

# Statutory Performance Requirements

<u>Desired Outcome</u>	<u>PHAS Score as of 12/31/2022</u>	<u>Required Score</u>	<u>Targeted Accomplishment Date</u>	<u>Actual Accomplishment Date</u>	<u>HUD Remedies</u>
<p>By the next PHAS assessment that is at least 12 months after the initial notice of the troubled performer designation, improve performance by at least 50 percent of the difference between the initial PHAS assessment score that led to the troubled performer status and the score necessary to remove the PHA's designation as a troubled performer.</p>	53	56	<p>HACM shall improve its performance by at least 50 percent of the difference between the initial PHAS assessment score that led the the Troubled designation and the score necessary to remove the PHA's Troubled designation by the first PHAS assessment for fiscal years ending on or after December 31, 2025.</p>		<p>Failure to achieve an improvement of at least 50 percent of the difference between the initial PHAS assessment score and the score necessary to remove the PHA's designation as a troubled performer will result in a referral to the Assistant Secretary to determine such remedial actions, consistent with the provisions of the ACC and other HUD regulations, including, but not limited to, remedies available for substantial default.</p>
<p>By the next PHAS assessment that is at least 24 months after the initial notice of the troubled performer designation, improve performance and achieve an overall PHAS score of at least 60.</p>	53	60	<p>HACM shall reflect improvement in its performance and achieve an overall PHAS score of at least 60 percent of the total points available by the next sequential fiscal year PHAS assessment.</p>		<p>Failure to achieve an improved score of at least 60 will result in a referral to the Assistant Secretary to determine such remedial actions, consistent with the provisions of the ACC and other HUD regulations, including, but not limited to, remedies available for substantial default.</p>

W002-HACM Sustainability Plan: Governance								
Determination from Assessment		The HACM Board of Commissioners is unable to meet its oversight role or responsibilities for a complex, large public housing agency. The HACM board is tasked with oversight of the organization's operations, providing constructive criticism to management, and making appropriate oversight decisions so that the PHA achieves its objectives and mission. The HACM mission is to provide a continuum of high-quality housing options that support self-sufficiency, good quality of life, and the opportunity to thrive.						
Item Number	Root Cause	Desired Outcome and Measures	Tasks to Accomplish Desired Outcomes	Targeted Accomplishment Date	Person/Entity Responsible for Completion	Comments/Accomplishments	Completed	Field Office Comments
GOV-01	Board oversight of management is not sufficient to ensure HACM achieves its objectives and mission.	The HACM Board of Commissioners is ready, willing, and able to exercise effective oversight of HACM, as evidenced by improved overall PHAS scores. Effective oversight includes setting policy, approving budgets, ensuring sound financial management and monitoring the overall performance of the agency. Oversight will also include supervision of and direction to the Executive Director of HACM.	The HACM Board of Commissioners shall procure training that provides an overview of their legal and fiduciary responsibilities for HACM's HUD programs. It should include a section on performance metrics, finances, and controls that can be used to measure HACM and its instrumentalities' performance. HACM's leadership team must also attend this training. A list of attendees and training certifications if applicable must be provided to our office.	A) Training procured by April 30, 2025 B) Training completed by December 31, 2025	The HACM Board of Commissioners	A) Completed. HACM's Human Resources department has begun identifying training for Commissioners and leadership team. The HUD Exchange website has a set of trainings for Board members that include online training modules on: (1) Board Roles and Responsibilities; (2) PHA Budget and Finance; (3) PHA Plan, Capital Fund, and Strategic Planning; (4) Procurement; (5) PHA Performance Monitoring and Risk Management; (6) Overview of the LIPH Program and ACOP; (7) HCV and Administrative Plan Overview. NAHRO in person training for Commissioners and Exec staff was completed 5/16 and 5/17. See attached sign in sheet.  B. Two new Commissioners joined the Board in August 2025. Training had been scheduled earlier in 2026 but was rescheduled due to some serious health issues. Each of them (James Nelson and Howard Snyder) have now completed the HUD Exchange Leading the Way Commissioner training. Commissioner Snyder completed on 4/30/26 and Commissioner Nelson completed on 5/1/2026. HUD Exchange was unable to print their completion certificate. For Commissioner Snyder, please see attachments, "Howard Snyder HUD Lead the Way Completed Certification Page - Completed 04-30-26" showing he achieved it. For Commissioner Nelson, please see the page "Commissioner Nelson training" which shows his progress at 100% complete. Additionally, we submitted a technical assistance request to HUD Exchange regarding the inability to obtain a completion certificate (see the screenshot on the attachment, "Commissioner Nelson question to HUD")	Completed	Completed.
GOV-02	Failure to have a fully constituted Board of Commissioners since at least 2019.	HACM Board of Commissioners is fully constituted and in compliance with the Housing Act of 1937, HUD regulations, applicable Wisconsin State Statutes and the HACM Bylaws.	A) Provide a list of HACM Board of Commissioners with contact information including title, address, phone, and email along with terms. B) Update IMS-PIC with Commissioner contact information and term expiration dates. C) HACM Board of Commissioners will consist of seven (7) members per WI Statutes. D) Six months prior to the expiration of a Commissioner's term, the Board chair will instruct the Executive Director to contact the Mayor's Office to inform them of the pending vacancy. A copy of this notice will be provided to the HUD field office.	A) January 31, 2025 B) March 31, 2025 C) June 30, 2025 D) Beginning with implementation of this plan.	The HACM Board of Commissioners	A) Completed as of 1/8/2025, resent to HUD 3/19/2025. See attached list (HACM Board of Commissioners). B) Completed 3/19/2025. (attached GOV-02B) C) Two new Board members were confirmed on 7/31. Board now consists of 7 members. D) See attached (GOV -02D) Advance reminder on Patty Dee's calendar.	Completed	Completed.
