

Memorandum



Date: January 12, 2011

To: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Supplemental Information on SEMAP and PHAS as Board Training Materials required by MOU between US HUD and Miami-Dade County – December 15, 2010

EDSS
Supplement to
Agenda Item No. 7(A)

The Memorandum of Understanding (MOU) between the County and the U.S. Department of Housing and Urban Development (US HUD), which was approved by the Board of County Commissioners (BCC) through Resolution R-1418-08, requires ongoing trainings for the BCC.

To date, the following workshops have been held:

- US HUD conducted a workshop for all BCC members on December 14, 2009;
- Miami-Dade County and Housing Opportunities Project for Excellence (HOPE) Inc. jointly held a Fair Housing workshop on April 30, 2010;
- MDPHA provided the BCC with information, on June 9, 2010, regarding its Capital Fund Program, American Recovery and Reinvestment Act (ARRA) funding, and a narrative on various projects currently underway; and
- MDPHA provided the BCC with an overview and commentary on US HUD funding from the Council of Large Public Housing Authorities (CLPHA) as well as a comparative chart of US HUD funding, industry needs, and MDPHA's projected funding for both FY 2010 and 2011.

For this final reporting cycle, MDPHA is providing background on both the Section 8 Management Assessment Program (SEMAP) and Public Housing Assessment System (PHAS) Management Operations Assessment Sub-System (MASS). US HUD considers the PHAS/MASS performance indicators as key benchmarks in measuring the performance of a public housing agency.

Attachments



Assistant County Manager

Presentation for
Miami-Dade Board of County Commissioners

December 15, 2010

**Miami-Dade Public Housing Agency's (MDPHA)
Section 8 Management Assessment Program (SEMAP)
and Public Housing Assessment System (PHAS)**

SEMAP

Source: Housing Choice Voucher Program Guidebook (US HUD)

<http://www.hud.gov/offices/adm/hudclips/guidebooks/7420.10G/index.cfm>

Attached are the following excerpts for this presentation:

- **Chapter 1.5** – The Section 8 Management Assessment Program provides an introduction and overview of SEMAP
- **Chapter 19** – HUD Reporting Requirements, PHA Internal Monitoring Requirements

PHAS

Source: Instruction Guidebook for Completing Public Housing Assessment System Management Operations Certification (US HUD)

http://www.hud.gov/offices/reac/products/mass/instrc_guide331.cfm

Attached are the following excerpts for this presentation:

- **Introduction** -- Includes program overview, purpose, integrity and documentation maintenance
- **Elements of Scoring** -- Includes the main calculations used to determine a MASS score
- **Appendix 2** – MASS Sub-Indicators, Components, and Grading

If you would like for our department to provide a copy of the complete guidebooks listed above, please contact us at 786-469-4106.

7420.10G

VOUCHER PROGRAM GUIDEBOOK
Housing Choice

Produced for:



U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
Washington, DC 20410-6000
www.hud.gov/pih

April 2001

TABLE OF CONTENTS

	<u>PAGE</u>
CHAPTER 1 INTRODUCTION TO THE GUIDEBOOK	
1.1 Purpose and Organization of Guidebook.....	1-1
1.2 Background and Key Events in the History of the Tenant-Based Housing Programs	1-1
United States Housing Act of 1937	1-1
Section 23 Leased Housing Program	1-2
Housing Act of 1968	1-2
Experimental Housing Allowance Program (EHAP)	1-2
The Housing and Community Development Act of 1974	1-3
The Section 8 Existing Housing Program	1-3
Rental Voucher Program.....	1-4
The Conforming Rules to Combine the Certificate and Voucher Programs	1-4
The Quality Housing and Work Responsibility Act of 1998 (QHWRA) and Merger of the Certificate and Voucher Programs	1-4
1.3 Conversion from the Rental Certificate and Rental Voucher Programs to the Housing Choice Voucher Program	1-5
1.4 Applying to HUD for Additional Housing Choice Voucher Assistance	1-5
Funding to Assist Special Categories of Families to be Selected from the PHA Waiting List.....	1-6
Funding to Assist Families Who Are Not on the PHA Waiting List: Special Admissions	1-7
*1.5 The Section 8 Management Assessment Program (SEMAP).....	1-9
1.6 Roles and Responsibilities of Key Housing Choice Voucher Program Players.....	1-11
Role of HUD	1-13
Role of the PHA.....	1-13
Role of the Owner	1-14
Role of the Family	1-14
CHAPTER 2 EXPANDING HOUSING OPPORTUNITIES AND MOBILITY	
2.1 Overview.....	2-1
2.2 Program Requirements.....	2-2
2.3 SEMAP Requirements	2-2
2.4 Outreach to Owners	2-4
2.5 Provide Information on Neighborhoods to Families	2-6
2.6 Briefings for Program Applicants	2-7
2.7 Information Packets	2-8
2.8 Portability and Area Mobility Plans	2-9
2.9 Additional Services for Housing Choice Voucher Holders to Promote Opportunity Moves	2-10

TABLE OF CONTENTS

	<u>PAGE</u>
17.5. Shared Housing.....	17-7
Description.....	17-7
Occupancy.....	17-7
HQS.....	17-7
Payment Standard and HAP Calculation.....	17-8
17.6. Cooperative Housing.....	17-9
Description.....	17-9
Occupancy.....	17-9
HQS.....	17-10
Payment Standard and HAP Calculation.....	17-10
17.7. Manufactured Homes.....	17-10
Description.....	17-10
Occupancy.....	17-10
HQS.....	17-10
Payment Standard and HAP Calculation.....	17-11
17.8. Manufactured Home Space Rental.....	17-11
Description.....	17-11
Occupancy.....	17-11
HQS.....	17-11
Payment Standard and HAP Calculation.....	17-12
 CHAPTER 18 ALLOWANCES FOR UTILITIES AND OTHER SERVICES	
18.1 Chapter Overview.....	18-1
18.2 Program Requirements for the Utility Allowance Schedule.....	18-1
18.3 Establishing a Utility Allowance Schedule.....	18-4
Average Consumption Data.....	18-4
Allowances by Unit Size.....	18-5
Calculating a Utility Allowance.....	18-6
Utility Rate Schedules.....	18-6
Ranges and Refrigerators.....	18-7
Other Utilities and Services.....	18-7
18.4 Using the Utility Allowance Schedule.....	18-7
18.5 Using a Higher Utility Allowance as a Reasonable Accommodation.....	18-8
18.6 Reviewing and Revising Utility Allowances.....	18-9
18.7 Related SEMAP Indicators.....	18-9
 * CHAPTER 19 HUD REPORTING REQUIREMENTS, PHA INTERNAL MONITORING REQUIREMENTS	
19.1 Chapter Overview.....	19-1
19.2 Multifamily Tenant Characteristics System (MTCS) reporting.....	19-1
Accessing MTCS Reports through the Internet.....	19-3
19.3 Managing SEMAP.....	19-5
19.4 Managing by the Numbers.....	19-5

vouchers are sometimes called "enhanced vouchers". They are for families that continue to live in the same unit when an owner elects to opt out of a project-based HAP contract.

Rules regarding administration of these vouchers vary from regular housing choice voucher rules with regard to the payment standard used in subsidy calculations if the family elects to remain in the same project. HUD notices specify special rules to be used for administration of assistance to tenants who are affected by housing conversion actions.

Project-based assisted housing conversion actions include the following:

- Project-based opt-outs. This term refers to a conversion action where an owner chooses to opt out of certain programs by not renewing an expiring Section 8 project-based HAP contract. Starting in FY 2000 and subject to the availability of appropriations, enhanced vouchers are provided for eligible residents who were assisted under the expiring project-based contract on the date of expiration.
- Pre-payment of HUD-insured mortgage. This term refers to a conversion action where an owner chooses to pre-pay a HUD-insured mortgage on a Section 8 property. Starting in FY 2000 and subject to the availability of appropriations, enhanced vouchers are provided for the eligible residents who were assisted under the project-based contract on the date of the pre-payment.
- HUD enforcement actions. This term refers to situations where HUD is either terminating the Section 8 project-based HAP contract or, due to the owner's failure to comply with the terms of the HAP contract, not offering the owner the option to renew an expiring contract. HUD enforcement actions may also result from material adverse financial or managerial actions or omissions which have led to either owner default under a FHA-insured mortgage (monetary or technical) or documented material violations of one or more of the obligations under the project's regulatory agreement. In these circumstances, regular housing choice vouchers will be provided to assist eligible families affected by the enforcement action.
- HUD property disposition. This term refers to situations where, due to an owner default on an FHA-insured mortgage, HUD is the mortgagee-in-possession or owner of the multifamily property and is closing down or selling the property to a new owner. Regular housing choice vouchers will be provided to assist eligible families in these cases.



1.5 THE SECTION 8 MANAGEMENT ASSESSMENT PROGRAM (SEMAP)

SEMAP was designed by HUD as a tool to measure the performance of PHAs administering the housing choice voucher program and the family self-sufficiency (FSS) component of the voucher program.

SEMAP is a performance measure tool designed to:

- Assess whether the housing choice voucher program is assisting eligible families to afford decent, safe, and sanitary housing at the correct subsidy cost;
- Measure PHA performance in key areas of the housing choice voucher program to ensure program integrity and accountability;
- Identify PHA management capabilities and deficiencies to target technical assistance more effectively; and
- Assist PHAs in assessing and improving their own program operations.
- Evaluate whether the PHA affirmatively furthers fair housing.

SEMAP INDICATORS

SEMAP includes the following 14 performance indicators and one bonus indicator:

- Indicator 1, Selection from the waiting list
- Indicator 2, Rent reasonableness
- Indicator 3, Determination of adjusted income
- Indicator 4, Utility allowance schedule
- Indicator 5, HQS quality control inspections
- Indicator 6, HQS enforcement
- Indicator 7, Expanding housing opportunities
- Indicator 8, FMR limit and payment standards
- Indicator 9, Annual reexaminations
- Indicator 10, Correct tenant rent calculations
- Indicator 11, Pre-contract HQS inspections
- Indicator 12, Annual HQS inspections
- Indicator 13, Lease-up
- Indicator 14, Family self-sufficiency (FSS) enrollment and escrow accounts
- Deconcentration bonus indicator

During the PHA fiscal year, PHAs must track their own performance on the 14 SEMAP indicators and the deconcentration bonus indicator if applicable. Within 60 days of the end of the PHA fiscal year, the PHA must complete and submit form HUD-52648, SEMAP Certification to HUD.

The certification must attest to the results of quality control review the PHA performed on four indicators: selection from the waiting list; rent reasonableness; determination of adjusted income; and HQS enforcement.

With the certification, the PHA must submit information regarding payment standards, data on FSS enrollment and escrow accounts and an addendum to support any claim for the deconcentration bonus indicator.

