx	hcvxxx	xxx	Interim/EOP	Incomplete		no			xxx	xxx	xx/xx/xxxx	SSN is verified; individual is deceased 01/29/2011
xxx	xxx	xx/xx/xxxx	xxx	hcvxxx	xxx	Interim/EOP	in process		no			xxx	xxx	xx/xx/xxxx	SSN is verified; individual is deceased 05/05/2011
xxx	xxx	xx/xx/xxxx	xxx	hcvxxx	xxx	Check Tenant Name	Complete		Yes	Yes		xxx	xxx	xx/xx/xxxx	Verification failed - Date of birth matched, but surname did not match with SSA records
xxx	xxx	xx/xx/xxxx	xxx	hcvxxx	xxx	Check Tenant Name	Incomplete		no			xxx	xxx	xx/xx/xxxx	Verification failed - Date of birth matched, but surname did not match with SSA records
xxx	xxx	xx/xx/xxxx	xxx	hcv_vash	xxx	Check Date of Birth	in process		no			xxx	xxx	xx/xx/xxxx	Verification failed - SS and SSI benefits cannot be disclosed due to discrepancy in date of birth 02/18/1961
xxx	xxx	xx/xx/xxxx	xxx	hcvxxx	xxx	Check Date of Birth	Complete		yes	yes		xxx	xxx	xx/xx/xxxx	Verification failed - SS and SSI benefits cannot be disclosed due to discrepancy in date of birth 02/23/1947
xxx	xxx	xx/xx/xxxx	xxx	hcvxxx	xxx	Check Date of Birth	Incomplete		no			xxx	xxx	xx/xx/xxxx	Verification failed - SS and SSI benefits cannot be disclosed due to discrepancy in date of birth 07/09/1934
xxx	xxx	xx/xx/xxxx	xxx	hcvxxx	xxx	Check Date of Birth	discrepancy		no			xxx	xxx	xx/xx/xxxx	Verification failed - SS and SSI benefits cannot be disclosed due to discrepancy in date of birth 11/17/1942
xxx	xxx	xx/xx/xxxx	xxx	hcvxxx	xxx	Check SSN	Complete		Yes	Yes		xxx	xxx	xx/xx/xxxx	Verification failed - SSN not found in SSA records
xxx	xxx	xx/xx/xxxx	xxx	hcvxxx	xxx	Check SSN	Incomplete		no			xxx	xxx	xx/xx/xxxx	Verification failed - SSN not found in SSA records
xxx	xxx	xx/xx/xxxx	xxx	hcvfup	xxx	Check SSN	in process		no			xxx	xxx	xx/xx/xxxx	Verification failed - SSN not found in SSA records

FAILED EIV SCREENING REPORT

HOH SSN	SSN	HOH Name	HOH DOB	Member SSN	Member Name	Member DOB	Action required	Failed EIV Pre- Screening Description
xxx	xxx	xxx	xx/xx/xxxx	xxx	xxx	xx/xx/xxxx	Check Member SSN	Failed SSN check.
xxx	xxx	xxx	xx/xx/xxxx	xxx	xxx	xx/xx/xxxx	Check Member SSN	Failed SSN check.
xxx	xxx	xxx	xx/xx/xxxx	xxx	xxx	xx/xx/xxxx	Check Member SSN	Failed SSN check.
xxx	xxx	xxx	xx/xx/xxxx	xxx	xxx	xx/xx/xxxx	Check Member SSN	Failed SSN check.
xxx	xxx	xxx	xx/xx/xxxx	xxx	xxx	xx/xx/xxxx	Check Member SSN	Failed SSN check.

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IMMIGRATION REPORT

HOH SSN:	Eligibility Status	HOH Name:	Tenant ID	Property Code	On id report?	Action Required	Status	Notes	Housing Specialist	HOH DOB:	Member SSN:	Member Name:	hcvxxx
xxx	Eligible Citizen	xxx	xxx	xxx	yes	Obtain SSN, send e-mail to Vimal to change ALT ID in PIC, submit correction to last action with correct SSN entered after ALT is changed	#N/A		xxx	xx/xx/xxxx	xxx	xxx	hcvxxx
xxx	Eligible Citizen	xxx	xxx	xxx	no	SSN Received	Complete	AIT ID Changed, Corrected 58 su	xxx	xx/xx/xxxx	xxx	xxx	hcvxxx
xxx	Eligible Citizen	xxx	xxx	xxx	yes	#N/A	#N/A		xxx	xx/xx/xxxx	xxx	xxx	xx/xx/xxxx
xxx	Eligible Citizen	xxx	xxx	xxx	yes	#N/A	#N/A	#N/A	xxx	xx/xx/xxxx	xxx	xxx	hcvxxx
xxx	Ineligible Noncitizen	xxx	xxx	xxx	yes	ineligible non citizen (no action required)	Complete	Tenant Receiving prorated assistance	xxx	xx/xx/xxxx	xxx	xxx	hcvxxx
xxx	Ineligible Noncitizen	xxx	xxx	xxx	yes	#N/A	#N/A	#N/A	xxx	xx/xx/xxxx	xxx	xxx	hcvxxx
xxx	Pending Verification	xxx	xxx	xxx	no	PHA is required to follow up with the family to receive appropriate documentation, i.e. SSN or Alien Registration Number, etc.	Incomplete		xxx	xx/xx/xxxx	xxx	xxx	hcvxxx

DECEASED TENANTS REPORT

HOH SSN:	Tenant ID	Property Code	Housing Specialist	Single Member Household	Payments placed on hold?	Action Required	Status	Notes	HOH Name:	HOH DOB:	Member SSN:	Member Name:	HOH Deceased?	Member DOB:	Member Deceased Date	Date Received by EIV:
xxx	xxx	xxx	xxx	yes	yes	EOP	complete	single member household, payments placed on hold	xxx	xx/xx/xxxx	xxx	xxx	hcvxxx	xxx	xx/xx/xxxx	08/03/2011
xxx	xxx	xxx	xxx	yes	no	EOP	complete	EOP done on new HOH, HOH never changed in PIC, appears as if the voucher should not have been transferred and the EOP date needs to be changed to 1/31/2011	xxx	xx/xx/xxxx	xxx	xxx	hcvxxx	xxx	xx/xx/xxxx	04/07/2011
xxx	xxx	xxx	xxx	yes	yes	EOP	Incomplete	single member household, payments placed on hold	xxx	xx/xx/xxxx	xxx	xxx	hcvxxx	xxx	xx/xx/xxxx	08/03/2011
xxx	xxx	xxx	xxx	yes	yes	EOP	Incomplete	single member household, payments placed on hold, need to find deceased date	xxx	xx/xx/xxxx	xxx	xxx	hcvxxx	xxx	xx/xx/xxxx	08/03/2011
xxx	xxx	xxx	xxx	no	no	Check if interim required	complete	interim completed, HOH changed	xxx	xx/xx/xxxx	xxx	xxx	hcvxxx	xxx	xx/xx/xxxx	08/03/2011
xxx	xxx	xxx	xxx	no	no	Check if interim required	Complete	placed new SSN in field 3w, when type 7 is submitted the change will take place in PIC	xxx	xx/xx/xxxx	xxx	xxx	YES	xxx	xx/xx/xxxx	04/07/2011

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MULTIPLE SUBSIDY SUMMARY REPORT

Participant Code -
Members Receiving Multiple Subsidies -
Program Selection Search Criteria - Within PIH and MF Programs
Member Selection Search Criteria - All household members

Member Information

Member SSN	Member Name	Member D	Count of subsidies for the member
x	x	x	2
x	x	x	2
x	x	x	2
x	x	x	2
x	x	x	2
x	x	x	2
x	x	x	2
x	x	x	2
x	x	x	2
x	x	x	2
x	x	x	2
x	x	x	2

MULTIPLE SUBSIDY DETAIL REPORT

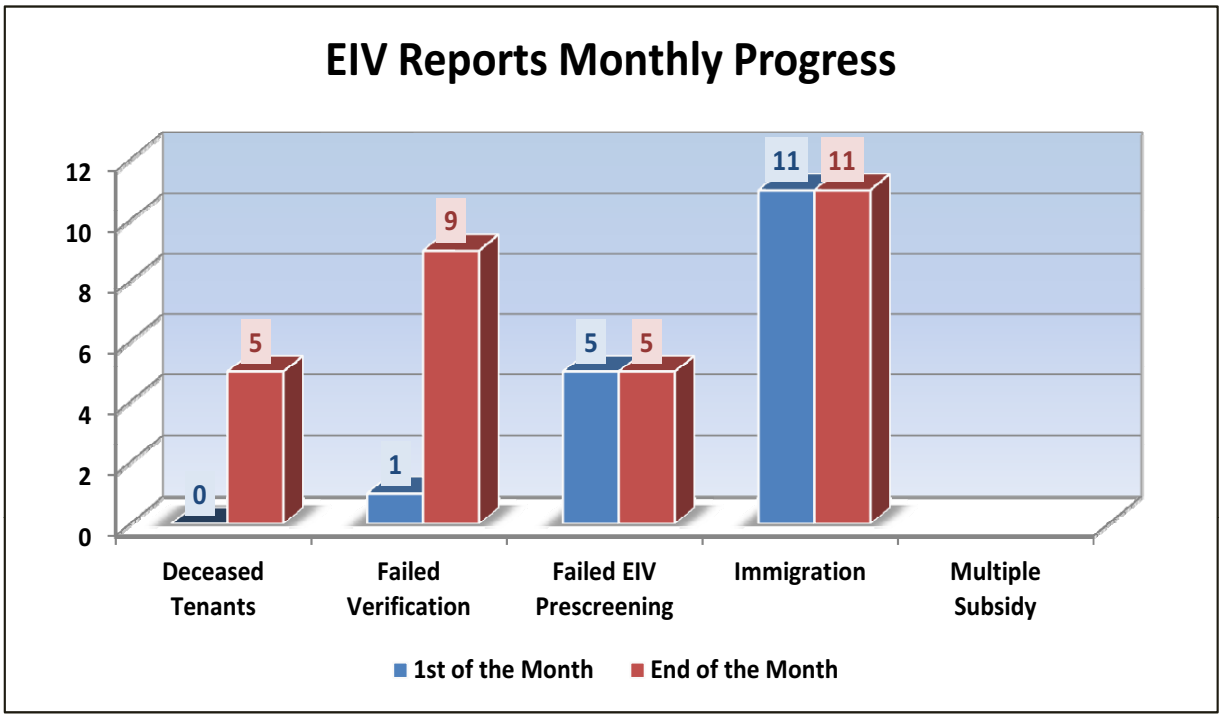
Participant Code - xxx
Members Receiving Multiple Subsidies - xxx
Program Selection Search Criteria - Within PIH and MF Programs
Member Selection Search Criteria - All household members

			Household Information											
Member SSN	Member Name	Member DOB	HOH SSN	HOH Name	Program T	Relation to H	PHA Code	PIH Projec	50058 Effe	Type of Ac	Unit Addre	PHA/Owne	PHA Addre	PHA Phon	PHA Fax Number
x	x	x	x	x	x	x	x	x	x	x	x	x		x	x
x	x	x	x	x	x	x	x	x	x	x	x	x		x	x
x	x	x	x	x	x	x	x	x	x	x	x	x		x	x
x	x	x	x	x	x	x	x	x	x	x	x	x		x	x
x	x	x	x	x	x	x	x	x	x	x	x	x		x	x
x	x	x	x	x	x	x	x	x	x	x	x	x		x	x
x	x	x	x	x	x	x	x	x	x	x	x	x		x	x
x	x	x	x	x	x	x	x	x	x	x	x	x		x	x
x	x	x	x	x	x	x	x	x	x	x	x	x		x	x
x	x	x	x	x	x	x	x	x	x	x	x	x		x	x
x	x	x	x	x	x	x	x	x	x	x	x	x		x	x
									x	x	x	x			
									x	x	x	x			

Note: This report identifies household members that potentially may be receiving multiple subsidies.
**** - The tenant has possibly moved out of this household or the household record is no longer active**
Confidential Privacy Act Data. Civil and Criminal penalties apply to misuse of this data.

A monthly EIV progress report can also be generated:

	EIV Report*	1st of the Month	Removed During Month	Added after 1st	End of the Month
August	Deceased Tenants	0	25	31	5
	Failed Verification	1	28	36	9
	Failed EIV Prescreening	5	3	3	5
	Immigration	11	1	1	11
	Multiple Subsidy				
	Grand Total	**17**	**57**	**71**	**30**



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HUD IMS/PIC Measurement

Form HUD 50058 is a module of IMS/PIC, a system that collects data stores and generates reports on families who participate in the program. It is critically important that the data transmitted by PHAs is correct. HCV managers must review the PIC 50058 data on a regular basis and correct any errors.

The worksheets on the next pages will help you to track and resolve PIC errors.

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PIC Reporting Analysis – Summary

Program-Office	Count of headSSN	Missing From PIC	xxx	xxxxx	% Current in PIC
Office A	9,743	40	99.59%	xxxxx	#VALUE!
Office B	5,307	30	99.43%	xxxxx	#VALUE!
Office C	1,455	16	98.90%	xxxxx	N/A
				xxxxx	
				xxxxx	
				xxxxx	
				xxxxx	
				xxxxx	

HCV Tenants Missing from PIC+A7	Tenant Type		
Solution Categories	New	Current	Grand Total
Can Fix Internally	30	31	**61**
MR Needs EOP, HCV Needs New Admission	1		1
Need Hist Adj	8	23	31
Need New Admission	16		16
Need Port In	5	8	13
Need Outside Help	12	22	**34**
Need Port Out	2	18	20
Multiple Subsidy	9	4	13
Open Ticket With PIC Coach	1		1
Grand Total	42	53	**95**

PH Move Out after HCV Admission & Port Ins where Initial PHA EOP instead of Port Out

Port Ins from 2010 that never made it to PIC

Port Out prior to 1st annual reexam

PIC won't accept 1 because tenant is leased in Atlanta, won't accept 4 because tenant is not in PIC...

HCV Tenants in PIC but Latest Action Missing	# of Tenants
One Step	287
Resubmit Current Action	287
Two Steps	13
Void Historical & Resubmit Move In	9
Reinstated, Void EOP, Resubmit Current Action	4
Grand Total	300

HCV Tenants that Need EOP in PIC	# of Tenants
Online EOP	84
Resubmit EOP from Yardi	25
Grand Total	109

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PIC Reporting Analysis – Missing in PIC

Vendor	Satellite	PROPERTY	tenant	SSN	HOHSSN	name	dteffective2b	Tenant Type	Description	In PIC Elsewhere?	Other PHA Date	Other PHA Action	Which DB is more current	Category
xxx	xxx	hcvxxx	xxx	xxx	xxx	xxxxx	2/1/2011	Current	Interim Reexamination	xxxx	7/30/2011	Portability Move In	PIC	Need Port Out
xxx	xxx	hcvxxx	xxx	xxx	xxx	xxxxx	3/10/2010	New	Move In	xxxx	8/1/2011	Portability Move In	PIC	Need Port Out
xxx	xxx	hcvxxx	xxx	xxx	xxx	xxxxx	9/1/2011	New	Move In	xxxx - Public Housing	9/6/2011	End of Participation	PIC	Need Hist Adj
xxx	xxx	hcvxxx	xxx	xxx	xxx	xxxxx	9/8/2010	New	Move In	xxxx - Public Housing	12/1/2010	Annual Reexamination	PIC	Multiple Subsidy
xxx	xxx	hcvxxx	xxx	xxx	xxx	xxxxx	7/29/2011	New	Move In	xxxx - Public Housing	9/1/2011	End of Participation	PIC	Need Hist Adj
xxx	xxx	hcvxxx	xxx	xxx	xxx	xxxxx	5/1/2010	Current	Other Change of Unit	xxxx	7/11/2011	Portability Move In	PIC	Need Port Out
xxx	xxx	hcvxxx	xxx	xxx	xxx	xxxxx	7/22/2011	New	Portability Move In	xxxx	8/1/2011	Annual Reexamination	PIC	Multiple Subsidy
xxx	xxx	hcvxxx	xxx	xxx	xxx	xxxxx	11/1/2010	Current	Annual Reexamination	xxxx	7/6/2011	Portability Move In	PIC	Need Port Out
xxx	xxx	hcvxxx	xxx	xxx	xxx	xxxxx	11/1/2010	Current	Annual Reexamination	xxxx	6/1/2011	Interim Reexamination	PIC	Multiple Subsidy

PIC Reporting Analysis – Latest Action Missing

PROPERTY	tenant	SSN	name	Tenant Type	YardiDate	YardiAction	PICDate	PICaction	Correction Needed
hcvxxx	xxx	xxx	xxx	xxx	xxx	xxxxx	11/2/2010	Historical Adjustment	Void Historical & Resubmit Move In
hcvxxx	xxx	xxx	xxx	xxx	xxx	xxxxx	11/3/2010	Historical Adjustment	Resubmit Current Action
hcvxxx	xxx	xxx	xxx	xxx	xxx	xxxxx	11/4/2010	Historical Adjustment	Resubmit Current Action
hcvxxx	xxx	xxx	xxx	xxx	xxx	xxxxx	11/22/2010	Historical Adjustment	Resubmit Current Action
hcvxxx	xxx	xxx	xxx	xxx	xxx	xxxxx	10/19/2010	Move In	Resubmit Current Action
hcvxxx	xxx	xxx	xxx	xxx	xxx	xxxxx	1/1/2011	Annual Reexamination	Resubmit Current Action
hcvxxx	xxx	xxx	xxx	xxx	xxx	xxxxx	11/22/2010	Historical Adjustment	Resubmit Current Action
hcvxxx	xxx	xxx	xxx	xxx	xxx	xxxxx	9/20/2010	Portability Move In	Resubmit Current Action
				xxx	xxx	xxxxx			

PIC Reporting Analysis – Need EOP in PIC

Property	ClientName	ClientNumber	HOHssn	YardiEffDate	YardiAction	PICEffeDate	PICAction	Which DB is more Current
hcvxxx	xxx	xxx	xxx	xxx	xxx	xxxxx	Historical Adjustment	PIC
hcvfup	xxx	xxx	xxx	xxx	xxx	xxxxx	Historical Adjustment	PIC
hcvxxx	xxx	xxx	xxx	xxx	xxx	xxxxx	Interim Reexamination	PIC
hcvxxx	xxx	xxx	xxx	xxx	xxx	xxxxx	Annual Reexamination	PIC
hcvfup	xxx	xxx	xxx	xxx	xxx	xxxxx	Other Change of Unit	PIC
				xxx	xxx	xxxxx		
				xxx	xxx	xxxxx		
				xxx	xxx	xxxxx		
				xxx	xxx	xxxxx		

PIC submissions need to be monitored to compare with your housing software data.

SUBMISSION PERCENTAGE

Satellite	Percent	In Software	InPIC
Inactives	80.00%	5.00	4.00
xxx	99.13%	9,060.00	8,981.00
xxx	99.31%	5,043.00	5,008.00
xxx	97.19%	6,339.00	6,161.00
xxx	96.89%	12,924.00	12,522.00
	97.92%	33,371.00	32,676.00

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FIVE TIPS TO INCREASE YOUR PIC REPORTING RATE *by Senior Analyst Raymond Buhr*

- All PHAs have to report at least 95% of their VMS unit count to IMS/PIC through the form 50058. In order to successfully gauge your performance with PIC reporting, you'll need:
  - An accurate report from your system of the current 50058 for each household, including but not limited to the head of household's social security number (HOH SSN), current action type, and current effective date
  - An adhoc report from PIC over the program you are administering, with at least current action type and effective date
  - An application that can compare two sets of data, such as Microsoft Excel or Microsoft Access
- With those items in hand, it's a simple matter of matching up the HOH SSN from PIC with your agency's report. Calculate your PIC reporting rate by dividing the number of matching IDs over the total number of active households in the program.
- For example, if your agency's report shows 1,250 vouchers administered, and the PIC adhoc report matched 1,100 SSNs, your reporting rate is 88%. A rate that low will get HUD on your back and limit the ability to use EIV.
- Here are some ideas to increase your PIC reporting rate:

Tip #1: Compare often

- Use the PIC adhoc reports to compare with your agency's current 50058 on at least a quarterly basis. Even better, plan a full audit each month to compare your VMS report with PIC.

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Tip #2: Group missing families by correction type

- When you've identified the households that are in your agency, but not in PIC, review and group them into categories for correction based on why they're missing. It's easier to fix PIC errors when the correction is the same, rather than individually.
- Examples include:
  - Port-ins who are still in the initial agency with a later effective date
  - Port-outs who have been leased by the receiving agency, but haven't notified your agency
- Other, trickier examples:
  - HOH changes
  - HOH SSN corrections
  - Multiple subsidy cases
- Lastly, if reporting to PIC MTW, families with current action type 13 - HQS Inspections don't show up in adhoc reports, so speak with your PIC coach to discuss how your PHA will overcome that obstacle.

Tip #3: Utilize the action type 14 – Historical Adjustment.

- Under normal circumstances, you want all your 50058 history to be in PIC for each household. Sometimes this isn't possible. A historical adjustment can get someone into PIC, at which point all future 50058s should make it through without a problem.
- A code 14 is helpful when:
  - Converting from MTCS database to MTW database in PIC
  - Moving a participant from public housing to tenant-based program
  - Admitting a participant from your waiting list who was already leased in another PHA

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Tip #4: Compare to PIC in both directions.

- Finding out who's missing from PIC is only half the battle; finding out who's still in PIC, and shouldn't be, is the other half. Usually, these are action type 6 - End of Participant cases that were rejected as fatal errors and never corrected, although SSN corrections can lead to duplicate records if not done properly. If you're over-reporting to PIC, that's generally a sign to HUD that something is wrong.

Tip #5: Don't get void happy.

- When starting to clean up PIC or when your quality control review finds multiple incorrect actions, the tendency is to submit a void on each action submitted. Be careful not to submit too many action type 15 - Voids to PIC for one SSN, because PIC will send all actions to the historical database, or just remove their history completely! You don't want to create another problem (missing from PIC) by trying to correct an action from a long time ago.
- These tips should help you start identifying the current state of your PIC reporting and correcting any and all anomalies you find.

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SECTION 6.6 PROBLEM AND DATA ANALYSIS

Introduction

Once a PHA has established performance standards, implemented a quality control plan and performance measurements, there will be considerable data available to the HCV manager. How this data is analyzed, communicated and acted upon will tie directly to the PHAs overall performance and the ability to meet its goals and strategic objectives. Problems detected must be analyzed before corrective actions can be taken. When analyzed this data will assist the manager to identify:

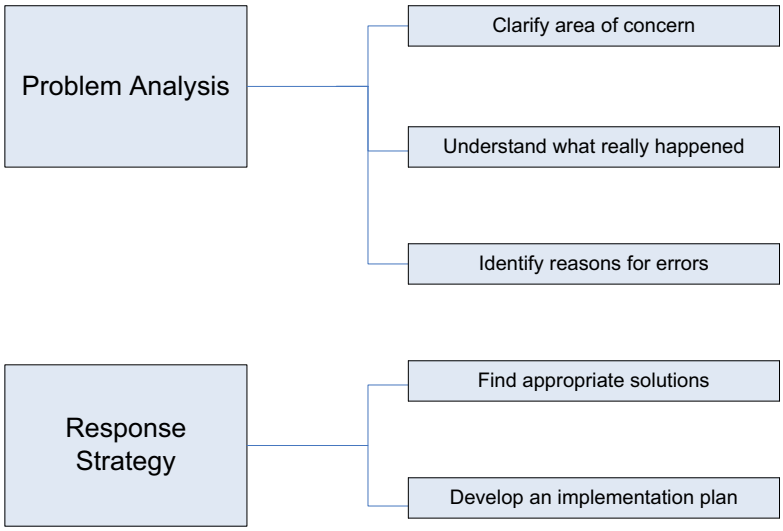
- Errors and negative trends
- Breakdowns in leadership systems
- Overall organizational performance
- Production and accuracy performance by department or program function
- Individual staff who are performing well and those who are not
- Unclear (or needed) policies and procedures
- Problems in communication, coordination and cooperation

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Problem Analysis

This section focuses on strategies for identifying causes of income and rent errors, and developing effective solutions for correcting and preventing errors, but it is a model that can also be used for solving other problems. This process of problem solving requires the development of two related strategies: a problem analysis strategy and a response strategy.

The following chart illustrates the steps that make up the two parts in the error problem analysis strategy:



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Step 1: Clarify the Area of Concern

The first step in problem analysis is to clarify the area of concern. Don't confuse the problem with the symptom. Falling short of leasing goals or a high number of PIC errors is symptomatic of a problem, but not the cause of the problem. If you attack the symptom, you may end up solving the wrong problem. You need to get the facts.

Step 2: Understand What Really Happened

In order to understand what really happened, you need all of the information. If your SEMAP score for indicator #3 is zero, for example, what type of information would you need?

- In which of the performance indicators did the error(s) occur? (Utility allowances? Income calculation? Allowances? Verification?)
- What is/are the specific errors?
- How frequently were the errors made?
- In what transaction type did the errors occur? (Mostly new admissions? Annual reexaminations?)
- Who made the errors? (Evenly distributed among teams? Mostly one team? Mostly one individual?)
- Are there data entry issues or some other special circumstance?

Step 3: Identify the Reason(s) for the Error/problem

It often takes patience and good questioning skills to identify the root cause of problems or errors. The “stated” reason given for an error or problem is not always root cause. For example, if a staff person says that they did not know a rule, a policy, or a procedure, that is not the root cause of the error. The question is “why didn't they know?” You will get to the root cause when you can't ask “why” anymore. The root cause may be a lack of training, but it could also be a vague or unclear policy or procedure, or a lack of supervision.

The chart that follows provides some examples of common stated reasons for errors and some of the possible root causes that might be associated with those superficial explanations.

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ERRORS: STATED REASONS VS. ROOT CAUSES

Stated Reason for Error	Possible Root Causes
Staff didn't know what was required.	• Unclear policies and procedures • Lack of knowledge • Inadequate supervision • Inadequate training
Staff didn't know how.	• Lack of knowledge and training • Lack of skill or ability • Lack of clear procedures • Inadequate supervision
Staff couldn't do it better given the agency's situation.	• Inadequate infrastructure • Excessive workload
Staff didn't have a way to do it correctly.	• Lack of forms or other tools • Lack of computer capacity
This is the way the agency has always done it.	• Organizational culture • Inadequate supervision • Lack of clear procedures
Staff either didn't know why to do it or didn't believe it was important.	• Organizational culture • Inadequate supervision

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Data Analysis

There are many reports in the measurements section with a considerable amount of data. The question is “How do you analyze the data so that you can draw conclusions?”

As an example, we will use the Projected Reexaminations and Actual Reexaminations charts for our analysis.

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PROJECTED REEXAMINATIONS

PROJECTED REEXAMS

	1/1/2013	2/1/2013	3/1/2013	4/1/2013	5/1/2013	6/1/2013	7/1/2013	8/1/2013	9/1/2013	10/1/2013	11/1/2013	12/1/2013	Grand Total
Team A	78	76	64	80	86	73	71	93	76	89	107	102	995
Alisa	22	18	20	31	33	19	26	36	29	36	40	45	355
Dominque	29	32	26	23	23	21	20	17	16	19	30	14	270
Matthew	27	26	18	26	30	33	25	40	31	34	37	43	370
Team B	86	91	111	87	92	84	81	78	94	107	109	115	1135
Travis	24	34	35	24	26	31	19	25	18	36	40	32	344
Tracey	26	26	34	30	37	33	37	33	46	39	43	49	433
Anne	36	31	42	33	29	20	25	20	30	32	26	34	358
Grand Total	164	167	175	167	178	157	152	171	170	196	216	217	2130

PER SPECIALIST

Team (# of Specialists)	January	February	March	April	May	June	July	August	September	October	November	December	Grand Total
Team A (3)	26	25	21	27	29	24	24	31	25	30	36	34	332
Team B (3)	29	30	37	29	31	28	27	26	31	36	36	38	378
Grand Total	**55**	**56**	**58**	**56**	**59**	**52**	**51**	**57**	**57**	**65**	**72**	**72**	710

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ACTUAL REEXAMINATIONS

Total Reexams Completed on Time Team A							
Team	January	February	March	April	May	June	TOTALS
Alisa	21	18	19	31	33	19	141
Dominque	26	30	26	22	22	18	144
Matthew	25	25	18	25	30	33	156
Grand Total	72	73	63	78	85	70	441

Reexams Completed on Time Team B							
Team	January	February	March	April	May	June	TOTALS
Travis	20	29	28	11	15	21	124
Tracey	26	24	33	26	35	30	174
Anne	25	17	30	21	17	11	121
Grand Total	71	70	91	58	67	62	419

Late Reexams Team A							
Team	January	February	March	April	May	June	TOTALS
Alisa	1	0	1	0	0	0	2
Dominque	3	2	0	1	1	3	10
Matthew	2	1	0	1	0	0	4
Grand Total	6	3	1	2	1	3	16

Late Reexams Team B							
Team	January	February	March	April	May	June	TOTALS
Travis	4	5	7	13	11	10	50
Tracey	0	2	1	4	2	3	12
Anne	11	14	12	12	12	9	70
Grand Total	15	21	20	29	25	22	132

On Time Rate	**92.30%**	**96.00%**	**98.40%**	**97.50%**	**98.80%**	**95.80%**	96.47%

On Time Rate	**82.50%**	**76.90%**	**81.90%**	**66.60%**	**72.80%**	**73.80%**	**76.00%**
	0.825581	0.769231	0.81982	0.666667	0.728261	0.738095	0.760436

The data on the Projected Reexaminations chart shows us:

- The reexaminations to be performed each month so they are effective on the month they are listed in. It does not tell us which Reexaminations we will be working on each month because we will start the process 4-5 months in advance of the due date.
- The number of reexaminations each specialist and each team will be required to conduct.
- The average number of cases per specialist per team.

The data on this chart will allow us to compare the number of reexaminations assigned to each team to determine if there is an even distribution.

The data on the Total Reexaminations Completed Chart shows us how many of the total Reexaminations due were completed on time (were effective on the correct effective date) by staff and by team per month. The data will allow us to compare the data between Team A and Team B.

The data on the Late Reexaminations Report shows us the number of late reexaminations. We would not have to use this chart because we know that the Total Reexaminations to be Completed minus the Total Reexaminations Completed will give us this figure. However, if the data is placed on a chart, we can quickly see where the problem areas lie and we can easily calculate an on-time rate which again, gives us fast and easy data to analyze. The easier we make it to review the data, the easier it will be to analyze the data.

The analysis of the data shows us that Team A has some work to do because there are some late Reexaminations, but the number of late Reexaminations, in comparison to Team B, is quite small. We also can see that we may need to provide Dominique with some coaching. Overall, we need to determine why the Reexaminations were late. We are not trying to solve the problem at this stage – we are just gathering information in order to identify the problem. The cause of the problem cannot be determined by the data alone.

When we analyze the data from Team B, we can see:

- Team B is not doing as well as Team A.
- Travis and Anne have many late Reexaminations. Tracey may need some coaching, but we have a much bigger problem with Travis and Anne.

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We do not know the reasons for these result, but we do know what questions we should start asking and what additional data may be needed. Questions we could ask from this data might be:

- Is there something the supervisor/team leader of Team A is doing that the supervisor/team leader of Team B could benefit from?
- Has this data been available to the supervisors in the past?
- What caused the Reexaminations to be late? What activities were not done on time?
- Are any of the staff listed new and inexperienced?
- Are there any Corrective Action Plans in place? How long have they been in place and what monitoring has been done?
- What trends are apparent?
- Are the late Reexaminations completed the following month? Are they being tracked?
- Do we have the tools in place to assist in Reexaminations such as the reexamination calendar, the SharePoint tracking, and the temporary file organization tools?
- What are the accuracy scores of each of these staff?
- Do we have a Caseload and Accuracy Plan in place? How are we using it?
- Do we have procedures in place and are they consistently being followed?

There are other questions this data will elicit, but you can see that, clearly, there is a problem. We have to find out WHY the problem exists before we can solve it. Failure to identify the cause may result in solving the wrong problem.

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CHAPTER 7 Performance Solutions

SECTION 7.1 INTRODUCTION

Most agencies have a mix of employees with different competencies and performance levels. The goal is to elevate all staff to a high performing level, and this takes effective leadership systems. Achieving high performers entails developing performance standards, monitoring those standards, and taking appropriate action when performance results are not satisfactory.

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SECTION 7.2 QUALITY CONTROL PLANNING

Performance Excellence

Many agencies allow average performers to become the standard, and some even allow poor performers to set the standard. In a smaller program, one person not performing well can have a major negative impact on the program. In larger programs, a few poor performers may not have as large an impact on the program, but if they are not dealt with it will cause morale problems for the rest of the staff, and the poor performers will eventually set the standard.

In a large program, if you find you have poor performers, you may be able to proactively hire additional people as you are phasing out the poor performers. This would ensure that you will have staff in place when the poor performers are terminated. But if you hire new staff and do not terminate the poor performers, you will be overstaffed.

If a manager does not rehabilitate or terminate poor performers, morale drops and staff may become demotivated. They will resent having to do the additional work of the poor performer(s) who are probably paid at the same rate. If poor performers are not dealt with and put on a performance improvement path, good performers will eventually leave, and you will be left with a sub-standard staff.

The HCV manager is responsible to set up a leadership system which is documented, communicated, and followed by everyone. The manager must evaluate staff and take action where needed, with an emphasis on production, accuracy and customer service. The emphasis on production and quality will result in elevated performance, and you may eventually be able to complete the job with fewer people. This could result in higher salaries for high performing employees.

Keep in mind that all performance problems are not a function of standards, procedures and processes. Sometimes there are “people problems” such as personality conflicts, immature behavior and lack of personnel discipline. These must be dealt with on a case-by-case basis.

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When excellent performance is rewarded it will create an environment in which people choose to motivate themselves and strive for excellence. A part of creating a motivating environment is to recognize and reward high performers. This can be done in a variety of ways such as posting performance results, email and other incentives such as gift certificates, recognition at staff meetings or time off. Here is a sample of an employee recognition program used by some PHAs.

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Exhibit 7.2-1 Sample Employee Recognition Program

Goal: To assure high performance, employee retention, employee work ethic, and team cohesion

Purpose Statement: To promote and reinforce work that contributes to and supports the goals of the HCV department and strategic plan.

Important Characteristics/Outcomes for Parties Involved:

Executive Team	**Supervisors**	**Employees**
Increased Productivity and Accuracy	Efficient Administration	Recognition for Performance
Return on Investment	Motivates Staff	Enhance Staff Morale
Improve Attitudes	Creates Pride	Timeliness of Recognition of Efforts
Build Loyalty and Commitment	Meet Performance Objectives	Award for Commitment to NMA
Generate Positive Feedback	Involves All Employees	Fosters Open Communication and Appreciation
Empowers Workforce	Develops a Team Atmosphere	Fosters Independent Thinking and Pride in Work

1. **Quarterly Team Award**
2. **Team of the Year Award**
3. **Quarterly Behind the Scenes Award**
4. **Behind the Scenes Yearly Award**
5. **Random Recognition**
    a. 'Stress Support Kit' – including aspirin, joke, little toy, candy, stress ball, etc

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Criteria:

Quarterly Team Award

- Quality of work (QC Results): 90% +
- % of work completed on time: 95% +
- % of Salesforce cases completed: 95% +
- Attendance, Punctuality: Team with fewest days missed

Team of the Year Award

- Quality of work (QC Results): 90% +
- % of work completed on time: 95% +
- % of Salesforce cases completed: 95% +
- Attendance, Punctuality: Team with fewest days missed

Quarterly Behind the Scenes Award (Support Departments)

- Work level above and beyond in supporting NMA to meet contractual obligations
- Attendance, Punctuality: ≤ 2 days missed/quarter; ≤ 2 late days/quarter
- Nomination and write-up from Supervisor

Behind the Scenes Yearly Award

- Work level above and beyond in supporting NMA to meet contractual obligations
- Attendance, Punctuality: ≤ 6 days missed; ≤ 6 late days
- Nomination and write-up from Supervisor

Recommendation and Approval:

- Team Awards will be decided using data from QC Results, SharePoint, Salesforce, and ADP
- Support Department Awards will be based on nomination and write-up from Supervisor and decided upon by executive management team.

Awards:

- Quarterly Team Award – $500/Team or Luncheon
- Team of the Year Award – Dinner hosted by Executive Team
- Quarterly Behind the Scenes Award – Monetary Award equal to Quarterly Team Award allocation or Luncheon
- Behind the Scenes Yearly Award – Dinner hosted by Executive Team

Recognition:

- Awards announced during the last All Staff Meeting of the quarter
- The award recipients listed on the All Staff Meeting Agenda
- Award descriptions and recipients of the awards listed on ADP homepage
- Certificate for each quarterly award recipient
- Plaque/small trophy for each yearly award recipient

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Quarterly Behind the Scenes Award

Supervisor Nomination Form

Positions eligible for this award include: Administration Analysts, Administrative Assistants, Internal Support Team Clerks, Management Analysts, Quality Control Specialists and Receptionists.

Submission deadlines are as follows:

1st Quarter – January through March; **deadline is April 5th**

2nd Quarter – April through June; **deadline is July 5th**

3rd Quarter – July through September; **deadline is October 5th**

4th Quarter – October through December; **deadline is January 5th**

Name of Nominated Employee:	**Today's Date:**
Nominated Employee's Position and Department:	**Name of Nominator and Position:**

WHAT MAKES THE EMPLOYEE DESERVING OF THIS AWARD?

Complete this form to the best of your ability. Please be specific in your descriptions and use examples, if possible. If additional space is needed, please attach additional notes to this form.

1. **Rate the following:**

Outstanding Work Performance Traits	Not Applicable	Poor	Fair	Good	Excellent
Dedication & Initiative	N/A	1	2	3	4
Leadership	N/A	1	2	3	4
Customer Service Skills	N/A	1	2	3	4
Reliable	N/A	1	2	3	4
Technical Proficiency	N/A	1	2	3	4
Work Accomplishment Ability	N/A	1	2	3	4

2. **Job Accomplishments:** This includes changes or improvements to existing procedures, systems, and/or service delivery; changes that have improved the functioning of the department; and changes or accomplishments that support or further NMA's mission.

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3. **Other Information:** This includes any other information that is relevant to the nomination. Examples include: QC results, personal accomplishments (attainment of degrees or other education, certificates, recognition and/or awards); community contributions, etc.

4. **Please use this space to provide any additional information:**

Nominator Signature: **Date:**

Committee Receipt of Nomination: **Date:**

Program Director Approval: **Date:**

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SECTION 7.3 PROBLEM RESPONSE STRATEGY

In Chapter 6 we discussed the problem solving process up to the point of the response strategy. In this chapter we are going to discuss the next steps in the process after you have identified the problem and analyzed it to determine the cause.

The response strategy consists of two steps:

1. Find appropriate solutions, and
2. Develop an implementation plan.

When the root cause has been identified, you will need to find the appropriate solution. Some errors or problems are one-dimensional, but some involve more than one aspect or issue. In other words the solution may involve more than one action. The solution may be to upgrade training methods/materials, update a form and to clarify a policy that is being interpreted differently by some staff.

Some sources of problems and errors are commonly found among PHAs. Here are some examples of important areas and the questions to be asked:

- Written tools: Are forms, checklists, interview scripts, form letters, record-keeping formats, simple to use and readily available to staff?
- Procedures: Is there sufficient accessible "how-to" information available to staff in the form of written procedures?
- Computers: Are computers and computer aids adequate, and does vendor software follow HUD rules?
- Communication: Is staff kept up-to-date on program rules and given "why" as well as "what" explanations?
- Goals: Have managers and supervisors set performance goals and established performance measures for the department and for individuals? Are the goals monitored?
- Staff capacity: Does staff have the required training, knowledge, skills and abilities?
- Workloads: Are workloads distributed evenly?
- Facilities: Are there adequate meeting rooms, fax machines, copiers and other equipment?

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- Supervision: Do supervisors correct ongoing problems immediately and provide good feedback, coaching and leadership? Is there staff that continually underperforms with no consequences?
- Organizational culture: Are there unintended incentives or attitudes within the organization that encourage incorrect behavior? Is morale low?

Solving complex problems takes time, and you cannot do everything at once. Consider the most pressing problems first or the problems with the most severe consequences; then think short, medium and long-term solutions. Think also about what is "doable" right now versus what is the "deluxe" solution. You don't need to necessarily implement the deluxe solution to a problem in order to make some improvement, especially when timing is critical.

We will continue with our example of "Annual Reexaminations" as discussed in Chapter 6.

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Team A

Team A supervisor/team leader probably needs a little coaching from you, and the supervisor/team leader probably needs to work a little more with Dominique. If these reports/charts have not been available prior to this, the team leader probably had a sense that there was a problem, but did not have the facts to back it up until after the fact. For the entire team, which work processes would be helpful to have in place? Given that we are focusing on production and not accuracy, these processes would be most helpful.

- Updated Administrative Plan
- Reexamination procedures
- Reexamination calendar
- SharePoint tracking report
- Temporary file organization
- Desk checks

You will need ongoing reports such as:

- Leading and lagging indicator reports
- Reexamination daily, weekly and monthly reports

For Dominique, one thing to look at is "willing and able." Is she willing to do what she needs to do (time management, file organization, less socializing, less absenteeism, training. . . whatever will help) and is she able to do what she needs to do (typing or computer skills, math skills, comprehension skills)? Until the team leader works with Dominique, you probably will not know the answer.

Then you have to look at the team leader. Does the team leader have the knowledge and skills to coach? Has the team leader mandated the work processes be adhered to? Does the team leader manage primarily by email rather than getting with staff on a one-to-one basis? Does the team leader know the HUD rules, the agency policy, the work processes, the computer software, etc. so she can teach others? Is the team leader willing and able?

Then, of course, you have to look at yourself. Have you provided the resources and tools necessary to get the production where it needs to be? What are the obstacles? How can they be overcome? Do you have a written plan in place to get the action you want? Are you letting poor performance slide by? Are you willing and able?

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Team B

Team B has more overall problems than Team A except for Tracey. The other two will need Corrective Action Plans. The same questions should be asked as you asked of Team A, but the consequences of no improvement are much higher. Why isn't this team leader getting the results he or she should be getting? As the supervisor, you will need to spend more time with this team than Team A. You will need to put a full Implementation Plan or Action Plan in place for this team, setting tasks and deadlines and monitoring them closely. You will need to set specific improvement goals.

The biggest question to answer is whether these late reexaminations are carrying over just to the next month or is there a massive cumulative problem. If there is, you will have to do some strategic thinking and may want to develop an Excellence Team.

- Identify 1-2 high performers in both production and accuracy
- Create a chart of how many will have to be done by when to catch up
- Estimate the costs
- Agree to pay them overtime to catch up the file status (either on weekends or a longer work day)
- Assign the Team Leader to complete any complicated cases that will take longer than 30 minutes per case to complete

Another big question is going to be file accuracy, and this will be discussed in Error Reduction Strategy.

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SECTION 7.4 PERFORMANCE TRENDS AND RESULTS

As you set up performance measures, you will track performance levels and trends which will show the current status of your operation. If the outcomes are not trending in the direction you want, you will need to develop new goals and leading indicators in order to achieve your goals.

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Performance Trends and Results

As you set up performance measures, you will develop performance levels and trends which will show the current status of your operation. If the outcomes are not trending in the direction you wish, you will need to develop new goals and leading indicators which will point your operations in a different direction. You will then need to continue to measure to determine whether you are meeting your new targets or goals.

Begin the process by analyzing your current levels and trends.

- What are your current levels and trends in key measures or indicators of:
  - Product and process performance that are important to and directly serve your customers and stakeholder

- The operational performance of your key work systems and processes, including productivity, cycle time, quality, and other appropriate measures of process effectiveness, efficiency and innovation

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- Customer satisfaction or dissatisfaction

- Customer engagement, including relationship building

- Workforce capability and capacity, including staffing levels and appropriate skills

- Workforce climate, including health, safety and security and services and benefits

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- Workforce engagement and satisfaction

- Workforce and leader development

- Senior leaders' communication and engagement with the workforce to Deploy vision and values, encourage two-way communication and create a focus on action

- Governance and fiscal accountability, internal and external

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- Achieving and surpassing regulatory and legal requirements

- Ethical behavior and stakeholders' trust in your organization's senior leaders and governance

- Financial performance, financial viability and budgetary performance

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- The accomplishment of your organizational strategy and action plans, including building and strengthening core competencies

- Now that you have analyzed your current levels and trends, rate your satisfaction with the outcomes and direction of your program.

- On a scale of 1-4, with 1 being low and 4 being high, what is your rating of the outcomes and direction of your program?

- Do the trends and outcomes reflect your mission and vision of the HCV program operation?

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- What areas do you need goals and leading indicators to change the future outcome and direction of your program?

- How are you going to accomplish this?

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SECTION 7.5 ERROR REDUCTION STRATEGY

The following document explains how an HCV Manager could utilize the Caseload and Accuracy Plan to improve accuracy.

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Exhibit 7.5-1 Improving Accuracy

This document explains how a HCV Manager could utilize the Caseload and Accuracy Plan to improve accuracy.

- Review the revised Graduated Caseload and Accuracy Plan. If you agree with these, develop Performance Standards for the ramp-up of new employees and the ongoing standards for existing employees.

- Do a report showing, by graduated caseload and accuracy standards, where each staff person falls. Do a report by individual so you get an ongoing picture, especially for those who have passed their 4 month level

- Meet with the supervisors to explain the plan and your expectations of them.

- Hand out the new Graduated Caseload and Accuracy Plan. Explain that the supervisors will also be working with the new employees on the graduated caseload and accuracy plan to see that they achieve these levels.

- Give them the report which shows what the accuracy rate for each person on the team was for the past month (do the report by team.) Explain that the first priority will be those under 80% accuracy who have been on the job more than 4 months; the next list will be those between 80-90%. Then the priority will be for those under 95%. By phasing this in, it won't look so overwhelming because the supervisors will only be working with the "below 80%" group first.

- Tell the supervisors there are two ways this can be handled for the employees who have been on the job at least 4 months. They are to meet with each Housing Specialist in the first priority category individually. Explain that the Housing Specialist has two choices:

    - The Housing Specialists may develop their own solutions to achieve the 80% accuracy rate for the following month. If their caseload is within the 45 cases for the month under the Caseload and Accuracy Plan, the production is expected to remain the same. They will still be expected to maintain the rest of their workload adequately. The Housing Specialist is to let the supervisor know by the end of the following day what they will do to improve their accuracy rate. Note that if the accuracy does not improve at the end of the month, they will be on a Corrective Action Plan for an additional month and, if it still doesn't improve, they are subject to termination. OR . . .

    - The Housing Specialist will sit down with the supervisor each week and go over the cases with errors and their file checklist and explain why there were errors and note how they are going to ensure that the error does not recur. Explain that the HCV Manager will be sitting in on these meetings. The Housing Specialist will have to correct their own errors by the end of the next business day. Note that if the accuracy does not improve at the end of the month, they will be on a Corrective Action Plan for an additional month and, if it still doesn't improve, they are subject to termination.

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- Note that the supervisors are to do the required QC on the files called for the Caseload and Accuracy Plan. Give the supervisors a report to fill out on each employee and provide to the HCV Manager within one week after the end of each month with the figures for caseloads and accuracy for that month.
- Meet with the supervisors at the end of each month, after you receive their report and discuss the results. Analyze if one of the two approaches selected by the Housing Specialist worked better than the other. Analyze whether the results did improve and, if not, what your next steps regarding Corrective Action Plans and termination will be.

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As the supervisor, your role is to coach and mentor the team leader on how to create a corrective action plan and how to set up a coaching environment with the employees who need it most. You also should ensure that the team leader has the needed resources such as Desk Guides and training material.

You also may want the quality control staff more involved with the individuals with the highest errors to ensure the each person understands where and why they are making the errors - and then how to correct them.

The form below could be used to track performance on a weekly basis so you can monitor the improvement.

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Exhibit 7.5-2 QC Results for Caseload and Accuracy Plan for (Month)

QC RESULTS FOR CASELOAD AND ACCURACY PLAN FOR (Month)

TEAM:

NAME	LEVEL 1 - TEST CASES ONLY	LEVEL 2: 15 CASES; 65% ACCURACY	LEVEL 3: 30 CASES; 80% ACCURACY	LEVEL 4: 45 CASES; 95% ACCURACY	ACTUAL CASELOAD	ACTUAL ACCURACY RATE

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If there is no improvement within a reasonable timeframe, your recourse may be termination. Make certain that all of the counseling and attempts to improve performance are well documented in the employee file.

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Exhibit 7.5-3 Performance Improvement Checklist

- Assume you are a supervisor in an agency with a high file review error rate. As part of your analysis, you will complete this checklist and make an action plan for the items which need to be addressed. Add questions to this checklist which will assist in the analysis.

	Are caseloads too high, too low, too uneven from one month to another?
	If so, do you have a plan to redistribute them?
	Could a Clerk assist a housing specialist, thereby reducing the caseload?
	Is the interpretation of your policies consistent because they are clear?
	Do you have procedures in place for each function?
	Do you have redundant forms and letters? Do staff know which ones are "the right ones" to use?
	Is desk and work organization and time management a problem?
	Do you have comprehensive file checklists?
	Do you require that all staff use them?
	Do you follow up to see that policy, procedures, desk guides, training material, forms and letters and checklists are being used correctly by each person?
	Do you have a calendar of events for each functional area?
	Are you providing clear, written instructions to staff?
	Are you providing adequate follow-through on assignments?
	Do you have performance standards in place?
	Do you have performance measurements in place?
	Do you have a system in place for analysis of the performance data?
	Do you have a written error reduction strategy in place?
	Have you analyzed what the high performers are doing right?
	Have you analyzed what the supervisors with high performing teams are doing right?
	Have you laid out methods of operation for staff?
	Have you properly utilized clerks in assisting staff?
	Do you always "inspect what you expect?"

