

**WI002 HACM
SEMAP Corrective Action Plan**

Indicator	Finding	Finding Summary	FO Monitoring Finding #	Finding will be addressed through:	Regulatory Reference	HACM Corrective Actions	Deadline	HUD Comment	HUD Disposition	HUD Deadline	HACM's Progress Report
SEMAP 1-1	HACM did not meet the minimum size of the PHA's quality control samples	N/A	Standard Operating Procedure (SOP)	24 CFR 985.2, 985.3 (a)	The SOP must be revised to incorporate the regulatory requirements such as universe QC sample size, sample type, supervisory responsibility and criteria for testing along with the steps needed to pull the reports required from the Housing Software (Yardi). The SOP must address the monthly frequency of Quality Control (QC) testing of files. HACM must submit the QC log of tested files to MKE FO as part of the monthly CAP reporting until fully recovered from Troubled status.	10/1/2024				6/1/2024: HACM will draft a revised SOP that incorporates all the regulatory requirements mentioned in the Corrective Action, the frequency of the QC testing (monthly), and describes the steps needed to pull the required reports from YARDI. While we are still working on full procedures for the wait list testing, we have attached preliminary logs for wait list testing for April.	
	HACM did not meet the minimum size of the PHA's quality control samples	N/A	QC Log	24 CFR 985.2, 985.3 (a)	Develop a QC log form using the HUD sample QC forms. The QC testing log must be adequately completed to demonstrate the testing criteria with necessary details, results, and any documented exceptions. Refer to Sample "SEMAP Waiting List Selections and Admissions QC Log.xls"	9/1/2024				6/1/2024: While we are still working on full procedures for the wait list testing, we have attached preliminary logs for wait list testing for April.	
	HACM did not meet the minimum size of the PHA's quality control samples	N/A	Administrative Plan	24 CFR 985, 985.3 (a)	Review Administrative plan (PART V: SECTION 8 MANAGEMENT ASSESSMENT PROGRAM (SEMAP)) to ensure it is in alignment with 24 CFR 985, 985.3. The Administrative Plan policy must address the monthly frequency of Quality Control (QC) testing of files.	11/1/2024				6/1/2024: As part of its review of the 5-year and annual agency plan, HACM will review the section on SEMAP in Chapter 16 of the Administrative Plan to ensure that it is in alignment with 24 CFR 985.3(a). We will also make changes to add more detail that includes that the frequency of the QC testing will be monthly. The anticipated timeline will be to have it for review by the Board of Commissioners in September, with approval by the Board in October.	
SEMAP 1-2	HACM failed to submit the waiting list pull which was utilized to create the QC sample.	N/A	Standard Operating Procedure	24 CFR 985.2, 985.3, 24 CFR 982.158	HACM must develop a procedure describing the method to maintain a record of all the waiting list pulls including the ones that were utilized to create the QC sample for this indicator. The SOP must clarify how an audit trail will be maintained (electronic preferred) to show when an applicant applied, criteria to place an applicant on the waiting list (date and time or placement based upon the lottery number), applicants position including preference on the list upon generation of waiting list, a record of date and order in which an applicant was pulled, documents showing how the applicant was notified at each step leading up to leasing, withdrawal or denial of an applicant. The SOP must address the monthly frequency of Quality Control (QC) testing of files. HACM must submit the QC log to MKE FO as part of the monthly CAP reporting until fully recovered from Troubled status	10/1/2024				6/1/2024: HACM will draft a revised SOP that incorporates the method to maintain records of all wait list pulls that were used. We will review the YARDI reports related to wait lists and will ensure electronic maintenance of copies of the wait list pulls directly from YARDI that provide sufficient information mentioned in the Corrective Action plan to document that the waiting list pull was properly done. It will also address the frequency of the QC testing (monthly). While we are still working on full procedures for the wait list testing, we have attached preliminary logs for wait list testing for April.	
	HACM failed to submit the waiting list pull which was utilized to create the QC sample.	N/A	Save Waiting List selection lists for QC samples testing	25 CFR 985.2, 985.3, 24 CFR 982.158	HACM must maintain and be able to produce waiting list selection logs with full audit trail of from start of process of taking applications, placing on the waiting list to new admission or other steps applicable to each applicant.	9/1/2024				6/1/2024: HACM will draft a revised SOP that incorporates all the regulatory requirements mentioned in the Corrective Action, the frequency of the QC testing (monthly), and describes the steps needed to pull the required reports from YARDI. This includes procedures to save and maintain wait list selection logs.	
