

**DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT**

24 CFR Part 985

[Docket No. FR-3986-P-01]

RIN 2577-AB60

**Section 8 Rental Voucher and
Certificate Programs Section 8
Management Assessment Program
(SEMAP)**

AGENCY: Office of the Assistant Secretary for Public and Indian Housing, HUD.

ACTION: Proposed rule.

SUMMARY: This proposed rule would establish the Section 8 Management Assessment Program (SEMAP) to objectively measure public housing agency (HA) performance in key Section 8 tenant-based assistance program areas. SEMAP would enable HUD to ensure program integrity and accountability by identifying HA management capabilities and deficiencies and by improving risk assessment to effectively target monitoring and program assistance. HAs could use the SEMAP performance analysis to assess their own program operations.

DATES: Comment due date: January 31, 1997.

ADDRESSES: Interested persons are invited to submit comments regarding this proposed rule to the Office of the General Counsel, Rules Docket Clerk, room 10276, Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC 20410-0500. Comments should refer to the above docket number and title. Facsimile (FAX) comments are not acceptable. A copy of each communication submitted will be available for public inspection and copying during regular business hours (7:30 a.m. to 5:30 p.m. Eastern time) at the above address.

FOR FURTHER INFORMATION CONTACT: Gerald Benoit, Director, Operations Division, Office of Rental Assistance, Public and Indian Housing, Department of Housing and Urban Development, Room 4220, 451 Seventh Street, SW, Washington, DC 20410, telephone (202) 708-0477. Hearing or speech impaired individuals may call HUD's TTY number (202) 708-4594 or 1-800-877-8399 (Federal Information Relay Service TTY). (Other than the "800" number, these are not toll-free numbers.)

SUPPLEMENTARY INFORMATION:

I. Purpose

This proposed rule provides an objective system for HUD to measure

HA performance in administering the Section 8 tenant-based assistance programs, and to identify HA management capabilities and deficiencies using criteria that are key to effective program administration. This proposed rule does not apply to Indian housing authority (IHA) administration of these programs. Performance of IHA administration of the Section 8 programs is assessed using the HUD Office of Native American Programs Risk Assessment and Determination for Allocation of Resources (RADAR) instrument. RADAR will incorporate the SEMAP performance indicators. The proposed rule does not cover the Section 8 moderate rehabilitation program; however, the Department expects that in most cases an HA's performance under the tenant-based programs will reflect its performance under the moderate rehabilitation program as well. The proposed rule provides procedures for addressing problem areas and poor performance through corrective action plans and follow-up monitoring.

At a time of diminishing HUD staffing resources, use of SEMAP will enable the Department to improve its risk assessment and to effectively target monitoring and program assistance to housing agencies that need most improvement and that pose the greatest risk.

The proposed rule describes 15 performance indicators that will be used to assess HA performance; the annual HA SEMAP certification and HUD review process; HUD scoring procedures and procedures for designating high, standard and troubled performers; and requirements for corrective action plans and strategies for improving performance.

While the Department plans to use SEMAP as its fundamental means of measuring HA Section 8 performance, SEMAP will be used in conjunction with independent auditor (IA) audit reports, fair housing and equal opportunity compliance reviews, HUD reviews of financial documents, on-site reviews, housing quality standards (HQS) reviews, participant complaints, and other pertinent information to assess ultimately an HA's overall performance under the Annual Contributions Contract (ACC).

II. Discussion

A. Performance Indicators

Overview

Section 985.3 lists 15 SEMAP performance indicators which are key to effective and cost efficient program administration. The indicators were

chosen first and foremost to ensure that the Section 8 programs consistently operate to meet the intended result of helping eligible families afford decent rental units at a reasonable subsidy cost (i.e., to assist "the right families in the right units at the right cost"). In addition, certain indicators measure whether rental assistance is delivered effectively (e.g., time from request for lease approval to HQS inspection, lease-up, deconcentration) and whether the HA advances the critical goal of family self-sufficiency (FSS) (e.g., FSS enrollment, welfare to work).

The Department considered including an indicator which would show whether families admitted to the program have incomes below the income limits, but all information HUD has indicates that there are almost no admissions of families with incomes over the income limits. Adding this as a SEMAP indicator would have very little useful purpose, since virtually all HAs are in full compliance with the requirement. The Department requires 100 percent reporting of all income and rent determinations, and monitoring income eligibility is built into the Multifamily Tenant Characteristics System (MTCS). MTCS is the Department's national data base on participants and rental units in the Section 8 rental certificate, rental voucher, and moderate rehabilitation programs and in the Public and Indian Housing programs. There is a SEMAP indicator on HA verification of family income.

The Department also considered including indicators on financial management, but concluded that existing procedures for HUD review of budgets, requisitions and year-end financial statements and the annual independent audit already provide for sufficient HUD oversight of the financial management area.

Remarks on Particular Indicators

The ratings for the annual reexaminations indicator and the annual HQS inspections indicator at §§ 985.3(d) and 985.3(i), indicate that annual reexaminations and HQS inspections may not be more than 2 months overdue. This 2 month allowance is provided only to accommodate a possible lag in the HA's electronic reporting of the annual reexamination or the annual HQS inspection on Form HUD-50058, and to allow the processing of the data into the MTCS. The Form HUD-50058 data are used to measure performance under this indicator. The 2 month allowance provided here for rating purposes does not mean that any delay in completing

annual reexaminations and HQS inspections is ever permitted.

The indicator at § 985.3(j) for HQS quality control inspections shows whether an HA supervisor or other qualified person reinspects a random sample of at least 5 percent of completed HQS inspections. A small HA with only 1 or 2 employees may arrange with a nearby HA to have a qualified HQS inspector perform the required quality control inspections.

The indicator at § 985.3(l), for lease-up shows whether the HA executes assistance contracts on behalf of eligible families for the number of units that has been under budget for at least one year. In the event that the Congress continues hold-back requirements on turnover of rental vouchers and certificates in future fiscal years when SEMAP is implemented, HUD plans to waive the SEMAP regulation concerning ratings under this indicator and to instead provide that the number of units under contract would be divided by the number of units budgeted for the last HA fiscal year reduced by a HUD-determined percentage of the number of units budgeted to determine the lease-up rate for rating purposes.

The ratings under the lease-up indicator are based on the assumption that an HA uses all available annual contributions in determining the total number of units budgeted. In the event the HUD State or Area Office (hereafter referred to as HUD Office) approves an HA budget that budgets fewer units than could be supported with available annual contributions due to limited HA management capacity, and as a result the rating on the indicator as determined under § 985.3(l)(3) is overstated, the HUD Office may decrease the points it assigns for the lease-up indicator to adjust for the approved "under-budgeting".