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	Do you often provide one-on-one mentoring to staff?
	Do you have weekly staff meetings?
	Do you provide "on-the-spot" praise for staff when warranted?
	Do you always give negative feedback in a private location?
	Is it "ok" for a poor performer to continue to not meet goals and performance standards?
	What systems do you have in place to provide training and mentoring to poor performers?
	How long do you allow a poor performer to improve?
	Are you putting up with poor performers because of the laborious hiring and training process?
	What effect does this have on motivation?
	Are you establishing a plan and sticking to it so that "crisis management" is avoided?
	How do you instill team building?
	Do you utilize Individual Development Plans?
	Do you provide adequate resources for implementation of the plan?
	Do you follow up regularly with that staff person to be sure the plan is being implemented?
	Do you delegate properly?

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If you manage supervisors, use the checklist above and add these questions:	
	Are you creating a consistent system for managers to manage?
	Are you helping supervisors set up regular meetings, daily check-ins with their people to ensure the work is getting accomplished and holding employees accountable?
	Are you always following up with your supervisors to see that the actions you require are being done?
	Are you avoiding crisis management and ever-changing priorities?
	Are you creating written plans of actions for your supervisors?
	Are you creating written error reduction plans for your supervisors?
	Do you have a series of reports to analyze performance improvement?
	Are you providing adequate staff training, both external and internal?

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SECTION 7.6 SEMAP IMPROVEMENT

HCV managers should have a regular system in place for performing SEMAP reviews and tracking data on SEMAP indicators throughout the year. Even though only certain indicators require a supervisory audit and back-up documentation, it may be helpful to do a preliminary scoring on all of the indicators to determine whether there are potential problems.

SEMAP reviews should be done with a sampling each month. The sampling can be done throughout the year, but you want to be sure you start in the beginning of your SEMAP fiscal year because, if you need improvement, you will not be able to get it quickly for most of the indicators.

You can use the sample size required by the SEMAP rule (24 CFR 985) but you should increase the sample if you are not getting the outcomes you think you should have. You may want to use a system like www.random.org so you can justify to HUD that all selections were random. If you increase the sample size and you are still getting an outcome below your desired outcome, you need to put an Action Plan in place. This, of course, will depend on whether your goal is to be a high performer or a standard performer.

The HCV supervisor may not have control of the data for all of the SEMAP indicators. You may need cooperation and assistance from the inspections, finance and FSS supervisors. Therefore, it is helpful if you approach the Executive Director with a plan on how you are going to review SEMAP and, if the desired results are not being achieved, how you will go about effecting improvement. Preparing for SEMAP is a collaborative effort of the senior leaders and supervisors.

Unsatisfactory results will relate to either poor production or accuracy. You can utilize the suggestions in this chapter to make improvements. Focus on each individual indicator and develop an Action Plan. The plan should include all tasks to be accomplished, the person responsible, and the due date. The reason we recommend that you begin your SEMAP review process as early in the fiscal year as possible is because correcting some problems may take longer than others, and involve more than one person or department.

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SECTION 7.7 REPORTS

As we have seen, there are many types of reports. In this section we will review some management reports. Management reports are typically those reports that the HCV Manager prepares for the Executive Director and/or the Board of Commissioners.

There are several examples of reports included in this section. The reports should be concise, easy-to-read, and, if possible, should include charts and graphs.

The HCV Manager may also wish to utilize the monthly production reports in Chapter 6.

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Weekly Report

Week of _____

Quality Control

Team	Files Reviewed	Pass QC	Pass HAP
Team A		%	%
Team B			
Team C			
Team D			
Team E			
PBV/Mod			
Intake			
Transfers			
Total			

Abatements

Type	Abate Placed	Abate Lifted	% on Time
Regular Fails			
24-hr Emergency Fails			
Passed Reinspections			
Total*			

_ ITTs (Tenant Fail HQS)
_ HAP Contracts Terminated

Recerts

Reexamination Timeframe	Office 1	Office 2	MR/PBV	Total
Total % incomplete for last 12 months				
% incomplete prior to March				
% March incomplete				
% April incomplete				
% May incomplete				
% June incomplete				
% July incomplete				
% August incomplete				
% September incomplete				
% October incomplete				
% November incomplete				

Utilization (July 2011)

Method	July Utilization %
PIC - Unit Count	
VMS - Unit Count	
VMS - HAP Expense	
2011 UML	
2011 ABA	

HAP contracts

Office	1-New	4-PortMI	Week Total	Sept Total
Office 1				
Office 2				
Mod Rehab				
PBV				
Grand Total				

IMS-PIC transmissions

Date	Week Total	Sept. Total
Submitted		
Successful		

Office	PIC Reporting Rate
Office 1	
Office 2	

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MONTHLY REPORT – LEASING

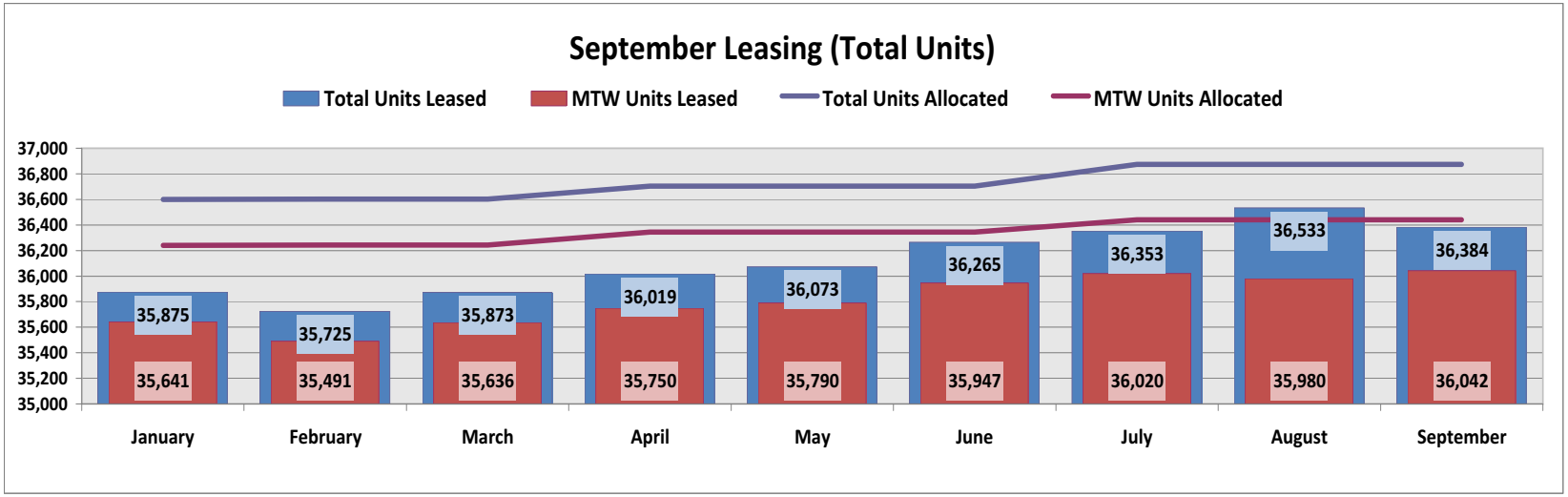
Leasing

		Allocated Units	July	August	*September*	Sept - Not Leased	Vouchers on the Street	Current Month Utilization	2011 UMA	2011 UML	2011 Not Leased	2011 Utilization
September	**MTW**											
	Housing Choice Vouchers	**34,890**	30,044	29,903	*29,822*		304	85.47%	314,010	307,164	6,846	97.82%
	*Regular PBV**	***1,533***	*1,437*	1,446	*1,454*	*79*	*33*	*94.85%*	*13,797*	*12,305*	*1,492*	*89.19%*
	Enhanced Vouchers		696	697	*714*		6					
	Tenant Protection (PH Relocation)		3,013	2,981	*3,111*		58					
	Homeownership		269	274	*269*							
	Portable Vouchers		1,441	1,555	*1,553*							
	Family Unification	**600**	481	499	*503*	97	39	83.83%	5,100	4,303	797	84.37%
	Non-Elderly Disabled	**850**	772	768	*784*	66	26	92.24%	7,050	6,106	944	86.61%
	Total MTW Vouchers	**36,340**	**36,020**	**35,980**	**36,042**	**360**	**433**	**99.18%**	**290,720**	**286,464**	**4,256**	**98.54%**
	Non-MTW											
	VASH	**385**	294	295	*301*	84	19	76.36%	3,465	2,235	1,230	64.50%
	5 Year Mainstream	**50**	39	41	*41*	9	0	78.00%	450	362	88	80.44%
	*Mod Rehab**	***1,339***	*1,255*	1,253	*1,246*	93	*28*	*93.73%*	*12,051*	*11,347*	*704*	*94.16%*
	Total Non-MTW Vouchers	**435**	**333**	**336**	**342**	**93**	**19**	**77.24%**	**3,915**	**2,597**	**1,318**	**66.33%**
	Total Voucher Units	**36,775**	**36,353**	**36,316**	**36,384**	**422**	**452**	**98.85%**	**256,221**	**252,453**	**3,768**	**98.53%**

*PBV/EV are subcategories counted with HCV

* Found 16 FUPs under port-out category

*Mod Rehab not included in Totals

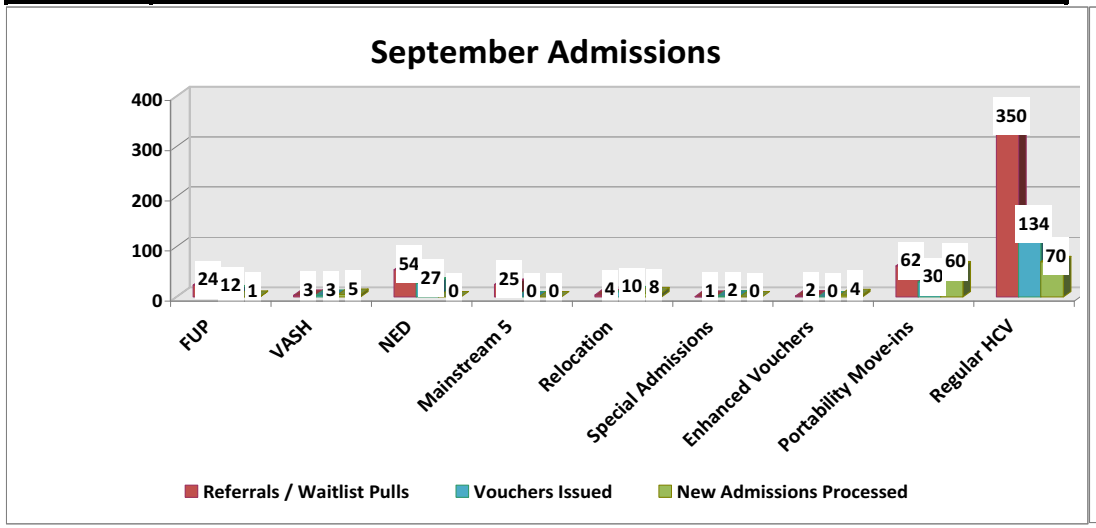


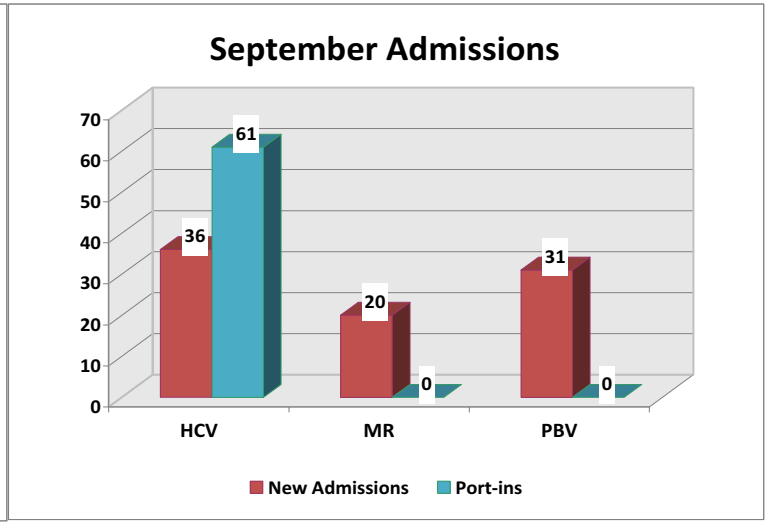
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MONTHLY REPORT – ADMISSIONS

September	Tenant Type	Referrals / Waitlist Pulls	Vouchers Issued	RTAs Received	New Admissions Processed
	FUP	24	12	14	1
	VASH	3	3	9	5
	NED	54	27	0	0
	Mainstream 5	25	0	0	0
	Relocation	4	10	2	8
	Special Admissions	1	2	0	0
	Enhanced Vouchers	2	0	4	4
	Portability Move-ins	62	30	24	60
	Regular HCV	350	134	9	70
	Total	**525**	**218**	**62**	**148**

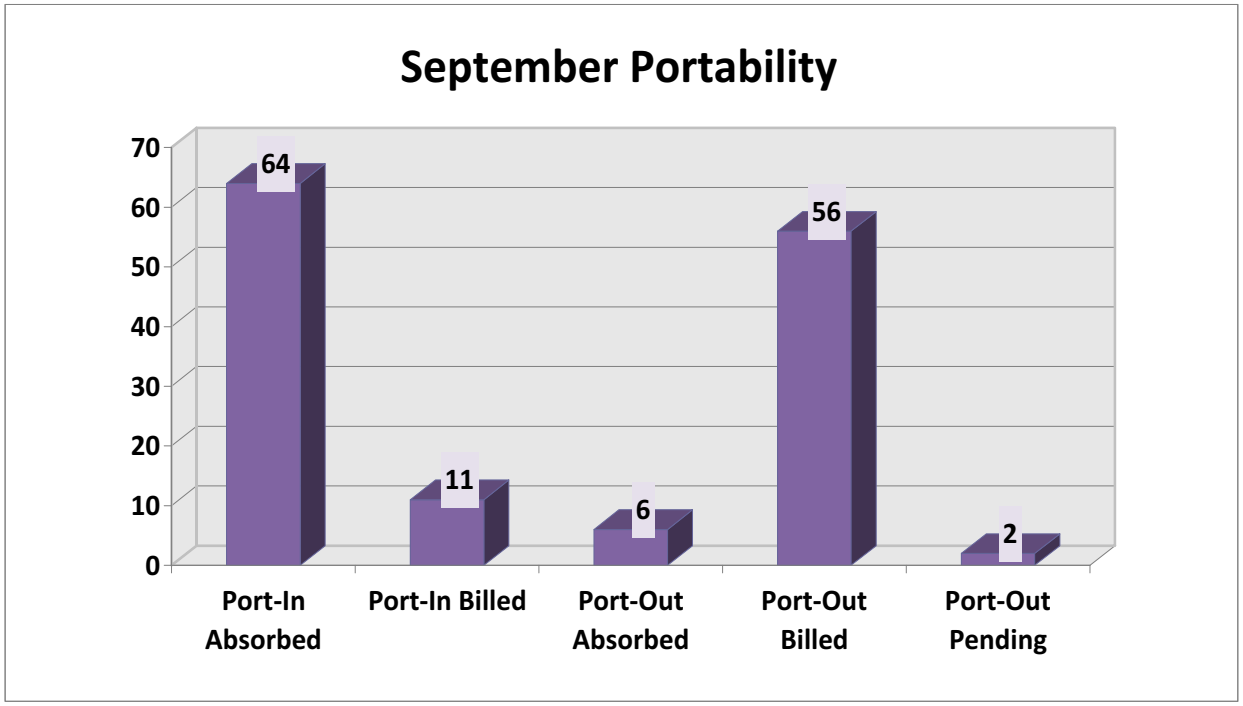
September	Program	New Admissions	Port-ins	Total
	HCV	36	61	97
	MR	20	0	20
	PBV	31	0	31
	Total	**87**	**61**	**148**





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	Tenant Type	Port-In Absorbed	Port-In Billed	Port-Out Absorbed	Port-Out Billed	Port-Out Pending	
September	FUP	0	0	0	1	0	
	NED	0	0	0	1	0	
	VASH	0	0	0	0	0	
	PHRR	1	0	0	4	0	
	Special Admission	0	0	0	0	0	
	Regular HCV	63	11	6	50	2	**14 processed as code 1*
	Total	**64**	**11**	**6**	**56**	**2**	

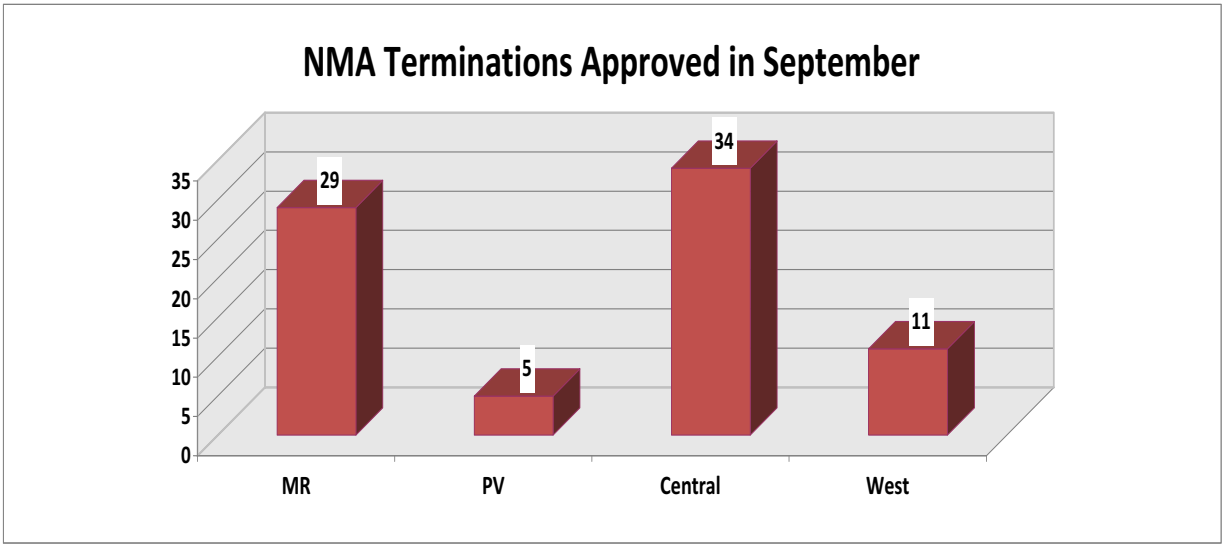


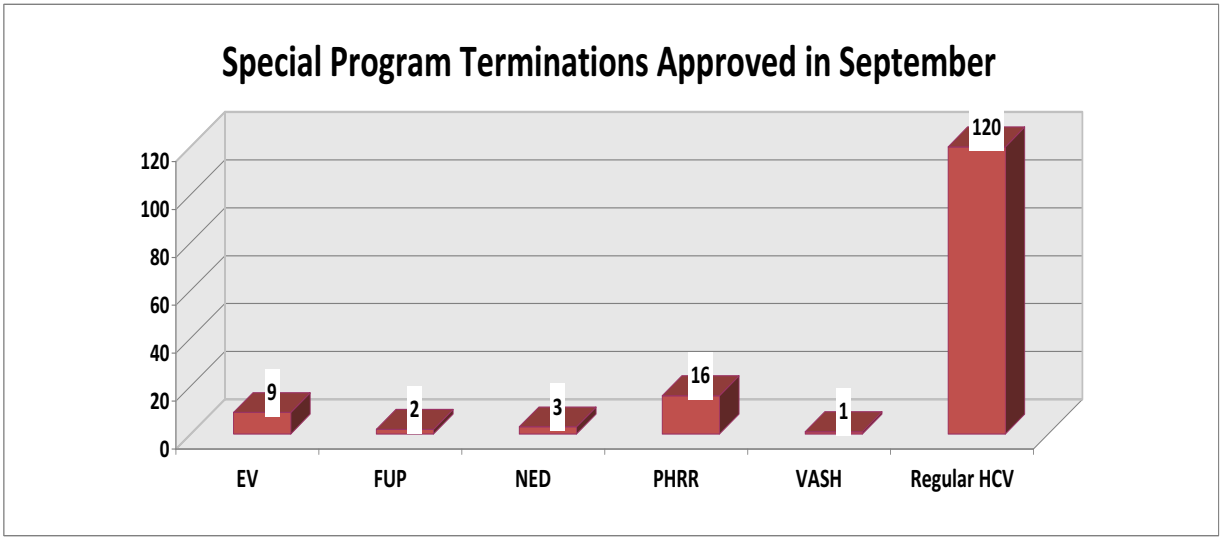
MONTHLY REPORT – IPI LOG

	Reviewed for ITT	Warning Letters Mailed	Meetings Held With Clients	ITTs Mailed	Final Terminations Mailed	Hearings Pending
September	135	112	10	6	1	26

MONTHLY REPORT – TERMINATIONS

	Issued ITTs	Hearing Requests Received	2010 Hearing Requests Approved:	2011 Hearing Requests Approved:	Terminations Processed in Yardi
September	56*	649	28	311	151 (79 NMA)



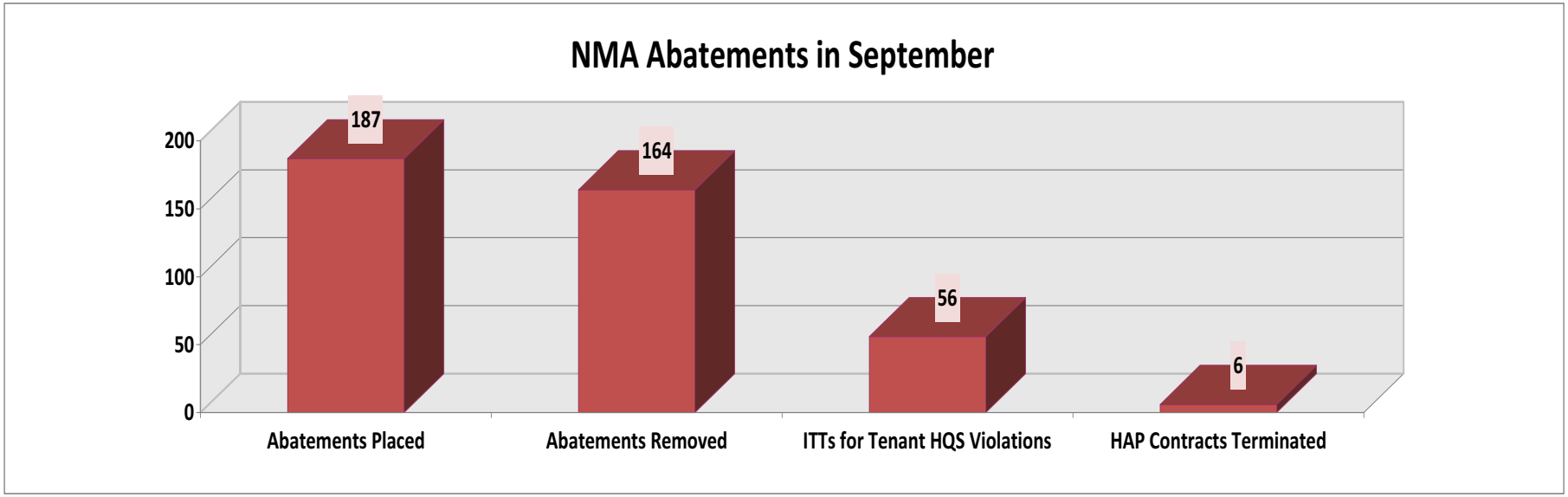


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MONTHLY REPORT – ABATEMENTS

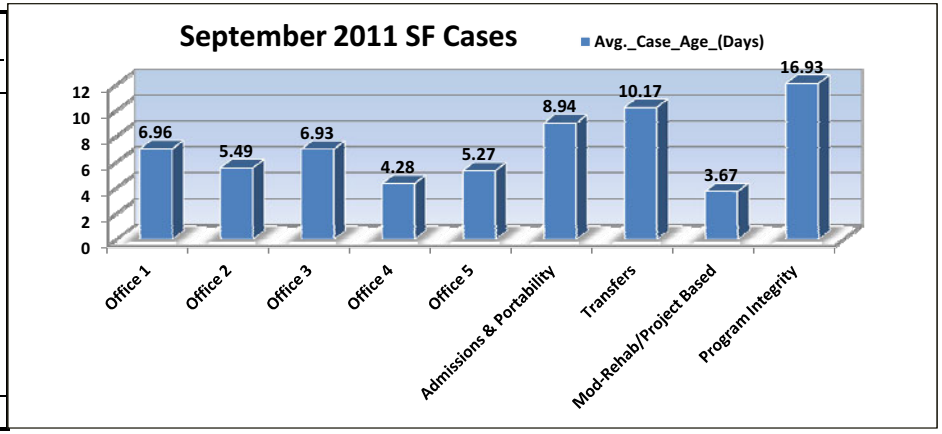
	Abatements Placed	24-Hr Emergency Fails	Total Abatements Placed	Abatements Lifted	Abatements Canceled or Deleted	Total Abatements Removed	Tenant HQS Violations	HAP Contract Terminations
September	187	6	193	116	48	164	56	6



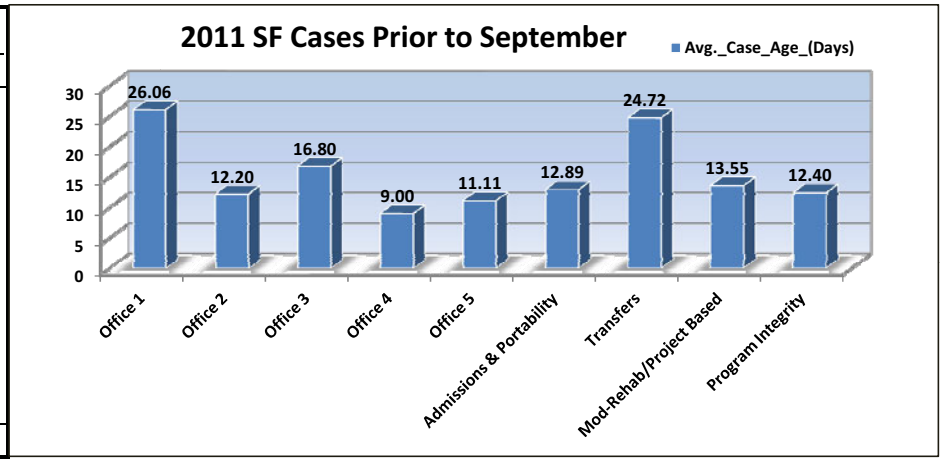
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MONTHLY REPORT – SALESFORCE CASES

September	Team	Cases Opened	Closed	Open	Avg. Time to Close	Percentage Closed
1,072	Office 1	112	92	20	6.96	82.1%
	Office 2	176	143	33	5.49	81.3%
	Office 3	164	112	52	6.93	68.3%
	Office 4	141	135	6	4.28	95.7%
	Office 5	130	105	25	5.27	80.8%
	Admissions & Portability	222	119	103	8.94	53.6%
	Transfers	94	34	60	10.17	36.2%
	Mod-Rehab/Project Based	18	18	0	3.67	100.0%
	Program Integrity	15	6	9	16.93	40.0%
	Grand Total	**1,072**	**764**	**308**	**6.93**	**71.3%**



Prior Months	Team	Cases Opened	Closed	Open	Avg. Time to Close	Percentage Closed
3,415 (9,243 from August Report)	Office 1	399	398	1	26.06	99.7%
	Office 2	772	772	0	12.20	100.0%
	Office 3	503	501	2	16.80	99.6%
	Office 4	219	219	0	9.00	100.0%
	Office 5	320	320	0	11.11	100.0%
	Admissions & Portability	212	204	8	12.89	96.2%
	Transfers	608	608	0	24.72	100.0%
	Mod-Rehab/Project Based	180	180	0	13.55	100.0%
	Program Integrity	157	153	4	12.40	97.5%
	Management	45	45	0	62.42	100.0%
	Grand Total	**3,415**	**3,400**	**15**	**20.11**	**99.6%**



MONTHLY REPORT – DOCUMENT SCANNING

September

Office	Scanned for Operations	Backlog	Total
Office 1	23,000	0	23,000
Office 2	3,000	0	3,000
Total	**26,000**	**0**	**26,000**

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This type of report might be helpful for the Board.

MONTHLY REPORT – SEPTEMBER

Monthly Report

September

Waiting List and Admissions

VASH

Figure 1.1 outlines the activity details of the VASH program in September.

Figure 1.1 VASH – September	
Referrals	3
Vouchers Issued	3
RTAs received	9
New Leases	5
Terminations	1

FUP

Figure 1.2 outlines the activity details of the FUP in September.

Figure 1.2 FUP – September	
Referrals	24
Vouchers Issued	12
RTAs received	14
New Leases	1
Terminations	2

NED

Figure 1.3 outlines the activity details of the NED clients in September.

Figure 1.3 NED – September	
Referrals	54
Vouchers Issued	27
RTAs received	0
New Leases	0
Terminations	3

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Mainstream 5 Years

Figure 1.4 outlines the activity details of the Mainstream 5 Years clients in September.

Figure 1.4 MS5 – September	
Referrals	25
Vouchers Issued	0
RTAs received	0
New Leases	0
Terminations	0

Portability

Figure 1.5 outlines the activity details for Portability clients in September.

Figure 1 Ports – September	
Clients briefed	30
Port-in & Absorbed	64
Port-in & Billed	11
Port-out & Absorbed	20
Port-out & Billed	119
Port-out & Pending	16

Opt-out (Enhanced Vouchers)

Figure 1.6 outlines the activity details for Opt-out clients in September.

The HCVP has enhanced vouchers allocated for two developments, XX and XX.

Figure 1.6 EVs– September		
	Office 1	Office 2
Allocation	78	110
Referrals	2	0
Interviews	2	0
Vouchers Issued	0	0
Ineligible	0	0
RTAs received	4	0
New leases	0	0

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Special Admissions (Relocation)

Figure 1.7 outlines the activity details for Public Housing Relocation clients in September.

Figure 1.7 Relocation – September	
Referrals	4
Interviews	4
Vouchers Issued	10
RTAs received	2
Port-outs	2
New leases	8

HUD Special Admissions

Figure 1.8 outlines the activity details for HUD Special Admission clients in September.

Figure 1.8 HUD Special Admissions – September		
	Victim's Assistance	Witness Protection
Referrals	0	1
Interviews	0	2
Ineligible	0	0
Vouchers Issued	0	2
RTAs received	0	0
Port-outs	0	0
New leases	0	0

Waiting List

Figure 1.9 outlines the activity details for Waiting List clients in September.

Figure 1.9 Waiting List – September	
Names Pulled	350
Interviews	20
Vouchers on the street	452
Ineligible	14
RTAs received	9
New leases	8

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Tenant Services

Repayment Agreements

Figure 1.10 outlines the activity details for all Repayment Agreements through September.

Figure 1.10 RPAs – September	
Total Active RPAs	70
Active OIG RPAs	13
Behind on payment	46
Current on payment	24
Delinquency Notices Sent	46
On Hearing Log	22
Terminated	0
Paid in full	76

PIC Submission

Figure 1.11 outlines the activity details for 50058 submissions to IMS/PIC in September.

Figure 1.11 50058 Submissions to PIC			
Database	**Submitted**	**Accepted**	**% Files Accepted**
MTCS	457	427	93.4%
MTW	2,439	2,276	93.3%
Total	**2,896**	**2,703**	**93.3%**

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SECTION 7.8 KNOWLEDGE MANAGEMENT (KM)

Introduction

One of the greatest challenges to managers is to ensure that knowledge and information circulates freely within and among individuals and departments. For this reason we need to understand the basics of knowledge management. There are numerous definitions for knowledge management. Here is a practical one. Knowledge management is the process through which an organization uses its collective knowledge and intelligence to accomplish its strategic objectives. The objective of knowledge management is to improve organizational efficiency, effectiveness and innovation. In order to achieve this, PHAs must identify, organize and share collective knowledge and expertise. This requires making the organization's knowledge explicit, transparent and easier to access and use. The focus of knowledge management (KM) is how an organization ensures the availability of high-quality, timely data and information for those who need it (when they need it). It also includes how an organization builds and manages its knowledge assets.

The term “knowledge assets” refers to the accumulated intellectual resources of the PHA. It is the knowledge possessed by the workforce in the form of information, ideas, learning, understanding, memory, insights, technical skills and capabilities. The workforce, software, databases, documents, guides, policies and procedures are all parts of the PHA's knowledge assets. How the HCV Manager builds, organizes, and manages these knowledge assets creates value for the agency, the staff and the customers.

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Technology is a major part of knowledge management, but it is not exclusively about technology. It is about process, people, behavior, workflow and other factors as well. How the knowledge base is organized and the quality of its content will directly affect how the workforce will:

- Do their work
- Solve problems and make decisions
- Improve their processes and services
- Keep current with changing needs (as funding or programs change)
- Develop innovative solutions that add value for the customer and the PHA

It will also affect customer engagement by making a range of information available to your customers. Here are a few examples:

- Information on how to apply for assistance and the documents that are required
- Information about housing discrimination
- Inspection status
- Owner registration of units
- Personnel directory

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What Knowledge Do You Need to Manage?

It is important to understand the difference between data, information and knowledge.

- Data represents observations or facts out of context. For example, the monthly production report of completed reexaminations is data.
- Information is when you place the data into a meaningful context. For example, analyzing the monthly production reports of all of the work teams to determine the performance levels of each team is information.
- Knowledge is that which we come to believe and value based on the organized accumulation of information and through our experiences.

Knowledge can be explicit or tacit. Explicit knowledge can be precisely and formally articulated. It is easily codified, documented, transferred or shared. Examples of explicit knowledge are HUD regulations, procedure manuals, payment standards, and income limits. Tacit knowledge is subconsciously understood and applied, and it can be more difficult to articulate. It may be developed from direct experience, trial and error, and action, and usually shared through interactive conversations and shared experiences. Examples of tacit knowledge are how to supervisors counsel with staff on how to organize competing activities, how to manage a caseload, how to deal effectively with upset customers or how to best communicate and coordinate activities between families and owners during the leasing process.

Both types of information must be made available.

Document or record management systems are needed to provide access to specific documents, materials, information or files that are needed by different people within a PHA. (Remember, there are security issues with document/record management systems). Examples of the types of documents and records needed by PHA staff are administrative, personnel and other policies, PHA forms, PHA schedules (payment standards, utility allowances, etc), the PHA waiting list, unit and landlord information.

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Information portals can provide a wide range of formal and informal knowledge. They can provide "how-to" knowledge such as procedures, case studies, solutions, best practices, methodologies, project and ongoing reports and other solutions. There is almost no limit to information that can be accessed.

Organizational knowledge is needed at every level. This involves how knowledge is collected updated and made available.

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CHAPTER 8 Managing Program Functions

SECTION 8.1 INTRODUCTION

The objective of this chapter is to identify and explore the program functions that require the attention and skills of an HCV manager and to provide guidance and insight on how to manage these functions. These functions are easy to identify, but it is challenging to manage the processes and coordinate the activities of the staff that perform them. All HCV managers must manage the same program functions no matter the size of the agency. Each may have different production quotas, resources, staffing and community challenges, but managing functions such as outreach, intake, leasing, annual reexaminations and inspection are inherent to every HCV program.

The functional elements of the HCV program are:

- Outreach
- Intake
- Leasing
- Unit inspections
- Rents
- Moves
- Interim activities
- Annual activities
- Terminations
- Portability
- Informal reviews and hearings

The PHA world revolves around written material such as federal regulations, PIH Notices, HUD and local policies, procedures and numerous forms. Implementing the program to achieve outcomes satisfactory to HUD, the Commissioners, the public, your boss, and your employees requires knowledge and planning This chapter contains practical suggestions and insights to help you to manage the functional areas of the program in order to better serve your customers.

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SECTION 8.2 MANAGING THE OWNER BASE

Introduction

Rental property owners are a key resource of the HCV program, and they should not be taken for granted. PHAs cannot operate a viable HCV program unless they have enough qualified families in need of housing and enough rental property owners willing to lease units to voucher holders. The availability of standard rental housing is essential for HCV managers to maintain acceptable leasing rates, and in many parts of the country, there are more families that need rental housing than there are owners willing to do business with a PHA. Utilization is measured in percentages and numbers, but it ties directly to whether families can find suitable housing. Tight markets, and even competition between housing providers, can make this a challenge—and in today's funding environment, PHAs cannot afford to lose funding.

For this reason, attracting owners and managing the owner base becomes increasingly important for the health and survival of tenant-based assistance. In most jurisdictions there are sufficient families who need housing assistance, but it is still the responsibility of the HCV manager to ensure that the availability of housing assistance is made known to those least likely to apply. This section provides tools and ideas to improve owner recruitment, retention, and owner relations.

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Managing Your Owner Base

To grow and manage a base of acceptable owners takes some planning on the part of the HCV manager. Your objective, as an HCV manager, is to attract and retain standard property owners in low poverty areas. Here are some questions to consider:

- Do you accept sub-standard performance by owners for fear of losing them?
- Do you spend too much time resolving owner complaints?
- Do you really give owners the information they need to succeed in the program? Do you make it easy for them to do business with you?
- Do staff and inspectors deal with owners on a professional level? Do you emphasize interpersonal as well as technical skills when training staff and inspectors?
- Do you have owners who habitually under-perform?

Key Regulations Affecting Owner Disapproval

If you evaluate your owner base, you will probably find that HCV owners include those who employ excellent property management practices, those who offer marginal units and do the bare minimum in order to collect their HAP payments, and those who are repeatedly in noncompliance with the HAP contract. HCV managers should have a strategy to improve the performance of marginal owners and eliminate those who have a pattern of noncompliance. It will take a conscious effort and a plan.

HUD regulations at 24 CFR 982.306 give PHAs the authority to disapprove owners for a variety of reasons, including:

- The owner has violated his or her obligations under an HCV contract
- The owner has committed fraud, bribery, or any other corrupt or criminal act involving any federal housing program
- The owner has engaged in any drug-related criminal activity

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- The owner has a history or practice of failing to terminate the tenancy of participants whose family members, guests, or other persons under their control engage in activities that threaten the right to peaceful enjoyment of the premises by other residents, or threaten the health or safety of other residents, employees of the PHA or owner, or persons residing in the immediate vicinity of the premises
- The owner has a history or practice of renting units that fail state or local housing codes
- The owner has not paid state or local real estate taxes, fines, or assessments

An Owner Management Strategy

There are many things your PHA can do to build an acceptable owner base, but there are four main aspects that managers should consider. They are:

- Internal program administration: Installing the right systems and practices
- Owner outreach: Telling and selling the program
- Owner retention through excellent customer service: Doing the right things with the right attitude
- Contract monitoring and enforcement: Rehabilitating or eliminating problem owners

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Internal Program Administration

Managing the Inspections Function

Prioritize Initial Inspections

Effective communication between the housing specialist, the inspector, and the owner from date the RFTA is received all the way through the date of contract execution is crucial, and as a manager, it is your job to make sure this is happening. The timeliness and efficiency of initial inspections is important to all parties. Every day the unit is vacant is a day that rent will not be collected by the owner. It's also another expired day of the voucher term for the family. It's a day for which the PHA will not collect an administrative fee. The initial inspection is also an opportunity to educate the owner about the inspection process and standards.

Ensure Consistency in the Application of HQS Standards

A major complaint by HCV owners across the country is that the HQS change depending upon which inspector shows up. For this reason, managers should ensure that inspectors do not adopt their own arbitrary standards that exceed HQS. Managers should also periodically review inspection reports to determine if there are fail conditions noted that don't violate HQS. Many units are failed because of conditions that may be used in rent negotiation, but are not HQS fail items.

Under SEMAP, PHAs are required to conduct HQS quality control inspections. Managers should use the results of these inspections to initiate discussions with HQS inspectors to ensure consistency in the application of HQS requirements.

Document Pass-with-Comment Items on Initial and Annual/Biennial Inspection Reports

This protects both the family and the owner. Because the family is responsible for certain breaches of HQS, it is important to document noteworthy items that do not fail the unit but could later be construed as tenant damages (e.g., worn carpet or scratches on a kitchen counter top).

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Rent Reasonableness and Market-Based Comparables

You should ensure that rent comparable data is current to defend approvals (to HUD) and disapprovals of rents (to the owner). The approval of rents should not be based on the perception or opinion of PHA personnel, but on the truth of the rental market in the area where the unit is located. It's also important to make sure that staff does not "undercut" rents arbitrarily if they are reasonable. Owners should be encouraged to provide data on comparable unassisted units and advised how to improve the condition of their units. Your PHA's staff should be prepared to explain the specific reasons for rent disapproval.

Prepare Voucher-Holders to Succeed

Managers should analyze effectiveness of tenant briefings and briefing materials. If possible, use visuals (video or PowerPoint) to improve how information is delivered. Provide worksheets to assist in determining affordability, but make certain that information on available units is current. PHAs should also attempt to identify properties and owners with accessible units that may be needed by persons with disabilities. Some PHAs provide blank "renter résumé forms" for families who wish to complete them in order to make owner screening easier.

Establish Customer Service Standards for Staff/ Inspectors

The level of customer service is directly related to retaining good owners on the program. In order to make this happen, managers should establish standards for the prompt return of telephone calls, and the prompt response to written inquiries and complaints. The management team sets the example and creates expectations for quality customer service. Always demand a customer-friendly attitude towards owners.

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Intake Management

Remember, PHAs should periodically update the waiting list to ensure high response levels when families are selected. Most PHAs maintain a pool of eligible families so that funding can be quickly utilized when it becomes available. To accomplish this, use HUD tools and fact-based forecasting based on program statistics. Know your wait list factor, your lease-up factor, and turnover rate, and collaborate with finance to make accurate projections.

Track Success Rates Geographically

Look at a map of your jurisdiction and evaluate where families are leasing units on the program. What percentage are in high poverty areas? What percentage are in low poverty areas? Look at the low poverty areas where few families lease units. This will give you insight into areas that should be targeted for owner outreach. We recognize that families will not lease in high cost areas, but there may be many low poverty areas that are not being utilized by voucher holders. Evaluate why families are unable to lease in these areas. Pay attention to reasons for extension requests, and review the payment standards in these areas. Are they set too low?

Owner Outreach

The objective of owner outreach for the HCV manager is to ensure that enough owners participate so that families may locate and lease suitable housing in low-poverty areas. Owner outreach involves marketing the benefits of participating in the HCV program to owners and managers of qualified rental property. However, for owner outreach to be successful, PHAs need to acknowledge the value of participating owners and provide them with professional service. Professional service means educating and orienting new owners when they come onto the program, being responsive to owner questions and concerns, and ensuring that owner payments are correct and timely. Often the main obstacles in marketing to new owners are the myths, misunderstandings, and negative perceptions about the program. These negative perceptions include examples such as excessive paperwork, lower than market rent limits, poor tenant housekeeping, and stringent inspection standards. In the past, statutory provisions have made the program unattractive to owners, but many of those provisions have been eliminated.

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The key aspects of successful owner outreach and retention include:

- Conducting targeted outreach to owners in low poverty areas and areas that are under-leased with voucher holders.
- Educating new and existing owners to minimize non-compliance. PHAs train owners on how to do business with them by commission or omission. It is not to assume the owner will read the HAP contract and fully understand the program. You must meet the owner's informational needs from the first point of contact.
- Improving retention and cooperation by providing first-class customer service. Emphasize high interpersonal skills with all housing and inspection staff who interact with owners.
- Enforcing the HAP contract and dealing with owners who consistently offer marginal units and under-perform with slow and poor quality HQS repairs. In the absence of owner outreach, some PHAs often allow marginal and substandard owners to continue to participate for fear that there will not be enough units available for leasing. Many PHAs keep a file on owners and document repeated owner noncompliance or contract violations. If these owners cannot be rehabilitated, they should be replaced.

The formula to avoid a shrinking owner base is to conduct ongoing outreach, make the program as transparent as possible to owners, respond appropriately to non-performance and breaches of the HAP contract, and provide excellent customer service.

Problem Identification Checklist

There are many reasons why a PHA might not be able to cultivate enough owners and managers to promote a more even distribution of housing choices throughout the jurisdiction. Consider whether any of these reasons are applicable in your jurisdiction:

- Poor owner relations in the past
- Lack of community support
- Negative perception of assisted families
- Tight rental market
- High market rents
- Lack of current rent reasonableness data

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- Misconceptions about the program and the HUD related paperwork
- Inconsistency among inspectors; failing units for non HQS violations

Marketing Solutions Checklist

There are several marketing and retention solutions your PHA can use to better serve owners and attract new owners.

- Create a new-owner's packet of information about the program in easy to understand language and user-friendly material.
- Create FAQs about the program from the owner's perspective and include with 1099s and HAP checks if you mail HAP checks.
- Provide a designated contact person for owners.
- Utilize your website for owners to register properties and access information about the program.
- Take advantage of technology. Email property management companies that do not do business with the PHA.
- Meet with new owners to execute HAP contracts. This practice creates a teaching opportunity to explain the program.
- Use owner handbooks that provide accurate information about the program and represent your PHA in a professional manner.
- Hold a workshop for nonparticipating owners. Place an ad in the local newspaper “Wanted: rental property owners and managers with vacancies.” This is an opportunity to debunk the myths and misconceptions about the program.
- Contact participating owners to get names of potential new owners. Owners can be surveyed by including a flyer with HAP checks.
- Identify areas where targeted owner outreach may be needed. Get a map of your jurisdiction and mark the areas (zip codes) where families on the program are leased. This will give you an idea of areas where they are not leasing units. Now evaluate those areas to determine if they have rents that are compatible with the program and target those areas into your marketing plan.

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- Publish an owner newsletter. Many PHAs include a brief monthly owner newsletter with the HAP payment to provide owners with program information and promote a positive, professional image. Some PHAs mail a copy of the newsletter to all property rental and real estate agencies in middle income areas
- Form an owner advisory committee to ensure that the program addresses landlord concerns and issues.
- Speak at meetings of realtor and apartment associations, write articles for their publications, and link to their websites.
- Use public service announcements to create interest in the program.
- Appear on local television and radio talk shows to recruit new owners and educate the public about the programs.
- Submit articles to community newspapers and other local publications.
- Give presentations to civic and other community-based organizations, and write articles for their newsletters.
- Use commissioners who have public speaking skills and an interest in marketing the program. Program advocacy is a significant role of the board of commissioners.
- Contact new owners by telephone and welcome them to the program and answer any questions they may have. Give them a name and contact number. Let new owners know that they are dealing with a professional organization that will be easy to do business with.
- Ensure that interpersonal skills are valued as highly as technical skills for administrative staff and inspectors

Regardless of how you choose to market your program, one thing is certain: Implementing an outreach plan requires the commitment of resources by PHA management.

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Soliciting owner participation to expand opportunities for housing choices by families is an integral HCV program outreach function and an effective way to promote family mobility or deconcentration. In many communities, HCV participants are concentrated in high-poverty areas where there tend to be fewer jobs, higher crime rates, and poor schools and community services. Encouraging voucher holders to explore housing in low-poverty areas is more likely to promote self-sufficiency because of the broader range of educational and economic opportunities in those areas.

Owner outreach does not have to rely solely on PHA staff. If your PHA has not yet pursued it, consider using the board of commissioners. One of the board's major responsibilities is to serve as an advocate for the program. Does your board have a community relations committee?

Also, if your PHA has a family self-sufficiency (FSS) program, you might use a program coordinating committee member to champion the program, especially if there is a member from the business community. Your outreach strategy can involve multiple approaches. Other ideas to promote family mobility include:

- Counseling applicants and participants on the advantages of living in low-poverty areas
- Providing information about better quality neighborhoods
- Using proper rent reasonableness which will probably result in limiting rents in high-poverty areas and allowing higher rents in low-poverty neighborhoods
- Providing information to prepare families for successful interviews with prospective landlords

Positive Program Features

It’s important when communicating with prospective owners to point out the positive features of the program, such as:

- The owner gets a large portion of the rent from the PHA in a timely manner.
- The owner may collect the same security deposit collected for other tenants.

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- The owner may screen families for prior rental history in the same manner as unassisted renters.
- The PHA will provide the owner with the family's current and prior owner name and address if requested.
- The owner can evict tenants for noncompliance with the lease as they would their unassisted tenants.
- The owner can offer a lease with fixed definite terms after the initial term.
- The owner is not responsible for certain breaches of the HQS caused by the family.

Owners are more positive about participation when they have a direct line of communication with the PHA, and the PHA is responsive to owner requests and concerns. Some PHAs have a designated staff person to answer questions from prospective owners, but all HCV staff should be able to answer typical questions, such as “What are my responsibilities as an owner? How much can I charge for rent? What paperwork is involved?”

The ultimate success of outreach lies in not just convincing owners to participate in the program, but retaining those that you recruit. You can do this by implementing an owner education program, setting high standards for customer service by the housing staff and inspectors, and following up to ensure owner satisfaction. As a manager you should quality control owner satisfaction. How do they feel about doing business with your agency?

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Exhibit 8.2-1 Owner Open House and Outreach Program

The Anytown Housing Authority housing choice voucher program was experiencing problems with owner public relations, new owner recruitment, and community knowledge. New owners were not participating, and existing owners expressed frustration about program regulations.

Landlord outreach programs previously consisted of annual seminars for existing owners. Attendance at these seminars was low and information was delivered in a lecture manner. Very little information was actually covered because much time was spent with the concerns of only a few owners that all had to listen to. These seminars were frustrating to staff and owners, and did not encourage new owners to participate.

