

**Commonwealth of Massachusetts  
Department of Housing & Community Development**

**Moving To Work Program  
Annual Plan for Fiscal Year 2010**

**June 5, 2009**

# Table of Contents

I. Introduction .....	1
Overview .....	2
II. General Operating Information .....	4
A. Housing Stock.....	4
B. Leasing Information - Planned .....	4
C. Waiting List Information.....	10
III. Non-MTW Information .....	12
Sources and Uses of Non-MTW Funds .....	12
Description of Proposed Non-MTW Activities .....	12
IV. Long Term MTW Plan .....	14
V. Proposed MTW Activities .....	16
Description of Proposed MTW Activities .....	16
VI. Ongoing MTW Activities .....	22
Description of Ongoing MTW Activities .....	22
VII. Sources and Uses of Funding .....	24
VIII. Attachments.....	25
Attachment A: MTW Certifications of Compliance	
Attachment B: Public Hearing/Comment Documentation	
Attachment C: Evaluation Report	
Attachment D: Listing of Regional Administering Agencies	

# I. Introduction

On June 19, 2008, the Massachusetts Department of Housing and Community Development (DHCD) entered into an Amended and Restated Moving To Work Agreement (MTW Agreement) with the US Department of Housing and Urban Development (HUD). MTW is a demonstration program authorized by Congress, through which participating agencies are given the flexibility to waive certain statutes and HUD regulations in order to design and test approaches for providing housing assistance that:

- 1) Reduce cost and achieve greater cost effectiveness in Federal expenditures;
- 2) Give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and,
- 3) Increase housing choices for low-income families.

The three objectives listed above are referred to as “MTW statutory objectives”.

Through an earlier agreement between HUD and DHCD, DHCD has been a participant in the MTW program since 1999. From 1999 to 2008, the scope of DHCD’s MTW participation was limited to a small program that provided a financial assistance package of rent and stipends to participating low-income families. The program, which is ongoing, involves a total of 183 families and is administered in the Boston area (61 families) by Metropolitan Boston Housing Partnership and in south Worcester County (122 families) by RCAP Solutions, Inc<sup>1</sup>.

The 2008 MTW Agreement replaces the earlier agreement between HUD and DHCD. It provides DHCD with the flexibility to test out new approaches consistent with the MTW statutory objectives and to expand the MTW demonstration to include all tenant-based Housing Choice Vouchers administered by DHCD with certain exceptions. Those exceptions are vouchers under the 2008 Veterans Affairs Supportive Housing (VASH), Five-Year Mainstream, Family Unification, and Moderate Rehab programs - all of which are not covered under the MTW Agreement.

Under the terms of the MTW Agreement, DHCD is required to prepare and submit to HUD an MTW Annual Plan and Annual Report. The required form and content of the Annual Plan and Report are defined by HUD in HUD Form 50900 “Elements for the Annual MTW Plan and Annual MTW Report”. For purposes of this document and the required submission to HUD, an “MTW activity” is defined as any activity that requires MTW flexibility to waive statutory or regulatory requirements.

---

<sup>1</sup> DHCD subcontracts with eight regional administering agencies (RAA) and one local housing authority to administer its portfolio of vouchers, assuring that all 351 cities and towns in Massachusetts are served by its HCVP.

This document is DHCD's MTW Annual Plan for Fiscal Year 2010, i.e. the period from July 1, 2009 through June 30, 2010. While the Annual Plan focuses primarily on describing planned "MTW activities", it also summarizes changes proposed to DHCD's HCV Administrative Plan that do not specifically require MTW authority to implement. The proposed revisions to the HCV Administrative Plan will be posted for public comment on DHCD's website by June 30, 2009.

Prior to submission to HUD, DHCD made the Annual Plan available for public review and comment. In addition, DHCD conducted a public hearing on March 23, 2009 in Springfield and on March 24, 2009 in Boston to allow opportunities for the general public and program participants to provide comments on the proposed activities described herein. DHCD reviewed and considered all written and verbal comments received during the review period. Copies of public notices, sign-in sheets, written testimony and summary comments are included in Attachment B.

## **Overview**

During Fiscal Year 2010, DHCD intends to undertake a range of MTW-related and other activities summarized as follows:

- Through its existing network of RAAs, DHCD projects that it will subsidize a total of 18,682 units for extremely and very low-income households through the HCV program, which represents a 99% or greater utilization rate. Included in the above utilization figures are a total of 774 Project Based Voucher (PBV) units projected to be leased. Of this total, 95 are new PBV units in 16 housing developments projected to be under contract in Fiscal Year 2010.
- A statewide MTW planning process begun in Fiscal Year 2009 will be expanded to include at least three representative working groups. Three working groups will be organized along the lines of the three MTW statutory objectives, i.e. Promoting Efficiency, Expanding Housing Choice, and Promoting Economic Self Sufficiency. Each group will include representatives from the RAAs that administer HCV under contract to DHCD, advocacy organizations and key stakeholders. The groups will be asked to review MTW best practices nationwide; to identify opportunities to use MTW flexibility to further Commonwealth goals and MTW statutory objectives; and, to make recommendations to DHCD for new MTW initiatives. DHCD will also develop a vehicle for encouraging and soliciting tenant input. Based on the recommendations of the three working groups and tenant input received, DHCD anticipates that it will identify and define additional MTW initiatives for inclusion in the FY 2011 and future Annual Plans.
- The existing, small-scale MTW demonstration activities currently administered in the Boston area by Metropolitan Boston Housing Partnership and in south Worcester County by RCAP Solutions, Inc. will continue and expand. Based on

program experiences and successes to date, DHCD proposes to modify the original program guidelines. Proposed changes include: increasing the length of time of program participation from 3 years to up to 5 years; allowing for on-going reviews and changes to subsidy amounts and participation levels; and, modifying financial support available for homebuyers.