The indicator at § 985.3(m) for FSS enrollment applies only to HAs with mandatory FSS programs (i.e., HAs that received FY 1992 FSS incentive award Section 8 funding or that received FY 1993 and later year Section 8 funding (excluding renewal funding)).

The deconcentration indicator at § 985.3(n) applies only to HAs with jurisdiction in metropolitan areas. This indicator compares the dispersal of Section 8 families with children throughout a metropolitan area to the dispersal of FMR-priced units throughout the metropolitan area. FMR-priced units are standard quality housing units, excluding zero- and one-bedroom units, that rent at or below the FMR as determined using 1990 Census data and FMRs. The indicator measures whether Section 8 families with

children are at least as dispersed throughout the area as are the FMR-priced units, both within the HA's area of jurisdiction and within the entire metropolitan area. The Department does not intend that the SEMAP indicator for deconcentration should cause any metropolitan HA to directly or indirectly reduce a family's opportunity to select among available units. HUD intends that, by including the dispersal of Section 8 families with children throughout metropolitan areas as a measure of performance, HAs will be encouraged to provide more outreach to owners in all areas of their respective jurisdictions and more counseling and transportation assistance to motivate and increase housing choice on the part of families.

Future Implementation of Welfare-to-Work Indicator

The welfare-to-work indicator at § 985.3(o) shows whether the HA helps assisted families move from welfare to work by measuring the percent of welfare families who move from welfare to work during the course of a year. This indicator will be implemented in SEMAP beginning in federal fiscal year 1999, to allow HAs sufficient time to build capacity and coordinate social services to achieve the performance objective. This means the welfare-to-work indicator will first be used for HAs with an HA fiscal year end of September 30, 1998, and then will be applied for all subsequent annual SEMAP reviews.

Solicitation of Specific Comment on Particular Indicators

The Department specifically invites comment on whether the proposed fair market rent (FMR) limit/payment standards indicator and the annual reexaminations indicator should be retained as SEMAP indicators in a final rule. The FMR limit/payment standards indicator and the annual reexaminations indicator would show whether the HA complies with key program requirements that directly affect whether the correct housing assistance payments (HAPs) and family shares are paid. The Department, however, has some concern about the appropriateness of their placement in a management assessment program that is primarily intended to be outcome oriented rather than compliance oriented. In short, all HAs should be fully performing on these indicators.

The Department also specifically invites comment on whether SEMAP ought to include performance indicators on rent burden, portability, timeliness of HAPs to owners, or any other key area. A rent burden indicator could set a

standard that would encourage HAs to ensure that needy families do not spend a disproportionate share of income toward rent. For example, the Department considered including a performance indicator that not more than 20 percent of rental voucher program participants pay more than 40 percent of adjusted monthly income for rent. However, the Department recognizes that there has never been any articulated federal standard concerning rent burden in the rental voucher program, and that HAs have only limited control over a family's choice to assume a greater rent burden than the traditional 30 percent of annual adjusted income. Also, 40th percentile FMRs, and potentially lower payment standards, may place increased pressure on families to choose to pay more than 40 percent of income for rent, particularly if the families want to choose housing outside areas of low income concentration.

The Department is considering adding, and requests comment on, a SEMAP indicator to measure an HA's performance in: (1) Analyzing computer matching results that HUD supplies to HAs from the Department's Tenant Eligibility Verification System (TEVS), and (2) taking appropriate administrative actions. Those actions will help ensure integrity in rental assistance programs. TEVS processes data from the computer matching of social security and supplemental security income data and Federal tax return data (i.e., Form W-2 and Form 1099 data) shown on files of the Social Security Administration and the Internal Revenue Service, with family-reported income data that HAs submit electronically to the Multifamily Tenant Characteristics System (MTCS). See 60 FR 21548; May 2, 1995 and 61 FR 37804; July 19, 1996 for more detail. Housing agencies will be asked to resolve income discrepancies reported by TEVS and to track the amount of money recovered.

During Fiscal Year 1996 HUD implemented a computer matching project involving social security and supplemental security income for HAs serviced by HUD's Great Plains, Rocky Mountains, Pacific/Hawaii and Northwest/Alaska offices. HUD anticipates that the social security and supplemental security income matching will be operational nationwide by March 1997. The Federal tax return data matching is now in a pilot testing stage. Therefore, it is premature to propose a specific SEMAP indicator at this time. The Department, however, expects that HA actions to analyze matching results and to take appropriate administrative

actions will become an important indicator of HA performance at some time during the next two years. The Department anticipates providing a maximum of 10 points for this indicator.

The Department is considering adding an indicator that would measure whether the HA adequately explains to rental voucher and certificate holders how portability works, and whether the initial HA promptly reimburses the receiving HA in accordance with established portability billing and payment deadlines.

Effort to Minimize New Recordkeeping

A key consideration in determining the 15 SEMAP indicators was whether the Department can measure performance under the indicators using readily available data, without imposing substantial new or undue recordkeeping burdens on HAs. Under the proposed SEMAP indicators, an HA that is not already doing so will need to begin maintaining documentation of the time from receipt of request for lease approval to HQS inspection, and of its 5 percent HQS quality control inspections. For all other SEMAP indicators, the Department expects that HAs already keep records that will demonstrate performance in conformity with longstanding program requirements.

B. Program Operation

The basic SEMAP procedures have been modeled on the Public Housing Management Assessment Program (PHMAP) required by section 6(j) of the U.S. Housing Act of 1937 (42 U.S.C. 1437d(j)). While SEMAP is not required by law, HUD has determined that a management assessment program for Section 8 tenant-based assistance similar to PHMAP can improve the Department's oversight of the Section 8 programs and help HUD to target monitoring and assistance to programs that pose the greatest risk and to HAs needing most improvement.

1. SEMAP Certification

Section 985.101 requires an HA administering a Section 8 tenant-based assistance program to submit annually a SEMAP certification form within 45 days after the beginning of its fiscal year. The certification form requires short answers from HAs concerning HA performance under the 15 SEMAP indicators and assures HUD that HA responses are accurate and that there is no evidence of seriously deficient performance. A proposed SEMAP certification form is attached as Appendix 1 to this proposed rule. The HA board of commissioners approves,

and the board chairperson and HA executive director sign, the certification.

2. SEMAP Score and Overall Performance Rating

HUD Assessment and Verification of SEMAP Certification

Upon receipt of the annual HA SEMAP certification, the HUD Office will independently assess each HA's performance under SEMAP using family data reported by HAs on Forms HUD-50058 and HUD-50058-FSS and maintained in the HUD MTCS, annual audit reports, and other available information to verify the HA responses. The HUD Office may also conduct an on-site confirmatory review to verify an HA certification under any indicator. Based upon this HUD review and verification, the HUD Office will prepare a SEMAP profile for each HA, assigning a rating for each SEMAP indicator in accordance with the regulation.