Each indicator is assigned a numerical value, based upon PHA performance. HUD independently assesses and verifies each PHA's performance using data submitted electronically through HUD's Multifamily Tenant Characteristics System (MTCS) using the Family Report, form HUD-50058 and other available information.

Once all indicators have been scored, the overall score is determined by summing all earned points and dividing by the total possible points.

HUD will prepare a SEMAP profile for each PHA, assign an overall rating, and notify each PHA in writing of its rating on each SEMAP indicator, its overall SEMAP score, and its overall performance rating.

There are four possible overall ratings:

- High Performer Rating: score of 90 percent or higher
- Standard Performer Rating: score of 60 percent to 89 percent
- Troubled Performer Rating: score of less than 60 percent
- Modified or Withheld Rating: only when warranted by special circumstances

If a PHA receives a troubled rating, the HUD field office must conduct an on-site confirmatory review before changing the rating to either "standard performer" or "high performer."

PHAs are required to correct any performance deficiencies within 45 days of notification by HUD. If the PHA is unable to correct deficiencies within 45 days, it must submit a corrective action plan for each deficiency within 30 calendar days from the date of the HUD notice.

1.6 ROLES AND RESPONSIBILITIES OF KEY HOUSING CHOICE VOUCHER PROGRAM PLAYERS

PHAs administering the housing choice voucher program enter into contractual relationships with three parties: HUD, the owner, and the family. The roles and responsibilities of HUD, the PHA, the owner, and the family are defined in the federal regulations and in the legal documents that the parties execute to participate in the program.

CHAPTER 19

HUD REPORTING REQUIREMENTS, PHA INTERNAL MONITORING REQUIREMENTS

19.1 CHAPTER OVERVIEW

The adage “what gets measured, gets managed” is true from the perspective of both HUD and PHA managers. Through its reporting requirements, HUD tells PHAs how their performance will be measured and what standards of performance HUD expects. Similarly, PHA managers help staff understand priorities and focus on key performance issues by identifying performance measures and making it clear how close or far from the target current performance may be.

Section 1 of this chapter describes PHA responsibilities to report to HUD through the Multifamily Tenant Characteristics System (MTCS) and identifies reporting required for the Section Eight Management Assessment Program (SEMAP). These two tools are HUD’s primary mechanisms for monitoring and judging PHA performance for the housing voucher program. Section 2 recommends additional internal tracking and monitoring that can help PHAs insure that their programs are effectively managed.

Section 1: HUD Reporting Requirements

19.2 MULTIFAMILY TENANT CHARACTERISTICS SYSTEM (MTCS) REPORTING

The MTCS is the Department’s automated system for recording demographic information about assisted families and data about the units they occupy. HUD uses MTCS data to monitor and assess each PHA’s performance. It will be used to score five indicators in SEMAP and also provides documentation for budget reviews and funding decisions.

In addition, HUD’s Tenant Eligibility Verification System (TEVS), matches program participant income from MTCS with information from the Social Security Administration (SSA) and the Internal Revenue Service (IRS) to identify possible fraudulent reporting.

MTCS AN OVERVIEW

- *PHAs must submit information about all assisted families and the units they occupy.*
- *MTCS generates more than 20 standardized reports that summarize PHA operations. These reports are available to PHAs to support program monitoring.*
- *PHAs can access the data that is submitted to generate “ad hoc” reports.*
- *For a PHA to be scored under SEMAP, MTCS must receive data on at least 85 percent of the PHA’s participants.*

Electronic Transmission

PHAs must submit the data required on the Family Report form HUD-50058 to HUD electronically. PHAs with 100 units or more are required to submit data to MTCS at least once a month. PHAs with fewer than 100 units must submit data at least once a quarter. PHAs may use software provided by HUD, the Family Reporting Software (FRS), or software the PHA purchases or develops. FRS can be downloaded from the MTCS web site.

HUD requires PHAs to submit data for each of the following actions:

- Voucher issuance
- Voucher expiration
- New admission
- Annual reexamination
- Interim reexamination
- Portability move-in
- Portability move-out
- End of participation
- Other change of unit
- FSS enrollment or exit

MTCS summarizes the data received and generates standard reports. As data is received, MTCS validates each record to ensure it is in the correct format and contains required field entries. When errors are detected, MTCS transmits error notifications to the PHA. A PHA experiencing problems with transmission can post questions on the Data Transmission Forum on the MTCS web site or call the MTCS hotline.

Minimum Reporting Rate

PHAs are required to submit form HUD-50058 data for 100 percent of families enrolled in the housing choice voucher program. Prompt and complete reporting is essential. The minimum acceptable reporting rate is 85 percent. PHAs that fail to achieve the minimum reporting rate are subject to sanctions. PHA performance on five of the SEMAP indicators is verified by data provided to MTCS. A rating of zero will be assigned to these five indicators if the PHA's reporting rate falls below 85 percent.

HUD measures MTCS reporting performance as of June 30 and December 31 each year. A PHA that will not meet 85 percent reporting on those dates may submit a written request for forbearance. Forbearance requests must explain why the PHA is unable to meet the reporting mandate and identify specific steps it has taken or intends to take to improve performance. The forbearance request must also include measurable monthly goals for improving reporting performance and show that the PHA plans to meet the minimum reporting rate by the next semi-annual reporting assessment. Forbearance requests for the semi-annual reporting period in June must be received by HUD no later than August 15 of the same calendar year, and for the December reporting period by February 15 of the following year. Forbearance requests are sent to the HUD field office. PHAs who receive a forbearance but fail to meet the minimum reporting requirement by the end of the next semi-annual reporting assessment are subject to targeted review by HUD and possible reduction of administrative fees.

**SUBMITTING FORBEARANCE
REQUESTS**

- *For the June 30 report, submit the request by August 15 of the same year.*
- *For December 31 report, submit requests by February 15 of the following year.*

Any forbearance request after a PHA's second request must be approved by the headquarters office of Public and Assisted Housing Delivery. A PHA that does not achieve 85 percent reporting and requests an extended forbearance period must demonstrate substantial progress in reporting by achieving an improvement of at least 25 percentage points over its previous reporting rate. PHAs that fail to meet the 85 percent minimum reporting rate at the end of an assessment period will be subject to a 10 percent reduction in the on-going administrative fees for each of

the six months of that period. For example, a PHA showing a reporting rate of 82 percent at the end of June is subject to a 10 percent reduction in on-going administrative fees for each of the preceding six months. This would be true regardless of whether the PHA had achieved an 85 percent reporting rate during one or more of the five months before June.

Accessing MTCS Reports Through the Internet

PHAs can now access more than 20 standardized reports as well as form HUD-50058 raw data through the internet. The general public has access only to a summary report that provides aggregate demographic and income information about tenants in the housing choice voucher, moderate rehabilitation, public housing, and Indian housing programs.

What MTCS has to offer:

One of MTCS's most important contributions is providing PHAs and HUD with common information about the status of each PHA's program. Although MTCS does not cover all aspects of PHA operations, both parties can literally "read from the same page" and have in-depth conversations about PHA performance and progress. The standardized reports permit PHAs to identify strengths and weaknesses in their programs and provide aggregate information to the public, other service providers, and the media. MTCS has recently begun to provide historical information that will assist PHAs to identify trends in family characteristics and to track the progress of the program over time.

HUD and PHAs can generate four basic types of reports:

- (1) Summary reports which are intended to provide general information on program size and characteristics and also to highlight potential problems with program operation or compliance. For example:
 - *The Resident Characteristics report provides basic demographic information about program participants (race, ethnicity, family size, household type, household size, bedroom size, distribution of income in ranges, average tenant payment). It also reports the percentage of households for which the PHA has submitted form HUD-50058 to MTCS. The same kind of information is available for a subset of families on the New Admissions report and the Families Ending Participation report.*

- The *Key Management Indicators* report provides summary information about rents and family rent burden and also identifies potential management or compliance problems including rent calculation errors, late HQS inspections, late reexaminations, ineligible admissions, and unit size assignment errors.
 - Other summary reports provide detailed information on rent burden, mobility and portability, citizenship, and special housing types.
- (2) Detail reports provide the names and key information about families who were included as discrepancies in the summary reports, so the PHA can research and correct the discrepancies. For example, if the *Key Management Indicators* report shows that 15 percent of the PHA's annual reexaminations are late, the PHA can request the *Late Reexaminations Discrepancy* report to obtain the names of the specific families whose reexaminations are late. (Experience has shown that some of these families are households who have left the program but for whom an end of participation report was not submitted.) By using these two reports, the PHA can correct errors and identify the actual number of families whose reexaminations are late.
 - (3) FSS reports covering enrollments, enrollee progress, delinquencies, and exits from the program.
 - (4) SEMAP Indicators report covering the five SEMAP indicators that can be measured through MTCS data.

The standardized reports make valuable summary information easily available. With more effort PHAs can also access and analyze form HUD-50058 raw data by making ad hoc queries. Through the "Ad Hoc Selection" on the MTCS website, a PHA can choose from a detailed listing of form HUD-50058 data fields or variables and create a customized report. Ad hoc queries and data analysis can be time consuming but may be necessary to diagnose why MTCS errors and discrepancies exist. Sometimes errors and discrepancies can be resolved only by thorough analysis of MTCS raw data.

A critical feature of the Ad Hoc Selection Menu is that PHAs can download data into common software programs, such as Excel, Access, or Lotus. By downloading and converting the data, the PHA can further sort and analyze it, correct problems, and produce additional management reports.

MTCS Resources and Technical Assistance

HUD offers a variety of tools to assist PHAs in using MTCS effectively. The primary resource is the MTCS web page. Through the MTCS home page PHAs can access:

- MTCS Web Reports Guide provides step-by-step instructions on how to access, retrieve, and print MTCS reports. It also contains detailed definitions of report data fields and error notifications.

- MTCS on-line forum permits users to pose questions directly to MTCS technical staff and other users about problems encountered in accessing and analyzing form HUD-50058 raw data and reports. MTCS staff regularly check for and respond to new questions and messages.
- News flashes and monthly updates are also posted on the website. These news flashes contain important updates or clarifications.

In addition, an MTCS help desk permits MTCS users with transmission problems to directly contact MTCS technical staff.

Section 2: PHA Internal Monitoring and Reporting

19.3 MANAGING SEMAP

HUD uses SEMAP to assess the performance of housing choice voucher programs across the country and identify those PHAs that need technical assistance. Each PHA can use SEMAP in the same manner, to assess performance in each SEMAP area and identify program functions where improved performance is required.

HUD requires PHAs to certify once each year to the performance level the PHA has achieved for each SEMAP indicator. A PHA that measures its performance monthly for each SEMAP indicator will have time to improve performance before its annual SEMAP certification is submitted.

For most indicators, a PHA can use the same approach for internal monitoring of SEMAP performance as HUD uses for scoring.