- A series of changes are proposed to the existing Project Based Voucher program. These include: transitioning waiting list intake and management functions to some or all PBV project owners, consistent with existing multi-family industry practice; allowing expedited selection of certain new PBV projects that are directly related to key Commonwealth public policy initiatives including, but not limited to: foreclosure prevention and work-outs; homelessness prevention and elimination; and family self-sufficiency and asset development.
- A new Landlord Incentive Fund is proposed for implementation initially in limited geographic areas of the state. The new program is designed to provide incentives to landlords in support of DHCD and Commonwealth goals including: expanding housing opportunities in underserved areas; improving the quality of housing units under lease; and, increasing the number of units accessible to households with disabled members.
- To more expeditiously respond to reasonable accommodation requests and expand housing choice options in “low-poverty, high-opportunity” neighborhoods, DHCD proposes to approve payment standard exceptions without prior HUD approval.
- In order to promote efficiency, streamline operations and increase owner/participant understanding of HCV program guidelines and requirements, DHCD proposes to modify and/or combine HUD-required forms for the HCV program.
- DHCD will continue to meet the income selection requirements for the HCVP by assuring that 75% of all applicants selected for assistance each fiscal year are extremely low income, i.e. have incomes that do not exceed 30% of area median income.

Proposed program changes that require MTW flexibility to implement are more fully described in Chapter V and VI below. Non-MTW changes are summarized in Chapters III below. As appropriate, the proposed changes are incorporated into the revised HCV Administrative Plan.

## II. General Operating Information

### A. Housing Stock

DHCD is currently allocated a total of 19,016 vouchers. Table 1 indicates both MTW and non-MTW vouchers by category. Note that HCV Tenant Based includes units that have been designated by DHCD as Project Based Vouchers (PBV). Additional details on PBV utilization are provided in Table 3.

**Table 1: Vouchers Allocated**

	Vouchers Allocated
<b>MTW</b>	
HCV Tenant Based*	18,871
<b>MTW Sub-Total</b>	<b>18,871</b>
<b>Non-MTW</b>	
VASH	70
Five Year Mainstream	75
<b>Non-MTW Sub-Total</b>	<b>145</b>
<b>TOTAL ALL PROGRAMS</b>	<b>19,016</b>

\* Includes 48 Tenant Protection Vouchers to be transferred into MTW category at the next increment expiration date.

### B. Leasing Information - Planned

During Fiscal Year 2010, DHCD projects that it will achieve the leasing targets shown on Table 2 below, subject to the award of sufficient HUD funding. HCV Tenant Based figures include PBV vouchers. See additional PBV detail in Table 3:

**Table 2: Leasing Projection for FY 2010**

	Vouchers Allocated	Projected Leased on 6/30/10**	Percentage Leased
<b>MTW</b>			
HCV Tenant Based*	18,871	18,682	99%
<b>MTW Sub-Total</b>	<b>18,871</b>	<b>18,682</b>	<b>99%</b>
<b>Non-MTW</b>			
VASH**	70	63	90%
Five Year Mainstream	75	67	90%
<b>Non-MTW Sub-Total</b>	<b>145</b>	<b>130</b>	<b>90%</b>
<b>TOTAL ALL PROGRAMS</b>	<b>19,016</b>	<b>18,812</b>	<b>99%</b>

\* Total includes PBV vouchers that are detailed in Table 3

\*\* Assuming adequate veteran referrals from the Bedford, MA Veterans Affairs Medical Center, DHCD's partner for its VASH 2008 program

DHCD has applied for up to 100 additional units under the 2008 Family Unification Program NOFA that are not reflected in the above table.

The projected overall leasing rate of 99% of authorized units highlights the success that DHCD has had in effectively managing and maximizing utilization through its network of Regional Administering Agencies. Lease up of VASH and Five Year Mainstream vouchers remains challenging in light of the complex needs of the targeted, special needs populations. Certain PBV projects also pose leasing challenges that may be aided by the proposed PBV waiting list changes discussed in Chapter V.

Utilizing its Tenant Based vouchers, DHCD operates an expansive Project Based Voucher program. Table 3 provides information on current and planned PBV developments including projected occupancy during FY 2010. In total, DHCD projects that 774 PBV units will be leased by the end of the Fiscal Year, of which 95 are newly contracted units.