Determination of SEMAP Score and Overall Performance Rating

The HUD Office will sum its ratings for the individual indicators and divide by the potential maximum number of points to arrive at an overall HA SEMAP score. HAs with SEMAP scores of at least 90 percent will receive an overall performance rating of high performer; HAs with SEMAP scores of 60 to 89 percent will receive an overall performance rating of standard; and HAs with scores of less than 60 percent will receive an overall performance rating of troubled. The HUD Office may modify an HA's overall performance rating (of high performer or standard) when warranted by circumstances that have bearing on the SEMAP indicators such as adverse litigation, fair housing and equal opportunity compliance concerns, fraud or misconduct, audit findings, or substantial noncompliance with program requirements. HUD will provide the HA a written explanation of any modified overall performance rating.

HUD Notification to HA of SEMAP Ratings

Within 45 days of receipt of the HA's certification, the HUD Office will complete an HA SEMAP profile and will notify the HA in writing of its rating on each SEMAP indicator, the HA's overall SEMAP score and its overall performance rating (high performer, standard, or troubled). The HUD notification letter will identify and require correction of any program management deficiencies within 45 days.

3. Required Actions for SEMAP Deficiencies

Section 985.106 requires that the HA improve its Section 8 program management for any SEMAP indicator that is rated zero (a "SEMAP deficiency"), and must send HUD a written report of the corrective action taken on the SEMAP deficiency within 45 days of receipt of its SEMAP ratings from HUD. If an HA fails to correct SEMAP deficiencies as required, HUD will require that the HA prepare and submit a written corrective action plan for the deficiency within 30 days.

HUD must, under § 985.107, review on-site any HA that is assigned an overall performance rating of troubled. HUD will issue a written report of its on-site review findings and recommendations. Upon receipt of the HUD report, the HA must write a corrective action plan and submit it to HUD for approval. Both the HA and HUD must monitor implementation of a corrective action plan to ensure targets for improved performance are met.

Any HA assigned an overall performance rating of troubled may not use any part of the administrative fee reserve for other housing purposes (see 24 CFR 982.155(b)). In these cases, the HUD Office may require use of the administrative fee reserve for specific administrative improvements in areas where administration is found deficient.

4. HAs Under the Jurisdiction of More than One HUD Office

For any HA with jurisdiction under the jurisdiction of more than one HUD Office (e.g. a state agency), the HUD Office with the greatest amount of funding obligated under ACCs will assume all responsibility for administration of SEMAP for the HA.

C. Default Under ACC

An HA's failure to correct identified SEMAP deficiencies or to prepare and implement a corrective action plan required by HUD may constitute a default under the ACC as determined by HUD. The ACC provides for HUD notice of a determination of default to the HA and authorizes HUD to take possession of all or any HA property, rights, or interests in connection with a program if HUD determines that the HA has failed to comply with obligations under the ACC, including compliance with any final SEMAP regulation, or with obligations under a HAP contract.

III. Findings and Certifications

Paperwork Reduction Act Statement

The proposed information collection requirements contained at §§ 985.101,

985.106 and 985.107 of this proposed rule have been submitted to the Office of Management and Budget (OMB) for review, under section 3507(d) of the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35).

(a) In accordance with 5 CFR 1320.5(a)(1)(iv), the Department is setting forth the following concerning the proposed collection of information:

(1) Title of the information collection proposal: Section 8 Management Assessment Program (SEMAP)

(2) Summary of the collection of information:

A proposed SEMAP certification form is attached as Appendix 1 to this proposed rule. The corrective action plan is a written plan prepared by an HA to address program management deficiencies or findings identified by HUD through remote monitoring or on-site review that will bring the HA to an acceptable level of performance. Through the report of corrective action, an HA describes how it corrected any

SEMAP deficiency (indicator rating of zero).

(3) Description of the need for the information and its proposed use:

HUD has determined that a management assessment program for Section 8 tenant-based assistance, similar to the Public Housing Management Assessment Program (PHMAP) and including SEMAP certifications, corrective action plans, and reports of corrective actions, can improve the Department's oversight of the Section 8 programs and help HUD to target monitoring and program assistance to public housing agency (HA) programs needing most improvement and posing the greatest risk.

HUD will use the HA's SEMAP certification, together with otherwise available data, to assess HA management capabilities and deficiencies, and to assign an overall performance rating to each HA administering Section 8 tenant-based assistance. HUD will rate an HA on each

SEMAP indicator, and will complete an HA SEMAP profile identifying any program management deficiencies and assigning an overall performance rating. An HA's written report of correction of a SEMAP deficiency will be used as documentation that the HA has taken action to address identified program weaknesses. Where HUD assigns an overall performance rating of troubled, the HA's corrective action plan will be used to monitor the HA's progress on program improvements.

(4) Description of the likely respondents, including the estimated number of likely respondents, and proposed frequency of response to the collection of information:

Respondents will be PHAs. The estimated number of respondents is included in paragraph (5), immediately below. The proposed frequency of responses is once annually.

(5) Estimate of the total reporting and recordkeeping burden that will result from the collection of information:

SECTION 8.—MANAGEMENT ASSESSMENT PROGRAM

Information collection	Number of respondents	Responses per respondent	Total annual responses	Hours per response	Total hours	Regulatory reference
SEMAP Certification	2,670	1	2,670	15-6	14,500	985.101
Corrective Action Plan	260	1	260	10	2,600	985.107(c)
Report on Correction of SEMAP Deficiency	670	1	670	2	1,340	985.106
Total Annual Burden					18,440	

¹ 1,150 metropolitan HAs will require an extra hour to write narrative on actions to broaden metropolitan area-wide housing choice.

(b) In accordance with 5 CFR 1320.8(d)(1), the Department is soliciting comments from members of the public and affected agencies concerning the proposed collection of information to:

(1) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(2) Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information;

(3) Enhance the quality, utility, and clarity of the information to be collected; and

(4) Minimize the burden of the collection of information on those who are to respond; including through the use of appropriate automated collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

Interested persons are invited to submit comments regarding the information collection requirements in

this proposal. Comments must be received within sixty (60) days from the date of this proposal. Comments must refer to the proposal by name and docket number (FR-3447) and must be sent to: Joseph F. Lackey, Jr., HUD Desk Officer, Office of Management and Budget, New Executive Office Building, Washington, DC 20503.

Environmental Impact

A Finding of No Significant Impact with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969. The Finding of No Significant Impact is available for public inspection between 7:30 a.m. and 5:30 p.m. weekdays in the Office of the Rules Docket Clerk at the above address.