The HCV Department then designed and implemented the Landlord Open House and Outreach Program. Instead of the usual lecture seminar, the department organized an "open house." At the open house, booths are set up, with one topic covered at each booth. Staff members are stationed at each booth, where handouts are available. Booth topics include: general information, leases and contracts, moving clients, annual reviews of clients, HQS inspections, portability, mod rehab, 504 regulations, family changes, terminations, evictions, new clients, rent increases, vendor changes, and fraud.

Local agencies are invited to attend the open house and have a booth providing their information. Agencies attending are: Anytown Police Department, Anytown University Mediation and Arbitration Division, Housing Information and Referral Services, Anytown Community Development Agency, Anytown Health and Hospitals (for information on dealing with disabled clients), The Weatherization Project, and HUD. The participating agencies have a new and greater understanding of the HCV program, and have developed a very cooperative working relationship.

The open house hours are from 10:00 AM to 2:00 PM. Flyers are sent in owners' HAP checks for two months preceding the open house. Notices are printed in local and daily newspapers, inviting potential owners to attend. Landlords are encouraged to come at any time during the open house hours. Landlords are able to get individualized staff attention at each booth, as well as handouts to reinforce the information presented. Landlords can pick and choose which booths they want to visit, or can visit all of them. Refreshments are provided. The atmosphere is very positive and fun.

A large number of owners have commented on how informative the open house is, how much they appreciate it, and that they would like to attend again. Many potential owners attend, and have since listed their units in the client referral listing. The Landlord Open House and Outreach Program has drastically improved owner relations. It has provided the AHA HCV program with a very positive image, both with owners and the community. Landlord retention in the program has greatly improved, and many new owners are now willing to participate.

The costs of this program were very minimal. They only involved:

- Printing flyers
- Newspaper advertisements
- Printing handouts
- Printing banners for booths
- Renting hotel meeting space
- Coffee and donuts

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Family Outreach

PHAs sometimes need to conduct family outreach. The objective here is to have sufficient families on the waiting list to use available funding. While many PHAs have a long waiting list and do not need to conduct outreach for families, competing resources can make outreach necessary in some communities to achieve full program lease-up and full use of funding. In addition, market conditions can affect the rate at which a PHA goes through their waiting list, thereby increasing the need for additional families.

Monitoring Activity Checklist

As with marketing strategies for owner participation, there are likewise several activities your PHA can use to market the program to families if your waiting list is short. These include:

- Target minority and non-minority newspapers and media sources
- Write public service announcements for radio and TV
- Place flyers and brochures in social service agency offices and other places families go for assistance
- Place flyers and brochures in grocery stores, drug stores, churches, etc.
- Target senior citizen clubs and other organizations
- Contact apartment associations, so owners can contact their renters for lease-in-place clients

Marketing

There are several factors to consider when conducting outreach to market the program. They include developing a marketing plan, timing outreach activities and finding your target group.

Developing a Marketing Plan

When developing a good marketing plan, take past marketing efforts into consideration. Build on the things that worked in the past, and avoid the things that didn't.

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You could survey applicants and ask where they heard about the program. This will help you determine whether current sources are adequate. If no outreach has been done for quite a while, you may find that other agencies and other participant families are the most common source of referrals.

Also, local politics may affect your marketing strategy, so it's crucial to identify your allies and your opponents. Consider which other groups might help in outreach.

There are books available that may assist you to develop a marketing plan. These include:

- Contemporary Apartment Marketing (IREM)
- The Guide to Practical Property Management (IREM)
- The Practice of Real Estate Management (IREM)
- Marketing Planning Guide (bookstore)
- Marketing on a Shoestring (bookstore)
- The Do-able Marketing Plan (1-800-685-8333)
- How to Write a Good Advertisement (bookstore)

Note: Although books on marketing are written about marketing project-based rental units (IREM) or on general marketing principles, the techniques described in the books can be applied to marketing the voucher program.

Marketing Timing

Timing your outreach activities appropriately is another important marketing factor to consider. PHAs need to conduct outreach if there are not enough extremely low-income families on their waiting lists to meet the 75 percent income targeting requirement. Outreach may be required when there are too few applicants to adequately fill the available voucher openings in a timely manner, or when more applicants within a certain preference category are desired, such as elderly and disabled families, working families, or families pursuing their education.

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Outreach may be an ongoing function, and managers should monitor the length of the waiting list periodically. A rule of thumb is to maintain enough applicants on your list to fill your projected openings for at least two years. If outreach is not conducted regularly, it will take a while to implement outreach activities and get results. Mangers should not wait until there is a problem that affects utilization.

Marketing to a Target Group

Your PHA doesn't necessarily need to market to all families if there are funds only for specific families available. For this reason, incorporating this kind of marketing strategy into your administrative plan could be useful. For example, you could insert language about marketing to families with the preferences identified in your plan or marketing to families for whom you have received targeted funds.

- You may have a special allocation of vouchers for a specific group of people, such as Mainstream for Persons with Disabilities. In this case you would only market to your target group.

The most logical marketing target for special purpose vouchers may be social services agencies. Networking with social service agencies can help to ensure referrals.

In addition, as more emphasis is placed on working families participating in subsidized housing, it may be necessary to perform additional recruitment to attract working families. If your agency gives a preference to working families and those pursuing their education, a strategy should be developed for reaching those families who qualify for the preference and are likely to qualify for the program. Ideas for outreach to working families include:

- Are there major employers in the area? People in the community may think that subsidized housing is only for the very poor. You could visit the human resource department and discuss the benefits of the voucher program for some of their working families and leave brochures or flyers to post on their employee bulletin boards. At the same time, explain your preference system and anticipated waiting list time.

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- You might also organize a focus group consisting of families, agencies, employers, and higher education resources that can help you with an outreach campaign that will appeal to higher income applicants.

Brochure Development

One way you can ensure that your targeted group will understand and respond to the information you provide is by preparing easy-to-understand brochures, flyers, lectures, or advertisements. Avoid technical terms and regulatory language to the extent possible.

A focus group could also assist in providing input for designing brochures or flyers. A focus group is an inexpensive and effective way to get assistance in preparing marketing tools and resources.

Marketing Resources

When marketing to families, first decide if you are going to target a specific group (such as families who qualify for a preference), or to all families within your jurisdiction. Your administrative plan should describe your outreach procedures and equal housing opportunity requirements.

- The administrative plan should specify should specify newspapers and minority publications to use when advertising. You could also post PHA notices on community bulletin boards and at banks, credit unions, houses of worship, and union halls if applicable to your community. Using radio or TV spot advertisements might even attract a new group of people.
- You should try to attract a diversity of minority and ethnic groups and a variety of family sizes. You should also determine if you are reaching the groups eligible for your preference categories.

Owners can be one of your primary marketing sources. When you brief owners on the HCV program, encourage them to contact tenants they think might be eligible and inform them of the program.

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Dealing with Competition

We may not normally think about competition when marketing the HCV program, but there may be excess subsidized housing units in your community available through other programs. Because tenant-based programs are sometimes not counted as a resource when marketing studies are prepared, there may be too many resources and not enough people.

If so, you do have one advantage other programs do not have. You can provide assistance to families where they currently live, if the unit and owner meet the program requirements, or allow them to seek other privately-owned housing in the community. Therefore, it's a good idea to include owners of rental property in your marketing strategy for tenants and emphasize program differences in your advertisements.

Evaluation

Once your outreach strategy is in place, you should evaluate the results to determine its effectiveness. Refer to your marketing goals: Whom and how many are you trying to attract? If your goal is to attract more working families, monitor the number of applicants who meet the targeted goal.

Staying Involved with the Affordable Housing Community

Even if your waiting list is currently closed and you are not actively marketing, you should still stay involved in the affordable housing community. You may need these resources in the future.

To stay involved, first find out what entities or organizations are involved in affordable housing in your community. Once you locate these groups or individuals, you could get personally involved in the community by serving on committees or boards where you might meet other people interested in affordable housing. You can network with nonprofit groups who have affordable housing by becoming familiar with their programs and informing them of the HCV program benefits. Then they can become a resource.

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- How much flexibility you have in making these contacts and taking work time to serve on the committees will be up to the executive director. Plan and present your strategy, outlining the objectives and the benefits.

Building the tools for successful marketing leads to the successful participation of owners and families in the HCV program. Successful participation, in turn, leads to a fully utilized program that meets community needs.

It's also important to make sure that staff does not "undercut" rents arbitrarily if they are reasonable. Owners should be encouraged to provide data on comparable unassisted units and advised how to improve the condition of their units. Your PHA's staff should be prepared to explain the specific reasons for rent disapproval.

Owner Retention Through Excellent Customer Service

An important part of customer service for PHAs is to fulfill their contractual responsibilities. The HAP contract is a legal agreement between the PHA and the owner, and timely HAP payments are the PHA's responsibility. PHAs that are consistently late in making HAP payments will not retain standard property owners.

Staff Attitude toward Owners

All HCV programs have owners who under-perform and do not comply with their responsibilities as landlords. But there are also owners who take care of their properties, screen their tenants, and enforce their leases. Managers should not tolerate a generalized negative attitude towards owners. Training for new and experienced housing specialists and inspectors should emphasize interpersonal skills as much as technical skills.

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Educate Owners

PHAs should have specific procedures for bringing new owners onto the program. When an RFTA is received from a new owner, a PHA representative should contact the owner by telephone and thank them for submitting the request. This is a perfect opportunity to briefly explain the program, give the owner a contact name and number, and to mail the owner informational literature about the program. New owners should be provided an inspection booklet at the initial inspection so that they can be better prepared for future inspections as well.

Owners should also be notified of changes in PHA policy or HUD regulations that affect them. Many PHAs a have Web site where owners can obtain information about the program (FAQs), list available units, ask questions, and even determine the status of inspections and other information.

Get Feedback from Owners

Feedback is essential to the growth and success of any organization. HCV managers should implement systems to get feedback from owners (and families) about their experiences dealing with the PHA. For example, a brief survey can be mailed with 1099s. Alternatively, new owners can be contacted by telephone after the initial HAP contract is executed to get their feedback on their experiences in leasing a unit. Such calls can provide vital information as well as indicate to the owner that they are dealing with a professional organization that cares about quality service. Managers cannot be everywhere at the same time-if you do not seek feedback, you may never know about problems until the consequences are major. Some managers set a schedule of periodic quality control telephone calls to owners to obtain valuable feedback. This feedback may indicate the need to retrain (or replace) problem staff.

Analyze Owner Complaints

Some owner complaints are not valid, but some are legitimate. Investigate complaints and determine if the cause is a PHA performance issue. Look for patterns. Are they about the same issue, transaction, or the same individual? Keep in mind that overly restrictive policies or practices can invite complaints and result in owner dissatisfaction.

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Professionalize PHA Correspondence

Managers should ensure that all PHA correspondence, forms, and form letters are clear and concise, and that staff only use PHA-approved forms and letters. Avoid bold type, UNNECESSARY CAPITALIZATION, and UNDERLINING for emphasis. Do not copy the forms until they are so light they are unreadable.

Contract Monitoring and Enforcement

Most owners play by the rules and comply with program requirements, but some do not. Many PHAs establish a file for owners where they keep copies of complaints about the owner, documentation of owner noncompliance (abatements, warning letters), and any other correspondence when the PHA must take action against the owner. This practice makes it easy to identify problem owners and to determine when it is necessary to take more serious action. Owners should be put on notice when a pattern of noncompliance appears, and a meeting should be scheduled with the HCV manager. The purpose of the meeting is to determine whether the PHA will continue to do business with the owner. Owners should be given an opportunity to self-correct, but if they do not, you may want to consider refusing to enter into new contracts with them. The key point here is not to let repeated behavior become a pattern. The earlier you communicate with an owner who does not comply with their responsibilities, the sooner you can decide the appropriate remedy.

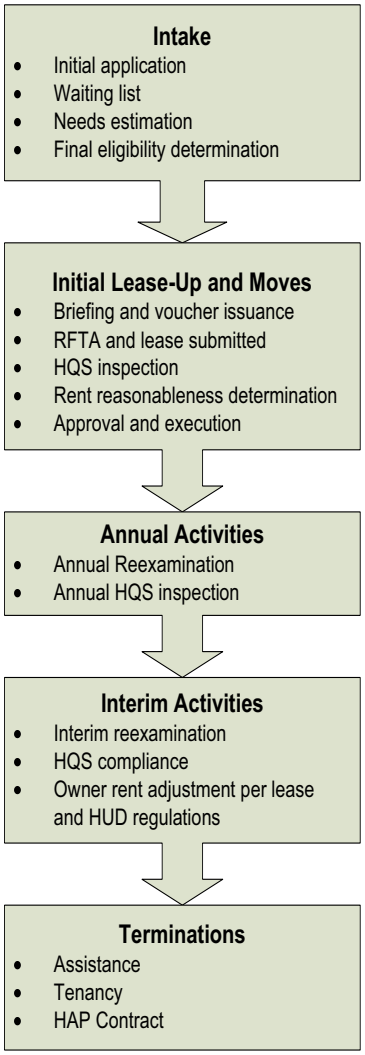
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SECTION 8.3 THE OCCUPANCY CYCLE

Introduction

In general, the occupancy cycle in the HCV program has six phases, each composed of its own processes and requirements. We will discuss each of these later in this section. Here is an overview of the occupancy cycle.

The Occupancy Cycle



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Intake Process

While on the surface it appears that the intake process consists of only a few steps, each step carries with it a high level of complexity. For the HCV program, these steps consist of the following:

- The initial application for assistance, commonly referred as a pre-application. The initial application normally contains just enough information for placement on the waiting list. If a PHA has adopted local admission preferences, they must be listed on the initial application.
- Placement on and management of the waiting list. Families are placed on the list according to the PHAs administrative plan. Most PHAs purge the list periodically and must comply with HUD requirements for removal from the waiting list.
- Needs estimation refers to the process whereby a PHA estimates how many units need to be leased based on the availability of funding and projected turnover, and estimate the number of families that need to be contacted based on historical success rates and other factors.
- The determination of eligibility is made when families are selected from the waiting list. The family is typically interviewed by the PHA and completes a full application. All factors of eligibility and any preferences claimed by the family must be verified at this time. Families will either be determined to be eligible or denied admission.

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Initial Lease-Up

After eligibility has been determined, the next phase of the occupancy cycle is the initial leasing of a unit.

The initial lease-up phase involves:

- Conducting the HUD-required oral briefing, providing the family with the briefing packet, and issuing the voucher.
- Processing the Request for Tenancy Approval (RFTA) and the lease with the required tenancy addendum when the family has located a unit.
- Approval of the unit involves two aspects: conducting the pre-contract HQS inspection to ensure that the unit passes inspection prior to the effective date of the lease, and determining whether or not the rent is reasonable as compared to comparable unassisted units in the market area.
- Approval of the owner: Ensuring that the owner has not been barred from participation in the program by HUD or the PHA.
- Approval of the tenancy for an initial leasing when the gross rent exceeds the payment standard (affordability).
- Executing the HAP contract with the owner and ensuring that the owner and tenant have entered into a written lease agreement.

Program Activities

There are two required activities that must occur for each participant family on the program; they are the annual reexamination of the family income and composition and the biennial or annual inspection of the housing unit.

- Annual reexaminations must be completed within 12 months of the prior initial or annual reexamination effective date.
  - The PHA may elect to conduct a streamlined income determination for family members with a fixed source of income.
  - If adopting such a policy, the PHA adjusts the family's income according to the percentage of a family's income that is from fixed sources (see 24 CFR 982.516(b)(2) for details).

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- The regulations require that unit inspections occur at least biennially. However, the PHA may opt to conduct inspections annually, or may conduct a mix of annual and biennial inspections, as long as the criteria are fairly and uniformly applied [24 CFR 982.405].
  - HUD discourages PHAs from adopting biennial inspections for reasons unrelated to the owner's record of HQS compliance [Notice PIH 2016-05].
- For example, a policy based on the unit's distance from PHA facilities would not be acceptable.
- A full HQS inspection must be performed at least once every 24 months to ensure that the unit remains in compliance with housing quality standards.

Interim Activities

Interim activities are also a part of the occupancy cycle.

- Interim reexaminations: Interim reexaminations are conducted in accordance with PHA policy when changes in family circumstances occur between regular annual reexaminations. They can be initiated by the family or the PHA. Note that PHAs are no longer required to conduct interim reexaminations of income when a new family member is added, although they are still required to verify all other aspects of program eligibility.
- Interim HQS compliance: Interim inspections (or complaint) inspections can be requested by the family or the owner. They are similar to annual/biennial inspections, but only the items or conditions in question are inspected. If the reported condition is not life-threatening (i.e., the PHA would require the owner to make the repair within no more than 30 calendar days), then the PHA must inspect the unit within 15 days of when the PHA received the complaint. If the condition *is* life-threatening (i.e., the owner must make the repair within no more than 24 hours), the PHA must inspect the unit within 24 hours of when the PHA received the notification [24 CFR 982.405(g)].
- Rent adjustments: Owners may request a rent increase by providing at least a 60 day notice to the PHA. Rent increases are not permitted during the initial term of the lease.

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- Moves: After the initial term of the lease, families are eligible to move to another unit with continued assistance under the program. PHAs may have a policy to limit moves to one in a 12 month period.

Terminations

The last phase of the occupancy cycle is terminations. There are three types of terminations based upon the contractual relationships between the PHA, the tenant, and the owner.

- Termination of assistance by the PHA. Termination of assistance occurs when the family violates a family obligation of the voucher, withdraws from the program or no longer qualifies for assistance under the program.
- Termination of tenancy: Either an owner or a family may terminate the lease after the initial term by giving proper notice in accordance with the lease. Owners may also terminate tenancy for cause during the lease term.
- Termination of the HAP contract. A PHA may terminate a HAP contract with an owner for non-compliance or violation of a contract requirement. The HAP contract terminates automatically when a PHA terminates assistance to the family or the tenancy is terminated by the owner or tenant.

Summary

Managing each phase of the occupancy cycle in accordance with HUD requirements and PHA policy is essential to the integrity of the program. Now that we have identified the elements of the occupancy cycle, we will explore each phase in greater detail and provide suggestions and ideas to manage them.

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Notes

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SECTION 8.4 MANAGING THE WAITLIST AND THE INTAKE PROCESS

Introduction

Intake is one of the more critical of the program elements for two reasons. First, the intake process establishes the professional and service-directed relationship between the PHA and its most important customer. Second, it is the beginning of the all-important paper trail which will be audited throughout the family's participation in the program.

For these reasons the HCV manager must prepare the workers and create the work systems to achieve the primary objectives of an effective intake process.

Before the intake process occurs, however, there are important policy decisions that fundamentally determine who gets housed ahead of other applicants. For this reason, it is important to develop a waiting list preference system that addresses the needs of your community and is relatively easy for applicants to understand. The preferences may need to be revised as the PHA's mission changes and/or needs in your jurisdiction change. And, it's essential that your preference system be quantifiable enough that it actually works when processing applicants from the waiting list.

The sections below discuss the various aspects of the intake process and managing the waiting list. Our purpose here is not to cover the regulatory aspects of these processes. Instead, we will focus on the essential functions and how to manage them. As we review these essential functions, think about the decision points in your admin plan, your internal processes, and how well the intake function works at your PHA.

The HCV manager's objectives are to:

- Ensure that the waiting list process is managed with integrity.
- Periodically assess, with the leadership team, if the waiting list preference system meets the needs of the community and can be efficiently implemented and managed by the PHA.
- Ensure that the waiting list is managed and families are selected from it in accordance with the administrative plan. This directly relates to SEMAP Indicator 1 and also to the PHA's ability to defend legal challenges of discrimination.

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- Ensure that there are always enough qualified families to quickly utilize funding as it becomes available to achieve maximum utilization of program funding. This involves prior planning by the HCV manager, knowledge of the PHA's turnover and success rate, and other factors.
- Ensure that only eligible families are admitted to the program. This relates to effective tools (forms that ask the right questions) for collecting and verifying data and a staff that is well-trained in HUD regulations, PHA policies, and effective interviewing techniques.
- Ensure that all applicants receive a high level of customer service from a trained and professional staff that reflects the PHA's commitment to the community. A culture of excellent service flows from the organization's leaders. The HCV manager must model it, demand it, and inspect it.

Taking Applications

Accepting Initial Applications

It is the responsibility of the PHA to make certain that applications are readily available to those likely to apply and that they are reviewed for completeness when received. In general, applications may be received by mail or fax, hand-carried to the office, or filled out at the PHA. PHAs may also utilize automated waiting lists, where families may apply and update information online. If the PHA does offer an online application system, the PHA should ensure that the needs of persons with disabilities are met by also accepting applications through other means. Applications must be date and time stamped to ensure proper placement on the waiting list.

Initial Application Forms

The HCV manager's objective is to ensure that the initial application form collects the HUD-required data for the waiting list as well as enough information to place the family on the waiting list in accordance with the PHA preference system, and to identify applicants with an interest in targeted funding, if applicable.

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Points to consider: What information do you collect on the initial application form? Will you verify any of the eligibility factors at the time of initial application? Will you permit ineligibles on the waiting list?

Most PHAs use a "preliminary application" (pre-app) for the initial application form. This pre-app is a shortened version of the full application that PHAs use for eligibility determination at the time of selection from the list.

HUD does not provide application forms but does define what information must be collected by the PHA for the waiting list. At a minimum, the following information must be obtained (all of which are required by HUD).

- Name of applicant
- Family size/bedroom size
- Date and time of application
- Qualification for preference
- Racial/ethnic designation of head of household

Optional information that you may want to include on the initial application might be:

- Disability claims for purposes of allowances or reasonable accommodation
- Social security numbers
- Physical address (legal residence may be needed for portability)
- Mailing or contract address for those in temporary housing at the time of their application
- Telephone numbers
- Annual income (so PHA can determine income limit for income targeting)
- Opportunity for placement on other waiting lists, if available

An example of an initial application form can be found on the page that follows.

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Exhibit 8.4-1 Initial Preliminary Application Form

Accessible format available on request. Contact the ADA Coordinator.

Who is the Head of Household? *(Use Legal Name):* **Last** / **First** / **M.I.**	Sex	SSN	DOB	Age	Monthly Income: $ / Income Source

Race: ☐ White ☐ Black ☐ American Indian/Alaska Native ☐ Asian or Pacific Islander ***Ethnicity:*** ☐ Hispanic ☐ Non-Hispanic

Which of the following housing programs are you applying for? ☐ Public Housing ☐ Section 8 Voucher ☐ Mutual Help ☐ Moderate Rehabilitation ☐ Project-based ☐ Other Housing program

What is your present street address?

Street address _____
Street City State Zip

Mailing address _____
Street City State Zip

Business Telephone

Emergency Contact Person

Name _____

Address _____

Tel.

What other adults will be living in the unit?

Legal Name	Sex	Relationship to head	SSN	DOB	Age	School Name or Occupation	Monthly Income
							$
							$

What minors will be living in the unit?

Legal Name	Sex	Relationship to head	SSN	DOB	Age	School Name

Do you claim any of the following local preferences?

List:

_____ _____

_____ _____

_____ _____

Do you require any modifications or accommodations in order to fully utilize the unit or the program and its services?

☐ *Yes* ☐ *No*

Have you or anyone in your household been evicted from Public or Assisted Housing for drug related activity within the past 5 years? ☐ *Yes* ☐ *No*

Signature	Date

NOTICE: You are required to notify the housing agency (in writing) of any change of address. If we cannot contact you at the above address, your name may be removed from the waiting list, and you will have to re-apply

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Some PHAs provide applicants a receipt to show the application was received and some provide a confirmation number showing that the application was received. This number can be used to locate the family's place on the waiting list when requested.

HUD does not require PHAs to verify eligibility factors at the time of the original application. Most PHAs do not, unless they have a very short waiting list. PHAs with longer waiting lists do not verify eligibility factors at the initial application due to the requirement that verification must be received within 60 days of voucher issuance. Some PHAs do only criminal background screening at the time of initial application, and some run a Former Tenant EIV report on all adult members.

HUD also permits PHAs to place families on the waiting list without regard to their income eligibility for the program. Income eligibility is only required at the time the PHA determines eligibility for a voucher. The argument for this practice is that the family's income may change by the time they are selected from the waiting list. The argument against it is that the PHA only wants families on the list who are likely to qualify for a voucher.

Although PHAs are permitted to screen applicants for suitability as renters, most PHAs do not. Screening is the responsibility of the landlord.

PHAs should review the initial application form to ensure that it captures the required information, is not redundant, does not contain prohibited questions pertaining to disabilities, and lists the current admission preferences, if any.

Readmitting Past Participants

Unless the PHA runs a Former Tenant EIV report or recognizes the name of an applicant family member, it is unlikely that the PHA would know that an applicant or family member was a past participant in the program or owes money to a PHA. Your administrative plan should address how to process these families.

- You may want to consider factors such as how long ago the termination took place, the reason for termination, or if there is a debt to a PHA.

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Typically, PHAs use one of the options below:

- The applicant is required to pay the balance in full prior to placement on the waiting list, or
- The applicant is required to pay the balance in installments while on the waiting list or in full by the time of selection from the waiting list.

Ineligible Families

The HCV manager's objective is to ensure that families who are denied admission at the time of application are denied in accordance with HUD regulations and the PHA administrative plan, and that the reasons for such denials are adequately documented in the applicant file.

If a family is determined to be ineligible at the time of the initial application, the PHA must notify the family in writing of the reason for the denial and of their right to request an informal review. Refer to your PHAs informal review policies and procedures.

PHAs should maintain a file of ineligible families for at least three years, generally in separate file folders. The most important information to maintain is:

- The initial application form
- Race and ethnicity of the head of household
- Notification of the reason for ineligibility and related documentation
- The notification to the applicant and PHA of the results of the informal review (from the informal review officer)
- Any documents pertaining to requests for a reasonable accommodation

Because you will want to purge these files eventually, you may want to maintain the files alphabetically by year.

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Disparate Impact and Fair Housing Considerations

In applying preferences—and in determining eligibility and selecting from the waiting list in general—PHAs must ensure that policies that although applied equally do not in fact have an adverse effect on members of a protected class in comparison to members of a majority group. This type of discrimination is referred to as disparate impact, and it occurs when an action or policy appears neutral on its face but is discriminatory when applied.

- For example, a PHA may have a policy that any person with a felony arrest conviction in the past five years will not be approved for assistance. This is a neutral policy applied to all applicants.
- In a particular PHA's community, however, African-American men may be much more likely than any other group to have a felony arrest or conviction on their record. The PHA's policy would therefore have a disparate impact on African-American men compared to other groups such as Caucasian men or African-American women.
- This policy is not necessarily illegal, but the PHA should understand the implications and be able to show that its policy, despite its disparate impact on African-American men, is necessary for the operation of its work.

In 2015, the Supreme Court of the United States upheld disparate impact as a form of discrimination, clarifying that the Fair Housing Act reaches otherwise lawful activities which, while free of discriminatory intent, are nonetheless found to have a "disparate impact" on protected groups.

The ruling prompted a number of HUD notices and memos from the Office of General Counsel (OGC), including but not limited to memos touching on the use of arrest records, nuisance ordinances, harassment, and limited English proficiency.

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Guidance from the OGC memos provide a three-step analysis for claims of discrimination:

- Assessing the discriminatory effect
- Evaluating whether the challenged policy or practice is necessary to achieve a substantial, legitimate, nondiscriminatory interest
- Evaluating whether there is a less discriminatory alternative

Note, however, that on September 24, 2020, HUD issued a final rule involving discriminatory effect allegations requiring charging parties to "sufficiently plead facts" to support various criteria set forth in the rule.

- The defense may rebuff the assertions, which the charging party must then prove are not valid.
- Amid allegations of unlawfulness, on October 25, 2020, a federal judge has postponed implementation of the rule pending review.

Managing the Waiting List

Basics of Managing the Waiting List

There are four aspects to consider in managing the waiting list:

- Opening and closing the waiting list
- The placement of families on the list in accordance with the PHA preference system
- The ongoing maintenance or management of the list (updating, removal)
- The selection of families from the list when funding is available

Voucher applicants must be on a single waiting list, but the PHA may have separate lists for project-based vouchers and moderate rehabilitation.

If the PHA's waiting list for tenant-based assistance is open when an applicant is placed on the waiting list for project-based assistance, moderate rehabilitation or public housing, the PHA must offer to place the applicant on the waiting list for tenant-based assistance.

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If the PHA's waiting list for project-based assistance, moderate rehabilitation or public housing is open when an applicant is placed on the waiting list for tenant-based assistance, and if the other program includes units suitable for the applicant, the PHA must offer to place the applicant on the waiting list for the other program.

Specific HUD requirements for waiting list management include the following:

24 CFR 982.204-982.207

- The waiting list must contain enough information to allow selection in accordance with the administrative plan.
- The system a PHA uses must be easily understood for HUD auditing purposes.
- The waiting list must be organized to indicate:
  - The family's name
  - Application number (if used)
  - Date and time of receipt
  - Unit size
  - Any admission preferences claimed by the family
  - The family's eligibility or interest in targeted units
  - Racial or ethnic designation of head of household

PHAs may want to include the income limit under which the family falls for income targeting purposes.

PHAs must use targeted funding in accordance with the conditions imposed when the funds were awarded.

PHAs must document the reason that any applicant's name was removed from the waiting list.

Waiting List: Other Housing Assistance

24 CFR 982.205(b)

The regulations state that the PHA may not take any of the following actions because an applicant has applied for, received, or refused other housing assistance:

- Refusing to list an applicant on the PHA waiting list for tenant-based assistance
- Denying any admission preference for which an applicant is currently qualified

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- Changing an applicant's place on the waiting list based on preference, date and time of application, or other factors affecting selection under the PHA selection policy
- Removing an applicant from the waiting list

Opening and Closing the List

The PHA must give public notice when opening its tenant-based waiting list. The notice must be published in a local newspaper of general circulation and minority media. The notice must state when and where to apply.

There are important considerations in determining when and whether to open and close your waiting list. The advantage of keeping the list open is that orderly procedures are easier to maintain than if the list is closed and reopened periodically. Opening a closed waiting list can result in long waiting lines.

The disadvantage of keeping the list open, however, is that a PHA might have a list so extensive that applicants may have to wait an unreasonable length of time for the offer of assistance.

In developing a plan of action and determining procedures for opening the list, it would be helpful to review what happened in the past when the waiting list was opened. Your objective is to establish a plan of action and procedures to ensure fair and open access, to obtain as many qualified applicants (including those targeted applicants) with as little chaos and staff interruption as possible.

Here are some things you may want to evaluate:

- Was the time of year the waiting list was last opened a factor?
- What media was used to advertise last opening? Was it effective?
- Did the notice contain adequate information regarding the program in an accessible format, including eligibility, applicable preferences, and where, when, and how to apply?
- Were persons with disabilities made aware of their right to request a reasonable accommodation, if needed?
- Were there adequate locations where application forms were available?

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- Were there efficient procedures for processing incomplete applications?
- Was a lottery used?

Try to determine of the types of problems that were experienced the last time your PHA opened the waiting list and what can be done to avoid the same problems. Some typical problems include:

- Long lines around the building, with people camped outside the night before the waiting list was opened
- Negative press coverage
- Phone lines jammed
- Many irate people who felt they were not served properly
- Time allotted for application taking was inadequate to serve the number people who wanted to apply
- Number of applicants was too small to achieve a waiting list adequate to cover projected turnover and new allocations over the next 24 months
- Staff was not prepared for reasonable accommodation requests
- The application website was not prepared for the number of "hits" by families attempting to apply for assistance.

Analyze what went well and what did not before developing new procedures and a plan of action.

A consistent negative factor among PHAs is handling the volume of telephone calls. Many PHAs utilize an interactive voice response system to handle routine waiting list requests. The system can be used not only for answering questions about the closed list, but also to answer questions about waiting list status and verify contact information. These types of systems operate 24 hours a day and cut staff time substantially.

On the following pages, you will find an example case study of how one housing agency in particular handled the opening the waiting list.

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Exhibit 8.4-2 Opening the Waiting List

For the ABC Housing Authority, a small agency located in the middle of a large metropolitan statistical area, the prospect of opening the waiting list for housing assistance is a daunting task. The PHA assists approximately 1250 families through voucher program assistance and has 600 managed housing units on a 23-mile-long and 2.5-mile-wide island between two large cities. The PHA is able to assist between 100-150 families per year from the waiting list.

The PHA must balance the needs for a manageable waiting list with doing an adequate job of advertising and outreach to the diverse populations within the city and larger county to ensure the goals of furthering fair housing are met. A housing authority next door to ABC opened their list for one Saturday, and managed to shut down a major freeway due to the traffic from handing out over 35,000 applications.

The ABC waiting list had not been opened in several years. The last time the list was opened, only 640 families applied and each person had signed a log sheet and been required to show photo identification. The same staff at the PHA was convinced that opening the list again would result in a similar turnout. The PHA had not budgeted to open the list during that particular fiscal year. However, the eligibility department was going through the waiting list at an unprecedented rate and it was mandatory the list be opened to have an adequate supply of applicants.

A former naval base had just opened to civilian uses and multi-media computer companies were taking over. The housing shortage in the surrounding major cities had spread throughout the area, and with no rent control or "for cause" evictions ordinances in the city to protect tenants, the rents on the island had skyrocketed. Many families received large rent increases and notices from landlords to terminate tenancy for various reasons. ABC's lease-up rate started to fall. It was taking four vouchers to get one lease-up, down from an 85 percent success rate the previous year. The PHA increased the payment standards and requested exception rents, but the favorable market environment was causing less program participation from landlords.

The PHA had not set aside funds for phone banking, and other local agencies that had opened their list this way had reportedly shut down phone utilities to the area on the days they opened. The administrative plan did not provide for a lottery. The PHA was confident that they could open the list the same way they had in the past and it would be just as successful. Therefore, they decided that the agency would open for one day and hand out applications on a first-come, first-served basis, guaranteeing that all in line by the designated time would receive an application.

ABC advertised in the two city papers with free delivery to city residents and on the public access television station. Because many of the resources and organizations for low-income people are county based, the PHA also compiled a list of community based organizations that assisted specific segments of the population targeted for needing extra outreach (i.e., independent living centers for persons with disabilities, and various immigrant and persons of color resource centers, churches, shelters, etc. located throughout the area). The PHA notified the organizations early of the intent to open the waiting list and asked to be included in newsletters and direct mailings to their client base.

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The PHA created two flyers: one containing all the technical specifications of the types of housing assistance available and the applicable income, and the other a simple flyer advertising the opening of the list with the time, date, and whereabouts of the opening in simple, large lettering. Both announcements were posted throughout the city in laundromats, red cross agencies, and local restaurants and businesses.

As a reasonable accommodation, the PHA encouraged persons with disabilities to call and request an application be mailed to them. Many people called and requested applications for such reasons as “I can't get child care…I don't like crowds.” Each person was told that they would be required to verify the disability at the final interview and if the person did not have a disability that prevented them from standing in line, they would deny the application. The PHA mailed out 600 applications to persons with disabilities the week before the waiting list was opened at the school to give people an equal opportunity to complete and return the application with an early date and time.

The moment the waiting list was announced, the PHA was immediately flooded with phone calls from as far away as the other side of the country requesting more information. The elementary school where the opening was to occur was also flooded with phone calls asking for directions from all across the state. Never underestimate the power of the word of mouth! The school had offered its playground for parking, but once the district got wind of the number of people anticipated, that offer was revoked due to liability concerns. That left the PHA with off street parking only in a residential neighborhood for the event. The PHA's efforts to find an alternative location were unsuccessful. There weren't a lot of possible spaces available that could handle the volume of persons that were now expected.

The PHA scrapped the idea of keeping a log and checking identification and instead numbered all applications through a printing company, and made signs that stated photocopying the application would invalidate the application. People started to line up at the school around 2 p.m. the day before the opening. The police were called to disperse people until the school closed at 3:30p.m. By the next morning, the line wound around the entire block. Some persons had camped there the entire night.

When staff arrived, a few disabled and senior persons came to the front of the line and requested they be given an application as an accommodation. The police were not present and people in line began to yell that those who didn’t wait in line shouldn’t get an application. To keep peace in a potentially dangerous moment, the supervisor gave the disabled person her card with her signature on it and told them to come to the PHA Monday morning to receive an application. The PHA opened the gate into the cafeteria an hour earlier than advertised to prevent any further incident.

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Fifteen staff people were stationed at one long table to simply hand each person a numbered application. There were two doors to come in and two different doors to exit the large cafeteria. There were four gatekeepers at each door to keep the crowd manageable and move people along, and to be sure people didn't come back in once they were through the line. The staff was able to hand out 4,000 applications in one and a half hours. The people who received an application freed up off-street parking near the school so miraculously there was never the parking gridlock they had feared. Many people came by bus. After the initial rush of people, there was never more than a 15-minute wait. The PHA did not accept completed applications at the site. People were told they had to return the application in the U.S. mail.

The waiting list was open from 8a.m. to 2p.m. At 2p.m., there was no one in line, and the PHA shut the doors to the cafeteria and went home. The PHA handed out over 8,000 applications. Applicants had three weeks to return the applications. The PHA received approximately 5,000 completed applications by the deadline. They hired a full-time temporary worker to enter applications. As the mail came in, it was sorted into residents and nonresidents, as ABC has a local residency preference. There were 800 city residents who were inputted and able to be pulled for housing assistance right away. The 4200 nonresidents were inputted over an additional six-month period.

ABC's waiting list is now anticipated to be 10-15 years in length. People are required to notify the PHA of changes in writing. The PHA plans to update the list every five years to keep the list as viable as possible. Overall, the opening was a success. There are more people on the waiting list than can be served within a reasonable time, but at least everyone had an equal opportunity to apply.

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Form HUD-90026

Notice PIH 2009-36

Form HUD-90026, Supplement to Application for Federally Assisted Housing, must be provided to families "at the time of application." The form gives the family the option to provide contact information for a friend, family member, organization, or advocate that can assist in providing services or special care to the family, and in resolving any tenancy issues that may arise.

- The family is not required to provide the information.
- The PHA should give the family the opportunity to revise or remove contact information at admission, annual reexamination, or at any other time.

Waiting List Placements, Preferences and Maintenance

Preferences

Regardless of whether you have opened your waiting list, or you are simply managing your existing waiting list, the correct placement of preference and non-preference holders is key to an accurate waiting list and proper selection. This is of primary importance to families and to the PHA (SEMAP Indicator #1). It is also a highly visible activity that is often the subject of complaint, disagreement, and legal challenge. When an allegation of discrimination is made, the file and the waiting list documentation must clearly demonstrate that applicants were placed, removed, or skipped in accordance with HUD requirements and the PHA's admission preferences and policies.

- The regulations governing the use of waiting list preferences can be found at 24 CFR 982.207.

A PHA may adopt a system of local preferences to determine how families are placed on and selected from the waiting list for admission to the program.

PHAs establish local preferences to meet local housing objectives and to serve the unique needs of individual communities. However, admission preferences are optional; if your PHA chooses not to adopt local preferences, then families must be placed on the waiting list based on the date and time of receipt of their application.

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With regard to preferences, it is important to note the following:

- A preference overrides date and time of application. This means that the more preferences a PHA has, the less impact date and time will have.
- Preferences affect only the order of applicants on a PHA's waiting list. They do not make anyone eligible who was not otherwise eligible.
- A PHA's selection preferences must be described in its PHA Plan.
- A PHA's system of local preferences must be consistent with its PHA Plan and the consolidated plan for the jurisdiction.
- A PHA must base its selection preferences on local housing needs and priorities, as determined by the PHA.
  - A PHA should clearly define any preferences that it adopts. The definitions should be simple enough so that families claiming preferences clearly understand what they are claiming, and preferences can be easily verified.
- The method for selecting applicants must leave a clear audit trail to verify each applicant has been selected in accordance with the method specified in the PHA Plan.
- If a PHA wishes to change its current preference system, the PHA must give notice and opportunity for public comment.
  - This requirement is applicable even if the new system is simply based on the date and time of application.
- An opportunity for public comment can be a public meeting or an opportunity to submit written comment.

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Another important consideration in proper selection from the list is the treatment of singles.

- Treatment of singles: PHAs have two options as it relates to singles. Option one is to treat singles the same as other applicant families. Option two is to adopt a “singles” preference. If you elect to adopt the singles preference, selection procedures must ensure that single persons who are not elderly, homeless, disabled or displaced are not admitted to the program before singles that are elderly, homeless, disabled, or displaced. Therefore, the list would be ordered by date and time, and then reordered by singles preference so that all singles were placed below the last elderly, disabled, displaced or homeless single.

A PHA may not implement the new preference system before the system has been added to the PHA's administrative plan and approved by the board.

Residency Preference

While residency requirements are prohibited, residency preferences are allowed. A residency preference is a preference for admission of persons who reside in a specified geographic area.

- The specified geographic area may be a county or municipality, but it may not be a smaller area.

Residency preferences no longer require HUD approval, but they are subject to HUD audit and review for compliance with nondiscrimination and equal opportunity requirements.

Further, a residency preference must not be based on how long an applicant has lived or worked in the preference area.

- Applicants who work or have been hired to work in a residency preference area must be given the benefit of the residency preference.
- Graduates of or active participants in education and training programs in a residency preference area may be treated as residents of the area if the programs are designed to prepare individuals for the job market.

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Preference for Working Families

A PHA may adopt a preference for working families. A working family is one whose head, spouse, or sole member is employed.

- A PHA needs to establish a threshold of employment hours to determine qualification for the working preference.
- A PHA must decide whether the definition of working family includes a family in training.

If your PHA adopts a preference for working families, it must extend the benefit of the preference to families whose head and spouse/cohead or sole member is age 62 or older, or is a person with disabilities.

Note that a working family preference cannot be based on the amount of earned income.

Preference for Person with Disabilities

The PHA may adopt a preference for admission of families that include a person with disabilities.

Preference Prohibitions

A PHA may not adopt a preference for admission of:

- Persons with a specific disability
- Families who agree to participate in the Family Self-Sufficiency (FSS) program

Admission Prohibitions

Although a PHA can establish a preference system to admit families with certain characteristics from the waiting list, admission to the program must never be based on the following:

- The presence of family members that include unwed parents, recipients of public assistance, or children born out of wedlock
- The family includes children
- Age, race, color, religion, sex, or national origin
- A family decision to participate in a family self-sufficiency program
- Persons with a specific disability

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Using Preferences to Select Applicants

A PHA must develop a system for applying local preferences in selecting applicants. The methods for applying preferences include:

- Lumping-all applicants who qualify for any preference are treated equally
- Aggregating-two preferences outweigh one, three outweigh two, etc.
- Ranking-ordering by number (applicants who qualify for the first preference are assisted first, etc.)

As stated earlier, there is no requirement that preferences be verified at the time of placement on the waiting list, but local preferences must be verified at the time of selection from the waiting list.

Maintaining the Waiting List

PHAs must ensure the integrity of the waiting list and that it is secure from tampering or manipulation by unauthorized persons. They must also ensure that there is sufficient documentation to justify the removal or change in status of any applicant on the waiting list.

To ensure that the list cannot be manipulated by PHA staff, the automated system should allow only user-specific rights to enter and change application data and should provide a log of changes (transactions log) that shows changes to the date and time of application and changes in preferences claimed by the family.

Whenever a waiting list is generated, the list is should be up-to-date. Below are some important points to keep in mind:

- Some waiting lists are highly dynamic due to preferences, and an applicant's position on the list may change.
- Because of preferences, a new applicant family may be placed higher on the waiting list than a family that applied months, or even years, earlier.
- Families who withdraw or are withdrawn may alter the order of the list as well.
- If families are skipped for income targeting purposes, the list must be documented.

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Reporting Changes to the PHA

Because changing family information requires staff time, you may want to consider requiring applicants to report only items that affect their status (such as preferences) or the address at which to contact them. Make certain that the information reported by the family is documented in the applicant's file.

- Some changes can be reported over the phone if the PHA permits, but if the family wants to change certain data, such as the head of household, or eliminate an adult from the application, those changes should be submitted in writing.
- The administrative plan should address what to do if an applicant family splits up and both families want to retain their place on the waiting list. The following factors are usually considered:
  - Who is listed as the head of household
  - Whether there was domestic violence in the household and who was the perpetrator
  - Who has custody of the children and the wellbeing of persons with disabilities
  - Whether there are any current (or prior) repayment agreements in effect

Purging (or Updating) the Waiting List

The waiting list should be purged often enough to keep it up to date so that there is a maximum level of response when it is necessary to pull families from the list. Because waiting lists are often very long, some families may have obtained permanent housing or moved out of the area since they originally applied. PHAs typically purge the waiting list every 12 to 18 months.

One way to purge the waiting list is to mail update questionnaires to waiting list applicants as part of an update package. Those who fail to respond are removed from the waiting list in accordance with the administrative plan.

- If your PHA has adopted new local preferences since the last waiting list update, applicants must be provided an opportunity to claim any new preference for which they qualify.

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- Your PHA may need to secure additional information to comply with changes in HUD rules. For example, when HUD implemented income targeting, PHAs needed information on the annual income and number of family members to determine which income limit was applicable. To save staff time and postage, this information can be requested in conjunction with a purge.

To maximize efficiency, develop purge procedures before you start the process. If the waiting list is extremely long, you may have to add temporary data entry staff, or you may need to conduct the purge in batches. Determine how many applicants you can work with at one time so the purge process does not delay other time-sensitive program activities.

Your administrative plan should address policies handling returned purge letters from the post office and how families who claim non-receipt will be evaluated. All returned letters and envelopes should be kept with the application.

Selection from the Waiting List

Introduction

Ideally, a PHA maintains detailed records regarding program attrition, leasing intervals, and success rates. Utilizing HUD's Two-Year Forecasting Tool (covered in Chapter 4: Utilization), the PHA tracks and projects leasing efforts ongoing to stay abreast of emerging leasing trends. The PHA establishes an ongoing leasing procedure to select a set amount of families (adjusting the number of families as needed) from the waiting list each month to determine eligibility and issue vouchers. This approach allows the PHA to manage utilization, integrate leasing into day-to-day program management activities, and avoid massive leasing "events," which result in see-saw utilization.

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Income Targeting

Income targeting requires that at least 75 percent of the families admitted to the program during your PHA's fiscal year are within the extremely low-income limit (ELI). ELI families are defined as very low income families whose incomes do not exceed the higher of the federal poverty limit or 30 percent of area median income.

- This requirement should be monitored monthly to ensure that the 75 percent threshold is being met. If the threshold has not been met, PHAs must select families from the waiting list out of the order of preferences to reach families under that limit and maintain the 75 percent for the fiscal year.

If your waiting list does not contain the income limit of the family and the number of persons in the family, you may want to request this information when you purge the waiting list or prior to scheduling the full application interview. If you are behind on income targeting, your PHA should also have established procedures for dealing with families selected who are over the extremely low-income limit or whose income exceeds the extremely low-income limit after issuance of a voucher. Remember, families with incomes under the extremely low income limit at the final eligibility determination but were not under the threshold at admission will not count toward the income targeting requirement.

Special Admissions

A special admission family may or may not have applied to the PHA’s HCV program. When admitted, the family is being admitted without regard to whether they are on the PHA’s waiting list, and if on the list, without regard to where they are on the waiting list.

Section 24 CFR 982.203 provides the HUD requirements on special admissions and lists examples of types of funding that qualify for special admissions. For example, if voucher funding was providing for public housing relocation families, that funding must go to those particular families living in public housing that is being demolished or disposed of. Because the funding was for those specific families, those families do not go on the HCV waiting list but must be admitted to the voucher program without considering the family’s waiting list position.

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Special admission families are specific families who can be named. For example, if you are demolishing a public housing project, you know that Mrs. Jones lives in Apt 102 in Clear Brook Manor. The funding is for her.

Another example of special admission families who do not go on the waiting list is designated housing. This funding is provided for non-elderly disabled (NED) families living in a designated unit/ project/building who move from the project, and for NED families who would have been eligible for public housing if occupancy of the unit or entire project had not been restricted to elderly families through a Designated Housing Plan. Certain development vouchers are similar to designated housing except that they are for developments listed on HUD's website under NEDs. However, with these vouchers, once all impacted families are served, the PHA can issue vouchers to NED families from the waiting list. This includes turnover vouchers. The PHA must reopen their waiting list if there are not enough vouchers available for this type of family.

PHAs with special admissions must maintain records of special admissions. If the waiting list is audited, you must show why a special admission family cannot be traced back to the waiting list. The PHA's software program should allow for the tracking of these families, even though they have not come from the waiting list. If it doesn't, the PHA must find another way to track these families.

Veteran Affairs Supportive Housing

VASH families are treated differently than waiting list families and special admission families. Under VASH funding, assistance is made available for homeless veterans. A VA HUD-VASH case manager refers eligible families to the PHA for assistance. They do not go on the waiting list and preference requirements are waived. In addition, special admission, cross-listing, and waiting list opening and closing requirements are waived.

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However, the PHA must maintain documentation of referrals in the tenant file. The HCV Manager should have a list of all VASH families. The PHA's computer software should allow for the tracking of these families, even though they have not come from the waiting list. Since these families are noted on the HUD-50058, the software probably allows for it. However, it should also allow for admission of these families without going through the waiting list.

Targeted Funding

The difference between special admissions and targeted funding is that families who qualify for targeted funding must be on the PHA's waiting list and special admission families do not. The problem HCV managers can face is that their computer software does not clearly allow for special admissions to be admitted without first going on the waiting list and for families who qualify for certain targeted funding to be clearly delineated on the waiting list. This should be discussed with your software vendor.