	HACM failed to submit the waiting list pull which was utilized to create the QC sample.	N/A	Administrative Plan	24 CFR 985.3(a), 24 CFR 982 Subpart E, 24 CFR 983	HACM must review its Administrative Plan policy 4-III.C. SELECTION METHOD submitted by HACM for SEMAP waiting list indicator testing back up. Since the policy stated in the Administrative plan did not match the waiting list data submitted by HACM or method explained by HACM staff at the interview, HACM must submit the correct and updated policy for testing this indicator which matches the data and method in which applicants are actually placed on the waiting list and which is the basis of waiting list generation. The Administrative Plan policy must address the monthly frequency of Quality Control (QC) testing of files.	11/1/2024				6/1/2024: As we had previously reported, As part of its review of the 5-year and annual agency plan, HACM will review the section on SEMAP in Chapter 16 of the Administrative Plan to ensure that it is in alignment with 24 CFR 985.3(a). We will also make changes to add more detail that includes that the frequency of the QC testing will be monthly. The anticipated timeline will be to have it for review by the Board of Commissioners in September, with approval by the Board in October.	
1-Waiting List	HACM does not have a properly established and maintained waiting list which is essential to carrying out HCV admissions in accordance with HUD's civil rights and program regulations and the PHA's policies.	N/A	Standard Operating Procedure- Waiting List organization, generation and maintenance	23 CFR 982 Subpart E Admission to Tenant-Based Program, 24 CFR 983 Subpart F Occupancy (PBV)	HACM must develop a SOP in alignment with its policy on how applicants will be placed and called from the waiting list and not randomly pulled as is the current practice. HACM must number order the applicants on its waiting list, prioritize applicants based upon their preference(s) and submit a copy of their waiting list to the Field Office. HACM must submit documentation of their waiting list pulls to the Field Office until HACM recovers from the SEMAP troubled status. Refer to the corrective action part of the letter for details and guidance.	10/1/2024				x 6/1/2024: As was previously communicated, an error was made in the Admin Plan as HACM was transitioning to the Nan McKay template for an Administrative Plan. By mistake, the standard "model plan" (Option 1) for waiting list selection (based on a first-come, first-served date/time approach was used by mistake, as opposed to the alternate random lottery approach. In addition, HACM had adopted a method used by Dallas HA, in which the lottery was done with each selection, which HUD has informed us may not be allowable for a non-MTW agency. As the Admin Plan is revised over the next few months during the Agency Plan update, we will correct this error. We will soon be giving notice to close the HCV "wait list" (pre-application) list as we have sufficient households on it and then perform an update/purge. While we do like the Dallas method (keep Wait list open and do random pulls for each selection), if that is determined by HUD to not be allowable, once the new admin plan is approved, we will do one random lottery pull of several thousand to make a new wait list and will pull in the order of the random number generated for those selected. An SOP will be developed as mentioned above to document the process of a wait list generation and wait list selection.	
	HACM does not have a properly established and maintained waiting list which is essential to carrying out HCV admissions in accordance with HUD's civil rights and program regulations and the PHA's policies.	N/A	Submit policy for waiting list SEMAP testing	24 CFR 982 Subpart E Admission to Tenant-Based Program, 24 CFR 983 Subpart F Occupancy (PBV)	Administrative Plan policy 4-III.C. SELECTION METHOD which was submitted by HACM for SEMAP waiting list selection states that families will be selected on a first-come, first-served basis according to the date and time their complete application is received by the PHA. If HACM will be assigning a random number to applicants to place them on the waiting list instead, the Administrative Plan must be updated accordingly. HACM must clarify its policy and submit the correct policy for SEMAP indicator 1. The Administrative Plan policy must address the monthly frequency of Quality Control (QC) testing of files.	11/1/2024				6/1/2024: As we had previously reported, As part of its review of the 5-year and annual agency plan, HACM will review the section on SEMAP in Chapter 16 of the Administrative Plan to ensure that it is in alignment with 24 CFR 985.3(a). We will also make changes to add more detail that includes that the frequency of the QC testing will be monthly. The anticipated timeline will be to have it for review by the Board of Commissioners in September, with approval by the Board in October.	

