

Housing Authority - County of Los Angeles

June 18, 2007

To: Each Deputy

From: Carlos Jackson, Executive Director



SUBJECT: SECTION 8/CORRECTIVE ACTION PLAN (CAP)

The purpose of this memorandum is to share with you a draft Corrective Action Plan (CAP) I received from the Department of Housing and Urban Development (HUD) on June 4, 2007. The CAP pertains to the Housing Authority County of Los Angeles (HACoLA) Section 8 program and it is the regulatory structure that HUD utilizes with any public housing authority to officially establish a framework to resolve all of the deficient areas of program and management performance. The CAP can be used in the case of just one program at the housing authority, such as our Section 8 program, or even a troubled authority in all program and management infrastructure. A summary of the draft CAP is provided in a later section of this memorandum.

Now that HACoLA has received the draft CAP, it will be HACoLA's responsibility to negotiate the terms of the agreement and then adhere to them in order to remove the designation of "troubled program" from the Assisted Housing Division's Housing Choice Voucher Program. As I previously informed the Board, the "troubled status" for the voucher program was received from HUD in October 2006, with the determination that the Section Eight Management Assessment Program (SEMAP) score was 50%. Essentially, the work that has been in progress since July 2006 to reorganize and improve the voucher program performance is what will satisfactorily resolve the items in the CAP.

The CAP takes the form of a legal agreement between HACoLA and HUD with the Board Chair of HACoLA, the Executive Director, and the HUD Area Manager as signatories.

Action Taken or Considered

No official action has been taken or proposed at this time on the CAP. I have scheduled an additional meeting with HUD local staff to discuss the draft CAP. In the immediate future, I hope to schedule a meeting with HUD and the Board deputies to review the draft CAP before it goes to the Board.

The basic approach for the CAP was that an assessment was completed when a HUD team visited HACoLA in January 2007 to further examine the deficient

program areas that failed in the SEMAP rating for fiscal year ending June 30, 2006. Generally, a report is issued of the visit, then provided to the housing authority and, if it seems appropriate based on the findings, the housing authority then drafts a corrective action plan. HUD then proceeds with the execution of the CAP once it has been agreed to by the appropriate parties.

In our case, HUD indicated that they would take the lead in writing the CAP. They asked for input from HACoLA on our progress and the work plan that had been set in motion in July 2006, and the official reorganization in November 2006, contrary to general practice. In a cooperative mode, HACoLA acknowledged HUD's request and awaited the timely writing of the CAP. It was HACoLA's understanding that the CAP would be written and available to review in March 2007. Certain delays at HUD have extended that timeframe until the June 4, 2007 transmittal.

It is important to note that HUD did utilize the information provided to them in January and February; however, it will be necessary to update some of the data in the draft CAP, as many updates are required. The direction that HACoLA has taken with the various HUD and HUD Inspector General assessments over the past year has been to cooperate and resolve any deficient areas. There is no reason to deviate from that path for this CAP because the recommendations are, on the whole, consistent with the work plan that we set in motion in July 2006, and continue to accomplish in June 2007.

Draft Corrective Action Plan (Summary)

The draft CAP is divided into two areas: management areas and SEMAP indicators. Those two divisions are summarized briefly as follows:

1. Management Areas

- Governance – Certain timetables and milestones have been written into the draft to ensure that several things occur. HUD believes that communication and reporting to the Board from the Executive Director are more frequent and regular. HUD also believes that additional training for Commissioners to have more independent knowledge of HACoLA's programs is required. HACoLA will further explore what was intended in this area as little assessment time with Board or Board staff took place in January 2007. Information on the Executive Director's evaluation process will be forwarded as well.

- Organization and Staffing – The current draft CAP discusses issues related to the filling of new positions and the reorganization that are dated. The basic thrust of this area is that an environment of “continuous improvement” be sustained, and the issues of change management are resolved.
- Finance – the HUD Financial Management Team’s assessment was shared with this team writing the CAP. No major issues were identified. There were some procedures, a schedule of insurance coverage, and two depository agreements in need of being put on HUD format.
- Procurement – HUD has no action recommended other than sustained level of effort
- MIS – HUD references the procurement of a new software package which the Board approved this month.
- Program Management – HUD acknowledges the improvement in overall management and cites updates to the Administrative Plan, improved management reporting and better use of resources. HUD wants to receive updates to ensure the sustainability of the improvements.

2. SEMAP Indicators:

The fourteen SEMAP indicators that are the basis for the troubled status rating, and that have been shared with the Board throughout this troubled process will each have a benchmark rating and targets for improvement. The targets and regular reporting have been the backbone of the continuous improvements in lease-up, reexaminations, inspections, and all other areas since the Division reorganized in July 2006.

It is the goal of HACoLA to achieve a passing SEMAP score for fiscal year ending 2007. In this process, the prior year substandard performance for each indicator will be improved and that improvement noted in this CAP resolution. The timing of the new SEMAP score and the CAP becoming official are in close proximity, so that every effort will be made to recognize the improvement in these related HUD processes.

I will follow-up to schedule a meeting. Please call me if you have any questions or need additional information.