**Table 3: Project Based Voucher Inventory Projection for FY 2010**

PBV Developments Under HAP										
RAA	Project	Community	AHAP Date	HAP Start Date	HAP End Date	Elderly or Disabled	Family	Description		Total PBVs
								Homeless Individuals	Supp. Services	
HAC	885C State Highway	Eastham	N/A	9/1/02	9/30/12		1			1
HAP	451-459 Main St	Holyoke	N/A	10/7/02	10/6/12		12			12
MBHP	32 Kent Street	Somerville	N/A	11/1/02	10/31/12	2	6			8
MBHP	1129 Dorchester Ave	Dorchester	N/A	11/19/02	10/31/12	6	2			8
MBHP	14 Roach St	Dorchester	N/A	11/19/02	10/31/12		1			1
MBHP	20 Roach St	Dorchester	N/A	11/19/02	10/31/12	1				1
MBHP	16 Roach St	Dorchester	N/A	11/19/02	10/31/12		3			3
MBHP	24 Roach St	Dorchester	N/A	11/19/02	10/31/12	1	1			2
MBHP	22 Roach St	Dorchester	N/A	11/19/02	10/31/12	1				1
MBHP	1285 -1291 Mass Ave	Dorchester	N/A	11/19/02	10/31/12		4			4
BHDC	YMCA	Pittsfield	N/A	12/16/02	12/15/12	28		2		30
RCAP	220 Orchard Hill Dr	Oxford	N/A	1/1/03	12/31/12	8	17			25
MBHP	48 Water St	Wakefield	N/A	4/1/03	3/31/13			6		6
HAC	979 Falmouth Rd	Hyannis	N/A	4/18/03	4/17/13		3			3
BHDC	140 East St	Great Barrington	N/A	5/1/03	4/28/13	2				2
CTI	Twelve Summer St	Man.by the Sea	N/A	5/1/03	4/30/13		4			4
MBHP	430-436 Dudley St	Roxbury	N/A	8/1/03	7/31/13			3		3
MBHP	28 Mount Pleasant St	Roxbury	N/A	8/1/03	7/31/13			2		2
MBHP	1202 Commonwealth Ave	Allston	N/A	8/1/03	7/31/13			6		6
HAP	Westfield Hotel	Westfield	N/A	9/1/03	8/31/13				5	5
MBHP	82 Green St	Jamaica Plain	N/A	9/1/03	8/31/13			10		10
MBHP	4-6 Ashland St	Medford	N/A	10/1/03	9/30/13			3		3
MBHP	19 Hancock St	Everett	N/A	10/1/03	9/30/13			3		3

RAA	Project	Community	AHAP Date	HAP Start Date	HAP End Date	Elderly or Disabled	Family	Description		
								Homeless Individuals	Supp. Services	Total PBVs
MBHP	Russell Terrace	Arlington	N/A	10/1/03	9/30/13			2		2
MBHP	1740 Washington St	Boston	N/A	10/10/03	9/30/13			8		8
HAC	32 Old Ann Page Way	Provincetown	N/A	11/1/03	10/31/13	1	1			2
CTI	Salem Heights	Salem	N/A	12/1/03	11/30/13		72			72
CTI	Reviviendo	Lawrence	N/A	12/30/03	11/30/13			3		3
HAC	40A Nelson Ave	Provincetown	N/A	2/2/05	1/1/15		3			3
HAC	58 Harry Kemp Way	Provincetown	N/A	4/1/05	3/31/15		4			4
HAP	Hillside Village	Ware	N/A	4/28/05	4/27/15		16			16
SMOC	The Preserve	Walpole	N/A	6/1/05	5/31/15	0	30	0	0	30
MBHP	Boston YWCA	Boston	N/A	7/14/05	6/30/15			20		20
CTI	Conant Village	Danvers	N/A	10/1/05	9/30/15		15			15
MBHP	Zelma Lacey Mishawum	Charlestown	N/A	11/1/05	10/31/15				20	20
MBHP	Marshall Place Apts	Watertown	N/A	11/17/05	10/31/15	8				8
SMOC	Bethany School Apts	Framingham	N/A	12/1/05	1/30/15	0	10	0	0	10
SSHDC	Acushnet Commons	New Bedford	N/A	12/19/05	12/18/15		3			3
CTI	Stonybrook	Westford	12/30/04	1/6/06	12/31/16		4			4
SSHDC	Westport Village Apts.	Westport	N/A	2/1/06	1/31/16	12				12
MBHP	Amory St	Roxbury	N/A	2/1/06	1/31/16		10			10
HAP	Westhampton Senior	Westhampton	N/A	2/1/06	1/31/16	3				3
MBHP	Pelham House	Newton	N/A	3/1/06	2/28/16	3				3
MBHP	Ruggles Assisted Living	Roxbury	N/A	3/1/06	2/28/16				35	35
CTI	Winter Street	Haverhill	9/13/05	9/1/06	8/31/16	13				13
HAP	Paradise Pond Apts	Northampton	N/A	12/8/06	12/7/16		8			8
MBHP	63 Washington Ave.	Chelsea	8/31/05	12/21/06	11/30/16				24	24
HAP	Earle Street	Northampton	11/30/05	1/1/07	12/31/17		3		12	15