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SEMAP 1-3		HACM does not have a properly established and maintained waiting list which is essential to carrying out HCV admissions in accordance with HUD's civil rights and program regulations and the PHA's policies.	N/A	Administrative Plan	25 CFR 982 Subpart E Admission to Tenant-Based Program, 24 CFR 983 Subpart F Occupancy (PBV)	The practice and policy must match. HACM must establish and maintain the waiting list to carry out HCV admissions in accordance with HUD's civil rights and program regulations and the PHA's policies. The current method of random generation of waiting list from a pool of applicants every time HACM conducts a waiting list pull does not establish the order in which applicant names are placed or called from the waiting list hence creating an opaque process of waiting list management. It is preferred that HACM follows its Administrative policy of placing applicants on the waiting in either in applicants date and time of application order of in the number order that is generated by a lottery.	11/1/2024			x	6/1/2024: As was previously communicated, an error was made in the Admin Plan as HACM was transitioning to the Nan McKay template for an Administrative Plan. By mistake, the standard "model plan" (Option 1) for waiting list selection (based on a first-come, first-served date/time approach was used by mistake, as opposed to the alternate random lottery approach. In addition, HACM had adopted a method used by Dallas HA, in which the lottery was done with each selection, which HUD has informed us may not be allowable for a non-MTW agency. As the Admin Plan is revised over the next few months during the Agency Plan update, we will correct this error. We will soon be giving notice to close the HCV "wait list" (pre-application) list as we have sufficient households on it and then perform an update/purge. While we do like the Dallas method (Keep Wait list open and do random pulls for each selection), if that is determined by HUD to not be allowable, once the new admin plan is approved, we will do one random lottery pull of several thousand to make a new wait list and will pull in the order of the random number generated for those selected. An SOP will be developed as mentioned above to document the process of a wait list generation and wait list selection.
		HACM does not have a properly established and maintained waiting list which is essential to carrying out HCV admissions in accordance with HUD's civil rights and program regulations and the PHA's policies.	N/A	Establish a HCV waiting list	26 CFR 982 Subpart E Admission to Tenant-Based Program, 24 CFR 983 Subpart F Occupancy (PBV), 24 CFR 982.158	HACM must establish a waiting list in accordance with 24 CFR 982 Subpart E Admission to Tenant-Based Program and 24 CFR 983 Subpart F Occupancy (PBV). The current pool of applicants must be placed on the waiting list which HACM should generate. HACM must submit a copy of the waiting list to HUD FO once the waiting list is established.	9/1/2024				6/1/2024: Regarding the HCV wait list---We will soon be giving notice to close the HCV "wait list" (pre-application) list as we have sufficient households on it, perform an update/purge, and once a new Admin Plan is approved, we will do one random lottery pull of several thousand to make a new wait list and will pull in the order of the random number generated for those selected. An SOP will be developed as mentioned above to document the process of a wait list generation and wait list selection. Regarding the PBV wait lists--Those lists are selected by date/time order after the preferences (if any) are applied. HACM has recently submitted copies of the wait lists to HUD about 2 months ago, and can follow up with new copies whenever HUD wishes (for HCV, it may be once the Admin Plan is approved, a lottery is done, and we can submit it to HUD with the order as randomly selected.
SEMAP 1-4		The QC sample and the Excel waiting list submitted by HACM did not include any Project Based Vouchers (PBV) or Special Purpose Vouchers (SPV) in the waiting list testing.	N/A	SOP	24 CFR 985.2, 985.3 (a)	As HACM maintains a separate waiting list for each of its PBV properties, a SOP must be created to incorporate the regulatory requirements such as universe QC sample size, sample type, supervisory responsibility and criteria for testing along with the steps needed to pull the reports required from the Housing Software (Yardi) for each PBV property waiting list. The QC testing must be conducted on each waiting list by property. The minimum size of the QC samples must be met for those applicants reaching the top of the waiting list and for admissions as per the Regulations in 24 CFR 985.3(a) (Special Purpose Vouchers) SPV's must be included in the testing. The SOP must address the monthly frequency of Quality Control (QC) testing of files. HACM must submit the QC log of files tested to MKE FO as part of the monthly CAP reporting until fully recovered from Troubled status	10/1/2024				6/1/2024: HACM will draft a revised SOP that incorporates the method to maintain records of all wait list pulls that were used. We will review the YARDI reports related to wait lists and will ensure electronic maintenance of copies of the wait list pulls directly from YARDI that provide sufficient information mentioned in the Corrective Action plan to document that the waiting list pull was properly done. The QC testing will be done on each PBV wait list by property. It will also address the frequency of the QC testing (monthly). It will also address how special purpose vouchers are included in the testing. While we are still working on full procedures for the wait list testing, we have attached preliminary logs for wait list testing for April.