HUD uses MTCS data to score five of the indicators. A PHA can score itself on these indicators using the data available through MTCS.

For five of the remaining indicators, the PHA can adopt a sampling technique similar to the quality control sampling required for the SEMAP certification. A supervisor or a staff person who did not perform the work, but is knowledgeable about the program requirements being measured should do the sampling.

For Indicators 4 (Utility Allowance Schedule), 7 (Expanding Housing Opportunities) and 8 (Payment Standards), a review to inspect the documentation for the indicator will provide evidence that requirements have been met.

19.4 MANAGING BY THE NUMBERS

This section discusses key housing voucher activities and identifies the PHA's information needs, reporting options, and sources of information for developing effective tracking and monitoring tools for each. High quality program management involves collecting and using information for three distinct purposes: (1) tracking—knowing the status of each family and

transaction and analyzing the processing times for each step; (2) quality control—assuring that each transaction is executed completely and correctly; and (3) assessment of program effectiveness and outcomes—determining whether program policies and procedures and staff efforts result in the achievement of the PHA's goals and quality services for its clients.

MTCS can serve as a source for some, but not all, of a PHA's data needs. For information that is not kept in MTCS, the formats and systems used are as varied as PHA operations across the country. Some PHAs are highly automated, while others rely primarily on logs and other paper controls. The tracking and analysis formats below illustrate the uses of data and not the manner in which the information can be recorded. They are not required formats or forms. Automated databases obviously provide the PHA greater capacity for recording and analyzing data but most of the analyses recommended can also be completed manually for smaller programs.

WHY PERFORMANCE MEASUREMENT?

Effective performance measurement enables the PHA to:

- *Improve accountability of staff, customers, and contractors;*
- *Accurately assess program effectiveness and make strategic program improvements;*
- *Refine budgets and maximize scarce funding; and*
- *Share success stories with HUD and the community.*

19.5 PROCESSING TIME FRAMES

The ability to track family progress and the status of key transactions is the foundation of effective program management and good customer service. Ultimately each PHA should establish timeline goals and monitor performance against those goals. Initially, however, most PHAs can gain insights into program operations by analyzing processing times. At a minimum, PHAs should develop tracking procedures that measure the following time spans:

- Family application to selection from the waiting list;
- Initial interview to voucher issuance;
- Issuance to request for tenancy approval;
- Request for tenancy approval to lease effective date; and
- Request for inspection to completion of inspection.

The MTCS New Admissions report provides waiting times (from application to lease execution) by bedroom size, race and ethnicity.

Reports on processing time frames are often displayed in ranges as shown below, and may be reported as numbers or percentages. Automated tracking enables the PHA to report more detail, such as time frames by bedroom size or race and ethnicity.

Table A

Interview to Voucher Issuance by Number of Households		
Days	This Period	This Year
45 or less	25 (58%)	200 (60%)
46-60	13 (30%)	121 (36%)
61+ days	5 (12%)	10 (4%)
TOTAL	43	331

Table B

Voucher Issuance to Request for Tenancy Approval by Number of Households (Days)				
Race/ Ethnicity	<30	30-60	61-90	90+
White	5	28	36	2
Black	5	14	16	55
Nat. Am		1		
Asian/PI			3	
Hispanic	2	5	24	
Other				
TOTAL	12	48	79	57

Table A, above, reports the number/percentage of households that progressed from the initial interview to voucher issuance measured in increments of days.

The analysis of the timeframe from interview to issuance suggests that the length of time is increasing, and might prompt a manager to determine why this is so. The numbers could reflect either high or low performance depending upon what goals the PHA has established for this indicator.

Table B, above, reports search time using household demographics.

The analysis of the timeframe from voucher issuance to request for tenancy approval shown above indicates the search process differs by race and ethnicity. Managers should be cautious about drawing quick conclusions based upon these numbers. Although the report highlights a concern that managers should investigate, it doesn't explain the cause of the difference, which could be the result of many factors including discrimination on the part of owners, differing bedroom size requirements of the families, or the specific circumstances of particular families.

19.6 PROGRAM OUTREACH AND WAITING LIST MANAGEMENT

Each PHA may develop its own methodology for maintaining and monitoring the waiting list. Some PHAs use an automated list, while others rely upon a manual log. The minimum information needed to assess PHA compliance with waiting list include:

PHA Waiting List									
App #	App Date	Appl Name/ Address	Bedroom Size	Preference Codes	Race/ Ethnicity	Date Called	Date Ineligible/ Withdrawn	Date Voucher Issued	Date Unit Leased

Several issues related to outreach and waiting list management and the methodology for analyzing them are discussed below.

Issue #1: Are outreach efforts appropriately reaching the eligible population?

Key Indicators and Analytical Methods

- Within a reasonable margin, the demographics of families on the waiting list should mirror the demographics of the low-income population in the community. If waiting list demographics are significantly different than the eligible low-income population, the PHA may be failing to reach certain types of families.

Analysis: Compare the demographics of the waiting list (not available through MTCS) to U.S. Census or local planning data on the low-income population in the community.

- Within a reasonable margin, the demographics of program participants in each of the PHA's programs should mirror each other.

Analysis: Use the MTCS Resident Characteristics Report to compare the characteristics of families in each of the PHA's programs. Differences do not necessarily indicate fair housing non-compliance but PHAs should determine the cause where significant differences exist.

Issue # 2: Is the PHA maintaining an appropriate lease-up rate?

Key Indicators and Analytical Methods

- The target lease-up rate is at least 98 percent of units under ACC. The lease-up rate is most affected by three key variables: (1) the turnover of vouchers; (2) the success rate of voucher holders; and (3) search time required to find an acceptable unit.

Analysis of Turnover: Turnover is the number of vouchers that become available for new families because previous participants are no longer using their voucher subsidy. PHAs should record the number of vouchers that turn over each month and develop historical information that can help estimate future turnover. Because turnover is higher in some months of the year than in others, a month-by-month analysis is needed.

Analysis of Success Rates: The success rate is the percentage of all households issued a voucher who actually leases a unit. For example, if one out of every two families issued a voucher leases a unit, the success rate for the program is 50 percent. Although most software packages marketed for the housing choice voucher program do not track families between the time the applicant is drawn from the waiting list and the execution of the lease and HAP contract, PHAs can monitor success rates relatively easily by using a manual log or spreadsheet to track family progress following voucher issuance. Generally, a tracking log or spreadsheet would include some or all of the information below.

Voucher Success Rate - Searcher's Log									
Family Name	Date Voucher Issued	Extension Issued	Extension Issued	RFTA Rec'd	Inspection Passed	HAP Eff'tive Date	Date Voucher Expires	Success-ful	Not Success-ful

Analysis of Search Time: The number of vouchers that need to be issued in a given month is also affected by the expected search time. The tracking system shown above also generates the information needed to calculate search time.

Issue # 3: Is the waiting list managed effectively?

Key Indicators and Analytical Methods

- Names and contact information on the waiting list should be current enough that staff do not waste valuable time trying to contact families who are not interested or who do not qualify for the program.

Analysis: Monitor the percentage of applicants called from the waiting list who fail to respond and the percentage of applicants who respond and are determined ineligible for assistance (number of applicants withdrawn or determined ineligible divided by the number called). A sufficient number of eligible families should be available whenever vouchers become available, without a delay to determine eligibility.

Analysis: To calculate the percentage of eligible families that will successfully lease units, track the number that completes each step in the process. Determine the percentage of families scheduled for briefing that attend, the percentage of briefed families that are issued vouchers, and the percentage of issuances that result in leases and HAP contracts. The best way to monitor the steady flow of families from the waiting list is to establish a briefing schedule in advance and a simple report on the number of families briefed compared to those scheduled. Wherever there is a significant discrepancy from the plan, staff should provide an explanation. In the example below, the manager reviewing this briefings report should ask for an explanation of the low briefing figure in March and April.

DECREASE COSTS BY MONITORING LEASE-UP RATES

- Track the number of waiting list applicants who respond. If non-response is high, the waiting list information may need to be updated.
- Track the number of applicants who respond but are determined ineligible. This will enable you to estimate a "failure" rate and call in enough families to assure a sufficient number of eligible families.

PHA Report on Briefings: Briefings Planned (P) vs. Families Briefed (B)											
Jan		Feb		Mar		Apr		May		June	
P	B	P	B	P	B	P	B	P	B	P	B
30	27	30	25	30	12	30	10	30	28	30	31

Issue # 4: Are families being selected from the waiting list in conformance with PHA policy

Key Indicator and Analytical Methods

- Each family must be selected from the waiting list in conformance with PHA policy and HUD program rules.

Analysis: SEMAP requires the PHA to draw two samples: one of applicants selected from the waiting list and a second of families admitted to the voucher program. SEMAP rules specify the minimum number of files in each sample based on the number of applicants selected and the number of families leasing their first units under the voucher program. The review must ascertain whether staff have correctly documented each applicant's preference qualifications and have selected applications in the appropriate order based on the PHA's written selection policy.

19.7 INCOME AND ELIGIBILITY VERIFICATIONS AND SUBSIDY CALCULATIONS

Accurate verification of income and allowances is essential to ensure that subsidy dollars are well used. Careless verification efforts may result in under-reporting of family income or failure to provide families full credit for all allowances for which they qualify. SEMAP Indicator 3 requires a review of participant files to determine the completeness of income verifications.

Key Indicators and Analytical Methods

The MTCS *Key Management Indicators Report* identifies three types of discrepancies that affect subsidy payments. MTCS identifies:

- Households assigned a bedroom size that appears inappropriate for family size;
- Households that appear ineligible based upon income; and
- Errors in subsidy calculations based upon the income and allowance information reported.

Analysis: Discrepancies in any of these categories can be due to a lack of thoroughness in conducting the interview, inadequate verification, mathematical mistakes or data entry errors.

The SEMAP rule specifies the minimum number of participant files that must be sampled based on the number of leased units. If a PHA determines that it needs to review an additional sample to monitor accuracy throughout the year, the additional sample might be drawn as a percentage of each staff member's workload. Whatever number of transactions it reviews, the PHA should provide regular feedback to staff and should require staff to correct errors in order to improve overall accuracy rates. PHAs should also analyze errors common to all staff to determine training needs and to improve existing training efforts.

19.8 ANALYZING THE LEASING PROCESS

PHAs need to be concerned about the following processing times for the efficiency of their programs and in order to provide good customer service to owners and families:

- Voucher issuance to RTA
- RTA to inspection request
- Inspection request to inspection and approval of unit
- Lease execution to HAP contract
- Effective date of lease and HAP contract
- HAP contract execution to initial payment to owner.

When a PHA is experiencing a low rate of leasing success, a variety of information may be helpful in determining the best response to obtain improved results. Information on the vacancy rate for units in the local rental market that rent within FMR limitations is pertinent.