RAA	Project	Community	AHAP Date	HAP Start Date	HAP End Date	Elderly or Disabled	Family	Description		
								Homeless Individuals	Supp. Services	Total PBVs
MBHP	The Moorings	Quincy	12/20/05	3/7/07	2/28/17	39				39
CTI	Cordovan at Haverhill Station	Haverhill	2/10/06	3/26/07	3/25/17		8			8
CTI	Fina House	Lawrence	N/A	4/1/07	3/31/2017		7			7
CTI	Whipple School Annex	Ipswich	2/6/06	4/1/07	3/31/17	8				8
HAP	Village at Hospital Hill	Northampton	N/A	4/13/07	4/12/17	8				8
MBHP	Casa Familias Unidas	Roxbury	6/9/06	5/14/07	4/30/17				8	8
MBHP	Four Addresses in Arlington	Arlington	N/A	6/25/07	5/31/12		4			4
SMOC	Baker St	Foxboro	8/16/06	8/1/07	7/31/17	0	20	0	0	20
HAC	Morgan Woods	Edgartown	6/12/06	8/1/07	7/31/17		6			6
CTI	Salem Point Rentals	Salem	N/A	8/15/07	8/14/17		8			8
SSHDC	Bliss School	Attleboro	N/A	9/1/07	8/31/17		8			8
MBHP	Janus Highlands	Chelsea	8/4/06	11/1/07	10/31/17		8			8
BHDC	Pine Woods	Stockbridge	N/A	2/1/08	1/31/13	3	2			5
MBHP	TILL Building	Chelsea	5/26/06	5/1/08	4/30/18		5			5
CTI	St Joseph's Apts	Lowell	8/1/07	8/1/08	7/31/18		4			4
MBHP	Grandfamilies	Roxbury	N/A	9/1/08	8/31/18				8	8
CTI	Sirk Bld	Lowell	N/A	11/1/08	10/31/18		8			8
HAP	Prospect Hill	Westfield	11/15/07	1/1/09	12/31/19		4			4
RCAP	9 May Street	Worcester	9/20/07	1/30/09	1/29/24	5	3			8
HAP	46-48 School St	Northampton	9/14/07	2/1/09	1/31/19		2			2
RCAP	5 Benefit St	Worcester	N/A	2/10/09	2/9/24		4			4
CTI	48-64 Middlesex St	Lowell	N/A	3/1/09	02/29/19		6			6
CTI	Salem Point LP	Salem	N/A	4/1/09	3/31/19		7			7
<b>TOTALS</b>						<b>152</b>	<b>347</b>	<b>68</b>	<b>112</b>	<b>679</b>

## PBV New Units Projected for FY 2010

RAA	Project	Community	AHAP Date	HAP Start Date	HAP End Date	Elderly or Disabled	Description			Total PBVs
							Family	Homeless Individuals	Supp. Serv.	
CTI	Loring Towers	Salem	N/A				8			8
MBHP	Doe House	Mission Hill	N/A					5		5
MBHP	109 Gilman St	Somerville	N/A				1			1
BHDC	Hillside Avenue	Gt. Barrington	3/18/08			2	3			5
HAC	Residences at Canal Bluff	Bourne	6/23/08				3			3
HAP	Sanford Apts	Westfield	1/7/08				2		3	5
HAP	Village at Hospital Hill II	Northampton	3/20/08			8				8
MBHP	The Coolidge	Watertown	11/27/07			4				4
RCAP	470 Main St	Fitchburg	1/30/08			2	5			7
SSHDC	Residences at Lakeville	Lakeville	7/30/07				8			8
HAC	W. Barnstable Senior.	W. Barnstable	3/12/08			8				8
HAC	W. Barnstable Family.	W. Barnstable	3/12/08				7			7
MBHP	447 Concord Road	Bedford	1/7/08				4			4
MBHP	St., Polycarp	Somerville	1/2/08				6			6
MBHP	113 Spencer Ave	Chelsea	3/3/08			2	6			8
SMOC	High Rock Homes	Needham	In process			0	8	0	0	8
<b>TOTALS</b>						<b>26</b>	<b>61</b>	<b>5</b>	<b>3</b>	<b>95</b>

### **C. Waiting List Information**

As of April 15, 2009 there were 73,376 households on the Housing Choice Voucher Program waiting list as summarized in Table 4 below. DHCD anticipates that the total number of waiting list households will increase substantially in FY 2010 due in part to statewide and national economic conditions.

DHCD proposes to make changes to the waiting list methods used for Project Based Voucher (PBV) developments, as described more fully in Chapter V. The proposed change will allow PBV owners to maintain their own site-based waiting lists. Some or all PBV waiting lists may be closed during the transition period. DHCD will issue public notices of waiting list openings and closings.

Waiting List Information for DHCD PHA MTW Plan (4/15/09)

	# of families	% of total DHCD families
Waiting List Total	73376	
<b>Income (1)</b>		
Extremely low income <30% AMI	65433	89.2%
Very low income >30% but <50%	5967	8.1%
Low income >50% but < 80%	634	0.9%
<b>Family Type</b>		
Families with children (2)	47564	64.8%
Elderly families (3)	3236	4.4%
Families with disabilities (3)	22658	30.9%
<b>Race/ethnicity (4)</b>		
White/Hispanic	9235	12.6%
White/non-Hispanic	22785	31.1%
White/no ethnicity specified	3198	4.4%
Black/African American/Hispanic	1198	1.6%
Black/African American/non-Hispanic	13112	17.9%
Black/African American/no ethnicity specified	3374	4.6%
American Indian/Alaskan Native/Hispanic	175	0.2%
American Indian/Alaskan Native/non-Hispanic	832	1.1%
American Indian/Alaskan Native/no ethnicity specified	151	0.2%
Asian or Pacific Islander/Hispanic	122	0.2%
Asian or Pacific Islander/non-Hispanic	1220	1.7%
Asian or Pacific Islander/no ethnicity specified	371	0.5%
Native Hawaiian/Other Pacific Islander/Hispanic	564	0.8%
Native Hawaiian/Other Pacific Islander/non-Hispanic	466	0.6%
Native Hawaiian/Other Pacific Islander/no ethnicity specified	97	0.1%
Hispanic, no race specified	15068	20.5%
Non-Hispanic, no race specified	2044	2.8%
No race or ethnicity specified	993	1.4%

(1) Based on HUD income limits effective of 3/19/09.

