

2008 Moving to Work Conference Report

May 12-13, 2008 - Alexandria, VA



Office of Public Housing Investments
U.S. Department of Housing and Urban Development

Executive Summary

The Moving to Work (MTW) Demonstration program, authorized by Section 204 of the 1996 Appropriations Act and administered by the Office of Public Housing Investments in the U.S. Department of Housing and Urban Development (HUD), is a demonstration program that provides participating public housing authorities (PHAs) flexibility in administering their housing programs. The purposes of the MTW program are to give PHAs and HUD the flexibility to design and test various approaches for providing and administering housing assistance that accomplish three primary goals:

- Reduce costs and achieve greater cost effectiveness in Federal expenditures;
- Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and
- Increase housing choices for low-income families.

As of the date of this Report, there are 29 PHAs participating in the MTW Demonstration. On May 12-13, 2008, the Department sponsored a conference for MTW participants in Alexandria, Virginia. The goal of the 2008 MTW Conference was to bring MTW agencies together to discuss accomplishments and issues and to exchange ideas. Approximately 110 individuals attended the conference, representing 28 MTW agencies, as well as several industry groups (NAHRO, PHADA and CLPHA), HUD headquarters and field office staff, and HUD's MTW contractors.

The format of the Conference consisted of a mix of panel discussions and small group breakout sessions covering a variety of issues important to MTW agencies. The morning of the first day of the conference was devoted to the interaction between asset management and MTW flexibilities. Small groups discussed key issues in order to generate ideas, solutions, and suggestions for HUD's consideration. Issues included the Financial Data Schedule and MTW, the asset management fee structure and MTW, and effective project-based management using MTW. A fourth group discussed methods that could be employed to better disseminate the outcomes of the MTW Demonstration. MTW representatives from each of these small groups reported to the larger conference group on the findings from their discussions and engaged with HUD staff and the larger group on these issues. Other topics covered during the Conference included alternate rent policies, alternate inspection strategies, using MTW flexibilities in the development process, MTW and the Housing Choice Voucher program, working with residents and stakeholders, assessing and sharing the success of MTW, and reporting requirements based on the MTW Standard Agreement.

This Conference Report provides a summary and a record of the topics discussed at the conference. Because the conference provided a forum for a number of issues to be discussed and ideas to be generated, this Report can serve as a resource for ongoing discussion and future resolution of issues.

Appendix A to this Report includes a full listing of attendees at the conference. Appendix B includes a number of handouts provided at various sessions during the Conference, which are referenced in this Conference Report.

Conference Agenda

The agenda below was provided to all 2008 MTW Conference attendees, and gives an overview of the activities in which attendees engaged. The HUD, PHA, and MTW contractor staff who facilitated or presented materials during sessions are also listed.

2008 Moving to Work Conference

**Hilton Old Town Alexandria
May 12-13, 2008**

**Sponsored by:
U.S Department of Housing and Urban Development
and
Optimal Solutions Group, LLC**

Agenda

Day 1 – Monday, May 12, 2008

8:00 am	Registration	Foyer
9:00 am	Welcome Dominique Blom Deputy Assistant Secretary, Office of Public Housing Investments	Salon A/B
9:10 am	Review Agenda and Logistical Information Marianne Nazzaro MTW Coordinator, HUD	Salon A/B
9:30 am	Interaction of Asset Management and MTW Flexibility Ivan M. Pour MTW Team Leader, HUD	Salon A/B
9:45 am	Small Groups Address Key Questions Pertaining to Asset Management Group 1 – How can we make FDS work for MTW agencies? (<i>suggested for Finance Directors</i>) Group 2 – How can the fee structure work with MTW? How can cost allocation work with MTW? Group 3 – How can we use MTW flexibilities to provide effective project-based management? Group 4 – How can we identify and share the success of the MTW demonstration with our communities, other housing authorities, Congress, etc.? (<i>suggested for Executive Directors</i>)	Washington Salon C Salon B Salon A
10:45 am	Informal Break	Foyer

Day 1 – Monday, May 12, 2008 (cont'd)

11:00 am Continuation of Small Group Discussions

**11:30 am Review of Group 4 Discussion and
Overview of Afternoon Activities**

Salon A/B

Marianne Nazzaro
MTW Coordinator, HUD HQ

12:00 pm Lunch

1:00 pm Developing Alternative Rent Policies

Salon A

HUD Resource:

Milan Ozdinec, Deputy Assistant Secretary of Public Housing and Voucher Programs
David Vargas, Director, Office of Housing Voucher Programs

Alternate Inspection Strategies

Salon C

HUD Resource:

Ivan Pour, MTW Team Leader

Using MTW Flexibility in the Development Process

Salon B

HUD Resource:

Brian Gage, MTW Coordinator

Reporting Requirements: Attachment B

Washington

HUD Resource:

Marianne Nazzaro, MTW Coordinator

2:15 pm PIC Reporting and the MTW Module

Salon A

HUD Resource:

Lloyd Darasaw, Public Housing Management & Occupancy Division
Dudley Ives/Hitesh Doshi, Real Estate Assessment Center

MTW Flexibilities and the Housing Choice Voucher Program

Salon B

HUD Resource:

David Vargas/Bernice Unland, Office of Housing Voucher Programs

Working with Stakeholders and Residents

Salon C

HUD Resource:

Ron Ashford, Director of Community and Supportive Services

Reporting Requirements: Attachment B

Washington

HUD Resource:

Marianne Nazzaro, MTW Coordinator

3:30 pm Break

Foyer

Day 1 – Monday, May 12, 2008 (cont'd)

- 3:45 pm MTW Flexibilities in Homeownership Programs Salon C**
HUD Resource:
Brian Gage, MTW Coordinator
- Family/Resident Self-Sufficiency Programs Salon B**
HUD Resource:
Kathryn Greenspan, Housing Voucher Management and Operations
Ron Ashford, Director of Community and Supportive Services
- Assessing the Success of MTW Initiatives Salon A**
HUD Resource:
Dina Elani, Director, Public Housing Management and Occupancy Division
- Reporting Requirements: Attachment B Washington**
HUD Resource:
Ivan Pour, MTW Team Leader
- 5:00 pm Closing Remarks Salon A/B**
Dominique Blom, Deputy Assistant Secretary, OPHI
- 5:30 pm Day Concludes**
- 6:30 pm Informal Social Gathering**
Daniel O'Connell's Restaurant,
112 King Street, Alexandria, VA

Day 2 – Tuesday, May 13, 2008

8:15 am Block Granting 101

Salon A

Facilitator:

Ivan M. Pour, MTW Team Leader

9:00 am Debrief – Small Group Asset Management Discussions (*from Day 1*)

Salon A/B

Facilitator:

Dominique Blom, Deputy Assistant Secretary, OPHI

10:00 am Break

Foyer

10:15 am Panel Discussion on Rent Reform

Salon A/B

Moderator:

Marianne Nazzaro, MTW Coordinator

Panelists:

Bessy Kong, Deputy Assistant Secretary, Policy, Program and Legislation Initiatives

Roy Johnson, Executive Director, Vancouver Housing Authority

P. Curtis Hiebert, Executive Director, Keene Housing Authority

Greg Russ, Executive Director, Cambridge Housing Authority

11:45 am Closing Remarks - Achieving the Three Statutory Goals of MTW

Salon A/B

Paula O. Blunt, General Deputy Assistant Secretary, Public and Indian Housing

12:00 pm Conference Concludes

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I. Conference Introduction

Dominique Blom, Deputy Assistant Secretary of the Office of Public Housing Investments, which is the office that oversees the MTW Demonstration, opened the conference. Ms. Blom welcomed participants and noted the variety of agencies represented in the group: some had been participants in the MTW Demonstration since its initial implementation, and some recently joined the demonstration after being named in the 2008 Appropriations Act; some represent large cities, and others represent large counties or small towns. In terms of the types of MTW Demonstration programs represented, participants included agencies that had chosen to use MTW flexibilities to cover the entire housing portfolio and others that had chosen small, boutique-like programs.