CJ:sm
Attachment

HOUSING CHOICE VOUCHER PROGRAM CORRECTIVE ACTION PLAN

AN AGREEMENT BETWEEN
THE HOUSING AUTHORITY OF THE COUNTY OF LOS
ANGELES
AND
THE U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT



SIGNATURES

The Housing Authority of the County of Los Angeles (HACoLA) is a public body corporate and politic, duly created and organized pursuant to and in accordance with the provisions of the laws of the State of California. In addition, it is organized for the United States of America, pursuant to the United States Housing Act of 1937, as amended (42 U. S. C. 1401, *et seq.*), acting by and through the Secretary of the Department of Housing and Urban Development (HUD). Both the Agency and HUD recognize that HA has been designated "troubled" pursuant to 24 CFR 985.101 (b). HUD and HA further agree that HA shall perform the activities listed in the Corrective Action Plan, attached and incorporated by reference, in order to satisfy HA's obligations under 24 CFR 985.107 (c).

Housing Agency of the County of Los Angeles

By: _____ Date

Board Chair
Housing Authority of the County of Los Angeles

By: _____ Date

Carlos Jackson
Executive Director
Housing Authority of the County of Los Angeles

U.S. Department of Housing and Urban Development

By: _____ Date

K.J. Brockington
Acting Director
Los Angeles PH Hub Office

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MANAGEMENT AREA: GOVERNANCE

Responsible PHA Staff: Carlos Jackson

Responsible HUD Staff: Theodore W. Skonos

Governance: This area addresses the guidance and direction in planning for PHA operations provided by the Board of Commissioners and Executive Director to determine if they are effective in establishing and executing PHA policies. It also addresses the Board's compliance with Federal and State guidelines or regulations relating to the operation of the Agency and the Agency's relationships with local political entities.

Assessment Results:

- ◆ Board members, their senior staff, and volunteer advisors have no independent knowledge of the authority's contractual obligations
- ◆ Reporting to the Board is infrequent and sketchy
- ◆ Performance reviews of the Executive Director are not objective.

PHA Goal: The Board of Commissioners and the Executive Director plan for future PHA operations through the 5 Year and Annual Plan process. The Board sets policy for PHA operations, and effectively monitors the Executive Director's implementation of that policy. The Agency is in compliance with Federal and State requirements such as: bylaws, official records, regular meetings, and Commissioners' appointments. The Agency asserts its rights and complies with its responsibilities under any Cooperation Agreement.

PHA Goal: Educate Board members, their senior staff, and volunteers on the Advisory Council about the authority's responsibilities and obligations to HUD, and to their role in meeting those obligations.

PHA Strategies:	Target completion date	Actual completion date
Discuss and settle on methods and timelines for training sessions for all three groups. Submit a summary of the results of the discussions to HUD.	6/30/07	
Identify appropriate vendors for training sessions negotiated above. Submit a list of vendors identified to HUD.	7/15/07	
Solicit and hire vendors to complete the needed training. Submit a copy of the solicitation package, a list of the offerors, summary of the final ratings and the name of the selected offeror	8/31/07	
Submit attendance lists for each of the training sessions provided.	11/30/07	
PHA Goal: Provide the Board of Commissioners with more frequent and more comprehensive reports on housing activities, particularly Housing Choice Vouchers.		
PHA Strategies:	Target completion date	Actual completion date
Revise Board packet contents to include year-to-date SEMAP scores for all of the indicators.		

PHA Goal 3. Develop more objective methods for evaluating Executive Director performance.		
PHA Strategies:	Target completion date	Actual completion date
Contact 3 or more PHAs of similar size, and get descriptions of each of their evaluation procedures. Submit a summary to HUD for comment.	9/30/07	
Prepare a draft of new procedures, which provides for comments on the Executive Director's performance other than the Executive Director. Submit a copy of the draft to HUD for comment.	10/31/07	
Negotiate with the Executive Director about when and to begin the new procedure. Advise HUD of the start date.	1/31/08	
Submit a copy of the first evaluation under the new procedures to HUD for comment.	9/30/08	

MANAGEMENT AREA: ORGANIZATION AND STAFFING

RESPONSIBLE PHA STAFF: CARLOS JACKSON

Responsible HUD Staff: Theodore W. Skonos

Organization and Staffing: This area addresses the Agency's staffing level and the effectiveness of the organizational structure, personnel management systems or procedures, and general administrative procedures. This includes union agreements, position descriptions, performance standards and evaluation systems, employee handbooks, training plans and procedures, general office management procedures, and internal control systems.

Assessment Results:

- ◆ Staffing/organization chart has 13 openings
- ◆ Extensive reorganization and (re)training are underway
- ◆ Continuous improvement of business processes is underway

PHA Goal: The Agency maintains an adequate staff size to perform the necessary workload requirements within budget constraints. The Agency's organization structure and chart defines lines the lines of Agency. Every position within the structure has a clear and detailed position description regarding the responsibilities and duties of the job. The Agency conducts annual performance evaluations against performance standards for each position to determine effectiveness and areas of improvements. Training plans are developed each year, and funded in the budget. The Agency conducts annual evaluations of general office management procedures and internal control systems to determine the effectiveness and the need for improvements.

PHA Goal: Organize HACoLA by function rather than case management.