(2) This number represents households with more than one member

(3) Includes households with only one member

(4) Applicants may specify more than one race therefore an applicant may be counted more than once

### III. Non-MTW Information

In Fiscal Year 2010, DHCD will continue to administer the VASH and Five Year Mainstream programs, both of which are not included in the MTW program. DHCD has also applied for up to 100 Family Unification Program vouchers pursuant to the 2008 HUD Notice of Funding Availability.

#### Sources and Uses of Non-MTW Funds

Table 5 provides a projection of Non-MTW sources and uses for Fiscal Year 2010. Note that HUD funding is based on the calendar year, and that DHCD has not been notified of its funding levels for either CY 2009 or CY 2010. Thus, the amounts listed below can be expected to change. Actual figures will be provided in the MTW Annual Report.

Table 5: Non-MTW Sources and Uses

Sources	Estimated Amount
HUD Subsidy – VASH	\$809,794
HUD Subsidy – Five Year Mainstream	646,317
<b>Non-MTW Sources Total</b>	<b>\$1,456,111</b>
Uses	
HAP Payments	\$1,299,281
Administrative	156,830
<b>Non-MTW Uses Total</b>	<b>\$1,456,111</b>

#### Description of Proposed Non-MTW Activities

Non-MTW activities include special purpose programs not included in the MTW program, i.e. VASH, Mainstream, and FUP, as well as any other activity that does not require MTW flexibility to implement. Tenant Protection Vouchers are classified as Non-MTW during the first year. The following non-MTW activities are proposed for implementation in FY 2010:

**Project Based Voucher Program** – DHCD will continue to implement an ongoing statewide Project Based Voucher program. In addition to other priorities, DHCD intends to prioritize projects that will further Commonwealth of Massachusetts affordable housing goals related to foreclosure prevention, reduction and prevention of homelessness, promoting family economic self-sufficiency and the other goals. DHCD may also elect to seek a waiver from the Secretary of HUD to allow for non-competitive local selection of projects that support the Commonwealth’s affordable housing goals.

**Family Self Sufficiency Program** – DHCD will amend its FSS Plan and the appropriate sections of the HCV Administrative Plan to expand the reasons for which participants can make midterm escrow withdrawals. Midterm escrow withdrawals are those made before the participant completes all of the goals listed in the FSS Contract of Participation. Current guidelines limit midterm escrow withdrawals strictly to those which are work-related.

Under the proposed new guidelines, midterm escrow withdrawals may be made with RAA approval provided that:

1. The family is in good standing;
2. The RAA determines that the family has completed one or more interim goals specified in the FSS Contract of Participation;
3. The family needs a portion of the FSS escrow account for purposes that are consistent with the goals established in the Contract of Participation including work-related, job training, education, credit repair and/or other activities that support a family's effort to achieve self sufficiency.

**Conformance to January 27, 2009 Refinement of Income and Rent Rule or Subsequent Final Rule** – HUD issued this Final Rule dated January 27, 2009; however, implementation was subsequently postponed until September 30, 2009 to allow for further review and comment. When finalized, DHCD will amend the HCV Administrative Plan to incorporate the provisions of the Final Rule.

**Income Eligibility** – Pursuant to 24 CFR 982.201(b)(iii) DHCD will amend the Administrative Plan to allow admission of low-income families, i.e. families earning between 51-80% of Area Median Income, provided that these families either graduated in good standing from the MTW Demonstration Programs or were participants in good standing in the MTW Demonstration Programs, at the time they were selected from the waiting list.

Pursuant to the MTW Agreement, DHCD will continue to ensure that at least 75% of the families assisted are extremely low-income families.

DHCD will incorporate the above modifications and the new MTW initiatives proposed below into a revised HCV Administrative Plan to be posted for public review and comment by June 30, 2009. The revised Administrative Plan will also address comments received from key stakeholders in response to the reformatted HCV Administrative Plan published by DHCD in October 2008.

## IV. Long Term MTW Plan

The new MTW Agreement offers a unique and important opportunity to improve and enhance the HCV program. Building on lessons learned and successes of the existing small-scale MTW demonstration programs, DHCD intends to utilize MTW flexibility to test out the efficacy of new approaches in support of the MTW statutory objectives.

DHCD intends to fully explore the potential benefits of MTW: 1) to demonstrate that housing stabilization can be the foundation for life transformation for extremely and very low-income households; and, 2) to demonstrate that administrative costs savings can be redirected to provide meaningful assistance and, potentially, subsidies to additional program participants and owners. DHCD believes that affordable housing can provide the foundation that allows extremely and very low-income households to access good jobs and education and to enter the economic mainstream. Maximizing the value of limited federal program dollars to help families achieve life goals, and then move on so that program dollars can help serve additional families is a key goal.

Additional principles that will help guide MTW planning for the long term include:

- All MTW activities must relate to one or more of the three MTW statutory objectives, i.e. reducing cost and/or promoting administrative efficiency, increasing housing choice, and supporting families in achieving economic self-sufficiency.
- MTW flexibility will be utilized to promote tighter linkages and synergy between the HCV program and other related Commonwealth programs and policy goals such as preventing or reducing homelessness, supporting self-sufficiency and welfare to work initiatives; supporting project-based affordable housing for extremely low income households; reducing foreclosures and stabilizing neighborhoods.
- By identifying and addressing administrative efficiency opportunities, MTW flexibility will be used wherever feasible to increase the number of extremely and very low-income households served and the overall quality of leased housing units.
- New MTW program initiatives will be developed to respond to differences among regional and local housing markets.
- In addition to expanding and improving the existing MTW demonstrations being implemented by Metropolitan Boston Housing Partnership and RCAP Solutions, Inc., a series of small and large scale initiatives will be implemented over time.

