

CHAPTER 9. RELATIONSHIP BETWEEN THE COMPREHENSIVE IMPROVEMENT
ASSISTANCE PROGRAM (CIAP) REVIEWS AND REVIEWS
OF OTHER FUNCTIONAL AREAS

- 9-1. PURPOSE. The purpose of this Chapter is to: (1) emphasize the relationship of the CIAP application and implementation reviews, as set forth in the CIAP Handbook 7485.1 REV-4, to the other types of reviews, audits and surveys discussed in this Handbook; and (2) to emphasize the importance of the linkage between CIAP and reviews of other functional areas. If viewed in context, time spent during the joint review for CIAP can serve as a valuable supplement to other monitoring visits made by the Field Office.
- 9-2. CIAP JOINT REVIEWS. In preparing for the joint review, the Field Office shall review the PHA's files, including the latest management review, occupancy audit, maintenance operations review, project engineering survey and utilities review. The Field Office shall pay particular attention to any open findings but shall not discount the importance of findings closed on the basis of promised actions, long-term implementation schedules or areas which have repeatedly resulted in findings in the past. The Field Office also shall review the most recent Independent Auditor (IA) audit, Office of Inspector General (OIG) audit, PHA internal review reports, and any other reports, reviews or audits which may otherwise be available. In addition to looking at general management deficiencies during the joint review, particular attention should be given to maintenance (see paragraph 9-6), security and involvement of residents in not only the CIAP process but in all aspects of the PHA's operation.
- 9-3. CIAP MONITORING VISITS. During CIAP implementation, the Field Office conducts on-site monitoring visits to inspect the progress and quality of the physical and management improvements. Such visits may be conducted with other reviews, audits or surveys for more efficient use of travel time and funds. However, the CIAP Handbook requires that a separate CIAP monitoring letter be sent to the PHA after each CIAP monitoring visit. While on-site, the Field Office may identify areas for further review as set forth in this Handbook.
- 9-4. REVIEWS OF OTHER FUNCTIONAL AREAS. When an on-site review of any functional area (general management, maintenance, occupancy or utilities) has been scheduled for a PHA, the Field Office shall also review management

improvement areas funded under CIAP. In preparing for the on-site visit, the Field Office shall review the CIAP joint review and CIAP monitoring letters covering the past 2-5 years, with particular attention paid to management improvement areas. The CIAP Handbook 7485.1 REV-4, Chapter

2, provides an in-depth explanation of management improvement areas and should be reviewed prior to the on-site visit. The Field Office should give particular attention to the relationship between any deficiencies noted during the joint review and the deficiencies noted in the Comprehensive Modernization Plan (CMP). To the extent necessary, appropriate revisions should be recommended for the CMP.

9-5. MANAGEMENT IMPROVEMENT AREAS. Management improvements that are project specific or PHA-wide in nature are eligible modernization costs under CIAP. Management improvements may involve or upgrade the following areas:

- a. Management, financial and account control systems of the PHA which are related to the project to be comprehensively modernized.
- b. Adequacy and qualifications of personnel employed by the PHA in the management and operation of the project to be comprehensively modernized for each category of employment; and
- c. Adequacy and efficiency of the following for the project to be comprehensively modernized:
 - (1) Resident Programs and Services. The PHA must be able to secure and coordinate the provision of appropriate social services from local government or other public and private entities. Eligible costs include the hiring of additional staff to coordinate such services as drug education, resident training programs and assistance to a resident management corporation (RMC) to develop its management capabilities and carry out management improvements, under the terms of a management contract between the PHA and the RMC.
 - (2) Resident and Project Security. The PHA must be able to provide adequate security for the residents and adequate protection against vandalism to the property, including securing adequate police services, providing necessary project surveillance and control of access, and

excluding individuals who would jeopardize or evict those who are jeopardizing resident security. Particular attention should be given to steps the PHA may be taking to combat drug activity and the need for assistance which may be provided through CIAP, local or State resources.

- (3) Resident Selection and Eviction. The PHA must be able to select and assign residents in accordance with HUD requirements and sound management practices. The PHA also must be able to deal

effectively with disruptive residents.

- (4) Occupancy. The PHA must be able to maintain a 97% occupancy rate for the project after completion of the physical improvements, in accordance with its Comprehensive Occupancy Plan. The PHA must be able to prepare vacated units for reoccupancy within a reasonable time period (30 calendar days) to achieve its occupancy goals.
 - (5) Rent Collection. The PHA must be able to collect the rents at the project at a rate of at least 90% of the annual rents chargeable, plus year-end tenants rental accounts receivable (TARs). Where the PHA's TARs for residents in possession, excluding amounts covered by a formal up-to-date repayment agreement, exceed 10% of monthly charges to residents, the PHA must provide a plan to reduce TARs to 10% within an acceptable period. In addition, the PHA must be able to carry out timely evictions for nonpayment of rent.
 - (6) Maintenance. The PHA must be able to provide adequate maintenance for the project after completion of the physical improvements, so that the units continue to meet the Section 8 Housing Quality Standards. This includes timely response to routine and emergency maintenance requests, the conduct of a preventive maintenance program for all of the major systems at the project and annual unit inspections.
- d. Drug elimination activities at the project to be comprehensively modernized. See the CIAP Handbook 7485.1 REV-4, Appendix 2, for a discussion of the eligible uses of CIAP funds for management, as well as physical improvements in this area and the need

for PHA coordination with local government strategies and programs.

- e. Resident training activities directly related to carrying out the physical and management improvements at the project to be comprehensively modernized. CIAP funds may be used to pay for the following costs: program design and development; outreach and screening of residents to be trained; instructor's salaries; purchased curricula or preparation of new curricula; books and other training material; course-related tools, building supplies and materials; trainees' stipends, wages or both; consultants or contractors who perform eligible training-related tasks; rent, utilities, etc., for training facilities; and administration. For additional information, see the CIAP Tenant Training Guidebook, dated June 1985.

- f. Technical assistance to a Resident Management Corporation (RMC), as defined in 24 CFR Part 964.7, at the project to be comprehensively modernized for the purpose of developing its management capabilities and carrying out management improvements identified as PHA-wide or project specific in nature under the terms of a management contract between the PHA and the RMC. For information on the establishment and functions of RMCs, see 24 CFR Part 964. See the CIAP Handbook 7485.1 REV-4, Chapter 5, for resident/homebuyer consultation requirements.

9-6. IMPORTANCE OF MAINTENANCE AREAS. Particular attention should be given to areas of maintenance during on-site reviews in accordance with Section 201 of Part II of the Annual Contributions Contract which requires PHAs to maintain the projects in good repair. The "Study of Modernization Needs of Public and Indian Housing Stock" prepared by Abt Associates, Inc., of Cambridge, MA (March 1988) indicates that \$9.3 billion is needed to repair or replace existing architectural, mechanical and electrical systems in public housing projects. Fifty-five percent of this current backlog at PHAs is due to the failure to carry out routine and preventive maintenance in a timely manner. Accordingly, during on-site visits, Field Office staff should pay particular attention to a PHA's routine and emergency maintenance programs, preventive maintenance for all of the major systems and annual unit inspections, which are essential to protect the considerable Federal investment in public housing projects.