PHAC #2
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MEMORANDUM **Neighborhood Resources Division - Memo No. HD13-10P**

DATE: JULY 29, 2013

TO: PUBLIC HOUSING AUTHORITY COMMISSION

THRU: RICH DLUGAS, CITY MANAGER
JEFF CLARK, FIRE CHIEF
JENNIFER MORRISON, NEIGHBORHOOD RESOURCES DIRECTOR
KURT KNUTSON, HOUSING AND REDEVELOPMENT MANAGER

FROM: LORRAINE TROW, HOUSING ADMINISTRATIVE SUPERVISOR

SUBJECT: RESOLUTION NO. H0108 CERTIFYING THAT THE INDICATORS IDENTIFIED IN THE SECTION 8 MANAGEMENT ASSESSMENT PROGRAM CERTIFICATION FOR THE CITY OF CHANDLER HOUSING AND REDEVELOPMENT DIVISION ARE TRUE AND ACCURATE FOR THE FISCAL YEAR ENDING JUNE 30, 2013

RECOMMENDATION: Staff recommends to the Public Housing Authority Commission approval of Resolution No. H0108 certifying that the indicators identified in the Section 8 Management Assessment Program (SEMAP) certification for the City of Chandler Housing and Redevelopment Division are true and accurate for the fiscal year ending June 30, 2013.

BACKGROUND: On September 10, 1998, the United States Department of Housing and Urban Development (HUD) published the final rule on the SEMAP. The final rule established an assessment system on the operation of Section 8 tenant-based programs to assist eligible families to afford decent, safe for rental units at the correct subsidy cost. SEMAP provides policies and procedures, which enables HUD to measure the performance of public housing agency management, and allows HUD field offices to practice accountability monitoring and risk management. HUD requires Public Housing Authorities to submit a SEMAP certification at the end of each fiscal year.

DISCUSSION: The SEMAP certification contains 14 key indicators of performance which include:

- Proper selection of applicants from the Section 8 waiting list;
- Sound determination of reasonable rent for each unit leased;
- Setting payment standards within the required range of the HUD fair market rent;

- Accurate verification of family income;
- Timely annual reexaminations of family income;
- Correct calculation of the tenant share of the rent and the subsidy portion;
- Maintenance of a current schedule of allowances for tenant utility costs;
- Units pass inspection before entering assistance contracts;
- Timely annual housing quality inspections;
- Performance of quality control inspections to ensure housing quality;
- Ensuring that landlords and tenants promptly correct housing quality deficiencies;
- Ensuring that all available rental vouchers are used;
- Expanding housing choice outside areas of poverty or minority concentration;
- Enrolling families in the family self-sufficiency (FSS) program as required and helping FSS families achieve increases in employment income.

HUD bases the rating of the first seven SEMAP indicators from the SEMAP certification submitted by the housing authority and contained herein in Attachment B. HUD will also review the latest independent auditor's annual report for the Housing and Redevelopment Division. For the remaining indicators, the score is verified by data taken from the Public and Indian Housing Inventory Management system (IMS). IMS is HUD's computer database that collects, maintains, and reports information on families who participate in the Section 8 Voucher.

FINANCIAL IMPLICATIONS: Submission of SEMAP is required in order for the City of Chandler to continue to receive Section 8 Housing Choice Voucher program funding. There are no direct financial implications to the City as a result of this action for not submitting the SEMAP certification.

PROPOSED MOTION: Move to approve Resolution No. H0108 certifying that the indicators identified in the Section 8 Management Assessment Program certification for the City of Chandler Housing and Redevelopment Division are true and accurate for the fiscal year ending June 30, 2013.

Attachments:

Resolution Number H0108-Attachment A
SEMAP Certification- Attachment B

RESOLUTION NO. H0108

A RESOLUTION OF THE PUBLIC HOUSING AUTHORITY COMMISSION OF THE CITY OF CHANDLER, ARIZONA, CERTIFYING THAT THE INDICATORS IDENTIFIED IN THE SECTION 8 MANAGEMENT ASSESSMENT PROGRAM CERTIFICATION FOR THE CITY OF CHANDLER HOUSING AND REDEVELOPMENT DIVISION ARE TRUE AND ACCURATE FOR THE FISCAL YEAR ENDING JUNE 30, 2013.

WHEREAS, the United States Department of Housing and Urban Development has initiated annual reporting of indicators for the Section 8 Management Assessment Program; and,

WHEREAS, the City of Chandler Housing and Redevelopment Division has developed the following indicator as identified in HUD attachment Exhibit A; and,

WHEREAS, the Public Housing Authority Commission approves these indicators and certifies that they are true and correct for the fiscal year ending June 30, 2013.