In order to explore the feasibility of various MTW initiatives, DHCD convened a series of planning meetings in FY 2009 involving the Regional Administering Agencies. The group reviewed MTW best practices nationwide, discussed current implementation challenges, and worked with DHCD to identify the MTW activities included in this Annual Plan.

Beginning in the spring and extending through 2009, these planning efforts will be expanded to include at least three representative working groups. Three working groups will be organized along the lines of the three MTW statutory objectives. Each group will include representatives from the RAAs that administer HCV under contract to DHCD, advocacy organizations, and key stakeholders. DHCD will establish a vehicle to encourage and solicit tenant input into this planning process.

Each group will be asked to review MTW best practices nationwide; to identify opportunities to use MTW flexibility to further Commonwealth goals and MTW statutory objectives; and, to make recommendations to DHCD for new MTW initiatives. Based on the recommendations of the three working groups and tenant input received, DHCD anticipates that it will identify and define additional MTW initiatives for inclusion in the FY 2011 and future Annual Plans.

## V. Proposed MTW Activities

Beginning in FY 2010, DHCD proposes to implement a range of new MTW activities as described below. Additional MTW activities will be proposed in future years. As required by HUD, for each activity, the following information is provided:

- Description of MTW activity
- Relationship to MTW statutory objective
- Projected impact
- Baseline, benchmarks and metrics
- Data collection process
- MTW authorization
- Rent reform hardship policies and other information, if applicable

### Description of Proposed MTW Activities

#### Activity 2010-1

**Description of MTW activity:** Owner/managers of PBV developments authorized by DHCD will be responsible for all PBV waiting list intake and management functions. Generally, DHCD will require PBV owners to assume and manage these functions; however, exceptions may be made at DHCD's option. Under the new system, applicants will contact the owner/manager of a specific development in order to file an application. Application files and the waiting list itself will be maintained at the development site. Owner/managers will be responsible for contacting and screening applicants who come to the top of the waiting list, collecting all needed information from the applicant, and then forwarding the applicant to the RAA for eligibility determination and processing.

For existing PBV developments, all current applicants will maintain their waiting list places; however, the waiting list will be updated prior to transitioning to the owner/managers. During the transition period, waiting lists may be temporarily closed. DHCD will either use existing staff or contract with a Fair Housing organization to conduct periodic reviews of the system to ensure compliance with DHCD's approved tenant selection plan for each respective project and conformance to fair housing guidelines.

All PBV developments utilizing the new waiting list management methods will be required to modify their tenant selection plans and other documents as needed. DHCD will modify its PBV Administrative Plan as well.

Implementation of transition activities is scheduled to begin in approximately July 2009; however, the entire transition is estimated to take upwards of 15-18 months to implement.

**Relationship to MTW statutory objective:** This activity addresses the statutory objective to reduce costs and achieve greater cost effectiveness in federal expenditures by reducing the amount of time spent by staff on processing PBV applications.

**Projected impact:** The new policy is expected to streamline and expedite the timetable for filling vacant PBV units, by reducing the number of referrals required to occupy each unit. Reductions in RAA staff time needed to support the reoccupancy of PBV units are also projected.

**Baseline, benchmarks and metrics:** DHCD will utilize information from a sample of existing PBV developments to measure impacts. The current estimated baseline for filling PBV units is an average of 60 days. A benchmark of reducing PBV vacancy turnaround time to less than 30 days has been established, following full implementation of owner management of the waiting list. DHCD projects that this goal will be achieved within 18 months for projects involving 20 or more units, and within 24 months for smaller projects.

**Data collection process:** RAAs responsible for the PBV developments used to benchmark this activity will collect information from waiting list and occupancy reports maintained by PBV owner/managers. This information will be reviewed and analyzed as part of the Annual Report process.

**MTW authorization:** MTW Agreement, Attachment C, paragraph D.4

## **Activity 2010-2**

**Description of MTW activity:** DHCD may approve any documented and reasonable exception to payment standards as a reasonable accommodation for HCV households with disabled household members without HUD approval. This policy will be utilized without regard to the percentage increase requested over the payment standard.

Additionally, DHCD may approve other documented and reasonable exceptions to payment standards without seeking HUD approval if such requests will support participants' ability to find suitable rental housing in "low poverty, high-opportunity" neighborhoods, and clearly achieve the statutory objectives of the MTW program.

Implementation is scheduled to begin in July 2009.

**Relationship to MTW statutory objective:** This activity addresses the statutory objective to expand housing choice by improving responsiveness to the needs of persons with disabilities and by encouraging the leasing of units in non-poverty impacted areas.

**Projected impact:** This policy is projected to expedite the approval and processing of reasonable accommodation requests by eliminating HUD review. The policy is also projected to increase the number of units leased in non-impacted areas.

**Baseline, benchmarks and metrics:** A benchmark of 3 business days from RAA request to DHCD final action (approval or disapproval) on reasonable accommodation-related payment standard exceptions has been established. The current baseline is approximately 10 business days, including time currently required for HUD final action on the request.