Information on the percent of units that pass the initial HQS inspection, the percentage that eventually pass, and the percentage that fail and are never leased under the program is also helpful. If a high rate of inspection failures is contributing to a low rate of leasing success, working to improve owners' understanding of HQS may improve searchers' success. Information on success rates for inspections is available from the leasing log described below.

In the private rental market, most owners expect to fill a unit the day after it becomes vacant to avoid losing rental income. Especially in a tight housing market, a PHA must be able to move rapidly through its leasing procedures if voucher holders are to be successful. HUD requirements also focus on the importance of prompt response. PHAs with 1250 or fewer units are required to conduct the initial inspection within 15 days after receipt of the request for inspection. Larger PHAs should strive to respond at least as quickly but are required to conduct the initial inspection within "a reasonable time" after receipt of the inspection request.

Key Indicators and Analytical Methods

- Each unit must pass the HQS inspection on or before the lease effective date.
- The lease between the owner and the tenant must be executed before the lease effective date.
- The HAP contract must be fully executed no later than 60 days after the lease effective date.

DECREASE COSTS BY MONITORING SUCCESS RATES

Follow the activities of searchers and track their success in leasing units

- *Record each request for inspection and the result of each inspection.*
- *Monitor the number of units rejected for failure to meet HQS or rent reasonableness.*
- *Use this information to determine what help searchers may need to find appropriate units and the information needs of owners participating in the program.*

Analysis: Some software systems will track some of the information required for these activities. Few, if any, will track the date the HAP contract is signed. A leasing log, maintained manually or on spreadsheet software, can track data not provided by existing systems.

Leasing Log									
a	b	c	d	e	f	g	h	i	j
Family Name, ID #	Date RFTA Submitted	Initial Inspection Date	Re-Inspection Date	Inspection Pass Date	Lease Effective Date	HAP to Owner Date	Signed HAP Returned	HAP Executed Date	Days from f to j

A PHA needs this data to be sure that its staff is productive and that it is providing a reasonable service to both owners and participants. A PHA that can demonstrate that it moves from request for tenancy approval to lease up in 15 days or less will find that it has many potential owners for its program.

This log will also provide information useful for analyzing factors affecting leasing success rates as described above, and facilitates coordination between the PHA staff who must work together to achieve lease-up (i.e., intake and inspections staff). In addition, it provides part of the information required when a PHA needs to analyze the adequacy of its inspections staffing and its inspections scheduling procedures.

19.9 ANNUAL HQS INSPECTION EFFECTIVENESS AND COMPLIANCE

To ensure performance in compliance with SEMAP requirements, PHAs need to monitor:

- The quality of HQS inspections;
- Enforcement of HQS standards;
- The completion of all annual inspections at least annually; and
- Abatements of housing assistance payments within required time frames.

SEMAP requires that the PHA select a sample of completed inspections and conduct quality control reinspections within three months of the initial inspection to ensure that all inspectors are correctly applying HQS standards. For SEMAP, the PHA is also required to select a sample of participant files from among all files for units that failed the annual inspection to ensure that HQS standards have been enforced.

As discussed above, the PHA should select its quality control sample to include all types of inspections (initial, annual, complaint) and a standard percentage of each inspection staff's workload. Clear feedback to staff, requirement to correct identified errors, and use of quality control results in staff performance evaluations are elements of a good quality control system.

PHAs can use MTCS data to monitor the completion of all annual inspections within 12 months of each previous inspection. A log that tracks all steps in the annual inspections process, including initial and follow-up inspections, abatement and unit approval is needed to monitor timely completion of the process. A log is essential to track the status of abatements and to document compliance with SEMAP requirements for HQS enforcement.

19.10 ANNUAL REEXAMINATIONS COMPLETION

PHAs can obtain information on the timeliness of completed reexaminations from MTCS discrepancy reports. In addition to monitoring the information MTCS reports on late reexaminations, there are benefits to requiring staff to use a reexamination log to monitor each step in the reexamination process.

		Interview				Termination		Verifications					

When completing reexaminations, staff must use time management techniques to keep track of numerous transactions for each family and manage several months of re-examinations simultaneously. If the PHA keeps a log day to day, it is easy for staff and supervisors to see exactly what has been completed and what needs priority attention in order to meet reexamination deadlines.

19.11 MONTHLY REPORTING

Information obtained from MTCS and the PHA's own monitoring and quality control systems should be summarized and included in regular reports provided to managers, executive staff and commissioners. Key program management data should be reviewed on a monthly basis. Managers need detailed information; commissioners require only summary information. Organizing data to show your SEMAP score based on performance at the end of the month and cumulatively for the fiscal year is a good way to discuss monthly reports. Use of the SEMAP certification form for monthly reporting may focus staff on areas needing improvement.



**Instruction Guidebook for Completing
Public Housing Assessment System
Management Operations Certification
Form HUD-50072**

Management Operations Assessment Sub-System (MASS)

**U.S. Department of Housing and Urban Development
Public and Indian Housing - Real Estate Assessment Center**

MAY 2005

TABLE OF CONTENTS

*** Introduction**

Program overview, purpose, integrity and documentation maintenance.

Page: 4

Sub-Indicator #1, Vacant Unit Turnaround Time

This sub-indicator measures the annual average amount of time it takes a PHA to turnaround its vacant units.

Page: 6

Sub-Indicator #2, Capital Fund

This sub-indicator assesses performance under a PHA's Capital Fund/modernization programs.

Page: 11

Sub-Indicator #3, Work Orders

This sub-indicator examines the adequacy of a PHA's performance with regard to completing maintenance work items as measured by its work order system.

Page: 28

Sub-Indicator #4, Annual Inspection of Dwelling Units and Systems

This sub-indicator examines the percentage of units and systems inspected annually by a PHA, using the Uniform Physical Condition Standards (UPCS).

Page: 36

Sub-Indicator #5, Security

This sub-indicator evaluates a PHA's performance in tracking crime-related problems in its developments; reporting incidences of crime to local law enforcement agencies; the

adoption and implementation of application screening and resident eviction policies and procedures; and drug prevention and/or crime reduction program goals.

Page: 47

Economic Self-Sufficiency

This sub-indicator evaluates a PHA's performance under any economic self-sufficiency program.

Page: 61

*** Elements of Scoring**

The Management Operations Indicator score provides an assessment of a PHA's management operations performance.

Page: 65

Adjustment for Physical Condition and/or Neighborhood Environment

The overall physical condition score of a PHA's property will be adjusted upward to the extent that negative conditions are caused by situations outside of a PHA's control.

Page: 71

PHAS Management Operations Certification

Form HUD-50072

Appendix 1

*** Indicator and Component Grades**

Appendix 2

Introduction

Program Overview: On January 11, 2000, HUD published an Amendment to the Public Housing Assessment System (PHAS) final rule that established a new system for the assessment of America's public housing. The PHAS is designed to enhance public trust by creating a comprehensive tool that qualitatively and quantitatively measures a public housing agency (PHA) based on standards that are objective and uniform.

Under PHAS, HUD evaluates a PHA based on the following four indicators:

1. Physical condition;
2. Financial condition;
3. Management operations; and
4. Resident service and satisfaction.

This Instruction Guidebook is designed to assist PHAs in the completion of the PHAS form HUD-50072, Management Operations Certification, in preparation for electronic submission. With respect to PHAS indicators #2 (financial condition) and #3 (management operations), a PHA is required to electronically submit its year-end information within two months after the end of its fiscal year.

A PHA's PHAS score for indicator #3 is based on all of the developments covered by the Annual Contributions Contract (ACC), including those with management functions assumed by an alternative management entity (AME). This is necessary because of the limited nature of an AME. A PHA may enter into a management contract with an AME, but the PHA's underlying responsibilities are to the Department under the ACC.

Resident Management Corporations (RMCs), according to the January 11, 2000, PHAS Amendments; Final Rule, may be direct recipients of certain HUD funds. Section 532 of the Quality Housing and Work Responsibility Act of 1998 (QHWRA) amended section 20 of the 1937 Act to provide, among other things, the ability of RMCs to directly receive operating and capital funding under certain conditions. With this in mind, direct-funded RMCs will be assessed and issued their own scores under PHAS based on the public housing developments that they manage and the responsibilities they assume which can be scored under PHAS.

PHAs should utilize this guidebook as guidance for the types and quality of management performance information that they are expected to maintain, for a minimum of three years, in order to support the management performance portion of their annual PHAS score.

Purpose: The purpose of this Instruction Guidebook is to assist a PHA with its annual submission of the PHAS indicator #3, management operations certification. This Instruction Guidebook is designed to serve as general guidance, and although it presents specific examples for several sub-indicators and components, it is not intended to mandate exact methods of documenting or confirming performance.

Integrity: There are several methods that a PHA may use to ensure the integrity of the PHAS process. Such methods include, but are not limited to:

- Monthly reports to the Board of Commissioners that include all aspects of PHAS, especially indicator #3, management operations, which requires a Board resolution number and date of the Board resolution as part of the electronic submission;
- Periodic reports to the appointing authority(s) of the Board of Commissioners that include all aspects of PHAS;
- An internal PHA audit team that reviews all aspects of the PHAS, on a periodic basis; and/or
- Peer assistance from a neighboring PHA in the conduct of an internal audit of a PHA.

Management Operations Board Resolution: The management operations certification shall be approved by PHA Board resolution, and signed and attested to by the Executive Director. The Executive Director should have a unique MASS user identification that is different from other PHA users. This unique user identification provides only the Executive Director access to the MASS Submit Page after the validation has been completed. The Submit Page includes the Executive Director's certification statement and the attestation statement that verifies that the Board of Commissioners has approved the management operations certification submission, and the function to submit the entire MASS certification electronically to MASS. Only the Executive Director, with the unique user identification, sees the active fields and the Submit button under the certification statement.

Documentation Maintenance: The Department is placing extra emphasis on the importance of a PHA's maintenance of documentation to support its PHAS certification, especially documentation related to management operations certification. Without documentation, an independent auditor review is impossible and a PHA is subject to scoring a "zero" for PHAS indicators requiring PHA self-certification. As previously mentioned, a PHA is required to maintain documentation related to its PHAS score for a period of three years for on-site review verification.

Elements of Scoring Section

MASS Score:

The Management Operations Indicator score provides an assessment of the PHA's management operations performance. The following are the three main calculations used to determine a MASS score:

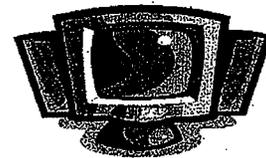
1. Points are calculated for each of the components that have been submitted by the PHA to create a component score;
2. The component scores are calculated for each sub-indicator to create a sub-indicator score; and
3. From the six sub-indicator scores, an overall MASS score is calculated.