		The QC sample and the Excel waiting list submitted by HACM did not include any Project Based Vouchers (PBV) or Special Purpose Vouchers (SPV) in the waiting list testing.	N/A	QC Log	24 CFR 985.2, 985.3 (a)	HACM must develop a QC log form using the HUD sample QC forms. The Project Based waiting lists must be tested with proper universe selection for each waiting list. SPV's must be included in the testing. The QC testing log must be adequately completed to demonstrate the testing criteria with necessary details, results, and any documented exceptions. Refer to Sample "SEMAP Waiting List Selections and Admissions QC Log.xls"	9/1/2024				6/1/2024: While we are still working on full procedures for the wait list testing, we have attached preliminary logs for wait list testing for April.
2-Rent Reasonableness		The random sample size that HACM provided did not allow for our office to determine whether HACM had followed its written method to determine reasonable rent. The QC log submitted did not reflect if the nine required elements for rent reasonableness were tested and their results. HACM did not use the most recent RFTA form HUD-52517.	N/A	QC Log	24 CFR 985.3(b), 24 CFR 982.158(f)(7), 24 CFR 982.507	Develop a QC log form using the HUD sample QC forms. Select a diverse and board sample, the QC log must clearly identify the testing elements and criteria, date, type, and name of the reviewer. If any deficiencies are identified, HACM must document how and when corrections were made. Refer to "Sample Reasonable Rent QC Log.xls"	9/1/2024				6/1/2024: We have included the QC log for April as an attachment as "SEMAP 2-1 Rent Reasonable QC Log April 2024"
		HACM did not use the most recent RFTA form HUD-52517.	N/A	Use the most recent current form HUD-52517.	https://www.hud.gov/program_offices/administration/hudclips/forms/hud5	Discontinue using the expired RFTA FORM. Download the most recent version of the form and use most current version of the RFTA form HUD-52517. Share a copy of the SOP or other documentation showing that most recent form was downloaded and disseminated in staff to use and the effective date. The link in the left box will take you the website where you can find the most updated version of any HUD forms that are currently in effect.	9/1/2024				6/1/2024: HACM Rent Assistance has distributed updated RFTA forms to all staff via email and told them to discard the expired forms. We have attached the 3/5/2024 email as "6 1 2024 Report SEMAP 2-1 Attachment 2 Email on new RFTA"
3-Determination of Adjusted Income	SEMAP 3-1	HACM's QC sample testing indicated that there were discrepancies in determination of Adjusted Income which was also verified by FO staff income testing. Moreover, HACM did not verify that the utility allowance in effect at the execution of the HAP contract were used to determine gross rents of participant families. HACM must verify at the time of admission and annual re-examination that it correctly determined adjusted annual income and where the family is responsible for utilities.	N/A	100% QC of income determinations is recommended.	24 CFR 985.3(c), 24 CFR 5 Subpart F, 982.517, 24 CFR 982.158	Develop a QC log form using the HUD sample QC forms. The QC log must clearly identify the testing elements and criteria, include utility allowance field, date, type, and name of the reviewer. If any deficiencies are identified, HACM must document how and when corrections were made. HUD recommends 100% of QC on determination of Adjusted income for program applicants and participants. Refer to "Sample Adjusted Income QC Log.xls" HACM must submit the QC log of files tested to MKE FO as part of the monthly CAP reporting.	9/1/2024				6/1/2024: We have included the QC log for April as an attachment as "SEMAP 3-1 Attachment 2 Adjusted Income QC Log April 2024"
4-Utility Allowance Schedule	SEMAP 4-1	The utility allowance schedule was not updated timely to timely incorporate 10% variances in the utility allowance.	HCVCM-10	SOP	24 CFR 982.517, 24 CFR 985.3(d)	HACM must provide a copy of the utility allowance schedule to the HUD Field Office annually and when revised. A designated staff person must be responsible for reviewing and revising the utility allowance schedule and submit a copy to HUD. HACM must review its schedule of utility allowances each year and must revise its allowance for a utility category if there has been a change of 10 percent or more in the utility rate since the last time the utility allowance schedule was revised. HACM must maintain information supporting its annual review of utility allowances and any revisions made in its utility allowance schedule. 24 CFR 982.3.	10/1/2024				6/1/2024: As HACM revises its new utility allowance schedule later this year, we will provide a copy of it and all related supporting documentation to the HUD FO.