Regulatory Planning and Review

This proposed rule has been reviewed in accordance with Executive Order 12866, issued by the President on September 30, 1993 (58 FR 51735,

October 4, 1993). Any changes to the proposed rule resulting from this review are available for public inspection between 7:30 a.m. and 5:30 p.m. weekdays in the Office of the Rules Docket Clerk.

Regulatory Flexibility Act.

In accordance with 5 U.S.C. 605(b) (the Regulatory Flexibility Act), the undersigned hereby certifies that this proposed rule does not have a significant economic impact on a substantial number of small entities. The proposed rule establishes management assessment criteria for HAs. HUD does not anticipate a significant economic impact on a substantial number of small entities, since the proposed rule establishes management assessment criteria which will be utilized by State/Area Offices for monitoring purposes and the provision of technical assistance to HAs.

Unfunded Mandates Reform Act

The Secretary has reviewed this proposed rule before publication and by

approving it certifies, in accordance with the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1532), that this proposed rule does not impose a Federal mandate that will result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more in any one year.

Federalism

The General Counsel, as the Designated Official under section 6(a) of Executive Order 12612, Federalism, has determined that the policies contained in this proposed rule will not have substantial direct effects on States or their political subdivisions, or the relationship between the Federal government and the States, or on the distribution of power and responsibilities among the various levels of government. The proposed rule is intended to promote good management practices by including, in HUD's relationship with HAs, continuing review of HAs' compliance with already existing requirements. The proposed rule does not create any new significant requirements of its own. As a result, the proposed rule is not subject to review under the Order.

Family Impact

The General Counsel, as the Designated Official under Executive Order 12606, The Family, has determined that this proposed rule does not have potential for significant impact on family formation, maintenance, and general well-being, and, thus, is not subject to review under the Order. The proposed rule involves requirements for management assessment of HAs. Any effect on the family would be indirect. To the extent families in public housing will be affected, the impact of the rule's requirements is expected to be a positive one.

Catalog

The catalog of Federal Domestic Assistance numbers are 14.855 and 14.857.

List of Subjects in 24 CFR Part 985

Grant programs—housing and community development, Housing, Rent subsidies, Reporting and recordkeeping requirements.

Accordingly, 24 CFR, chapter IX is proposed to be amended by adding a new part 985 to read as follows:

PART 985—SECTION 8 MANAGEMENT ASSESSMENT PROGRAM (SEMAP)

Subpart A—General

Sec.

- 985.1 Purpose and applicability.
- 985.2 Definitions.
- 985.3 Indicators, HUD verification methods and ratings.

Subpart B—Program Operation

- 985.101 SEMAP certification.
- 985.102 SEMAP profile.
- 985.103 SEMAP score and overall performance rating.
- 985.104 HA right of appeal of overall rating.
- 985.105 HUD Office SEMAP responsibilities.
- 985.106 Required actions for SEMAP deficiencies.
- 985.107 Required actions for HA with troubled performance rating.
- 985.108 SEMAP records.
- 985.109 Default under the Annual Contributions Contract (ACC).

Authority: 42 U.S.C. 1437a, 1437c, 1437f, and 3535(d).

Subpart A—General

§ 985.1 Purpose and applicability.

(a) *Purpose.* The Section 8 Management Assessment Program (SEMAP) is designed to assess whether the Section 8 tenant-based assistance programs operate to help eligible families afford decent rental units at a reasonable subsidy cost. SEMAP also establishes an objective system for HUD to measure HA performance in key Section 8 program areas to enable the Department to ensure program integrity and accountability. SEMAP provides procedures for HUD to identify HA management capabilities and deficiencies in order to target monitoring and program assistance more effectively. HAs can use the SEMAP performance analysis to assess and improve their own program operations.

(b) *Applicability.* This rule applies to HA administration of the tenant-based Section 8 rental voucher and rental certificate programs (24 CFR part 982), the project-based component of the certificate program (24 CFR part 983), and enrollment of Section 8 participants under the family self-sufficiency program (FSS) (24 part CFR 984). This rule does not apply to Indian housing authority (IHA) administration of these programs. Performance of IHA administration of the Section 8 programs is assessed using the HUD Office of Native American Programs Risk Assessment and Determination for Allocation of Resources instrument. SEMAP does not cover the Section 8 moderate rehabilitation program (24 CFR part 882, subparts D and E).

§ 985.2 Definitions.

(a) The terms *Department*, *Fair Market Rent*, *HUD*, *Secretary*, and *Section 8*, as used in this part, are defined in 24 CFR 5.100.

(b) The definitions in 24 CFR 982.4 apply to this part. As used in this part: *Corrective action plan* means a HUD-required written plan to address HA program management deficiencies or findings identified by HUD through remote monitoring or on-site review that will bring the HA to an acceptable level of performance.

HA means a Housing Agency, excluding an IHA.

HUD office means a HUD State or Area Office unless otherwise specified.

MTCS means Multifamily Tenant Characteristics System. MTCS is the Department's national data base on participants and rental units in the Section 8 rental certificate, rental voucher, and moderate rehabilitation programs and in the Public and Indian Housing programs.

MTCSupport means HUD's automated system to provide summary reports of Section 8 participant data collected and maintained in HUD's MTCS.

Performance indicator means a standard set for a key area of Section 8 program management against which the HA's performance is measured to show whether the HA administers the program properly and effectively. (See § 985.3.)

SEMAP certification means the HA's annual certification to HUD, on the form prescribed by HUD, concerning its performance in key Section 8 program areas.

SEMAP deficiency means any rating of 0 points on a SEMAP performance indicator.

SEMAP profile means a summary prepared by the HUD Office of an HA's ratings on each SEMAP indicator, its overall SEMAP score, and its overall performance rating (high performer, standard, troubled).

§ 985.3 Indicators, HUD verification methods and ratings.

This section states the performance indicators that are used to assess HA Section 8 management. The HUD Office will use the verification method identified for each indicator in reviewing the accuracy of an HA's annual SEMAP certification. The HUD Office will prepare a SEMAP profile for each HA assigning a rating for each indicator as shown. If the HUD verification method for the indicator relies on data in MTCSupport and HUD determines those data are insufficient to verify the HA's certification on the indicator due to the HA's failure to

adequately report family data, the HUD Office shall assign a zero rating for the indicator:

(a) *Selection from the Waiting List.* (1) This indicator shows whether the HA has written admission policies in its administrative plan 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)).

(2) HUD verification method: The latest independent auditor (IA) annual audit report.

(3) Rating: (i) The latest IA audit report states that: The HA has written admission policies in its administrative plan and, based on random samples of applicants and admissions, documentation in the tenant files shows that families 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 admission. 10 points.