PHA Strategies:	Target completion date	Actual completion date
HACoLA Management to Realign Staff Management Positions into 3 New Units.	11/30/06	
Distributed Functions to the 3 Units within the Division: Applications & Eligibility/Inspections, Contract Maintenance, and Management Services.	11/30/06	
developing standards and expectations for the new reorganization of three business units.	6/30/07	
Contract Maintenance department converted from a case management to a functional "specialized" operational units and reorganized into 5 teams: 2 on annual re-exams (current, delinquent), and an interims, terminations, and owner services teams.	11/30/06	
Lancaster satellite operation will be in functional units.	6/30/07	
New production standards established.	2/16/07	
A&E department was reorganized into 6 separate units with supervisors and lead personnel to manage the individual unit. These units are as follow; Intake/Eligibility Unit, Voucher Issuance Unit, Lease-Up Unit, Annual Inspection Unit, Office Support Unit and Portability Unit. After a month of assessment a change was made to separate the inspectors into the Annual Inspections Unit and Lease-Up Unit to handle New Contract inspections separately.	11/30/06	

A&E department - reorganize into 6 separate units with supervisors and lead personnel to manage the individual unit. These units are as follows: Intake/Eligibility Unit, Voucher Issuance Unit, Lease-Up Unit, Annual Inspection Unit, Office Support Unit and Portability Unit. Each unit was tasked to monitor each pertinent SEMAP indicator. Implement a system of staff performance monitoring on a weekly basis to isolate deficiencies and identify training requirements.	11/30/06	
Supervisors draft Standard Operating Procedures (SOPs) for their units. Employees use Desk SOP's as a quick reference guide for their current functions.	12/31/2006	
Division Managers maintains ongoing communication with the Board of Supervisors on performance, outcomes with external audits and reviews, and performance projections for the remainder of FY 06-07	2/28/07	
The preparation and physical space re-configuration to accommodate reorganization complete.	11/30/06	
Division Managers roll out the Re-organization plans to staff, and complete Logistical Plans.	11/30/06	
Major Transitional Initiatives in this New Assisted Housing Approach		
New Teams in Three Units begin Meeting Weekly to Manage Conversion Issues.	11/30/06	
Teams Map All Processes and Procedures to Establish Work Standards within Units. Complete mapping of the "as is" workflows.	11/30/06	
HACoLA staff complete "as is" workflows, and YARDI staff complete work on the "to-be" environment.	10/31/07	
Begin developing a business statistics reporting tool (scorecard). Initiate business process re-engineering in the Contract Maintenance department by capturing "workflows" to build the "as-is" environment.	1/31/07	
Completed implementation of the Three Focal Areas of Staffing, Procedural Changes, and Conversion	11/30/06	
Complete 1936 delinquent re-exams.	2/28/07	
Complete the remainder of delinquent re-exams (2774)	6/30/07	
Identify and implement more efficient reporting. The Scorecard, Clean-up and Reorganization Status Reports (Reports A, B, and C) are based on current and ongoing work and progress. Develop a web-based virtual tracking system to measure phone banking (tenants, owners) production and efficiency in completing the new contract process.	10/31/07	
Identify procedural changes; Begin training and review of procedural changes to ensure consistency in understanding and application across Departments.	11/30/06	
All office relocation activities complete, to accommodate the new reorganized structure.	1/831/07	
Support Systems Improvements Developed for Operational Staff		
Reviewing RFP Responses to Modify / Replace Existing Information Technology	1/31/07	
Contract is executed and work started.	4/30/07	
Validate workflow processes and reporting in preparation for system conversion.	3/31/07	
Ensure that Security Protocols Are Fully Considered in the Implementation of the New System.	4/30/07	

Initiate Business Stat Scorecard Reporting at weekly Management Meetings.	1/31/07	
Develop a Data Clean-up Report (Report B) that established baseline measures and weekly production that aims to align ECS data with PIC.	1/31/07	
Create and fill a position - Manager for Administrative Services - to link Housing program operations issues with CDC administrative support.	11/30/06	
Import best practices, some with modifications, using consultant support, to existing operations or operational plans.	11/30/07	
Complete plans for developing a Call Center. Bronner Consultants, working with HACoLA, establish broad parameters of desired system and HACoLA current system.	6/30/07	
Establish a Quality Control Process and Procedure for each Department.	4/30/07	
Develop new templates for Performance Plans that include new goals and objectives - reflecting functional structure. Individual plans reflect steps identified in expanded scorecard.	3/31/07	
Staff Training		
Complete the identification of training needs and develop a training strategy.	12/31/07	
Division Management execute a contract and complete technical and regulatory training for staff.	1/31/07	
Ensure access to appropriate resources to provide a follow-up refresher training and testing during.	3/31/07	
Establish staff training coordinator position and fill; function is organizing training units within each department, and to develop ongoing in-house training for new and current employees.	11/30/06	
Using staff feedback, the training coordinator will begin to incorporate case studies to review with teams, and learn collectively how to perform reviews thoroughly, while reducing errors.	11/30/06	
HACoLA Managers begin support for the "train-the trainer" approach to training. These sessions should help staff adapt to the new performance driven "Business Stat Reporting" environment.	11/30/06	
Training coordinator engage professional trainers to assist with Division trainers on the preparation and delivery of presentations.	11/30/07	
Each Unit's Management to customize scorecard report for their particular unit	2/28/07	
Train 136 employees by contractor, organized around training sessions scheduled from 12/06 through 2/07.	2/28/07	
Human Resources Department completes supervisory training to new supervisors and managers.	7/31/07	

MANAGEMENT AREA: FINANCE

RESPONSIBLE PHA STAFF: CARLOS JACKSON

Responsible HUD Staff: Theodore W. Skonos

Finance: This area addresses the comprehensive financial management system the Housing Agency has in place for its Section 8 rental program(s) that monitor and control finances in order to maximize available resources. It identifies the financial record keeping and management requirements for the Housing Choice Voucher program (and other Section 8 programs as applicable) as required by the Annual Contributions Contracts (ACCs). This includes accurate and timely submissions of budgets, requisitions, year-end settlements, correct computations of administrative fees earned, revisions of budgets and requisitions timed with the fluctuations of annual budget Agency usage, and unit lease-up. PHAs are given a significant degree of flexibility in managing the financial resources made available for the Section 8 rental Program(s). It requires the Agency be actively involved in designing the financial management structure of its program.