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5-HQS- Quality Control Inspections	SEMAP 5-1	The HQS QC inspections sample size was not adequate, some QC inspections were outside the date range requirement of the QC time frame which is three months after the initial inspection. The QC sample drawn did not represent a cross section of neighborhoods and the work of a cross section of inspectors.	N/A	SOP	24 CFR 985.3(e), 24 CFR 982.405(b)	The SOP must be revised to incorporate the regulatory requirements such as universe QC sample size, sample type, time frame, supervisory responsibility and criteria for testing along with the steps needed to pull the reports required from the Housing Software (Yardi). Refer to 24 CFR 982.2, 985.3 The SOP must address the monthly frequency of Quality Control (QC) testing of files. HACM must submit the QC log of files tested to MKE FO as part of the monthly CAP reporting until fully recovered from Troubled status.	10/1/2024				6/1/2024: HACM will draft a revised SOP that incorporates all the regulatory requirements mentioned in the Corrective Action, the frequency of the QC testing (monthly), and describes the steps needed to pull the required reports from YARDI. We have included the QC log for April as "SEMAP 5-1 Attachment 1 HQS Inspection April 2024"
	SEMAP 5-2	The HQS QC inspections sample size was not adequate, some QC inspections were outside the date range requirement of the QC time frame which is three months after the initial inspection. The QC sample drawn did not represent a cross section of neighborhoods and the work of a cross section of inspectors.	N/A	QC Log	24 CFR 985.3(e), 24 CFR 982.405(b)	The applicable universe-based QC sample must be selected monthly within the date range requirement, the sample drawn must represent a cross section of neighborhoods and the work of a cross section of inspectors. The QC selection method, the QC sample testing (with documented exceptions), and outcomes must leave a clear audit trail that can be used to verify that the HQS QC inspections were completed in accordance with the HUD regulations.	9/1/2024				6/1/2024: The revised SOP will include language on date range/timeframe, and that the sample must be cross section of neighborhoods and of different inspectors. that incorporates all the regulatory requirements mentioned in the Corrective Action, the frequency of the QC testing (monthly), and describes the steps needed to pull the required reports from YARDI. We have included the QC log for April as "SEMAP 5-1 HQS Inspection log April 2024"
6-Housing Quality Control Enforcement	SEMAP 6-1	The QC sample was not selected in a manner that allowed HACM to conduct quality control and verification of all the required elements in this SEMAP indicator.	N/A	SOP	24 CFR 985.3(f), 24 CFR 982.404	Revise the SOP to ensure that the QC sample is appropriately selected to include failed HQS inspections, complaint inspections and other inspections where life-threatening HQS deficiencies occurred and needed correction within 24 hours of the inspection. The SOP must outline the mechanism to ensure through QC that life-threatening deficiencies were corrected within 24 hours. The SOP must address the monthly frequency of Quality Control (QC) testing of files. HACM must submit the QC log of files tested to the MKE FO as part of the monthly CAP reporting.	10/1/2024				6/1/2024: HACM will draft a revised SOP that incorporates all the regulatory requirements mentioned in the Corrective Action, the frequency of the QC testing (monthly), and describes the steps needed to pull the required reports from YARDI. We have included the QC log for April as "SEMAP 6-1 HQS Enforcement log April 2024"
	SEMAP 6-2	The QC sample did not demonstrate that non life-threatening deficiencies were corrected within 30 calendar days (or were granted a PHA-approved extension). The QC sample does not document that deficiencies not corrected in a timely manner resulted in abatement of the Housing Assistance Payment. The QC sample was also drawn incorrectly as files with no HQS deficiencies were included in the sample.	N/A	QC Log	24 CFR 985.3(f), 24 CFR 982.404	The QC log must contain audit date, who audited the file, criteria used to examine compliance, dates of initial inspection, date of re-inspection, dates payments were suspended/abated, results of the QC, extensions or any other pertinent information that demonstrated that the QC was conducted to meet the HUD requirements. Any exceptions must be documented and explained with proper supporting documentation. Refer to "Sample HQS Enforcement QC Log.xls."	9/1/2024				6/1/2024: HACM will draft a revised SOP that incorporates all the regulatory requirements mentioned in the Corrective Action, the frequency of the QC testing (monthly), and describes the steps needed to pull the required reports from YARDI. We have included the QC log for April as "SEMAP 6-1 HQS Enforcement log April 2024"
7-Expanding Housing Opportunities	SEMAP 7-1	Administrative Plan policy for Expanding Housing Opportunities does not clearly delineate areas in its jurisdiction it considers areas of poverty or minority concentration in order that it may encourage participation of owners of units located outside those areas.	N/A	Administrative Plan	24 CFR 985.3(g)	HACM must expand its existing policies within their Administrative Plan to clearly delineate in its jurisdiction what it considers areas of poverty or minority concentration to encourage participation of owners of units located outside those areas.	11/1/2024				6/1/2024: As part of its review of the 5-year and annual agency plan, HACM will review to ensure that the plan clearly delineates what are the areas of poverty or minority concentration and what are considered areas of opportunity.