Ms. Blom observed that all of the housing authorities represented at the conference had one aspect in common: they all were chosen to participate in the MTW Demonstration, which has provided agencies with flexibilities to accomplish its three statutory objectives: increase efficiencies of federal expenditures, promote self-sufficiency, and increase housing options for low-income households.

Ms. Blom noted that the Demonstration has come a long way since its inception in 1996. Using MTW authorizations, participants have developed alternate rent policies, created strategies to promote self-sufficiency, streamlined administrative operations, developed creative homeownership policies, and implemented a variety of other innovative initiatives. Early on, the Demonstration's participants were challenged by the relatively short term of the first agreements (generally three to five years in length), which limited innovation. Agencies were hesitant to implement large-scale changes to operations, knowing that in such a short timeframe they would be required to return to compliance with the United States Housing Act of 1937. In addition, measuring the success of the Demonstration has proven difficult because variations among agreements have prevented useful comparisons of initiatives across agencies.

Ms. Blom noted further that HUD spent considerable effort working with MTW agencies during the past two years to develop and implement the Standard MTW Agreement. HUD believes that the authorizations provided in the agreement, along with the agency-specific authorizations provided in Attachment D, will enable all MTW agencies to retain their MTW flexibilities and to continue to implement MTW initiatives. At the same time, the standardized language and enhanced reporting requirements will allow HUD to provide better customer service to MTW agencies and to better compare initiatives across sites. As of mid-May 2008, half of the MTW agencies had executed the Standard MTW Agreement. Others continue to have discussions with HUD about their agency-specific Attachment D. Some agencies have expressed concerns regarding asset management rules and the reporting requirements of the new agreement. A significant portion of the Conference's agenda was therefore dedicated to the topic of asset management. In addition, three sessions covered the topic of reporting requirements, during which HUD sought feedback and discussion about these requirements. Following the Conference, HUD intended to provide clarification and additional information about the reporting requirements.

The goals for the MTW Conference included addressing and possibly resolving MTW agencies' concerns about asset management and reporting requirements. Above all, however, the Conference sought to gather the MTW agencies to meet and learn from one another and to exchange information and ideas.

II. Interaction of Asset Management and MTW Flexibility - Small Group Discussions

Ivan Pour, Team Leader of the MTW Core Team in the Office of Public Housing Investments, introduced the small group discussion sessions focused on asset management. HUD determined that a significant portion of the Conference agenda would be devoted to this topic in order to help address the fundamental challenges with the interaction of asset management and the funding fungibility that MTW allows.

Mr. Pour began by reiterating HUD's support for project-based budgeting and accounting as a sound management approach. He noted that the HUD is in the process of transitioning all of the nation's public housing authorities to an asset management model. HUD maintained that asset management applies to all agencies, including MTW agencies, regardless of whether or not they execute the Standard Agreement. However, HUD was prepared to offer some additional flexibility for MTW agencies. HUD recognized the need to find solutions to the challenges concerning implementation and was looking to MTW agencies to help provide input on those solutions during the conference.

Mr. Pour noted that three breakout groups were to be tasked with brainstorming answers to specific questions pertaining to asset management. A fourth group was to discuss disseminating the outcomes of the Demonstration, reporting back to the larger group on the results of their discussions before lunch on Day 1. The agenda for Day 2 of the Conference included time for group discussion participants from the other three groups to provide feedback to the wider group and to other HUD staff on their asset management discussions and to engage in a dialogue to determine if the proposed suggestions were feasible.

Group 1 was charged with examining how to make the Financial Data Schedule (FDS) work for MTW agencies. MTW agencies must report into FDS under the new agreement, so that HUD can obtain the same financial information about these agencies as is provided by other agencies. FDS will be modified to accommodate project-based budgeting, and MTW has obtained a CFDA number so that it can be considered a program for accounting purposes. Group 1 was asked to determine whether or not these changes will be enough, or if additional changes will be needed to enable MTW agencies to enter data into FDS.

Group 2 was charged with examining the questions of how the asset management fee structure could work with MTW and how cost allocation could work with MTW. These questions have been the most contentious points for all agencies, but MTW agencies—because of their ability to combine funds—have an advantage in this area. HUD distributed a draft notice prior to the conference (included in Appendix B of this Report) on this issue, which the Department viewed as a starting point for this session.

Group 3 was tasked with examining the question of how to use MTW flexibilities to provide effective project-based management. Along with project-based accounting, housing authorities are faced with the task of shifting from a central management structure to a project-based management structure. The group explored how MTW agencies could use their flexibilities to make this task a success. For many housing authorities, this strategy shift is a new way to do business, but some MTW agencies took steps even before asset management to move to this form of property management.

Group 4 was asked to address the broader issue of how to convey more effectively the successful outcomes of MTW for the agencies and residents to their communities, Congress, and the general public. This session was intended primarily for executive directors and senior staff to share experiences and provide some recommendations for other agencies and the Department.

The following sub-sections provide summaries of each of the four group discussion sessions.

Group 1 – How Can We Make FDS Work for MTW Agencies?

As introduction to this topic, it was noted by HUD staff that a Catalogue of Federal Domestic Assistance (CFDA) number had been obtained for MTW funding, to be associated with FDS entries. It was also noted that a compliance supplement was forthcoming to assist in audits.

In consideration of the CFDA number, a number of questions were raised by the discussants. HUD staff agreed to obtain answers to these questions if possible after the Conference's conclusion. The questions included:

- How will disbursement of funding for MTW agencies work?
- Will funding be drawn down from Line of Credit Control System (LOCCS) in the same single fund as reported in FDS? Or, is it HUD's intent for agencies to draw down funds from each program separately from LOCCS and then show the revenue from each program as transfer to the MTW CFDA column?
- How should MTW sites de-combine, set aside, or reserve funds that are not spent?
- How should MTW sites report on MTW expenditures that do not fit into lines for other programs?
- How would the new CFDA code show up in FDS?