GOV-03	The HACM Board of Commissioners noncompliance with HA1937, Wisconsin State Statutes and HACM Bylaws regarding number of Resident Commissioners on the board.	The HACM Board of Commissioners consists of at least two resident board member as required by HA1937, HACM bylaws and State PHA governance statutes.	A) The Board chair will work with the Mayor and the Common Council to ensure two resident board members are appointed. B) Resident Commissioners will be identified on lists provided to HUD and IMS-PIC contact information	A) June 30, 2025 B) March 31, 2025	The HACM Board of Commissioners	A) 2nd resident board member confirmed on 7/31, Mr. James Nelson. B) Completed, sent to HUD 3/19/25 see attached (GOV-03B)	Completed	Completed.
GOV-04	An overly complex governance structure involving multiple instrumentalities that have limited and/or poorly defined oversight by the HACM Board of Commissioners. Poorly defined or non-existent HACM policy on the authority to appoint and remove members to instrumentalities boards. Poorly defined or non-existent HACM policy regarding instrumentality responsibilities to report or provide information to the HACM Board of Commissioners. Poorly defined or non-existent HACM policy on the scope of authority for instrumentalities and their boards.	Clear policies are implemented regarding the scope of authority for instrumentalities and their boards. Bylaws for HACM and its instrumentalities that clearly define the board structure for each instrumentality including details on the authority to appoint and remove board members from each instrumentality.	A) The Bylaws for HACM are amended to include a section that clarifies the responsibilities of the Board of Commissioners over all instrumentalities created by the agency. A copy of the amended Bylaws will be provided to HUD. B) HACM provides a list of all instrumentalities created by the agency per Section 3(b)(6) of the 1937 Act, 24 CFR 5.100 and PIH Notice 2007-15. C) The Bylaws for each instrumentality created by HACM will be amended to include the following items: 1) The scope of authority or responsibilities for the instrumentality as delegated by the HACM Board of Commissioners 2) Identify how instrumentality board members are appointed, their terms and how members can be removed. 3) Identify the instrumentality's responsibility to report to the HACM Board of Commissioners through written reports including the required reporting timeframes.	A) June 30, 2025 B) April 30, 2025 C) June 30, 2025	The HACM Board of Commissioners	A) On June 24, 2025, the HACM Board of Commissioners approved amendments to the HACM Bylaws, which now include a section that clarifies the responsibilities of the Board of Commissioners over all instrumentalities created by the Authority (Article V, pg 6), among other changes. Please see the attached copies of the Bylaws as a redline and with all the changes accepted, which incorporate all the changes approved by the HACM Board of Commissioners on June, 26, 2025. We look forward to your approval of the updated Bylaws.  B) HACM's current instrumentalities are: 1.Travaux, Inc. 2.Crucible, Inc.  C) On June 24, 2025, the HACM Board of Commissioners approved amendments to the Bylaws of its instrumentality, Travaux, Inc., clarifying the scope of the instrumentality board members, the process for the appointment and removal of board members, and the responsibility for the Travaux Board to report to the HACM Board, including timeframes, among other changes. The amendments were then shared with the Travaux Board of Directors at their June 26, 2025 meeting. Please see the attached copies of the Bylaws as a redline and with all the changes accepted, which incorporate all the changes approved by the HACM Board of Commissioners on June, 26, 2025. We look forward to your approval of the updated Bylaws.  Similar amendments are currently in-work for HACM's other instrumentality, Crucible, Inc. and are scheduled to be brought to the HACM Board of Commissioners at their July 9, 2025 meeting. We will share those documents once they have been approved by the HACM Board of Commissioners.	Completed	Completed.

W1002-HACM Sustainability Plan: Governance								
Determination from Assessment		The HACM Board of Commissioners is unable to meet its oversight role or responsibilities for a complex, large public housing agency. The HACM board is tasked with oversight of the organization's operations, providing constructive criticism to management, and making appropriate oversight decisions so that the PHA achieves its objectives and mission. The HACM mission is to provide a continuum of high-quality housing options that support self-sufficiency, good quality of life, and the opportunity to thrive.						