Assessment Results:

- ◆ There were two depository agreements not on the prescribed form HUD-51999, General Depository Agreement.
- ◆ We found no evidence that a written internal control policy has been formulated
- ◆ HACoLA provided the schedule of coverage for the insurance as required.
- ◆ HACoLA has very detailed procedures for maintaining and issuing checks for various purposes.

PHA Goal: The Housing Agency staff shall maintain books of accounts, and records in an auditable condition. The funds received are disbursed in compliance with the guidelines that HUD establishes for entities that receive federal funding. Budgets, requisitions, and other required reporting are submitted timely, and to ensure that Internal Control systems are in place. This would include developing methods to track annual budget Agency usage and unit lease up. The PHA is required to make monthly payments to landlords, families and/or both, as long as they continue to meet program requirements. The ACC identifies the financial record keeping and financial management requirements for Section 8 Rental Programs. Administrative funds held in reserve are subject to the requirements of 24 CFR 982.155.

PHA Goal: Execute Depository Agreements with banks on HUD form.

PHA Strategies:	Target completion date	Actual completion date
Execute Depository Agreements with banks on HUD form.	7/31/07	
PHA Goal: Develop and adopt written internal control policy.		
Draft a policy that reflects current procedures; determine if any improvements seem advantageous.	8/31/07	
Adopt the new, written policy.	10/31/07	
Train appropriate staff on any changes to policy or procedures.	11/30/07	

MANAGEMENT AREA: PROCUREMENT

RESPONSIBLE PHA STAFF: CARLOS JACKSON

Responsible HUD Staff: Theodore W. Skonos

Procurement: This area addresses the Agency's compliance with the procurement regulations and HUD Handbook 7460.8

Assessment Results:

- ◆ Procurement policy follows HUD's HB7460.8 for procurement.

PHA Goal: Maintain level of effort for procurement.

PHA Strategies:	Target completion date	Actual completion date
Maintain the current level of effort in competitive procurement for HACoLA.	6/30/07	

MANAGEMENT AREA: MIS

RESPONSIBLE PHA STAFF: CARLOS JACKSON

Responsible HUD Staff: Theodore W. Skonos

MIS: This area addresses the capacity of the Agency's Management Information Systems (e.g. computer system, telecommunications, fax, internet connectivity) to comply with HUD's reporting requirements, effectively organize data, and maintain adequate security of sensitive records. This area also addresses the need for future improvements or upgrades in order to maintain an adequate system.

Assessment Results:

- ◆ HACoLA was in the middle of procuring a new, integrated public housing software package when we were on-site.

PHA Goal: The PHA maintains a computer system (hardware and software) that will provide the necessary support of the PHA's program and that will comply with HUD's reporting requirements. The PHA has the capacity for accessing required HUD systems and providing data/reports in an electronic format when required. The PHA has the necessary equipment, software, and a staff trained to make effective use of available systems in order to manage the Section 8 Program effectively. The Agency existing equipment is adequate to meet their needs for the next 3-5 years, or there is a plan in place to acquire the necessary upgrades or equipment.

PHA Goal: Complete the acquisition of ,and transition to, a new software package.

	Target completion date	Actual completion date
PHA Strategies:		
Advise HUD when the contract for acquisition is executed.	5/31/07	
Provide HUD with copies of progress reports on the installation and transition to the new software.	6/30/07	

MANAGEMENT AREA: PROGRAM MANAGEMENT

RESPONSIBLE PHA STAFF: CARLOS JACKSON

Responsible HUD Staff: Theodore W. Skonos

Program Management: This area addresses the effectiveness of the overall management of the Agency's Section 8 programs. This includes the Agency's Administrative Plan and related procedures, the level of service provided to customers, and the effectiveness of the Agency's use of staff and equipment resources.

Assessment Results:

- ◆ Staff and management are working very hard to catch up with overdue re-examinations and inspections.
- ◆ The authority makes judicious use of its in-house resources to address its legacy of problems with late tasks. In addition, the Agency has the resources to rectify systemic problems with training.
- ◆ Monthly reports on SEMAP indicators weren't made under the previous department head.

PHA Goal: The Administrative Plan and related procedures meet current regulatory and legal requirements and reflect the industry's best practices, as tailored to meet the needs of the community. A high level of service is provided to customers, both program participants and owners/agents. The Agency ensures that there are sufficient workers and equipment resources, within the constraints of the budget, and that they are used to support an effective, efficient program.

PHA Goal: Eliminate backlog in reexaminations and inspections.

PHA Strategies:	Target completion date	Actual completion date
Begin providing HUD with copies of progress reports from the Statistics report.	5/31/07	
Begin submitting to HUD monthly comparisons between ECS, PIC/MTCS, (and new software database).	6/30/07	

INDICATOR 1: SELECTION FROM THE WAITING LIST

PHA Fiscal Year	Indicator Score	Confirmed Score	Indicator Goal	Responsible PHA Staff	Responsible HUD Staff
6/30/06	15	15	15		Theodore W. Skonos

This indicator measures whether the HA has written policies in its administrative plan for selecting applicants from the waiting list and whether the HA follows these policies when selecting applicants for admission from the waiting list. (24 CFR 982.54(d)(1) and 982.204(a))

Possible Scores: 15 points or 0 points

Assessment Results:

- HACoLA correctly identified the quality control universe, and sample size.
- There was no written policy methodology for randomly selecting the samples.

PHA Goal: Based on randomly selected samples of applicants and admissions, documentation shall show that at least **98 percent** of the families in the samples of applicants and admissions were selected from the waiting list for admission in accordance with these policies and met the selection criteria that determined their places on the waiting list and their order of selection.