	SEMAP 7-2	The map in HACM's Briefing packet does not show various areas with housing opportunities outside of areas of poverty or minority concentration both within its jurisdiction and neighboring jurisdictions.	N/A	Briefing Packet	24 CFR 985.3(g)(3)(C)	HACM must develop map/s delineating the areas of low poverty and higher opportunity to share with voucher holders searching for housing and current participants.	11/1/2024				6/1/2024: During the next few months, HACM will revise the documents in the briefing packet related to SEMAP Indicator 7, Expanding Housing Opportunities, including the map of areas of low poverty and areas of opportunity and all other information required under SEMAP Indicator 7 so that the information is complete and helpful to participants.
	SEMAP 7-3	HACM did not demonstrate it has analyzed whether rental voucher holders have experienced difficulties in finding housing outside areas of poverty or minority concentration. HACM has implemented exception payment standards based on HUD's SAFMRs for certain ZIP codes in the City of Milwaukee, yet the analysis of how those exception payment standards were applied was not provided to our office.	N/A	SOP	24 CFR 985.3(g)(3)(F)	Develop a SOP and describe their method to track voucher holders on street and recording if they experienced any difficulty in finding housing outside the poverty and minority concentration areas. Designate a staff to analyze the collected data to update policies and or expand the SAFMRs.	10/1/2024				6/1/2024: Over the next few months, HACM will develop an SOP to describe procedures used to track voucher holders who have experienced difficulty in finding housing outside of areas with a concentration of poverty or minority population. In this SOP, the point staff person will be identified to collect and analyze the data, and to propose updates to policies or changes to SAFMRs, as needed.
12-Annual HQS Inspections	SEMAP 12-1	HACM has not demonstrated that it conducts biennial inspections for tenant-based HCV participants in a timely fashion. From a selection of randomly sampled files our office estimated 3.88% of 5,727 HCV and EHV participants in August of 2022 lived in units that had not passed an HQS inspection in more than 24 months. Additionally, the August 2022 Yardi VM5 Report showed 40% of inspections were overdue. The August 2022 PIC HQS Inspection Report indicated 10% of records pulled had not had an inspection in more than 24 months. The February 2024 PIC HQS Inspection Report indicates more than 7.8% of records pulled had not had an inspection in more than 24 months.	HCVPM-2	SOP	24 CFR 982.405(a), 24 CFR 982.158(a), Paragraph 14(a) of the Consolidated Annual Contributions Contract, and PIH Notice 2021-14	HACM must develop an SOP and describe how they will inspect units leased to families prior to the term of the lease, at least biennially during assisted occupancy and at other times as needed, to determine if units meets HQS. HACM to the extent practicable should complete inspections and provide determination notifications within fifteen days (excluding any period when the unit is not available for inspection) after the family and owner submits the request for tenancy approval. HACM must submit its list of annual inspections that were appearing as overdue annuals. This must be submitted quarterly on the first day of each quarter. Overdue annual inspections will be monitored while this CAP remains open. The SOP must address the monthly frequency of Quality Control (QC) testing of files. HACM must submit the QC log of files tested to the MKE FO as part of the quarterly CAP reporting	Quarterly due on - 1/1, 4/1, 7/1, 10/1 Reported until 12/31/2025				6/1/2024: FOR HCV Inspections: HACM will develop an SOP that describes how it will inspect all units as required: (1) prior to the term of the lease/HAP contract; (2) at least biennially during tenancy; and (3) at other times as needed, e.g., complaint inspections. HACM will also include in the SOP that inspections should be completed and notifications of results within 15 days after the submission of the signed RFTA, to the extent practicable. Quarterly, beginning on 7/1, HACM will submit a list of annual/biennial inspections that are appearing as overdue, to HUD.