Item Number	Root Cause	Desired Outcome and Measures	Tasks to Accomplish Desired Outcomes	Targeted Accomplishment Date	Person/Entity Responsible for Completion	Comments/Accomplishments	Completed	Field Office Comments
Item Number	Root Cause	Desired Outcome and Measures	Tasks to Accomplish Desired Outcomes	Targeted Accomplishment Date	Person/Entity Responsible for Completion	Comments/Accomplishments		
MGMT-01	The 2022 PHAS assessment reflects low occupancy scores at some HACM properties that warrant significant improvement including Locust Court (W1002000015) and Lincoln Court (W1002000019).	The occupancy rate at all properties is increased or maintained at least to 96% MASS occupancy.  HACM maintains an overall 96% MASS occupancy across HACM's portfolio (16 points).	A) HACM shall submit to our office Occupancy Action Plans (OAP) for each development below 96% MASS occupancy as of December 2024. The OAP should include the following elements: i) Assess the realistic time needed to turn units after a vacancy. ii) Evaluate the number of families that need to be pulled from the waiting list to achieve a successful lease-up. This should include an evaluation of the adequacy of the waiting list. iii) Evaluate if project-specific waiting list preferences would improve occupancy rates.  B) As part of its CFP Five Year Action Plan, HACM must develop a Vacancy Reduction Program (identify physical improvements to remedy a defined vacancy problem but excluding costs for vacant unit turnaround such as painting, cleaning and minor repairs) for each development below 96% MASS occupancy.  C) HACM must maintain its overall 96% MASS occupancy average including submitting unit modernization requests to our office. Unit modernization requests in addition to identifying work activities and force account or contract labor must accurately reflect the timeline necessary to conduct modernization activities. Please also see PHYS-08.	A) May 31, 2025 B) June 30, 2025 - Extension requested to 12/31/2025 C) Ongoing, and through December 31, 2026	Executive Director	A) See attached: 2025 OAP. This document covers strategies that will be trained and implemented across the agency.  B) We have completed our review of units with less than a 96% occupancy, identifying physical improvements (substantial renovation, not normal turnaround) that would assist in lowering unit vacancy. Please see the attachment "MGMT-01(B) VACANCY REDUCTION PLAN."  C. As of 12/31/2025, HACM continues to put units on hold to allow time to complete unit modernization and our overall MASS occupancy average continues to be above 96%. The unit modernization work is being completed with weekly vacancy meetings to coordinate efforts on unit turn and leasing.	Completed	Completed.
MGMT-02	Excessively high TARs balances are reflected at Becher Court (W100200018), Park Lawn (W100200007), and Scat Site Hope VI Cherry (W1002000063). TARs is a measure of tenants accounts receivable of a project against tenant charges (rents and other charges to tenants such as court costs, maintenance cost, etc.) for a project's fiscal year. Per FIN-04 HUD has determined that HACM has been under-reporting TARS balances which prevents the agency and HUD from properly evaluating TARS and developing a plan to address the issue.	HACM will decrease the outstanding total TARS balance to bring the MASS TARS ratio to at least 2.5% or better at each property receiving a PHAS score. HACM will implement a comprehensive rent collection process across all properties to ensure consistent rent collection and to improve the timeliness of rent collection.	A) HACM shall provide an accurate reporting of W1002's tenant accounts receivable balances for the 2022 and 2023 fiscal year ends.  B) HACM shall provide a copy of their standardized rent collection process. This process must include details on how rent is collected, how it is credited to the residents accounts, and what is the process that is followed for failure to pay.  C) HACM must decrease its the tenant accounts receivable (TARs) ratio to 2.5% for each property that is PHAS scored.	A) April 30, 2025 B) June 30, 2025 C) Ongoing, and through December 31, 2026	Executive Director	A) Completed--See attached file: Finance Sustainability Reconciliation  B) Completed --See file Participant Processing SOP 6.29.25, page 24. In addition we have assigned a Senior Property Manager to lead an agency wide initiative to address overdue balances. Compliance team will assist with first wave of notifications. Strategies put in place for repayment plans and evictions when needed. Stressing to staff that it is necessary to monitor monthly, enforce consistently. Finance team is working to clear up past due balances deemed uncollectable.  C. In the December 2025 Sustainability update, HACM submitted the report "MGMT-02 2025 Monthly rent collections vs Rent Billed Jan to Nov." showing some progress with current collection rates. However, due to older balances, TARS rates overall for 2025 are still greater than 2.5%. HACM continues to work on strategies with property management to reduce the TARS rate ratio to get it to 2.5% and will continue to have regular meetings monitoring the status of the TARS rate and evaluating progress. This process is ongoing until we can decrease the TARS ratio.		Past Due.

W1002-HACM Sustainability Plan: Financial Indicator (FASS)

Determination from Assessment		HACM's financial management is not meeting requirements under Federal regulations nor the needs of the organization. Root causes include a lack of control activities that ensure accurate, current, and complete financial statements, not maintaining sufficient financial management or accounting staff, and an inability to maintain data and information to ensure accurate cost allocations.						
Root cause	Desired Outcome and Measures	Tasks to Accomplish Desired Outcomes	Targeted Accomplishment Date	Person/Entity Responsible for Completion	Comments/Accomplishments	Completed	Field Office Comments	
<p><b>FIN-01</b></p> <p>HACM does not employ enough individuals with the appropriate skills, knowledge and expertise to prepare its financial statements and related account reconciliations. Key positions in the financial staff have remained unfilled for significant time periods (Chief Financial Officer).</p>	<p>HACM has financial staff that have the appropriate skills, knowledge and expertise to prepare timely and accurate financial statements and related account reconciliations. All financial positions are staffed and there are sufficient staff to accomplish financial reporting and oversight of the authority.</p>	<p>A) HACM shall analyze financial staffing levels and skills gaps. HACM shall ensure existing accounting staff have sufficient competencies to report in HUD systems, correctly make accounting entries and prepare financial reports. Where staffing levels deficiencies are found, HACM shall conduct a search for additional staff. HACM shall ensure new hires have sufficient competencies and/or provide sufficient training. This analysis must be submitted to our office and shared with the HACM Board of Commissioners.</p> <p>B) HACM shall conduct a search for a Chief Financial Officer, who is of sufficient competence to lead and provide oversight of HACM accounting staff. HACM will ensure amongst other duties that the CFO will report data that is accurate, journal and general ledger entries are correct, and financial reports are timely and accurate.</p> <p>C) HACM shall conduct performance evaluations on all fiscal staff. Evaluations should include measurable metrics regarding financial reporting.</p>	<p>A) May 31, 2025 B) June 30, 2025 C) August 31, 2025 and ongoing at least annually - Extension requested to 12/31/2025</p>		<p>A) See document: FIN-01 and B. Leak Resume. Completed.</p> <p>B) Brad Leak was hired as CFO in January 2025 Completed</p> <p>C) UPDATE--the performance evaluations for accounting staff are opened in HACM's PAYCOM system and are ongoing, but have not been fully completed as of 12/31/2025. The assessment of skills , competencies and performance will be part of the work during the first several 1-2 months of the new CFO</p>		Past Due.	