PHA Strategies:	Target completion date	Actual completion date
Ensure quality control samples are randomly selected in an unbiased manner.	7/31/07	
Develop a written procedure for making random selections from the waiting list. Submit the draft to HUD for comment.	7/31/07	
Train appropriate staff on the new procedure. Submit a copy of the sign-in sheet to HUD.	8/31/07	
Develop a method, and maintain supporting documentation for making a random sample.	9/30/07	

INDICATOR 2: RENT REASONABLENESS

PHA Fiscal Year	Indicator Score	Confirmed Score	Indicator Goal	Responsible PHA Staff	Responsible HUD Staff
6/30/06	20	20	20		Theodore W. Skonos
<p>The PHA has and implements a reasonable written method to determine and document for each unit leased that the rent to owner is reasonable based on current rents for comparable unassisted units: at the time of initial leasing; if there is any increase in the rent to owner; and at the HAP contract anniversary if there is a 5 percent decrease in the published fair market rent (FMR) in effect 60 days before the HAP contract anniversary. The PHA's method must take into consideration the location, size, type, quality and age of the units, and the amenities, housing services, and maintenance and utilities provided by the owners in determining comparability and the reasonable rent. (24 CFR 982.4, 24 CFR 982.54(d)(15), 982.158(f)(7) and 982.507)</p> <p style="text-align: right;">Possible Scores: 20 points, 15 points, 0 points</p>					
<p>Assessment Results:</p> <ul style="list-style-type: none"> • HACoLA has a written method, which staff understand. • RentElect provides the authority with recent comparable units for the entire county. • HUD staff found their documentation to be in support of their stated methodology. 					
<p>PHA Goal: The PHA has a reasonable written method to determine reasonable rent which considers location, size, type, quality and age of the units and the amenities, housing services, and maintenance and utilities provided by the owners; and based on the PHA's quality control sample of tenant files, the PHA follows its written method to determine reasonable rent and has documented its determination that the rent to owner is reasonable in accordance with Sec. 982.507 for at least 98 percent of units sampled at the time of initial leasing, if there is any increase in the rent to owner and, at the HAP contract anniversary if there is a 5 percent decrease in the published FMR in effect 60 days before the HAP contract anniversary.</p>					
PHA Strategies:				Target completion date	Actual completion date
Maintain the authority's current level of effort on rent reasonableness.				6/30/07	

INDICATOR 3: DETERMINATION OF ADJUSTED INCOME

PHA Fiscal Year	Indicator Score	Confirmed Score	Indicator Goal	Responsible PHA Staff	Responsible HUD Staff
6/30/06	0	0	15		Theodore W. Skonos

At the time of admission and annual reexamination, the PHA verifies and correctly determines adjusted annual income for each assisted family and, where the family is responsible for utilities under the lease, the PHA uses the appropriate utility allowances for the unit leased in determining the gross rent. (24 CFR part 5, subpart F and 24 CFR 982.516)

Possible Scores: 20 points, 15 points, 0 points

Assessment Results:

- The QC sample is generated via computer in an unbiased manner.
- No documentation.
- Numerous files were unauditable due to no current reexamination.
- The authority's QC sample of the auditor's sample is smaller than HUD's minimum sample size.

PHA Goal: Based on the PHA's quality control sample of tenant files, for at least 90 percent of families: (A) The PHA obtains third party verification of reported family annual income, the value of assets totaling more than \$5,000, expenses related to deductions from annual income, and other factors that affect the determination of adjusted income, and uses the verified information in determining adjusted income, and/or documents tenant files to show why third party verification was not available; (B) The PHA properly attributes and calculates allowances for any medical, child care, and/or disability assistance expenses; and (C) The PHA uses the appropriate utility allowances to determine gross rent for the unit leased.

PHA Strategies:	Target completion date	Actual completion date
Sample files earlier and at a pace that will match or exceed the HUD minimum.	5/31/07	
Report monthly on the QC review results to HUD and the Board.	6/30/07	
Address systemic problems identified with QC with additional training, or another appropriate tool (mentoring, ...).	6/30/07	
Compare ECS calculations with the new system's calculations. Where they differ, determine which is correct from file documentation.	7/31/07	
Use the more accurate system for up-loading data to PIC/MTCS.	8/31/07	

INDICATOR 4: UTILITY ALLOWANCE SCHEDULE

PHA Fiscal Year	Indicator Score	Confirmed Score	Indicator Goal	Responsible PHA Staff	Responsible HUD Staff
6/30/06	5	5	5		Theodore W. Skonos
The PHA maintains an up-to-date utility allowance schedule. (24 CFR 982.517)					
Possible Scores: 5 points or 0 points					
Assessment Results:					
<ul style="list-style-type: none"> The PHA reviewed utility rate data within the last 12 months, and adjusted its utility allowance schedule if there has been a change of 10 percent or more in a utility rate since the last time the utility allowance schedule was revised. 					
PHA Goal:					
				Target completion date	Actual completion date
PHA Strategies:					
Maintain the authority's current level of effort on current utility rates.				6/30/07	

INDICATOR 5: HQS QUALITY CONTROL INSPECTIONS

PHA Fiscal Year	Indicator Score	Confirmed Score	Indicator Goal	Responsible PHA Staff	Responsible HUD Staff
6/30/06	5	5	5		Theodore W. Skonos

The PHA supervisor or other qualified person re-inspects a sample of units under contract during the PHA fiscal year, which meets the minimum sample size requirements specified at Sec. 985.2 under PHA's quality control sample, for quality control of HQS inspections. The PHA supervisor's re-inspected sample is to be drawn from recently completed HQS inspections (i.e., performed during the 3 months preceding reinspection) and is to be drawn to represent a cross section of neighborhoods and the work of a cross section of inspectors. (24 CFR 982.405(b))

Possible Scores: 5 points, 0 points

Assessment Results:

- A Supervisor performed quality control HQS inspections of units under contract.