The most prevalent example of funding targeted for certain types of families can be found in many of the Near Elderly Disabled Families (except for families who are specified as special admissions.) Examples would include Category 1 and 2 NEDs and Mainstream, although each of these programs has their own requirements.

Category 1 NED voucher funding was provided for non-elderly persons or families with disabilities to access affordable housing on the private market. Category 2 NED voucher funding is to enable non-elderly persons with disabilities currently residing in nursing homes or other healthcare institutions to transition into the community. Only persons living in institutions are eligible for Category 2 funding.

HUD FAQs note that families must be selected from the waiting list, including those referred by partnering agency as well as others who meet the requirements. Therefore, referrals must go on the regular PHA waiting list. No preferences are needed since the funding was provided for this purpose. If the waiting list is closed, the PHA must open it only to those who qualify.

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Mainstream funding is for non-elderly disabled families on the PHA's waiting list. Refer to the Mainstream Vouchers Q&A on HUD's website.

Selecting from Waiting List

Below is a list of steps to follow when it comes time to select families from the waiting list.

1. Determine the number of families to notify (see the program utilization chapter for how to estimate this).
2. Generate a waiting list that lists the top "X" number of applicants.
3. Mail notification letters for eligibility interviews.
4. Place a copy of the generated waiting list for this selection in an internal audit file for SEMAP purposes, along with a copy of the dated letters, documenting proper selection from the waiting list.
    - For each batch of applicants you notify of their selection from the waiting list, your PHA should have documentation to demonstrate that the families were notified in the order stated in the administrative plan.
5. Determine eligibility for families who responded. Remove the names of families who did not respond by the required date from the waiting list, and file returned envelopes.

There are three factors that can help in projecting the number of families to select for the eligibility pool so as to minimize delays in the utilization of funding. They include:

- An accurate analysis of the waiting list
- The vitality of the waiting list
- Knowledge of waiting list and lease-up factors

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Waiting List Analysis

Even though applicants are responsible for reporting changes while they are on the waiting list, they often do not. There is a ratio between the number of families who are contacted, the number of families who respond, and the number of families who are actually issued a voucher. Regular updates of the list ensure a higher response percentage when it is time to select applicants for the eligibility pool. For this reason, it's a good idea for managers to study past ratios (how many families responded and completed an application and were determined eligible vs. the number who did not respond or were not eligible). There may be seasonal differences, so you should compare the lease-up pattern for corresponding months in previous years rather than look at an annual ratio.

The case studies that follow better illustrate the selection process. In addition, we have provided sample forms and letters.

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Exhibit 8.4-3 Selecting Families from the Waiting List

As a housing agency interested in assisting as many families as financially possible, the XYZ Township Program puts much emphasis on the quick and accurate selection of families from the waiting list. As such, we have developed a process which ensures an up-to-date waiting list as well as an efficient selection process which ensures immediate funding to families on the waiting list as soon as funding becomes available for them.

This process consists of the following steps:

1. Annual purge and update of the waiting list: Over the past several years, funding has been extremely limited. In fact, most of the leasing done is a result of attrition rather than funding increments. As a result, the waiting list is barely moving. When the waiting list gets old, we find that it gets stale, meaning by the time we reach many of the names, they have either moved, become ineligible, or have already received some other form of assistance. If we wait for funding availability before reviewing our waiting list, it delays the actual leasing of the eligible families, since we may have to go through many more names until we reach one who is still eligible, has a local preference, is still at the same address, and is still interested in housing assistance. Our agency therefore sends out an annual mailing to all waiting list participants advising them of their obligation to keep their file current with their proper mailing address, family size, and preferences. Anyone who does not respond is removed from the waiting list (after 3 attempts to reach them). This helps to update our computer with the current information. In addition, by performing the purge annually, we have a better chance of finding the applicants. If they have moved, their mail will still be forwarded. Delaying a purge longer than one year may cause families who forget to inform us of a change of address to lose their place on the waiting list because no mail will ever reach them. In this way, we hope to catch most movers.
2. Once funding becomes available, we can go to the waiting list and select the next eligible families. In addition to quick selection, our agency has mastered accurate selection, in other words, making sure that the correct person is called. The waiting list is maintained by a waiting list coordinator who is responsible for updating the waiting list with any changes to family size, preferences and addresses. When funding becomes available, the office supervisor will ask the waiting list coordinator to give her “x” amount of the next applicants. The waiting list coordinator will take the top “x” names and make a list of those applicants, and will also pull the files and give same to the supervisor. The supervisor then reviews all the files to ensure that they are correctly placed on the waiting list and that they match the list provided by the waiting list coordinator. If everything checks out, the cases will be assigned to caseworkers for lease-up. All applicants selected will be sent a “call-in” letter.
3. When the applicants call the office to make their appointment they will first meet the “gate watcher.” This employee preliminarily reviews the applicant's paperwork to ensure that they are both income eligible, qualify for the preferences they are claiming, and what bedroom size unit they require. If all checks out, they are handed over to the caseworker for voucher preparation and lease-up. If any problems arise, they will be handed over to the supervisor for review and or returned to the waiting list. We have found that by doing it this way, the caseworker does not find surprises in the middle of her work, forcing the case to be interrupted, investigated, stopped, or returned to the waiting list. By detecting any problems immediately, the gate watcher can stop a mistaken call-in before it is too late and can also advise the supervisor that out of “x” applicants, only “y” seem to be eligible so that another “z” applicants can immediately be called.

In many instances we have found that applicants are leased within a month as opposed to the several-month review period we have seen in other agencies.

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Exhibit 8.4-4 HCV Lottery System

Housing authorities struggle with their HCV waiting list process because thousands of people apply with years between openings, creating crowd problems, paperwork problems, and a lack of hope for those on the list for years and those trying to get on it. People camp out overnight to be the first in line; and parking, restrooms, child care, elderly care, safety and security, and food and water are all concerns.

Applicant data has to be maintained and updated. Purges to remove those no longer interested, etc., are time-consuming and expensive due to mailing costs for thousands of letters. Only 35 percent of the applicants were ever approved for the voucher program, because such a long time had passed between application and processing. The long wait was very frustrating for families. If a family missed the opening, many years passed before the list was opened again. For this reason, the Daffodil Housing Authority opted to use a lottery system for the selection process. This lottery process is as follows:

1. Issue a public notice in newspapers advertising the lottery system and the lottery pool opening.
2. Contact local agencies dealing with potential applicants and instruct on the lottery process, enabling the agencies to assist their clients with the lottery process.
3. Lottery cards are available to the public on two days, at six locations. An informational flyer (in English, Spanish, and Vietnamese) is given to each participant.
4. Participants pick up lottery cards, complete them, and return them by a postmark deadline. Lottery cards are not accepted in person. The card asks for the applicant's name, Social Security number, birth date, spouse data, marriage status, address, number of adults and minors, preference information, income ranges, and income source. Signature and date are required.
5. After the postmark deadline, enter card data into the computer system. Cross reference names and Social Security numbers to eliminate duplicate entries.
6. Based on current need, draw names to be placed on the waiting list. The drawing is a random computer drawing which uses a methodology such as www.random.org. Issue another public notice in newspapers to advertise the drawing. Post the numbers drawn. Send letters to everyone drawn, advising them to pick up an application packet at one of the six locations. Establish deadlines for application pick up and completion.
7. As completed applications are returned, schedule interviews to verify information, etc. When approved for assistance, schedule the family for immediate orientation.

The lottery pool is opened annually. Unused cards are voided at year’s end. The lottery system gives the applicants an opportunity to enter the lottery pool each year.

The lottery system is a huge success. The success rate of applicants increased from 35 percent (old waiting list system) to over 60 percent. This higher success rate is because those on the lottery list are current applicants, not several years old. Those that applied are processed in a timely manner, so their information is still current, and they are still interested in the program.

Applicants and the community praise the lottery system because it is more applicant-friendly. Time and money is saved by not having to purge. Third party verifications are easier to obtain because information is current on the applicant.

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Old Process	New Process
It would take years (approximately 4 to 6 years) before the opening of the HCV waiting list.	Once a year the Random Choice Lottery Pool is open.
When the waiting list was open, there were crowds of people waiting in long lines for hours at one location.	Public notices are posted in all Daffodil city newspapers. The interested public are told where to pick up a lottery ticket at any of the 5 locations. Because of this, there are no crowds and the prospective applicant is accommodated faster.
This created false hopes to the people who applied for vouchers due to the abundance of applications accepted and the possibility of falling through the cracks was greater.	This created hope for the people who participated. No more long waiting list that could take years to be processed. Random computer drawings are held when vouchers are available throughout the year. Numbers selected are then placed on the waiting list. Over the course of the last year, over 1500 people participated and were processed within nine (9) months. However, people that are not selected are discarded at the end of the year.
A lot of wasted staff time maintaining and purging the waiting list and verifying information.	Staff time was reduced to maintaining the waiting list, the purging process was completely eliminated, and a lot of time was saved in verifying information.
Redundant and cumbersome paperwork, which was very costly to the Daffodil Housing Authority.	This procedure eliminated duplicative and cumbersome paperwork, reducing cost to the housing authority.
The success approval rate for applicants was at 35 percent.	The success approval rate for applicants was increased from 35 percent to 60 percent; this percentage will continue to rise.

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Exhibit 8.4-5 Sample Letter to Lottery Ticket Holder

Dear Housing Choice Voucher (HCV) Program Lottery Ticket Holder:

This letter is to inform you that your lottery ticket number has been selected. To complete the application process for the housing choice voucher program, you must come to the occupancy department located at our main offices at 1234 Main Street, Second Floor, to pick up an application packet. You must present this letter in order to pick up a packet and come to our office between the hours of 9:00 a.m. and 11:00 a.m. The packet must be picked up, completed, and returned with all required documents before_____. The packet contains application forms and information regarding documents needed to complete an application. You will find an enclosed checklist regarding the required documents that must be submitted with the packet.

When you are ready to submit your completed application packet, it must be submitted in person and you must submit this letter, as well. Please allow some extra time to wait when you personally submit your packet as it will be reviewed for completeness at the time of submission. All completed application packets must be submitted to the Daffodil Housing Authority Occupancy Department between the hours of 1:00 p.m. and 3:00 p.m. Again, the last day to submit a packet and obtain an appointment for an interview is 3:00 p.m. on _____. Please make sure your packet is complete as there will be no exceptions or extensions granted after the above date.

To assist you in completing your packet, you will find attached a checklist of all required documents. In addition to the documents that are required, the packet forms must be filled out completely. The documents you must have are a photo identification of all adults, vital statistics birth certificates for all minors in family, legal custody papers, if applicable, proof of Social Security numbers for all household members except undocumented persons, and police clearance reports for all members of the family 18 years of age and older.

If you fail to submit a packet and obtain an appointment for an interview by _____ then your HCV Program Lottery Ticket shall become null and void, and you need to submit a new ticket at another time when the Daffodil Housing Authority holds an HCV Lottery. Since this HCV Lottery Ticket is not an application, no appeal or hearing is allowed.

Sincerely,

Daffodil Housing Authority Occupancy Department

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Exhibit 8.4-6 Sample Information Needed Request

_____ Police Clearance report (All members 18 years of age and older).
- If you are a resident of the City and County of Daffodil, you may obtain a police record clearance at the Police Department at 111 Brian St., Room 310, between the hours of 10:00 A.M. and 8:00 P.M., Wednesdays and Thursdays only. The phone number of the ID Section is 640-3941. If you are not a resident of the City and County of Daffodil, you must obtain a police record clearance from your local police department.

_____ Photo I.D. (Adult Member)

_____ Birth Certificates from Vital Statistics for minors (Vital Statistics is located at 4321 Nancy Creek Drive)

_____ Documentation of Social Security numbers for all household members except undocumented persons.
- (In Daffodil, the Social Security Administration is located at 6789 Cherry St. Check phone book for other locations in your area.)

_____ All preliminary application forms must be completed

_____ Please bring information or documentation on all sources of income (i.e., SS, SSI, TANF, alimony, wages etc.)

Note: Your rent will be based on your income; however, there is a minimum rent of $25.00 per month.

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Needs Estimation

The needs estimation is how PHAs determine how many units must be leased to utilize available funding.

- The estimate will be influenced by the accuracy of the waiting list.
- PHAs should look at past data for the waiting list and leasing factors.
- PHAs should project openings about 90 days ahead, not wait until they occur.

In estimating the number to pull from the waiting list, consider these steps:

- Review ACC and Annual Budget Authority. Know your baseline ACC vouchers and available budget authority
- Review monthly terminations and quantify an average. Review first of month VMS and end of month VMS leasing reports to evaluate terminations during a month.
- Review current housing trends and review current subsidy costs (PUC)
- Review lease up success rates. Know the ratio of vouchers issued to 50058s processed.
- Portability: Are you administering or absorbing? If you are absorbing, how many families port-in each month, and how many successfully lease-up?
- Calculate how many applicants to draw from the waiting list to meet and maintain leasing
    - Review the final data from all of the above categories.
    - Take your baseline vouchers and compare with current utilized vouchers (VMS).

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- Factor in the lease-up success rate, days to lease from voucher issuance to 50058, and applicants that do not lease-up. These numbers give you the average success rate. For example:
  - Your PHA issued 100 vouchers.
  - 50 families who were issued vouchers successfully leased within 90 days.
  - 25 vouchers expired.
  - 10 no response.
  - 15 were ineligible.

This would give you a success rate of 50 percent. Therefore, you would need to select twice as many additional families as you have determined needed leased under the program.

Review the Current PUC and compare with the vouchers available. There needs to be enough funding to cover the cost of being fully leased. If there is a shortage of dollars you must adjust the voucher utilization number. For example:

- The PHA has100 baseline vouchers.
- The monthly funding available is $70,000.
- The actual per unit cost is $800.00.
- Therefore, the PHA can only afford to lease 87 vouchers ($70,000/$800=87.5).

Final Eligibility Determination

Introduction

The determination of eligibility is the final and most critical step in the intake process. Families are normally required to attend an interview, sign authorization forms and provide all of the information and documents requested by the PHA. The PHA must verify local preferences and all of the HUD and PHA factors of eligibility.

You, the HCV manager, must ensure that all factors of eligibility are verified. This is one of the areas of quality control you should monitor continually.

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Full Application Form

The full application form must be designed to capture the wide range of information needed to determine eligibility. Its formatting serves as a guide for the interviewer and should mirror the computer data-entry flow of information. Some PHAs scan the information from a paper form directly into the computer. An example of a paper version of a full application form can be found on the portal for the HCV Program Management class which you will have access to if you have attended the class.

The management objective is to ensure that at the time of admission to the program the families are income-eligible, their adjusted income is calculated correctly, and the income verification is not older than 60 days from the date of voucher issuance.

Families must be certified eligible before the PHA issues the voucher. The file must contain verification of all factors that affect the adjusted income. Additional HUD requirements include:

- Disclosure and documentation of Social Security numbers for all household members other than exempt persons (with the exception of a child under six added within six months of voucher issuance)
- Submission of documentation of citizenship or eligible immigration status
- All family members age 18 and over, and the head of household and spouse (regardless of age), must sign form HUD-9886, Authorization for the Release of Information

Steps to Determining Program Eligibility

Here are the steps to determine program eligibility:

1. Data collection (have applicant complete the full application form and sign related verification forms, including the HUD authorization for release of information and privacy act forms)
2. Place the family in the applicant verification pool
3. Obtain verification according to HUD requirements
4. Obtain verification according to PHA requirements (criminal record, previous debts)
5. Notify the family of their eligible or ineligible status
6. Calculate the maximum subsidy for vouchers

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Applicant Verification Pool

Step number two above mentions the applicant verification pool. An applicant family is placed in a verification pool:

- After funding is anticipated to be available
- After the family has been sent their letter for selection from the waiting list and responded
- While the family is awaiting the completion of verification

Initial Certification

Initial certification occurs when the eligibility of the family has been determined and a HUD-50058 form has been transmitted for a new admission.

Effective Interview Function

HUD does not require that families be interviewed prior to admission, and the entire process can be accomplished by mail if your PHA so chooses. Most PHAs interview the client at the final eligibility stage.

However, successful program integrity and error reduction strategies do begin with an effective interview of applicants when they are selected from the waiting list. The ability to utilize effective interview skills is key for everyone who must interact with others-whether their role is problem solving, supervising, or general communications.

The primary purpose of an interview is to obtain complete and accurate information. This cannot be accomplished unless clients understand the questions and answer them truthfully.

In order to have an effective interview function, PHAs must have:

1. Well-trained and skilled staff
2. Effective tools for communication with the family
3. An interview method that is used by all staff
4. Effective forms for data collection from the family

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General Certification Requirements

Although intake focuses on the initial certification, it's useful to understand certification requirements in general. The management objective for the required certifications is to ensure that families are properly charged and that payments (both housing assistance payments and utility reimbursement payments) are being properly administered.

There are three types of certifications. They are:

- Initial (new admission)
- Annual (reexamination)
- Interim (redetermination or reexamination)

There are numerous transactions that require your PHA to submit the HUD-50058 form to PIC/IMS. These include:

- New admission (code 1)
- Annual Reexamination (code 2)
- Interim reexamination (code 3)
- Portability move-in (code 4)
- Portability move-out (code 5)
- End participation (code 6)
- Other change of unit (when there is no annual certification in conjunction with the move) (code 7)
- FSS/WTW enrollment or program exit only (code 8)
- Annual reexamination searching (when a family has vacated the dwelling unit and has not yet leased up in a new unit as of the annual reexamination date) (code 9)
- Issuance of voucher (code 10)
- Expiration of voucher (code 11)
- Annual/biennial HQS inspection only (code 13)
- Historical adjustment (code 14), to capture information for households who have no new admission recorded in PIC, but require an action other than a new admission or voucher issuance

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Verification

HUD regulations require a PHA to verify the factors of eligibility and all factors that affect the adjusted annual income. Applicants must furnish proof of their statements whenever the PHA requires, and the information they provide must be true and complete. The family is also required to sign any type of authorization form required by the PHA to verify information provided by the family. A PHA's verification requirements are designed to maintain program integrity. PHAs establish procedures and standards for the verification of:

- Preferences
- Income
- Assets
- Allowable deductions
- Social Security numbers
- Family status
- Changes in family members

To determine whether information has been properly verified, the manager should be sure there is proper verification documentation for each item to be verified. The verification documents should be compared to the computer data entry.

HUD expects PHAs to follow the verification requirements specified in Notice PIH 2018-18, and note the reasons why a lower form of verification was used, if applicable.

In addition, all file notations made by staff should be complete, dated, limited to facts (not opinions), and signed or initialed.

To manage the verification process effectively, your PHA should establish a schedule for requesting higher levels of verifications before accepting lower levels.

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Set up a method for filing verifications once they are returned. Depending on the file system selected, verifications may be filed by a clerk with a notation in the computer file as to which verifications have been received. Housing specialists may also track verification during the eligibility process.

The timing of the verification is critical at admission, since it is usable for calculation purposes for only 60 days from the time it is received in the office until the voucher is issued. However, if more than 60 days elapse between the date the verification is received and the issuance of a voucher for initial admission, the item must be reverified. While awaiting reverification, the family will be in the verification pool. A sample verification tracking form follows.

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Exhibit 8.4-7 Sample Verification Form

Sample Verification Monitoring Form

Name _____

	Type of Verification	EIV	UIV other sources	3rd Party Tenant-Provided Docs	3rd Party Verification Form Sent	3rd Party Verification Form Received	Self-Declaration	Remarks
Income	Social Security/SSI/SSD							
	Railroad Retirement							
	Veteran's Administration							
	Welfare							
	Child Support							
	Employment							
	Pension							
	Unemployment Compensation							
	Worker's Disability Comp							
	Educational Assistance							
Assets	Checking							
	Savings							
	Savings Certificates							
	Contract for Deed							
	Real Estate							
	Stocks/Bonds							
	Credit Union							
	Life Insurance							
Expenses	Medical:							
	Insurance Premiums							
	Payment Plan							
	Rx (Pharmacy)							
	Child Care							
	Disability Assistance							
Other	Educational Status							
	Verification of Disability							

Calculation

The accurate calculation of annual income and adjusted income will ensure that families do not pay more or less money for rent than their obligation under the regulations. HUD defines the allowable deductions from annual income and how the presence or absence of household members may affect the total tenant payment (TTP). The formula for the calculation of TTP is specific and not subject to interpretation. The regulations governing this can be found at 24 CFR Part 5, Subparts E and F, and further instructions set forth in HUD notices, memoranda and addenda.

- Certification results must be transmitted to the accounting staff in an expedient manner so payments to owners are not delayed.

Accurate income and rent determinations should be a priority for the HCV manager. This requires a knowledgeable and well trained staff. Managers should review PIC error reports and provide training to staff as needed if there are errors or data entry problems. If there is a computer software problem, you should contact the software vendor to determine whether the error report is due to a HUD problem or a software problem.

File Maintenance

Although family data is stored in the PHA software, the paper filing system is important back-up for an audit. For ease of use, there should be an agency-wide protocol for the organization of tenant files. Any staff member or reviewer should be able to pick up a file and know exactly where specific documents or information are located within the file.

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SECTION 8.5 INITIAL LEASE-UP

Introduction

In this section we will discuss the lease-up process from the point an eligible family is briefed through the execution of the HAP contract with the owner.

Under the SEMAP lease-up indicator your PHA must achieve a lease-up rate of at least 98 percent to earn the maximum points.

There are many activities needed to achieve this goal. The waiting list must be properly maintained, there must be enough eligible families to quickly utilize funding as it becomes available, and the PHA must conduct effective briefings to prepare families in the search for housing.

How the PHA manages the leasing process is a critical component of successful utilization of funding. After submission of a Request for Tenancy Approval (RFTA), numerous requirements must be met before the leasing is effective. This can involve effective communication and coordination with many different people and departments at your agency. This is why HCV managers must plan and control the leasing process. Failure to do so will adversely affect your SEMAP score and can negatively impact the PHA's revenues as administrative fees are earned based on the number of units under lease as of the first of each month. Therefore, it's critical for the success of your program to not only understand the HUD requirements for lease approval, but also how to track each of the steps in the process.

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The following steps in the lease-up process should be monitored:

- Voucher issuance and briefing to submission of RFTA
- Time from receipt of RFTA request of other approval factors
  - Inspection request to approval of unit per HQS
  - Determination and documentation of rent reasonableness
  - Determination of affordability if gross rent exceeds payment standard
- Lease execution between owner and tenant
- Execution of HAP contract between PHA and owner within required time limits
- Timely initial payment to owner

In this section we will cover the basic regulatory requirements that govern each step and why they are important to the overall process, and suggest ideas for how to track them.

Issuance of Vouchers and Briefing

24 CFR 982.301

The purpose of the briefing is to provide families with information on how the program works, as well as the information needed to successfully locate and lease a unit under the program. Managers should ensure:

- The PHA provides information and documents to families in compliance with HUD's briefing requirements. This means that all of the oral briefing requirements are met and that the briefing packet contains all of the required forms and information.
- That vouchers are extended in accordance with PHA policy.
- The briefing materials are user-friendly and in an understandable format.
- That briefings are conducted prior to or upon issuance of the voucher.
- That the bedroom sizes of the vouchers issued correspond to the PHA subsidy standards.

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PHAs can conduct group or individual briefings at their discretion. The advantages of group briefings are:

- Time savings
- Consistency of information provided
- Participant questions, which spark other questions

Some advantages of individual briefings include:

- The attention given to individual clients (easier to establish a rapport)
- A setting where a family's personal rent calculation can be reviewed
- Participants may be more comfortable asking questions in a one-on-one setting than in a group setting

Briefings may be conducted in person or remotely, depending on PHA policy. See Notice PIH 2020-32 for the requirements regarding conducting remote oral briefings.

Most PHAs conduct briefings in a group setting and offer to meet with families individually if needed. Likewise, most PHAs issue the voucher at the briefing. Managers should review all briefing materials and attend briefings periodically to ensure that they are clear and effective.

Although the PHA may conduct briefings in other circumstances, the only formal briefing HUD requires is prior to or upon the initial issuance of a voucher.

Information Provided at the Briefing

Each family must be provided with a briefing packet. The packet must contain all of the HUD-required documents and information about PHA policies. Some PHAs require the family to sign a “briefing certification” statement to document that they were provided with all of the program rules and that all of their questions were answered. You may want to have families sign in at briefings to verify attendance as well.

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Legal challenges may occur when clients allege that they were not provided information about specific program rules and requirements. One way to ensure that clients receive consistent information is to utilize a briefing video. Since videos are more expensive to produce than most other media, the least expensive method is to purchase an off-the-shelf product. Other media, such as overhead transparencies or a computer slide presentation, can also be used.

Off-the-shelf products provide generic information about the program, so you provide the information that is specific to your program policies and procedures. Usually there are leaders' guides to tell you what HUD-required areas are addressed in the product and what must be covered by staff. Whatever method or product you use, guide the presenter through the same information every time. If nothing else is available, use a checklist and be sure the presenter checks off each item. Consistency is the key.

Briefing a Welfare-to-Work Family

In briefing a welfare-to-work family include any local obligations of welfare-to-work families and an explanation that failure to meet these obligations is grounds for denial of admission or termination of assistance.

Briefings Checklist

The following are required components of the oral briefing and the briefing packet under the regulations. When you return to your agency, check to see if all of these components are provided.

Oral Briefing

Included?	Required Item
	Description of how the program works
	Family & owner responsibilities
	Where the family may lease a unit, including renting a dwelling unit inside or outside the PHA jurisdiction
	Explanation of portability, including how portability may affect the family's assistance
	The advantages of moving to an area that does not have a high concentration of poor families
	Term of the voucher
	PHA policy on extensions or suspensions of the term
	If extensions are allowed, how the family can request an extension
	How the PHA determines HAP
	How the PHA determines the payment standard
	How the PHA determines TTP
	How the PHA determines maximum rent (affordability)
	Where the family may lease a unit
	An explanation of how portability works, including how portability may affect the family's assistance
	Tenancy Addendum
	RFTA
	Explanation of how to request tenancy approval
	Statement on PHA policy on providing information to owners
	Subsidy standards and grounds for exceptions
	"A Good Place to Live" brochure
	Information on federal, state, and local equal opportunity laws and a copy of the housing discrimination complaint form

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Included?	Required Item
	List of landlords or other parties who may be willing to lease a unit to the family or help the family find a unit
	Notice the family may request a current listing of accessible units
	Family obligations
	PHA informal hearing procedures, including when they are required and how to request one

The Voucher Document

24 CFR 982.302(a)

The voucher authorizes the family to search for housing. It contains the issuance and expiration dates as well as general program requirements and the obligations of both the family and the PHA. The family unit size (commonly called "voucher size") is determined by the PHA subsidy standards and based on the size and composition of the family.

The language describing the family obligations on the voucher form does not correspond verbatim to the family obligations listed in the regulations (see 24 CFR 982.551). PHAs should carefully review this language to ensure that the family obligations are correctly enforced.

Extensions

24 CFR 982.303(b)

The initial term of the voucher must be at least 60 days. PHA policy on extensions of the voucher should be based on the local housing market. HUD does not require PHAs to approve any voucher extensions beyond the initial 60 days, except as a reasonable accommodation for a person with a disability. You can require the family to provide proof of their search efforts or some other criteria as a condition of extending the voucher. Managers should also ensure that families are notified of any extension of the voucher in writing, and that families are notified of any approval of a voucher extension in writing.

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If there are high vacancies in your market area, there may not be a need to extend vouchers, but if the market is tight you may want to have a more liberal policy on voucher extensions. You may even want to issue vouchers for a longer initial period than 60 days.

Suspension/Tolling

24 CFR 982.303

Suspension of the voucher term means that the 60-day clock is suspended from the date that the family submits Request for Tenancy Approval until the date the PHA notifies the family in writing whether the request has been approved or denied. If the unit is disapproved, then the number of days from receipt of the RFTA to the unit disapproval date would be added to the expiration date of the voucher.

Suspension is a regulatory requirement under 24 CFR 982.303(c).

The Leasing Process

The initial lease-up process is triggered by receipt of the RFTA within the term of the voucher. To manage this initial leasing process, the HCV manager must ensure that there is effective communication and coordination of activities between housing staff, inspections staff, the family and the owner. Lack of communication and coordination will delay the leasing process; this will frustrate the family and create a disincentive for owners to continue to participate in the program. HCV managers should personally track the processing of a RFTA from reception through payment initiation and closely observe how the process is working. Here are some things to track and observe:

- Are new owners contacted by telephone and welcomed to the program?
- Is the RFTA reviewed for completeness?
- How long does it take the administrative staff to communicate the needed information to the inspectors?
- How long does it take for inspectors to schedule and conduct the initial inspection?
- How is information about the inspection communicated to the owner?
- How are inspection results communicated to the owner and family?

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- Do inspectors perform like PHA emissaries or just inspection technicians?
- If the rent is not reasonable or the unit not affordable, how are negotiations conducted with the owner?
- What are the procedures for HAP contract execution with the owner? Are contracts executed no later than 60 days from the lease approval date?

Request for Tenancy Approval Form

24 CFR 982.302

The family is required to submit form HUD-52517, Request for Tenancy Approval (RFTA), which has been executed by the family and owner and a completed (but unexecuted) lease including the tenancy addendum. The paperwork usually goes to a housing specialist, who may schedule and conduct the inspection or may pass the information to the inspection department.

- Although the form includes a requested beginning date of the lease, the unit may currently be occupied by another tenant. The RFTA includes a field that indicates the date when the unit will be ready for inspection.

Steps to Leasing

An efficient leasing process requires good communication, coordination of activities and attention to detail. When the RFTA and leasing documents are received, the following steps should be followed:

- The documents should be reviewed for completeness and missing information is obtained
- The responsibilities for utilities and appliances specified in the RFTA should be compared to the owner's lease and differences resolved if needed
- The owner should be contacted to schedule the inspection of the unit
- The unit must be inspected (and reinspected if needed) and pass inspection
- The rent reasonableness should be determined and documented, and the rent negotiated, if needed

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- Affordability should be determined (if applicable) and the rent negotiated, if needed
- The utility allowance should be calculated based upon the owner's lease and RFTA
- The housing assistance payment and tenant rent should be calculated
- The PHA prepares a HAP contract if the unit passes and the rent and tenancy are approvable
- The family and owner execute the lease
- The PHA and owner execute the HAP contract

PHAs are not permitted to make payments to the owner until the HAP contract has been executed by the PHA and the owner. If it is executed within 60 days from the lease approval date, you may pay the owner retroactively. If it is not executed within the 60-day period, the leasing is null and void and you may not pay the owner.

Manager Responsibilities to Achieve Lease-up

The manager must control the leasing process by coordinating the activities of staff and ensuring that there is appropriate communication between the tenant and owner throughout the process. There are two main causes of delays in the leasing process. One is that the PHA does not have adequate tracking mechanism to manage the leasing process and the other is the PHA's failure to use the telephone (and the automated system), to communicate and track the various leasing activities. Staff is responsible to communicate the results of their activities to the staff that need that information in order to complete their tasks. Owners should be contacted by telephone if contracts are not received by a pre-set deadline (long before the 60-day maximum). The only way that contracts are not executed within 60 days is if no one is paying attention to the process.

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Managers should ensure that steps of the leasing process are performed in a logical manner. For example, some PHAs perform the rent reasonableness determination after the unit has been inspected. This creates problems if the rent is not reasonable and the owner is not willing to lower the rent-the inspector's time has been lost on a unit that will not be approved, and the family has lost valuable time on the voucher term. Conversely, if the rent reasonableness determination is made before the inspection, the PHA may not have all the data it needs to make the rent reasonableness decision.

The coordination may be more challenging if the inspection responsibilities are not under the control of the HCV manager or if they are performed by a contractor. The problem may relate to the transfer of data between the vendor's software and the PHA's software. Regardless, the same timing restrictions apply.

The manager may find that creating a log is the most efficient way to track key leasing indicators. When maintaining a leasing log, the following dates should be noted:

- Date the RFTA is submitted
- Initial inspection date
- Reinspection date (if any)
- Inspection pass date
- Lease effective date
- Date the HAP contract is sent to the owner
- Date the signed HAP contract is returned to the PHA
- Date the HAP contract is executed by the PHA (note that this date must be within 60 days of the lease effective date)

The information in this type of log will help the manager track each step of the leasing process, ensuring that different PHA staff members are working in coordination to process lease-up and documenting any areas where the PHA may improve the process. For example, the log can be a good source of information on whether the PHA has adequate inspection staff and inspections are being scheduled promptly.

Ideally, the process from RFTA submission by the family to the effective date of the HAP contract and lease will occur within a 15-day window.

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Lease Approval

24 CFR 982.308(d)

The purpose of submitting the lease along with the RFTA is so that the PHA can review the rent and utilities as compared to the RFTA and to ensure that the lease contains the HUD-required information.

24 CFR 982.209(a)

Normally, the initial term of the lease will be for at least one year, but it can be longer. PHAs may also approve a shorter initial term if the shorter term will increase housing opportunities for the family and it is prevailing local market practice. Your PHA should make the following decisions:

- Whether any shorter terms will be approved
- What documentation will be sufficient to determine whether a shorter term is normal for the area (the local real estate market or apartment association may be able to provide information)

24 CFR 982.308(b)

Owners must use the same lease they use for unassisted tenants on the premises. If the owner does not use leases for unassisted tenants, PHAs may offer a sample lease form. This practice is discouraged for two reasons. First, sample leases can be easily obtained and, second, the PHA does not want owners to have a perception that the PHA is in any way a party to the lease agreement.

Required Information

Certain information must be included in the owner's lease. The lease must specify the following:

- Names of the owner and tenant
- Unit address
- Term of the lease (initial term and any provisions for renewal)
- Amount of the monthly rent to owner
- Which utilities/appliances are to be supplied by the landlord and tenant

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Inspections

24 CFR 982.305

The management objective for unit approval is to ensure that units are inspected in a timely manner after receipt of the RFTA. If the unit does not pass inspection, and the owner does not make the repairs, the unit cannot be leased under the program.

Because HUD requires PHAs to inspect the unit within the timeframes noted in 24 CFR 982.305 or document that the timeframe was suspended because the unit was not available for inspection, tracking of the timeframes and documenting reasons why they were not met is important.

- PHAs with up to 1250 budgeted units in their tenant-based program must inspect within 15 days after the RFTA is submitted.
- PHAs with more than 1250 units are held to the same standards "to the extent practicable" but must conduct inspections within a reasonable time after he RFTA is submitted.

In most PHAs the inspector contacts the owner by telephone to schedule the inspection. Some PHAs mail a notice to the owner. The owner should be given a contact number in the event of the need to reschedule. There should be written procedures for this function with the end result being to get the inspection scheduled and conducted as soon as possible after receipt of the RFTA.

If the unit does not pass the inspection, a list of failed items (and items noted for comment which do not fail the unit) should be provided to the owner at the inspection or sent to the owner after the inspection.

The owner should be given a time frame to correct the items and told that the PHA will reinspect the failed items after they are corrected. It is recommended that the inspector determine the owner's willingness to make repairs and obtain an estimated date when repairs will be completed at the time of the inspection. There is no set standard for this time frame, but the lease cannot begin until all the items have been corrected and verified by the PHA. If the owner does not agree to make necessary repairs, the unit must be disapproved and another RFTA issued to the family if there is time remaining on the voucher.

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Where unreasonable delays are caused by a PHA, the manager should analyze the cause of the delay and institute procedures to correct the delay. Delays are more critical in a tight rental market, because a PHA delay can cause the owner to decide not to rent the unit to the family or not to offer any other units for leasing.

24 CFR 982.305

As a manager, you should at least know actual time frames for processing the inspection. Institute a tracking system so that you can identify problems in the communication and coordination between housing staff and inspection staff. Pay attention to the following timeframes:

- Number of days from the date the unit is available for inspection and the date the inspection is performed
- Number of days between unit inspection and notification to the owner of inspection results
- Number of days between owner notification that repairs are done and the date the unit is reinspected
- The number of days between unit approval and HAP contract execution

The unit must be inspected according to HUD's minimum Housing Quality Standards. Your PHA may add additional inspection requirements in their administrative plan but only with HUD approval.

PHAs are required to use the HUD inspection form, unless HUD approves the use of another form in writing. There are two versions of the HUD inspection form: a long version (HUD-52580-A) and a shorter version (HUD-52580). The long version should be used until the inspector has attained the experience and competence to use the short form, which does not give detailed information on each requirement.

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A major owner complaint about the HCV program is the inconsistency of inspectors in applying the HQS. Managers should periodically review inspection reports to ensure that units are not being failed for non-HQS items or conditions. Since many PHAs use automated inspection software, the PHA should ensure that the HQS items are clearly noted as to whether they would pass or fail. Sometimes inspectors fail items they should not fail. Consistency between inspectors is hard to achieve, partly because the inspection standards can be subjectively interpreted. One solution is to write an Inspection Guide, patterned on the HUD Inspection Manual, but updated for any changes since the original inspection manual was published.

Other important factors to keep in mind include the following:

- PHAs may not charge the family or owner for initial inspection of the unit.
- PHAs may not charge the owner for the unit inspection prior to the initial term of the lease, nor for the first inspection during the assisted occupancy.
- However, the PHA optionally may establish a reasonable fee for inspections in two situations:
  - If the owner notifies the PHA that a repair was made and subsequent reinspections show that it wasn't
  - The allotted time period for repair was lapsed and reinspection shows the repair was not made (regardless of whether the owner reported that repairs were complete)
- Fees may not be imposed for tenant-caused damages, for cases in which the inspector could not gain access to the unit, or for new deficiencies discovered during a reinspection.
- The PHA must also ensure that such a fee is not prohibited by state or local law.
- In the case of PHA-owned units, for any inspection performed by a HUD-approved entity other than the PHA, the details of any reinspection fee must be spelled out in the contractual agreement between the PHA and the entity.
- The owner may not pass this fee along to the family.
- Fees are included in the PHA's administrative fee reserve.
- Fees may be used only for activities related to the provision of HCV assistance.

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- You may want to limit the number of reinspections you conduct in the Administrative Plan should your PHA opt not to charge for reinspections in those circumstances.
- The timeliness of inspections will directly affect owner satisfaction. Whether long delays are caused by PHA inspection staff or by procedures, owner dissatisfaction may cause the unit to become unavailable, and the owner may even opt out of the program.
- HCV managers may or may not have direct control over inspections. The inspections function may be located under an inspections supervisor, or contracted out.

Unit Approval and Document Execution

In addition to determining that the owner is approvable, and that the unit passes HQS, PHAs need to determine:

- Whether the rent is reasonable, or comparable to similar units in the private, unassisted market
- If the gross rent exceeds the applicable payment standard, that the unit is affordable

Rent Reasonableness

The determination of rent reasonableness is required for unit approval. Using a test based on a system of data collection, analysis, and comparison of the rents in a PHA's jurisdiction, the PHA will compare characteristics of the proposed unit to similar unassisted units in the market area to determine if the rent is reasonable. Rent reasonableness must also be determined at other times as specified by HUD and PHA policy.

24 CFR 982.4(b)

- HUD defines *reasonable rent* as "a rent to owner that is not more than rent charged: (1) for comparable units in the private unassisted market; and (2) for comparable unassisted units in the premises."

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24 CFR 982.507

In the regulations, HUD specifies that rent reasonableness is the only limitation on the amount of rent to owner. Rent reasonableness tests assure that:

- The rent paid for units selected for HCV program participation is fair
- The program does not have the effect of inflating rents in the community

24 CFR 982.54(d)(15)

Your PHA must have a method of determining reasonable rent both initially and during the term of the HAP contract, and you must describe this method in your administrative plan.

When Rent Reasonableness Is Determined

24 CFR 982.507(a)(2)

Rent reasonableness determinations must be made prior to approving a lease.

After that, your PHA must redetermine the reasonable rent:

- Before any increase in the rent to owner
- If there is a 10 percent decrease in the published fair market rent (FMR) in effect 60 days before the contract anniversary (for the unit size rented by the family) as compared with the FMR in effect one year before the contract anniversary
- If directed by HUD

The PHA's Rent Reasonableness Methodology

24 CFR 982.507(b)
Notice PIH 2003-12

Documentation is also important in terms of comparability. According to the regulations, PHAs must document on a case-by-case basis that the approved rent is reasonable based on current rents for comparable unassisted units.

- Notice PIH 2020-19 provides additional information on rent reasonableness determinations, particularly in terms of what constitutes an assisted vs. unassisted unit.
- The notice includes guidance on determining reasonable rent for properties in the process of housing conversion actions.

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A PHA's comparability system must take into consideration the following nine factors. However, you are not required to quantifiably document or separately evaluate each of the factors:

- Location
- Size
- Type
- Quality
- Age of unit
- Amenities
- Housing services
- Maintenance
- Utilities supplied by the owner

Of the factors listed above, the HCV Guidebook suggests that the three most important ones explaining differences in rent are the location of the unit, the unit size (number of bedrooms), and the type of unit (e.g., garden apartment, high-rise, duplex, or single-family home). PHAs should focus on those factors that affect rent the most.

In addition to describing the methodology for collecting data on market rents within the jurisdiction, the administrative plan should also describe your PHA's methodology for comparisons.

- For example, does your administrative plan differentiate between submarkets in the jurisdiction?

Many PHAs use rent reasonableness systems such as GoSection8. Contact NMA for further information on GoSection8.

LIHTC Units with HCV

24 CFR 982.507(c)

In low-income housing tax credit (LIHTC) units, if the rent requested by the owner exceeds the rents for non-voucher families in the project, the PHA must perform a rent reasonableness determination. In addition, the PHA must cap the rent at the payment standard for that bedroom size. In other words, in these projects rent to owner is the lesser of the reasonable rent or the PHA's payment standard.

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For example, if the LIHTC rent is $600 for comparable, unassisted units in the project, the PHA determined reasonable rent is $625, and the PHA payment standard for that bedroom size is $650, the rent would be $625 since that is the lesser of the reasonable rent or the payment standard.

If the rent to owner does not exceed the rent for other comparable, unassisted units in the project, a rent reasonableness determination is not required; however, the PHA may elect to conduct an analysis anyway. Further, there is no payment standard limitation on these units.

For example, if the LIHTC rent is $600 for comparable, unassisted units in the project, the owner requests a rent of $600, and the PHA payment standard for that bedroom size is $550, the rent would be $600 since the payment standard limitation does not apply.

HOME Units with HCV

A rent reasonableness determination is not required for HOME units provided that the rent to owner does not exceed the rent for other LIHTC or HOME units in the project that are not occupied by families with HCV assistance.

Owner Certification

24 CFR 982.507(d)

By accepting each monthly payment from the PHA, the owner is certifying that the rent to owner is not more than the rent the owner charges for comparable unassisted units. If your PHA requests information from the owner regarding rents charged for other units in the premises or elsewhere, the owner must provide you with that information.

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Also, owners of projects with more than four units must supply information on the Request for Tenancy Approval (RFTA) about three recently leased comparable unassisted units within the premises.

- PHAs can use this information to determine and document rent reasonableness for comparable unassisted units in the same apartment complex.
- If the apartment complex is not substantially assisted, the PHA may base its rent reasonableness determination on the rents charged for the three recent rentals the owner identified on the RFTA. In such cases, your PHA does not have to obtain additional rent comparables in other multifamily housing in the area.

Affordability

24 CFR 982.508

If the gross rent exceeds the payment standard at the initial leasing of a unit, the PHA must determine whether the rent is affordable. The rent is affordable if the family share does not exceed 40 percent of the family's monthly adjusted income.

For staff who are not well versed in rent calculation, affordability may be a difficult concept to understand. This means that staff may have some difficulty in explaining affordability to families during the voucher briefing. Managers should ensure that briefing materials on the subject are clear and concise. Further, managers should monitor the explanation of the concept during the oral portion of the briefing, since even experienced staff may have difficulty explaining it.

When issuing the family a voucher, it is impossible for the PHA to give the family an exact amount of rent that would make a unit affordable for them, since the utility responsibilities for units are unknown. Therefore, if the family selects a unit where the rent to owner is above the PHA's payment standard, the family may not know if the affordability test will be triggered and whether the unit will be affordable. The HCV Guidebook states that the PHA should provide the family a copy of the PHA utility allowance schedule when issuing a voucher so that the family may calculate estimated costs for utilities for their unit and estimate the unit's affordability. The HCV Guidebook also has two sample notices that the PHA may use to assist the family in determining if a unit is affordable.

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Families may choose units larger or smaller than the unit size assigned on the voucher. On June 25, 2014, HUD issued a *Federal Register* notice stating that the utility allowance for a family must be the lower of: (1) The utility allowance amount for the family unit size; or (2) the utility allowance amount for the unit size of the unit rented by the family. However, upon the request of a family that includes a person with disabilities, the PHA must approve a utility allowance higher than the applicable amount if such a higher utility allowance is needed as a reasonable accommodation. For current program participants, a PHA must implement the new allowance at the family's next annual reexamination, provided that the PHA is able to provide a family with at least 60 days' notice prior to the reexamination.

Application of Appropriate Utility Allowance

24 CFR 982.517

The management objective is to ensure that when there are tenant-supplied utilities or appliances, the correct utility allowance is calculated. When auditing utility allowances, the HCV manager should compare the utility allowance used to the utilities stated in the HAP contract, the owner's lease, the inspection report, and the RFTA. Differences among these documents often results in an audit finding. The most common discrepancies are in unit structure type, utility responsibilities, and type of utilities for heat and cooking. HUD is inconsistent in unit type designations between forms, and owners are often unfamiliar with HUD unit designation types on the RFTA. The incorrect designation of the unit type can result in an incorrect calculation of the utility allowance. HUD reviewers have found that incorrect utility allowance calculation is one of the most common file errors. This has a direct impact on SEMAP indicator 3, Determination of Adjusted Income.

PHAs use a utility allowance schedule that must be reviewed annually. If utility rates change by 10 percent or more since the last time the schedule was revised for that specific utility, the schedule for that utility allowance must be updated. This is a SEMAP factor.

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PHAs must adopt a utility allowance schedule for each structure type available in the PHA's jurisdiction. Also, as mentioned above, the schedule may be updated annually. For this reason, your PHA should document which schedule was used for a family's calculation by putting a copy of the relevant schedule in the family's file. This will provide documentation on the calculation of the utility allowance for audit purposes.

The PHA must use the appropriate utility allowance for the lesser of the size of the dwelling unit actually leased by the family or the family unit size (voucher size) as determined under the PHA subsidy standards. In cases where the unit size leased exceeds the family unit size as a result of a reasonable accommodation, the PHA must use the appropriate utility allowance for the size of the dwelling unit actually leased by the family.

Signing the Documents

24 CFR 982.305(d)

At this point, if everything is approvable, the owner and family execute the lease, and the owner and PHA execute the HAP contract. Assisted tenancy begins on the effective date of the lease as approved by the PHA.

24 CFR 982.305(c)(1)

The PHA must make every effort to execute the HAP contract by the beginning of the lease term. The PHA cannot pay any HAP until the HAP contract is executed.

If the HAP contract is executed during the 60-calendar-day period from the beginning of the lease term, retroactive housing assistance payments can be made. If the HAP contract is not executed within this period, the HAP contract is void and the PHA will not pay any retroactive housing assistance payment to the owner.

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Notes

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SECTION 8.6 PROGRAM ACTIVITIES

The HCV manager's objectives are to ensure that annual reexaminations are completed for all families by the due date, and to ensure that a full HQS inspection is performed for all units at least once every 24 months. It is important that monitoring systems are put in place to assure that both of these functions occur on time.

Annual Reexaminations

The Process

24 CFR 982.516

PHAs are required to reexamine the income and family composition of all families on the program annually. This is to ensure that the family is appropriately housed and to determine the correct level of benefits. Although not required, the vast majority of PHAs conduct face-to-face interviews with the family as a part of this process. The PHA must also notify the family and owner of the amounts of HAP and tenant rent.

- The PHA should have written procedures governing the reexamination process, and the manager should enforce their use. Staff should be aware of which reexaminations they are responsible for and should be held accountable to complete them on time.

The general steps to conduct the annual reexaminations are:

- Send a notification of the annual reexamination and schedule the appointment. This notice usually includes a reexamination "packet" containing the annual reexamination form and supplemental verification forms and authorizations.
- Interview the client and review the reexamination application.
- Collect and photocopy documents provided by the family.
- Verify the information provided, as needed.
- Calculate the HAP and tenant rent and transmit a HUD-50058.
- Send a notice of the HAP and tenant rent payments to the owner and family.

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Families are required to report changes in family composition including the birth, adoption, or court-awarded custody of a child or children. When families request the addition of an adult member, it is recommended that they are interviewed by a housing specialist. The proposed new member is subject to the same verification and documentation procedures as an applicant family. This includes a sex offender registration check, a criminal background check (if the PHA does them), disclosure of SSN, citizenship status, verification of income and signing all other HUD and PHA required forms.

Reexaminations may be conducted in person or remotely under certain circumstances, depending on PHA policy.

Verification

24 CFR 982.516

The PHA must establish procedures that are appropriate and necessary to assure that income data provided by families is complete and accurate. This data must be verified consistently with regulatory requirements at 24 CFR 982.516.

HUD requires that PHAs either obtain and document in family files third-party verification or document in files why third-party verification was not available. The following factors require third-party verification:

- Reported family annual income
- The value of assets
- Expenses related to deductions
- Other factors that affect adjusted income

Note that the PHA may adopt policies for streamlining the verification process for assets and/or fixed sources of income.

- That is, the PHA may adopt a policy to conduct a full reexamination every three years for fixed sources of income
- If adopting such a policy, the PHA adjusts the family's income according to the percentage of a family's income that is from fixed sources (see 24 CFR 982.516(b)(2) for details).