(ii) The latest IA audit report does not support the statement in paragraph (a)(3)(i) of this section. 0 points.

(b) *Rent reasonableness.* (1) This indicator shows whether the HA has and implements a written methodology to determine and document for each unit leased that, at the time of initial leasing and at least annually during an assisted tenancy, the rent to owner is reasonable based on current rents for comparable unassisted units. The HA's system must take into consideration the location, size, type, quality, age and amenities of the unit to be leased in determining comparability and the reasonable rent.

(2) HUD verification method: The latest IA annual audit report.

(3) Rating: (i) The latest IA audit report states that:

(A) The HA has a written methodology it follows to determine rent reasonableness; and

(B) Based on a random sample of tenant files, the HA documents rent reasonableness for each unit leased at initial leasing and annually thereafter. 20 points.

(ii) The latest IA audit report includes the statement in paragraph (b)(3)(i) of this section, except that the HA documents rent reasonableness for only 80 to 99 percent of units at initial leasing and annually thereafter. 10 points.

(iii) The latest IA audit report does not support either statement in paragraphs (b)(3)(i) and (b)(3)(ii) of this section. 0 points.

(c) *Fair market rent (FMR) limit and payment standard (PS).* (1) This indicator shows whether at least 90

percent of the units newly leased under the rental certificate program have initial gross rents at or below the applicable FMR/exception rent limits, and whether the HA has adopted payment standards for the rental voucher program, for each FMR area in the HA jurisdiction, which do not exceed the applicable FMR/exception rent limits.

(2) HUD verification method: MTCSupport—Rents and Rent Burdens Report—Shows newly leased certificate units' gross rents as percent of FMR and shows voucher payment standards as percent of FMR.

(3) Rating: (i) At least 90 percent of the units newly leased under the rental certificate program have initial gross rents at or below the applicable FMR/exception rent limits and the HA's rental voucher program payment standards do not exceed the applicable FMR/exception rent limits. 5 points.

(ii) More than 10 percent of rental certificate program units have been newly leased at initial gross rents that exceed the applicable FMR/exception rent limits or the HA's rental voucher program payment standards exceed the FMR/exception rent limits. 0 points.

(d) *Annual reexaminations.* (1) This indicator shows whether the HA conducts a reexamination for each participating family at least every 12 months.

(2) HUD verification method: MTCSupport—Key Management Indicators Report—Shows percent of reexaminations that are more than 2 months overdue. The 2-month allowance is provided only to accommodate a possible lag in the HA's electronic reporting of the annual reexamination on Form HUD-50058, and to allow the processing of the data into MTCS. The 2-month allowance provided here for rating purposes does not mean that any delay in completing annual reexaminations is permitted.

(3) Rating: (i) Fewer than 2 percent of all HA reexaminations are more than 2 months overdue. 10 points.

(ii) 2 to 10 percent of all HA reexaminations are more than 2 months overdue. 5 points.

(iii) More than 10 percent of all HA reexaminations are more than 2 months overdue. 0 points.

(e) *Correct tenant rent calculations.*

(1) This indicator shows whether the HA correctly calculates tenant rent in the rental certificate program and the family's share of the rent to owner in the rental voucher program.

(2) HUD verification method: MTCSupport—Key Management Indicators Report—Shows percent of all tenant rent and family's share of the rent

to owner calculations that are incorrect based on data sent to HUD by the HA on Forms HUD-50058.

(3) Ratings: (i) 2 percent or fewer of all HA tenant rent and family's share of the rent to owner calculations are incorrect. 5 points.

(ii) More than 2 percent of all HA tenant rent and family's share of the rent to owner calculations are incorrect. 0 points.

(f) *Income determination and utility allowances.* (1) This indicator shows whether, at the time of admission and reexamination, the HA verifies and correctly determines adjusted annual income for each assisted family, and whether the HA maintains and properly applies an up-to-date utility allowance schedule. (24 CFR 813.109).

(2) HUD verification method: The latest IA annual audit report.

(3) Rating: (i) (A) The latest IA audit report states that, based on the audit and a random sample of tenant files, for at least 90 percent of families:

(1) The HA obtains third party verification of reported family income, assets, and composition, and/or documents tenant files to show why independent verification is not possible;

(2) The HA properly attributes and calculates allowances for any medical, child care, and/or handicapped assistance costs; and

(3) The HA uses the appropriate utility allowances for the unit leased.

(B) The audit report also states that the HA has analyzed utility rate data within the last year, 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. 20 points.

(ii) The latest IA audit report includes the statements in paragraph (f)(3)(i) of this section, except that the HA obtains third party verifications, properly attributes allowances, and uses the appropriate utility allowances for only 80 to 89 percent of families. 10 points.

(iii) The latest IA audit report does not support the statements in either paragraph (f)(3)(i) or (f)(3)(ii) of this section. 0 points.

(g) *Time from request for lease approval (RFLA) to HQS inspection.* (1) This indicator shows whether the HA promptly inspects a unit when a rental voucher or certificate holder submits a RFLA.

(2) HUD verification method: On-site confirmatory review.

(3) Rating: (i) 90 percent or more units are inspected within 7 calendar days of HA receipt of RFLA. 10 points.

(ii) 90 percent or more units are inspected within 14 calendar days of HA receipt of RFLA. 5 points.

(iii) Less than 90 percent of units are inspected within 14 calendar days of RFLA. 0 points.

(iv) If a unit for which an HA receives a RFLA is occupied, and therefore not available for inspection at the time the HA receives the RFLA, the HA may document this fact and the date that the HA is later notified that the unit is vacant and available for inspection. The later date may be used as the date of the HA's receipt of the RFLA for rating under this indicator.

(h) *Pre-contract housing quality standards (HQS) inspections.* (1) This indicator shows whether each unit leased passed HQS inspection before the beginning date of the assisted lease term. (24 CFR 982.305).

(2) HUD verification method: MTCSupport—Key Management Indicators Report—Shows percent of newly leased units where the effective date of the assistance contract is before the date the unit passed HQS inspection.

(3) Rating: (i) Each unit under HAP contract passed HQS inspection before the beginning date of the assisted lease term. 5 points.

(ii) Any unit has been leased that did not pass HQS inspection before the beginning date of the assisted lease term. 0 points.

(i) *Annual HQS inspections.* (1) This indicator shows whether the HA inspects each unit under contract at least annually. (24 CFR 982.405(a)).