It was suggested that the Department needs to consult with each HUD program office on how funds should be shown in FDS. It was also recommended that HUD consider removing the reimbursement requirement for the Capital Fund and provide it in monthly payments instead of requiring the housing authority to obligate and expend. Funds would be considered obligated and expended at the time of the award. There is a statutory requirement, however, that would prevent the drawdown of Capital Funds until expenses are incurred. Given the nature of the single fund and one-column FDS reporting, concern was expressed about compliance with the statutory requirements—specifically about the Section 9j deadlines and required reporting to Congress. MTW agencies might be able to capture capital-eligible expenditures in FDS at the end of the year and compare to what was appropriated in that year for that program. There would be no requirement for a Physical Needs Assessment (PNE) and agencies would be able to report one line for CFP expenditures.

It was generally recommended that HUD simplify financial reporting requirements for MTW agencies in line with the simplification goals of MTW. The current guidance for asset management and asset management project (AMP)-level reporting was deemed very complex and in contrast to MTW agencies' efforts at streamlining.

In terms of the timing of the implementation of FDS changes, the due dates included in the draft Notice would not be feasible, given the lead time needed to change systems. In addition, it was

suggested that HUD should provide business rules on how to use the single MTW CFDA number before agencies are required to put it in use.

Participants noted a number of other issues around the FDS. Currently, FDS does not provide meaningful information on mixed-income finance developments because FDS captures program-based information and not activity-based information. Once the unit reaches Date of Final Availability (DOFA), it is then converted to an AMP and then reported as AMP activity. Because there are no AMPs prior to DOFA, an agency cannot report development activities in FDS. It was also noted that mixed-finance development is spread across RHF or HOPE VI grants, rather than being captured in a mixed-finance column. It would be useful if mixed finance transactions could report by AMP for operating subsidy by property. In addition, there are few “memo” lines for mixed-finance activities. The FDS should include additional memo lines for development activities to give visibility to mixed-finance development activity.

Group 2 – How Can the Fee Structure Work with MTW? How Can Cost Allocation Work with MTW?

In this session, the group was charged with examining how the asset management fee structure or cost allocation structure can work within the MTW Program. HUD’s draft notice on “Asset Management for Moving to Work (MTW) Agencies” provided the basis for some of the discussion and reaction.

While the group participating in this discussion agreed that project-based accounting, project-based budgeting, and project-based management for public housing are good management tools for tracking the costs of operating public housing developments, the group raised concerns about including other programs (such as HCV/Section 8 and Capital Fund) in the asset management program model. For example, in the draft Notice, HUD’s interpretation of “locally designed housing” as including public housing and Section 8 only is not the same interpretation used by PHAs participating in the MTW Demonstration. The participants believe that the original MTW statute permits activities outside of Sections 8 and 9, as it states that funding can be combined “to provide housing assistance for low-income families”.¹ Group participants noted that this language should not limit MTW agencies to implementing programs that are variations on the existing public housing and Section 8 programs. The draft Notice however, seems to establish a framework under Part 990 that limits “locally designed housing,” to public housing and Section 8. Deputy Assistant Secretary Blom, who participated in the group session, noted that she will work with HUD’s Office of General Counsel to resolve this issue.

MTW agencies have indicated that they need to be able to try new ideas that may not fit with the HUD administrative programs. The Notice, however, does not seem to allow for these types of initiatives. The group would advise HUD to permit MTW agencies to experiment with programs and not blame PHAs if a recommended activity or initiative does not have the desired outcome. The group noted that it seems that the accounting reform movement dominates the program, which could limit innovation and creativity of MTW participants.

From the draft Notice and discussions to date regarding the interaction of asset management and MTW, 24 CFR 990 appears to be exempted from the application of MTW flexibility. MTW agencies are concerned about how the draft Notice establishes and enforces this seeming

¹ PL 104-134, Omnibus Consolidated Recissions and Appropriations Act of 1996

exemption. Many in this group suggested that HUD should conduct rulemaking, rather than issue a Notice on this significant topic.

The group suggested ways that MTW agencies can operate using the asset management fee structure. It was suggested that agencies should be permitted to state their fees in their Annual Plan, subject to a subsequent determination as to whether a “reasonable” method was used to derive the fees. This practice would work like a cost allocation method, whereby an auditor determines after the fact that the method to develop the cost allocation was reasonable. There would be no judgment on the results of the allocation, just as there should not be on the amount of fees derived from a reasonable method.

As an alternative, MTW agencies might be interested in a hybrid system. Such a system would allow the agency to use a fee structure for public housing programs and a cost allocation system for all other programs. Regardless of the system that is used, MTW agencies need flexibility in uncertain budget times, as this flexibility is a key feature of the MTW Demonstration.

In addition to retaining flexibility in developing a fee structure, MTW agencies did not want to be restricted to categorizing expenses as property or Central Office Cost Center (COCC) based on 24 CFR 990. HUD has defined certain types of activities that must be funded by the COCC and others that can be funded only by the AMPs. Since MTW agencies may be operating different programs, these categorizations may not be applicable for the agencies.

Most agencies did not regard de-federalization as a big incentive. First, the fees do not result in “excess” funds, as the public housing and Housing Choice Voucher proration have significantly decreased the funding received by the agencies, and this “excess” serves to make up for those decreases. Second, most agencies have a mission that requires them to provide housing and services to low-income families. “Excess” fees, or any funds that are considered de-federalized, are required by state or local law to be used for such purposes. Third, most states have requirements that place additional limits on how agencies can spend their funds.

MTW agencies would like HUD to provide basic asset management guidance on public housing and then leave the rest fungible. Asset management should be directed to the “assets” (in other words, the bricks and mortar structures); then the agency can decide how the funds are used. MTW agencies recommended that HUD not provide any instructions on fees, especially the universal fees that may not apply to MTW agencies.

Some key questions for HUD emerged from the discussion:

- What is HUD’s goal for accounting at MTW agencies?
- Are there going to be any “reasonableness” tests under the cost allocation method, beyond the auditor’s review?

Group 3 – How Can We Use MTW Flexibilities to Provide Effective Project-Based Management?

Group 3 approached the discussion questions by first identifying the barriers and challenges agencies face in implementing HUD’s project-based management program. Once this list was developed, possible solutions were identified for each issue where MTW might be of help.

The group expressed general agreement on the principle of adopting a project-based management system, but several participants were unclear about why HUD’s non-MTW property-based

management system might be mandated for MTW agencies. As MTW agencies are allowed funding and program flexibilities, there appeared to be a basic contradiction. Accordingly, the following issues and possible solutions related to both HUD's current property-based management requirements and property-based management activities in general were identified.

Some agencies pointed out that their unique situation made following HUD's guidelines for determining their AMPs inappropriate. The State of Alaska was the example cited. Possible solutions included allowing PHAs to define their own AMPs and allowing PHAs to develop their own cost allocation method for each AMP from the MTW Block Grant funds.