<p><b>FIN-02</b></p> <p>Failure to prepare and present accurate financial reports for HACM Board, senior management, HUD and other HACM stakeholders which resulted in a disclaimer of opinion on the audit for 2022. Inaccurate financial reporting for audit and HUD financial submissions including material misstatements on financial reports.</p>	<p>HACM implements a policy, procedure and/or system for accurately and timely preparing financial reports for the HACM Board, senior management, HUD and other stakeholders. The financial policy and procedure includes a process to conduct quality control reviews of financial reports and staff.</p>	<p>A) HACM conducts a review of all current financial policies and procedures to determine improvements, changes and missing requirements. This review will be provided to the HUD field office.</p> <p>B) HACM amends or develops financial policies and procedures to implement the changes and improvements identified in step A. The revised or developed financial policies and procedures will be provided to the HUD field office.</p> <p>3) HACM shall develop and implement a quality control process to ensure future financial reporting is accurate. The quality control process will be provided to the HUD field office.</p>	<p>A) March 31, 2025 B) June 30, 2025 -Extension requested to 12/31/2025. Due to the turnover at CFO, HACM is requesting a second extension from HUD to July 2026. C) June 30, 2025 - Extension requested to 12/31/2025. Due to the turnover at CFO, HACM is requesting a second extension from HUD to July 2026.</p>	Executive Director / HACM Financial Staff	<p>A) Completed, see attached (FIN-02 InternalControlAssessment) Note: ALL accounting related staff have to be trained in order to be able to properly process and follow standard procedures.</p> <p>Items (B) and (C) ---HACM originally requested an extension from HUD for this deadline until 12/31/2025 as the CFO and Accounting Team had to focus on the financial audits of HACM and the LLCs.</p> <p>The current CFO left HACM in early December 2025. HACM has hired BDO, a financial consulting firm with significant PHA experience, to assist with financial oversight due to the current lack of a CFO while we recruit for a new CFO. .See the attachment "Accounting Services BDO-CVR".</p> <p>This consulting firm will have the expertise to perform also perform an independent review of HACM's policies and procedures to propose changes to improve HACM's financial controls and performance. This review will also include steps for quality control review of financial reports. BDO has also submitted a plan for completion of these items with steps and timeframes. See attachment "Sustainability Plan Implementation Plan and Timeframes" that was submitted by BDO. BDO submitted a rough draft of a proposed Accounting/Financial Policy to HACM on 5/10/2026 and the new CFO, John Larsen, who started at the beginning of June 2026 will review it and make revisions/changes as necessary.</p>		Past Due.	
<p><b>FIN-03</b></p> <p>Inaccurate reporting of cash positions in financial reports to the Board, audit and HUD.</p>	<p>HACM accurately reports the cash position for all programs administered by the authority.</p>	<p>HACM shall provide our office bank statements that tie to the amount of Low Rent Public Housing cash reported on W1002's 2022 and 2023 FDS (aka FASS-PH) submissions.</p>	<p>April 30, 2025</p>	Executive Director / HACM Financial Staff	<p>A) See attached file: Finance Sustainability Reconciliation</p>	Completed	Completed.	
<p><b>FIN-04</b></p> <p>Failure to prepare and present accurate financial reports for HACM Board, senior management, HUD and other HACM stakeholders which resulted in a disclaimer of opinion on the audit for 2022. Inaccurate financial reporting for audit and HUD financial submissions including material misstatements on financial reports.</p>	<p>HACM prepares accurate and timely financial reports for the HACM Board, senior management, HUD and other stakeholders for the 2022 and 2023 HACM Fiscal Years.</p>	<p>A) HACM shall provide an accurate reporting of W1002's accounts payable balances for the 2022 and 2023 fiscal year ends.</p> <p>B) HACM shall provide an accurate reporting of W1002's tenant accounts receivable balances for the 2022 and 2023 fiscal year ends.</p>	<p>A) April 30, 2025 B) April 30, 2025</p>	Executive Director / HACM Financial Staff	<p>A) See attached file: Finance Sustainability Reconciliation B) See attached file: Finance Sustainability Reconciliation</p>	Completed	Completed.	

WI002-HACM Sustainability Plan: Financial Indicator (FASS)

WI002-HACM Sustainability Plan: Financial Indicator (FASS)								
Determination from Assessment		HACM's financial management is not meeting requirements under Federal regulations nor the needs of the organization. Root causes include a lack of control activities that ensure accurate, current, and complete financial statements, not maintaining sufficient financial management or accounting staff, and an inability to maintain data and information to ensure accurate cost allocations.						