(2) HUD verification method: MTCSupport—Key Management Indicators Report—Shows percent of HQS inspections that are more than 2 months overdue. The 2-month allowance is provided only to accommodate a possible lag in the HA's electronic reporting of the annual HQS inspection on Form HUD-50058, and to allow the processing of the data into MTCS. The 2-month allowance provided here for rating purposes does not mean that any delay in completing annual HQS inspections is permitted.

(3) Rating: (i) No annual HQS inspections of units under contract are more than 2 months overdue. 10 points.

(ii) Some but less than 10 percent of all annual HQS inspections of units under contract are more than 2 months overdue. 5 points.

(iii) 10 percent or more of all annual HQS inspections of units under contract are more than 2 months overdue. 0 points.

(j) *HQS quality control inspections.* (1) This indicator shows whether an HA supervisor or other qualified person

reinspects a random sample of at least 5 percent of completed HQS inspections. (24 CFR 982.405(b)).

(2) HUD verification method: The latest IA annual audit report.

(3) Rating: (i) The latest IA audit report states that the auditor has determined that an HA supervisor or other qualified person performs reinspections of a sample of 5 percent of inspections for quality control purposes. 5 points.

(ii) The latest IA audit report does not support the statement in paragraph (j)(3)(i) of this section. 0 points.

(k) *HQS enforcement.* (1) This indicator shows whether, following each HQS inspection, the unit passes HQS or cited deficiencies are corrected within 30 days or any HA-approved extension. In addition, if deficiencies are not corrected timely, the indicator shows whether the HA stops (abates) HAPs or terminates the HAP contract or, for family-caused defects, takes prompt and vigorous action to enforce the family obligations. (24 CFR 982.404).

(2) HUD verification method: The latest IA annual audit report.

(3) Rating: (i) The latest IA audit report states that the review of a random sample of tenant files shows that, if HQS deficiencies are not corrected within 30 days or any HA-approved extension, the HA stops (abates) HAPs or takes prompt and vigorous action to enforce family obligations. 10 points.

(ii) The latest IA audit report does not support the statement in paragraph (k)(3)(i) of this section. 0 points.

(l) *Lease-up.* (1) This indicator shows whether the HA successfully contracts for the units that have been under budget for at least one year.

(2) HUD verification method: Latest Report on Program Utilization (HUD-52683).

(3) Rating: (i) 98 percent or more of the units budgeted for the last completed HA fiscal year are under contract. 20 points.

(ii) 95 percent or more but less than 98 percent of the units budgeted for the last completed HA fiscal year are under contract. 10 points.

(iii) Less than 95 percent of the units budgeted for the last completed HA fiscal year are under contract. 0 points.

(iv) If the HA failed to submit the required Report on Program Utilization, 0 points shall be assigned for this indicator.

(m) *Family self-sufficiency (FSS) enrollment.* (1) This indicator shows whether the HA has enrolled families in the FSS program as required. This indicator applies only to HAs with mandatory FSS programs (i.e., HAs that received FY 1992 FSS incentive award

Section 8 funding or that received FY 1993 or later year Section 8 funding (excluding renewal funding)). (24 CFR 984.105).

(2) HUD verification method: MTCSupport—Resident Characteristics Report—Shows number of families enrolled in FSS. This number is divided by the number of mandatory FSS slots based on funding reserved for the HA through the second to last completed Federal fiscal year.

(3) Rating: (i) The HA has filled 80 percent or more of its mandatory FSS slots. 10 points.

(ii) The HA has filled 60 to 79 percent of its mandatory FSS slots. 5 points.

(iii) The HA has filled fewer than 60 percent of its mandatory FSS slots. 0 points.

(n) *Deconcentration.* (1) This indicator applies only to HAs with jurisdiction in metropolitan areas. The indicator shows whether the HA effectively solicits participation of owners of affordable units in all areas of its jurisdiction, provides assistance to Section 8 families with children to motivate and increase housing choice, and takes action to broaden metropolitan area-wide housing choice.

(2) HUD verification method: MTCS data and HA narrative describing actions to broaden metropolitan area-wide housing choice. HUD assesses the HA's effectiveness in encouraging deconcentration by determining whether Section 8 families with children are at least as dispersed throughout the metropolitan area as FMR-priced units. FMR-priced units are standard quality rental units, excluding zero- and one-bedroom units, that rent at or below the FMR. To compare the dispersal of Section 8 families with children to the dispersal of FMR-priced units, HUD first determines the dispersal of FMR-priced units among all census tracts in an HA jurisdiction and in the metropolitan area based on 1990 census data and FMRs. HUD then considers the poverty rates of the census tracts and determines what poverty rate divides the FMR-priced units in half (the "dividing poverty rate"). That is, at what poverty rate are half of the FMR-priced units dispersed in census tracts with poverty rates above that level, and half dispersed in census tracts with poverty rates below that level. Then HUD determines the percent of Section 8 families with children that reside in census tracts with poverty rates below the dividing poverty rate. The goal is to have at least 60 percent of Section 8 families with children living in census tracts with poverty rates below the dividing poverty rate. HUD makes the determination twice: First, for only the

HA's area of jurisdiction, and then for the entire metropolitan area. HUD also assesses the HA's actions to broaden metropolitan area-wide housing choice such as counseling, transportation assistance, and cooperation with other metropolitan area HAs or nonprofit organizations which promote housing choice.

(3) Rating: (i) At least 50 percent of Section 8 families with children reside in the HA jurisdiction census tracts with poverty rates below the dividing poverty rate; and at least 50 percent of Section 8 families with children reside in the metropolitan area census tracts with poverty rates below the dividing poverty rate, or the HA is taking action to broaden metropolitan area-wide housing choice. 10 points.

(ii) 40 to 49 percent of Section 8 families with children reside in the HA jurisdiction census tracts with poverty rates below the dividing poverty rate; and 40 to 49 percent of Section 8 families with children reside in the metropolitan area census tracts with poverty rates below the dividing poverty rate, or the HA is taking action to broaden metropolitan area-wide housing choice. 5 points.

(iii) Neither statement in paragraph (n)(3)(i) or (n)(3)(ii) applies. 0 points.

(o) *Welfare to work.* (1) This indicator shows whether the HA helps assisted families move from welfare to work. HUD will determine the percentage of the HA's rental voucher and certificate program families whose primary source of income at the start of the previous federal fiscal year was AFDC and/or general assistance ("welfare families") (excluding families whose head of household is elderly or disabled) which had earnings as the primary source of income ("working families") at the end of the previous federal fiscal year. This indicator will be implemented in SEMAP beginning in federal fiscal year 1999.

(2) HUD verification method: MTCSupport—Key Management Indicators—Shows percent of welfare families who became working families during the previous federal fiscal year.

(3) Rating: (i) More than 15 percent of welfare families became working families during the previous federal fiscal year. 10 points.