Participants also discussed the perceived restrictions of fungibility. Some participants were under the impression that MTW agencies would be limited by the Operating Fund restrictions imposed on non-MTW agencies. It also appeared that some MTW agencies were provided with more funding flexibility than others were. Possible solutions to this issue included allowing PHAs to have more funding flexibility to tailor their asset management approaches to better address local situations. Agencies also cited the need to have funding rules be consistent with all MTW agencies and to allow PHAs with unique financial challenges (e.g., Alaska) to reflect their actual costs.

The group believed that property management decisions must be guided by financial issues, but some participants felt that local priorities should be used to guide property-based decisions, not just the financial performance of the property. The group proposed that MTW PHAs use local priorities (not just financial factors) to guide property level decisions.

Participants felt that resident services and security activities would suffer under the proposed asset management structure. Some agencies were concerned that HUD's asset management restrictions would result in curtailing the amount of funding that could be used for resident services and security activities. The agencies recommended that HUD allow more funding flexibility to deliver services and security if needed.

The group also noted conflict between decentralization and centralization. Some agencies noted that local procurement laws restricted the number of staff with purchasing authority. Other participants felt, however, that a centralized warehouse was often justified. Overall, the agencies agreed that more flexibility was needed in order to keep some critical activities centralized.

Some agencies felt that MTW might be an effective tool for addressing poorly performing properties identified via property-based management. They recommended that HUD explore a simplified MTW property conversion program that would allow MTW agencies to streamline the disposition of public housing units and assign project-based vouchers to these units through one process.

Participating agencies felt that MTW might be an effective tool for tailoring specific policies to enhance the performance of specific developments. MTW allows the adoption of different rent structures for different properties. For example, higher rents could be established for high-demand developments, and different rent structures could be developed for different resident groups, such as employable families and households on fixed incomes.

The group noted that the new Standard MTW Agreement appears to limit the uses of funding to either Section 8 or Section 9 activities. Several agencies were concerned that this restriction would limit an agency from pursuing unique local opportunities for providing low-income housing programs that are not technically either a Section 8 or Section 9 activity. One agency

noted that this restriction was the reason they had not yet agreed to execute the new Standard MTW Agreement. The group felt that HUD should reconsider this restriction and allow agencies to creatively pursue new forms of housing assistance and/or to continue non-Section 8 or Section 9 housing programs that have already been launched.

The group also felt that financial reporting is difficult under the asset management structure, and one agency expressed a concern about the apparent level of financial reporting that will now be required to comply with both HUD's property-based management and the Standard MTW Agreement requirements. This requirement contradicts the MTW objective of reducing administrative burdens. A possible solution was proposed: HUD might reconsider the level of financial reporting mandated and require only the information that is absolutely needed by the Department.

Finally, some agencies noted that converting to a property-based management system might be difficult, as the new system may conflict with existing labor union agreements. It was determined that MTW might not be able to assist in addressing this issue, but MTW might give an agency more flexibility in negotiating with its labor unions.

Group 4 – How can we identify and share the success of the MTW Demonstration within our communities, other housing authorities, and Congress?

The session began with participants sharing how they had marketed their programs, and with brainstorming new approaches.

The group agreed that the MTW Demonstration program should communicate that it allows sites to provide a safety net for MTW participants and that it intends to serve as a spring-board for residents to achieve self-sufficiency. The group also agreed that HUD and the MTW agencies should convey MTW successes both qualitatively and quantitatively and communicate the benefits of MTW for residents—that it results in “savings” because of built-in freedoms.

The participants further agreed that not only did they want to effectively convey the MTW story, but that they also needed to establish ongoing relationships with Congressional representatives, city officials, and others if they are to be effective in convincing the political community that MTW works. Establishing such relationships is important because the MTW sites can use these ongoing relationships to further the goals of their respective MTW programs and to let their local communities know how they have used MTW as a solution to housing problems.

The group noted that because many advocacy groups are opposed to MTW—believing that MTW “harms” the residents—it becomes increasingly important that the MTW sites publicize MTW successes to show how MTW has helped the residents to achieve their goals. Some advocacy groups are attempting to make the case that HUD lacked the authority to do a 10-year agreement with the MTW agencies. It is important that HUD be aware of this opposition and that if possible, the Department would offer assistance to MTW agencies in responding to advocacy groups' concerns. The name of the demonstration may not accurately convey what it actually does, and may not serve the demonstration, agencies, or HUD well. The group suggested that HUD consider changing the demonstration's name.

Participants observed that HUD Office of Inspector General (OIG) audits regarding the MTW program have been negative and do not reflect the positive aspects of MTW programs.

Therefore, the MTW sites would like to post MTW success stories on the MTW website to get the other side of the story out to the public.

One concern conveyed by participants was that communities are very different that these differences pose a problem in how the participants would report on MTW successes. Who would be responsible for organizing program data and reporting these successes nationally? MTW agencies do not use a cookie-cutter approach to implement programs, so making program-wide statements will be a challenge.

MTW agencies provided examples of efforts they had made to publicize and inform residents and the community about MTW. One MTW site implemented a comprehensive public process, as a precursor to implementing MTW that laid out a range of alternatives and as a part of that process reached out to its Congressional delegations. Some MTW sites held a series of workshops with human services/government agencies that would last 4 to 6 hours and include no more than fifty persons. The purpose of these workshops, which provided a setting for one-on-one interaction, was to educate participants about MTW, and it was noted that these sessions should be held periodically due to staff turnover at the human services/government agencies. Other agencies have similar workshops with landlords interested in participated in the Section 8 program.

Further suggestions included PHAs using local universities to write up the results of MTW, as universities use vigorous research techniques that are useful for validating stories. However, it was noted that such studies would be costly. Still, one MTW site took money out of its block grant program to pay for its MTW study.

One participant noted that it would be helpful to have national-level data summarized from the PIC Form-50058 MTW module so the public would have data on the residents being served under MTW.

One MTW site learned from its Section 8 landlords that it had better tenants as a result of higher minimum rents. The alternative rent structure allows for retention of higher income tenants. Some communities are opposed to a higher minimum rent structure. In the case of Portland, an agreement was reached with the advocacy groups not to establish higher minimum rents.

The issue was raised as to what MTW sites can do to involve residents and to re-establish resident organizations, given that residents only tend to speak up when they are opposed to an MTW site's policies. PHAs can use the 25% set-aside in the ROSS programs to set up resident organizations. PHAs can use legal services to assist with organizing residents, and PHAs can ask resident councils to report monthly on their activities. One MTW site suggested involving residents by having the resident advisory council make a monthly report that outlines activities/accomplishments.

Summary

To summarize the discussion in preparation for presenting to the entire conference, the group answered the questions:

- 1) Who is the audience that MTW agencies need to communicate with;
- 2) What is the message to communicate; and
- 3) How should MTW agencies communicate the message?

Audience

The group identified a broad spectrum of audience members, including: policy makers (local, state/federal), residents, general public, landlords, advocacy groups (local and national), service providers and media.

Message

The message the group identified to convey to the different audience members was consistent across audience members. The key points included that the flexibility within the MTW Demonstration allow the agencies to:

- Do a better job serving residents;
- Form partnerships and leverage resources within their communities;
- Spend federal funds more efficiently; and
- Design progressive programs that reward the hard work of residents.

