



HUD COMMUNICATIONS: SUMMARY OF PROGRESS ON CORRECTIVE ACTION PLANS

The Housing Authority of the City of Milwaukee (HACM) remains deeply focused on implementing the federal corrective action plans under the strict oversight of the U.S. Department of Housing and Urban Development (HUD). Extensive time and resources are being dedicated to executing these corrective actions, which are aimed at stabilizing the agency's operations and enhancing service delivery. These plans are HACM's best path forward to strengthen the agency, improve how we serve those in our programs, and provide affordable housing options for future generations. HACM continues to work collaboratively with local, regional, and federal HUD officials and greatly appreciates their partnership and oversight. We will continue to rely on HUD's deep expertise to guide us.

In April, HUD shared updates regarding their ongoing monitoring and assessment of HACM. **All of these items are reflective of the reviews previously conducted by HUD.**

2022 Housing Choice Voucher Monitoring Corrective Action Plan

*Reviews conducted by HUD's Milwaukee Field Office and the Quality Assurance Division
September 19, 2022 to November 18, 2022*

The HUD Milwaukee Field Office identified 109 corrective action items. Of those, HACM has completed 52. Another 54 are duplicative action items that overlap with the HUD Quality Assurance Division corrective action plan. The HUD Quality Assurance Division will continue monitoring the status of these action items. Three action items were not completed and will be carried over into the 2023 Section Eight Management Assessment Program Corrective Action Plan.

As HACM continues to implement the corrective measures, significant strides have been made in strengthening the operational foundation of its Section 8 Housing Choice Voucher program. HACM has:

- Implemented the full **Yardi financial suite** to combine all programmatic and financial data for the Section 8 program into one integrated software program.
- Revised and adopted updated **Standard Operating Procedures (SOPs)** for protecting personally identifiable information, processing housing assistance payments, quality control, the Section Eight Management Assessment Program, Voucher Management System reconciliation and reporting, and end of program participation and terminations.



- Revised and adopted the updated **Accounting and Financial Policies and Procedures Manual**.
- Launched the **YARDI Aspire training module** to provide job-specific and Housing Choice Voucher program training to staff.
- Increased use of **Independent Entities** to carry out operational activities such as conducting inspections, processing participant selection, establishing project-based voucher contract rents, and determining rent reasonableness.
- Issued a **Request for Proposal** for the operation of HACM's Housing Choice Voucher program.

2023 Section Eight Management Assessment Program (SEMAP) Corrective Action Plan

Review conducted by HUD-Milwaukee September 2023 to November 2023 for fiscal year end 2022

There were 26 findings, many of which are a continuation of those identified in 2022 by the HUD's Milwaukee Field Office and HUD's Quality Assurance Division. As a result, this corrective action plan contains outstanding corrective actions remaining from the onsite monitoring review HUD's Milwaukee Field Office completed in 2022. HACM will remain in SEMAP troubled status until HACM identifies a suitable vendor to operate its Section 8 program, and that vendor conducts a 100% participant file review for the 2017 - 2022 period, as required by the corrective action plan. HACM anticipates that this will be completed by the end of 2025.

Public Housing Assessment System (PHAS) Score Report

HUD's Real Estate Assessment Center issued the PHAS score (an annual assessment of the Public Housing portfolio) and designation for HACM's fiscal year end 12/31/2022. On June 30, 2023, HUD issued a preliminary score of 77 and designated HACM as a standard performer. This assessment is specific to HACM's public housing operations; however, the financial portion of the assessment was impacted by the ongoing corrective action plans for HACM's Section 8 program. As a result, HACM's auditor was unable to render an opinion on HACM's 2022 financial statements by HUD's 9/30/2023 deadline. This resulted in the financial score of the assessment automatically being zeroed out, changing HACM's PHAS score from 77 to 53 and its designation status from standard to troubled. HACM is confident that the agency will return to at least a standard performer status once the auditor is able to issue an opinion.