PHA Goal: The PHA supervisor or other qualified person performed quality control HQS re-inspections during the PHA fiscal year for a sample of units under contract which meets the minimum sample size requirements specified in Sec. 983.2 under PHA's quality control sample. The PHA's SEMAP certification also states that the re-inspected sample was drawn from recently completed HQS inspections (i.e., performed during the 3 months preceding the quality control re-inspection) and was drawn to represent a cross section of neighborhoods and the work of a cross section of inspectors.

PHA Strategies:

Maintain the authority's current level of effort on Quality Control..

Target completion date	Actual completion date
6/30/07	

INDICATOR 6: HQS ENFORCEMENT

PHA Fiscal Year	Indicator Score	Confirmed Score	Indicator Goal	Responsible PHA Staff	Responsible HUD Staff
6/30/06	0	0	10		Theodore W. Skonos

This indicator measures whether, following each HQS inspection of a unit under contract where the unit fails to meet HQS, any cited life-threatening HQS deficiencies are corrected within 24 hours from the inspection and all other cited HQS deficiencies are corrected within no more than 30 calendar days from the inspection or any PHA-approved extension. In addition, if HQS deficiencies are not corrected timely, the indicator measures whether the PHA stops (abates) housing assistance payments beginning no later than the first of the month following the specified correction period or terminates the HAP contract or, for family-caused defects, takes prompt and vigorous action to enforce the family obligations. (24 CFR 982.404)

Possible Scores: 10 points, 0 points

Assessment Results:

- Out of a total of 52 randomly selected sample case files with failed HQS inspections, 41 were documented that timely correction of HQS deficiencies or PHA action to stop the HAP payment.

PHA Goal: The PHA's SEMAP certification states that the PHA's quality control sample of case files with failed HQS inspections shows that, for all cases sampled, any cited life-threatening HQS deficiencies were corrected within 24 hours from the inspection and, for at least 98 percent of cases sampled, all other cited HQS deficiencies were corrected within no more than 30 calendar days from the inspection or any PHA-approved extension, or, if any life-threatening HQS deficiencies were not corrected within 24 hours and all other HQS deficiencies were not corrected within 30 calendar days or any PHA-approved extension, the PHA stopped (abated) housing assistance payments beginning no later than the first of the month following the correction period, or took prompt and vigorous action to enforce family obligations.

PHA Strategies:	Target completion date	Actual completion date
Assess the communications used to identify circumstances when the authority needs to abate HAP payments or enforce family responsibilities. Submit a copy of this analysis to HUD for comment.	11/30/07	
Makes changes that will verify which checks should be issued.	1/31/08	
Implement QC sampling of failed HQS inspections for follow-up each month.	2/29/08	
Report quarterly to HUD, and the Board, about the results of the sampling.	3/31/08	

INDICATOR 7: EXPANDING HOUSING OPPORTUNITIES

PHA Fiscal Year	Indicator Score	Confirmed Score	Indicator Goal	Responsible PHA Staff	Responsible HUD Staff
6/30/2006	5	0	5		Theodore W. Skonos

The PHA has adopted and implemented a written policy to encourage participation by owners of units located outside areas of poverty or minority concentration; informs rental voucher holders of the full range of areas where they may lease units both inside and outside the PHA's jurisdiction; and supplies a list of landlords or other parties who are willing to lease units or help families find units, including units outside areas of poverty or minority concentration. (24 CFR 982.54(d)(5), 982.301(a) and 982.301(b)(4) and 982.301(b)(12))

Possible Scores: 5 points, 0 points

Assessment Results:

- ◆ No documentation that the PHA has analyzed whether it is appropriate to seek approval of exception payment standard amounts in any part of its jurisdiction
- ◆ No documentation that the PHA has analyzed whether rental voucher holders have experienced difficulties in finding housing outside areas of poverty or minority concentration.
- ◆ No written policies in its administrative plan, which includes actions the PHA will take to encourage participation by owners of units located outside areas of poverty or minority concentration.

PHA Goal: Develop, adopt and put into service the plan elements, staff resources and management reviews needed to fully comply with the requirements identified above.

PHA Strategies:	Target completion date	Actual completion date
Adopt and implement a written policy that reflects the regulations for this indicator.		
List specific steps and target dates that will encourage participation by owners of units located outside areas of poverty or minority concentration. Maintain evidence of finishing the steps and their completion date.	7/31/07	
Describe a method for collecting data showing whether or not voucher holders experienced difficulties in finding housing outside of areas with poverty and minority concentrations.	8/31/07	
Develop a procedure for analyzing data collected to determine whether or not households experience difficulties, what kind of difficulties, and whether or not the authority can do anything to address the identified difficulties.	11/30/07	
Incorporate all of the items above into the authority's administrative plan, and provide HUD with a draft before any review by the advisory commission or public comment period.	1/31/08	
Adopt the revisions to the administrative plan. Provide HUD with a copy of the notarized resolution.	2/28/08	

Assign and train appropriate staff on the new policy and procedures concerning the authority's efforts to expand housing opportunities. Provide HUD with a copy of the schedule for training sessions, and copies of attendance rosters.	2/28/08	
Establish filing practices for documenting the steps taken to comply with the new elements of the administrative plan.	2/28/08	

INDICATOR 8: PAYMENT STANDARDS

PHA Fiscal Year	Indicator Score	Confirmed Score	Indicator Goal	Responsible PHA Staff	Responsible HUD Staff
6/30/2006	5	5	5		Theodore W. Skonos

The PHA has adopted a payment standard schedule that establishes voucher payment standard amounts by unit size for each FMR area in the PHA jurisdiction, and, if applicable, separate payment standard amounts by unit size for a PHA-designated part of an FMR area, which payment standards do not exceed 110 percent of the current applicable published FMRs and which are not less than 90 percent of the current applicable published FMRs (unless a higher or lower payment standard amount is approved by HUD). (Sec. 982.503 of this chapter.)