NOW, THEREFORE, BE IT RESOLVED by the Public Housing Authority Commission of the City of Chandler that the indicator identified in the Section 8 Management Assessment Program certification for the City of Chandler Housing and Redevelopment Division are true and accurate for the fiscal year ending June 30, 2013, as set forth in Exhibit A, attached hereto and by reference made a part hereof.

PASSED AND ADOPTED by the Public Housing Authority Commission of the City of Chandler, Arizona, this ____ day of _____, 2013.

ATTEST:

_____ _____

CITY CLERK CHAIRMAN

CERTIFICATION

I HEREBY CERTIFY that the above foregoing Resolution No. H0108 was duly passed and adopted by the Public Housing Authority Commission of the City of Chandler, Arizona at a regular meeting held on the day of_____, 2013, and that a quorum was present thereat.

_____

CITY CLERK

APPROVED AS TO FORM:

_____

CITY ATTORNEY GAB

Section 8 Management Assessment Program (SEMAP) Certification

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

OMB Approval No. 2577-0215
(exp. 9/30/2013)

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

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

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

PHA Name	For PHA FY Ending (mm/dd/yyyy)	Submission Date (mm/dd/yyyy)
City of Chandler Housing and Redev. Division	06/30/2013	08/29/2013

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

Performance Indicators

1. Selection from the Waiting List. (24 CFR 982.54(d)(1) and 982.204(a))
(a) The PHA has written policies in its administrative plan for selecting applicants from the waiting list.

PHA Response **Yes** ✓ **No** ☐

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

PHA Response **Yes** ✓ **No** ☐

2. Reasonable Rent. (24 CFR 982.4, 982.54(d)(15), 982.158(f)(7) and 982.507)
(a) The PHA has and implements a reasonable written method to determine and document for each unit leased that the rent to owner is reasonable based on current rents for comparable unassisted units (i) at the time of initial leasing, (ii) before any increase in the rent to owner, and (iii) at the HAP contract anniversary if there is a 5 percent decrease in the published FMR in effect 60 days before the HAP contract anniversary. The PHA's method takes into consideration the location, size, type, quality, and age of the program unit and of similar unassisted units, and any amenities, housing services, maintenance or utilities provided by the owners.

PHA Response **Yes** ✓ **No** ☐

(b) The PHA's quality control sample of tenant files for which a determination of reasonable rent was required shows that the PHA followed its written method to determine reasonable rent and documented its determination that the rent to owner is reasonable as required for (check one):

PHA Response ✓ **At least 98% of units sampled** ☐ **80 to 97% of units sampled** ☐ **Less than 80% of units sampled**

3. Determination of Adjusted Income. (24 CFR part 5, subpart F and 24 CFR 982.516)
The PHA's quality control sample of tenant files shows that at the time of admission and reexamination, the PHA properly obtained third party verification of adjusted income or documented why third party verification was not available; used the verified information in determining adjusted income; properly attributed allowances for expenses; and, where the family is responsible for utilities under the lease, the PHA used the appropriate utility allowances for the unit leased in determining the gross rent for (check one):

PHA Response ✓ **At least 90% of files sampled** ☐ **80 to 89% of files sampled** ☐ **Less than 80% of files sampled**

4. Utility Allowance Schedule. (24 CFR 982.517)
The PHA maintains an up-to-date utility allowance schedule. The PHA reviewed utility rate data that it obtained within the last 12 months, and adjusted its utility allowance schedule if there has been a change of 10% or more in a utility rate since the last time the utility allowance schedule was revised.

PHA Response **Yes** ✓ **No** ☐

5. HQS Quality Control Inspections. (24 CFR 982.405(b))
A PHA supervisor (or other qualified person) reinspected a sample of units during the PHA fiscal year, which met the minimum sample size required by HUD (see 24 CFR 985.2), for quality control of HQS inspections. The PHA supervisor's reinspected sample was drawn from recently completed HQS inspections and represents a cross section of neighborhoods and the work of a cross section of inspectors.