Communication

As summarized in Exhibit 1, the group identified different ways to communicate the messages, depending on the audience. While most means of communication can be applied to all audiences, the group identified the key communication method(s) that were most applicable to each audience type.

Exhibit 1: Communications Matrix

	Local Policy	State/Federal Policy Makers	Residents	General Public	Landlords	Advocacy Groups	Service Providers	Media
Convey message through success stories	X	X	X	X		X		X
Be active part of local network	X				X	X	X	
Hold semi-annual briefings	X	X					X	X
Disseminate e-letter	X	X	X	X	X	X	X	X
Work with Resident Advisory Board			X					
Prepare statistics on MTW outcomes	X	X		X		X		X
Engage in on-going communication	X	X					X	X

In addition to looking at how the MTW sites can market the MTW Demonstration, the group also identified ways in which HUD could help promote the program. The group thought it would be beneficial for HUD to:

- Complete the best practices study started last summer;
- Analyze outcomes of the program from data already available;
- Increase its advocacy for the MTW program in the media and with Congress;
- Disseminate data on the program to make the success of the program know;
- Update the MTW website; and
- Create an MTW newsletter.

III. Concurrent Sessions

Below are summaries of the afternoon concurrent sessions held on Day 1 of the Conference.

Developing Alternate Rent Policies

1:00 p.m. – Milan Ozdinec and David Vargas

The purpose of this session was to discuss alternate rent policies that MTW agencies have implemented and to engage the group in discussion around the issues and the innovative solutions developed by agencies. Facilitation for this session was provided by Milan Ozdinec, Deputy Assistant Secretary for Public Housing and Voucher Programs, and David Vargas, Director, Housing Voucher Programs.

As context, Mr. Ozdinec introduced the session program by acknowledging that the current rent formula (Brooke Amendment) has always been considered “sacrosanct.” HUD, however, would like to challenge the current rent formula while still ensuring that the same population of residents can be served in a more humane fashion. In the last several years, both HUD and housing authorities have experienced challenges and difficulties in managing the Housing Choice Voucher program from a financial perspective. Unfortunately, it is impossible to predict what Congress will do in future years on the budget, especially in terms of how net restricted assets are treated, i.e., subtracted from the amount allocated to the PHAs. Although MTW agencies are subject to the proration, their budgets are more predictable than non-MTW agencies. MTW agencies therefore have both the potential and the charter to challenge Brooke. It is important that HUD and MTW agencies unleash the creativity of the agencies in implementing new ways to manage and operate the HCV program.

When asked whether the MTW agencies represented in this session would calculate rents differently, all agencies present responded that they would change the rent structures from the statutory formula. Mr. Ozdinec noted that having the opportunity to change the rent formula gives agencies the ability to change their relationships with their families.

A number of innovations in rent-setting policies were described in detail, including a step rent system in which income plays no role, and a rent schedule system that uses wide bands of income. Agencies stressed the need to have an understanding of the activist community and ensure the following: 1) the proposals for changes in alternate rent systems should be designed to address the concerns that the residents and activists may have; 2) the agency should clearly determine what problem it is trying to resolve with the alternate structure; and 3) the agency should have a method for determining if the rent system is having the desired impact and is not harming either the families or the agency.

It was noted that it is important to have an outside firm audit the files to ensure that the staff understands the new calculations and that the rent formula has the intended impact. Mr. Ozdinec stated that as long as an MTW agency was in compliance with its approved policy, there should be no findings.

Several MTW agencies have implemented or considered implementation of work requirements, and those agencies described the policies. Generally, the work requirements are well accepted at the agencies and some agencies have increased the number of work hours required over a period of time.

Mr. Ozdinec urged the participants to read “Off the Books” by Sudhir Vankatesh, which explores the subject of income in low-income neighborhoods in Chicago.

Several agencies discussed the supportive services being provided to families. All of the PHAs that implemented alternate rent structures indicated that they partnered with other local agencies for supportive services, although some agencies provided case management services with their own staff. Services provided by housing authority staff can be expensive and would not be possible without the ability to use MTW’s funding fungibility to finance the programs. Other than Workforce Development funding (from the Department of Labor), agency representatives indicated that there was little other federal funding used to provide supportive services to residents and HCV participants.

The group then turned to discussing monitoring of the expenditures of federal housing funding. HUD will continue to monitor expenditures and noted that, when HUD had strong internal controls and reviews (i.e., emphasis on Rental Integrity Monitoring), the nationwide error rate decreased. Since the error rate has been increasing recently, HUD (either PIH or the OIG) may have to emphasize calculation compliance again.

One barrier for MTW agencies with alternate rent structures is the requirement to submit PIC data annually. Although many agencies have moved away from annual reexaminations, they are required to report annually on each family, thus creating unnecessary work. Mr. Ozdinec indicated that perhaps some type of summary reporting, such as VMS, would be possible.

From HUD’s perspective, there are four basic principles of program management:

- Did the agency spend all of its funding?
- Do the units meet HQS (as redefined)?
- Does the agency have a clean audit?
- Is the agency’s reporting accurate and timely?

HUD maintains that if these four criteria are met, agencies should be able to develop programs to meet local needs, since one program design does not fit all.

Two agencies discussed studies they have conducted, including a benchmarking study and an on-going study of thousands of families. Benchmarking studies can be expensive but may provide valuable information to assist the agency in determining if it is meeting the goals it set when establishing the alternate rent structure. Long-term studies conducted by academicians may be conducted at a lower cost.

HUD encouraged the MTW housing authorities to be creative in developing their rent systems and to ensure that HUD has sufficient data on the results of the rent system so that there will be concrete information to demonstrate to Congress in consideration of changes for all agencies.

Alternate Inspection Strategies

1:00 p.m. – Ivan M. Pour

The purpose of the session was to discuss alternate inspection strategies MTW sites can adopt to help reduce the expense involved with inspecting each unit annually. Group participants, led by Ivan Pour, the MTW Core Team Leader, shared the inspection strategies they have implemented

or are planning to implement, including strategies that require the flexibility allowed under the MTW Demonstration and strategies that any PHA could implement.

Strategies Shared—Public Housing

- As part of the transition to asset management, agencies have trained sites managers and maintenance generalists to conduct REAC inspections in place of having dedicated inspectors on staff. They conduct an audit of 10% of portfolio inspected by site managers and maintenance generalists for quality assurance.

