



U.S. Department of Housing and Urban Development
Office of Inspector General for Audit
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MEMORANDUM NO: 2003-KC-1802

December 26, 2002

MEMORANDUM FOR: Andrew L. Beoddeker, Director, Office of Public Housing, 7APH

Roger E. Niesen

FROM: Roger E. Niesen, Regional Inspector for Audit, 7AGA

SUBJECT: Housing Authority of Independence
Section 8 Review
Independence, Missouri

INTRODUCTION

We have completed a review of the Section 8 department of the Housing Authority of Independence. We conducted this review as a follow-up to a prior audit in which we identified discrepancies in the Authority's Section 8 department. The overall objective of our review was to determine if the Authority's Section 8 department is complying with applicable HUD rules and regulations. We determined that the Authority has an effective and well-run Section 8 department and is substantially complying with all applicable rules and regulations .

METHODOLOGY AND SCOPE

We reviewed and evaluated the Authority's Administrative Plan, Admissions and Continued Occupancy Policy, as well as some recent updates to their policies and procedures applicable to their Section 8 department. We also reviewed HUD's rules and regulations as well as applicable Code of Federal Regulations to ensure the Authority was in compliance. We selected 45 tenant/potential tenant files to assure that there was proper documentation showing that the Authority followed the rules and regulations applicable to their Section 8 department. In addition, we interviewed four Authority employees to verify that they complied with applicable rules and regulations when processing Section 8 requests.

BACKGROUND

On September 5, 1961, the City Council of Independence, Missouri adopted a City ordinance that created the Housing Authority of the City of Independence, Missouri. The ordinance declared the need for a housing authority in the City of Independence, based on stipulations of “The Housing Authorities Law” of the State of Missouri.

The Authority’s Administrative Plan stated that in 1974 the Section 8 Program was enacted as part of the Housing and Community Development Act. The Act and its requirements have been amended from time to time as they apply to the Section 8 Tenant-Based Assistance Program. The Section 8 Program is designed to achieve three major objectives:

- 1) Provide decent, safe, and sanitary housing for very low-income families while maintaining their rent payments at an affordable level.
- 2) Promote freedom of housing choice and spatial deconcentration of very low-income families of all races and ethnic backgrounds.
- 3) Provide an incentive to private property owners to rent to very low-income families by offering timely assistance payments.

In addition, the Authority has the following program goals:

- 1) To assist the local economy by increasing the occupancy rate and the amount of money flowing to the community.
- 2) To encourage self-sufficiency of participant families.

RESULTS OF REVIEW

Based on our testing, we determined that the Authority is substantially complying with all rules and regulations applicable to their Section 8 department. For example, the Authority met the general requirements for selecting applicants and maintaining waiting lists. Additionally, the Authority had an acceptable Administrative Plan that met HUD’s criteria. Through our review of 45 tenant files, we identified only two minor discrepancies that were not significant and could be reasonably explained. Two files did not contain an initial application as required by the Authority’s policies and procedures. One file was for a tenant who transferred from another housing authority, and the other file was for a tenant that had moved to the Authority in 1993. Both files, however, contained a detailed application. Our review did not identify any areas requiring corrective action.

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