PHA Response **Yes** ✓ **No** ☐

6. HQS Enforcement. (24 CFR 982.404)
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, all other cited HQS deficiencies were corrected within no more than 30 calendar days from the inspection or any PHA-approved extension, or, if HQS deficiencies were not corrected within the required time frame, the PHA stopped housing assistance payments beginning no later than the first of the month following the correction period, or took prompt and vigorous action to enforce the family obligations for (check one):

PHA Response ✓ **At least 98% of cases sampled** ☐ **Less than 98% of cases sampled**

7. Expanding Housing Opportunities. (24 CFR 982.54(d)(5), 982.153(b)(3) and (b)(4), 982.301(a) and 983.301(b)(4) and (b)(12)).
Applies only to PHAs with jurisdiction in metropolitan FMR areas.
Check here if not applicable ✓

(a) The PHA has a written policy to encourage participation by owners of units outside areas of poverty or minority concentration which clearly delineates areas in its jurisdiction that the PHA considers areas of poverty or minority concentration, and which includes actions the PHA will take to encourage owner participation.
PHA Response **Yes** ✓ **No** ☐

(b) The PHA has documentation that shows that it took actions indicated in its written policy to encourage participation by owners outside areas of poverty and minority concentration.
PHA Response **Yes** ✓ **No** ☐

(c) The PHA has prepared maps that show various areas, both within and neighboring its jurisdiction, with housing opportunities outside areas of poverty and minority concentration; the PHA has assembled information about job opportunities, schools and services in these areas; and the PHA uses the maps and related information when briefing voucher holders.
PHA Response **Yes** ✓ **No** ☐

(d) The PHA's information packet for voucher holders contains either a list of owners who are willing to lease, or properties available for lease, under the voucher program, or a list of other organizations that will help families find units and the list includes properties or organizations that operate outside areas of poverty or minority concentration.
PHA Response **Yes** ✓ **No** ☐

(e) The PHA's information packet includes an explanation of how portability works and includes a list of neighboring PHAs with the name, address and telephone number of a portability contact person at each.
PHA Response **Yes** ✓ **No** ☐

(f) The PHA has analyzed whether voucher holders have experienced difficulties in finding housing outside areas of poverty or minority concentration and, where such difficulties were found, the PHA has considered whether it is appropriate to seek approval of exception payment standard amounts in any part of its jurisdiction and has sought HUD approval when necessary.
PHA Response **Yes** ✓ **No** ☐

8. Payment Standards. The PHA has adopted current payment standards for the voucher program by unit size for each FMR area in the PHA jurisdiction and, if applicable, for each PHA-designated part of an FMR area, which do not exceed 110 percent of the current applicable FMR and which are not less than 90 percent of the current FMR (unless a lower percent is approved by HUD). (24 CFR 982.503)

PHA Response **Yes** ✓ **No** ☐

Enter current FMRs and payment standards (PS)

0-BR FMR 593	1-BR FMR 748	2-BR FMR 925	3-BR FMR 1363	4-BR FMR 1592
PS 600	PS 738	PS 890	PS 1227	PS 1437

If the PHA has jurisdiction in more than one FMR area, and/or if the PHA has established separate payment standards for a PHA-designated part of an FMR area, attach similar FMR and payment standard comparisons for each FMR area and designated area.

9. Annual Reexaminations. The PHA completes a reexamination for each participating family at least every 12 months. (24 CFR 982.516)

PHA Response **Yes** ✓ **No** ☐

10. Correct Tenant Rent Calculations. The PHA correctly calculates tenant rent in the rental certificate program and the family rent to owner in the rental voucher program. (24 CFR 982, Subpart K)

PHA Response **Yes** ✓ **No** ☐

11. Precontract HQS Inspections. Each newly leased unit passed HQS inspection before the beginning date of the assisted lease and HAP contract. (24 CFR 982.305)

PHA Response **Yes** ✓ **No** ☐

12. Annual HQS Inspections. The PHA inspects each unit under contract at least annually. (24 CFR 982.405(a))

PHA Response **Yes** ✓ **No** ☐

13. Lease-Up. The PHA executes assistance contracts on behalf of eligible families for the number of units that has been under budget for at least one year.

PHA Response **Yes** ✓ **No** ☐

14a. Family Self-Sufficiency Enrollment. The PHA has enrolled families in FSS as required. (24 CFR 984.105)
Applies only to PHAs required to administer an FSS program .
Check here if not applicable ☐
PHA Response
a. Number of mandatory FSS slots (Count units funded under the FY 1992 FSS incentive awards and in FY 1993 and later through 10/20/1998. Exclude units funded in connection with Section 8 and Section 23 project-based contract terminations; public housing demolition, disposition and replacement; HUD multifamily property sales; prepaid or terminated mortgages under section 236 or section 221(d)(3); and Section 8 renewal funding. Subtract the number of families that successfully completed their contracts on or after 10/21/1998.) [24]

or, Number of mandatory FSS slots under HUD-approved exception [ ]

b. Number of FSS families currently enrolled | 23 |

c. Portability: If you are the **initial** PHA, enter the number of families currently enrolled in your FSS program, but who have moved under portability and whose Section 8 assistance is administered by another PHA

Percent of FSS slots filled (b + c divided by a)

14b. Percent of FSS Participants with Escrow Account Balances. The PHA has made progress in supporting family self-sufficiency as measured by the percent of currently enrolled FSS families with escrow account balances. (24 CFR 984.305)
Applies only to PHAs required to administer an FSS program .
Check here if not applicable ☐

PHA Response **Yes** ☑ **No** ☐ | 79% |

Portability: If you are the **initial** PHA, enter the number of families with FSS escrow accounts currently enrolled in your FSS program, but who have moved under portability and whose Section 8 assistance is administered by another PHA

Deconcentration Bonus Indicator (Optional and only for PHAs with jurisdiction in metropolitan FMR areas).