With respect to leasing units in non-impacted areas, DHCD will review existing leasing data and establish reasonable leasing goals over a five year period. Baseline and benchmarks will be provided in the Annual Report.

**Data collection process:** DHCD will track and report annually on the turnaround time for processing these requests.

**MTW authorization:** MTW Agreement, Attachment C, paragraph D.2.a.

### **Activity 2010-3**

**Description of MTW activity:** An Owner Incentive Fund pilot program will be established to promote upgrades to the housing stock in areas of the state with a large percentage of older, deteriorated housing stock. When this type of housing is the prevailing housing available to HCV participants in a community/region, it has several undesirable consequences including: 1) limiting the tenants' ability to secure better quality housing in neighborhoods of lower concentrations of poverty; 2) resulting in inefficient use of the HCV inspection staffs' time by continually having to re-inspect units that frequently fall out of compliance; 3) resulting in few, if any, handicapped accessible units; and 4) discouraging new owners with better quality housing from making their units available to HCV households.

The program goals for this activity are: leasing higher quality units including incentivizing owners to upgrade existing housing at least one grade level, i.e. from a "C" to a "B" grade, or from a "B" to an "A" grade<sup>2</sup>; increasing the number of units that are accessible to persons with disabilities; expanding the number of units leased in currently underserved neighborhoods, and encouraging new owner participation.

Initially, the program will be piloted in Berkshire County and, depending on the results achieved, DHCD may elect to expand it to other parts of the state. Participating owners will be eligible for a flat fee financial incentive (initially established at \$1,200) payable in 4 quarterly installments over the first year of the HAP contract. At the end of the first year under HAP contract, owners would be eligible for an additional one-time payment (initially established at \$500) if one or more of the following applied: the owner had not previously been part of the HCV program; the unit had not previously been under contract to an HCV participant; the unit was new construction or substantial rehabilitation; or, the unit was a foreclosed property prior to leasing and at least a "B" grade level, *and*, the tenant remains in occupancy, or the owner has agreed to lease to another HCVP referral from the RAA.

In order to be eligible for incentive payments, the unit must be compliant with HQS at all times during the HAP term. An agreement will be signed certifying that the incentive payments are not part of the monthly rent to owner.

DHCD will establish an overall cap on the number of units eligible for the Owner Incentive Fund, including a cap on the number of units for individual owners. DHCD will adjust the program criteria and payment amounts as needed to respond to local market conditions.

Implementation activities are scheduled to begin during calendar year 2010.

---

<sup>2</sup> DHCD grades each unit during initial, renewal and mid-lease inspections. Chapter Eight of DHCD's HCV Administrative Plan found on DHCD's website explains in detail the unit grading system employed.

**Relationship to MTW statutory objective:** This activity addresses the statutory objective to expand housing choice by increasing the range and quality of housing that can be leased by HCV participating households.

**Projected impact:** This activity is expected to have a number of positive impacts including: increasing the number of units at a “B” or higher grade; increasing the number of accessible units; and, increasing the number of units leased in currently underserved areas.

**Baseline, benchmarks and metrics:** The program will initially be piloted in Berkshire County. Benchmarking and measurements will be based on data reported by the Berkshire Housing Development Corporation (BHDC), the RAA for this region. Baselines and benchmarks have been established for each of the major program objectives as follows:

- Increase the number of units that move up at least one grade, i.e. from a C to a B grade, or from a B to an A grade. Currently, the baseline is that 95% of units are rated C. The following benchmarks are proposed: in year 1, 3 units move up 1 grade; by year 3, a total of 12 units move up one grade; by year 5, a total of 15 units move up 1 grade.
- Increase the number of accessible units that are leased. Currently, the baseline is that less than 1% of leased units are accessible. A benchmark of 3% accessible units is proposed by year 5.
- Increase the number/percentage of units that are rented in underserved areas. The current baseline is that 13% of all Berkshire units are located outside Pittsfield. The following benchmarks are proposed: in year 1, increase the percentage leased outside of Pittsfield to 14%; in year 3, to 16%; and, in year 5, to 18%.

**Data collection process:** Data will be collected by Berkshire Housing Development Corporation using the Trackers system, and will be reported and analyzed as part of the Annual Report process.

**MTW authorization:** MTW Agreement, Attachment C, paragraph D.2.a.

#### **Activity 2010-4**

**Description of MTW activity:** Required HCV program forms will be modified as needed to streamline processing, utilize “plain language”, and address local housing market features. This activity will begin in FY 2010, with new forms rolled out as they are completed. A DHCD-RAA working group will review all existing HUD HCV forms, identify and vet proposed changes, and implement new forms. The forms to be evaluated for modification will include: Voucher, HAP Contract, RFTA and others. As required under the MTW Agreement, any changes to the HAP form will include language noting that funding for the contract is subject to the availability of appropriations.

This activity will be phased beginning in 2010, and will occur over a 2-3 year period.

**Relationship to MTW statutory objective:** This activity addresses the statutory objective to reduce costs and achieve greater cost effectiveness in federal expenditures by simplifying forms that are used by program staff and participants.

**Projected impact:** The proposed changes to required HCV forms is expected to streamline and simplify program administration, while also improving owner and participant understanding of program guidelines and requirements.

**Baseline, benchmarks and metrics:** DHCD does not have baseline information on this activity. DHCD will evaluate the feasibility of conducting staff time studies and/or informal owner and participant surveys to measure satisfaction and user-friendliness of the existing versus new forms.