Root cause	Desired Outcome and Measures	Tasks to Accomplish Desired Outcomes	Targeted Accomplishment Date	Person/Entity Responsible for Completion	Comments/Accomplishments	Completed	Field Office Comments	
<p><b>FIN-05</b></p> <p>The lack of communication between departments and staff prevents HACM accounting staff from collecting the required data and information to accurately allocate expenses between the public housing program, affordable housing developments, and market rate developments.</p>	<p>HACM determines a reasonable methodology for cost allocating all of its shared costs and incorporates said methodology into a Cost Allocation Plan that HACM follows when charging costs to HUD programs and all other benefitting programs.</p>	<p>Submit a cost allocation plan for HACM, Travaux, and other instrumentalities to our office. HACM shall develop a system to cost allocate HACM and its instrumentalities by program and property. This is also required by GOV-05 C</p>	<p>June 30, 2025 - Extension requested 12/31/25; HACM is requesting a second extension from HUD to July 2026.</p>	<p>Executive Director / HACM Financial Staff</p>	<p>UPDATE--The basics of HACM's overall cost allocation plan are described on pages 36 to 40 of the current standard policies, which is attached as "Attachment FIN-05 Accounting &amp; Financial Policies and Procedures Manual" . We submit this for HUD's review of our current Cost Allocation Plan. This section includes allowability of costs, direct costs, and the allocation of indirect or joint costs that must be allocated to benefiting funding sources. Various cost pools and basis of allocation are described in the manual, including but not limited to rent collection, public housing intake, public safety, and resident services. Additionally, pages 24 to 31 discusses the billing on a fee for service basis of certain maintenance services that are provided as a centralized maintenance rather than by property.</p> <p>While HACM has done an initial review of these existing policies and practices, we believe that HACM will also benefit from an outside consultant reviewing HACM's current cost allocation system for improvements, best practices, or gaps. HACM has hired BDO, a financial consulting firm with significant PHA experience, to assist HACM both with the current absence of a CFO at HACM as well as additional items--we will include our Cost Allocation Plan in the firm's scope of work. . See the attachment "Accounting Services BDO-CVR". Any revisions will be sent to HUD for review. For a final version incorporating revisions from a financial consulting firm, therefore, we would request an extension to July 2026. BDO has also submitted a plan for completion of these items with steps and estimated timeframes ( attachment "Sustainability Plan Implementation Plan and Timeframes"). HACM received a draft "Cost Allocation Plan on 5/5/2026. The new CEO, John Larsen,</p>		Past Due.	

**WI002-HACM Sustainability Plan: Physical Indicator (PASS)**

Determination from Assessment	HACM does not have adequate management of physical assets to ensure the provision of safe, decent, and sanitary housing for its public housing residents. Root causes include HACM management lacking a long-term strategic plan, adequate knowledge and understanding of the public housing property's capital needs, lack of a preventative maintenance program to ensure the units meet UPCS /NSPIRE standards, and inadequate property management practices.						
Root Cause	Desired Outcome and Measures	Tasks to Accomplish Desired Outcomes	Targeted Accomplishment Date	Person/Entity Responsible for Completion	Comments/Accomplishments	Completed	Field Office Comments
PHYS-01 HACM's maintenance program does not ensure public housing units meet the physical needs of the property and comply with NSPIRE standards. HACM does not have an accurate system to track the process of work orders or the timeframe for completing work orders. There is not an adequate system to conduct quality control reviews of completed work orders by HACM maintenance staff or an adequate system to provide oversight for contracted repairs and maintenance.	Work orders, preventative maintenance and repairs are completed in a timely manner to ensure all units meet the NSPIRE standards. HACM implements a system to perform quality control of work orders, preventative maintenance and repairs.	<p>A) Evaluate the current work order process to ensure it adequately tracks work orders and contracted repairs for both adequacy of the work and timeframes for completion and make changes to current processes based on the evaluation. This process should rely on HACM management oversight and not reporting from tenants. A report of the evaluation is provided to the HUD field office.</p> <p>B) HACM shall develop a formal quality control procedure for completed work orders with a focus on staff accountability. Quality control procedures should relate specifically to mitigation of inspection deficiencies and completion of preventative maintenance work by HACM and instrumentality staff, vendors and contractors. Key to this procedure is HACM's ability to successfully utilize Yard's work order tracking and reporting features. As a result, HACM should work closely with its software vendor to procure training and/or technical assistance.</p> <p>C) HACM must develop a process to randomly sample tenant satisfaction with work order completion and submit this process to the HUD office.</p>	<p>A) June 30, 2025                      B) June 30, 2025                      C) April 30, 2025</p>	Executive Director / Maintenance Director	<p>A) A task group was put together with property maintenance and staff to head discussions on HACM work order process. See HACM Maintenance Operations SOP.</p> <p>B) Staff member assigned to QC and verify work orders. Prop Mgmt staff are directed to report any quality issues to Director of Maintenance. Quality of work has been stressed, the alternative known that we will cut staff and move to contractor model if work is not completed timely and with quality workmanship. Staff member assigned as YARDI liaison and to conduct YARDI reporting.</p> <p>C) Implemented 4/28/25 in ALL buildings. Form left at each unit after work order completion. QR code for satisfaction survey on form, property managers available to assist and paper copies available upon request for accomodation. Results will be tracked, shared and used to address failures in service delivery. Met with Property Managers on 4/23 and Maintenance staff on 4/24. Unsatisfied responses will receive a follow up call, all calls will be spot checked with follow up contact to ensure integrity. See attached: Maint in unit New QR.</p>	Completed	Completed.