	SEMAP 12-2	HACM has not demonstrated that it conducts biennial inspections for PHA-owned project-based voucher developments with a third-party independent entity in a timely fashion.	R/PBV-4	SOP	24 CFR 983.59, 24 CFR 983.103, PIH Notice 2017-21, PIH Notice 2019-23	HACM must develop an SOP and describe how they will inspect units prior to the PBV proposal selection of date, prior to execution of the HAP contract, unit turnover inspections, periodic inspections conducted at least biennially consisting of a random sample representing 20% of contract units (excluding turnovers) in each building and should more than 20% of those units fail HQS 100% of contract units in the building must be inspected, and other inspections such as complaint inspections to determine if the contract units and premises are maintained in accordance with HQS. In the case of PHA-owned units, the inspections must be performed by an independent entity. The inspection reports completed by an IE must be furnished to the HUD field office and the PHA must take all necessary action to exercise contract remedies for violation of the HAP contract. HACM must submit the 2019 to 2022 inspections to the FO. It must continue to have its IE submit PHA-owned PBV inspections to the FO. The SOP must address the monthly frequency of Quality Control (QC) testing of files. HACM must submit the QC log of files tested to the MKE FO as part of the monthly CAP reporting	10/1/2024				6/1/2024: FOR PBV Inspections: HACM will develop an SOP that describes how it will inspect all units as required: (1) pre-proposal selection inspections; (2) prior to the term of the lease/HAP contract; (3) turnover inspections; (4) at least biennially a random sample of 20% of contract units (excluding turnovers) in each building and should more than 20% of those units fail, then expand to 100% of contract units in the building; and (5) other inspections as needed, e.g., complaint inspections. The SOP will also include that IEs must perform inspections of PHA-owned units, etc. HACM has submitted the 2019 to 2022 IE inspections to the field office. All IE inspections must be sent by the IE inspection agency to the FO regularly. The SOP should discuss the QC log of files tested. We are beginning to discuss plans at some point in the future to have IEs do inspections using YARDI and tablets, similar to HACM's internal inspectors.

Indicator	Finding	Finding Summary	FO Monitoring Finding #	Finding will be addressed through:	Regulatory Reference	HACM Corrective Actions	Deadline	HUD Comment	HUD Disposition	HUD Deadline	HACM's Progress Report
13-Lease-Up	SEMAP 13-1	HACM does not demonstrate in all cases it enters into a HAP Contract with landlords prior to making HAP payments. Additionally, HACM files were lacking documentation necessary to make HAP payments. HUD requires that prior to enter into a HAP contract that the PHA determined the unit is eligible, unit has been inspected and meets HQS, the lease includes the Tenancy Addendum, the rent to owner is reasonable, and at a time the family initially receives tenant-based rental assistance for a unit and where the gross rent of the unit exceeds the applicable payment standard for the family, the family share does not exceed 40 percent of the family's monthly adjusted income. Our office review 13 tenant files found 76% files were lacking documentation necessary to make HAP payments.	HCVCM-5	SOP	24 CFR 982.162, 24 CFR 982.305(a), 24 CFR 982.305(c)(2)	<p>HACM must ensure that it is only making HAP payments to landlords when there is executed HAP Contract and a lease that includes HUD's Tenancy Addendum in the participant's file. HACM must implement a quality control process to ensure proper documentation prior to making HAP payments to landlords.</p> <p>HACM has submitted its Administrative Plan Chapter on SEMAP but did not submit a Standard Operating Procedure for Quality Control Process. HACM must submit an SOP that outlines the responsible parties, frequency of quality control reviews (monthly, quarterly, annually) and which Yardi reports will be run to complete the quality control reviews. Additionally, HACM indicates HUD does not require data sampling under several sections. While this may be true, HACM is highly encouraged to test for those areas that HUD does not require as HUD found errors supporting a need to conduct quality control in those areas.</p>	10/1/2024				6/1/2024: HACM will draft a revised QC SOP that incorporates all the regulatory requirements mentioned in the Corrective Action, the frequency of the QC testing (monthly), and describes the steps needed to pull the required reports from YARDI. HACM will incorporate as part of the SOP steps to test that HAP payments were only made when there was an executed HAP contract and a lease that includes HUD's Tenancy Addendum in the participant file.