**Data collection process:** See note above. DHCD is considering conducting surveys to measure owner and participant reactions to new versus existing forms.

**MTW authorization:** MTW Agreement, Attachment C, paragraph D.1.

## VI. Ongoing MTW Activities

This section of the MTW Annual Plan provides information and updates on MTW activities that have been previously approved by HUD.

### Description of Ongoing MTW Activities

#### Activity 2000-1

**Description/Update of Activity:** DHCD's original MTW Agreement and Plan focused on implementation of a small-scale program administered in the Boston area by Metropolitan Boston Housing Partnership (MBHP) and in Worcester County by RCAP Solutions, Inc. (RCAP). This MTW activity tests an assistance model which provides a fixed annual stipend to eligible families, regardless of future income or family composition changes. Families exercise considerable decision-making in the utilization of the funds, within some guidelines. Case management and program coordination is provided by designated MTW Advisors at each agency, MBHP and RCAP, with target caseloads of 61 per advisor. Families may select any housing unit which they deem affordable and appropriate for their needs and which meets the occupancy requirements of the local Board of Health and Massachusetts Lead Laws where applicable. There is no HUD Housing Quality Standards inspection or rent-reasonableness test.

Eligibility is targeted to low-income working families who meet the following criteria:

- 1) Receive, or have received in the past 12 months, public assistance: TAFDC, EA, Food Stamps, and
- 2) Are committed to maintaining employment and agree to provide information to assess the effectiveness of the program, and
- 3) In the Boston component only, are currently homeless in a shelter, hotel, or motel placement.

Families participating in the south Worcester County component (122 families) receive the following:

- Financial assistance package of \$5,500 per year, of which up to \$250/month can be applied toward the rent and, in some cases security/upfront costs, for the apartment (paid directly to owner), up to \$158/month is available for work-related, utility, or emergency expenses, and \$50/month is set aside in an escrow account that is receivable upon successful program completion.
- Case management support to assist the family in addressing employment, housing, or other issues.
- Financial literacy training and homebuyer preparation workshops.
- Support and resources to assist in home-buying, where desired and appropriate.

Families participating in the Boston component (61 families) receive the following:

- Financial assistance package of \$10,000 per year, of which up to \$700/month can be applied toward the rent and, in some cases, security/upfront costs for the

- apartment (paid directly to owner), up to \$83/month is available for work-related, utility, or emergency expenses, and \$50/month is set aside in an escrow account that is receivable upon successful program completion. Assistance levels may be slightly higher for very large families.
- Case management support to assist the family in addressing employment, housing, or other issues.
  - Financial literacy training.
  - Support and resources to assist in home-buying, where desired and appropriate.

Participating families recertify once annually, and participation is limited to three years of stipend assistance, or fewer if a family exceeds the low-income limit for the Boston MSA (80% of area median income), fails to meet ongoing program requirements, or the demonstration is concluded by HUD.

**Initial Plan Year:** 2000

**Proposed Changes to Activity:** DHCD will make a number of changes to the program design in response to lessons learned to date:

- The term of participation will be increased from the current three-year maximum to an initial three-year term with up to two one-year extensions, for a total possible term of five years.
- The number of participating households and the amount of subsidy/stipend levels will be reviewed on an on-going basis throughout the calendar year and may, at DHCD's option, be increased or decreased.
- If the contract rent for the unit is less than the shallow rent subsidy provided, the participant must pay 30% of their adjusted income toward rent. The participant can opt to pay an increased amount for rent and transfer the remaining subsidy amount to their escrow account.
- Homeownership matching funds will be provided through August 30, 2009. Beginning September 1, 2009, DHCD will fund a one-time \$500 first-time homebuyer grant for eligible participants provided DHCD has available funds.
- The program may be expanded to include additional regions of the state.

Implementation of proposed changes to the program will begin in July 2009.

**MTW authorization:** Prior approval granted by HUD. Authorizations cited include MTW Agreement, Attachment C, paragraph D.1, D.2, D.3, D.4, D.5. No changes to required MTW authorizations are anticipated.

## VII. Sources and Uses of Funding

DHCD's operates an MTW program that involves only Housing Choice Vouchers. Table 6 below provides a projection of sources and uses for the MTW program for Fiscal Year 2010. Note that HCV funding is allocated on a calendar year (CY) basis and that, as of the publication of this Annual Plan, DHCD has not been notified of either its CY 2009 or CY 2010 funding levels. Thus, the amounts listed below are likely to change based on actual funding levels. DHCD will provide information on actual source and use amounts as part of the MTW Annual Report.

Table 6: MTW Sources and Uses

Sources	Estimated Amount
HUD Subsidy – MTW Tenant Based	\$228,252,655
<b>MTW Sources Total</b>	<b>\$228,252,655</b>
Uses	
HAP Payments	\$207,644,850
Other Authorized MTW Activities	\$2,142,472
Administrative	\$18,465,333
<b>MTW Uses Total</b>	<b>\$228,252,655</b>

## **VIII. Attachments**

Attachment A is the required signed Resolution adopting the FY 2010 MTW Annual Plan Certification of Compliance.

Attachment B includes the public hearing notice, sign-in sheets, written testimony and summary comments received as part of the MTW Annual Plan public hearing process.

Attachment C provides the power point evaluation of our small-scale 183 unit program presented at HUD's April 2009 MTW conference.

Attachment D provides a listing of each DHCD regional administering agency.