Possible Scores: 5 points, 0 points

Assessment Results:

- ◆ The PHA has adopted a correct payment standard schedule for each FMR area in the PHA jurisdiction.
- ◆ The PHA's payment standards are reviewed and adjusted annually.

PHA Goal: The PHA's voucher program's payment standard schedule contains payment standards that do not exceed 110 percent of the current applicable published FMR and which are not less than 90 percent of the current applicable published FMR (unless a higher or lower payment standard amount is approved by HUD).

PHA Strategies:	Target completion date	Actual completion date
Maintain the level of effort for applying the correct payment standards when recertifying clients.	6/30/07	

INDICATOR 9: ANNUAL REEXAMINATIONS

PHA Fiscal Year	Indicator Score	Confirmed Score	Indicator Goal	Responsible PHA Staff	Responsible HUD Staff
6/30/06	0	0	5		Theodore W. Skonos

The PHA completes a reexamination for each participating family at least every 12 months. (24 CFR 5.617).

Possible Scores: 10 points, 5 points, 0 points

Assessment Results:

- Problems with reexaminations stem from workers not conducting them on time, and their database's inability to alert staff when reexams were due.

PHA Goal: Fewer than 5 percent of all PHA reexaminations are more than 2 months overdue.

	Target completion date	Actual completion date
PHA Strategies:		
Maintain the level of effort to bring overdue reexaminations current. Report to HUD, and the Board, monthly on the number of overdue reexaminations.	6/30/07	
Use PIC/MTCS to identify the next three months of reexaminations coming due, i.e., the clients who should receive their initial letter for reexamination in the next three months.	10/31/07	
Verify that the new software package will generate lists of clients whose reexam process needs to begin, on a monthly basis.	9/30/07	
Report to HUD, on a monthly basis, the list of clients sent initial letters about their reexam.	11/30/07	

INDICATOR 10: CORRECT TENANT RENT CALCULATIONS

PHA Fiscal Year	Indicator Score	Confirmed Score	Indicator Goal	Responsible PHA Staff	Responsible HUD Staff
6/30/06	5	0	5		Theodore W. Skonos

The PHA correctly calculates (*tenant rent in the rental certificate program and*) the family's share of the rent to owner in the rental voucher program. (24 CFR 982 subpart K).

Possible Scores: 5 points, 0 points

Assessment Results:

- HACoLA has problems with their software that would provide incorrect data to PIC.

PHA Goal: MTCS shows that the percent of tenant rent and family's share of the rent to owner calculations that are incorrect based on data sent to HUD by the PHA on Forms HUD-50058. The MTCS data used for verification cover only voucher program and regular certificate program tenancies, and do not include rent calculation discrepancies for manufactured home owner rentals of manufactured home spaces under the certificate program or for proration of assistance under the noncitizen rule. MTCS data indicate that 2 percent or fewer of PHA tenant rent and family's share of the rent to owner calculations are incorrect.

	Target completion date	Actual completion date
PHA Strategies:		
Review PIC/MTCS for error reports concerning rent calculations; Submit a copy of each review summary to HUD for comment.	7/31/07	
Track the source of each error – software or user error. Provide HUD with monthly summaries of the error sources.	7/31/07	
Improve data submission to zero critical errors, and 50% fewer non-fatal errors.	10/31/07	

INDICATOR 11: PRE-CONTRACT HOUSING QUALITY STANDARDS (HQS) INSPECTIONS

PHA Fiscal Year	Indicator Score	Confirmed Score	Indicator Goal	Responsible PHA Staff	Responsible HUD Staff
6/30/06	5	5	5		Theodore W. Skonos

The PHA's newly leased units pass HQS inspection on or before the beginning date of the assisted lease and HAP contract. (24 CFR 982.305).

Possible Scores: 5 points, 0 points

Assessment Results:

- Housing Authority has records indicating that they complete HQS inspections before the execution of the HAP contract.

PHA Goal: MTCS report—Shows 98 to 100 percent of newly leased units passed HQS inspection before the beginning date of the assisted lease and HAP contract.