II. Process Workflow:

PHA submits MASS certification to REAC



NASS releases PHAS score to the PHA



MASS review and approval process is completed; MASS score is generated; MASS score is sent to PIH-REAC NASS to create a PHAS score



III. Score and Designation Status:

MASS:

- ✓ High Performer = 27 points or greater.
- ✓ Standard Performer = at least 18 points but less than 24 points.
- ✓ Substandard Management Performer = less than 18 points.

III. Score and Designation Status Continued:

B. PHAS:

A PHA will receive a designation status corresponding to its final PHAS score as follows:

PHA Designation Status	Scoring Criteria
High Performer	A PHA that achieves a score of at least 60% of the points available under each of the four PHAS indicators and achieves an overall PHAS score of 90% or greater of the total available points under the PHAS.
Standard Performer	A PHA that is not a high performer shall be designated a standard performer if the PHA achieves a total PHAS score of not less than 60% of the total points available under PHAS and does not achieve less than 60% of the total points under one of the following indicators: PASS, FASS or MASS.
Troubled Performer	
1) Overall Troubled	A PHA that achieves an overall PHAS score of less than 60% or achieves less than 60% of the total points available under <i>more than one</i> of the following indicators, MASS, PASS, or FASS, shall be designated as overall troubled.
2) Troubled in One Area – Substandard Performer	A PHA that achieves less than 60% of the total points available under <i>only one</i> of the following PHAS indicators, PASS, FASS, or MASS, shall be considered a substandard physical, substandard financial, or substandard management performer.
3) Capital Fund Troubled	A PHA that receives less than 60% of the maximum calculation for the Capital Fund sub-indicator under MASS.

IV. Possible Grades:

Grades for each MASS sub-indicator/component are assigned values to indicate the percentage of the sub-indicator/component points. The system automatically grades the sub-indicator/components on a scale of A to F. Please note that some components are only graded on A, C, and F. The following matrix outlines the grades and the assessed values:

Grades	Values
A	1.00
B	0.85
C	0.70
D	0.50
E	0.30
F	0.00

V. Scoring Overview:

The component score equals the component's total possible points multiplied by the value of the letter grade for the component. For sub-indicators without components, the points are multiplied by the value of the grade for the sub-indicator. Non-assessed component points within a sub-indicator are redistributed across the components that have been assessed. Non-assessed sub-indicator points are redistributed across the sub-indicators that have been assessed.

A. Sub-Indicator and Component Points:

The distribution of points for each sub-indicator and components is shown, below.

MASS Sub-Indicators and Components		Points
1	Vacant Unit Turnaround Time	4
2	Capital Fund	7
2.1	Unexpended Funds Over 3 FFYs Old	1
2.2	Timeliness of Fund Obligation	2
2.3	Adequacy of Contract Administration	1
2.4	Quality of the Physical Work	2
2.5	Adequacy of Budget Controls	1
3	Work Orders	4
3.1	Emergency Work Orders	2
3.2	Non-Emergency Work Orders	2
4	Annual Inspection of Dwelling Units and Systems	4
4.1	Annual Inspection of Dwelling Units	2
4.2	Annual Inspection of Systems	2
5	Security	4
5.1	Tracking and Reporting Crime	1
5.2	Screening of Applicants	1
5.3	Lease Enforcement	1
5.4	Drug Prevention/Program Goals	1
6	Economic Self-Sufficiency	7
	Total MASS Points	30

B. Sub-Indicator and Component Scoring:

As outlined in the example, below, a PHA with a Grade "E" for sub-indicator #4, component #1, annual inspection of dwelling units, will receive 30% of the maximum component points of 2, for a score of 0.6 for the component.

Sub-Indicator #4: Annual Inspection of Dwelling Units and Systems:

Component	Points	Grade	Value	Calculations	Score
#1 Annual Inspection of Dwelling Units	2	E	0.3	(2.0) x (0.3)	0.6
#2 Annual Inspection of Systems	2	A	1.0	(2.0) x (1.0)	2.0
<i>Total Score for sub-indicator</i>					2.6

VI. Redistribution of Points:

C. Sub-Indicator Exclusions:

Under PHAS it is possible that a PHA may not be assessed for certain sub-indicators or components. For instance, a PHA might not be assessed under the economic self-sufficiency (ESS) sub-indicator (7 points) because it does not have any HUD-funded or non-HUD funded ESS programs. If a sub-indicator or component is excluded under the scoring process, the point values associated with the excluded sub-indicator or component must be redistributed to the other sub-indicators or components using a new weight. Therefore, if the ESS sub-indicator were excluded from a PHA's certification as a result of not having any ESS programs, the maximum point values for each assessed sub-indicator must be multiplied by a new weight to achieve the new redistributed point values. The weight is calculated by dividing the maximum points that are allocated to MASS, i.e., 30 points, by the remaining points once the exclusions of specific sub-indicators are taken into account. In this example, since the ESS sub-indicator is excluded, the new weight is 30/23. The weight is then multiplied with the sub-indicator score attained to get a value for the sub-indicator scores with the redistribution.

The following table outlines the redistribution of the ESS sub-indicator points.

	Sub-Indicator	Total Possible Points	Possible Assessed Points	Redistribution Calculation	Redistributed Sub-Indicator Points
1	Vacant Unit Turnaround Time	4.0	4.0	(4x30)/23	5.22
2	Capital Fund	7.0	7.0	(7x30)/23	9.13
3	Work Orders	4.0	4.0	(4x30)/23	5.22
4	Annual Inspections	4.0	4.0	(4x30)/23	5.22
5	Security	4.0	4.0	(4x30)/23	5.22
6	Economic Self-Suff.	7.0	Excluded	Excluded	Excluded
	Total MASS Points	30	23		30

The above example reflects the following calculations:

Step 1: Maximum points possible under MASS without exclusions are thirty (30).

Step 2: Possible total points with exclusions of the ESS sub-indicator are twenty-three (23).

Step 3: Weights = 30/23.

Step 4: Redistribution calculation = (actual sub-indicator score * weight).

Step 5: Final score = sum of redistributed sub-indicator points
 $(5.22 + 9.13 + 5.22 + 5.22 + 5.22) = 30$ points.

B. Component Exclusions:

A sub-indicator score is the sum of the component scores, with the points of non-assessed components being proportionately redistributed across components.

For example, if the calculation of Capital Fund sub-indicator has component number 1, unexpended funds over three federal fiscal years (FFYs) old, excluded, the points for this component are redistributed to other components of the sub-indicator.

The following table outlines the redistribution of the unexpended funds over three federal fiscal years (FFYs) old component that is excluded under the Capital Fund sub-indicator.

Components		Total Possible Component Points	Total Possible Assessed Component Points	Actual Component Score	Redistribution Calculation	Redistributed Component Points
1	Unexpended funds over three federal fiscal years (FFYs) old	1.0	N/A	N/A	N/A	N/A
2	Timeliness of funds obligated	2.0	2.0	1.7	$(1.7 \times 7) / 6$	1.98
3	Adequacy of contract administration	1.0	1.0	1.0	$(1 \times 7) / 6$	1.16
4	Quality of the physical work	2.0	2.0	0.6	$(0.6 \times 7) / 6$	0.70
5	Adequacy of budget controls	1.0	1.0	0.0	$(0 \times 7) / 6$	0.0
Total Sub-Indicator Score		7.0	6.0	N/A	N/A	3.84

The above example reflects the following calculations:

Step 1: Maximum component points possible under the sub-indicator without exclusions are seven (7).

Step 2: Possible total component points with exclusions of the Capital Fund sub-indicator are six (6).

Step 3: Weights = $7/6$.

Step 4: Redistribution calculation = (actual component score x weight).

Step 5: Final sub-indicator score = sum of redistributed component points
($1.98 + 1.16 + 0.70 + 0.0$) = 3.84 points.

APPENDIX 2

MASS SUB-INDICATORS, COMPONENTS AND GRADING

Sub-Indicator #1, Vacant Unit Turnaround Time

This sub-indicator measures the annual average amount of time it takes a PHA to turn around its vacant units. Implicit in this sub-indicator is the adequacy of a PHA's system to track the duration of vacant unit turnaround, including down time, make ready time and lease up time.

For the calculation of this sub-indicator, the following three categories of units that are not considered available for occupancy, will be completely excluded from the computation:

1. Units approved for non-dwelling use;
2. Employee occupied units; and
3. Vacant units approved for deprogramming (i.e., demolition, disposition, or units that have been combined).

Vacant units approved for deprogramming exist when a PHA's application for the demolition and/or disposition of public housing units has received written approval from HUD; or when a PHA's application to combine/convert has received written approval from HUD.

For the calculation of vacant unit turnaround time, the vacancy days for units in the following categories shall be exempted:

1. Vacant units undergoing modernization.
 - A. Only vacancy days associated with a vacant unit that meets the condition of being a unit undergoing modernization will be exempted when calculating vacant unit turnaround time. Neither vacancy days associated with a vacant unit prior to that unit meeting the condition of being a unit undergoing modernization nor vacancy days associated with a vacant unit after construction work has been completed or after the time period for placing the vacant unit under construction has expired shall be exempted.
 - B. The following apply when computing time periods for a vacant unit undergoing modernization:
 - If a unit is vacant prior to being included in a HUD-approved modernization budget, those vacancy days that had accumulated prior to the unit being included in the modernization budget must be included as non-exempted vacancy days in the calculation.
 - The calculation of turnaround time for newly modernized units starts when the unit is turned over to the PHA from the contractor and ends when the lease is effective for the

new or returning resident. Thus, the total turnaround time would be the sum of the pre-modernization vacancy time, and the post-modernization vacancy time.

- Unit-by-unit documentation, showing the date a vacant unit was included in a HUD-approved modernization budget, the date it was released to the PHA by the contractor and the date a new lease is effective for the new or returning resident, or the date the time period for placing the vacant unit under construction expired.
2. Units vacant due to circumstances and actions beyond a PHA's control. Such actions and circumstances may include:
- Litigation, such as a court order or settlement agreement that is legally enforceable. An example would be units that are required to remain vacant because of fire or police investigations, coroner's seal, or as part of a court-ordered or HUD-approved desegregation effort.
 - Laws, federal or, when not preempted federal requirements, state law of general applicability or their implementing regulations. This category does not include units vacant only because they do not meet minimum housing and building code standards pertaining to construction or habitability under federal, state, or local laws or regulations, except when these code violations are caused for reasons beyond the control of the PHA, rather than as a result of management and/or maintenance failures by the PHA.

Examples of exempted units under this category are vacant units that are documented to be uninhabitable for reasons beyond the PHA's control due to high/unsafe levels of hazardous/toxic materials (i.e., lead-based paint or asbestos), by order of the local health department or directive of the Environmental Protection Agency, where the conditions causing the order are beyond the control of the PHA; and units kept vacant because they become structurally unsound (i.e., buildings damaged by shrinking/swelling subsoil or similar situations).