PHYS-02 The maintenance program doesn't have an adequate process for correcting Health and Safety deficiencies within required timeframes. HACM does not have a maintenance system to identify and correct life threatening deficiencies as 223 health and safety deficiencies were observed in the 2024 calendar year physical inspections using NSPIRE standards.	Health and safety or Life Threatening and Severe (LTS) deficiencies identified by HACM or HUD inspections are corrected within the timelines specified in PIH Notice 2023-16. HACM preventative maintenance plan and schedule address LTS deficiencies so that instances of LTS deficiencies from HUD inspections are reduced.	<p>A) Develop a post-inspection procedure to prioritize LTS deficiencies that are cited from NSPIRE inspections or HACM inspections. The procedure must specify a timeframe to correct the deficiencies that meets PIH Notice 2023-16 and a process for quality control of the repairs. This procedure must be submitted to our office.</p> <p>B) The preventative maintenance plan and schedule developed in PHYS-03 contains specific procedures for addressing LTS deficiencies within required timeframes.</p>	<p>A) June 30, 2025                      B) June 30, 2025</p>	Executive Director / Maintenance Director	<p>A) Senior Property Manager assigned to NSPIRE Inspection oversight: prep, and post inspection required follow up. See HACM Maintenance Operations SOP. Property Management coordinating directly with Centralized aintenance for onsite support. Contractor support available when needed.</p> <p>B) See Maintenance SOP. Stressed with staff, importance of LTS and required time frames and HUD reporting. Process is improved over last year.</p>	Completed	Completed.
PHYS-03 HACM management and staff were unaware of the preventative maintenance plan and do not implement its use across the organization.	A preventative maintenance plan is in place for all properties. The property management and maintenance staff are aware of and follow the preventative maintenance schedule. HACM conducts quality control reviews to ensure that the preventative maintenance plan is properly followed.	<p>A) The current preventative maintenance plan is evaluated to ensure adequacy and applicability to all HACM properties. A report of the evaluation is provided to the HUD field office.</p> <p>B) HACM shall develop a schedule of maintenance derived from the preventative maintenance plan for each property. This schedule will direct efforts in maintaining HACM's properties and grounds. This schedule of maintenance items must be submitted to our office.</p> <p>C) HACM shall provide training to all executive leadership, asset management staff, and maintenance staff on the preventative maintenance plan. A list of attendees shall be provided to the HUD office.</p>	<p>A) March 31, 2025                      B) April 30, 2025                      C) May 31, 2025</p>	Executive Director / Maintenance Director	<p>A) Completed, focus group met on 3/18. Trash Chute maintenance added to schedule. Discussed next steps: begin testing recurring work orders in YARDI for PM. See attached (PHYS-04)</p> <p>B) See attached: Facility Maintenance Task Schedule and Preventative Maintenance Schedule</p> <p>C) Training took place 5/28. Individualized sessions will be scheduled in June at each property with Project leads to assist with set up of YARDI framework. See document: HACM Maintenance Operations SOP and Preventative Maintenance Schedule.</p>	Completed	Completed.
PHYS-04 The maintenance program has a written preventative maintenance plan that covers the annual inspection process for public housing units. HACM could not demonstrate that the inspections were being conducted or that HACM staff implemented the plan.	The property management and maintenance staff are aware of and follow the preventative maintenance and inspection schedule. An annual inspection of every unit using the NSPIRE standards is conducted by HACM and the authority maintains a record of completion of the inspection.	<p>A) HACM must develop an inspection process or procedure specific to meet the NSPIRE annual inspection requirement. This process will not rely on or be associated with the existing move-in/move-out process or procedure. This process or procedure must be submitted to our office.</p> <p>B) Develop an inspection checklist that incorporates the NSPIRE standards or use the NSPIRE inspection checklist as provided by HUD. HACM's inspection checklist must be submitted to our office.</p> <p>C) HACM shall assess and consider the possibility or advisability of procuring a third party vendor to perform pre-REAC inspections by a third party vendor or contractor, taking into account the costs vs. benefits of such a step given current budget constraints..</p>	<p>A) May 31, 2025                      B) May 31, 2025                      C) June 30, 2025</p>	Executive Director / Maintenance Director	<p>A) Please see: HACM Maintenance Operations SOP                      B) See INSPECTION RECORD for ANNUAL-NSPIRE                      C) Discussed and considered by Exec team. Budget currently does not allow for the procurement of a 3rd party vendor. In the alternative: Staff with experience and recent success with inspection process have been assigned to oversee and coordinate inspection process across agency. Emphasize coordination between onsite maintenance and centralized maintenance team. Formation of maintenance teams dispatched for each scheduled inspection. Inspections completed with entry of work orders, and prioritization of work orders when necessary.</p>	Completed	Completed.
PHYS-05 HACM does not have a process, system or schedule to track supplies and equipment or to conduct regular inventory of such. 2 CFR 200.302(b)(4) requires that in order to demonstrate effective internal control in managing Federal awards, HACM must have: "Effective control over, and accountability for, all funds, property, and other assets. The non-Federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes."	HACM has an inventory control system in place and conducts inventories as per requirements under Federal regulations. See 2 CFR 200.302(b)(4); 2 CFR 200.313; 2 CFR 200.314.	<p>A) HACM develops and implements an inventory control policy and system that includes a schedule for the inventory of supplies and equipment. The policy and system will be provided to the HUD field office.</p> <p>B) HACM will develop and use an Equipment Roster that records the required data elements for tracking equipment per 2 CFR 200.313(d)(1).</p> <p>C) HACM will develop and implement a quality control process to ensure accurate and timely inventory of supplies and equipment.</p>	<p>A) September 30, 2025                      B) September 30, 2025                      C) September 30, 2025</p>	Executive Director / Maintenance Director	<p>A&amp;B&amp;C: 9/30/2025 - This is a very large project for HACM as no inventory protocol had previously been established. Progress is ongoing, plan is being coordinated between our data management specialist, maintenance team and members of our finance team. See document PHYS-05 HACM Inventory Control 9 30 2025 for action items taken and summary of progress. HACM is completing the inventory policy and system under the new CFO.</p>		Past Due.