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HUD has established a hierarchy of six verification levels ranging from the strongest to the weakest. Using this hierarchy, PHAs should develop and adopt verification policies and procedures that provide guidance to staff on how to verify various factors, what constitutes acceptable verification, and how to document their efforts in the tenant file.

If verification from a preferred source is not received promptly, the delayed response should not prevent the reexamination from being completed on time. Staff may use other permissible verification methods as long as the file is properly documented.

Consent Forms

Before requesting any verifications from a third party, PHAs must obtain signed consent forms from family members authorizing the release of information from the third party.

One such consent form is the Privacy Act Statement, form HUD-9886, which must be signed by all adult family members (18 and older) and the head, spouse, or cohead (regardless of age).

PHAs must also use other consent forms to request verification of information not covered by the 9886. Because of privacy issues, PHAs are advised to use specific, rather than generic (or blanket), consent forms.

Annual Reexamination Timing

Annual Reexaminations is a SEMAP indicator, so HCV managers need to develop a schedule for tracking the status of annual reexaminations to ensure that they are completed and transmitted on time. For this reason, managers should develop and post an annual reexamination schedule for the entire year, and it should be updated regularly.

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Under SEMAP, the PHA is scored on whether a complete reexamination is conducted for each participant family every 12 months. A PIC SEMAP Indicator Report shows the percentage of families with late annual reexaminations. In order to receive the full 10 points, fewer than five percent of annual reexaminations are more than two months overdue.

- A common error that may result in a late annual reexamination in PIC is incorrect coding. When a family moves and the PHA conducts a full reexamination at the time of the move, an Action Code 7 "Other Change of Unit" may be submitted, rather than an Action Code 2 "Annual Reexamination," but the projected effective date of the next reexamination must also be changed for the clock to reset in PIC.

Most PHAs begin annual reexamination at least 120 and usually about 135 days before the annual recertification effective date. Less that 120 days would be risky. There are several things that could delay the process that the PHA cannot control. Families may not show up for their appointment, they may need more time to provide documents, or third parties could fail to respond to PHA requests. In addition, reasonable notice is required to notify the family and owner of the HAP and tenant rent amounts. In most PHAs, reasonable notice is at least 30 days.

Managers should track that the reexamination process has been initiated on time, the progress of individual reexams, and that reexams are completed on time. The manager may wish to track these dates either through software systems or by creating a log. HUD suggests that the following dates should be closely monitored:

- Lease and HAP contract effective date
- Reexamination effective date
- Initial reexamination notification date
- Second notification date (if any)
- Termination notice date (if any)
- Notice of rent adjustment date (Note: PHA policy dictates when changes in the rent amount will be effective. PHAs should give families reasonable notice of a rent increase.)
- Date of the next annual reexamination

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Reexamination Calendar

The supervisor should create a calendar to show reexamination activities and set specific tasks for each month so that a pattern emerges. This will improve time management.

When the supervisor creates this calendar for each month, staff knows exactly what has to be accomplished each week for each monthly batch of reexaminations to be "on time."

This can greatly improve time management and organizes the work so that it is manageable for the staff to perform and for the supervisor to monitor.

The below is an example of annual reexamination activities on a timeline that uses 120 days. We suggest you consider sending out the reexam notice around the middle of the previous month (about 135 days).

Each set of monthly reexaminations is completed over a four-plus month period.

- Mailings for reexamination interviews 4.5 months out
- Interviews for reexaminations 4 months out
- Begin processing for reexaminations 3 months out
- Close out processing for reexaminations 2 months out

In addition, the calendar must incorporate:

- Additional appointments if there was a missed appointment, according to your administrative plan
- Due dates for additional documents to be in, so you know when to process intents to terminate assistance for missing documents
- Due dates for clerks for the pre-file review of the needed documents, so they can call families as an appointment reminder and to let them know what to bring with them to the interview. Clerks can reschedule appointments if needed at that time.
- Close-out dates so families have a 30-day notice prior to the effective date of their increased rent, if applicable, and so that the payment is sent to Finance in time to have a check cut. When these activities are calendared, each staff person knows what has to be done when on which batch of reexaminations

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With overlapping reexaminations, this can be very difficult without a leadership system.

When these activities are calendared, each staff person knows what has to be done when on which batch of reexaminations. The supervisor can then check to see whether the activities are completed on a timely basis and, if not, knows which staff needs further coaching or discipline.

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Exhibit 8.6-1 Annual Activities Time Line

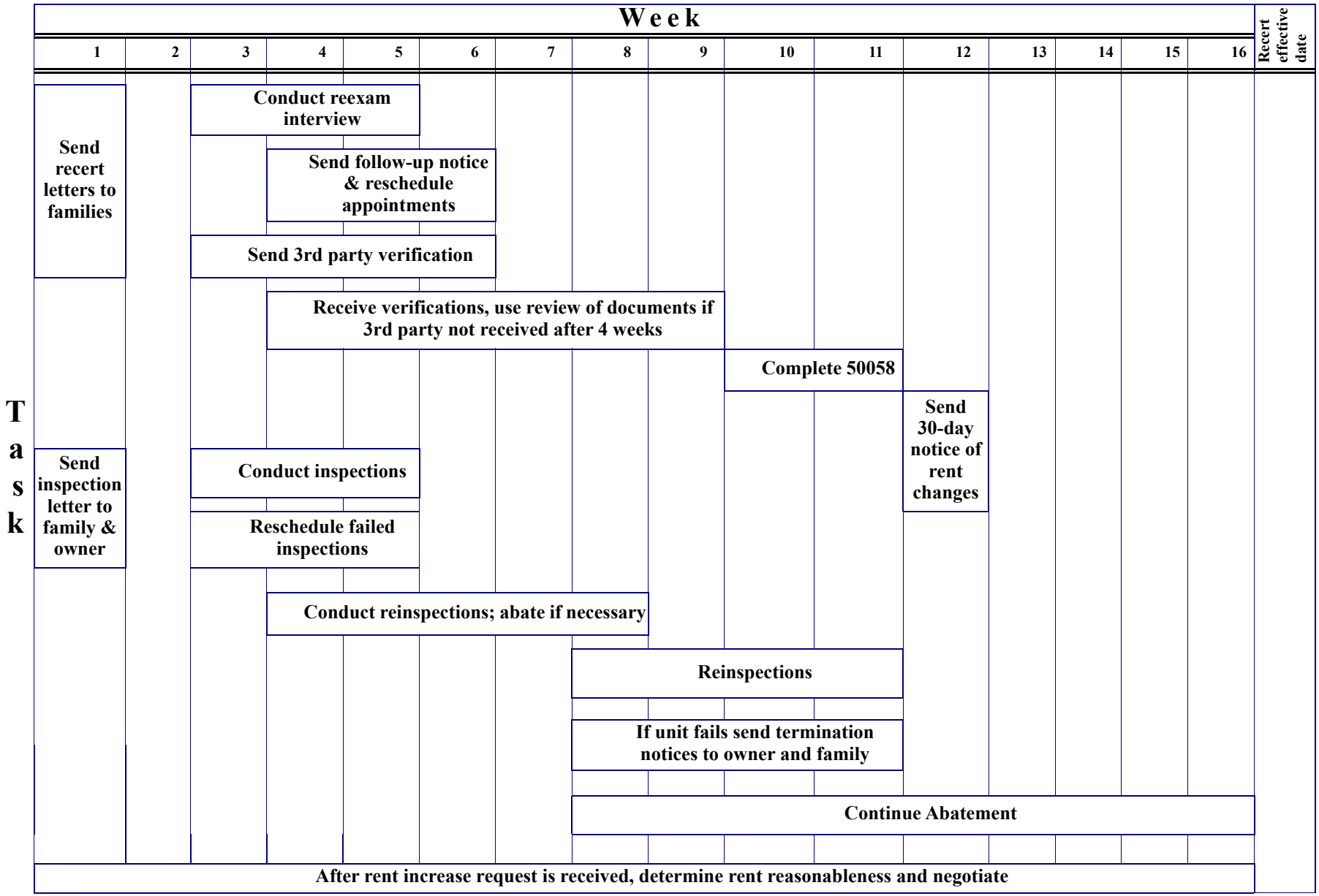


Exhibit 8.6-2 Reexamination Tracking Form

Name	Notice Sent	2nd Notice Date	Appointment Date	Verify Start	Verify Complete	Data Entry on 50058 Completed	Notification of Reexam Results Sent	Termination Notice Sent	Appointment Kept	Hearing Requested	Hearing Conducted	Reinstated	Effective Date of Termination

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Reexaminations In Person or By Mail

Some PHAs conduct their annual recertifications by mail, because it requires less staff time. However, this is not recommended as a best practice. The main reasons not to adopt this process include the likelihood of more fraud than a face-to-face interview and no opportunity to answer questions and update the family on program changes. Some PHAs that use this option alternate mail-in reexaminations with face-to-face interviews.

In addition, some PHAs with large geographical areas conduct annual reexaminations at the unit. The disadvantages to this practice are that staff must be trained to do both inspections and reexaminations.

If staff members travel with laptops and can process the data on-site, you may want to consider that option if there are travel issues.

Reexaminations Policies and Procedures

In order to efficiently process annual reexaminations, PHAs need to develop policies and procedures.

The following are a list of suggested policies associated with annual reexaminations that may be adopted as part of the administrative plan:

- A policy that requires the PHA to conduct a reexamination of family income and composition at least annually, according to HUD program guidelines.
- A policy that states whether the PHA will conduct a new annual reexamination when a family moves to a new unit, or just process the move and leave the family's annual reexamination due date as it was prior to the move.
- A policy regarding the number of appointments that may be missed before a termination of assistance letter is sent to the family.
- A policy that states that a family’s failure to comply with reexam requirements is grounds for termination of assistance.
- A policy that requires that annuals be implemented as of the scheduled effective date, even if other annual activities are not completed.

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- The PHA may also establish policies for streamlining the verification process at reexamination for assets and/or for fixed sources of income.
  - For families with assets valued at $5,000 or less, the PHA may accept self-certification of the value of and expected income from assets.
    - The family's declaration must show each asset and the amount of income expected from that asset.
    - All family members 18 years of age and older must sign the family's declaration.
  - The PHA may use a published cost of living adjustment (COLA) to determine income from fixed sources such as Social Security benefits and pensions.
    - The PHA must compare the amount of the fixed-source income to the amount generated during the prior year to determine whether the amounts are fixed, and note in the tenant file how it made the determination.
    - The PHA must perform third-party verification of all income sources at the family's request.
  - In both cases, third-party verification must be obtained at admission and at least once every three years thereafter.
  - Streamlining policies are optional. PHAs may instead require third-party verification at each annual reexamination.

Procedures also play an important role in the completion of timely, accurate annual reexaminations. The following are a list of typical procedures the PHA may implement.

- Produce a monthly list of families under contract.
- Identify and notify program participants who will be scheduled for annual reexaminations120 days in advance.
- Send out annual reexamination notices to families with a copy routed to the staff person responsible for reexamination follow up.
- Process and respond appropriately to requests for accommodation by individuals with disabilities as part of the reexamination notification process.

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- Implement a tracking system to identify families that do not show up for their reexamination appointment and send a second notice.
- Implement a tracking system to identify participants who do not show up for a second appointment and initiate termination proceedings.
- Require families to provide any information requested by the PHA or HUD.
- Provide an explanation to the family about the reexamination process and requirements. Explain and obtain signatures on all release and consent forms and any other required documents.
- Require the head, spouse, or cohead and all other adults to sign the HUD-9886 form.
- Implement a system to track incoming documents and verification information.
- Inform the family and the owner of the results of the reexamination.
- Implement a process that allows adjustments in implementing changes in family rent if the family causes an unreasonable delay in the reexamination process.

Notification of Changes

PHAs must provide families with written notification of rent payments and changes. The notice indicates the old HAP and tenant rent payment, the new HAP and tenant rent payment, and the effective date. These written notifications do not depend on any other activity being completed, including inspections. Such a notification does not have to be executed by either party. A sample notice of rent change can be found on the following page.

The annual reexamination process is not linked to the HQS annual inspection process. Therefore, if the annual recertification has been completed, the family and owner should be notified of the new amounts, regardless of whether the inspection has been conducted or completed.

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Rent Adjustments

24 CFR 982.308(g)

The management objective is to document and approve owner rents within the program guidelines.

In the housing choice voucher program, the rent cannot be increased until after the initial term of the lease. Rent increases are determined by provisions of the owner's lease. PHAs cannot limit owner rent increases to the contract anniversary or to the time of the family's annual reexamination. Owners must provide the PHA at least a 60-day notice prior to the effective date of a rent increase.

All requests for a rent increase are subject to a rent reasonableness determination by the PHA.

Note: Rent increases are not subject to affordability, only rent reasonableness.

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Exhibit 8.6-3 Sample Notice of Rent Change

THE HOUSING VOUCHER CONTRACT ("CONTRACT") entered into between the Owner, _____ and the PHA, dated _____, on behalf of the LESSEE ("FAMILY")

for the following described unit

_____

is amended as follows:

_____

The reason for this change is due to:

[ ] **REEXAMINATION**

Annual Review of family income

[ ] **INTERIM ADJUSTMENT**

Interim change in family income

[ ] **RENT ADJUSTMENT**

The owner/agent request for a rent adjustment.

ADJUSTMENT IN PAYMENTS:	**FROM**	**TO**
HAP Payment	$_____	$_____
Tenant Rent	$_____	$_____
Total Contract Rent/Rent to Owner	$_____	$_____

EFFECTIVE DATE

This change to the Housing Voucher Contract and Lease Agreement will be effective _____. The next reexamination is due on _____.

This change is presented to you in accordance with the terms and conditions of the Housing Voucher Contract and/or Lease Agreement and shall be attached to and made a part of your Housing Voucher Contract and/or Lease Agreement. All other covenants, terms and conditions of the original Housing Voucher Contract and/or Lease Agreement remain the same.

* **TO THE TENANT ONLY**

If you disagree with this decision, you may request an informal hearing. If a hearing is desired, you must submit a written request to this office within _____ days of this notice or your right to a hearing will be waived. You have a right to examine the documents that the Housing Agency will rely on at this hearing, and you have the right to copy them at your own expense.

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Moves

The Process

24 CFR 982.354

When a family moves from one unit to another with continued assistance, the PHA will again be managing the initial leasing of a unit. HUD regulations and PHA policy determine whether and when a family may move to another unit. Generally, families can move after the initial term of the lease with proper notice to the owner and the PHA. The lease defines the notice period for the tenant to terminate tenancy; the PHA administrative plan defines the notice that the family must provide to the PHA. When a move is approved, the PHA must issue a voucher to the family and provide the necessary documents to lease a unit.

Many of the problems associated with moves are the result of PHAs not having established procedures and a well-planned process to manage moves. There is an element of risk for the family in moving from one unit to another. If they fail to find a new unit before the termination of assistance in the old unit, they could be without assistance. For that reason, PHAs should adopt specific procedures for the move process so that families who move will not experience breaks in their assistance and owners will receive proper notification of termination of tenancy.

Here are some examples of best practices from PHAs on managing moves:

- Families are required to notify the PHA in writing of their request to move.
- Families are required to attend a move meeting with the housing specialist.
- Families are required to provide the PHA with at least 60 days' notice prior to a move (even though the lease may require a shorter notice period). PHAs cannot properly facilitate a move for the family without sufficient time to prepare documents and notify the owner. It also protects the family by giving them enough time to find a unit that qualifies.

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- At the move meeting, families are required to sign a notification of termination of tenancy to the owner which is then mailed by the PHA to ensure that proper notice is given to the owner. This notice includes a certification by the family head that they are in good standing under their lease (tenant rent is paid current), that there are no damages to the unit beyond normal wear and tear, and that they understand assistance payments will terminate on the same date as their termination of tenancy.
- The PHA mails the owner a termination of assistance notice that corresponds to the date of the termination of tenancy.

24 CFR 982.354(e)

PHAs may deny moves under the following circumstances:

- In accordance with denial provisions
- Moves during the initial term of the lease
- No more than one move in a 12-month period
- If funding is insufficient (for example, moves to a higher-cost unit within the PHA's jurisdiction or moves under portability)
  - However, a PHA may only deny a request to move on the basis of insufficient funding if the PHA would be unable to avoid terminating HCV assistance for current participants.
  - In addition, the PHA must provide written notification to the local HUD office within 10 business days when denying moves based on insufficient funding. Notice PIH 2011-3 specifies the documentation necessary for providing this notification to HUD.

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Reexamination

PHAs can decide to conduct reexaminations for families who move to another unit, even if it is less than 12 months from their last annual recertification. Or, the PHA may choose to not conduct a new annual reexamination, and leave the family's reexamination due date as is.

If there is a delay in processing the annual reexamination due to verification delays and the family's desired move-in date, your PHA has the option to wait to do the annual reexamination, as long as the next annual reexamination occurs within twelve months of the last annual reexamination.

- You can always conduct an annual reexamination in less than 12 months, but not more than 12 months if it is to be considered timely.
- HUD allows you to use the verifications for the new recertification if they were received in the prior 120 days.

Owner HAP When Family Moves

24 CFR 982.311(d)

New leases may begin during the month the family moves from the old unit, and any overlap during this month is not considered duplicating subsidy. The PHA may, but is not required, pay HAP to the new owner during this period.

SECTION 8.7 INTERIM ACTIVITIES

The HCV manager's primary objective for interim activities is to ensure that there are procedures in place to respond to and process the various interim changes in accordance with HUD requirements and PHA policy. In this section we will review the points to consider when managing these activities.

Typical interim activities include:

- When a family reports a reduction in income
- When a family reports an increase in income
- When a family reports the birth, adoption, or court-awarded custody of a child
- When a family requests the addition of a new adult family member
- When a family reports that a member moves out of the unit
- When an owner or tenant requests a special inspection

Interim Changes

Your procedures should ensure that staff responds promptly when families report interim changes. Some PHAs require scheduling an interview for all interims, and some process interim changes by requesting documents through the mail or over the telephone. Most PHAs require all changes to be reported in writing.

Make sure that your administrative plan addresses your policies for processing the various interim activities.

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Changes in Family Composition

HUD does not require families to report changes in family composition between annual reexaminations. HUD does not require that a PHA perform an interim reexamination of income whenever a new family member is added, although the PHA is still required to verify all other aspects of program eligibility. The family may request an interim redetermination of family income or composition because of any changes since the last determination. The PHA must make the interim determination within a reasonable time. If a PHA elects to perform interim adjustments for family composition changes, refer to page 8.6-2 for recommendations for procedures.

Changes in Income

HUD does not require the families to report changes in income between annual reexaminations. The reporting of increases in income is determined by PHA policy. If a decrease in income is reported, the PHA must conduct an interim reexamination and adjust the HAP payment in a timely manner. Make sure that reported decreases are processed promptly to avoid retroactive adjustments and eviction actions by owners.

Each PHA determines how increases in income between regular reexaminations will be handled. There are two policy issues that you must decide:

1. What increases in income are families required to report between regular reexaminations, and
2. When will those increases be put into effect.

Some PHAs require families to report all increases between annual reexaminations, conduct an interim reexamination and adjust the HAP and rent with reasonable notice. The standard for “reasonable notice” within the industry is at least thirty (30) days. Your interim reporting policies for reporting of income increases will have an obvious effect on funding utilization and per unit cost.

If a PHA does not conduct interim reexaminations for income increases, you may wish to require families to report the increase, as this can save a great deal of time resolving discrepancies between up front income verifications and income reported on the form HUD-50058.

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Interim Inspections

Types of Inspections

There are two types of inspections that occur between biennial or annual inspections. They are quality control inspections and "special" or "complaint" inspections.

A complaint inspection can be requested by the family or the owner as a result of a real or perceived unsatisfactory condition in the unit or a life-threatening condition. Inspectors normally evaluate only the condition reported, but if other HQS violations are observed, the responsible party is required to correct the violation.

If the reported condition is life-threatening (i.e., the PHA would require the owner to make the repair within no more than 24 hours), then the PHA must inspect the unit within 24 hours of when the PHA received the notification. If the reported condition is not life-threatening (i.e., the PHA would require the owner to make the repair within no more than 30 calendar days), then the PHA must inspect the unit within 15 days of when the PHA received the complaint [24 CFR 982.405(g)].

Quality control inspections are required under 24 CFR 982.405(b). The purpose of quality control inspections is to evaluate the work of the inspector(s). PHAs perform QC inspections of units under contract according to the HUD audit guide. The sampling is drawn from recently completed inspections, a representative cross-section of neighborhoods, and the work of a cross-section of inspectors. HUD guidelines state the quality control inspections must be performed on "recently" inspected units, and recently inspected is defined as within 90 days.

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The challenge for managers in performing quality control inspections is that the more time that elapses between the full inspection and the quality control inspection, the less likely you are to be evaluating the work of the inspector. It is conceivable that if the quality control inspection is conducted two months after the full inspection, conditions may exist that did not exist when the full inspection was conducted. For this reason that it is suggested the quality control inspection be conducted as soon as possible after the full inspection.

Emergency (Life-threatening) Fail Items

The inspector should identify items that present an immediate danger to the health and safety of the tenant. These are called emergency fail items and must be corrected within 24 hours. PHAs define conditions deemed to be life-threatening in the administrative plan.

This is a concern when PHAs approve the leasing of a unit whose owner does not live in the area of the PHA (out-of-state owners). You may want to consider not entering into HAP contracts with out-of-area owners unless they have a local agent or representative who can be contacted for emergency repairs.

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SECTION 8.8 TERMINATIONS

Introduction

Termination of program assistance is a serious matter for both the participant family and the PHA. The PHA needs to have strong written policies detailing when assistance will be terminated and when the family's circumstances may be considered. These policies will assist in making sure that termination decisions are consistent and fair.

To manage this program element, the HCV manager must ensure that:

- Staff know and understand the family obligations of the voucher and the provisions of the HAP contract.
- The administrative plan provides enough guidance for staff to determine when to propose termination of assistance.
- There are procedures that ensure all program terminations are justified and made in accordance with HUD requirements and PHA policy, including procedures for evaluating documentation and evidence on which proposed terminations are based before the notice of termination is sent to an owner or participant.
- All termination notices provide sufficient information to participants to prevent terminations for reasons that are not permitted by HUD regulations or PHA policy.
- All termination notices provide the family with sufficient information to adequately prepare their defense if they disagree with the PHA decision.
- PHA written notifications comply with due process requirements as stated in the regulations, and that documentation used as the basis for program terminations is sufficient to meet the preponderance of evidence standard.
- Owners receive proper notice of terminations of the HAP contract.

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The Process

The owner, the PHA and the family all have different contractual relationships; hence there are three types of terminations. They are termination of assistance under the voucher, termination of the lease between the owner or tenant, and termination of the HAP contract with the owner by the PHA.

- A PHA can terminate voucher assistance for actions or inactions of the family that violate HUD regulations or PHA policy as long as the policy is consistent with the regulations.
- The PHA may terminate the HAP contract with the owner without terminating the family's assistance. In this situation the family may move to another unit with continued assistance.
- Both families and owners can terminate the lease by giving proper notice in accordance with the lease terms. The owner can also terminate tenancy by initiating court action.

Termination of Tenant-based Assistance

The termination of housing assistance is the most serious administrative remedy that a PHA can invoke, and it should not be taken lightly. There are times, however, when termination of assistance is the correct and appropriate remedy. The family obligations consist of specific rules for family compliance ("the family must…") and specific actions that the family must avoid ("the family must not…"). Therefore, assistance can be terminated both for the actions or inactions of the family. HCV managers must ensure that there are procedures in place so that facts of the case are properly evaluated before the initiation of termination procedures.

It is suggested that the HCV manager (or designee) review all proposed terminations to ensure consistency and compliance with PHA policies. The reviewer should consider:

- Does the action or inaction of the family violate or non-comply with a family obligation of the voucher or other HUD rule?
- Is there a preponderance of credible evidence that the action or inaction occurred?
- Is termination the most appropriate remedy, or can the issue be resolved at a lower level?

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Discussion of the Family Obligations

The grounds for terminating (and denying) assistance in the HCV program are stipulated in the HUD regulations, and PHAs cannot deviate from these reasons when proposing termination of family assistance.

HCV managers must ensure that every proposed termination directly relates to a family obligation or other program rule. It is essential that the PHA notice of termination to the family provides enough information for the family to clearly understand the actions for which the PHA is proposing the termination, and to adequately prepare a defense at an informal hearing. The notice should cite the specific family obligation that was violated, including the regulatory reference, and a clear, succinct description of the specific events that occurred. Many PHAs also cite the specific section of the administrative plan.

The family program obligations, violations of which would constitute grounds for termination of assistance, are as follows.

A family must supply required information that the PHA or HUD determines is necessary in the administration of the program including submission of required evidence of eligible immigration status including certification, release, or other documentation.

This required information includes:

- Evidence of citizenship or eligible immigration status
- Any requested certification, release or other documentation

Supply any information requested by the PHA or HUD for use in regularly scheduled reexamination or interim reexamination of family income and composition.

This would include:

- Compliance with the annual or interim reexamination procedures of the PHA
- Providing required documents or information requested by the PHA

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NOTE: PHAs should develop policy guidelines for what triggers a termination for violating this obligation to ensure consistency. Consider such factors as:

- The number of appointments missed
- Whether the family called in advance
- The number of previous offenses
- A pattern of cooperation or noncooperation

While termination notices are often issued due to missed appointments or late submission of documents, actual terminations are rare. Reexamination policies which are rigid or very strict should be avoided. Strict policies are sometimes established in an effort to reduce administrative burdens, but may actually add to the burden by increasing documentation requirements, family requests for forbearance, and hearing requests.

Disclosure and verification of social security numbers.

Grounds for termination under this requirement would include:

- Failure to disclose a SSN of any family member
- Failure to provide acceptable documentation of the SSN for any family member
- Failing to sign consent forms.

Any information supplied by the family must be true and complete.

This provision is violated when a family submits either oral or written communications to the PHA that are false or incomplete, such as:

- Under-reporting income or assets
- Falsifying the family composition
- Making false statements or submitting false documents

This is the most common way families commit fraud. If you are terminating a family's assistance on these grounds, your PHA may wish to include the verbiage from 24 CFR 982.551(k), Termination for Program Fraud, on the termination letter.

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In deciding whether to terminate assistance, PHA policies may allow for consideration of the amount of any overpaid subsidy and/or the length of time over which incorrect reporting occurred. For example, false certifications at the time of the annual reexamination may be considered more serious than a failure to meet reporting deadlines for a change between reexaminations.

NOTE: This family obligation underscores the need for comprehensive application and reexamination forms that ask all of the right questions. Questions should be worded so that a positive declaration or denial is required for questions pertaining to income and assets, and that all types of income and assets defined by HUD are listed.

The family is responsible for an HQS breach caused by:

- ***Failing to pay for any utilities that the owner is not required to pay for but which are to be paid by the tenant;***
- ***Failing to provide and maintain any appliances that the owner is not required to provide but which are to be provided by the tenant; or***
- ***Damages to the unit or the premises (beyond ordinary wear and tear) caused by the family or a guest, when tenant-caused damages violate HQS***

HUD regulations require a PHA to take "prompt and vigorous action" to enforce this family obligation. If an HQS breach is life-threatening, the defect must be corrected within 24 hours. For other family-caused defects, the family must correct the defect within 30 days (or any PHA-approved extension).

The difficulty is often in determining whether damages to the unit are caused by the family or the result of normal wear and tear. A working knowledge of state and local landlord-tenant law can be helpful. Sometimes it is unclear exactly who is responsible for the HQS violation. One effective way to minimize this is to require inspector to make note of any and all "pass with comment" items on the initial inspection in particular, and all subsequent biennial or annual inspections. If there are scratches on a kitchen counter top that are noted on the initial inspection report, the owner cannot later claim that they were caused by the family.

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The family must allow the PHA to inspect the unit at reasonable times and after reasonable notice.

PHA policies should strike a balance between the need to complete inspections promptly and the needs of working families. When possible, policies should offer flexibility for lunch-hour or slightly after-hours inspections, rather than imposing rigid limits (such as "only one alternative appointment").

Also when possible, it is recommended that PHAs schedule limited-window appointments. For example, the inspection appointment is scheduled for between 8 a.m. and 10 a.m., as opposed to between 8 a.m. and 5 p.m. This practice reduces no-shows for unit inspections.

The family may not commit any serious or repeated violation of the lease.

24 CFR 982.552(b)(2)

If the landlord evicts for serious violation of the lease, the PHA must terminate the family's assistance.

This family obligation does not mean that the PHA is responsible to enforce the owner's lease. There are two issues for HCV managers to decide. First, what constitutes a serious or repeated violation of the lease (that's the easy one). The second is, what will the PHA consider adequate documentation that a serious or repeated violation of the lease occurred? Will you consider a telephone call from a neighbor or the landlord as sufficient documentation?

Remember, the landlord is responsible to enforce the lease with the tenant. If the landlord takes official action against the family and evicts them, that should constitute adequate documentation for your PHA.

Typical "serious or repeated" lease violations include:

- Non-payment of the rent or failure to supply utilities required by the lease
- Destruction of property, damages to the unit or living or housekeeping habits that affect other residents
- Disturbance of neighbors
- Drug related or violent criminal activity by any household member, guest, or other person under the tenant's control
- Moving from the unit in violation of the lease

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The family must notify the PHA and the owner before the family moves out of the unit or terminates the lease on notice to the owner.

This provision ensures that the owner and the PHA are aware of the tenant's intent to vacate before it happens. The notice period is included in the owner's lease. An exception is made under VAWA for victims of domestic violence, dating violence, sexual assault, or stalking.

The family must promptly give the PHA a copy of any owner eviction notice.

Families under an eviction notice may occasionally request a move to another unit without notifying the PHA of the pending eviction. To avoid this, some PHAs require families to provide a certification that they are in good standing under the lease, or they verify this with the owner before issuing a voucher for the family to move.

The family must use the assisted unit for residence by the family. The family must use the assisted unit as their only residence.

Once the HAP contract and lease are executed, the family has the responsibility to reside in the unit as their primary residence and is not permitted to sub-lease or otherwise assign the lease to another party.

The composition of the assisted family residing in the unit must be approved by the PHA. The family must promptly inform the PHA of the birth, adoption or court-awarded custody of a child. The family must request PHA approval to add any other family member as an occupant of the unit.

This is the program obligation that is violated when the family has permitted an unauthorized occupant to move into the unit. Only persons listed on the family's application who have been approved by the PHA are permitted to reside in the unit. If the family requests the addition of an adult member to the family, the proposed member is subject to all of the screening and other administrative requirements as the family (e.g., criminal background checks, signing authorization forms, disclosure and documentation of social security numbers, etc.). Many PHAs require the proposed additional member to complete a form similar to the PHA application form.

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It can be difficult to prove the actual residence of an unreported occupant, especially when the family claims that the person lives elsewhere (often with a relative). The HCV manager should evaluate the evidence before proposing termination in this situation.

The family must promptly notify the PHA if any family member no longer resides in the unit.

The family's subsidy standard is based on their household composition. If a family member moves out of the unit, the family may qualify for a smaller voucher size.

If the PHA has given approval, a foster child or a live-in aide may live in the unit. The PHA has the discretion to adopt reasonable policies concerning residence and when PHA consent may be given or denied.

PHAs should have written policy on the criteria they will apply in accepting or denying the addition of a foster child. A PHA may want to consider tying approval of a foster child to the voucher bedroom size and to the availability of funding at the time of the request.

HUD allows participants to engage in legal profit-making activities in the unit, but only if such activities are incidental to the primary use of the unit for residence by the family.

PHA approval of the use of a unit for business relates to the unit's continued primary use as a residence. Incidental use means that no modifications to the unit are made and that the business does not create a traffic issue for other residents. Any home-based business should be approved by the owner.

The family must supply any information or certification requested by the PHA to verify that the family is living in the unit or relating to family absence from the unit. The family must cooperate with this process and promptly notify the PHA of absence from the unit.

The administrative plan should address absences from the unit.

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The family must not sublease or sublet the unit.

The family must not assign the lease or transfer the unit.

The family must not own or have any interest in the unit.

Family members may not own or have any interest in the unit. Some PHAs require the landlord to submit proof of ownership to ensure this does not occur. Remember, the term "owner" includes a representative of the owner or other interested party. (See the Relatives Rule for further information).

The family may not receive Section 8 tenant-based assistance while receiving another housing subsidy for the same unit or for a different unit under any duplicate federal, state, or local assistance program.

This would more than likely be detected by the EIV system.

Family members must not commit fraud, bribery or any other corrupt or criminal act in connection with the programs.

The members of the household may not engage in drug-related criminal activity, violent criminal activity, or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.

Violent criminal activity is "any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage." PHAs must establish standards that allow termination of assistance if it determines that the household member has violated the family's obligation not to engage in any violent criminal activity.

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This could include:

- Restraining orders
- Arrests
  - Notice PIH 2015-19 states that the fact that someone has been arrested does not prove that the person has engaged in criminal activity and is not an acceptable reason to terminate assistance. The PHA may, however, consider other factors and circumstances surrounding the arrest as the basis for the termination.
- Convictions
- Evictions
- Activities that have created a disturbance in the building or neighborhood

Drug-related Criminal Activity

HUD requires PHAs to terminate assistance for a family if any household member has ever been convicted of drug-related criminal activity for methamphetamine production on the premises of federally assisted housing. In addition, PHAs must establish standards that allow termination of assistance if they determine that a household member:

- Is currently engaged in illegal drug use
- Has a pattern of illegal drug use that interferes with the health, safety or right to peaceful enjoyment of the premises by other residents
- Is in violation of the family's obligation not to engage in any drug-related criminal activity

Drug-related criminal behavior is "the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with the intent to manufacture, sell, distribute, or use the drug."

Since the regulatory definition above includes any and all activities involving drugs, PHA policies should specify when and how decisions to terminate for this reason will be approached.

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Terminating Assistance of Alcohol Abusers

PHAs must establish standards that allow termination of HCV assistance for any person if they determine that the person's abuse or pattern of abuse of alcohol interferes with the health, safety or right to peaceful enjoyment of the premises by other residents.

- The administrative plan should define what will be considered a pattern of abuse.

The ADA includes alcoholics as disabled persons for purposes of prohibiting discrimination. Many persons who abuse alcohol never engage in behavior that violates the lease or disturbs others. PHAs should focus on whether the abuse or pattern of abuse rises to the level of a threat.

Another cause for termination of assistance is the family has engaged in or threatened abusive or violent behavior toward PHA personnel.

- Your PHA should define what it will consider "abusive or violent behavior toward PHA personnel." It could include verbal as well as physical abuse or violence, such as use of expletives that are generally considered insulting, racial epithets, or other written or oral language that is customarily used to insult or intimidate.

24 CFR 984.101(d)

Note that PHAs are not allowed to terminate assistance for failure to comply with the obligations of the Family Self-Sufficiency (FSS) contract of participation.

Consideration of Circumstances

While the applicable regulations mandate termination of assistance in some cases, most terminations are discretionary. In these cases, the PHA may elect to continue assistance although the family has violated family obligations or other rules.

Some PHAs schedule a meeting or conference with families who have violated their responsibilities. Most often used after a first violation, the meeting is used to review family obligations and to obtain their agreement to comply in the future.

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Regulations state that the PHA may consider issues such as the seriousness of the case, the extent of participation of family members, mitigating disability-related circumstances, and the effects of termination on family members who were not involved in the violation.

The PHA can also take into account rehabilitation of the family member if the cause for termination involved illegal drug use or alcohol abuse.

If the PHA's written policies call for consideration of the circumstances, consideration should be documented in the family file before a termination notice is issued. Case notes should reflect why a decision to terminate was made despite the circumstances.

Notice PIH 2015-19

- It is not acceptable to adopt "blanket policies" for terminations for either arrests or convictions for criminal activity.
- Keep in mind that termination policies that fail to take into account the nature and severity of the circumstances surrounding an arrest or a conviction, or take into account how recently they occurred, may be considered discriminatory under the Fair Housing Act.

In considering the circumstances, it is extremely important that decisions be made impartially and fairly. It is a good idea for one person (the HCV manager or designee) to be responsible for considering the circumstances and documenting the decisions. This reduces any appearance of bias in termination actions.

Required Evidence

Preponderance of evidence means evidence that has greater weight or is more convincing than the evidence offered in opposition to it, that is, evidence that as a whole shows that what you are trying to prove is more likely than not. The intent is not to prove criminal liability but to establish whether some act occurred.

- Preponderance of evidence should not be determined by the number of witnesses but by the weight of all evidence.

Credible evidence can be obtained from police or court records, such as arrest warrants or documentation of drug raids. Testimony from neighbors can be considered credible when combined with other factual evidence. PHAs should pursue fact-finding efforts as needed to obtain credible evidence.

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Notice PIH 2015-19

Remember, an arrest alone does not prove that a person has engaged in criminal activity and is not an acceptable reason to terminate assistance. The PHA may, however, consider other factors and circumstances surrounding the arrest as the basis for the termination.

Notice of Termination of Assistance

Whenever PHAs decide to terminate assistance to a family, they must give the family written notice that includes:

- The reasons for the proposed termination including the specific regulations supporting termination (e.g., 24 Code of Federal Regulations 982.551(d))
- The effective date of the proposed termination
- The VAWA Notice of Occupancy Rights, and the opportunity to provide documentation and certification (this is required under VAWA)
- A copy of form HUD-5382, "Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking," which may be used for victim self-certification
- A statement of the family's right to request an informal hearing before termination
- The date by which the PHA must receive a request for an informal hearing
- A statement of the family's right to request an interpreter, free of charge

PHAs should simultaneously give written notice of the HAP contract termination to the owner so that it will coincide with the termination of assistance. The notice to the owner should not include any details regarding the reason for termination of assistance but should state that if the termination is rescinded, the PHA will promptly notify the owner.

As an HCV manager, you must ensure that the termination letter tells the family of their right to appeal the PHA's decision and that they can obtain (at their own expense) copies of the contents of their file that will be used for the termination prior to the informal hearing. Every letter must include the right for people with disabilities to ask for consideration of a reasonable accommodation prior to final termination.

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Termination of the Assisted Lease

The Process

In addition to terminating program assistance, the assisted lease can be terminated by the owner or the tenant in accordance with the lease terms. HCV managers may be called upon to intercede from time to time but must keep in mind that the PHA is not a party to the lease.

The term of the HAP contract is the same as the term of the lease. The HAP contract terminates if the lease terminates.

The assisted lease terminates if any of the following occur:

- The owner terminates the lease
- The tenant terminates the lease
- The owner and the tenant agree to terminate the lease
- The PHA terminates the HAP contract
- The PHA terminates assistance to the family

Proper Termination Notice

The family and owner may agree to a mutual rescission of the lease during the initial term of the lease. If the owner will not agree to a mutual rescission, the family will not be permitted to move until after the initial term of the lease. The owner's lease specifies the termination notice period.

Owner Notice Period to Terminate Lease

During the initial term and any extension term, the owner may terminate the lease only with cause or a mutual rescission with the family. The requirement for cause does not apply if the owner terminates the tenancy at the end of the initial term or at the end of any successive definite term (such as month-to-month renewal).

- The PHA is not required to honor a mutual rescission which violates the PHA's policies restricting moves (within the initial lease term or within a calendar year).

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After the initial term, the lease defines what constitutes cause to terminate the lease. The lease must provide for automatic renewal after the initial term. The owner has three options for lease language after the initial term:

- The lease automatically renews on a month-to-month basis
- The lease automatically renews on a year-to-year basis (but this does not affect the family's notice period)
- The lease automatically renews for an indefinite extension of the lease term

If the initial term is over, and the lease has automatic month-to-month renewal terms, the owner can terminate the family's lease without cause by giving one month's notice. If, however, the owner wanted to terminate the lease during any of the monthly renewal terms, they could only terminate by court action.

The owner must comply with state or local laws limiting good cause for termination of tenancy. Such laws may require a longer notice period or may restrict the allowable reasons for termination.

Termination of HAP Contract

The HAP contract is between a PHA and an owner. A PHA may terminate the HAP contract for reasons listed in the regulations and in the contract.

Terminating for Unit Size vs. Family Size

One reason a PHA can terminate a HAP contract is if a PHA determines that the unit does not meet the HQS space standards due to an increase in family size or a change in family composition. In such cases, the PHA must issue a new voucher, and the family and the PHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available, the PHA must terminate the HAP contract according to the contract terms.

- If a decrease in family size causes the family to be over-housed, the PHA is not required to terminate the HAP contract. The family can choose to continue to live in the unit and pay the difference between the gross rent and the payment standard for the new family unit size.

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Notes

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SECTION 8.9 PORTABILITY

Introduction

There are many specific details and requirements for both initial and receiving PHAs in managing the portability function. This means that there are many opportunities for errors by staff. To manage portability effectively, the HCV manager must create systems and tools to monitor and track the status of all portable families. In the absence of such tracking and monitoring, the manager may be the last to know when there is a problem.

It is also critical that HCV managers train the staff and implement procedures to ensure consistency in the processing of incoming and outgoing portable families. There are risks involved in portability for families, and when a PHA fails to manage and control the process, it is often the family that must deal with the consequences.

There are a number of objectives for the HCV manager as both the initial and receiving PHA.

As the Initial PHA:

- Minimize the risks to families moving under portability by effective pre-portability counseling and providing families with the required contact information about the receiving PHA.
- Ensure that all required documents (50058, verification, copy of voucher, and portability billing form Part A) are provided to the RHA promptly.
- Implement effective procedures to ensure that timely initial and subsequent payments are made when vouchers are administered by the receiving PHA
- Ensure that applicants who exercise portability are income-eligible in the receiving PHA jurisdiction.

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As the Receiving PHA:

- Ensure that vouchers and leasing documents are issued to incoming portable families promptly (within two weeks) and they are prepared to find suitable housing.
- Establish and maintain communication with the Initial PHA.
- Meet initial and subsequent billing deadlines, and ensure that notifications to the IHA of all changes in family status and billing changes are made in accordance with the HUD portability requirements.

Who Processes Portability Moves?

Some PHAs hold each housing specialist responsible to process the families on their caseloads who request to move under portability, but most PHAs designate a portability specialist to process all portable moves both in and out of the jurisdiction. It seems logical that the likelihood for error is less when one person manages (and is accountable for) the process. The portability specialist may only handle the moves in and out and not be required to do the calculations, etc. on these families.

Review of Key Portability Rules

Because of their complexity, we are going to review key portability rules in this section. Make sure that your portability procedures comply with all of the rules and requirements, not just the ones mentioned here.

HUD regulations governing where a family can live and move with assistance can be found at 24 CFR 982.353. HCV Managers should ensure that staff are aware of and remain in compliance with the Housing Choice Voucher Program: Streamlining the Portability Process rule, effective September 21, 2015.

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Limitations under the Portability Provisions

Portability provisions include the following limitations:

- Portability does not apply to project-based programs.
- An initial PHA must not provide portability assistance for a participant family if the family has moved out of its assisted unit in violation of the lease.
- A PHA may establish policies in its administrative plan prohibiting any move (both within and outside the PHA's jurisdiction) by a family during the initial lease term.
- A PHA may also establish policies in its administrative plan prohibiting more than one move (both within and outside the PHA's jurisdiction) during any one-year period.

Residency Requirement for Applicants

If neither the head of household nor the spouse of an assisted family already had a "domicile" (legal residence) in the jurisdiction of a PHA at the time the family first submitted an application for assistance with that PHA, the family does not have a right to portability unless your PHA and the receiving PHA agree.

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The following two examples better illustrate the effects of the residency restriction.

EXAMPLE 1 – EFFECT OF RESIDENCY RESTRICTION

The Johnson family lives in Charleston, SC. While visiting relatives in Jacksonville, FL, the family applies for tenant based housing assistance with the PHA in Jacksonville and is placed on the waiting list. While on the waiting list, the Johnson family moves to Jacksonville and is living there when the head of household submits the family's full application for final eligibility. The Johnson family can only lease in Jacksonville, FL, for the first year after being admitted to the HCV program unless the Jacksonville PHA (the initial PHA) and the receiving PHA agree to allow the family to exercise portability.

EXAMPLE 2 – EFFECT OF RESIDENCY RESTRICTION

The Delacy family lives in San Diego and applies for housing assistance. The family moves to Los Angeles for a while and later moves up the coast to San Francisco. While living in San Francisco the family is notified by the San Diego PHA that its name has come to the top of the waiting list. The Delacys go to San Diego to submit their full application for eligibility. When they receive their voucher they may lease a unit anywhere within the jurisdiction of the San Diego PHA or outside it with portability.

Income Limit Restrictions for New Admissions

Remember, applicants moving into your jurisdiction must be under your income limits, and applicants moving from your jurisdiction under portability must be under the RHA's income limits.

If your jurisdiction contains more than one income limit area:

- For voucher issuance (eligibility), use the highest applicable income limit.
- For admission to the program, the family must be under the income limit in the area that they initially lease a unit.

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Restriction on Denials Due to Insufficient Funding

The PHA may deny permission to move if the PHA does not have sufficient funding for continued assistance. An initial PHA must notify the local HUD office within 10 business days of a determination to deny a portability move based on insufficient funding. You may not deny a move simply because the move is to a higher-cost area. You should also take into consideration any reported changes in the family's income or composition that would result in a decreased subsidy amount (therefore not resulting in an increased cost).

If a portability move is denied, you must support and document the lack of funds in accordance with Notice PIH 2011-3 which specifies the exact documentation that the notification must include. Also note that if a move is denied due to insufficient funding, your PHA may not admit any waiting list families to the program until funding is sufficient to support the move. You must then promptly process the portability request if family still wishes to move.

In addition, PHAs must establish policies in their administrative plan which state how the agency will address families who have requested a move and were denied due to lack of funding once funds become available for those moves.

Initial and Receiving PHA Responsibilities

The initial PHAs, receiving PHAs, and families each have distinct responsibilities when it comes to portability procedures. Review the portability regulations and all relevant PIH notices, then review your current procedures. Make certain that your PHA is in compliance with these responsibilities. We will review the primary responsibilities here.

Responsibilities of Initial PHA

24 CFR 982.355
Notice PIH 2012-42

Families must inform the PHA of the area to which they want to move. This is to ensure that there is a PHA with an HCV program in that area. If the family is an applicant, you must determine their income-eligibility in the new location. Participant families are not subject to income limit requirements.

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The Initial PHA must:

- Contact the receiving PHA (RHA) in writing via e-mail or other confirmed delivery method prior to approving the family's request to move to determine whether they will administer or absorb the voucher. Based on the receiving PHA's response and available funding, the initial PHA will determine whether they will approve or deny the portability request. The receiving PHA must advise the initial PHA in writing, via email or other confirmed delivery method, of its decision.
- Provide the RHA with the following documents:
  - Form HUD-52665, Family Portability Information, with Part I completed
  - The family's most recent form HUD-50058, Family Report (for applicants, provide a facsimile)
  - Related verification information for the current HUD 50058
  - A copy of the family's voucher
  - Optional: Family self-sufficiency (FSS) information if the family is participating in FSS
  - Optional: Copies of all citizen/eligible immigrant verifications

For applicants (as opposed to participants), the initial PHA has not completed a form HUD-50058 and submitted the information to HUD because the family is not yet a new admission. However, they must still provide the family information and income information to the receiving PHA in a format similar to that of HUD-50058 so that the information is easily available for use by the receiving PHA.

The initial PHA must promptly reimburse the receiving PHA for the full amount of the housing assistance payments and for the lesser of 80 percent of the initial PHA's prorated ongoing administrative fee or 100 percent of the receiving PHA's prorated ongoing administrative fee.

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The initial PHA must also make payments to the receiving PHA in accordance with Notice PIH 2011-3 and form HUD-52665, Family Portability Information. The initial PHA must comply with the financial procedures, and billing and payment deadlines required by HUD. Be aware that the initial PHA may not terminate or delay making payments under existing billing arrangements as a result of overleasing or funding shortfalls. PHAs may only terminate HAP contracts as the result of insufficient funding in accordance with 24 CFR 982.454 to which they are a party.

If the initial PHA fails to make billing payments in a timely manner, HUD may transfer units and funds for assistance from the initial PHA's annual contributions contract (ACC) to the receiving PHA's ACC.

Note: Initial PHAs may voluntarily request that HUD transfer units from their ACC to a receiving PHA's ACC in order to eliminate portability billing arrangements.

Responsibilities of the Family

24 CFR 982.355(c)

In portability procedures, the family has responsibilities of their own. These responsibilities include the following:

- The family must promptly contact the receiving PHA and comply with their procedures for incoming portable families.
- The family must submit a request for tenancy approval to the receiving PHA during the term of the receiving PHA's voucher.
- The family is responsible for selecting the receiving PHA from PHAs that serve the area and must inform the initial PHA which PHA it has selected as the receiving PHA. If the family prefers not to select the receiving PHA, the initial PHA selects the receiving PHA on behalf of the family.

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Responsibilities of Receiving PHA

24 CFR 982.355
Notice PIH 2012-42

The receiving PHA must do the following:

- Respond (via e-mail or other confirmed delivery method) to the initial PHA's inquiry regarding whether the family's voucher will be billed or absorbed.
- Determine the family unit size for a portable family based on its own subsidy standards.
- Issue a voucher to the family.
  - The voucher may not expire before 30 calendar days from the expiration date of the initial PHA voucher.

Should the receiving PHA notify the initial PHA that it will absorb the family's voucher, the receiving PHA may not reverse its decision at a later date without the consent of the initial PHA.

The receiving PHA must process the family's paperwork and issue the incoming family a voucher for its jurisdiction within two weeks of receiving the HUD-52665 and supporting documentation, provided the information is in order, the family has contacted the receiving PHA, and the family complies with the receiving PHA's procedures.

The receiving PHA should not process the family if the initial PHA's voucher has already expired when the PHA receives the paperwork from the initial PHA, but should refer the family back to the initial PHA.