Other examples are: vacant units in which resident property has been abandoned, but only if state law requires the property to be left in the unit for some period of time, and only for the period stated in the law; vacant units required to remain vacant because for fire or police investigation; coroner's seal; or court order.

- Changing market conditions. Examples of units in this category are small PHAs that are located in areas experiencing population loss or economic dislocations that face a lack of demand in the foreseeable future, even after the PHA has taken aggressive marketing and outreach measures. Where a PHA claims extraordinary market conditions, the PHA will be expected: to document the market conditions to which it refers (the examples of changing population base and competing project are the simplest); the explicit efforts that the PHA has made to address those conditions; the likelihood that those conditions will be mitigated or eliminated in the near future; and why the market conditions are such that the PHA is prevented from occupying, selling, demolishing, rehabilitation, reconstructing, consolidating or modernizing the vacant units.

In order to justify the adjustment, the PHA will need to document the specific market conditions that exist and document marketing and outreach efforts. The PHA will need to: describe when the downturn in market conditions occurred; the location(s) of the unit(s) effected; the likelihood that these circumstances will be mitigated or eliminated in the near term; and why the market conditions are such that the PHA is prevented from occupying, selling, demolishing, rehabilitation, reconstructing, consolidating or modernizing the vacant units.

- Natural disasters. These are vacant units that are documented to be uninhabitable because of damaged suffered as a result of natural disasters such as floods, earthquakes, hurricanes, tornadoes, etc. In the case of a natural disaster claim, the PHA would be expected to point to a proclamation by the president or the governor that the county or other local area in question has, in fact, been declared a disaster area.
- Casualty losses. Vacant units that have sustained casualty damage and are pending resolution of insurance claims or settlements, but only until the insurance claim is adjusted, (i.e., funds to repair the unit are received). The vacancy days exempted are those included in the period of time between the casualty loss and the receipt of funds from the insurer to cover the loss, in whole or in part.

A PHA must maintain at least the following documentation to support its determination of vacancy days associated with units vacant due to circumstances and actions beyond the PHA's control:

- The date on which the unit met the condition of being a unit vacant due to circumstances and action beyond the PHA's control.
- Documentation identifying the specific conditions that distinguish the unit as a unit vacant due to circumstances and actions beyond the PHA's control.
- The actions taken by the PHA to eliminate or mitigate these conditions.
- The date on which the unit ceased to meet such conditions and became an available unit.
- This supporting documentation is subject to review and may be requested for verification purposes at any time by HUD.

Criteria for Scoring Vacant Unit Turnaround Time

Grade	Average Turnaround Days
A	The average number of calendar days between the time when a unit is vacated and a new lease takes effect, for units re-occupied during the PHA's assessed fiscal year, is less than or equal to 20 calendar days.
B	The average number of calendar days between the time when a unit is vacated and a new lease takes effect, for units re-occupied during the PHA's assessed fiscal year, is greater than 20 calendar days and less than or equal to 25 calendar days.
C	The average number of calendar days between the time when a unit is vacated and a new lease takes effect, for units re-occupied during the PHA's assessed fiscal year, is greater than 25 calendar days and less than or equal to 30 calendar days.
D	The average number of calendar days between the time when a unit is vacated and a new lease takes effect, for units re-occupied during the PHA's assessed fiscal year, is greater than 30 calendar days and less than or equal to 40 calendar days.
E	The average number of calendar days between the time when a unit is vacated and a new lease takes effect, for units re-occupied during the PHA's assessed fiscal year, is greater than 50 calendar days and less than or equal to 50 calendar days.
F	The average number of calendar days between the time when a unit is vacated and a new lease takes effect, for units re-occupied during the PHA's assessed fiscal year, is greater than 50 calendar days OR actual turnaround days = 0 due to no available data.

Sub-Indicator #2, Capital Fund

This sub-indicator examines the amount of unexpended funds over three federal fiscal years (FFYs) old; the timeliness of fund obligation; the adequacy of contract administration; the quality of the physical work; and the adequacy of budget controls. Implicit in this sub-indicator is the adequacy of a PHA's system to track the obligation and expenditure of funds, the procurement process and contract administration, the resolution of findings related to this sub-indicator, and the budget process.

Components #1, #2, #3, #4 and #5 apply to:

- Replacement Housing Factor (RHF) funds

- Capital Fund Program (CFP)
- Comprehensive Grant Program (CGP)

Components #3, #4 and #5 apply to HOPE VI.

Component #1, Unexpended Funds Over Three FFYs Old

This component measures unexpended funds over three FFYs old, and not the PHA's fiscal years (FYs). The FFY runs from October 1 to September 30. This applies to Capital Fund/modernization and/or grant programs awarded to the PHA that are more than three FFYs old and the funding that has not been expended. This component applies to the CFP, CGP and RHF programs.

Criteria for Scoring Component #1, Unexpended Funds Over Three FFYs Old

Grade	Unexpended Funds Over Three FFYs Old
A	<p>The PHA has no unexpended funds over three FFYs old or is able to demonstrate one of the following:</p> <ul style="list-style-type: none"> • The unexpended funds are leftover funds and will be recaptured after audit; • There are no unexpended funds pass the original HUD-approved implementation schedule deadline that allowed longer than three FFYs; or • The PHA extended the time within 30 calendar days after the expenditure deadline and the time extension is based on reasons outside of the PHA's control, such as need to use leftover funds, unforeseen delays in contracting or contract administration, litigation, material shortages, or other non-PHA institutional delay.
F	<p>The PHA has unexpended funds over three FFYs old and is unable to demonstrate any of the above three conditions; or the PHA requests HUD approval of a time extension based on reasons within the PHA's control.</p>

Component #2, Timeliness of Fund Obligation

This component is similar to component #1 in that fund obligation is measured by FFYs and not by the PHA's FYs. This component applies to the CFP, CGP and RHF programs.

Criteria for Scoring Component #2, Timeliness of Fund Obligation

Grade	Timeliness of Fund Obligation
A	<p>The PHA has no unobligated funds over two FFYs old, or is able to demonstrate one of the following:</p> <ul style="list-style-type: none"> • There are no unobligated funds past the original HUD-approved implementation schedule deadline that allowed longer than two FFYs; or • The PHA has extended the time within 30 calendar days after the obligation deadline and the time extension is based on reasons outside of the PHA's control, such as need to use leftover funds, unforeseen delays in contracting or contract administration, litigation, material shortages, or other non-PHA institutional delays.
F	<p>The PHA has unobligated funds over two FFYs old and is unable to demonstrate either of the above two conditions; or the PHA requests HUD approval of a time extension based on reasons within the PHA's control.</p>

Component #3, Adequacy of Contract Administration

This component measures the PHA's ability to adequately manage contract administration for funded program(s). It also measures progress in correcting findings in contract administration, based on findings from the latest on-site review and/or audit, where a written report was provided to the PHA at least 75 days prior to the PHA's fiscal year end. "Finding" means a violation of the statute, regulation, ACC, or other HUD requirements in the areas of contract administration. Contract administration refers to all aspects of Capital Fund/modernization and/or grant programs that have specific program requirements and has construction contracting. This component applies to the CFP, CGP, RHF and HOPE VI programs.

Criteria for Scoring Component #3, Adequacy of Contract Administration:

Grade	Adequacy of Contract Administration
A	<p>Based on HUD's latest on-site inspection and/or audit, where a written report was provided to the PHA at least 75 days before the end of the PHA's fiscal year, there were no findings related to contract administration or the PHA has corrected all such findings.</p>
C	<p>Based on HUD's latest on-site inspection and/or audit, where a written report was provided to the PHA at least 75 days before the end of the PHA's fiscal year, there were findings related to contract administration and the PHA is in the process of correcting all such findings.</p>

Grade	Adequacy of Contract Administration
F	Based on HUD's latest on-site inspection and/or audit, where a written report was provided to the PHA at least 75 days before the end of the PHA's fiscal year, there were findings related to contract administration and the PHA has failed to initiate corrective action or those actions which have been initiated have not resulted in progress toward remedying all of the findings.

Component #4, Quality of the Physical Work

This component evaluates the quality of physical work for funded program(s). It measures performance based on the PHA's FYE, rather than on the FFY that was used for components #1 and #2. This component applies to the CFP, CGP, RHF and HOPE VI programs.

Criteria for Scoring Component #4, Quality of the Physical Work

Grade	Quality of the Physical Work
A	Based on HUD's latest on-site inspection, where a written report was provided to the PHA at least 75 calendar days before the end of the PHA's fiscal year, there were no findings related to the quality of the physical work or the PHA has corrected all such findings.
C	Based on HUD's latest on-site inspection, where a written report was provided to the PHA at least 75 calendar days before the end of the PHA's fiscal year, there were findings related to the quality of the physical work and the PHA is in the process of correcting all such findings.
F	Based on HUD's latest on-site inspection, where a written report was provided to the PHA at least 75 calendar days before the end of the PHA's fiscal year, there were no findings related to the quality of the physical work and the PHA has failed to initiate corrective actions for all such findings or those actions which have been initiated have not resulted in progress toward remedying all of the findings.

Component #5, Adequacy of Budget Controls

This component evaluates the adequacy of a PHA's budget controls and expenditures for funded programs for the fiscal year being assessed. It measures performance based on the PHA's FYE, rather than on the FFY that was used for components #1 and #2. This component applies to the CFP, CGP, RHF and HOPE VI programs.

Criteria for Scoring Component #5, Adequacy of Budget Controls

Grade	Adequacy of Budget Controls
A	The PHA has expended Capital Funds only on work in a HUD-approved budget or PHA Annual and 5-Year Plans, excluding emergencies, or has obtained prior HUD approval for required budget revisions.
F	The PHA has expended Capital Funds on work that was not in a HUD-approved budget or PHA Annual and 5-Year Plans, excluding emergencies, and did not obtain prior HUD approval for required budget revisions.

Sub-Indicator #3, Work Orders

This sub-indicator examines the adequacy of a PHA's performance with regard to completing maintenance work items as measured by its work order system. The sub-indicator evaluates how a PHA controls its active work orders as well as the timeliness of completion of work orders. Any work order active within the assessed year is included in the count regardless of when it was received or completed. It also examines any progress a PHA had made during the preceding three years to reduce the period of time required to complete maintenance work orders. Implicit in this sub-indicator is the adequacy of the PHA's work order system in terms of how a PHA accounts for and controls its work orders, and its timeliness in preparing/issuing work orders.

Work orders in the following three categories are included in the assessment for the fiscal year being assessed.

- Work orders received in the prior assessed year and completed in the current assessed year.
- Work orders received and completed within the current assessed year.
- Work orders received and not completed before the end of the current assessed year.