Strategies Shared—Housing Choice Voucher Program

- Agencies have assigned inspectors based on geography. The inspectors rotate periodically for “fresh eyes” on the units the inspectors inspect.
- Some agencies have had the city conduct the inspections on their behalf. The inspectors follow the city code and Housing Quality Standards (HQS).
- If a property fails a re-inspection, some agencies have charged the landlord \$100 for the third visit. In the example cited, this policy did not discourage landlord participation because of the region’s loose rental market.
- Other agencies have conducted inspections every other year for good landlords, defined as those being violation-free (or virtually so) for the past five years. These landlords self-inspect their units on the off years.
- Agencies have given all landlords 30 days to correct problems found at the initial inspection. If the unit fails the re-inspection, the PHA abates the Housing Assistance Payments (HAP) to compensate the PHA for having to make multiple trips out to inspect the unit.
- If a landlord has many units, MTW PHAs have decoupled inspections with resident annual review and inspect all of the landlord’s units at one time.
- Finally, MTW agencies have merged tax credit and HQS inspections to reduce the number of inspection types conducted.

A suggestion was made to have local HUD field office staff, not REAC staff, conduct inspections because it was felt that some REAC inspectors were not consistent in how they conducted inspections.

Using MTW Flexibility in the Development Process

1:00 p.m. – Brian Gage

This session provided a forum for MTW agencies to share development and redevelopment strategies that they have pursued, or intend to explore, using MTW flexibilities. The session was facilitated by Brian Gage, a HOPE VI Grant Manager and MTW Coordinator, from HUD’s Office of Public Housing Investments.

Agencies can use MTW flexibility to help reposition their assets. Distressed public housing developments may be in need of redevelopment, but they may not be successful in obtaining a HOPE VI grant. Using MTW, such agencies can use project-basing flexibility with other funding opportunities to pursue such efforts without HOPE VI funding. One agency noted that

previous HOPE VI redevelopment experience and local opportunities made such a deal possible. The agency was fortunate to take advantage of local opportunities and acquire additional properties, some through the use of eminent domain, to make the effort possible.

In some locations, effectively disposing of distressed properties in today's housing market is impossible. Such units cannot be absorbed and have little value. In these instances, an agency may benefit from land banking the sites of distressed public housing units so that they will be in position to leverage these assets when the housing market improves. One strategy might be to dispose of such units to non-profit entities and project-base vouchers in these units. This allows the current residents to remain in the units until the housing market improves. Another approach is to temporarily retain the units as public housing, limiting capital activities to just critical items, and then dispose of the units when, or as, the housing market improves.

It is important that MTW not limit the use of an agency's resources to just Section 8 or Section 9 activities. This restriction may prevent an agency from entering into creative partnerships to produce affordable units in a new and creative hybrid housing program. Some MTW agencies have already participated in such efforts. Several agencies wish to explore strategies that include providing a housing stipend to developers, service agencies, or qualified households to create additional units or to make existing housing more affordable.

One development challenge facing agencies is creating deconcentrated (mixed-income) housing community that will still attract high-income households. Establishing the appropriate percentage of very low-income families in such developments is a critical issue.

Several agencies intend to maximize the use of their MTW project-basing authority to develop and sustain units serving very low-income families. Project-basing enables units developed with non-HUD funding to be affordable to such families.

Several agencies hoped to identify effective methods of using currently unused Annual Contributions Contract (ACC) funding (available as a result of previous disposition or demolition activities) to support development or redevelopment activities. One agency is assigning ACC funding to specific units in a non-subsidized building owned by the agency to make those units more affordable.

Another agency has disposed of valuable scattered-site units to provide funding for an increased number of more manageable units. It also leveraged Capital Funding to address significant rehabilitation needs in an important part of its housing portfolio. MTW funding flexibility enhanced these efforts. These types of strategies have enabled the agency, with the help of partners, to meet its local obligation of replacing each unit lost through redevelopment on a one-for-one basis. One challenge has been determining if MTW flexibilities used to enter into development-related agreements can extend beyond the term of the agency's MTW Agreement.

MTW also has enabled agencies to finance development activities, streamline the demolition and disposition process (with the approval and cooperation of the Special Applications Center (SAC), as Section 18 cannot be waived), expedite the acquisition of new sites, and use a local city competitive process to select mission-driven partners to use agency-provided resources to pursue low-income housing development opportunities.

It was noted that federal regulations are not the only restrictions placed on an agency's development efforts. State laws may also apply to such activities, which are not waived by MTW.

To summarize the strategies mentioned above and to note additional flexibilities that can be utilized, MTW agencies can:

- Develop a local project-basing program;
- Use MTW block grant funding flexibilities to enhance development activities and the leveraging of Capital Funding;
- Streamline the site acquisition process;
- Streamline the disposition and demolition process;
- Establish ESCO agreements;
- Adopt reasonable local Total Development Cost (TDC) limits;
- Adopt reasonable local design standards; and
- Develop non-traditional housing types.

PIC Reporting and the MTW Module

2:15 p.m. – Lloyd Darasaw, Dudley Ives, and Hitesh Doshi

The purpose of the session was to provide information on the IMS- PIC, Inventory Management System and the Public and Indian Housing (PIH) Information Center (PIC), on the changes that IMS-PIC made to the MTW module the weekend before the conference, provide insight to the possible MTW module changes identified for future releases, and to answer IMS-PIC-related questions. A slide presentation was shown and a FAQ document was distributed as part of the session; these are included in Appendix B of this report

There are generally two major PIC releases a year. For 2008, there was a release on May 11 and there is one scheduled for September 19. The first 2009 release is tentatively scheduled for February. MTW sites that want changes made to the MTW module should submit their requests to Ivan Pour (Ivan.M.Pour@hud.gov). The program office submits a list of requirements to PIH-IT. The requirements are assessed, prioritized, and assigned to an upcoming PIC release. The requirements for the September 2008 release have already been collected, so any new requirements will be considered for a 2009 release.

The key system changes included in the May 2008 release that affect MTW sites include:

- PIC now emails Field Office staff when one of their PHAs makes changes to the Building & Unit module that require their approval.
- PIC's auto-geocoding process that validates if low rent addresses are correct now occurs nightly, instead of monthly.
- The number of months a warning flag exists before it changes to a failure flag can now be modified.
- The Tenant ID Management Report now includes contact information so PHAs know whom to contact to rectify potential duplicates.
- Error messages in the Form-50058 module were modified to make them more user-friendly.

The importance of receiving Form HUD-50058 MTW data from the MTW sites was discussed. The Department needs the data to assess the outcome of the program in order to be able to advocate expanding the program nationwide. The Department appreciates all of the effort by the MTW sites to begin reporting to the new MTW module.

MTW sites that experience problems uploading their data to the MTW module were encouraged to notify PIC Help via email (REAC_TAC@hud.gov) and to copy Lloyd Darasaw (Lloyd.C.Darasaw@hud.gov) on their message.

Session participants requested to be more involved in the design of future HUD IT systems. Robert Dalzell chairs a group comprised of PHAs that reviews and prioritizes requirements submitted for releases. If an MTW agency would like to be part of this group, it should contact Robert (Robert.D.Dalzell@hud.gov). The Department also recognized the need for additional training on HUD systems.

Participants in this session asked many questions, for which the PIC staff were able to provide further information. The questions and answers are summarized below:

Q1: Where are the PIC-IMS MTW module error messages?

A1: The error messages are located at:

<http://www.hud.gov/offices/pih/systems/pic/50058/50058errorcodes.pdf>

Q2: Can PHAs still submit using the old development numbers?