If the receiving PHA opts to conduct a new reexamination, it may not delay issuing the family a voucher or otherwise delay approval of a unit unless the recertification is necessary to determine income eligibility. The receiving PHA may always delay approval of a unit or issuance of a voucher if the family refuses to comply with the PHA's procedures (such as completing disclosure forms or certifications).

The receiving PHA does not redetermine eligibility for a participant family. However, for a family that was not already receiving assistance in the PHA's HCV program, the initial PHA must determine whether the family is eligible for admission to the receiving PHA's HCV program. In determining income eligibility, the receiving PHA's income limits are used by the initial PHA.

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The voucher, issued by the receiving PHA to the family, may not expire before 30 calendar days from the expiration date of the initial PHA's voucher. The receiving PHA decides whether to extend the voucher term.

- The receiving PHA may provide additional search time to the family beyond the expiration date of the initial PHA voucher either when it initially issues its own voucher or by subsequently extending the term of its own voucher.
- Any extensions of search time provided by the receiving PHA's voucher are only valid for the family's search in the receiving PHA's jurisdiction.
- If the receiving PHA provides the family with search time beyond the expiration date of the initial PHA's voucher, the receiving PHA must inform the initial PHA of the extension and should keep in mind the billing deadline the initial PHA has provided.
- Unless willing and able to absorb the family, the receiving PHA should ensure that any voucher expiration date would leave sufficient time to process a request for lease approval, execute a HAP contract, and cover the anticipated delivery time (if the PHA is not submitting the billing information by fax or e-mail) so that it will be received by the initial PHA by the deadline date.

The receiving PHA is required to provide assistance when a family has a right to lease up under portability. This means the receiving PHA must perform all PHA program functions, such as reexaminations of family income and composition.

The receiving PHA must promptly notify the initial PHA whether it will bill the initial PHA for assistance or absorb the family.

If the receiving PHA decides to bill the initial PHA, the receiving PHA completes Part II of form HUD-52665 and sends it along with a copy of the family's form HUD-50058 to the initial PHA.

- Part II of HUD-52665 is also used to report any change in the billing amount while the billing arrangement is in effect.
- The receiving PHA must send the initial PHA a copy of the family's updated form HUD-50058 at each annual recertification for the duration of time the receiving PHA is billing the initial PHA on behalf of the family, regardless of whether there is a change in the billing amount.

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The receiving PHA may absorb the family into its own program once the HAP contract is executed on behalf of the family by the receiving PHA, assuming it has funding available under its ACC to do so and such a decision will not result in overleasing. The receiving PHA may also absorb a portable family assisted through a billing arrangement by terminating the billing arrangement with the initial PHA.

The receiving PHA should also provide adequate notice to the initial PHA in each of the following situations:

- The billing amount changes. If the receiving PHA fails to send Form HUD-52665 within 10 days of effective date of billing changes, the initial PHA is not responsible for any increase prior to notification. For example:
  - A HAP increase is effective April 1, 2017
  - The receiving PHA sends Form HUD-52665 to the initial PHA on July 9, 2017
  - The initial PHA pays the new amount effective August 1, 2017 and is not responsible for the increased amount for April through July
- The receiving PHA decides to absorb a family for which it has previously been billing the initial PHA or the family's housing assistance payments are terminated for any reason. The receiving PHA may not retroactively absorb portable families for any period more than 10 working days prior to notification of the initial PHA.
- A portable family for which the receiving PHA is currently billing the initial PHA wants to move to another PHA's jurisdiction. In this case, the initial PHA is responsible for issuing the family's voucher and sending the Form HUD-52665 and supporting documentation to the new receiving PHA.

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If an incoming portable family ultimately decides not to lease in the jurisdiction of the receiving PHA but instead wishes either to return to the initial PHA or to search in another jurisdiction, the receiving PHA must refer the family back to the initial PHA.

- The voucher on record for the family is once again the voucher originally issued by the initial PHA.
- Any extensions of the initial PHA's voucher necessary to allow the family additional search time to return to the initial PHA's jurisdiction or to move to another jurisdiction would be at the discretion of the initial PHA.

Administering or Absorbing

When a family moves under portability to another PHA's jurisdiction, the receiving PHA must administer assistance for the family if the PHA has a tenant-based program. The receiving PHA must decide if it will either administer the subsidy for the initial PHA or if it will absorb onto its program.

Administering means that in order to cover the assistance for the portable family, the receiving housing authority (RHA) bills the initial housing authority (IHA) for the housing assistance payment and the administrative fees. The assistance comes from the IHA's HCV allocation.

Absorbing means that the RHA uses the funds available under its ACC to assist the family. The IHA can then reissue a voucher to another family.

If the RHA initially decides to administer the voucher, at any point the RHA may decide to absorb the family.

- PHAs who initially administer vouchers might decide to absorb if leasing rates are low, housing markets are tight, utilization rates are low, or the PHA's SEMAP score is low.
- The PHA does not need to wait for the family's annual recertification in order to absorb a voucher it was administering.

If the RHA states that it will absorb the family, the RHA cannot later decide to bill.

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Note: If the RHA administers the voucher for a new admission to the program, the family counts towards the IHA's income-targeting requirements. If the RHA absorbs the voucher of a new admission family, the family counts towards the RHA's income-targeting requirements.

The RHA must decide if it will administer or absorb incoming portable families. The RHA may make this decision based on changing circumstances and may wish to administer in certain circumstances or at certain times of the year and absorb at others. Many factors go into this decision, including:

- Leasing rates
  - Absorbing vouchers is one way to boost utilization.
- Administrative cost of billing
  - Generally, absorbing is more cost-effective since staff time is not spent billing other agencies.
- The relationship between the IHA and RHA
  - Some PHAs may wish to absorb families from agencies with which the PHA has never worked before.
  - If the RHA absorbs families from all but a handful of agencies, it reduces the number of other agencies the RHA must bill.
- Needs of families or number of families on the RHA's waiting list
  - If the RHA absorbs an incoming port family, families in the RHA's jurisdiction on the RHA's waiting list will likely have to wait longer for assistance.

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Portability Billing

All billing arrangements must be in accordance with the procedures established in Notice PIH 2011-3. As discussed briefly above, submitting Form HUD-52665 is necessary for making portability arrangements. This form also contains information pertaining to making such arrangements.

- PHAs are no longer allowed to mutually agree in writing to a different billing schedule and arrangement. In order to reduce the amount of complication associated with portability billing arrangements, all PHAs are now required to follow the HUD procedures on billing requirements, including the billing schedule and reimbursement deadlines.

Submission of the Initial Billing by the Receiving PHA

As mentioned above, when submitting the initial billing, the receiving PHA must complete and mail (which may include e-mail or fax) Part II of the Form HUD-52665 along with a copy of the Form HUD-50058. The initial PHA must receive these billing forms within 10 working days from the date a HAP contract is executed on behalf of a family.

- The initial PHA is generally not obligated to honor initial billings that are postmarked, e-mailed, or faxed more than 10 working days after the date the HAP contract is executed.
  - This refers to the date the HAP contract is executed, not the effective date of the HAP contract. For instance, if a PHA executes a HAP contract within 60 days of the approval of the unit, the HAP contract may be retroactive to the date the unit was approved. It is the date the PHA executed the contract, not the retroactive effective date of the contract, that establishes the deadline by which the initial billing must be mailed, e-mailed or faxed.
- A receiving PHA failing to send the initial billing within 10 working days of the date the HAP contract execution is generally required to absorb the family into its own program unless the initial PHA is willing to accept the late submission.

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Also, the initial billing submission must be received by the initial PHA no later than 60 days following the expiration date of the family voucher issued by the initial PHA.

- If the initial PHA has not received a billing notice by the 60-day deadline, the initial PHA must contact the receiving PHA to determine the status of the family if the initial PHA intends not to honor a late billing submission.
- If the receiving PHA reports that the family is under HAP contract and it cannot absorb when the initial PHA contacts the receiving PHA to determine the status of the family, the initial PHA is required to accept the subsequent late billing.
- If the receiving PHA reports that the family is not yet under HAP contract, the initial PHA may inform the receiving PHA that they will not accept any subsequent billing on behalf of the family. Once the initial PHA has so notified the receiving PHA, the initial PHA is not required to honor any billing notice received after the billing deadline. If the initial PHA still subsequently receives a late billing notice on behalf of the family, it simply returns the late Form HUD-52665 to the receiving PHA, and the receiving PHA must absorb the family.

Payment of the Initial Billing

After the receiving PHA submits Part II of the Form HUD-52665, the initial PHA must pay the first billing amount due within 30 calendar days of receipt.

- Payment must be provided in a form and manner that the receiving PHA is able and willing to accept.

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Subsequent Billing Payments

After each PHA makes their billing arrangements and the first payment has been sent, the initial PHA must make a payment each month that the arrangement is in effect. Regarding these subsequent payments, keep the following in mind:

- The receiving PHA does not send a billing notice each month. The receiving PHA is required to send a new notice only when there is a change in the billing amount or in the family's status.
- Subsequent monthly billing payments must be received by the receiving PHA no later than the fifth working day of each month.

If the initial PHA fails to make the monthly payment to the receiving PHA by the fifth working day of the month, the receiving PHA must promptly notify the initial PHA in writing of the deficiency.

- The notice must identify the family or families, the total billing payment that was late or has yet to be paid, and the date the payment was ultimately received (if received at all).
- A copy of the notification must be sent to the director (or the staff person designated by the Director) of the Office of Public Housing (OPH) in the HUD Area Office with jurisdiction over the receiving PHA.

If the initial PHA fails to correct the problem by the second month following the notification (e.g., the receiving PHA informs of late payment in June and the payment is still late in August), the receiving PHA may request by memorandum to the director of the Office of Public Housing (OPH) with jurisdiction over the receiving PHA that HUD transfer the unit or units in question.

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Notification of Change in Billing Amount or Other Action

If there is any change in the billing amount, the receiving PHA is required to send a new Form HUD-52665 along with the Form HUD-50058 to report this change. The timing of the notice should correspond with the notification to the owner and the family in order to provide the initial PHA with advance notice of the change. However, under no circumstances should the notification be later than 10 working days following the effective date of the change in the billing amount.

- Changes include termination for any reason, change in billing amount, and absorption.

Billing Process

- The following tables summarize the portability billing process.

Annual Requirement
• The receiving PHA is required to send the completed Form HUD-50058 to the initial PHA (IHA) annually, even if there is no change. • IHA managers should track the receipt of an annual HUD-50058, and reconcile these families annually. If no annual HUD-50058 is received for a family, the RHA should be contacted. If no HUD-50058 is then received, the IHA should follow up with the HUD area office.

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Overview of the Process
• Family informs IHA of proposed portability move
• IHA determines family's eligibility for move
• IHA contacts RHA about family and provides family with RHA information
• IHA sends RHA 50058, billing form and verification information
- If voucher has expired when family arrives, RHA refers family back to IHA
- If IHA extends voucher (& billing deadline), process continues
• RHA issues voucher with expiration date at least 30 days after expiration date of the initial PHA's voucher within *2 weeks of receipt of port docs*
• RHA notifies IHA if voucher is extended
• Family finds unit and RHA executes HAP contract
• RHA bills or absorbs family into its own program
- If RHA absorbs family, RHA provides IHA with effective date within *10 working days*
- If RHA bills, RHA sends billing form and 50058 to IHA within *10 working days from HAP contract execution*
• IHA must receive initial billing within *60 days of expiration of IHA's voucher*
• RHA is required to absorb family if it misses deadline unless OK'd by IHA
• IHA must pay RHA within *30 days from receipt of billing*
• IHA sends ongoing payments to ensure receipt by RHA by 5th working day of each month
• RHA sends IHA changes in amounts no later than *10 working days of effective date of change*
• RHA notifies IHA if RHA terminates assistance or absorbs within *10 working days*
• RHA sends annual HUD-50058 to IHA, even if there is no change.

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HUD Reviews

HUD does periodic reviews of PHAs with respect to portability billing arrangements. For these reviews, PHAs will be required to submit information on families covered under billing arrangements. HUD then determines if the information is consistent between initial and receiving PHAs.

- HUD urges PHAs to compare portability billing records with their initial and receiving PHA partners in order to identify and address any discrepancies before the HUD review.

Receiving PHAs that failed to inform initial PHAs, in accordance with Notice PIH 2011-3 that billing arrangements have been terminated in a timely manner will be subject to the penalties described in the notice.

PIC Data Entry

In addition to understanding the ins and outs of portability billing, it's equally important to be able to accurately input your data into the PIC system.

Portability Move-in or New Admission

The part of the HUD-50058 concerning portability move-ins or new admissions is line number 2A. When filling out this section, keep in mind the following:

- The receiving PHA classifies a family as a 4 (Portability Move-in) if the family moves into a receiving PHA's jurisdiction after being previously assisted by an initial PHA regardless of whether the receiving PHA absorbs the family or bills the initial PHA.
  - The PIC system generates a fatal error for the submission of action code 4 without prior submission of a form HUD-50058 or form HUD-50058 MTW with action code 10.
- The receiving PHA classifies a family as a 1 (New Admission) if the family exercises portability with its first admission into the voucher program. This family (generally off the waiting list) would have received a voucher for the first time from the initial PHA and exercised portability without ever having leased an assisted unit in the initial PHA's jurisdiction.

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In addition, line 2b represents the Effective Date of the Action, which is the effective date of the HAP contract for the family.

Portability Move-out

On the other hand, portability move-out is addressed in the HUD-50058 on line number 2a. For this part of the form:

- A participant family is classified as a 5 (Portability Move-out) if the family moves out of an initial PHA's jurisdiction, where it had been previously assisted, and into a receiving PHA's jurisdiction, regardless of whether the receiving PHA bills the initial PHA or absorbs the family.
- The initial PHA submits a Portability Move-Out report only after the receiving PHA reports that it has executed a HAP contract on behalf of the family as recorded in Boxes 2 or 3 in Part II-B of the Form HUD-52665.

In this case, the effective date of the action (2b) for the portability move-out is the date entered in Box 2 or 3 of the Form HUD-52665.

Additional Data Entry Requirements

Other portability-related data entry requirements are found in the HUD-50058 on line number 12d and line number 12F. For line number 12d:

- If the family moved into a PHA's jurisdiction under portability as a new admission or portability move-in, regardless of whether the family is absorbed into the receiving PHA's jurisdiction or the initial PHA is billed, the PHA must enter Y in this field. That field will not change as long as the family continues to be assisted in the receiving PHA's jurisdiction, even if the receiving PHA decides to absorb the family after first billing the initial PHA.

For line number 12F:

- Since a PHA is not responsible for submitting reports into PIC for families whose assistance is being administered by another PHA under portability, the PHA code of the billed PHA must be entered correctly in order for reporting rates to be accurate.

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Portability Tracking

Another important aspect of maintaining accuracy involves portability tracking. PHAs need to have an effective means of tracking in order to successfully manage portability billings and payments. Once again, tracking differs depending on whether you are an initial or receiving PHA.

The Initial PHA

The Initial PHA should track:

- The date the initial PHA's voucher was issued
- The date the initial PHA's voucher expires
- 60 days following the initial PHA's voucher expiration

If the form HUD-52665 has not been received within 90 days, the initial PHA should contact the receiving PHA to determine if the family is under contract. If the family is not under contract as of that date, the initial PHA should determine whether they intend to honor the billing statement (if the receiving PHA is administering the voucher), and so inform the receiving PHA.

The initial PHA may want to track the number and status of families who are searching in other jurisdictions and may eventually lease up. The Housing Choice Voucher Guidebook provides a sample log.

The Receiving PHA

The receiving PHA may want to create a processing log to track the number of families currently searching in their jurisdiction. This allows the program manager to make sure that the agency is keeping up with billing deadlines and allows staff to gauge where families are in the portability process. The Housing Choice Voucher Guidebook provides a sample log.

Receipt of Billing (Form HUD-52665) from Receiving PHA (If Administering)

Remember, initial payment is made within 30 days of receipt of form HUD-52665, ongoing billing payments should be received by the receiving PHA no later than the fifth working day of each month, and the receiving PHA must send a completed form HUD-50058 at annual reexamination.

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The Receiving PHA should track:

- The expiration date of the initial PHA's voucher
- 90 days after the expiration date of the initial PHA's voucher (the form HUD-52665 is due to the initial PHA by this date for administered families)
    - In cases where suspension of the voucher delays the initial billing submission, the receiving PHA must notify the initial PHA of delayed billing before the billing deadline and document that the delay is due to the suspension. In this case, the initial PHA must extend the billing deadline by 30 days.
- 10 working days from the date a HAP contract is executed (the form HUD-52665 is due to the initial PHA by this date for administered families)
- That the initial billing payment is reimbursed to the receiving PHA within 30 calendar days of receipt of the form HUD-52665 by the initial PHA
- hat ongoing monthly payments are received by the receiving PHA no later than the fifth working day of each month
- That a completed form HUD-50058 is sent to the initial PHA at annual reexamination
- That a completed form HUD-52665 (plus required documents) is sent to the initial PHA no later than 10 working days from the effective date of a change in family status or billing amount

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Notes

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SECTION 8.10 INFORMAL REVIEWS AND HEARINGS

Introduction

Individuals receiving or applying for HCV program assistance have the right to disagree with certain actions and inactions of the PHA in accordance with HUD regulations at 24 CFR 982.554 and 982.555. These regulations describe the circumstances under which PHAs must provide applicants with the opportunity for an informal review and participants with the opportunity for an informal hearing, and also describe the actions and inactions of the PHA for which informal reviews and hearings are not required.

The PHA proposed action to terminate assistance is an adverse action against individuals, and as such, is subject to procedural safeguards to protect the individuals' rights. These rights are referred to as *due process*. The government's authority over individuals is limited by the law-through due process.

Fair hearing has been defined as a judicial or administrative hearing conducted in accordance with due process. The HCV administrative plan must clearly state the policies and procedures for informal reviews for applicants and informal hearings for participants. In addition, the PHA's briefing packet, provided to all voucher holders, must include a description of the procedures for requesting informal reviews and informal hearings.

With the exception of decisions related to restrictions on non-citizens, an informal review is for voucher program applicants and an informal hearing is for program participants. Decisions related to restrictions on assistance to non-citizens always require an informal hearing regardless of whether the family is an applicant or a participant.

The key issue for HCV managers is to ensure that applicants and participants are afforded full due process in accordance with the regulations. We will discuss various aspects of the informal review and hearing requirements in this section and offer some suggestions on managing this important program function.

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Some important objectives for the HCV manager include:

- That the PHA administrative plan has clear policies and the PHA has procedures that describe how informal reviews and hearings are conducted and that those policies and procedures are consistently applied
- That all families are provided the opportunity for an informal review or informal hearing at times required by HUD regulations
- That all notices of adverse action to applicants and participants comply with HUD requirements and the administrative plan
- That the PHA case file and documentary evidence presented by the PHA at informal reviews and hearings is clear, organized, and presented so as to be readily understood by the applicant or participant and the informal review/hearing officer

Key Points for the Manager

Review all of the notification letters for informal reviews and informal hearings and make sure they contain the following:

- The date, time and location of the hearing
- Notice that the family has the right to bring an attorney at their own expense
- Notice of the family's right to discovery of PHA records and documents pertaining to the action, including the date by which the request must be received and any cost per copy.
- Notice that family must provide to the PHA any records and documents pertaining to the action, which the family intends to use at the informal hearing, including the date by which the request must be received and any cost per copy
- A copy of the PHA informal review/hearing procedures

Make certain that the review or hearing officer is not the person who made or approved the PHA decision or anyone subordinate to that person.

Make certain that there is a management approved protocol for the organization of the case file and documents to be presented at the hearing.

Hearing officers must always use the principles of due process as a touchstone in rendering decisions.

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If conducting remote hearings, make certain that they meet the requirements specified in Notice PIH 2020-32.

Denial of HCV Assistance to an Applicant

The following items do not constitute grounds for an informal review:

- Discretionary administrative determinations by the PHA
- General policy issues or class grievances
- A determination of the family unit size under the PHA subsidy standards
- A PHA decision not to approve an extension of a voucher term
- A PHA decision not to approve a unit or a proposed tenancy
- A PHA determination that a unit selected by the applicant is not in compliance with HQS
- A PHA determination that the unit is not in accordance with HQS because of family size or composition
- A PHA decision not to waive a particular general requirement in their case

PHAs must provide an opportunity for an informal review for as the following items:

- Denying listing on the PHA waiting list
- Denying admission or withdrawing a voucher

Who Can Conduct the Review

Anyone other than the person or subordinate of the person who made or approved the decision under review may conduct an informal review. For example, if the HCV manager approves all decisions to deny admission, then the informal review cannot be conducted by the manager or anyone on the HCV staff who is subordinate to the manager. Whoever conducts the review should have knowledge of the PHA administrative plan and the regulatory grounds for denial of admission.

The applicant must be given an opportunity to present written or oral objections to the PHA's decision. The PHA must then notify the applicant of the final decision including a brief statement of the reasons for the decision.

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Note: People whose assistance is denied or terminated on the basis of citizenship should be granted an informal hearing.

Informal Hearings for Participants

When an Informal Hearing Is Required

24 CFR 982.555

A PHA must give a participant family an opportunity for an informal hearing to consider whether the following PHA decisions relating to the individual circumstances of a participant family are in accordance with the law, HUD regulations, and PHA policies. The reasons for which an informal hearing must be provided are as follows:

- The determination of the family's annual or adjusted income used to calculate the housing assistance payment
- The determination of the appropriate utility allowance when there are tenant-paid utilities
  - Note that participants are not entitled to an informal hearing to dispute the PHA-established utility allowance schedules, but only for the calculation of their specific utility allowance.
- The determination of the family unit size under the PHA subsidy standards
- The decision to terminate assistance for a participant family because of the family's actions or failure to act
- A determination to terminate assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under PHA policy and HUD rules.

In the cases related to determination of income, HAP, utility allowances, and family unit size, the PHA must notify the family that the family may ask for an explanation of the basis of the PHA determination, and that if the family does not agree with the determination, the family may request an informal hearing on the decision.

In cases involving termination of assistance, the PHA must give the opportunity for an informal hearing before the PHA terminates housing assistance payments for the family under an outstanding HAP contract.

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When an Informal Hearing Is Not Required

Informal hearings are not required for the following:

- Discretionary administrative determinations by the PHA
- General policy issues or class grievances
- Establishment of the PHA schedule of utility allowances for families in the program
- A PHA determination not to approve an extension or suspension of a voucher term
- A PHA decision not to approve a unit or tenancy
- A PHA determination that an assisted unit is not in compliance with HQS
  - However, the PHA must provide the opportunity for an informal hearing for a decision to terminate assistance for a breach of the HQS caused by the family as described in 24 CFR 982.551.
- A PHA determination that the unit is not in accordance with HQS because of the family size
- A determination by the PHA to exercise or not to exercise any right or remedy against the owner under a HAP contract

Elements of Due Process

Adequate Notice

24 CFR 982.555(c)

The notice of proposed action must state the reasons for the PHAs decision specifically enough to allow the person to understand the who, what, where, and when. In other words, the notice should provide enough specific information for the person to adequately prepare their defense.

In some cases when hearing is required, the PHA must notify the family that the family may ask for an explanation of the basis of the PHA determination, and that if the family does not agree with the determination, the family may request an informal hearing on the decision. In other cases when hearing is required, the PHA must give the family prompt written notice that the family may request a hearing.

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The notice must:

- Contain a brief statement of reasons for the decision
- State that if the family does not agree with the decision, the family may request an informal hearing on the decision
- State the deadline for the family to request an informal hearing

Notice to Applicant

The notice should contain the factual basis for the denial and the specific HUD regulations that the denial is based on. You may also want to include the provision of the administrative plan that authorizes the denial. It is also important that the notice explain the factual basis for denial in clear, concise and specific language that describes the grounds for denial. For example, a review notice would not qualify if it cited only "drug-related activity," or "it has been determined that you are not eligible at this time."

Here are some acceptable examples:

- We mailed a request for you to attend an eligibility interview on XXXXX, and you failed to appear. A second notice was mailed to you on XXXXX to attend an eligibility interview, and you failed to appear at the second appointment. You did not contact us to reschedule either of these appointments prior to the appointment dates.
- Your annual income exceeds the income limits for the area. Your annual income is $X and the income limit for your family size is $Y.
- We notified you on XXXXX to request that you provide the following document(s) no later than XXXXX in order to determine your eligibility for the program. You failed to provide the documents requested by the due date. (name the documents)
- You were evicted from Public Housing (include address of unit) on (insert date) for drug-related criminal activity which involved the sale of marijuana on the premises of the unit.

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Denial and Termination for Criminal History

Authority

24 CFR 5.903(a)

If you are a PHA that administers the HCV program or public housing program, 24 CFR 5.903 authorizes you to obtain criminal conviction records from a law enforcement agency (as defined in 24 CFR 5.902). You may use the criminal conviction records that you obtain from a law enforcement agency under the authority of this section to screen applicants for admission to covered housing programs (which includes HCV), and for lease enforcement or eviction of families residing in public housing or receiving Section 8 project-based assistance as long as there is not disparate treatment as outlined in the OGC Guidance.

Opportunity to Dispute for Criminal History

24 CFR 5.903(f)

If a PHA obtains criminal record information from a state or local agency (under 24 CFR 5.903) showing that a household member has been convicted of a crime relevant to applicant screening, lease enforcement, or eviction, the PHA must notify the household of the proposed action to be based on the information and must provide the subject of the record and the applicant or tenant a copy of such information, and an opportunity to dispute must be provided before a denial of admission, eviction, or lease enforcement action on the basis of such information.

The Right to Further Explanation

When notices of a PHAs decisions are sent to participants (such as HAP and rent adjustments) the notice should contain a statement that the participant may request a further explanation of the notice, and if they disagree with the explanation they may request an informal hearing. Hearings should be scheduled promptly and take place before the decision of the PHA goes into effect.

Administrative Plan

As an HCV manager, it is your responsibility to ensure that the administrative plan sufficiently describes the procedures for conducting informal hearings for participants. The relevant HUD regulations can be found at 982.555(e)(2).

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Discovery of Documents

Both the PHA and the family have the right to discovery of records and documents.

By Family

The family must be given an opportunity to examine any relevant PHA records or documents prior to the hearing, and must be allowed to copy any such documents at their own expense. If the PHA does not make a document available for examination on request, they may not rely on the document at the hearing. It is suggested that PHAs establish a deadline (both in the administrative plan and in the notice to the family) by which requests for discovery must be received prior to the hearing in order to avoid last-minute requests on the date of the hearing.

By the PHA

If the PHA intends to exercise discovery, it should be included in the administrative plan and in the notice to the family to schedule the informal hearing.

Conducting an Informal Hearing

The hearing will be conducted in accordance with the PHA's hearing procedures. The hearing officer is responsible to explain the purpose of the hearing, the order of business and the standards for conduct and behavior.

Both the participant and the PHA should have the opportunity to present arguments, present documents and ask questions. Refer to the informal hearing procedures in your administrative plan.

24 CFR 982.555(d)

Where a hearing for a participant family is required, the PHA must proceed with the hearing in a reasonable expeditious manner upon the request of the family.

Hearing Procedures

A Hearing Prior to Termination

The hearing must be fair, meaning that the individual or family has the right to:

- An opportunity to be heard
- The opportunity to examine, before the hearing, any PHA documents, records, and regulations relevant to the hearing that the PHA intends to present at the hearing
  - If the PHA does not make the document available for examination on request of the family, the PHA may not rely on the document at the hearing
- Copy any such documents at the family's expense
- Confront and cross-examine all witnesses upon whose testimony or information the PHA relies
- The opportunity to present evidence and arguments
- An impartial decision-maker
- A decision based only on the evidence presented at the hearing
- A decision that includes the reasons and evidence relied upon
- The person who conducts the hearing must issue a written decision within a reasonable time, as specified in the PHA's hearing policies.

Representation of family

At its own expense, the family may be represented by a lawyer or other representative.

Hearing Officer: Appointment and Authority

The hearing may be conducted by any person or persons designated by the PHA, other than a person who made or approved the decision under review, or a subordinate of this person.

The person who conducts the hearing may regulate the conduct of the hearing in accordance with the PHA hearing procedures.

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Ex Parte Communication

The PHA, hearing officer, and the hearing process must be vigilant to avoid ex parte communication, or even the appearance of ex parte.

Ex parte is a contact between the decision maker and a party (or other on behalf of party), regarding the matter under review, without notice and opportunity for all parties to participate.

- No party has any special influence.
- All parties have the opportunity to rebut.
- All facts are on the record.

Evidence

24 CFR 982.555(e)(5)

The PHA and the family must be given the opportunity to present evidence and question any witnesses. In general, all evidence is admissible at an informal hearing. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings. Any evidence to be considered by the hearing officer should be presented at the time of the hearing. There are four categories of evidence:

- **Oral evidence:** The testimony of witnesses.
- **Documentary evidence:** A writing which is relevant to the case, for example, a letter written to the PHA. Writings include all forms of recorded communication or representation, including letters, words, pictures, sounds, videotapes, symbols, or combinations thereof.
- **Demonstrative evidence:** Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart or other diagram.
- **Real evidence:** A tangible item relating directly to the case.
- **Hearsay evidence:** Evidence of a statement that was made other than by a witness while testifying at the hearing and that is offered to prove the truth of the matter. Even though evidence, including hearsay, is generally admissible, hearsay evidence alone cannot be used as the sole basis for the hearing officer's decision.

If either the PHA or the family fail to comply with the discovery requirements described above, the hearing officer must refuse to admit such evidence.

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Other than the failure of a party to comply with discovery, the hearing officer has the authority to overrule any objections to evidence.

Preparing for the Hearing

A best practice is for the PHA to utilize a pre-hearing checklist that the hearing coordinator provides to the hearing officer before the hearing, either in the hearing packet or separately.

Following is a pre-informal hearing checklist template for the voucher program.

Note: This is not a HUD form or a legal form. State law may affect some of these categories. In addition, your PHA may have particular procedures that should be incorporated. Check with hearing coordinator or legal counsel before adopting this form.

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Exhibit 8.10-1 Informal Hearing Checklist

INFORMAL HEARING CHECKLIST – HOUSING CHOICE VOUCHER

Applicability		
Yes ❒	No ❒	Was this adverse action subject to the informal hearing process per the PHA's Administrative Plan and HUD regulations?
		If "No" to the above, why not? Consult with hearing coordinator or legal counsel before discontinuing the hearing process.
Review adequacy of and service of notice of adverse action		
Adverse action		
Yes ❒	No ❒	Did notice state the reasons for the adverse action in sufficient detail to enable the participant to prepare a defense?
Yes ❒	No ❒	Did the notice explain that the family had the right to request an informal hearing and explain how this was done?
Yes ❒	No ❒	Did the notice state the deadline for the family to request an informal hearing and was the deadline consistent with the PHA's Administrative Plan? (e.g., 10 business days) and reasonable?
Proper service		
Yes ❒	No ❒	Does the PHA have adequate proof of service or does participant admit service?
Yes ❒	No ❒	Was notice served sufficiently in advance of effective date of adverse action as to comply with HUD regulations and the PHA's Administrative Plan and satisfy any due process concerns?
Did family request hearing in timely manner?		
Yes ❒	No ❒	Did the family request an informal hearing within deadline set forth in the notice of adverse action?
Yes ❒	No ❒	If not, did the family have good cause for filing a late request for the informal hearing?
PHA's acknowledgement of hearing request		
Yes ❒	No ❒	Did the PHA adequately acknowledge the family's hearing request, preferably in writing?
Yes ❒	No ❒	Did the PHA provide the family with a copy of its informal hearing procedures?
Yes ❒	No ❒	Did the PHA explain the discovery process, including the family's right to review relevant documents, including the PHA's Administrative Plan and HUD regulations, and the family's duty to share documents with the PHA?
Yes ❒	No ❒	Did the PHA offer to meet with the family prior to the hearing to clarify issues, resolve issues through agreement, answer questions about the hearing process and the laws and rules that apply, and to exchange documents, witness statements, and lists of witnesses?
Yes ❒	No ❒	Did the PHA advise the family of the process it would use to select the hearing officer, advise the family that neither party may have separate contacts (ex parte) with the hearing officer in the interests of one side only, remind the family that once the hearing officer is selected, both parties must provide copies of all documents intended to be used at the hearing, and assure the family that the hearing officer will decide the case solely on evidence presented during the hearing?

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Selection of Hearing Officer		
Yes ❒	No ❒	Did the PHA select the hearing officer in accordance with its Administrative Plan?
Yes ❒	No ❒	Did you, the hearing officer, make or approve the decision under review or are you a subordinate of the person who did make the decision?
Yes ❒	No ❒	Is there any evidence suggesting that you, as the hearing officer, should be disqualified for bias, prejudice, conflict of interest, or because of ex parte contacts with one of the parties?
Discovery		
Yes ❒	No ❒	Did family ask for opportunity to examine relevant documents prior to hearing; if so, were they allowed to copy such documents at their own expense?
Yes ❒	No ❒	Did PHA fail to make any documents available to the family, which should now be excluded at the hearing?
Yes ❒	No ❒	Did PHA ask family for opportunity to examine family documents relevant to the hearing?
Yes ❒	No ❒	Did the family fail to make any documents available to the PHA, which should now be excluded at the hearing?
Preparation of the Pre-Hearing Packet		
Yes ❒	No ❒	Did the PHA include in the pre-hearing packet only those documents the hearing officer might need to prepare for the hearing and understand the legal and procedural issues likely to be presented, such as the notice of adverse action, the hearing request, other background documents not in dispute, relevant excerpts from the PHA's Administrative Plan, and HUD regulations?
Yes ❒	No ❒	Did the agency withhold documents or exhibits that contain facts in dispute or those that might create confusion or pose a danger or unfair prejudice if considered out of context of without the benefit of cross-examination or rebuttal?
Notice of Hearing and Pre-Hearing Packet		
Yes ❒	No ❒	Did the PHA provide the family with reasonable notice of the hearing and give the family an opportunity to reschedule the hearing due to a scheduling conflict (per PHA's Administrative Plan)?
Yes ❒	No ❒	Did the PHA serve a copy of the pre-hearing packet with its notice of hearing so that the family might see what documents would be provided to the hearing officer prior to the hearing?
Pre-Hearing Meeting between PHA and Participant		
Yes ❒	No ❒	Did the PHA and participant meet in an attempt to resolve their dispute, clarify or limit the hearing issues, and exchange witness lists and documents to be introduced at the hearing?
	None ❒	If so, what stipulations or agreements, were made, if any? NOTES:
Yes ❒	No ❒	Did participant request that any witnesses participate by telephone?
Yes ❒	No ❒	If "Yes" to the above, did the PHA and participant make arrangements needed so that witnesses could participate by telephone?

Reasonable Accommodation			
	Yes ❒	No ❒	Did the family receive a clear statement before the hearing that if the participant, or any family member or witness attending the hearing, is a person with disabilities, and anyone requires a specific accommodation in order to participate in the hearing process, they had the right to request such reasonable accommodation, and how to go about doing that?
7.	Yes ❒	No ❒	At any time before or during the hearing, did the participant indicate that a reasonable accommodation was needed for person with disabilities in order to participate in the hearing process?
8.	Yes ❒	No ❒	If "Yes" to # 7 above, was the request for an accommodation reviewed and considered?
9.	Yes ❒	No ❒	If "Yes" #8 to above, was the request for an accommodation granted? If "Yes", what was provided?
			If "No" to #9 the above, on what basis was the request for an accommodation denied?

Hearing Officer's Decision

24 CFR 982.555(e)(6)

The person who conducts the hearing must issue a written decision stating the reasons for the decision within the time stated in the PHA informal hearing procedures. Factual determinations relating to the individual circumstances of the family must be based on a preponderance of evidence presented at the hearing. A copy of the hearing must be furnished promptly to the family. In rendering a decision, the hearing officer should consider the following matters:

- **PHA Notice to the Family:** The hearing officer should determine if the reasons for the PHA's decision are factually stated in the notice.
- **Discovery:** The hearing officer should determine if the PHA and the family were given the opportunity to examine any relevant documents in accordance with PHA policy.
- **PHA Evidence to Support the PHA Decision:** The evidence consists of the facts presented. Evidence is not conclusion and it is not argument. The hearing officer should evaluate the facts to determine if they support the PHA's conclusion.
- V**alidity of Grounds for Termination of Assistance (when applicable):** The hearing officer should determine if the termination of assistance is for one of the grounds specified in the HUD regulations and PHA policies. If the grounds for termination are not specified in the regulations or in compliance with PHA policies, then the decision of the PHA should be overturned.

Typically, the notification letter should contain the following:

- Hearing information (Purpose of the letter)
  - Name of participant
  - Date, time, and place of hearing
  - Name of hearing officer
  - Name of PHA representative
  - Name of participant and representative (if any)

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- Background
  - A brief, impartial statement of the reason for the hearing and grounds for the termination (from the termination notice)
- Summary of the evidence
  - Brief description summarizing the information presented by each side and any documentation they submitted as evidence of their testimony
- Findings of fact
  - The hearing officer should include all findings of fact, based on a preponderance of the evidence.
- Conclusions
  - The hearing officer should render a conclusion derived from the facts that were found to be true by a preponderance of the evidence. The conclusion should result in a determination of whether these facts uphold the PHA's decision.
- Order
  - The hearing report should include a statement of whether the PHA's decision is upheld or overturned. If it is overturned, the hearing officer should instruct the PHA to change the decision in accordance with the hearing officer's determination. In the case of termination of assistance, the hearing officer should instruct the PHA to restore the participant's program status.

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Exhibit 8.10-2 Post-Hearing Checklist

POST- HEARING CHECKLIST

Post-Hearing Protocol			
	Yes ❒	No ❒	Hearing officer will have no ex parte (one side only) contacts after the hearing, prior to issuance of the decision
1.	Yes ❒	No ❒	Was the hearing held open for further evidence?
			If "No" to #1 above, continue to next section
2.	Yes ❒	No ❒	If "Yes" to #1 above, was deadline for submission of further evidence set?
3.	Yes ❒	No ❒	If "Yes" to #1 above, was date of reconvening set and adhered to?
	Yes ❒	No ❒	If "No" to either #2 or #3 above, stop. Consult with hearing coordinator or legal counsel.
Hearing Decision			
	Yes ❒	No ❒	Was written decision rendered and issued within timeline set by PHA hearing/grievance procedure?
	Yes ❒	No ❒	Did the written decision identify the key issues and conclusions of the hearing officer?
	Yes ❒	No ❒	Did the written decision include findings of fact on evidence presented at the hearing?
	Yes ❒	No ❒	Did the written decision state whether the PHA's adverse action is upheld (affirmed) or reversed (overturned)?
	Yes ❒	No ❒	If the decision was to reverse (overturn), was the matter remanded to the PHA for appropriate action?
	Yes ❒	No ❒	If the decision was upheld (affirmed), was the participant/tenant informed of their right to seek judicial review?
Effect of Decision			
Yes ❒	No ❒	N/A ❒	Where the PHA determined that it was not required to provide a hearing in the first place, did the PHA make a determination within time specified in its hearing/grievance procedures not to comply with the decision?
Yes ❒	No ❒	N/A ❒	Where the PHA determined that the decision is contrary to HUD regulations or requirements, or otherwise contrary to federal, state or local law, did the PHA make a determination within time specified in its hearing/grievance procedures not to comply with the decision?
	Yes ❒	No ❒	If "Yes" to either question above, did the PHA notify the participant/tenant and the hearing officer of this determination in writing, explaining the reason(s) for the decision?

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Effect of Decision

24 CFR 982.555(f)

Even though a hearing officer does not directly represent a PHA, the PHA is almost always bound by a hearing decision. Your PHA would not be bound by a hearing decision in the following situations, however:

- The hearing concerns a matter for which your PHA is not required to provide an opportunity for an informal hearing.
- The decision exceeds the authority of the person conducting the hearing under your PHA's hearing procedures.
- The decision is contrary to HUD regulations or requirements or to federal, state, or local law.

Once your PHA receives the informal hearing letter and decides it is not bound by a hearing decision, you must promptly notify the family of the determination and of the reasons for it.

Otherwise, if your PHA is bound by the decision, it must inform the participant of the informal hearing decision and the next step if any. It's wise to review Civil Procedure Code and determine whether to limit the time within which judicial review must be sought to narrow the time frame for a court appeal of the final decision.

Rehearings

HCV managers should work hard to avoid rehearings, although sometimes they are unavoidable. The informal hearing should normally be the final review. However, managers may want to include procedures for rehearings for situations where the facts show that the hearing procedure was somehow defective. Basically, rehearings should only be granted if there are extenuating circumstances, and the time frame to request such a hearing should be short and within the sole discretion of your PHA. You could allow a rehearing for the purpose of rectifying any obvious mistakes of law or any obvious injustice not known at the time of hearing. The appeal may allow for new oral arguments or just require written documentation.

If the HCV manager was not involved in the decision to deny or terminate, their overall role is to act as the informal reviewer or hearing officer or to schedule another person familiar with voucher program rules and regulations to serve as the reviewer or officer.

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The HCV manager should also check decisions for possible precedents or need for policy changes. They should ensure that PHA practice matches its policies and that there are no appearances of disproportionate terminations for one or more protected classes in possible violation of fair housing.

Assessing the Case Before the Hearing and What the Hearing Decision Should be Based Upon

Due Process

The hearing officer must decide whether the participant did or did not violate a program regulation, law, or policy. The hearing officer must also decide whether the PHA correctly applied the program rules, regulations, or PHA policies, and followed all due procedures. For example, was the participant clearly notified in writing, and informed of his or her rights at each step?

PHAs and hearing officers often ignore basic rights of due process, including providing adequate written notice of reasons for the proposed termination, the opportunity for an expeditious hearing, the family's right to review any documents the PHA intends to use before the hearing, a decision made only upon facts that were presented during the hearing, and a written decision setting forth the legal and factual basis for the hearing decision.

Preponderance of the Evidence

Burden of Proof

The law follows the general rule that “ordinarily the party seeking a change in the status quo has the burden of proof.” The standard of proof in a civil matter is “preponderance of the evidence.”

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Preponderance of the Evidence

Factual determinations relating to the individual circumstances of the family must be based on a preponderance of the evidence presented at the hearing. Here is a description of preponderance of the evidence:

- Something is more likely than not true if you believe that the chance that it is true is even the slightest bit greater than the chance that it is false. In more familiar language, something is more likely than not true if you believe there is a greater than 50% chance that it is true. 51% certainty is sufficient; no more is required for you to decide that something is more likely than not true.

If the chance that something is true is 50/50 or less, it is false. In other words, if something is more likely than not true, it is accepted as true; otherwise, it is considered false.

A further explanation of preponderance of the evidence is evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Findings of Fact

The hearing decision needs to include findings of fact, based exclusively on evidence presented during the hearing or matters officially noticed.

Findings of fact are based on the kind of evidence on which "reasonable and prudent people would rely in their daily affairs." Evidence doesn't need to be at the level admissible in a judicial hearing, but the PHA (going into the hearing) and the hearing officer (at the hearing) should exclude evidence that's irrelevant, immaterial, or unduly repetitious.

Hearsay evidence is allowed if it's the type of evidence that reasonable and prudent people might rely on, but hearsay evidence isn't sufficient in itself to support the PHA's findings of fact, and must not violate a participant/resident's right to confront witnesses. Disputes of fact are decided by a preponderance of the evidence.

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Working with Advocacy Groups

Changes in civil rights laws and HUD regulations, including Limited English Proficiency (LEP) and Violence Against Women Act (VAWA) protections, as well as disability rights awareness, have created networks of advocacy groups. Advocacy groups provide valuable resources for our common customer: the applicants and participants. Advocacy groups understand that influence is also about trust and reliability. Advocates are often experts in their fields, delivering the most comprehensive and reliable information and analysis that can greatly benefit PHAs.

The Role of Advocacy Groups in Appeals and Hearings

Here's the bottom line: You will be facing advocates across the hearing room and the courtroom. Work with them! We're serving the same people.

A track record of collaboration will serve you well in the hearing. The PHA's responsibility is to build long-term relationships with community partners, including advocacy groups. Building and maintaining these relationships will take some time and commitment, but the benefits in the long run are exponential. Working well together should include:

- Involving advocacy groups in public hearings; receiving input to proposed changes that will affect applicants and participants/ residents.
- Working with advocacy groups to establish policies and implement policies concerning:
  - Domestic violence issues
  - Reasonable accommodation issues
  - Language interpretation and translation
  - Families with children
  - Child abuse and senior abuse issues
  - Literacy
  - Community service opportunities and strategies for public housing
  - Getting input on proposed changes to the PHA's hearing/ grievance procedures

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Regarding the hearing process, there are some key practical considerations:

- Cooperate with advocates when they ask for discovery documents.
- Apply the same procedures and protocol to advocates as to other parties. In other words, it's okay to set limits.
- If an advocate brings up an issue of reasonable accommodation, domestic violence, or language interpretation, make sure the issue has been addressed. Work with the 504 Coordinator to assess.
- It will be essential to explain the process to everyone at the beginning of the hearing. A very clear explanation of the process and sequence of the hearing makes it clear to the PHA representative, advocates, the family, and any other attendees what is expected.

Confidentiality and Respect

Adhering to strict standards of confidentiality is essential to protect privacy and ensure productive interactions with advocates. Unacceptable behaviors include gossip, improper or selective sharing of information, and forming factions with certain groups.

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SECTION 8.11 INSPECTIONS

Introduction

The goal of the housing choice voucher program is to provide "decent, safe and sanitary" housing at an affordable cost to low-income families. To accomplish this, HUD regulations set forth basic housing quality standards (HQS) which all units must meet before assistance can be paid on behalf of a family and at least once every 24 months throughout the term of the assisted tenancy. HQS defines *standard housing* and establishes the minimum criteria necessary for the health and safety of program participants.

HUD requires that all units occupied by families receiving housing choice voucher assistance meet HUD's housing quality standards. It should be noted that HUD permits PHAs to establish additional requirements beyond the HUD-required HQS standards.

The HCV manager's objectives that relate to inspections include ensuring that:

- All units pass a full housing quality standards (HQS) inspection prior to the effective date of the lease
- All units on the program are inspected within 24 months of that last full HQS inspection
- The HQS are enforced in accordance with HUD requirements when repairs are not made by the family or owner within the time period specified by the PHA
- Quality control inspections are performed in accordance with HUD requirements
- Inspection activities are properly communicated and coordinated with other housing activities and personnel to avoid delays in unit approvals and owner payments

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Compliance with HQS requirements and how PHAs manage inspections have a major impact on the quality of the program and the organizational effectiveness.

- SEMAP: There are four SEMAP indicators that directly relate to inspections; they are Pre-contract HQS inspections (5 points), Quality Control Inspections (5 points), Annual Inspections (10 points), and HQS Enforcement (10 points). This represents 45 points of the maximum available to a PHA.

Owner relations are critical to the success of the program. Professionalism and consistency of HQS inspectors plays a major role in owner satisfaction and retention.

Know the HQS Basics

The HCV manager must know the HQS basics. PHAs are required to conduct three types of inspections: initial, biennial or annual, and special inspections, including quality control inspections. Inspections result in pass, fail, or inconclusive reports. Pass inspections require no further action by the PHA. Fail or inconclusive inspections require follow-up reinspections or PHA verification to confirm the correction of the HQS infractions. The performance requirements of the HQS can be found at 24 CFR 982.401. There are 13 performance requirements:

- Sanitary facilities
- Food preparation and refuse disposal
- Space and security
- Thermal environment
- Illumination and electricity
- Structure and materials
- Interior air quality
- Water supply
- Lead-based paint
- Access
- Site and neighborhood
- Sanitary condition
- Smoke detectors

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Note: PHAs and owners must also comply with state, local, and other codes, as required, including the requirement to comply with the 2018 International Fire Code (IFC) standards on the installation of Carbon Monoxide (CO) alarms or detectors by December 27, 2022. HUD intends to enforce the CO detector requirement upon the effective date.

Annual/Biennial HQS Inspection

24 CFR 982.405(a)
Notice PIH 2016-05

PHAs must inspect assisted dwelling units during the term of a HAP contract at least biennially. If a PHA wishes to conduct HQS inspections more often, they may do so, although the PHA must then revise its policies, since annual inspections are now considered discretionary. PHA policy may call for annual inspections for some owners or units and biennial for others. For example, a PHA might have policy to conduct annual reexaminations, but make exceptions for high performing owner. For owners who have exhibited a high level of responsibility, compliance, and accountability, the PHA might conduct biennial inspections on units owned by these landlords. Conversely, the PHA could make biennial inspections the standard policy, but require annual HQS inspections for units where the owner has failed to correct HQS violations in a timely manner, or for owners that owe the PHA money.

- Note that HUD discourages PHAs from adopting biennial inspections for reasons unrelated to the owner's record of HQS compliance. For example, a policy based on the unit's distance from PHA facilities would be unacceptable.

Regardless of policy, all units must be inspected at least once every 24 months (except when alternative inspections are used—see subheading in this section).

For multi-family properties with a large number of assisted units, many PHAs conduct all biennial or annual HQS inspections during the same time-period. This allows the owner to have the inspector "shadowed" by property maintenance staff. The property maintenance staff may then make minor repairs immediately, thus eliminating the need for follow-up actions to verify the HQS violation has been corrected.

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Both the family and the owner are notified of the date of the inspection. The family is responsible to ensure that a family representative is present at the inspection. Many PHAs require owners to attend the biennial or annual inspection. This provides an opportunity for inspectors to clarify exactly what repairs are needed and for the owner to observe the family's housekeeping habits and to determine if there are damages to the unit.