A PHA may have several priorities and/or classifications of work orders. However, it should be clearly defined as to whether a work order is an emergency work order or a non-emergency work order, regardless of a work order's priority and/or classification.

Component #1, Emergency Work Orders

Emergency work orders address an immediate threat to life, health and safety to property or to the resident, or are related to fire safety. Examples include, but are not limited to, an unhealthy or undrinkable water supply, gas leak, broken/blocked sanitary sewer line, failed heating system, hazardous electrical system, uninhabitable unit as a result of a fire, and situations causing an exposure to asbestos, lead-based paint, or other toxic materials.

Criteria for Scoring Emergency Work Orders

Grade	Emergency Work Orders
A	At least 99% of emergency work orders were completed or the emergency was abated within 24 hours or less during the PHA's immediate past fiscal year.
B	At least 98% of emergency work orders were completed or the emergency was abated within 24 hours or less during the PHA's immediate past fiscal year.
C	At least 97% of emergency work orders were completed or the emergency was abated within 24 hours or less during the PHA's immediate past fiscal year.
D	At least 96% of emergency work orders were completed or the emergency was abated within 24 hours or less during the PHA's immediate past fiscal year.
E	At least 95% of emergency work orders were completed or the emergency was abated within 24 hours or less during the PHA's immediate past fiscal year.
F	Less than 95% of emergency work orders were completed or the emergency was abated within 24 hours or less during the PHA's immediate past fiscal year.

Component #2. Non-Emergency Work Orders

A non-emergency work order measures the average number of calendar days for a PHA to complete non-emergency work orders. Non-emergency work orders are issued to correct conditions that do not pose an immediate threat to life, health and safety to property or to the resident, or are not related to fire safety.

This includes work orders generated in response to resident or staff reports of a repair requirement and/or preventive maintenance work orders. It also includes work orders resulting from annual inspections using the Uniform Physical Condition Standards (UPCS) for public housing. However, cyclical work orders (mopping the halls, grounds care tasks, cleaning gutters), work deferred for modernization and vacant unit preparation **ARE NOT INCLUDED**.

Criteria for Scoring Non-Emergency Work Orders

Grade	Non-Emergency Work Orders
A	All non-emergency work orders were completed within an average of 25 calendar days.
B	All non-emergency work orders were completed within an average of greater than 25 calendar days and less than or equal to 30 calendar days.

Grade	Non-Emergency Work Orders
C	<p>The PHA is in one of the following categories:</p> <ul style="list-style-type: none"> • All non-emergency work orders were completed within an average of greater than 30 calendar days and less than or equal to 40 calendar days, OR • The PHA has reduced the average time it takes to complete non-emergency work orders by at least 15 calendar days during the past three years.
D	<p>The PHA is in one of the following categories:</p> <ul style="list-style-type: none"> • All non-emergency work orders were completed within an average of greater than 40 calendar days and less than or equal to 50 calendar days, OR • The PHA has reduced the average time it takes to complete non-emergency work orders by at least 10 calendar days during the past three years.
E	<p>The PHA is in one of the following categories:</p> <ul style="list-style-type: none"> • All non-emergency work orders were completed within an average of greater than 50 calendar days and less than or equal to 60 calendar days, OR • The PHA has reduced the average time it takes to complete non-emergency work orders by at least 5 calendar days during the past three years.
F	<p>The PHA is in one of the following categories:</p> <ul style="list-style-type: none"> • All non-emergency work orders were completed within an average of greater than 60 calendar days, OR • The PHA has not reduced the average time it takes to complete non-emergency work orders by at least 5 calendar days during the past three years.
<p>Note: For this component, the PHA will receive the highest score for either the average number of completion days or reduction in calendar days during the past three years.</p>	

Sub-Indicator #4. Annual Inspection of Units and Systems

This sub-indicator examines units and systems inspected annually using the Uniform Physical Condition Standards (UPCS) in order to determine short-term maintenance needs and long-term modernization need. Implicit in this sub-indicator is the adequacy of the PHA's inspection program in terms of the quality of a PHA's inspections, and how a PHA tracks both inspections and needed repairs. All units and space shall be inspected. This includes units used for non-dwelling purposes, those occupied by an employee and those used for resident services.

The PHA is required to document that it has analyzed the local code and compared it to the UPCS. This narrative comparison must specifically identify those sections of local code that are more stringent than UPCS. The PHA should also include local code requirements that are not present in UPCS. The inspection form used by the PHA must be annotated to include the standard from the local code in each case where it is more stringent. If there is no local code, it is recommended that the PHA get a letter from the local jurisdiction (County or City) stating that

fact. Keep that letter or the narrative analysis in the PHA PHAS file as documentation for a minimum of three years.

Component #1, Annual Inspection of Dwelling Units

While HUD does not prescribe a specific format for the inspection of dwelling units, PHAs are required to inspect all units that are not specifically exempted under this sub-indicator, using the Uniform Physical Condition Standards (UPCS). Units in the following categories are exempted and not included in the calculation of the total number of units and the number and percentage of units inspected.

1. Occupied units where the PHA has made two documented attempts to inspect, but only if the PHA can document that appropriate legal action (up to and including eviction of the legal or illegal occupant(s)) has been taken under provisions of the lease to ensure that the unit can be subsequently inspected.
2. Units vacant for the full immediate past fiscal year for the following reasons:
 - Vacant units that are undergoing section 9(d) capital funding.
 - Units vacant for the full immediate past fiscal year that are documented to be uninhabitable for reasons beyond the PHA's control due to high/unsafe levels of hazardous/toxic materials, by order of the local health department or a directive from the Environmental Protection Agency, natural disasters, and units that became structurally unsound.

Criteria for Scoring Annual Inspection of Dwelling Units

Grade	Annual Inspection of Dwelling Units
A	The PHA inspected 100% of its units and, if repairs were necessary for local code or UPCS compliance, either completed the repairs during the inspection; issued work orders for the repairs; or referred similar work items to the current year's Capital Fund Program, or to next year's Capital Fund Program if there were less than three months remaining before the end of the PHA fiscal year when the inspection was completed.
B	The PHA inspected less than 100% but at least 97% of its units and, if repairs were necessary for local code or UPCS compliance, either completed the repairs during the inspection; issued work orders for the repairs; or referred similar work items to the current year's Capital Fund Program, or to next year's Capital Fund Program if there were less than three months remaining before the end of the PHA fiscal year when the inspection was completed.

Grade	Annual Inspection of Dwelling Units
C	The PHA inspected less than 97% but at least 95% of its units and, if repairs were necessary for local code or UPCS compliance, either completed the repairs during the inspection; issued work orders for the repairs; or referred similar work items to the current year's Capital Fund Program, or to next year's Capital Fund Program if there were less than three months remaining before the end of the PHA fiscal year when the inspection was completed.
D	The PHA inspected less than 95% but at least 93% of its units and, if repairs were necessary for local code or UPCS compliance, either completed the repairs during the inspection; issued work orders for the repairs; or referred similar work items to the current year's Capital Fund Program, or to next year's Capital Fund Program if there were less than three months remaining before the end of the PHA fiscal year when the inspection was completed.
E	The PHA inspected less than 93% but at least 90% of its units and, if repairs were necessary for local code or UPCS compliance, either completed the repairs during the inspection; issued work orders for the repairs; or referred similar work items to the current year's Capital Fund Program, or to next year's Capital Fund Program if there were less than three months remaining before the end of the PHA fiscal year when the inspection was completed.
F	The PHA has failed to inspect at least 90% of its units and, or failed to correct deficiencies during the inspection or issue work orders for the repairs; or failed to refer similar work items to the current year's Capital Fund Program, or to next year's Capital Fund Program if there were less than three months remaining before the end of the PHA fiscal year when the inspection was completed.

Component #2, Annual Inspection of Systems (Including Common Areas and Non-Dwelling Space)

The purpose of this component is to ensure that, in addition to the annual inspection of individual dwelling units, PHAs are also annually inspecting and maintaining the major systems, including common areas and non-dwelling space, that are essential to decent, safe and sanitary housing. Systems that are a part of individual dwelling units that are exempted, or a part of a building where all of the dwelling units in the building are exempted, are also exempted from the calculation of this component. In order to complete this component, the PHA should have available its written Maintenance Plan.

This component examines: the inspection of building and sites according to the PHA's Maintenance Plan; performing the required maintenance on structures and systems in accordance with the manufacturer's specifications and established local/PHA standards; issuing work orders for maintenance/repairs; or including identified deficiencies in the current year's Capital Fund/modernization program, or in the next year's Capital Fund/modernization program if there are less than three months remaining before the end of the PHA fiscal year when the inspection was performed.

Criteria for Scoring Annual Inspection of Systems

Grade	Annual Inspection of Systems
A	The PHA inspected all major systems at 100% of its buildings and sites, according to its Maintenance Plan. The inspection included performing the required maintenance on structures and systems in accordance with manufacturer's specifications and established local/PHA standards, or issuing work orders for maintenance/repairs, or including identified deficiencies in the current year's CFP, or in next year's CFP if there are less than three months remaining before the end of the PHA fiscal year when the inspection was performed.
B	The PHA inspected all major systems of at least a minimum of 90% but less than 100% of its buildings and sites, according to its Maintenance Plan. The inspection included performing the required maintenance on structures and systems in accordance with manufacturer's specifications and established local/PHA code standards, or issuing work orders for maintenance/repairs, or including identified deficiencies in the current year's CFP, or in next year's CFP if there are less than three months remaining before the end of the PHA fiscal year when the inspection was performed.
C	The PHA inspected all major systems of at least a minimum of 80% but less than 90% of its buildings and sites, according to its Maintenance Plan. The inspection included performing the required maintenance on structures and systems in accordance with manufacturer's specifications and established local/PHA code standards, or issuing work orders for maintenance/repairs, or including identified deficiencies in the current year's CFP, or in next year's CFP if there are less than three months remaining before the end of the PHA fiscal year when the inspection was performed.
D	The PHA inspected all major systems of at least a minimum of 70% but less than 80% of its buildings and sites, according to its Maintenance Plan. The inspection included performing the required maintenance on structures and systems in accordance with manufacturer's specifications and established local/PHA code standards, or issuing work orders for maintenance/repairs, or including identified deficiencies in the current year's CFP, or in next year's CFP if there are less than three months remaining before the end of the PHA fiscal year when the inspection was performed.

Grade	Annual Inspection of Systems
E	The PHA inspected all major systems of at least a minimum of 60% but less than 70% of its buildings and sites, according to its Maintenance Plan. The inspection included performing the required maintenance on structures and systems in accordance with manufacturer's specifications and established local/PHA code standards, or issuing work orders for maintenance/repairs, or including identified deficiencies in the current year's CFP, or in next year's CFP if there are less than three months remaining before the end of the PHA fiscal year when the inspection was performed.
F	The PHA failed to inspect all major systems of at least a minimum of 60% its buildings and sites and perform the required maintenance on these systems in accordance with manufacturer's specifications and established local/PHA code standards, or did not issue work orders for maintenance/repairs, or did not include identified deficiencies in the current year's CFP, or in next year's CFP if there are less than three months remaining before the end of the PHA fiscal year when the inspection was performed.