WI002-HACM Sustainability Plan: Physical Indicator (PASS)

<u>Determination from Assessment</u>		HACM does not have adequate management of physical assets to ensure the provision of safe, decent, and sanitary housing for its public housing residents. Root causes include HACM management lacking a long-term strategic plan, adequate knowledge and understanding of the public housing property's capital needs, lack of a preventative maintenance program to ensure the units meet UPCS /NSPIRE standards, and inadequate property management practices.						
	<u>Root Cause</u>	<u>Desired Outcome and Measures</u>	<u>Tasks to Accomplish Desired Outcomes</u>	<u>Targeted Accomplishment Date</u>	<u>Person/Entity Responsible for Completion</u>	<u>Comments/Accomplishments</u>	Completed	<u>Field Office Comments</u>
PHYS-06	HACM does not have a standardized operating procedure for the unit-turn process that enables public housing units to return to occupancy in a timely fashion after a tenant moves out.	HACM develops and implements a unit turn around process that enables public housing units to return to occupancy no later than 45 days of vacancy.	<p>A) The current unit turn process is evaluated to determine deficiencies and improvements that are needed to meet a 45 day turn time. The results of the evaluation will be provided to the HUD field office.</p> <p>B) HACM develops a unit turn policy and procedure that includes clear objectives, defined steps, and realistic metrics. The process includes tracking units from when they become vacant until they are rent-ready in order to determine if meeting the 45-day turnaround timeframe. (The tracking should provide clear distinction between when the unit is rent-ready and when the unit is re-occupied)</p> <p>C) HACM will develop and implement a quality control process to ensure rent-ready units meet the NSPIRE standards and turn-around timeframes meet the 45 day goal.</p>	<p>A) April 30, 2025                      B) May 31, 2025                      C) May 31, 2025</p>	Executive Director / Maintenance Director	<p>A) SOP has been completed. This will allow us to accurately track turn time by splitting out turn time and lease up time, these had been reported combined in the past. Training session will be scheduled for staff mid May. See attached: HACM Unit Turn SOP 4.21.25</p> <p>B) See Final Reformatted_Unit_Turn_SOP. Staff training took place 5/22.</p> <p>C) B) See Final Reformatted_Unit_Turn_SOP.</p>	Completed	Completed.
PHYS-07	HACM's 2022 PHAS assessment score reflects failing PASS scores for some individual HACM developments including: Parklawn (WI002000007): 59c, Milwaukee (WI002000010): 44c, Locust Court (WI002000015): 44c, Scattered Sites North and West (WI002000016): 45c, Highland Homes (WI002000060): 54c, Scattered Sites South (WI002000061): 48c, and Scattered Site Hope VI Cherry (WI002000063): 54c, based on scores out of 100 points.	HACM does not have any properties that score less than 60 points on PASS or on inspections from HUD/REAC. Any properties that do receive a PASS score less than 60 are prioritized for repairs or capital improvements to improve their inspection scores.	<p>A) Conduct HUD required annual inspections on all public housing properties to identify all physical deficiencies and develop a plan to cure all deficiencies prior to the next NSPIRE physical inspection of the property by REAC.</p> <p>B) HACM will contract with a knowledgeable vendor to conduct a physical needs assessment for all properties.</p> <p>C) HACM will ensure a physical needs assessment is completed.</p> <p>D) For any development scoring less than 60% on its individual physical inspection included in the next PHAS assessment released for fiscal years ending on or after De-cember 31, 2023, the applicable CFP 5-Year Plan and Annual Budget will be revised to incorporate all eligible activities from the based on capital needs identified in the annual inspections, NSPIRE inspections, Physical Needs Assessment, and HACM's knowledge of current conditions of the property to cure deficiencies.</p> <p>E) The physical needs assessment in item C will be incorporated into the Asset Management reports required by GOV-07.</p>	<p>A) Varies based on when last annual inspection was completed and when next NSPIRE inspection is scheduled.                      B) March 31, 2025                      C) December 31, 2025                      D) March 31, 2026 and on an ongoing basis                      E) March 31, 2026 and on an ongoing basis</p>	Executive Director / Maintenance Director	<p>A) HACM staff continues to conduct HUD required annual inspections on all public housing properties to identify physical deficiencies and develop a plan to cure the deficiencies prior to the 2026 REAC NSPIRE inspections. This item is still ongoing.</p> <p>B) Completed-- HACM contracted with Bureau Veritas (PO #207) for Physical Needs Assessments dated 2/14/2025 (see attachment "PHYS-07B_PO_207 Bureau Veritas.pdf: All PNAs have been completed and submitted to HUD.</p> <p>C) Completed--HACM hired Bureau Veritas to perform a PNA of all public housing developments. The reports also include an Energy Audit. All PNAs have been completed and were attached to the November 30, 2025 Sustainability Plan update.</p> <p>D) Completed. For any development that scored less than 60% in the PHAS inspection, HACM has drafted revisions to the CFP 5-Year Action Plan to incorporate any capital needs identified.</p> <p>E. Completed. The PNA results for each development have been incorporated into the Asset Management Plan update completed on 9/30/2025 and are updated quarterly.</p>		<p>Past Due.</p> <p>A) 155 units remain to be inspected from 2024 failed inspections, (failure was 798 days ago).                      71 units remain to be inspected from 2025 failed inspections, (failure was 328 days ago).                      Per the HACM Maintenance Plan (on page 3 of 4) all annual inspections will be completed by May 31st every year.</p> <p>D) The current approved CFP 5YAP does not address failed inspections.</p>

W1002-HACM Sustainability Plan: Capital Fund Indicator

Determination from Assessment		HACM has not conducted a Physical Needs Assessment (PNA) or a comprehensive Capital Needs Assessment (CNA) to identify the repair, modernization, and maintenance needs of housing developments since 2014.						