24 CFR 982.404(b)(1)-(3)

Families are responsible for certain breaches of the HQS: utilities and appliances that the lease requires the family to provide, and damages beyond normal wear and tear. This creates challenges for PHAs, specifically for inspectors. It is not always easy to determine the difference beyond normal wear and tear and tenant damages (whether or not the damages cause the unit to fail). Inspectors should be diligent about recording "pass with comment" items on the initial and all subsequent inspections. Items that were "pass with comment" one or two years ago may have eroded to a fail condition, and in the absence of this documentation, inspectors cannot be expected to remember every condition in every unit at the next regularly scheduled inspection.

24 CFR 982.404(b)(2)

Owners and families must be given the same time-period to correct HQS deficiencies for which they are responsible.

If the HQS inspection identifies a life-threatening deficiency:

- If the deficiency is the responsibility of the owner, the owner must correct the deficiency within 24 hours or the PHA must enforce the HAP contract.
- If the deficiency is the responsibility of the family, the family must correct the deficiency within 24 hours or the PHA must enforce the family obligations.

If the HQS inspection identifies a non-life-threatening deficiency:

- If the deficiency is the responsibility of the owner, the owner must correct the deficiency within 30 days or any PHA-approved extension or the PHA must enforce the HAP contract.
- If the deficiency is the responsibility of the family, the family must correct the deficiency within 30 days or any PHA-approved extension or the PHA must enforce the family obligations.

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24 CFR 982.405(g)

A special inspection must be conducted upon receipt of a complaint from an assisted family or government official regarding a unit's condition. Similarly:

- If the reported condition is life-threatening (i.e., the PHA would require the owner to make the repair within no more than 24 hours), then the PHA must inspect the unit within 24 hours of when the PHA received the notification.
- If the reported condition is not life-threatening (i.e., the PHA would require the owner to make the repair within no more than 30 calendar days), then the PHA must inspect the unit within 15 days of when the PHA received the notification.

HUD has clarified that PHAs may now define how they will verify that HQS fail items have been corrected. PHAs can verify through owner documentation or certification or family documentation or certification. While PHAs are not required to visually reinspect failed items to verify that they have been corrected, most PHAs continue to do so. A PHA should carefully consider possibilities before adopting policy to not require the reinspection of failed units.

Note that PHAs are still required to physically verify that HQS fail items have been corrected for units under a Project-Based Voucher contract, and for all units at initial lease-up.

Alternative Inspections

A PHA may comply with the biennial inspection requirement through reliance on an inspection conducted for another housing assistance program (e.g., LIHTC or HOME). If a PHA relies on an alternative inspection to fulfill the inspection requirement, then the PHA must identify the alternative standard in its administrative plan. Such a change may be a significant amendment to the plan, in which case the PHA must follow its PHA plan amendment and public notice requirements before utilizing the alternative inspection method. Additionally:

- HCV units must be included in the population of units forming the sample.
- The PHA must obtain inspection reports and other data from the entity conducting the inspection within five business days of the inspection.
- Reports must be available for HUD inspection for at least three years from the date of the latest inspection.

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Compliance with the biennial inspection requirement may be met by reliance upon an inspection of housing assisted under the HOME Investment Partnerships (HOME) program or housing financed via the Treasury Department's Low-Income Housing Tax Credit program (LIHTC), taking into account the standards employed by those programs.

A PHA may also comply with the biennial inspection requirement by relying upon an inspection performed by HUD, for example an inspection performed by HUD's Real Estate Assessment Center (REAC).

24 CFR 983.103(g)

The PHA has the option in a mixed-finance property that is assisted with project-based vouchers (PBVs) and is also financed under a federal, state, or local housing program to rely on alternative inspections conducted at least triennially.

- LIHTC inspections, for example, are conducted at least once every three years.

The PHA may not rely on an alternative inspection if a property fails. However, if the property passes, even if deficiencies are identified, the PHA may rely on the alternative inspection.

HUD may grant approval for a PHA to use acceptability criteria variations which apply standards that are defined in local housing codes or other codes adopted by the PHA or because of local climatic or geographic conditions. HUD will only approve these variations if they meet or exceed the HQS performance requirement and does not unduly limit the amount and type of rental housing available at or below the fair market rent.

- In such cases, the PHA must certify annually that the code hasn’t changed, or it must re-submit to HUD for approval.
- HUD will not approve variations if the change is likely to adversely affect the health or safety of participant families or severely restrict housing choice. Managers must clearly communicate variations to the HQS to owners.

Monitor any changes to the applicable standards and requirements in case such changes would cause the standards to no longer meet or exceed HQS, in which case the PHA would no longer be able to use the standards to comply with the biennial inspection requirement.

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As with all other inspection reports, reports for inspections conducted under an alternative inspection method must be retained for at least three years.

Owner HQS Fails

24 CFR 982.404(a)(1)-(4)

If the unit passes inspection, payments to the owner continue. If the unit does not pass inspection, the owner is typically given up to 30 days to correct the failed items (PHA policy may allow for less time), and the PHA reinspects only the failed items. PHAs may provide an extension beyond the 30 days. However, the PHA should approve these extensions judiciously, and only for reasons beyond the owner's control.

If the repairs are not made by the reinspection date, the PHA must enforce the HQS either by abatement or by termination of the HAP contract without an abatement period. Most PHAs abate the payment for a specific period of time, reinspect the unit, and then begin procedures to terminate the contract if corrections still have not been made. Owner payments are not abated for family fail items that have not been corrected by the reinspection date. Abatements should be tracked carefully and lifted in the software appropriately and promptly. PHAs should know their software well to determine what other areas in the software, such as payments, may be affected by lifting an abatement.

Tenant HQS Fails

24 CFR 982.404(b)(1)-(3)

If the HQS fail items are the responsibility of the family, then the PHA must give the family the same deadlines to correct them as provided to owners. If the family does not correct HQS deficiencies for which they are responsible within the time-period specified by the PHA, then the PHA must enforce the family obligations of the voucher.

It is not always easy to distinguish between tenant damages and ordinary wear and tear. Note the information on this topic under Annual/Biennial HQS Inspection. Noting pass with comment items on the inspection form is recommended to protect the family from future claims of damages for items that were pre-existing and now fail due to normal wear and tear.

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Owner Inspection Fees

The PHA may not charge the owner for the unit inspection prior to the initial term of the lease or for a first inspection during assisted occupancy of the unit. The PHA may establish a reasonable fee to owners for a reinspection if after an owner notifies the PHA that a repair has been done or the allotted time for repairs has elapsed a reinspection reveals that any deficiencies have not been corrected. The owner may not pass this fee along to the family.

- Fees may not be imposed for tenant-caused damages, for cases in which the inspector could not gain access to the unit, or for new deficiencies discovered during a reinspection.
- The PHA must ensure that such a fee is not prohibited by state or local law.
- In the case of PHA-owned units, for any inspection performed by a HUD-approved entity other than the PHA, the details of any reinspection fee must be spelled out in the contractual agreement between the PHA and the entity.

Consistency in HQS Standard

A major challenge in managing inspections is to ensure consistency with the HQS inspection standard. Inspectors often impose a higher standard than the HQS required. Managers must teach and stress adherence to the standard and provide guidance in areas that may be subject to interpretation. One of the major complaints among HCV owners is “the HQS standard changes depending upon which inspector shows up.” This is a major disincentive for owners to continue their participation in the program. It is strongly recommended that supervisors and quality control staff be required to attend HQS training along with the inspectors to ensure that there is a clear understanding of the HQS standards.

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Customer Service and Inspections

Efficiently scheduling inspections that comply with SEMAP requirements can be challenging, especially for PHAs with large programs. One of the challenges is to balance inspections scheduling with good customer service for both families and owners. The size of the PHA's program plays a big part in determining scheduling details. If inspections are routed efficiently by area with consideration for driving time, the PHA should be able to schedule limited-window appointments within specific time frames (such as a two-hour period), as opposed to scheduling on a specific day between 8:00 a.m. and 5:00 p.m.

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Notes

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SECTION 8.12 FAMILY SELF-SUFFICIENCY

Introduction

We are including Family Self-Sufficiency in this section even though it is not a program element such as intake or annual reexaminations. All PHAs do not have an FSS program, but many do. It is being included here because there are operational issues that are worth exploring that are not addressed in the FSS regulations, but the purpose of this section is not to review the entire FSS program. We will discuss certain aspects of operating the FSS program in which some PHAs have encountered problems and suggest ways to avoid them. We will also point out some of the areas where planning and decision-making are key to the success of the program.

The purpose of FSS is to reduce the dependency of low-income families on welfare assistance by coordinating the community service providers and resources needed to help families become employed and move towards economic independence and self-sufficiency. Generally, PHAs voluntarily implement the Family Self-Sufficiency Program, although some PHAs have mandatory FSS programs due to acceptance of extra vouchers or public housing units obtained between 1993 and 1998. If you are unsure if your PHA has mandatory FSS slots, you should check with your HUD field office. The regulations governing the program can be found at 24 CFR, Part 984.

The objectives for the HCV manager relating to FSS include the following:

- To complete FSS obligations if operating a mandatory FSS program.
- To ensure that program reporting requirements are accurate and timely
- To ensure that there is cooperation and timely communication between staff that affect FSS families
- To ensure that each FSS family has an individual training and services plan with specific goals and timelines
- To ensure that escrow accounts are calculated correctly and disbursements made in accordance with HUD and PHA requirements
- To ensure that FSS participants receive quality case management services and contract planning

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Mandatory FSS Program Size

Due to the turnover rate of FSS coordinators, PIC data entry and data capturing factors, some PHAs are not clear on the number of mandatory slots in their FSS programs. The HCV manager should know the mandatory program size with technical certainty.

All PHAs receiving funds in Fiscal Year 93 Through October 20, 1998 for new Section 8 tenant-based programs, and all PHAs/IHAs receiving funds for new Public/Indian Housing units during this same time period were required to operate a Family Self Sufficiency program of that specific mandatory minimum program size, unless exempted by HUD.

24 CFR 984.105

Each PHA that was still required to administer an FSS program on May 24, 2018 (enactment date of the Economic Growth, Regulatory Relief, and Consumer Protection Act), must continue to operate such a program for, at a minimum, the total number of families the PHA was required to serve as of that date, subject only to availability of sufficient appropriations.

PHAs reduce their FSS mandatory minimum program size by one slot for each FSS family from any rental assistance program the PHA administers who graduates from the FSS program by fulfilling their obligations under the Contract of Participation.

PHAs have the option to operate programs larger than the minimum FSS program size.

FSS Policies

Whether your program is mandatory or voluntary, you must have a HUD-approved FSS Action Plan. The Action Plan must contain the HUD-required data such as demographics and family selection procedures. In addition, the policy should include policy decisions for other areas where the regulatory language gives PHAs a choice. Listed below are the HUD-required policies and some additional areas where policy may be needed. Review this list and review your Action Plan to see if it should be updated.

- Family Selection policies and procedures: This should describe your policies and procedures for how families who express an interest in FSS will be selected in a nondiscriminatory manner. Most PHAs select families on a first-come, first-served basis.

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- The use of motivational screening as a selection factor: PHAs may use "limited motivational screening" as a factor for selection of FSS families. If you choose this option, make certain the selection factors are objective and only measure the person's interest, not their ability such as pre-selection tasks. For example, you cannot use factors such as education level, job history, test results, skills or credit history. You could use pre-selection tasks such as attending a meeting or class or setting up a budget.
- Targeted selections: PHAs may target up to 50 percent of their FSS slots to families who are on the waiting list for or are participating in any type of job training or economic self-sufficiency program or activity. Most PHAs do not employ this policy because they do not have waiting lists for FSS participation.
- Policies for termination of FSS participation and supportive services: In other words, under what conditions will the PHA terminate the FSS contract or supportive services?
- Policy on denial of participation in FSS: PHAs may deny participation in FSS for families who owe money to any PHA related to the HCV or public housing programs.
  - Note also that while the regulations and FSS contract previously provided for discretionary termination of HCV program assistance if an HCV FSS family failed to comply with contract requirements, this is no longer the case. Alternative requirements listed in FR Notice 12/29/14 brought HCV and public housing into alignment on this issue, thus allowing for better combined-program compatibility and eliminating any disincentive to FSS program participation that the possibility of denial or termination may present.

24 CFR 984.101(d)

  - Note that PHAs are not allowed to withhold assistance for failure to comply with the obligations of the Family Self-Sufficiency (FSS) contract of participation.
- Selection preference when a service is unavailable: PHAs are permitted to deny participation to a family if there is a service that is unavailable in the community and the unavailable service is essential for the family to complete its goals. If this occurs, PHAs may provide a selection preference to the family when the missing service becomes available.

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- Policies on extensions of the contract: The initial term of the contract is five years from the effective date of the first reexamination of income (annual or interim) which occurs after the effective date of the contract, but it may be extended up to an additional two years for good cause. HUD defines good cause as "circumstances beyond the family's control such as serious illness or involuntary loss of employment." PHAs could further define "good cause" in their Action Plan, being careful not to contradict HUD's definition.
- Policies on the definition of "seek employment": All FSS family heads are required to seek and maintain employment during the term of the contract. The PHA should define the types of activities and establish standards for the minimum level of activity for seeking employment. For example, will a person be required to complete a certain number of job applications or interviews to substantiate that they are "seeking employment"? If they are not working, how will the PHA determine if they are adequately seeking employment? In the absence of definitions and minimum standards of activity, it will be difficult.
- Policy on Interim Disbursements: PHAs may make interim disbursements from the escrow account during the contract if the family has fulfilled certain interim goals and needs the funds for purposes consistent with or in support of the contract. "Purposes consistent with or in support of the contract" is interpretable and you should make certain any disbursement ties specifically to the contract goals. The examples HUD uses for interim disbursements are items such as completion of higher education (i.e., college, graduate school), job training, or to meet start-up expenses involved in creation of a small business where those expenses relate to a contract goal.
    - Any other information to help HUD determine the soundness of the PHA's proposed program. This may include, but is not limited to:
    - Policies related to the modification of goals in the ITSP
    - Policies regarding eligible uses of forfeited escrow funds by families in good standing
    - Policies regarding the reenrollment of previous FSS participants, including graduates and those who exited the program without graduating

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- Policies on requirements for documentation for goal completion
- Policies on documentation of the household's designation of the “head of FSS family”

Coordinating Staff Activities

If a PHA is going to operate an FSS program, then all management and staff need to be on board and committed to the goals of the program. The HCV manager should not permit FSS staff and activities to be isolated from the general housing operations and must ensure that careful consideration is given as to who will handle the various FSS and housing functions so that there are no gaps in communication and required activities. In some PHAs, with HUD Field Office approval, the FSS case managers maintain both the FSS file and the occupancy file, and they perform all of the regular housing functions such as interim and annual reexaminations. In other PHAs, the FSS case managers are only involved with FSS functions, and the housing specialist performs all of the regular housing activities. When there is not ongoing communication (and cooperation) between the case manager and the housing specialist, problems occur. A typical example is when the housing specialist conducts an interim reexamination of the family for a change in income and does not communicate this to the FSS case manager. As a result, the case manager does not recalculate the FSS credit. There have been cases where an FSS family moved under portability and the FSS case manager did not know until after the fact.

FSS and Portability

FSS families may exercise portability in the first 12 months of the contract only if the port is in compliance with the portability regulations at 24 CFR 982.353. There are certain risks involved for FSS families who move under portability, and pre-portability counseling is a must. HCV mangers should ensure that there are procedures in place for processing requests from an FSS family who wants to move under portability. Before a move for an FSS family, the case manager should obtain certain information from the receiving PHA, such as:

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24 CFR 984.306(b) and (c)

- Does the receiving PHA have an FSS program? If they do not, the initial PHA must discuss the family's options which include:
  - Continue participation in the Initial PHAs FSS program which is the decision of the initial PHA;
  - Modify the contract with the initial PHA to allow completion and disbursement of the escrow which is done with the mutually agreement of the PHA and the family;
  - Locate a receiving PHA that has an FSS program which is accomplished by the initial PHA and the family;
  - Terminate the contract without completion and disburse the escrow for one of three reasons: 1) the head of the FSS family is permanently disabled and cannot work, 2) the head of the FSS family needs a service to be employed that is not available in the community, or 3) the family, in good standing, is porting and cannot continue in the initial PHAs FSS program.
- Can the receiving PHA accept the family into its FSS program? This may not be possible if all of their FSS slots are filled and they do not have the resources to provide additional FSS services. Receiving PHAs are required to accept porting in FSS families unless the above circumstances apply. If they are not able to accept the family, and the family has not completed the FSS contract, the contract will be terminated without completion and the escrow will be disbursed to the FSS person.

The point here is that this information should be explained to the family so that they can make an informed decision. There have been cases where substantial escrow balances were lost because housing personnel did not know the portability rules pertaining to FSS

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Staffing the Case Manager Position

PHAs typically staff the FSS case management position in one of two ways. Option one, they hire a professional who is trained in social work or some type of case management or, option two, they convert existing PHA staff to the position of FSS case manager. There are some points for the HCV manager to consider for both options.

If the PHA hires a professional case manager, it is essential that they receive a through introduction to the PHA as well as HCV training in the areas of occupancy and rent calculation, especially if they are responsible to calculate escrow credits. They need to understand the PHA's policies on interim reexaminations and have a working understanding of HUD regulations and PHA policy. If the PHA converts a housing specialist to case management duties, they will need special help and resources. An effective housing specialist may make a poor case manager for FSS because case management requires different knowledge and skills. Such a move could be a set-up for failure unless the person receives some direction, tools and training resources. The HCV manager should ensure that these are provided.

Individual Training and Services Plans (ITSPs)

The most important step in the FSS intake process is the needs assessment. It involves a broad assessment of the person's education, training, barriers and other factors in the context of their employment goal, and it is the process from which the Individual Training and Services Plan (ITSP) is derived. The HCV manager should review FSS files to ensure that there is documentation of the comprehensive needs assessment, and that goals, milestones and tasks are specifically articulated with timelines for completion. Remember, if you can't measure it, you can't manage it. If goals are not specific and tasked out, it will be difficult to monitor the activities of participants and to document noncompliance with the contract should it occur. Ensure that case managers have defined how, how often, and in what manner they will interact with their clients and how their status will be monitored.

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Contract Execution

When executing an FSS contract with the family the PHA must enter the baseline annual income, baseline annual earned income and baseline monthly rent into the contract. These figures are taken from the most recent reexamination. For FSS purposes in the HCV program, the term "baseline monthly rent" means the Total Tenant Payment (TTP) found on line 9j of the 50058 that is effective on the effective date of the FSS contract.

The FSS Performance Measurement System: Composite Scoring

HUD has discontinued the required submission of logic models for funding under the FSS coordinator grant from 2017 forward, these logic models were required through funding year 2016.

FR Notice 11/15/18

Effective December 17, 2018, HUD implemented the "Composite Score" system for performance measurement that provides specific criteria for evaluating the performance of PHAs receiving program coordinator funding. The purpose of the evaluation system is to provide HUD, Congress, PHAs, and other eligible entities with information on the performance of individual FSS programs, and to help grantees determine how their programs compare to others in efforts to help participants in achieving economic security. It will also help HUD determine how FSS program performance improves or declines over time-on both individual and collective levels.

HUD intends to use the performance measures to identify high and low performing FSS programs to inform its understanding of best practices and its delivery of technical assistance. While HUD planned to use the FSS performance score in determining funding awards beginning in 2019, doing so has been postponed indefinitely.

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SECTION 8.13 PROJECT-BASED VOUCHERS (PBV)

Introduction

The Section 8 Project-Based Voucher Program (PBV) is a discretionary program that allows PHAs that administer a tenant-based voucher program under an annual contributions contract (ACC) to attach up to 20 percent of their authorized units to specific units or projects. HUD does not provide additional funding under the PHA's ACC for the PBV program. Assistance in PBV units is project-based, not tenant-based as in the HCV program. The PHA attaches rental assistance through a PBV HAP contract with a project owner for specific housing units in properties that are determined to be decent, safe, and sanitary through the Housing Quality Standards (HQS) inspection process.

The PHA may project-base an additional 10 percent of units for homeless families, families with veterans, supportive housing for persons with disabilities or elderly persons, or in census tracts with a poverty rate of 20 percent or less. HUD-VASH set aside units, RAD PBV units, and certain units that were previously subject to certain federal rent restrictions or were receiving another type of long-term housing subsidy provided by HUD are not subject to the 20 percent cap.

While the regulations governing the project-based voucher (PBV) program are principally found at 24 CFR Part 983, many of the regulations governing the tenant-based program at 24 CFR 982 also apply to PBV. Note that many of the tracking forms, monitoring tools and reports described in this book for the HCV program can be used for the PBV program.

FR Notice 1/18/17

The PBV subsidy is tied to a specific unit for the term of the PBV-HAP contract. As of April 18, 2017, a PHA may enter into a PBV HAP contract for an initial term of at least one year and up to 20 years. If the HAP contract's initial term is less than 20 years, a PHA may renew the initial term of the contract for a cumulative period not to exceed 20 years. Units may be added to the HAP contract at any time, subject to the program and project caps.

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The intent to project-base vouchers must be included in the PHA Plan and the administrative plan. The plan must state why the program is needed, the possible locations, the projected number, and the PHA advertising and selection policies. With the exception of HUD-VASH or FUP units, the PHA must also notify the HUD field office of its intent to project-base a portion of its HCVP authorized units. Generally, the PHA awards contracts to owners and developers of properties through a proposal selection process, although the PHA may also select units through a non-competitive process in certain instances.

In the PBV program the tenant pays a maximum of 30 percent of their monthly adjusted income for rent and utilities unlike regular tenant-based vouchers where the family may pay more if the rent and utilities exceed the applicable payment standard. There is also no 40 percent rent burden requirement for the PBV program.

Project Caps

In general, as of April 18, 2017, the PHA may not provide PBV assistance for units in a project if the number of dwellings in the project that will receive PBV assistance is more than the greater of 25 units or 25 percent of the total number of units in the project. PHAs with HAP contracts executed prior to April 18, 2017 were subject to a 25 percent limitation. At any time, these HAP contracts may be amended, at the discretion of the PHA, to add additional PBV units in the same project where applying the new project cap definition results in more PBV units.

Certain units are not counted against the 25 percent or 25 unit project cap. These are known as excepted units. The definition of *excepted unit* differs depending on when the HAP contract was executed.

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Contracts executed prior to 4/18/17 follow "old" statutory PBV requirements for excepted units. Under the "old" statutory regulations, the project cap does not apply to units for:

- Elderly and/or disabled families
- Families receiving supportive services
  - The family must have at least one member receiving at least one qualifying supportive service
  - The PHA may not require participation in medical or disability-related services other than drug and alcohol treatment

Projects where the HAP contract was executed on or after 4/18/17 follow the new requirements that were implemented as a result of the HOTMA. Under the new HOTMA provisions, units that are not subject to the project cap include:

- Units that are exclusively for elderly families
- Units that are for households eligible for supportive services available to all families receiving PBV assistance in the project, although the family is not required to accept or receive such services.
  - The services do not need to be provided at the project, but must be reasonably available to families receiving PBV assistance at the project and designed to help families in the project achieve self-sufficiency or live in the community as independently as possible.

Units where the project is located in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey Five-Year estimates are subject to a higher 40 percent cap.

Rents

PHAs must redetermine rent reasonableness when the owner requests a rent increase, HUD reduces the FMR by 10 percent or more, when the PHA approves a change in the allocation of responsibility for utilities between the owner and the tenant, when the HAP contract is amended to substitute a different contract unit in the same building or project, or when there is any other change that may substantially affect the reasonable rent.

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Contract rents are established by the PHA and are listed on the HAP contract. Owners may request contract rent increases on an annual basis. Generally, rents are set based upon market comparables and may not exceed 110 percent of the FMR (or an exception).

The PHA may elect to adopt a rent floor as part of the PBV-HAP contract. This would protect owners from rent decreases due to rent reasonableness determinations after the initial contract rent is established. If the PHA chooses not to adopt a rent floor in the PBV-HAP contract, the rent must always be reasonable during the term of the HAP contract.

HCV Manager Objectives

Important objectives for the HCV manager in operating a PBV program include the following:

- To maximize the leasing of PBV units at a level of 95 percent or better
- Ensure that owners comply with the terms outlined in their PBV HAP contract
- To ensure that all units "substantially comply" with HQS at the time of project selection and are selected with the goal of deconcentrating poverty and expanding housing and economic opportunity based on the standards in the PHA Plan
- To manage the PHA budget to ensure that units and funds are available when required
- To ensure that only eligible units are selected for the PBV program
- To ensure that PBV assistance is made only in accordance with subsidy layering requirements

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Eligible Units and Locations

Existing housing as well as new construction and rehabilitated units are eligible. Existing housing is defined as units that "substantially comply" with HQS at the time of selection. New tax credit units may qualify as "existing" housing if selected after construction or rehabilitation is nearly complete. PBVs may be used in supportive housing and other housing for people with disabilities, but not in "transitional" housing. PBVs cannot be combined with HOPE VI or public housing capital funds to produce replacement housing.

PBV subsidy is very effective used in tandem with housing development programs like the LIHTC and HOME programs because it provides the developer a steady stream of revenue. PBV subsidy also helps to ensure that affordable housing is available to voucher-eligible households even when housing markets are tight.

Locations must be consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities. PHAs must consider neighborhood dynamics and actual opportunities.

All sites must be accessible as defined by section 504 regulations to people with disabilities.

Admissions

Tenants are selected by owners based on referrals from the PHA waiting list. PHAs can use their regular HCV waiting list or a separate list for one or more PBV projects. Note that while owners may refer applicants to the PHA, applicants must be selected from the PHA waiting list. Eligible in-place tenants of existing units who are admitted do not count towards income targeting requirements.

Separate project-based lists may be easier to administer (or even necessary if the regular tenant-based list is closed). Applicants who are on the tenant-based list must be given the option to be on the PBV list if it is open.

Applicants on the tenant-based list retain their place on the list if they are rejected for a PBV unit by the owner.

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Eligibility requirements for the PBV program are the same as those for the HCV program and are outlined in the PHA's administrative plan. Further, admissions to PBV units count toward the PHA's income targeting requirements of 75 percent of new admissions in a fiscal year being extremely low income (ELI). The income limits for the PBV program are the same as those for the tenant-based program.

Financial Incentives for Owners

Financial incentives may include:

- The security of a long-term subsidy contract in potentially changing markets and economies
- Owners of LIHTC units may charge rents in excess of LIHTC gross rent limits for units combined with PBV assistance
- Owners may be eligible for vacancy payments for up to 60 days if the PHA elects to provide for vacancy payments in the HAP contract

Managing PBV Inspections

Inspection requirements are at a project level. Best practice is to schedule PBV projects for the same day (or range of days). Inspection results should be reviewed at the unit and project level and filed by project.

The PBV program involves several different types of inspections. They are as follows:

- Pre-selection inspections: PHAs are required to perform pre-selection inspections to ensure that the proposed site has been examined before the proposal selection date. All existing units must be inspected and substantially comply with the HQS.
- Pre-HAP contract inspections: This inspection must be done prior to HAP contract execution. The unit must fully comply with the HQS.
- Turnover inspections: A unit must be inspected and fully comply with the HQS before providing assistance to a new family in a contract unit.
    - Unless the PHA adopts an optional policy to enter into a HAP contract when units have non-life-threatening deficiencies only.

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- Annual/biennial inspections: At least once every 24 months during the term of the contract at least 20 percent of the contract units in each building must be inspected. If more than 20 percent of the units sampled fail the inspection, the PHA must inspect 100 percent of the contract units in the building. (Turnover inspections do not count to meet the annual/biennial inspections requirement).

Note: Units in mixed-finance properties that are assisted with PBVs and also financed under a federal, state, or local housing program may be inspected at least triennially [24 CFR 982.406(a)(3)]. For example, low-income housing tax credit (LIHTC) inspections are every three years. If the PHA adopts a policy that it will rely on alternative inspections, and the project is a mixed-finance property consisting of both PBV and LIHTC units, the PHA could rely on the triennial LIHTC inspection.

PHA-Owned Units

FR Notice 1/18/17
Notice PIH 2017-21

For PHA-owned units, the term of the HAP contract and any HAP contract renewal must be agreed upon by the PHA and an independent entity approved by HUD.

- Additionally, an independent entity must conduct inspections, approve initial and ongoing rents, review the unit selection process, and determine rent reasonableness for PHA-owned units.

Important Management Issues

HCV managers may want to view their role as that of a "contract administrator" in the PBV program.

It may be best to assign housing specialists responsibilities for a property rather than by individual tenants. Depending on the PBV program size, managers may want to consider creating a PBV team.

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All units must be inspected upon turnover when they are rent-ready (unless the PHA adopts an alternative policy), and no reinspection is required if the unit passes. There is no requirement to reinspect a vacant unit based on the period of time that it has been vacant. Also, RFTAs are not required and rent reasonableness is not done at unit turnover. Many PHAs make the mistake of requiring RFTAs and performing rent reasonableness determinations at unit turnover.

Managers should anticipate vacancies for properties based on the property's turnover rate (similar to public housing or any other type of rental housing). Therefore, PHAs should maintain a pool of families who are move-in ready.

When there is a rent increase, all rents should be increased for all PBV units in a property on the contract amendment effective date.

If the property has a vacancy loss provision in its contract, then a PHA must honor it. If there is substantial turnover, the PHA may want to consider reducing the number of contracts at the property.

After the initial 12-month lease term, families are able to request a tenant-based voucher provided they give the owner and the PHA proper notice. The PHA should gauge the number of families who transfer to tenant-based vouchers at the end of the initial 12-month term.

For properties with tax credits, it is a good practice for PHAs to time reexaminations to coincide with those required for tax-credit purposes. Otherwise families may be confused and complain about the number of reexaminations required. Often property managers are capturing information and documents that a PHA also needs.

PBV is assessed and scored under SEMAP along with the PHA's tenant-based voucher program, with the exception of indicator 12, Annual HQS Inspections.

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SECTION 8.14 SEMAP – BEYOND THE REGULATIONS

Introduction

The Section 8 Management Assessment Program (SEMAP), which is housed within IMS/PIC, measures PHA management performance in 14 key areas of the Section 8 housing choice voucher (HCV) program. PHAs that manage Section 8 housing are required annually to electronically submit and verify their SEMAP certifications. PHAs have 60 days following their fiscal year end to complete and submit their certifications online.

SEMAP Overview

HUD Methods of Measuring PHA Section 8 Performance

HUD has various mechanisms for measuring agency performance in administering the HCV program. These include:

- Monitoring IMS/PIC submissions
- Running reports based on agency data in the IMS/PIC database
- Independent auditor reports
- HUD financial document reviews
- On-site reviews: HQS and fair housing
- Participant complaints
- SEMAP

Purpose of SEMAP

SEMAP was created to:

- Objectively measure in key areas
- Identify management capabilities/deficiencies
- Improve HUD risk assessment for each problem identification
- Provide a self-assessment tool for PHAs

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Key Performance Indicators

Indicator		Possible Points
1	Selection from the Waiting List	15
2	Reasonable Rent	20
3	Determination of Adjusted Income	20
4	Utility Allowance (UA) Schedule	5
5	HQS Quality Control Inspections	5
6	HQS Enforcement	10
7	Expanding Housing Opportunities	5
8	Payment Standards	5
9	Annual Reexaminations	10
10	Correct Tenant Rent Calculations	5
11	Pre-Contract HQS Inspections	5
12	Biennial HQS Inspections	10
13	Lease-Up	20
14	Family Self-Sufficiency (FSS)	10

SEMAP Certification

A SEMAP certification based on the 14 key performance indicators and the bonus indicator must be completed:

- Annually by each PHA with 250 or more assisted units
- Biennially by each non-troubled PHA with less than 250 assisted units, unless the PHA elects to have its performance assessed annually
  - Notice PIH 2012-44 (HA), issued 10/25/12, clarified the biennial review schedule:
    - PHAs with FYE 9/30/12 to 6/30/13 must report
    - PHAs with FYE 9/30/13 to 6/30/14 are exempt
    - PHAs with FYE 9/30/14 to 6/30/15 must report, etc.

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- Small PHAs (defined as those expending less than $500,000 per year and not subject to the Single Audit Act) must certify for all indicators that apply, but will not be rated on indicators 1-7
- Small PHAs with less than a year of operation are required to certify but will not be rated

The time period being scored under SEMAP is the PHA's fiscal year (with the exception of Indicator 13, Lease-Up).

- The score for the leasing indicator will be based on data provided by the Financial Management Center (FMC) to the field offices
- Effective with publication of Notice PIH 2012-44 on May 31, 2012, all PHAs are scored based on leasing data at the end of the calendar year (CY) that ends on or before their fiscal year

SEMAP Certification

Agency SEMAP certification is due within 60 calendar days of the agency's fiscal year end (FYE).

Late certification triggers an automatic "troubled" rating.

Based on the certification and PIC data, HUD will assign each PHA a rating.

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SEMAP Timeline

Within 60 calendar days of PHA's fiscal year end (FYE)	Agency SEMAP certification is due
60 calendar days from FYE	IMS/PIC runs an overnight process establishing a zero rating profile for each PHA that failed to submit their SEMAP certification; PHAs that do not submit on time are rated 'troubled'
Within 120 calendar days of FYE	HUD must issue SEMAP score notification letters to PHAs; SEMAP score available online
30 days from notification	PHA may appeal its overall performance rating; must provide justification for the appeal. PHA can only appeal if the result will change the overall designation • *Troubled to Standard* • *Troubled to High* • *Standard to High*
45 days from notification	If a PHA receives a rating of zero on any indicator, PHA must report in writing to HUD on how it corrected the deficiency; field office (FO) may require a corrective action plan within 30 days of HUD notice
30 days from submission of a PHA's appeal	HUD must notify PHA of decision in writing
30 days after HUD's denial of an appeal	PHA may appeal to PIH Assistant Secretary at HUD headquarters for final determination
Within 90 days of notifying a PHA of their troubled status	HUD must conduct a review to determine the seriousness and magnitude of noncompliance with program requirements (onsite for large PHAs; may be onsite for small PHAs [<250 units]) and provide report of findings to PHA
Within 30 days of receiving results of review	PHA must submit a corrective action plan to HUD
Within 30 days of receiving PHA's corrective action plan	HUD to approve corrective action plan
Within 9 months of FYE	Annual audit report must be submitted to HUD. HUD FO determines whether report indicates PHA's certifications on indicators 1-7 were inaccurate; must modify score if the report shows different level of performance than certified. FO generates a letter; must explain why the score was modified. FO must assign a rating of troubled if the last audit report indicates the auditor is unable to provide an opinion on the PHA's financial statements.

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The PHA Profile

The SEMAP ratings make up the PHA profile. The profile contains:

- A point score for each indicator
- Total point score
- Percentage score
- An overall rating

Percentage Score

Total points earned

Divide by total points that apply to your PHA

- High performer 90%+
- Standard performer 61-89%
- Troubled performer 60% or less

PIC Reporting Rate

PHAs are required to have a minimum reporting rate of 94.5 percent in order to be scored on the PIC-related SEMAP indicators, or be scored zero for all PIC scored indicators.

The reporting rate is computed using the number of family reports (Form HUD-50058) in PIC as the numerator, and the number of units leased at the end of the last month of the PHA's fiscal year (as reported in VMS and then imported into PIC) as the denominator. (That is, family reports divided by number of units leased.)

PIC-related indicators include:

- Annual reexaminations
- Correct tenant rent calculations
- Pre-contract housing quality standards (HQS) inspections
- Biennial housing quality standards (HQS) inspections
- Family self-sufficiency (FSS) enrollment and escrow accounts

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Modified or Withheld Scores

A PHA's overall performance rating can always be modified if information becomes available that affects the assessed year's SEMAP certification. An overall performance rating can also be withheld.

The field office director may withhold or modify the overall performance rating when warranted by circumstances which have bearing on the SEMAP indicators.

Information which may be considered includes, but is not limited to:

- Evidence of noncompliance with civil rights and fair housing laws and regulations
- Adverse litigation
- A voluntary compliance 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
- Substantial non-compliance with program requirements

PHA Supervisory Audits

Supervisory quality control (QC) reviews are:

- Annual or biennial (as appropriate) samples of PHA files and records
- Drawn in an unbiased manner and leave a clear audit trail
- Reviewed by a supervisor or qualified person other than the person who did the work
- Performed in order to determine PHA compliance with SEMAP indicators

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First Seven SEMAP Indicators (*indicates PHA audit needed)

Selection from the Waiting List*	15
Reasonable Rent*	20
Determination of Adjusted Income*	20
Utility Allowance (UA) Schedule	5
HQS Quality Control Inspections*	5
HQS Enforcement*	10
Expanding Housing Opportunities	5

Audit Sample Selection

Instructions for types of files to be pulled are provided in each indicator.

- Example: Selection from Waiting List
  - Files to be pulled for audit sample are based on number of new admissions during fiscal year.

Size of Universe

Determines file sample size

Different for each indicator, for example, the number of admissions vs. number of families assisted

24 CFR 985.2 Definitions

Where the universe is:

- The number of admissions in the last year for each of the two quality control samples under the SEMAP indicator at 985.3(a) Selection from the Waiting List;
- The number of families assisted for the SEMAP indicators at 985.3(b) Reasonable Rent, and 985.3(c) Determination of Adjusted Income;
- The number of units under HAP contract during the last completed PHA fiscal year for the SEMAP indicator at 985.3(e) HQS Quality Control Inspections; and

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- The number of failed HQS inspections (of units under contract) in the last year for the SEMAP indicator at 985.3(f) HQS Enforcement.

Audit Sample Selection

50 or less	5
51-600	5 + 1 for each 50 (or part of 50) over 50
601-2000	16 + 1 for each 100 (or part) over 600
Over 2000	30 + 1 for each 200 (or part) over 2000

Random File Sampling

When choosing files for auditing purposes, it's important to select the files randomly in order to get an accurate sample. One way to ensure a truly random sample is by using a random integer generator, such as the form found at www.random.org/integers, which generates random numbers you can use when selecting files to audit.

Whatever your methodology, maintain clear audit records that prove you followed your random selection policy.

Your SEMAP System

Audit Files

Don’t wait until you have to certify to HUD—prepare throughout the year with ongoing audits. Performing reviews throughout the year supports timely SEMAP certification and allows you to identify emerging issues before they become serious problems.

Establishing a solid audit trail can be as important as the indicator results.

Auditors will want to determine if you scored indicators correctly.

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Make up 15 (plus bonus if applicable) paper or electronic file folders:

- One general file folder
  - SEMAP in general with summary of score
  - SEMAP certification with note on when submitted
  - SEMAP chart of indicators
  - Methodology for file selection (random.org)
- One file folder for each indicator
  - Description of indicator and performance standard
  - Data from audit for each indicator reviewed
  - Any other proof of certification score

Remember, you want a clear audit trail!

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SEMAP Indicators in Depth

SEMAP Indicators		
Performance Indicator	**PHA Response / How Verified**	**Rating**
1. Selection from the Waiting List. This indicator shows whether the PHA has written policies in its administrative plan for selecting applicants from the waiting list and whether the PHA follows these policies when selecting applicants for admission from the waiting list. (24 CFR 982.54(d)(1) and 982.204(a)) (Enter Yes or No)	Y or N PHA supervisory audit verified by IA annual audit report & confirmatory review if performed	PHA's SEMAP certification states that: (A) The PHA has written waiting list selection policies in its administrative plan and, (B) Based on the PHA's quality control samples, drawn separately for applicants reaching the top of the waiting list and for admissions, documentation shows that at least 98 percent of the families in both samples of applicants and admissions were selected from the waiting list for admission in accordance with these policies and met the selection criteria that determined their places on the waiting list and their order of selection. 15 points. PHA's SEMAP certification does not support the statement above. 0 points.
2. Reasonable Rent. This indicator shows 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 is a 5 percent decrease in the published fair market rent (FMR) in effect 60 days before the HAP contract anniversary. The PHA's method must take into consideration the location, size, type, quality and age of the units, and the amenities, housing services, and maintenance and utilities provided by the owners in determining comparability and the reasonable rent. (24 CFR 982.4, 24 CFR 982.54(d)(15), 982.158(f)(7) and 982.507). (Enter Yes or No)	Y or N PHA supervisory audit verified by IA annual audit report & confirmatory review if performed	PHA's SEMAP certification states that: (A) The PHA has and implements a reasonable written method to determine and document reasonable rent which considers location, size, type, quality and age of the units and the amenities, housing services, and maintenance and utilities provided by the owners; and (B) Based on the PHA's quality control sample of tenant files, the PHA follows its written method to determine reasonable rent and has documented its determination that the rent to owner is reasonable in accordance with 982.507 for at least 98 percent of units sampled at the time of initial leasing, if there is any increase in the rent to owner and, 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. 20 points. PHA's SEMAP certification includes the statements above, except that the PHA documents its determination of reasonable rent for only 80 to 97 percent of units. 15 points. PHA's SEMAP certification does not support the statements above. 0 points.

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SEMAP Indicators		
Performance Indicator	**PHA Response / How Verified**	**Rating**
3. Determination of Adjusted Income. This indicator shows 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 allowances for the unit leased in determining the gross rent. (24 CFR part 5, subpart F and 24 CFR 982.516) (Enter Yes or No)	Y or N PHA supervisory audit verified by IA annual audit report & confirmatory review if performed	PHA's SEMAP certification states that, based on the PHA's quality control sample of tenant files, for at least 90 percent of families: (A) The PHA obtains third party verification of reported family annual income, the value of assets totalling more than $5,000, expenses related to deductions from annual income, and other factors that affect the determination of adjusted income, and uses the verified information in determining adjusted income, and/or documents tenant files to show why third party verification was not available; (B) The PHA properly attributes and calculates allowances for any medical, child care, and/or disability assistance expenses; and (C) The PHA uses the appropriate utility allowances to determine gross rent for the unit leased. 20 points. PHA's SEMAP certification includes the statements above, except that all items done for only 80 to 89 percent of families. 15 points. PHA's SEMAP certification does not support the statements above. 0 points.
4. Utility Allowance Schedule. This indicator shows whether the PHA maintains an up-to-date utility allowance schedule. (24 CFR 982.517) (Enter Yes or No)	Y or N PHA SEMAP certification verified by annual audit report & confirmatory review if performed	The PHA's SEMAP certification states that: The PHA reviewed utility rate data within the last 12 months, and adjusted its utility allowance schedule if there has been a change of 10 percent or more in a utility rate since the last time the utility allowance schedule was revised. 5 points. The PHA's SEMAP certification does not support the statement in paragraph (d)(3)(i) of this section. 0 points.
5. HQS Quality Control Inspections. This indicator shows whether a PHA supervisor or other qualified person reinspects a sample of units under contract during the PHA fiscal year, which meets the minimum sample size, for quality control of HQS inspections. (24 CFR 985.2) The PHA supervisor's reinspected sample is to be drawn from recently completed HQS inspections (i.e., performed during the 3 months preceding reinspection) and is to be drawn to represent a cross section of neighborhoods and the work of a cross section of inspectors. (24 CFR 982.405(b))(Enter Yes or No)	Y or N PHA QC audit verified by IA annual audit report & confirmatory review if performed	PHA's SEMAP certification states that a PHA supervisor or other qualified person performed quality control HQS reinspections during the PHA fiscal year for a sample of units under contract which meets the minimum sample size. PHA's SEMAP certification also states that the reinspected sample was drawn from recently completed HQS inspections (i.e., performed during the 3 months preceding the quality control reinspection) and was drawn to represent a cross section of neighborhoods and the work of a cross section of inspectors. 5 points. PHA's SEMAP certification does not support the statements above. 0 points.

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SEMAP Indicators		
Performance Indicator	**PHA Response / How Verified**	**Rating**
6. HQS Enforcement. This indicator shows 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 any PHA-approved extension. In addition, if HQS deficiencies are not corrected timely, the indicator shows whether the PHA stops (abates) housing assistance payments beginning no later than the first of the month following the specified correction period or terminates the HAP contract or, for family-caused defects, takes prompt and vigorous action to enforce the family obligations. (24 CFR 982.404) (Enter Yes or No)	Y or N PHA supervisory audit verified by IA annual audit report & confirmatory review if performed	PHA's SEMAP certification states that: The PHA's quality control sample of case files with failed HQS inspections shows that, for all cases sampled, any cited life-threatening HQS deficiencies were corrected within 24 hours from the inspection and, for at least 98 percent of cases sampled, all other cited HQS deficiencies were corrected within no more than 30 calendar days from the inspection or any PHA-approved extension, or, if any life-threatening HQS deficiencies were not corrected within 24 hours and all other HQS deficiencies were not corrected within 30 calendar days or any PHA-approved extension, the PHA stopped (abated) housing assistance payments beginning no later than the first of the month following the correction period, or took prompt and vigorous action to enforce family obligations. 10 points. PHA's SEMAP certification does not support the statement above. 0 points.

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SEMAP Indicators		
Performance Indicator	**PHA Response / How Verified**	**Rating**
7. Expanding Housing Opportunities. Applies only to HAs with jurisdiction in metropolitan FMR areas. The indicator shows whether the PHA has adopted and implemented a written policy to encourage participation by owners of units located outside areas 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 who are willing to lease units or help families find units, including units outside areas of poverty or minority concentration. (24 CFR 982.54(d)(5), 982.153(b)(3) and (b)(4), 982.301(a) and 982.301(b)(4) and 982.301(b)(12))	Y or N PHA SEMAP certification verified by IA annual audit report & confirmatory review if performed	PHA's SEMAP certification states that: (A) The PHA has a written policy in its administrative plan which includes actions the PHA will take to encourage participation by owners of units located outside areas of poverty or minority concentration, and which clearly delineates areas in its jurisdiction that the PHA considers areas of poverty or minority concentration; (B) PHA documentation shows that the PHA has taken actions indicated in its written policy to encourage participation by owners of units located in such areas. (C) PHA has prepared maps that show various areas with housing opportunities outside areas of poverty or minority concentration both within its jurisdiction and neighboring its jurisdiction; has assembled information about the characteristics of those areas which may include information about job opportunities, schools, transportation and other services in these areas; and can demonstrate that it uses the maps and area characteristics information when briefing voucher holders about the full range of areas where they may look for housing; (D) PHA's information packet for rental voucher holders contains either a list of owners who are willing to lease (or properties available for lease) under the program; or a current list of other organizations that will help families find units and the PHA can demonstrate that the list(s) includes properties or organizations that operate outside areas of poverty or minority concentration; (E) The PHA's information packet includes an explanation of how portability works and includes a list of portability contact persons for neighboring housing agencies, with the name, address and telephone number of each, for use by families who move under portability; and (F) PHA documentation shows that the PHA has analyzed whether voucher holders have experienced difficulties in finding housing outside areas of poverty or minority concentration and, if such difficulties have been found, PHA documentation shows that the PHA has analyzed whether it is appropriate to seek approval of area exception rents in any part of its jurisdiction and has sought HUD approval of exception rents when necessary. 5 points. PHA's SEMAP certification does not support the statements above. 0 points.
Note: Indicators 1 - 7 will not be rated if the PHA expends less than $500,000 a year in Federal awards and its Section 8 programs are not audited by an IA. A PHA that expends less than $500,000 in Federal awards in a year must still complete the certification for these indicators.		

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SEMAP Indicators		
Performance Indicator	**PHA Response / How Verified**	**Rating**
8. Payment Standards. The PHA has adopted current payment standards for the voucher program by unit size for each Fair Market Rent (FMR) area in the PHA jurisdiction and, if applicable, for each PHA-designated part of an FMR area, which do not exceed 110 percent of the current applicable FMR and which are not less than 90 percent of the current FMR (unless a lower percent is approved by HUD). (24 CFR 982.503) The current PHA payment standards and FMRs must be listed. If the PHA has jurisdiction in more than one FMR area, and/or if the PHA has established separate payment standards for a PHA-designated part of an FMR area, payment standards and FMRs for each FMR area and designated area must be included.	Y or N PHA data submitted on the SEMAP certification form concerning payment standards.	The PHA's voucher program payment standard schedule contains payment standards which do not exceed 110 percent of the current applicable published FMR and which are not less than 90 percent of the current applicable published FMR (unless a higher or lower payment standard amount is approved by HUD). 5 points. The PHA's voucher program payment standard schedule contains payment standards which exceed 110 percent of the current applicable published FMRs and which are less than 90 percent of the current applicable published FMRs (unless a higher or lower payment standard amount is approved by HUD). 0 points.
9. Annual Reexaminations. The PHA completes a reexamination for each participating family at least every 12 months. (24 CFR 5.617) (Enter Yes or No)	Y or N PIC	Fewer than 5 percent of all PHA reexaminations are more than 2 months overdue. 10 points. 5 to 10 percent of all PHA reexaminations are more than 2 months overdue. 5 points. More than 10 percent of all PHA reexaminations are more than 2 months overdue. 0 points.
10. Correct Tenant Rent Calculations. The PHA correctly calculates the family's share of the rent to owner in the voucher program. (24 CFR 982, Subpart K) (Enter Yes or No)	Y or N PIC	2 percent or fewer of PHA tenant rent and family's share of the rent to owner calculations are incorrect. 5 points. More than 2 percent of PHA tenant rent and family's share of the rent to owner calculations are incorrect. 0 points.
11. Pre-contract HQS Inspections. Newly leased units pass HQS inspection before the beginning date of the assisted lease and HAP contract. (24 CFR 982.305) (Enter Yes or No)	Y or N PIC	98 to 100 percent of newly leased units passed HQS inspection before the beginning date of the assisted lease and HAP contract. 5 points. Fewer than 98 percent of newly leased units passed HQS inspection before the beginning date of the assisted lease and HAP contract. 0 points.
12. Biennial HQS Inspections. The PHA inspects each unit under contract at least biennially. (24 CFR 982.405) (Enter Yes or No)	Y or N PIC	Fewer than 5 percent of biennial HQS inspections of units under contract are more than 2 months overdue. 10 points. 5 to 10 percent of all biennial HQS inspections of units under contract are more than 2 months overdue. 5 points. More than 10 percent of all biennial HQS inspections of units under contract are more than 2 months overdue. 0 points

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SEMAP Indicators		
Performance Indicator	**PHA Response / How Verified**	**Rating**
13. Lease-Up. The PHA enters assistance contracts on behalf of eligible families for the number of units that has been under ACC, or under budget for at least one year. (24 CFR 982.157) (Enter Yes or No)	a. The # units leased last PHA CY b. The # units awarded last PHA CY % leased: a / b Calculated by HUD based on the Voucher Management System (VMS)	The percent of units leased during the last PHA calendar year was 98 percent or more. 20 points. The percent of units leased during the last PHA calendar year was 95 to 97 percent. 15 points. The percent of units leased during the last PHA calendar year was less than 95 percent. 0 points.
14. Family Self-Sufficiency Enrollment and Escrow Account Balance. This indicator applies only to HAs with mandatory FSS programs. The indicator consists of 2 components which show whether the PHA has enrolled families in the FSS program as required, and the extent of the PHA's progress in supporting FSS by measuring the percent of current FSS participants with FSS progress reports entered in PIC that have had increases in earned income which resulted in escrow account balances. (24 CFR 984.105 and 984.305)	a. # mandatory slots b. # families currently enrolled % FSS slots filled (b/a) PIC	PHA has filled 80 percent or more of its mandatory FSS slots and 30 percent or more of FSS families have escrow account balances. 10 points. PHA has filled 60 to 79 percent of its mandatory FSS slots and 30 percent or more of FSS families have escrow account balances. 8 points. PHA has filled 80 percent or more of its mandatory FSS slots, but fewer than 30 percent of FSS families have escrow account balances. 5 points. 30 percent or more of FSS families have escrow account balances, but fewer than 60 percent of the PHA's mandatory FSS slots are filled. 5 points. PHA has filled 60 to 79 percent of its mandatory FSS slots, but fewer than 30 percent of FSS families have escrow account balances. 3 points. PHA has filled fewer than 60 percent of its mandatory FSS slots and less than 30 percent of FSS families have escrow account balances. 0 points.