A2: Yes, the system will still accept the old numbers. However, users who submit .CSV files should submit the “P” (to indicate public housing in field 1c as |P| without any spaces before or after the “P”).

Q3: Is FRS available for the MTW module?

A3: No, FRS is not available for the MTW module. MTW sites who would like FRS should submit the requirement to Ivan Pour for consideration in a future PIC release.

Q4: Can the EIV business rule stating that only households with records submitted within the past 15 months have EIV requested for them to accommodate PHAs that only conduct annual re-exams every two years? Because of the business rules, PHAs on the every two year re-exam schedule must submit records in the off years to keep the households current.

A4: EIV can only collect data on residents with current Form HUD-9886s (Privacy Act), and these forms must be updated annually. If EIV collected data for households with effective dates within the past 24 months, the Department risks requesting data for residents without current Form HUD-9886s.

Q5: Has there been a requirement for the Department to post an MTW Resident Characteristics Report (RCR) for the public?

A5: While the Department is not aware of such a request, it will look into posting national-level statistics, similar to the information found in the RCR, on the MTW website monthly.

MTW Flexibilities and the Housing Choice Voucher Program

2:15 p.m. – David Vargas and Bernice Unland

In consideration of flexibilities in managing the Housing Choice Voucher (HCV) Program by MTW agencies, HUD wants to ensure that agencies do not lose funding under the Demonstration program and that agencies understand that once the HCV baseline funding is established (via the Attachment A of the MTW Agreement) it can be used to meet the agency's needs. Facilitated by David Vargas, Director, Housing Voucher Program, and Bernice Unland, Housing Voucher Financial Management Division, this session covered a number of key areas important to HCV administration.

Rent Reasonableness: The HUD Inspector General currently is examining rent reasonableness; if the rent is not reasonable, the agency may be paying more for the unit than it should. In some areas, the Annual Adjustment Factor provided in the Attachment A is not keeping up with the cost of housing, so MTW agencies should look at different ways for approving rents, such as tying them to the Fair Market Rents (FMR) or to bedroom size. Several agencies with fixed- or step-subsidy amounts noted that they do not do rent reasonableness, but that the families are allowed to decide what is reasonable. In agencies with fixed or step subsidies, families may select lower cost units, requiring a lower contribution from the family. Funds that are saved accrue to the family. Other families may select a higher cost unit, due to its amenities, location, school district, etc.

The Housing Authority of Tulare County (CA) noted that, with its fixed subsidy program, a rent burden analysis is conducted quarterly to ensure that the program is not burdening families. As a result of the program, families have moved into areas that they never would have lived in before.

75% Requirement: Several smaller agencies noted that compliance with the requirement that 75% of the families served are low-income is challenging because one of the goals of the MTW program is to increase the income level of the families so they can become self-sufficient. (This requirement is included in the MTW authorizing legislation; therefore it cannot be waived.) Although HUD noted that one goal of MTW should be to increase the incomes of families so they can leave housing and become self-sufficient, one agency noted that it tries to keep families in public housing/HCV as long as possible because the level of recidivism was so high. The housing authority does not want families to leave until they are fully self-sufficient—so the families will not return.

Funding: Milan Ozdinec asked whether the agencies could remain as innovative as they are if HUD was forced to re-benchmark MTW agencies annually. Currently, MTW agencies are not included in re-benchmarking because their funding is “locked in” by the stipulations in Attachment A to the MTW Agreement. Since HUD does not know how Congress will fund the program from year to year, decisions are not always based on good public policy and on what is good for the families served but are based instead on special requirements placed on HUD and the agencies by Congress. HUD has been steadfast in reiterating that the net restricted assets belong to the agencies and the industry groups support removal of the Congressionally mandated cap language.

Funding Transfers: MTW agencies that have committed to development deals that use HCV funds in their bank accounts should do an operating transfer out of the HCV funds to the other program. This stipulation only applies if the funding is MTW funding.

Time Limits on Vouchers: The Housing Authority of Tulare County noted that in its politically conservative jurisdiction, the PHA approached legal services and service agencies, conducted public hearings, and had almost no opposition to its time limit on vouchers. The agency does not allow families to be relisted on the waiting list while they still are in housing.

A concern by other agencies in instituting term limits has been that changes to the HCV program may drive away landlords from the program. Landlords may be concerned that families with term limits will eventually lose subsidy and may require eviction if they cannot afford the rent.

Housing Quality Standards: Another area of innovation in the HCV program has involved inspections and HQS. One agency samples units if an owner has more than 10 units on the program. If the sample units pass, then the other units owned by this owner will be inspected less frequently. Agencies expressed concern around HQS because there is no definitive HUD guidance on HQS, other than the information contained in the actual form. Moreover, there is little consistency in inspections (even from one HUD IG inspector to another).² As a result, HQS can be confusing for property owners. In Baltimore, instead of abating when a unit fails inspection, the agency puts funds into escrow to encourage bringing units up to standards. This program is designed to help improve the quality of the housing stock in Baltimore. Atlanta strengthened HQS standards to improve the quality of housing for assisted families.

Use of HCV Funding for Development: A number of agencies are using HCV funding for housing development projects. Oakland Housing Authority has committed funding from the HCV program in lieu of HOPE VI funding. Atlanta Housing Authority uses its HCV funding to help bridge the funding of public improvements until the city can reimburse the housing authority at a later date. Lawrence-Douglas County (KS) Housing Authority has used its HCV funding to develop low income non-subsidized housing.

Conversion of Public Housing to Section 8: HUD is currently working on guidance on how PHAs should conduct the analysis for conversions. Materials will be developed and provided at upcoming HUD conferences to be conducted in DC and Chicago. Some agencies request approval for conversion while others request approval for disposition of the public housing. For agencies that receive approval for conversion, there is funding under tenant protection for conversion activities and to award vouchers for the conversion. There is a priority order system in which funding is made available and conversion activities may be awarded vouchers before disposition actions. Meeting the requirements for conversion, especially in conducting the required analysis, is challenging, and streamlined conversion rules would be beneficial. MTW agencies could consider using project-based instead of tenant-based vouchers (subject to requirements on the number of units and competition). The current version of the Standard MTW Agreement does not include conversion language, but the agency-specific Attachment D could include such language.

Sponsor-Based Programs: In sponsor-based programs, the MTW agency contracts with supportive services agencies, who place their clients in housing that is leased by the agency. Several agencies are pursuing this strategy successfully. On the topic of whether transitional housing could be project-based, it was suggested that the agency include the program in its Annual MTW Plan.

² Two MTW agencies have had Office of Inspector General reviews of their implementation of HQS and felt that even the OIG inspectors were inconsistent from inspector to inspector.

Subsidy Standards: The Housing Authority of Portland (HAP) noted that choice was important to its advocates, so HAP designed a program that allows families to rent units that are considerably over the family size. The Oakland Housing Authority looks at family size rather than bedroom size in determining subsidy standards.