(ii) Between 5 and 15 percent of welfare families became working families during the previous federal fiscal year. 5 points.

(iii) Fewer than 5 percent of welfare families became working families during the previous federal fiscal year. 0 points.

Subpart B—Program Operation

§ 985.101 SEMAP certification.

(a) An HA must submit the HUD-required SEMAP certification form within 45 calendar days after the start of its fiscal year.

(1) The certification must be approved by HA board resolution and be signed by the board of commissioners chairperson and by the HA executive director. Where a unit of local government or a state administers the Section 8 program, a resolution approving the certification is not required, and the certification must be executed by the Section 8 program director and the chief executive officer of the unit of government.

(2) An HA that subcontracts administration of its program to one or more subcontractors shall require each subcontractor to submit the subcontractor's own SEMAP certification on the HUD-prescribed form to the HA in support of the HA's SEMAP certification to HUD. The HA shall retain subcontractor certifications for three years.

(3) An HA may include with its SEMAP certification any information bearing on the accuracy or completeness of the information used by the HA in providing its certification.

(b) Failure of an HA to submit its SEMAP certification within 45 calendar days after the start of its fiscal year will result in an overall performance rating of troubled and the HA will be subject to the requirements at § 985.107.

(c) An HA's SEMAP certification is subject to HUD verification by an on-site confirmatory review at any time.

§ 985.102 SEMAP profile.

Upon receipt of the HA's SEMAP certification, the HUD Office will rate the HA's performance under each SEMAP indicator in accordance with § 985.3. If an HA administers both the rental certificate program and the rental voucher program, performance under each indicator is initially assessed separately for each program. If the indicator ratings differ by program, the HUD Office shall assign the HA the lower rating for the indicator. The HUD Office will then prepare a SEMAP profile for each HA which shows the rating for each indicator, sums the indicator ratings, and divides by the total possible points to arrive at an HA's overall SEMAP score.

§ 985.103 SEMAP score and overall performance rating.

(a) *High performer rating.* HAs with SEMAP scores of at least 90 percent shall be rated high performers under

SEMAP. An HA that achieves an overall performance rating of high performer may receive national recognition by the Department.

(b) *Standard rating.* HAs with SEMAP scores of 60 to 89 percent shall be rated standard.

(c) *Troubled rating.* HAs with SEMAP scores of less than 60 percent shall be rated troubled.

(d) *Modified rating.* (1) Notwithstanding an HA's SEMAP score, the HUD Office may modify an HA's overall performance rating when warranted by circumstances which have bearing on the SEMAP indicators such as adverse litigation, a conciliation agreement under Title VI of the Civil Rights Act of 1964 (42 U.S.C. 3600–3620), fair housing and equal opportunity monitoring and compliance review findings, fraud or misconduct, audit findings or substantial noncompliance with program requirements.

(2) When the HUD Office modifies an overall performance rating for any reason it shall explain in writing to the HA the reasons for the modification.

§ 985.104 HA right of appeal of overall rating.

An HA may appeal its overall performance rating to the HUD Office by providing justification of the reasons for its appeal.

§ 985.105 HUD Office SEMAP responsibilities.

(a) *Annual review.* The HUD Office shall assess each HA's performance under SEMAP annually and shall assign each HA a SEMAP score and overall performance rating.

(b) *Notification to HA.* No later than 45 calendar days after receipt of the HA's SEMAP certification, the HUD Office shall notify each HA in writing of its rating on each SEMAP indicator, of its overall SEMAP score and of its overall performance rating (high performer, standard, troubled). The HUD notification letter shall identify and require correction of any SEMAP deficiencies (indicator rating of zero) within 45 calendar days.

(c) *On-site confirmatory review.* The HUD Office may conduct an on-site confirmatory review to verify the HA certification and the HUD rating under any indicator.

(d) *Changing rating from troubled.* The HUD Office must conduct an on-site confirmatory review of an HA's performance before changing any annual overall performance rating from troubled to standard or high performer.

(e) *Appeals.* The HUD Office must review, consider and provide a final

written determination to an HA on its appeal of its overall performance rating.

(f) *Corrective action plans.* The HUD Office must review the adequacy and monitor implementation of HA corrective action plans submitted under § 985.106(c) or § 985.107(c), and provide technical assistance to help the HA improve program management. If an HA is assigned an overall performance rating of troubled, the HA's corrective action plan must be approved by the HUD Office.

§ 985.106 Required actions for SEMAP deficiencies.

(a) When the HA receives the HUD Office notification of its SEMAP rating, an HA must correct any SEMAP deficiency (indicator rating of zero) within 45 calendar days.

(b) The HA must send a written report to the HUD Office on its correction of any identified SEMAP deficiency.

(c) If an HA fails to correct a SEMAP deficiency within 45 calendar days as required, the HUD Office may then require the HA to prepare and submit a corrective action plan for the deficiency within 30 calendar days.

§ 985.107 Required actions for HA with troubled performance rating.

(a) *Required on-site review.* Upon assigning an overall performance rating of troubled, the HUD Office must conduct an on-site review of HA program management.

(b) *HUD written report.* The HUD Office must provide the HA a written report of its on-site review containing HUD findings of program management deficiencies and recommendations for improvement.

(c) *HA corrective action plan.* Upon receipt of the HUD Office written report on its on-site review, the HA must write a corrective action plan and submit it to HUD for approval. The corrective action plan must:

- (1) Specify goals to be achieved;
- (2) Identify obstacles to goal achievement and ways to eliminate or avoid them;
- (3) Identify resources that will be used or sought to achieve goals;
- (4) Identify an HA staff person with lead responsibility for completing each goal;
- (5) Identify key tasks to reach each goal;
- (6) Specify time frames for achievement of each goal, including intermediate time frames to complete each key task; and
- (7) Provide for regular evaluation of progress toward improvement.

(d) *Monitoring.* The HA and the HUD Office must monitor the HA's implementation of its corrective action plan to ensure performance targets are met.

(e) *Use of administrative fee reserve prohibited.* Any HA assigned an overall performance rating of troubled may not

use any part of the administrative fee reserve for other housing purposes (see 24 CFR 982.155(b)).

(f) *Upgrading poor performance rating.* The HUD Office shall change an HA's overall performance rating from troubled to standard or high performer if HUD determines that a change in the rating is warranted because of improved HA performance and an improved SEMAP score.

§ 985.108 SEMAP records.

The HUD Office shall maintain SEMAP files, including certifications, notifications, appeals, corrective action plans, and related correspondence for at least three years.

§ 985.109 Default under the Annual Contributions Contract (ACC).

HUD may determine that an HA's failure to correct identified SEMAP deficiencies or to prepare and implement a corrective action plan required by HUD constitutes a default under the ACC.