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SEMAP Indicators		
Performance Indicator	**PHA Response / How Verified**	**Rating**
***** Deconcentration Bonus**. Bonus points will be awarded if half or more of all Section 8 families with children assisted by the PHA in its principal operating area reside in low poverty census tracts; if the percent of Section 8 mover families with children who moved to low poverty census tracts in the PHA's principal operating area during the last PHA FY is at least 2% higher than the percent of all Section 8 families with children who reside in low poverty census tracts at the end of the last PHA FY; or if the percent of Section 8 mover families with children who moved to low poverty census tracts in the PHA's principal operating area over the last 2 PHA FYs is at least 2% higher than the percent of all Section 8 families with children who resided in low poverty census tracts at the end of the second to last PHA FY. (APPLIES ONLY TO PHAs WITH JURISDICTION IN METROPOLITAN FMR AREAS)	PHA data on SEMAP certification and Annual audit report	PHA data shows that one of the standards has been met, and the latest IA audit report states that the auditor has determined that the PHA has on file documentation of its analysis of data which supports its submission to HUD for bonus points. 5 points N = 0 points ***NOTE:*** For a PHA using one or more payment standard amount(s) that exceed(s) 100 percent of the published FMR set at the 50th percentile rent to provide access to a broad range of housing opportunities throughout a metropolitan area in accordance with 24 CFR 888.113(c), starting with the second full PHA fiscal year following initial use of payment standard amounts based on the FMR set at the 50th percentile rent, submission of deconcentration data in the HUD-prescribed format for this indicator is ***mandatory***. Submission of deconcentration data for this indicator is optional for all other PHAs.
New Indicator: Success rate of voucher holders This indicator shows whether voucher holders were successful in leasing units with voucher assistance. This indicator applies only to PHAs that have received approval to establish success rate payment standard amounts in accordance with §982.503(e). This indicator becomes initially effective for the second full PHA fiscal year following the date of HUD approval of success rate payment standard amounts	Y/N PIC data.	5 points: The proportion of families issued rental vouchers during the last PHA fiscal year that have become participants in the voucher program is more than the higher of: 75 percent; or The proportion of families issued rental vouchers that became participants in the program during the six month period utilized to determine eligibility for success rate payment standards under 24 CFR 982.503(e)(1) plus 5 percentage points; and The percent of units leased during the last PHA fiscal year was 95 percent or more, or the percent of allocated budget authority expended during the last PHA fiscal year was 95 percent or more following the methodology of 24 CFR 985.3(n).

Elements Used to Generate SEMAP Scores

	Description	50058 Lines Used	Comments
#9 - Annual Reexaminations	Measures % of participants with late reexaminations of income, meaning 2 months overdue. Total count of all families = line 2a = 1 (new Admission) or 2 (Annual Reexam). Number of months between reexams is Date of Summarization (i.e. date measure is taken) minus the Effective Date of Action - Line 2b. For example, line 2b of the 50058 is dated 7/1/97 and the measure of late reexams is done in PIC on 10/1/98, then the number of intervening months is 16 months and is considered a late reexam. Reexams are considered late if over 15 months. For example, 16 months equals one month overdue. Calculation assumes a 30 day month and rounds to the nearest month.	2a and 2b	Measure is skewed against PHA if PHA fails to execute End of Participation 50058s for participants who left program. Result is old 50058s still in system with time since last reexam growing.
#10 - Correct Tenant Rent Calculations	Most complex and extensive calculation involving all rent related 50058 lines, with PIC calculating its own version of the correct rent using family data supplied by PHA and comparing it with the PHA's rent determination	various	Important to monitor error rate throughout year to determine cause of discrepancies noted in PIC.
#11 - Pre-Contract HQS Inspections	For newly leased units, measures the % of units which pass inspection prior to the HAP contract effective date. Total units is determined by number of 50058s with line 2a = 1, 2, or 7 (new admission, annual reexamination, or other change of unit) or 12b = Y, meaning family is moving to the unit. Compares Effective Date of Action (line 2b) to Date Unit Passed Inspection (line 5h). If line 5h is later than line 2b d (Effective Date of Action), unit is not counted toward % that passed inspection prior to HAP Contract.	2a, 2b, 12b, and 5h	Ensure accuracy of date entered into Line 2b Effective Date of Action. 50058 instruction booklet defines Effective Date of Action when lease was signed. The HAP Contract term and lease term are required to be the same. The PHA should ensure there is no confusion over the proper date to enter into line 2b.
#12 - Annual HQS Inspections	Measures % of HQS inspections conducted over 27 months from the last inspection (24 months plus 3 months data transmission leeway). Actual calculation is: Count the number of units where the Summarization date (date measurement is taken) minus date of last inspection (line 5h) exceeds 27 months. That number divided by total certs and vouchers in the system.	5h	Like late reexams, failure to delete old terminated records by sending in an End of Participation 50058 will result in aging inspections with no new inspections, increasing number of "late HQS Inspections."
#13 - Family Self Sufficiency - Component A: Enrollment	Measures the number of families enrolled as % of mandatory slots. Counts the number of families enrolled indicated in Line 16a of the FSS Addendum to the 50058 as "New Enrollment," or "Progress Report." For SEMAP Report, PIC will only report number of families enrolled. HUD Field Office will calculate % of mandatory slots. PHAs certify to number of mandated slots.	16a	Failure to submit FSS Addenda to 50058s is most prevalent problem, having the effect of understating number enrolled. Changes in the new Housing Statute affect the mandatory number of slots.

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	Description	50058 Lines Used	Comments
#13 - Family Self Sufficiency - Component B: Escrow	Measures % of FSS families with balances in their escrow account by counting the number of FSS families (16a) shown with FSS account balances from line 16d(2) and (3).	16a, 16d(2), 16d(3)	See above re submission of 50058 Addenda.
Report Rate	PIC report rate needs to be determined to ensure that PHA has met threshold of 95%. Report rate calculated by dividing the number of families reported (successful submission) under PIC by the number of unit months reported in the year-end financial statement divided by 12.	HUDCAPS containing data from financial statement imported to prepare PIC SEMAP report.	Achieving 85% report rate is a threshold for being assessed under PIC indicators, otherwise these indicators will receive fail ratings.

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Self-Assessment of the SEMAP Indicators

Indicator 1. Selection from the Waiting List

Your PHA must have written selection policies in its administrative plan, and families must be selected from the waiting list in accordance with those policies.

Universe

Number of families admitted to program during previous fiscal year

Two separate samples drawn from:

- Sample One is to be drawn from applicant names that reached the top of the waiting list during the audit period
  - Includes families that were admitted, denied, or failed to respond
- Sample Two is to be drawn from all families that were admitted to the program during the audit period
  - Determines that families who were admitted to the program during the audit period were either properly selected from the waiting list or were special admissions

Supervisory Audit Includes:

Reviewing whether written waiting list selection policies are in the agency's administrative plan.

Determining whether the PHA follows those policies in selecting families from the waiting list for each of the two required samples.

Determining whether selected families met the criteria that determined their place on waiting list and order of selection.

Points

Points for this indicator are awarded based on whether the PHA has written waiting list selection policies in its administrative plan, and:

- If at least 98% of families audited in both samples met selection criteria, the agency will receive 15 points
- If less than 98% of families audited met criteria, the agency will receive zero points

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Most Common Errors

Lack of clearly written selection policies. The administrative plan should:

- Clearly state the preferences (if any)
- Clearly define preference verification requirements
- Clearly explain how preferences are applied (lumping, aggregating, ranking)

Written selection policies do not meet regulatory requirements (24 CFR 982.207).

- Cannot have residency requirement
- A residency preference is allowed, however:
- See Chapter 2 for a complete overview of preferences.

Not educating staff in special admissions (24 CFR 982.203). *Special admissions* means admitting families that are specifically designated for HCV assistance by HUD.

- These families may be admitted without regard for the family's place on the waiting list, if any
- HUD contacts the PHA with vouchers and funding designated for families residing in specific units; HUD lists the families by name
- The PHA must maintain records to document that these families were admitted with HUD-targeted assistance
- Examples of situations that may be specially funded by HUD for HCV special admission include:
  - A family displaced because of demolition/disposition of a public housing development
  - A family that resides in a multifamily rental project when the project is sold, foreclosed upon, or demolished

Failure to document "skipping" a family on the waiting list in order to meet income targeting requirements (24 CFR 982.201).

- Not less than 75 percent of families admitted to a PHA's HCV program from the PHA's waiting list during the PHA fiscal year shall be extremely low-income families

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Lack of waiting list controls.

- Too many staff with access to the waiting list reduces accountability

Failure to document each waiting list selection event ("pull").

- Document each selection with a software report listing more families than will actually be selected
- Maintain documents on special admissions and income targeting

Incorrectly assessing the indicator.

- The indicator requires two separate samples, each assessing whether families were properly selected from the waiting list

As the second sample is pulled from families admitted to the program during the audit period, some PHAs incorrectly assess whether these families were properly admitted to the HCV program

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Selected Family Name	Application Date/Time	Preference Claimed	Preference Verified	Date of Written Notification of Selection	Selected Correctly Y/N	Reason Not Admitted*

Admitted Family Name	Application Date/Time	Preference Claimed	Preference Verified	Date of Written Notification of Selection	Selected from WL per policy Y/N

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Indicator 2. Reasonable Rent

A PHA must have a written methodology for determining that, for each unit leased, the rent to owner is reasonable based on current rents charged for comparable unassisted units.

The method must take into consideration nine comparability factors: the location, size, type, quality, and age of the assisted unit and any amenities, housing services, maintenance, and utilities provided by the owners.

The PHA must follow its written method for determining reasonable rent and must document its determination that the rent to owner is reasonable:

- At the time of initial leasing
- If there is any increase in the rent to owner
- At the time of contract anniversary if there is a 10 percent decrease in the published fair market rent (FMR) in effect 60 days before the HAP contract anniversary

The PHA must also redetermine the reasonable rent if directed by HUD, and may also redetermine the reasonable rent at any other time.

Universe

Number of families assisted for PHA fiscal year

Sample drawn from families assisted during PHA fiscal year

Points

Points for this indicator are awarded based on whether the PHA has a rent reasonableness methodology, has followed its written method to determine reasonable rent, and has documented that the rent to owner is reasonable at required times:

- For at least 98% of units sampled 20 points
- For 80%–97% of units sampled 15 points
- Certification does not support above 0 points

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Overview of Rent Reasonableness

HUD's Housing Choice Voucher Program Guidebook provides an overview of rent reasonableness requirements.

The purpose of rent reasonableness is to ensure that:

- Owners charge reasonable rents to housing choice voucher participants
- Section 8 does not inflate rents in the community

Documentation

PHAs are required to supply documentation for each rent reasonableness determination, including:

- Data on unassisted units compared
- Who made the determination and when

Most Common Errors

Failure to include clear methodology in the PHA's administrative plan.

Failure to implement a system that:

- Captures comparables accurately
- Makes a documentable comparison
- Clearly documents that policy was followed
  - Review systems such as GoSection 8 (www.gosection8.com) to see examples of solid file documentation

Other types of errors include:

- Failing to identify all rent increases for potential audit.
- Failing to identify all families impacted by a 5 percent FMR decrease.
- Practice does not match policy.
- Documentation that the rent reasonableness determination took place is simply not in file.
- Documentation is in the file, but it is not signed and/or dated.

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Family Name	Basis for Conducting Rent Reasonableness			Documentation in File (Y/N)
	Initial Lease-up	Rent Increase	FMR Decrease	

Indicator 3. Determination of Adjusted Income

At admission and reexamination, the PHA must properly:

- Obtain third-party verification of income
- Use the verified information
- Properly attribute allowances for expenses
- Where the family is responsible for utilities under the lease, use the appropriate utility allowances

Universe

Number of families assisted

Sample drawn from:

- New admissions and annual reexaminations during the PHA's fiscal year

Supervisory Audit

Third-party verification, or documentation as to why third-party verification could not be obtained

Annual income properly calculated

Proper deductions are used

Proper utility allowance given

Points

- At least 90 percent of files sampled are correct 20 points
- 80 to 89 percent of files sampled are correct 15 points
- Less than 80 percent of files sampled are correct 0 points

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Most Likely Error Points

Common error types include:

- Market/cash value of assets
- Asset income
- Employment income
- Training program income
- Earned income disallowance
- Disability assistance and medical expenses
- Conflict between utility documentation
- Failure to document how figures used were actually calculated
- Failure to document that verification requirements were followed or what verification was used
- Overscoring!
  - Only score against required indicator elements. For example: a reviewed file has the wrong payment standard applied but is correct in all other areas. This file passes the SEMAP indicator: Determination of Adjusted Income.

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	Correct Calculations?				EIV/Third Party Verification or Statement in file (Y/N)	Correct Utility Allowance? Y/N	Comment (i.e., No Third Party)
	Annual Income		Adjusted Income				
Family Name	Y	N	Y	N			

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Indicator 4. Utility Allowance (UA) Schedule

PHA has reviewed utility rate data within the prior 12 months

PHA has adjusted the schedule if there was a ten percent or more change in the rate since the last utility allowance schedule revision

Note: The PHA needs a record of the date each utility rate on each utility allowance is revised.

Points:

- 5 points: Yes
- 0 points: No

Most Common Errors

Comparing utility costs instead of utility rates when determining whether to adjust the utility allowance schedule.

Incomplete documentation of utility rate review and schedule changes.

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Last Review Date:		Structure Type:		
Utility Type	**Fuel Type**	**Last Rate**	**Current Rate**	**% Rate Change**
Heating	Natural Gas			
Heating	Bottled Gas			
Heating	Oil			
Heating	Electric			
Air Conditioning				
Cooking	Natural Gas			
Cooking	Electric			
Other Electric				
Water Heating	Natural Gas			
Water Heating	Bottled Gas			
Water Heating	Oil			
Water Heating	Electric			
Water				
Sewer				
Trash Collection				
Range				
Refrigerator				
Other				
Unit Size Data for Adjustments:				

Indicator 5. HQS Quality Control Inspections

The PHA performs a quality control (QC) inspection of units under contract according to the HUD audit guide with a sampling drawn from:

- Recently completed inspections (i.e., performed during the three months preceding reinspection)
- Cross section of neighborhoods
- Cross section of inspectors' work

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Points

- 5 points: Yes
- 0 points: No

HUD does not score PHAs on whether inspectors are correctly and/or uniformly applying HQS standards.

Because the required HQS QC inspection sample size is typically low, PHAs should perform more inspections than required to ensure inspectors are correctly and uniformly applying HQS standards.

The results of HQS QC inspections should be tracked and used for job performance discussions.

Most Common Errors

Failure to choose inspections randomly for quality control inspections.

Notifying an inspector that a quality control inspection will take place on a specific unit's inspection.

Failure to conduct the quality control inspection within 3 months of the original inspection.

Failure to adequately document the HQS QC inspection information.

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Owner Name	Family Name	Inspection Date	Unit Inspector	QC Inspection Date	QC inspector	PHA Jurisdiction (Community/County)	HQS QC Inspection Conducted within 90 days (Y/N)

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Indicator 6. HQS Enforcement

When a unit fails an HQS inspection, your PHA must ensure that:

- Life-threatening deficiencies are corrected within 24 hours
- All other HQS deficiencies are corrected within 30 calendar days

If deficiencies are not corrected within the required time frame, your PHA must:

- Stop housing assistance payments, or
- Take prompt action to enforce family obligations

Universe

Number of failed HQS inspections in the last year of units under contract

Sample drawn from:

- HQS fails of units under contract

Supervisory Audit

All life-threatening fails were corrected within 24 hours, or the PHA took appropriate and timely action.

98 percent of all other fails were corrected within 30 days or any PHA-approved time extension, or the PHA took action as follows:

- For owner fails: Abated HAP no later than the first of the month following the specified correction period or terminated the HAP contract.
- For family fails: Took prompt and vigorous action to enforce family obligations.

Points

10 points:	Yes, met criteria
0 points:	No, didn't meet criteria

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Most Common Errors

Failure to manage the indicator beforehand.

- If the review finds a situation where one emergency fail item was not corrected within 24 hours, and the HAP was not abated on time, the agency will receive zero points under this indicator

Failure to pull correct data from the housing software in order to properly review the indicator.

Scoring Steps

1. Determine universe.
2. Run/obtain report of all units under contract that failed an HQS inspection.
3. For each HQS failure, determine whether the HQS deficiency was or was not a 24-hour emergency fail. (One HQS inspection can have both.)
4. For each HQS failure, determine whether the HQS deficiency was the owner's responsibility or the family's responsibility. (One HQS inspection can have both.)
5. For each HQS unit audited, determine:
   - Was the deficiency corrected as of the reinspection? Yes or No
   - Was the deficiency corrected prior to the scheduled effective date of the negative action (abatement or notification to family of program termination)? Yes or No
   - If required, did the abatement or enforcement of family obligations take place on time? Yes or No

If the answer to any one of the questions above is yes, HQS enforcement requirements were met.

- Be sure to mail out the intent to terminate assistance or abate HAP on time.
  - If the fail item was corrected prior to the effective date of the scheduled negative action, you have actually rescinded the action.
  - If you mailed the notices, you can document to an auditor that you were prepared to take the required action in a timely manner.

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Remember

To consider requirements to have been met on a reviewed HQS fail, requirements must have been met for each HQS failure. For example:

- Unit inspected 4/26/2014. Results:
  - 1 emergency HQS fail; owner's responsibility
  - 1 non-emergency fail; family's responsibility
- To pass the HQS Enforcement review:
  - The emergency fail must be corrected or the HAP abated 5≠1, AND
  - The non-emergency fails must have been corrected or a notice of intent to terminate (with ultimate termination) sent according to PHA policy (typically by 6/1)

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OWNER FAILS

Owner Name	Family Name	Annual Inspection Date	Reinspection Date	Extension Date	Deficiencies Corrected? Y/N	Action Taken*

FAMILY FAILS

Family Name	Annual Inspection Date	Reinspection Date	Extension Date	Deficiencies Corrected? Y/N	Action Taken*

Indicator 7. Expanding Housing Opportunities

This indicator applies only to PHAs in metropolitan statistical areas (MSA). In order to receive points, your PHA must answer yes to all of the following statements:

- The PHA has written policies to encourage owner participation outside areas of poverty or minority concentration.
- Areas of concentration are clearly delineated in these policies.
- The PHA has documentation to show these policies were followed.
- The PHA has maps that show various areas and information about facilities and services (transportation, social services, etc.) outside areas of concentration within PHA jurisdiction and in neighboring jurisdictions.
- The PHA uses these maps in family briefings.
- The information packet includes a list of owners willing to lease and other organizations (housing counseling, advocacy groups, service providers) that assist families in finding units.
- The PHA can demonstrate that these properties or organizations operate outside areas of poverty or minority concentration.
- The information packet explains portability and provides a list of contacts at neighboring PHAs, including names, addresses, and phone numbers.
- The PHA has analyzed the difficulties of voucher holders in finding units outside areas of poverty and minority concentration and, if such difficulties have been found, has analyzed whether to seek area exception payment standard amounts.
- The PHA has sought approval for exception payment standard amounts if needed.

Points

5 points:	Yes to all statements
0 points:	Audit report does not support statements

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Most Common Errors

Failure to monitor briefings to ensure proper information continues to be provided to families.

Failure to provide required information in the briefing packet.

Analyzing Difficulties of Voucher Holders

A housing search log will help you analyze the difficulties of voucher holders in finding units outside areas of poverty or minority concentration.

- Include a field to capture why the unit was not leased
- Analyze the results of families' housing searches on a regular periodic basis
- Annual analysis is sufficient, but the analysis can be conducted quarterly or twice a year, if desired

Indicator 8. Payment Standards

Your PHA must adopt payment standards for the voucher program, by unit size, for each FMR area in the PHA jurisdiction and, if applicable, for each PHA-designated part of an FMR area, that are between 90 and110 percent of the HUD-published FMR.

PHAs should provide their latest payment standard schedule in force at the time of the FYE.

Only include payment standards within the PHA's discretion to set — don't include any exception payment standard schedules that were approved by HUD (but include comments so that HUD knows).

PIC will review each payment standard schedule and will flag (in red) any payment standard that is outside the basic range of the PHA-reported FMR.

Your HUD field office will review to see if your PHA used the correct FMR.

If any payment standard schedule contains a payment standard that is out of range from the appropriate FMR, the field office will assign zero points for the indicator.

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Points

5 points	98 percent of newly leased units are within the basic range
0 points	Statement is not true

Most Common Errors

Remember, when setting a payment standard at 110 percent of the FMR, standard rounding rules do not apply!

- 110% of FMR = $875.95
  - The highest the payment standard can be is $875
  - $876 is $.05 out of the basic range
- 90% of FMR = $502.23
  - The lowest the payment standard can be is $503
  - $502 is $.77 cents out of the basic range

HUD Indicators Verified by PIC

PIC Reports

The standard reports available through PIC are:

- Summary reports
- Detailed reports
- Delinquency reports
- FSS reports
- SEMAP reports

PIC Reporting

Data will come from the last available summarization of data preceding the beginning of your PHA's fiscal year. For instance, if a PHA has a fiscal year ending August 30, HUD will use data through August, summarized in mid-September (with the exception of Indicator 13, Lease-Up).

If a PHA has not reported at least 94.5 percent of its program participants to PIC, any indicator for which HUD verifies performance using PIC data will be rated zero!

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PIC Reporting Rate

$$\frac{\text{Number of families reported to PIC}}{\text{Number of families administered*}}$$

*Average number of units leased in last fiscal year (from VMS)

Plus families porting in for which the PHA is billing

Minus families porting out for which the PHA is being billed

PIC Factors

Indicators affected by the 94.5 percent reporting rate include:

- Annual Reexaminations 10 Points
- Correct Tenant Rent Calculations 5 Points
- Pre-Contract HQS Inspections 5 Points
- Family Self-Sufficiency (FSS) 10 Points
- Annual HQS Inspections 10 Points

The PHA will get zero for each of these if a 94.5 percent reporting rate is not achieved.

Even if forbearance is granted by HUD so that the PHA doesn't lose administrative fees, points will still be lost on SEMAP.

Indicator 9. Annual Reexaminations

Your PHA must complete a reexamination for each participating family at least every 12 months.

The PIC SEMAP Indicators Report shows the percentage of families with late annual reexaminations.

- Must be less than 5 percent for full 10 points

The PIC Reexamination Report provides a list of families whose reexams are late.

Points

10 points	Less than 5 percent are late
5 points	5–10 percent are late
0 points	More than 10 percent are late

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Managing the Indicator

Your PHA must complete a reexamination of family composition and income at least once every 12 months.

- Form HUD-50058 action codes can impact this indicator
  - Failure to submit an action code 6: End of Participation when a family leaves the program will leave them in IMS and may cause an overdue reexamination in PIC records
  - A PHA may use action code 2: Annual Reexamination or action code 7: Other Change of Unit when completing an annual reexamination. However, if the PHA does not change the effective date of the next reexamination, the reexamination can show as late
- The PIC SEMAP Reexamination Report will list all families with overdue annual reexaminations in IMS/PIC
  - Click '+'
  - Review all listed overdue reexaminations to determine if the reexamination is actually late, if the family left the program, or if there is a submission error

Indicator 10. Correct Tenant Rent Calculations

This indicator measures whether your PHA is correctly calculating the family's share of rent to owner in the voucher program.

The PIC system rejects records with calculation errors. While rejected 50058s affect the PHA's reporting rate, the score for this indicator is based on records accepted by PIC.

The PIC SEMAP Indicators Report shows the percentage of all families with tenant rent discrepancies.

- Must be 2 percent or less discrepancies for 5 points

The PIC Tenant Rent Discrepancy Report provides a list of families with rent discrepancies.

Points

5 points	Less than or equal to 2 percent rent calculation discrepancies
0 points	Greater than 2 percent rent calculation discrepancies

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Managing the Indicator

If your PHA fails Indicator 3: Determination of Adjusted Income, your HUD field office may award zero points under this indicator.

Indicator 11. Pre-Contract HQS Inspections

Newly leased units must pass HQS inspection on or before the effective date of the HAP contract.

Points

5 points	98–100 percent passed prior to effective date
0 points	Less than 98 percent passed prior to effective date

Managing the Indicator

IMS/PIC rates are based on field 5h of Form HUD-50058.

Line 5h:	Section 8 only, except Homeownership and Project-based Vouchers. The last date the unit passed a full housing quality standards (HQS) inspection.
Line 5i:	Section 8 only, except Homeownership and Project-based Vouchers. The last date a PHA inspector performed a full annual housing quality standards (HQS) inspection of the unit that the household occupies.

Establish a control system to ensure units pass the HQS inspection before the HAP contract is executed.

Monitor assisted lease and HAP contract effective dates.

Common Errors

Data entry errors

Reversing dates, picking up incorrect dates from data source

Using HQS 50058 fields incorrectly

Indicator 12. Biennial HQS Inspections

This indicator checks that your PHA is inspecting each unit under contract at least biennially.

- "At least biennially" means within 24 months from the last date that an inspector conducted a full HQS inspection.

Points

10 points	Less than 5 percent inspections late
5 points	5–10 percent late
0 points	More than 10 percent late

Managing the Indicator

Action code 13 on Form HUD-50058 allows reporting of biennial HQS inspections at the time they occur.

The IMS/PIC SEMAP report will list the percentage of inspections that are more than two months overdue.

- The two-month allowance is to accommodate reporting; the two-month allowance does not change the requirement that the inspections are to be completed within 24 months of the last full HQS inspection.

Run PIC *HQS Report* monthly.

- If HQS inspections show, expand PIC report to see which families are listed as late (+ sign)
- Check for missing End of Participation action codes, and late or failed submissions

Common Errors

Data entry errors

Reversing dates, picking up incorrect dates from data source

Using HQS 50058 fields incorrectly

Indicator 13. Lease-Up

This indicator measures whether your PHA executes assistance contracts on behalf of eligible families for the number of units that has been under (budget) for at least one year.

Lease-Up: Not Enough Budget Authority

In the event a PHA has insufficient allocated budget authority to lease 98 or 95 percent of the units under ACC, HUD will consider whether the PHA has used at least 98 or 95 percent of its allocated budget authority.

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Rule: "The percent of units leased, or the percent of allocated budget authority expended during the last PHA calendar year was 98 percent or more."

Points

20 points	98 percent ACC units leased
15 points	95–97 percent ACC units leased
0 points	Less than 95 percent ACC units leased

Recent Changes

The May 31, 2012, Federal Register changed the assessment period for the SEMAP Lease-Up Indicator. It is now based on calendar year (CY), effective with first SEMAP certification due after 7/2/12. This includes units under voucher homeownership option and under project-based HAP contract

Notice PIH 2012-44, issued October 25, 2012, further clarified that all PHAs will be scored based on leasing data at the end of the CY that ends on or before their FY. All leasing and expense data, as well as any known prior months' corrections for the CY, should be in VMS by January 22.

How the Lease-Up Indicator is Calculated

$$\frac{\textbf{Average \# of units leased last CY from VMS*}}{\textbf{\# of units under ACC (not units budgeted)}}$$

*VMS unit months under contract divided by 12

Units for which HAP is abated due to an HQS fail do not count towards lease-up.

Units under ACC will include units obligated for public housing relocation and replacement for CY.

- If a PHA has public housing relocation or replacement vouchers that will not be used during the PHA's calendar year, the PHA should ask its HUD financial analyst to change the ACC effective date to an appropriate date in the future

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Indicator 14. Family Self-Sufficiency (FSS)

The final SEMAP indicator applies only to PHAs that are required to administer a family self-sufficiency (FSS) program. It is scored in two parts: first, 14a., which measures FSS enrollment, and second, 14b., which measures the percentage of FSS participants with escrow account balances.

The PHA checks off on the certification form if the indicator is not applicable. If checked, the HUD field office verifies that the PHA is not required to administer an FSS program.

Indicator 14a. FSS Enrollment

Under this indicator, your PHA certifies:

a The number of mandatory slots or the number of slots with HUD-approved exception

a. The number of FSS families currently enrolled

b. The number of families currently enrolled who have moved under portability and whose Section 8 assistance is administered by another PHA

c. The percentage of FSS slots that are currently filled (b + c, divided by a)

Rating FSS Enrollment

The HUD field office will verify the number of mandatory FSS slots reported on the PHA's certification.

PIC supplies the number of FSS families currently enrolled.

Indicator 14b. Percentage of FSS Participants with Escrow Account Balances

Under this indicator, HUD assesses whether your PHA has made progress in supporting family self-sufficiency as measured by the percentage of currently enrolled FSS families with escrow account balances. To receive full points, at least 30 percent is required.

PHA certifies:

- Yes or no

As the initial PHA under portability, enter the number of families that are currently enrolled, but who have moved under portability and whose Section 8 assistance is administered by another PHA.

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Rating FSS Escrow Account Balances

The percentage of FSS families with escrow account balances comes directly from PIC.

$$\frac{\text{Number of FSS families with positive escrow balance or with a positive amount of escrow disbursed}}{\text{Number of families in PIC w/progress reports}} = \text{Percent with escrow accounts balance}$$

PIH 2012-44 Clarification

Families whose latest FSS report on their Form HUD-50058 is an FSS enrollment report are excluded from the calculation.

Points

14a: FSS Enrollment

5 points	80 percent or more of mandatory FSS slots filled
3 points	60–79 percent of slots filled
0 points	Less than 60 percent filled

14b: FSS Escrow Account Balance

5 points:	30 percent or more of FSS families have escrow account balances
0 points	Less 30 percent of FSS families have escrow account balances

Bonus Indicator: Deconcentration

The deconcentration indicator is mandatory for any PHA that uses payment standard amounts that exceed 100 percent of an FMR set at the 50th percentile. It is optional for all other PHAs.

- FMRs are normally set at the 40th percentile
- PHA has 50th percentile FMRs to provide access to a broad range of housing opportunities throughout a metropolitan area
- Starts with second full PHA fiscal year following the initial use of payment standards based on the 50th percentile
- Verified by SEMAP certification data and annual audit
- Relates to families with children who are living in or have moved to low poverty impacted census tracts

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Criteria

1. 50 percent or more of all Section 8 families with children resided in low poverty census tracts in the last fiscal year.
2. The percentage of Section 8 mover families with children who moved to low-poverty census tracts during the last completed fiscal year is at least 2 percent higher than the percentage of all Section 8 families with children who reside in low-poverty census tracts at the end of the last completed fiscal year, or
3. The percentage of Section 8 families with children who moved to low-poverty census tracts over the last two completed PHA fiscal years is at least 2 percent higher than the percentage of all Section 8 families with children who resided in low-poverty census tracts at the end of the second to last completed PHA fiscal year.

Points

5 points

Success Rate of Voucher Holders

This indicator applies only to PHAs that have received approval to establish success rate payment standard amounts. It becomes initially effective for the second full PHA fiscal year following the date of HUD approval of success rate payment standard amounts. Worth five points, the indicator shows whether voucher holders were successful in leasing units with voucher assistance and is verified by HUD through PIC.

Additional Information

A PHA may include with its SEMAP certification any information or comments bearing on the accuracy or completeness of the information used by the PHA in completing its certification.

A PHA may also send paper documentation to the HUD field office.

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General SEMAP Errors

Failure to monitor year-to-date performance to identify issues before they become problems.

Having someone involved in the work conduct SEMAP reviews (that is, a lack of objectivity and a possibility of bias).

Not understanding specific indicator requirements.

Overscoring!

- Only count as an error those that relate to the indicator's requirement
- Other errors: identify, address and correct, but do not count against your agency under SEMAP

Failure to maintain a clear audit trail and clear records on the internal SEMAP reviews.

Failure to certify in a timely manner.

Failure to train staff on SEMAP and on how their work impacts the agency's SEMAP score.

SEMAP Scoring Sheet

Performance Indicator	Anticipated Rating	Points	Possible Points
1. Selection from the Waiting List			15
2. Reasonable Rent			20
3. Determination of Adjusted Income			20
4. Utility Allowance Schedule			5
5. HQS Quality Control Inspections			5
6. HQS Enforcement			10
7. Expanding Housing Opportunities			5
8. Payment Standards			5
9. Annual Reexaminations			10
10. Correct Tenant Rent Calculations			5
11. Pre-contract HQS Inspections			5
12. Biennial HQS Inspections			10
13. Lease-up			20
14. FSS Enrollment and escrow accounts			10
Success Rate of Voucher holders			5
Totals			
Deconcentration Bonus			5

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Anticipated Points		Total Possible Points		Anticipated Percent
	÷		=	%

Anticipated Score

- ❒ High Performer (90%+)
- ❒ Average (61-89%)
- ❒ Troubled (60% or less)

Remote Confirmatory Reviews

HUD has begun conducting remote confirmatory SEMAP reviews. Those PHAs that are selected for such a review will receive notification via email. An instruction letter will be attached, along with an Excel spreadsheet.

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U.S. Department of Housing and Urban Development
New York State Office
Jacob K. Javits Federal Building
26 Federal Plaza
New York, New York 10278-0068
http://www.hud.gov/local/nyn/nynopen.html

Dear Executive Director:

Your Housing Authority has been selected to have its most recent SEMAP certification validated as part of a remote quality control monitoring review. The following indicators are covered by this review:

1 – Selection from the Waiting List

2 – Rent Reasonableness

3 – Determination of Adjusted Income

4 – Utility Allowance Schedule

5 – Housing Quality Standards (HQS) Quality Control Inspections

6 – HQS Enforcement

7 – Expanding Housing Opportunities (if applicable)

For those self-certified indicators above that are determined through a PHA Quality Control sample review, our review is designed to determine if the SEMAP quality control samples were:

- taken in an unbiased manner in a size meeting the minimum level required;
- the methodology of the QC testing reflected the SEMPA indicator criteria being tested; and
- the PHA's certification is consistent with the QC sample results.

As noted in Section 985.3, *"the method for selecting the PHA's quality control sample under paragraphs, (a), (b), (c), (e), and (f), of Section 985.3 must leave a clear audit trail that can be used to verify that the PHA's quality control sample was drawn in an unbiased manner."*

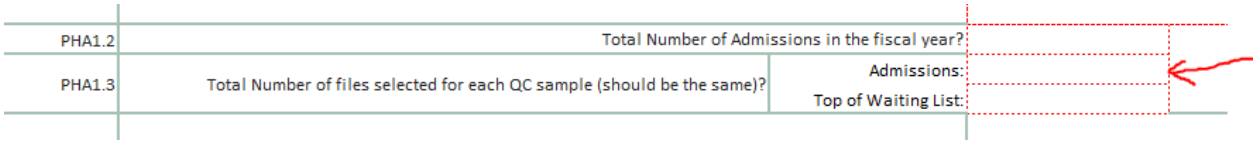
We request you answer the questions contained on the Excel spreadsheet that has been sent to your office. This spreadsheet questionnaire also allows the PHA to attach other documents that are identified as required in the questions listed. A brief set of instructions is attached. ***PLEASE ENSURE THAT ANY LISTS SENT DO NOT INCLUDE SOCIAL SECURITY NUMBERS. I call your attention to the newly issued notice PIH 2014-10 on this subject.***

Please complete and return the spreadsheet with attachments no later than 30 days from the date of this letter. If you have any questions contact _____.

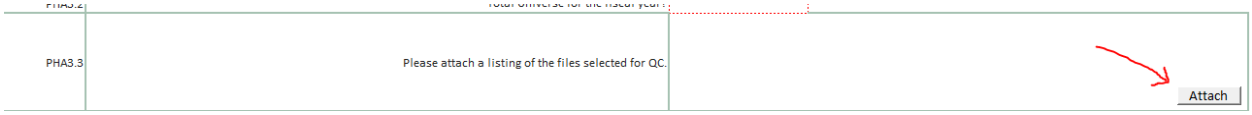
Excel Questionnaire Instructions

Please open the Excel file, populate with your SEMAP responses, and save the file as a Macro-Enabled file (.xlsm), or if you are using a pre-2007 version of Excel, please save as a standard Excel file (.xls).

All question requiring answers are outlined in red dashes.



In some instances, a file attachment is required. In those cases, please press the button, locate the file, and it will upload to Excel. If you are using a pre-2007 version of Excel, please just note the file name in the corresponding answers box and attach the file in the email response to HUD.



Once you have populated all the red boxes, and attached all relevant documents, please return to the field office.

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

Housing Choice Vouchers
SEMAP Checklist - PHA
V.1.2013

Please select Field Office/PHA Code and populate all fields with red dashes.

Field Office: New York City Hub Office
Region:
PHA Code:
PHA Name:

Please click here for SEMAP regulations.

Indicator 1 - Selection from Waiting List

(Note: Required two separate samples; 1) applicants reaching the top of the waiting list and 2) admissions.)

Self-Certified Score:

Random Sample

PHA1.1	Explain how the random samples were determined.		
PHA1.2	Total Number of Admissions in the fiscal year?		
PHA1.3	Total Number of files selected for each QC sample (should be the same)?	Admissions: Top of Waiting List:	
PHA1.4	Please attach a listing of the files selected for QC.		

Testing Methodology

PHA1.5	Please explain (or attach) the methodology (checklist/standards) used in determining compliance with the SEMAP indicator. Include a copy of the application and the waiting list management and admissions sections of the administrative plan.	

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PHA1.6	Please attach a copy of the waiting list used in the QC review.		
Testing Results			
PHA1.7	Number of files reviewed by the PHA for QC (in total from both samples)? (From PHA1.3)	Admissions:	
PHA1.8		Top of Waiting List:	
PHA1.9	Number of files without errors (in total from both samples)?	Admissions:	
PHA1.10		Top of Waiting List:	
PHA1.11	Please attach a listing of files with errors; include a summary of the reasons for the errors for each file.		

Indicator 2 - Rent Reasonableness

Self-Certified Score:

Random Sample		
PHA2.1	Explain how the random samples were determined.	
PHA2.2	Total Universe for the fiscal year?	
PHA2.3	Total Number of files selected for QC?	
PHA2.4	Please attach a listing of the files selected for QC.	
Testing Methodology		
PHA2.5	Please explain (or attach) the methodology (checklist/standards) used in determining compliance with the SEMAP indicator. Include a copy of the requirements contained in the administrative plan. Include a copy of the file review checklist for rent reasonableness. Methodology should indicate whether the PHA determined if a rent reasonableness test was required due to: rent increase, new HAP contract (move or new admissions), or if FMRs decreased by more 5 percent 60 days or more prior to the HAP anniversary.	

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	Testing Results	
PHA2.6	Number of files reviewed by the PHA for QC?	
PHA2.7	Number of files without errors?	
PHA2.8	Please attach a listing of files with errors; include a summary of the reasons for the errors for each file.	

Indicator 3 - Determination of Adjusted Income

Self-Certified Score:

	Random Sample	
PHA3.1	Explain how the random samples were determined.	
PHA3.2	Total Universe for the fiscal year?	
PHA3.3	Please attach a listing of the files selected for QC.	
	Testing Methodology	
PHA3.4	Please explain (or attach) the methodology used in determining compliance with the SEMAP indicator. Include a copy of the requirements contained in the administrative plan and a copy of the file review form.	
	Testing Results	
PHA3.5	Number of files reviewed by the PHA for QC?	
PHA3.6	Number of files without errors?	
PHA3.7	Please attach a listing of files with errors; include a summary of the reasons for the errors for each file.	

Indicator 4 - Utility Allowance (UA) Schedule

Self-Certified Score:

PHA4.1	Date the UA was reviewed by the PHA:	
PHA4.2	Date UA schedule was last revised:	

PHA4.3	Please attach documentation of review of each utility rate for with a change of 10 percent or more since the last schedule change.	

Indicator 5 - Housing Quality Standards (HQS) Quality Control Inspections

	Self-Certified Score:	
PHA5.1	Number of Units under HAP contract during the PHA's SEMAP fiscal year?	
PHA5.2	Number of QC inspections conducted in the PHA's SEMAP fiscal year?	
PHA5.3	Were the QC inspections conducted by a supervisor or other qualified person?	
	Comments/Describe the credentials of the QC inspector	
PHA5.4	Was this sample representative of a cross-section of neighborhoods and PHA inspectors?	
	Attach documentation to demonstrate the cross-section was met (insert comments if needed)	
PHA5.5	Were the QC reinspections conducted within three months of the completed HQS inspection?	
	Attach a list of QC reinspections with the date of QC reinspection and the date of the preceding completed HQA inspection (insert comments if needed).	

Indicator 6 - Housing Quality Standards (HQS) Enforcement

	Self-Certified Score:	
	Random Sample	
PHA6.1	*Explain how the random samples were determined.*	
PHA6.2	*Total number of inspections with HQS violations for the fiscal year?*	
PHA6.3	*Please attach a listing of the files selected for QC.*	
	Testing Methodology	

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PHA6.4	*Please explain (or attach) the methodology used in determining compliance with the SEMAP indicator.*	
Testing Results		
PHA6.5	*Number of files reviewed for QC involving **life-threatening** defects?*	
PHA6.6	*Number of files (of those reviewed in PHA6.5) where either: 1) corrections were made within 24 hours or 2) the PHA did stop (abate) HAP beginning no later than the first of the month following the correction period, or did take prompt and vigorous action to enforce family obligations when the violations fail items were caused by the tenant?*	
PHA6.7	*Number of files reviewed for QC involving **non life-threatening** defects?*	
PHA6.8	*Number of files (of those reviewed in PHA6.7) where corrections were either 1) made within 30 calendar days or 2) within a PHA-approved extension period or the PHA stopped (abated) HAP beginning no later than the first of the month following the correction period, or took prompt and vigorous action to enforce family obligations when the violations fail items were caused by the tenant?*	
PHA6.9	*Please attach a listing of files with errors; include a summary of the reasons for the errors for each file.*	

Indicator 7 - Expanding Housing Opportunities

Self-Certified Score:

Random Sample

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PHA7.1	*Please submit documentation showing adherence to the following SEMAP criteria: (A) The PHA has a written policy in its administrative plan which includes actions the PHA will take to encourage participation by owners of units located outside areas of poverty or minority concentration, and which clearly delineates areas in its jurisdiction that the PHA considers areas of poverty or minority concentration; (B) PHA documentation shows that the PHA has taken actions indicated in its written policy to encourage participation by owners of units located outside areas of poverty or minority concentration; (C) The PHA has prepared maps that show various areas with housing opportunities outside areas of poverty or minority concentration both within its jurisdiction and neighboring its jurisdiction; has assembled information about the characteristics of those areas which may include information about job opportunities, schools, transportation and other services in these areas; and can demonstrate that it uses the maps and area characteristics information when briefing rental voucher holders about the full range of areas where they may look for housing; (D) The PHA's information packet for rental voucher holders contains either a list of owners who are willing to lease (or properties available for lease) under the rental voucher program; or a current list of other organizations that will help families find units and the PHA can demonstrate that the list(s) includes properties or organizations that operate outside areas of poverty or minority concentration; (E) The PHA's information packet includes an explanation of how portability works and includes a list of portability contact persons for neighboring housing agencies, with the name, address and telephone number of each, for use by families who move under portability; and (F) PHA documentation shows that the PHA has analyzed whether rental voucher holders have experienced difficulties in finding housing outside areas of poverty or minority concentration and, if such difficulties have been found, PHA documentation shows that the PHA has analyzed whether it is appropriate to seek approval of exception payment standard amounts in any part of its jurisdiction and has sought HUD approval of exception payment standard amounts when necessary.*	

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Index

Numerics
100 Ways to Say "Very Good" 3.3-44

A
Administrative Plan 5.3-1
Alcohol Abuse
  Termination for 8.8-11
Annual Activities
  Time Line 8.6-7
Annual Reexaminations 8.6-1

B
Briefings 8.5-2
Budgeting Administrative Fees 4.10-1

C
Criminal Activity
  Drug-related 8.8-10

D
Document Creation 5.6-1
Drug-related Criminal Activity 8.8-10
Duties and Responsibilities 2.2-7

E
Error Reduction Strategy 7.5-1
Extensions 8.5-6

F
Family Self-Sufficiency (FSS) 8.12-1
File Maintenance 8.4-40
Financial Management 4.1-1
Form
  Advanced Annual File Review Checklist 5.4-15
  Annual File Review Checklist 5.4-11
  Annual Reexamination File Review Checklist 6.3-3
  Annual Reexamination Procedures 5.4-17
  Caseload Status Report 5.8-14
  Confidentiality Agreement 2.4-23
  Disclosure of Family Relationships Between PHA Employees and Participants 2.4-24
  Disclosure of Interest in Real Estate 2.4-25
  Example
    Calculating HAP Needs 4.7-10
    Estimate of CY HAP Needs 4.7-9
  HUD-52520 4.2-3
  Informal Hearing Checklist 8.10-12
  Management by Objectives System Sample 3.3-53
  Post-Hearing Checklist 8.10-17
  Sample Funding Analysis Report for Program Administration 4.5-6
  Sample Performance Evaluation Form 3.3-54
  Sample Training Plan 2.4-35
Funding
  Managing funding 4.7-1
  Monitoring funding 4.5-1

H
HAP Contract
  Procedures for Replacing 5.4-64
HAP Funding 4.3-1

I
Illustrative Tasks 2.2-8
Informal 8.10-1
Informal Reviews and Hearings 8.10-1
Inspections 8.7-3, 8.11-1
Intake 8.4-1
Interdepartment Coordination 4.9-1
Interim Activities
  Interim Inspections 8.7-3
Issuance of Voucher 8.5-2

K
Knowledge Management (KM) 7.8-1
Knowledge, Skills, and Ability 2.2-12

L
Lease Approval 8.5-11
Leasing
  The Leasing Process 8.5-7

M
Manager Responsibilities 8.5-9
Managing Program Functions 8.1-1
Managing the Owner Base 8.2-1
Measurements and Analysis 6.1-1
Moves 8.6-14

O
Occupancy Cycle 8.3-1

P
Performance Evaluation 3.3-48
Performance Evaluations
  Checklist for Writing the Evaluation 3.3-48
  Evaluation Conference Checklist 3.3-50
Portability 8.9-1
Program Activities 8.6-1
Project-Based Vouchers (PBV) 8.13-1

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Q
Quality Control
Conducting 6.3-1
Cycle 6.2-7
Designing a Plan 6.2-21
Formal review 6.3-7
Internal 6.3-2
Planning 6.2-1, 7.2-1
Program Integrity Schedule 6.2-8
Selecting and Training Staff 6.3-8
Types 6.2-3

R
Reexamination Calendar 5.8-1
Reexamination Tracking 5.8-7
Rent Reasonableness 8.5-15
Reports 7.7-1
Responsibilities to Achieve Lease-up 8.5-9
Responsibility for Relationships 2.2-11

S
Sample
Performance Evaluation Form 3.3-54
Program Integrity Schedule 6.2-9
Reexamination Procedures 5.4-3
Sample Funding Analysis Report for Program Administration 4.5-6
Training Plan 2.4-35
Situational Leadership 3.5-1
Special Unit Inspections 8.7-3
Supervisory Authority 2.2-4
Supervisory Skill Building 3.3-1

T
Termination
Alcohol Abusers 8.8-11
Assisted Lease 8.8-14
Assisted Lease, Notice 8.8-14
HAP Contract 8.8-15
Methods 8.8-13
Owner Notice Period to Terminate Lease 8.8-14
Required Evidence 8.8-12
Unit Size vs. Family Size 8.8-15
Terminations 8.8-1

U
Utility Allowance 8.5-20

V
Vouchers
Issuance 8.5-2

W
Work Process Tools 5.8-1

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