Sub-Indicator #5, Security

This sub-indicator evaluates a PHA's performance in tracking crime-related problems in its developments; reporting incidences of crime to local law enforcement agencies; the adoption and implementation, consistent with section 9 of the of the Housing Opportunity Program Extension Act of 1996, (42 U.S.C. 1437 d (r)), of applicant screening and resident eviction policies and procedures and other anticrime strategies. It also measures a PHA's performance under any HUD drug prevention and/or crime reduction grants. PHAs may get credit for their performance under non-HUD funded programs, if they choose to be assessed for these programs. Implicit in this sub-indicator is the adequacy of the PHA's systems to track activity under each of the four components.

Component #1, Tracking and Reporting Crime-Related Problems

This component examines a PHA's performance in tracking crime and crime-related problems in its developments and reporting the incidents of crime to local police authorities. The PHA has a cooperative system with the local police authorities for tracking and reporting incidents of crime to local police authorities to improve law enforcement and crime prevention.

Criteria for Scoring Tracking and Reporting Crime-Related Problems

Grade	Tracking and Reporting Crime-Related Problems
A	The Board, by resolution, has adopted policies and the PHA has implemented procedures and can document that it: Tracks crime and crime-related problems in at least 90% of its developments; Has a cooperative system for tracking and reporting incidents of crime to local police authorities to improve law enforcement and crime prevention; and Coordinates with local government officials and its residents on the implementation of anticrime strategies.
C	The Board, by resolution, has adopted policies and the PHA has implemented procedures and can document that it: Tracks crime and crime-related problems in at least 60% of its developments; and Has a cooperative system for tracking and reporting incidents of crime to local police authorities to improve law enforcement and crime prevention.
F	The Board, by resolution, has not adopted policies and the PHA has not implemented procedures or cannot document that it: Tracks crime and crime-related problems in at least 60% of its developments; or Has a cooperative system for tracking and reporting incidents of crime to local police authorities to improve law enforcement and crime prevention.

Component #2. Screening of Applicants

This component measures whether a PHA has formally adopted applicant screening policies and procedures and can document that it denies admission to an applicant who:

- Has a recent history of criminal activity involving crime to persons or property;
- Was evicted because of drug-related activity from assisted housing within the last three years, unless the applicant has successfully completed a rehabilitation program approved by the PHA;
- The PHA has reason to believe is illegally using a controlled substance, or engages in any drug-related activity on or off PHA property; or
- The PHA has reason to believe is abusing alcohol, which interferes with the health, safety or right to peaceful enjoyment of the premises by other residents.

Each PHA must develop and implement its own screening policies and procedures. Each PHA must document that it appropriately screens applicants based on the above criteria.

The date that the PHA Board adopted the current screening policies that reflect the applicable criteria must be prior to the PHA's fiscal year end date. The date that the PHA Board implemented the current screening procedures that reflect the applicable criteria must be prior to the PHA's fiscal year end date. If a PHA has adopted screening policies and implemented screening procedures that reflect the applicable criteria prior to the PHA's fiscal year end date, but the PHA did not deny admissions to applicants because none of the applicants met the applicable criteria, then the PHA should answer "Yes" to Element S10700. A PHA should not be penalized because none of its applicants met the applicable criteria.

Criteria for Scoring Screening of Applicants

Grade	Screening of Applicants
A	<p>The PHA Board, by resolution, has adopted policies and the PHA has implemented procedures and can document that it successfully screens out and denies admission to a public housing applicant who:</p> <p>A) Has a recent history of criminal activity involving crime to persons or property;</p> <p>B) Was evicted because of drug-related activity from assisted housing within the last three years, unless the applicant has successfully completed a rehabilitation program approved by the PHA;</p> <p>C) The PHA has reason to believe is illegally using a controlled substance, or engages in any drug-related activity on or off PHA property; or</p> <p>The PHA has reason to believe is abusing alcohol, which interferes with the health, safety or right to peaceful enjoyment of the premises by other residents.</p>
C	<p>The PHA Board, by resolution, has adopted policies and the PHA has implemented procedures, but cannot document results in successfully screening out and denying admission to a public housing applicant who meets the criteria as described in grade A, above.</p>
F	<p>The PHA has not adopted policies or has not implemented procedures that result in screening out and denying admission to a public housing applicant who meets the criteria as described in grade A, above, or the screening procedures do not result in the denial of admission to a public housing applicant who meets the criteria as described in grade A, above.</p>

Component #3, Lease Enforcement

This component measures whether a PHA has formally adopted policies and implemented procedures to evict residents who the PHA has reasonable cause to believe:

- Engage in criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents or PHA personnel;

- Engage in any drug related criminal activity on or off of the PHA property; or
- Abuse alcohol in a way that interferes with the health, safety, and peaceful enjoyment of the premises by other residents or PHA personnel.

The PHA must develop and implement its own eviction policies and procedures. Each PHA must document that it appropriately evicts residents based on the above criteria.

The date that the PHA Board adopted the current eviction policies that reflect the applicable criteria must be prior to the PHA's fiscal year end date. The date that the PHA Board implemented the current eviction procedures that reflect the applicable criteria must be prior to the PHA's fiscal year end date. If a PHA has adopted eviction policies and implemented eviction procedures that reflect the applicable criteria prior to the PHA's fiscal year end date, but the PHA did not evict residents because none of the residents met the applicable criteria, then the PHA should answer, "Yes" to Element S11100. A PHA should not be penalized because none of its residents met the applicable criteria.

Criteria for Scoring Lease Enforcement

Grade	Lease Enforcement
A	The PHA Board, by resolution, has adopted policies and the PHA has implemented procedures and can document that it appropriately evicts any public housing resident who: <ul style="list-style-type: none"> A) Engage in criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents or PHA personnel; B) Engage in any drug related criminal activity on or off of the PHA property; or Abuse alcohol in a way that interferes with the health, safety, and peaceful enjoyment of the premises by other residents or PHA personnel.
C	The PHA Board, by resolution, has adopted policies and the PHA has implemented procedures, but cannot document results in appropriately evicting any public housing resident who meets the criteria as described in grade A, above.
F	The PHA Board has not adopted policies or has not implemented procedures that document results in the eviction of any public housing resident who meets the criteria as described in grade A, above, or the eviction procedures do not result in the eviction of public housing residents who meet the criteria as described in grade A, above.

Component #4, Grant Program Goals

This component examines the PHA's management of HUD-funded programs. The PHA may self-certify to HUD-funded and non-HUD funded programs, or only to the HUD-funded programs. This component measures whether or not the PHA has ESTABLISHED a drug

prevention and/or crime reduction program, identified and set GOALS and CAN DOCUMENT that it is meeting its goals under the requisite plan(s). Please remember to include only the number of goals to be accomplished in the year being assessed.

Non HUD-funded program reporting is voluntary; the PHA does NOT have to be assessed on non HUD-funded programs. There is no penalty for opting not to be assessed on these programs. If the PHA does not have any non HUD-funded programs, there is no penalty. The number of documented program goals that are related to drug prevention and/or crime reduction are the number of goals that are scheduled for completion in the fiscal year being assessed. The number of program goals should not include goals accomplished in the prior fiscal year or scheduled for completion in the next fiscal year. The number of goals that the PHA can document it met under the implementation plan(s) for all programs should only be the number of goals met that were scheduled to be met in the fiscal year being assessed. The number of program goals should not include goals accomplished in the prior fiscal year or scheduled for completion in the next fiscal year.

PHAs must have and maintain several years of comparative drug prevention and/or crime reduction statistics. Using these statistics against the baseline can show how the program goals are directly related. Ultimately, there should be some correlation between the decline in the drug and crime rates AND the successful achievement of the program goals.

Criteria for Scoring Grant Program Goals

Grade	Grant Program Goals
A	If the PHA has any special drug prevention program or crime reduction program that is HUD-funded or non-HUD funded, the PHA can document that the goals are related to drug and crime rates, and it is meeting at least 90% of its goals under the implementation plan for any and all of these programs.
B	If the PHA has any special drug prevention program or crime reduction program that is HUD-funded or non-HUD funded, the PHA can document that the goals are related to drug and crime rates, and it is meeting at least 60% of its goals under the implementation plan for any and all of these programs.
C	If the PHA has any special drug prevention program or crime reduction program that is HUD-funded or non-HUD funded, the PHA does not have a system for documenting or cannot document that the goals are related to drug and crime rates, or cannot document that it is meeting 60% or more of its goals under the implementation plan for any and all of these programs.

Sub-Indicator #6, Economic Self-Sufficiency

This sub-indicator examines PHA management of HUD-funded, and/or non-HUD funded, ESS programs. This component measures whether the PHA has established ESS program goals and can document that it is meeting the goals under the plan(s).

PHAs must select either to be assessed for all or none of the non-HUD funded programs. This is voluntary; the PHA does NOT have to be assessed on the non-HUD funded programs. There is no penalty for opting not to be assessed. Also, if the PHA does not have any non-HUD funded programs, there is no penalty. The number of documented program goals that are related to ESS should only be the number of goals that are scheduled to be met in the fiscal year being assessed. The number of program goals should not include goals accomplished in the prior fiscal year or scheduled to be accomplished in the next fiscal year. The number of goals that the PHA can document it met under the implementation plan(s) for any and all programs should only be the number of goals met that were scheduled to be met in the fiscal year being assessed. The number of program goals should not include goals accomplished in the prior fiscal year or scheduled to be accomplished in the next fiscal year.

PHAs must have comparative ESS statistics over time, against a baseline, that can be used to show how the program goals are directly related. Ultimately, there should be some correlation between the increase in the number of residents that participate in programs and achieve ESS AND the successful achievement of the program goals.

Criteria for Scoring Economic Self-Sufficiency

Grade	Economic Self-Sufficiency
A	If the PHA has any economic self-sufficiency program that is HUD-funded or non-HUD funded, the PHA can document that the goals are related to economic self-sufficiency, and it is meeting at least 90% of its goals under the implementation plan for any and all of these programs.
C	If the PHA has any economic self-sufficiency program that is HUD-funded or non-HUD funded, the PHA can document that the goals are related to economic self-sufficiency, and it is meeting at least 60% of its goals under the implementation plan for any and all of these programs.
F	If the PHA has any economic self-sufficiency program that is HUD-funded or non-HUD funded, the PHA does not have a system for documenting or cannot document that the goals are related to economic self-sufficiency, or cannot document that it is meeting 60% or more of its goals under the implementation plan for any and all of these programs.