Dated: October 21, 1996.

Kevin Emanuel Marchman,
Acting Assistant Secretary for Public and Indian Housing.

Note: Appendix 1 will not be codified in the Code of Federal Regulations.

BILLING CODE 4210-33-P

Appendix 1 - Proposed Section 8 Management Assessment Program Certification**Instructions:** Respond to this certification form using the HA's actual data.**HA Name:****For HA Fiscal Year Ending:****Submission Date:**

Performance Indicator	HA Response
<p>1. Selection from the Waiting List. The HA has written admission policies in its administrative plan which it follows when selecting applicants for admission from the waiting list. (24 CFR 982.54(d)(1) and 982.204(a)) (Enter Yes or No)</p>	
<p>2. Rent Reasonableness. The HA has and implements a written methodology to determine and document, for each unit leased, that, at the time of initial leasing and at least annually during an assisted tenancy, the rent to owner is reasonable based on current rents for comparable unassisted units. The HA's system takes into consideration the location, size, type, quality, age and amenities of the unit to be leased in determining comparability and the reasonable rent. (Enter Yes or No)</p>	
<p>3. FMR Limit and Payment Standards. The initial gross rents for 90% of units newly leased under the rental certificate program are at or below the applicable FMR/exception rent limits and the HA has adopted payment standards for the rental voucher program by unit size for each fair market rent area in the HA jurisdiction which do not exceed the FMR/exception rent limits. (Enter Yes or No, and enter FMRs and payment standards)</p>	<p>Y or N: _____</p> <p>0-BR FMR: _____ 3-BR FMR: _____</p> <p>PS: _____ PS: _____</p> <p>1-BR FMR: _____ 4-BR FMR: _____</p> <p>PS: _____ PS: _____</p> <p>2-BR FMR: _____</p> <p>PS: _____</p> <p>IF THE HA HAS JURISDICTION IN MORE THAN ONE FMR AREA, ATTACH FMR & PAYMENT STANDARD SCHEDULES FOR EACH FMR AREA</p>
<p>4. Annual Reexaminations. The HA conducts a reexamination for each participating family at least every 12 months. (Enter Yes or No)</p>	
<p>5. Correct Tenant Rent Calculations. The HA correctly calculates tenant rent in the rental certificate program and the family's share of the rent to owner in the rental voucher program. (Enter Yes or No)</p>	

Performance Indicator	HA Response
<p>6. Income Determination and Utility Allowances. At the time of admission and reexamination, the HA verifies and correctly determines adjusted annual income for each assisted family, and the HA maintains and properly applies an up-to-date utility allowance schedule. (24 CFR 813.109) (Enter Yes or No)</p>	
<p>7. Time from Request for Lease Approval (RFLA) to HQS Inspection. The HA promptly inspects a unit when a rental voucher or certificate holder submits a RFLA. (See 24 CFR 985.3(g)(3)(iv) regarding a unit that is occupied at the time the HA receives the RFLA.)</p>	<p>% Units inspected by HA within 7 calendar days of HA receipt of RFLA: _____</p> <p>% Units inspected by HA within 14 calendar days after HA receipt of RFLA: _____</p> <p>% Units inspected by HA later than 2 weeks after HA receipt of RFLA: _____</p>
<p>8. Pre-contract HQS Inspections. Each unit leased passed HQS inspection before the beginning date of the assisted lease. (24 CFR 982.305) (Enter Yes or No)</p>	
<p>9. Annual HQS Inspections. The HA inspects each unit under contract at least annually. (24 CFR 982.405) (Enter Yes or No)</p>	
<p>10. HQS Quality Control Inspections. An HA supervisor (or other qualified person) reinspects a random sample of at least 5 percent of completed HQS inspections. (24 CFR 982.405(b)). (Enter Yes or No)</p>	
<p>11. HQS Enforcement. Following each HQS inspection, the HA ensures that the unit passes HQS or that cited deficiencies are corrected within 30 days (or any HA-approved extension). If deficiencies are not corrected timely, the HA stops (abates) HAPs or terminates the HAP contract, or, for family-caused defects, takes prompt and vigorous action to enforce the family obligations. (24 CFR 982.404) (Enter Yes or No)</p>	
<p>12. Lease-Up. The HA executes assistance contracts on behalf of eligible families for the number of units that have been under budget for at least one year.</p>	<p>a. Total certificate units budgeted for last HA FY: _____</p> <p>b. Total certificate units now under assistance contract: _____</p> <p>% Certificate Units Leased (b/a): _____</p> <p>c. Total voucher units budgeted for last HA FY: _____</p> <p>d. Total voucher units now under assistance contract: _____</p> <p>% Voucher Units Leased (d/c): _____</p>

Performance Indicator	HA Response
<p>13. Family Self-Sufficiency Enrollment. The HA has enrolled families in FSS as required. (24 CFR 984.105) (APPLIES ONLY TO HAs REQUIRED TO ADMINISTER AN FSS PROGRAM)</p>	<p>a. # Mandatory FSS slots (count units funded under FY 1992 FSS incentive awards and in FY 1993 and later through the 2nd to last completed FFY: _____</p> <p>OR, Mandatory FSS slots under HUD-approved exception: _____</p> <p>b. # Families currently enrolled: _____</p> <p>% FSS slots filled (b/a): _____</p> <p>OR, Not Applicable: _____</p>
<p>14. Deconcentration. The HA solicits participation of owners of affordable units in all areas of its jurisdiction, provides assistance to Section 8 families with children to motivate and increase housing choice, and takes action to broaden metropolitan area-wide housing choice. (APPLIES ONLY TO HAs WITH JURISDICTION IN METROPOLITAN AREAS) (Enter Yes or No)</p>	<p>ATTACH A BRIEF NARRATIVE (NO MORE THAN 1 PAGE) DESCRIBING THE HA'S ACTIONS TO BROADEN METROPOLITAN AREA-WIDE HOUSING CHOICE.</p>
<p>15. Welfare to Work. Beginning in FFY 1999, include this indicator:</p> <p>The HA helps assisted families move from welfare to work. (Enter Yes or No)</p>	

I hereby certify that, as of the submission date, the above responses concerning the Section 8 Management Assessment Program (SEMAP) performance indicators are true and accurate for the HA fiscal year indicated above. I also certify that, to my present knowledge, there is not evidence to indicate seriously deficient performance that casts doubt on the HA's capacity to administer Section 8 rental assistance in accordance with federal law and regulations.

Executive Director, signature & date

Chairperson, Board of Commissioners, signature & date

X _____

X _____

The HA may include with its SEMAP certification any information bearing on the accuracy or completeness of the information used by the HA in providing its certification.