PHA Strategies:	Target completion date	Actual completion date
Maintain this level of effort for pre-contract inspections.	6/30/07	

INDICATOR 12: ANNUAL HQS INSPECTIONS

PHA Fiscal Year	Indicator Score	Confirmed Score	Indicator Goal	Responsible PHA Staff	Responsible HUD Staff
6/30/06	0	0	5		Theodore W. Skonos
MTCS report shows percent of HQS inspections that are more than 2 months overdue.					
Possible Scores: 10 points, 5 points, 0 points					
Assessment Results: <ul style="list-style-type: none"> • Currently, more than 10% of inspections are late. 					
PHA Goal: Fewer than 5 percent of annual HQS inspections of units under contract are more than 2 months overdue.					
				Target completion date	Actual completion date
PHA Strategies:					
Maintain the level of effort to bring overdue inspections current. Begin reporting to HUD, and the Board, monthly on the number of overdue inspections.				6/30/07	
Use PIC/MTCS to identify the next three months of inspections coming due, i.e., the clients and landlords who should receive their initial letter for inspections in the next three months.				10/31/07	
Verify that the new software package will generate lists of clients whose inspection process needs to begin, on a monthly basis.				9/30/07	
Report to HUD, on a monthly basis, the list of clients and landlords sent initial letters about their inspections.				11/30/07	

INDICATOR 13: LEASE-UP

PHA Fiscal Year	Indicator Score	Confirmed Score	Indicator Goal	Responsible PHA Staff	Responsible HUD Staff
6/30/06	0	0	15		Theodore W. Skonos

The PHA executes HAP contracts for the number of units under budget for the year scored. Alternatively, the PHA uses the funds allocated to it for the calendar year appropriated.

Initial Assessment Results:

Possible Scores: 20 points, 15 points, 0 points

- HACoLA's lease-up rate is deficient at 86%
- HACoLA has initiated lease-up tracking and monitoring. The Authority has developed a draft action plan to address their deficient lease-up rate
- HACoLA's low fund utilization will significantly reduce its allocation for calendar 2007.

PHA Goal: Percent of funds used during the last completed calendar year as determined by taking the PHA's funds spent during the calendar year ending during the year being scored, and dividing by the funds allocated as shown on the FMC funds allocation record for the same calendar year. A percent of funds spent during the calendar year less than 95% earns zero (0) points; a percent of funds spent between 95 and 98 % earns 15 points; a percent of funds spent of 98 % or more earns 20 points.

PHA Strategies:

	Target completion date	Actual completion date
Review and estimate annual budget authority for calendar 2007, based on the December 2006 funds-expended position for HACoLA. Provide HUD with a report that indicates the funds that most likely will be allocated, based on the under-utilized budget authority in 2006.	4/30/07	
Analyze the cycles from past years to estimate how the need for funds will fluctuate during 2007. Submit a copy of this analysis to HUD for comment.	5/31/07	
Develop procedures for determining how the authority will reduce its voucher load, if necessary, during 2007 and later years.	9/30/07	
Identify steps HACoLA will take, with due dates, to finish calendar 2007 with 95% or more of its funds spent. Submit a copy of these steps to HUD for comment.	5/31/07	
Investigate any opportunities for HUD to transfer vouchers to HACoLA during 2007. Submit a copy of the results of your investigation to the local HUD office for comment.	8/31/07	

INDICATOR 14: FAMILY SELF-SUFFICIENCY (FSS)

PHA Fiscal Year	Indicator Score	Confirmed Score	Indicator Goal	Responsible PHA Staff	Responsible HUD Staff
6/30/2006	8	8	10		Theodore W. Skonos

The PHA has enrolled families in the FSS program as required, and the extent of the PHA's progress in supporting FSS by measuring the percent of current FSS participants with FSS progress reports entered in MTCS that have had increases in earned income which resulted in escrow account balances. (24 CFR 984.105 and 984.305)

Possible Scores: 10 points, 8 points, 5 points, 3 points, 0 points

Initial Assessment Results:

- ◆ The PHA has mandatory FSS program with 850 mandatory slots; it filled only 64 percent of these.
- ◆ 37 percent of enrolled households have escrow account balances.
- ◆ PHA has correct information reported on the SEMAP certification concerning FSS families who have moved under the portability to the jurisdiction of another PHA.

PHA Goal: The PHA fills 80 percent or more of its mandatory FSS slots.

PHA Strategies:

	Target completion date	Actual completion date
Determine the number of mandatory FSS slots after accounting for graduates. Submit a copy of the supporting documentation for the new number. Determine if a request for a reduction in program size is warranted and supportable. Maintain documentation to support program size.	7/31/07	
Identify new, additional methods, which might attract additional participants. Submit a copy to HUD for comment.	8/31/07	
Incorporate these into the draft FSS Action Plan.	9/30/07	
Review and revise FSS Action Plan, as needed, to establish the new requirements in the PHA's program. Provide appropriate public comment opportunities. Adopt this revision to the authority's administrative plan, and submit a copy of the adopted, notarized resolution to HUD	11/30/07	
Open enrollment in the FSS program according the FSS Action Plan, in the administrative plan, at least up to an amount that accounts for those participants who have graduated.	12/31/07	
Schedule and complete training on new practices and policies for appropriate staff.	12/31/07	
Scheduled Orientation Workshops for 2/07, 3/07, 1/08, and 3/08 for new participants. Submit a copy of the sign-in sheet to.	3/31/08	

Evaluate marketing and workshop effectiveness, and develop follow-up activities based on this evaluation. Submit a copy of your analysis to HUD for comment.	4.30/08	
Report quarterly to HUD and the Board the mandatory size for the program, the number and percentage of households enrolled, and the number and percentage of enrolled households with escrow accounts.	9/30/07	
PHA Goal: PHA helps 30 percent or more of FSS households have an escrow account balances		
Establish regional, which offer opportunities for increased income, and escrow accounts for each participant.		
Scheduled Continuation Workshop(s) for people with contract more than 3 months old, on a schedule that makes sense for the participants. Complete these workshop(s), and evaluate the effectiveness of this additional method of follow-up. Submit a copy of the sign-sheet, and the evaluation to HUD.		
Determine the balance in the escrow accounts for each participant.		
Verify that any requisition for escrow funds from participants is eligible and valid.		