Root Cause	Desired Outcome and Measures	Tasks to Accomplish Desired Outcomes	Targeted Accomplishment Date	Person/Entity Responsible for Completion	Comments/Accomplishments	Completed	Field Office Comments	
CFP-01	HACM does not have a comprehensive system to use physical evaluations of properties in the Capital Planning process. HACM is unable to provide a basis for creating a detailed Capital Fund Five-Year Action Plan and its execution. This has contributed to deferred maintenance on HACM properties and made it difficult for HACM to prioritize improvement based upon urgency, safety, regulatory requirements, and long-term impact on housing quality.	HACM uses property physical evaluations and inspection results in the creation of the 5-Year Action Plan and other capital planning activities and reports.	<p>A) HACM shall conduct a physical evaluation of all properties to identify needed repairs and capital improvements. It is recommended that HACM use an industry accepted method or to conduct a Physical Needs Assessment per industry standards. Any property that is required to have a contracted physical assessment per PHYS-08 will meet this requirement. See comments section for various standards for physical assessments. Physical assessments will be provided to the HUD field office.</p> <p>B) HACM shall conduct Energy Audits for all Public Housing properties. Energy Audits will be provided to the HUD field office.</p> <p>C) Physical Evaluations and Energy Audits will be data sources for the Asset Management tracking and reports required by GOV-07</p> <p>D) The current and future Five-Year Action Plans required by HUD will be updated to incorporate repairs and capital needs identified by the Physical Evaluations and Energy Audits.</p>	<p>A) December 31, 2025</p> <p>B) December 31, 2025</p> <p>C) March 31, 2026 and on an ongoing basis</p> <p>D) March 31, 2026 and on an ongoing basis</p>	Executive Director	<p>(A) and (B). HACM hired Bureau Veritas to perform a PNA of all public housing developments. The reports also include an Energy Audit. We have attached these reports to the November 30, 2025 Sustainability Plan update.</p> <p>C) The Asset Management Plan in GOV-07 used information from the PNAs as a data source in the report. Thus, this is completed.</p> <p>D) The Five Year Action Plan is being updated in 2026. During February and March 2026, HACM staff reviewed data as described in the Capital Planning and Budgeting Policy submitted to HUD with the June 2025 Sustainability update. Items used included, but were not limited to, physical inspection needs from NSPIRE inspections, the PNA report, and information on capital needs from property managers, maintenance and residents, and will be incorporated into changes to the CFP 5 Year Action Plan in 2026.</p>	Completed.	Past Due. D) The current approved CFP 5YAP does not address capital needs identified by the PNAs.
CFP-02	HACM does not have sufficient staff and resources dedicated to different activities related to Capital Fund planning, management of Capital funds, management of Capital needs, improvements, and emergency needs.	HACM has sufficient staff that is knowledgeable and trained in the capital planning and budgeting process. HACM implements a systemic process to base capital planning and budgeting on the physical and capital needs of the properties.	<p>A) HACM will evaluate their current Capital Planning and Budgeting policy and process to identify deficiencies and missing components that allow basing the capital plan and budget on identified needs of the properties including using property evaluations in the planning and budgeting process. In addition the evaluation should focus on impediments to communication and cooperation between asset management, management and finance staff at HACM. This evaluation will be provided to the HUD field office.</p> <p>B) HACM will develop and implement a capital planning policy and process based on the identified needs of the properties using data from physical evaluations and inspections. The process will include input from relevant staff in the asset management, maintenance and finance areas of the authority. The Capital Planning policy and process will be provided to the HUD field office.</p> <p>C) HACM will procure formal training for staff involved in the Capital Planning and Budgeting process. A list of attendees and training certifications if applicable must be provided to our office.</p>	<p>A) April 30, 2025</p> <p>B) June 30, 2025</p> <p>C) June 30, 2025</p>	Executive Director	<p>A) An evaluation of HACM's current Capital Planning and Budgeting process and the deficiencies, shortcomings or impediments are have been submitted to HUD as " CFP-02B: Memo on Evaluation of Capital Planning and Budgeting", so this item is completed.</p> <p>B) HACM's Capital Planning and Budgeting Policy (June 2025) has been completed and is submitted to the HUD Field Office with the 7/1/25 Sustainability Plan Update.</p> <p>C) HACM contracted with Nan McKay for a 2-day training on the Capital Fund Program for 10 personsthat was held on February 3 -4th, 2026. Documentation of completion was submitted to the HUD field office with this report.</p>	Completed	Past Due. C) Capital Planning and Budgeting Policy does not address required actions in eLOCCS.
CFP-03	HACM lacks organizational quality control checks and balances needed to evaluate completed projects to assess their impact on housing quality, safety, and resident satisfaction. It could not be determined if HACM's residents and other stake holders feedback or input was gathered and considered into the Capital Fund planning.	HACM has a quality control policy and process in place for Capital Planning and Budgeting.	A) Establish a post-project process or procedure to incorporate feedback and lessons learned from implementing, executing, and monitoring the capital plan throughout it's lifecycle.	A) June 30, 2025 and ongoing	Executive Director+F10	See Capital Planning and Budgeting Policy, item J.	Completed	Completed.