The PHA is submitting with this certification data which show that:

(1) Half or more of all Section 8 families with children assisted by the PHA in its principal operating area resided in low poverty census tracts at the end of the last PHA FY;

(2) The percent of Section 8 mover families with children who moved to low poverty census tracts in the PHA's principal operating area during the last PHA FY is at least two percentage points higher than the percent of all Section 8 families with children who resided in low poverty census tracts at the end of the last PHA FY;

or

(3) The percent of Section 8 mover families with children who moved to low poverty census tracts in the PHA's principal operating area over the last two PHA FYs is at least two percentage points higher than the percent of all Section 8 families with children who resided in low poverty census tracts at the end of the second to last PHA FY.

PHA Response **Yes** ☑ **No** ☐ **If yes, attach completed deconcentration bonus indicator addendum.**

I hereby certify that, to the best of my knowledge, the above responses under the Section 8 Management Assessment Program (SEMAP) are true and accurate for the PHA 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 PHA's capacity to administer Section 8 rental assistance in accordance with Federal law and regulations.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Executive Director, signature _____

Date (mm/dd/yyyy) _____

Chairperson, Board of Commissioners, signature _____

Date (mm/dd/yyyy) _____

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

SEMAP Certification - Addendum for Reporting Data for Deconcentration Bonus Indicator

Date (mm/dd/yyyy) 07/30/2013

PHA Name City of Chandler Housing and Redevelopment Division (AZ028)

Principal Operating Area of PHA City of Chandler
(The geographic entity for which the Census tabulates data)

Special Instructions for State or regional PHAs Complete a copy of this addendum for each metropolitan area or portion of a metropolitan area (i.e., principal operating areas) where the PHA has assisted 20 or more Section 8 families with children in the last completed PHA FY. HUD will rate the areas separately and the separate ratings will then be weighted by the number of assisted families with children in each area and averaged to determine bonus points.

1990 Census Poverty Rate of Principal Operating Area 9.7

Criteria to Obtain Deconcentration Indicator Bonus Points

To qualify for bonus points, a PHA must complete the requested information and answer yes for only one of the 3 criteria below. However, State and regional PHAs must always complete line 1) b for each metropolitan principal operating area.

1) 239 a. Number of Section 8 families with children assisted by the PHA in its principal operating area at the end of the last PHA FY who live in low poverty census tracts. A low poverty census tract is a tract with a poverty rate at or below the overall poverty rate for the principal operating area of the PHA, or at or below 10% whichever is greater.

322 b. Total Section 8 families with children assisted by the PHA in its principal operating area at the end of the last PHA FY.

74.00 c. Percent of all Section 8 families with children residing in low poverty census tracts in the PHA's principal operating area at the end of the last PHA FY (line a divided by line b).

Is line c 50% or more? **Yes** ☑ **No** ☐

2) _____ a. Percent of all Section 8 families with children residing in low poverty census tracts in the PHA's principal operating area at the end of the last completed PHA FY.

_____ b. Number of Section 8 families with children who moved to low poverty census tracts during the last completed PHA FY.

_____ c. Number of Section 8 families with children who moved during the last completed PHA FY.

_____ d. Percent of all Section 8 mover families with children who moved to low poverty census tracts during the last PHA fiscal year (line b divided by line c).

Is line d at least two percentage points higher than line a? **Yes** ☐ **No** ☐

3) _____ a. Percent of all Section 8 families with children residing in low poverty census tracts in the PHA's principal operating area at the end of the second to last completed PHA FY.

_____ b. Number of Section 8 families with children who moved to low poverty census tracts during the last two completed PHA FYs.

_____ c. Number of Section 8 families with children who moved during the last two completed PHA FYs.

_____ d. Percent of all Section 8 mover families with children who moved to low poverty census tracts over the last two completed PHA FYs (line b divided by line c).

Is line d at least two percentage points higher than line a? **Yes** ☐ **No** ☐

If one of the 3 criteria above is met, the PHA may be eligible for 5 bonus points.

See instructions above concerning bonus points for State and regional PHAs.