Homeownership: A number of MTW agencies have implemented homeownership programs. Elements of these programs include putting in escrow the amount between a ceiling rent and the regular income-based rent and providing down payment assistance programs that provide two years of HAP payment combined with other city, trust and Federal Home Loan Bank Board funds.

FHA Properties: It was noted that the FHA is making available homes for the purchase price of \$1. However, MTW agencies said that the properties were not worth \$1 and would not pursue the properties.

Working with Stakeholders and Residents

2:15p.m. – Ron Ashford

Working with residents and stakeholders in a community is a significant and key part to creating successful initiatives. Ron Ashford, Director of Community and Supportive Services in the Office of Public Housing Investments, described HUD's experience in this area from the early days of the HOPE VI program. With a new program, and little information conveyed to residents about what the program entailed, residents did not support the HOPE VI program and had fears about its possible outcomes (such as displacement from public housing units being torn down and not replaced). HUD recognized the need for more information to be provided to residents as well as other stakeholders who might be affected by a HOPE VI development in a community. HUD determined therefore that housing authorities undertaking a HOPE VI project would be required to engage the community of residents and stakeholders to obtain feedback, input, and buy-in in the re-development effort. In terms of re-occupancy, HUD asks that the PHA solicit input from the residents of the affected community about the requirements for residents to return and re-occupy the revitalized public housing. Similar to the HOPE VI experience, engaging residents and community stakeholders is key to a successful MTW program. Mr. Ashford asked for participants in this session to talk about each agency's experience in engaging residents in their MTW efforts.

Participants in this session shared their agency's experience in engaging residents in their MTW efforts. Portland offered that the agency's relationships with residents and the community are strong but incomplete. While Portland's HOPE VI efforts and other individual initiatives have enjoyed strong resident engagement, the agency does not have an ongoing body or defined process to involve residents meaningfully in ongoing operations. The agency has identified this deficiency as an area for strengthening in the future. In prior experiences with resident organizations, the agency found that it was difficult to get diversity among the group and to avoid having the group dominated by just a few residents. The community of Portland values participatory processes in decision making; various public agencies involve a range of stakeholders at several levels. HAP is working on how to make resident involvement more systemic and more a part of the agency's own decision making. It was noted that in the last public hearing process for the Annual MTW Plan, HAP was attempting to institute a minimum rent. Because the agency did not have a recognized resident "voice" in the process (although it

had received positive feedback from residents in support of the initiative), the agency was not able to counter the advocate community, which was against this initiative.

The Atlanta Housing Authority (AHA) provided an example of what happened within its community when the agency introduced the work requirement for AHA residents. AHA had developed a strong network of service providers – various social services agencies and providers to whom the agency refers residents for assistance. Because of this solid network, AHA feels that the work requirement was received in a positive light. AHA has moved from a 27% employment rate to an 83% employment rate among residents. AHA also has jurisdiction-wide resident councils that hold monthly meetings. These groups were very involved in the process of work requirement and minimum rent implementation. Although at times contentious, these meetings serve as a forum for accurate information about the initiative to be conveyed to residents.

Staff from the Louisville Metropolitan Housing Authority noted that the agency had very strong resident representation during its HOPE VI efforts. Residents were requested to provide input on re-occupancy. In taking the HOPE VI experience into MTW initiative, Louisville noted that it is important to have a process in place that allows residents real, meaningful input.

Portage noted that with its resident and stakeholder involvement, it understands the value of recognizing in a public fashion the input and contribution made by these entities, and that it would like to hold a recognition event. Other agencies offered advice about asking another organization to underwrite an event. Food is a mostly inexpensive way (although food cannot be purchased using a ROSS grant) to get people to come to an event.

The Housing Authority of Baltimore City (HABC) noted that its residents are very involved, especially for policy-making initiatives. Delaware State Housing Authority (DSHA) offered that it is important to get everyone at the table involved as much as possible, and as early as possible, when implementing an initiative.

Collaboration with community stakeholder organizations, including other organizations and service providers serving the community, can be key to providing effective services for residents. Portland noted that it is implementing a joint case management initiative with the TANF agency in its area. Through a Memorandum of Understanding (MOU) with the agency, HAP and the TANF agency will share the case management work. Atlanta indicated that obtaining affordable, quality child care was a huge concern and barrier when implementing its work requirement. Through collaboration with service providers, Atlanta has been able to get child care for AHA residents (primarily through service provider contracts).

It was noted that successful prior relationships between the housing authority and other area agencies and social service providers can assist when implementing a new initiative. Prior success and proven ability to “deliver results” can often assist in moving a new initiative forward.

Use of all types of media, such as newsletters, posters, and other mechanisms to spotlight success under a new initiative, can help to “market,” publicize, and provide information about the effort to others. AHA uses such a method for its work requirement by documenting and spotlighting particular residents’ successes and sharing them as an example for others. Calling its MTW program “Catalyst,” AHA has instituted a consistent message and “brand” for its MTW efforts. For example, materials such as articles in newsletters and posters speak about “Catalyst”

assisting in resident success and “Catalyst” improving the physical communities. AHA finds that this consistent, constant message about what the program is doing and how it can help residents ensures that positive, clear information is reaching the community.

MTW Flexibilities in Homeownership Programs

3:45 p.m. - Brian Gage

The purpose of this session was to discuss the various ways MTW agencies have implemented homeownership programs using flexibilities allowed under MTW. The discussion was facilitated by Brian Gage, a HOPE VI Grants Manager and MTW Coordinator, in HUD’s Office of Public Housing Investments. Participants shared their experiences with homeownership programs. Several had pursued traditional HUD homeownership programs, while others had used MTW flexibilities to develop local homeownership programs. Several indicated that they were attending to learn more about how MTW might enhance homeownership efforts.

The new Standard MTW Agreement provides significant homeownership flexibilities. This flexibility may prove to be helpful in today’s housing market. Housing prices are more affordable, but financing is more difficult.

The fundamental question posed in this session was, “Why should an agency have a homeownership program”? Such programs can be costly and administratively burdensome. It was noted that homeownership often stabilizes neighborhoods and can be an important element of an agency’s mission to assist low-income households to achieve economic self-sufficiency. Homeownership can help enhance an agency’s public image and can be coupled with other local homeownership initiatives to offer an effective resource for low-income families.

An agency must determine the type of assistance that will be provided. One homeownership program option is to just provide funding to support the financing of a home and then to step out of the process. This assistance could be in the form of providing second mortgages or closing costs for the purchase of a home. A good principle for an agency, however, is to “always use other people’s money first”.

Another strategy might be to subsidize the homebuyer directly. This subsidy could be in the form of addressing unforeseen expenses for the owner after the home has been purchased. For example, an agency might create a revolving fund to help the homeowner address major jumps in utility costs. Purchasing condos can keep risks lower for new owners, as there are fewer maintenance responsibilities.

A third approach might be to help prospective homeowners accumulate the resources necessary to purchase a home. An example might be the adoption of an MTW rent policy that includes an escrow account for such households.

A fourth approach might be the selling of existing public housing units to low-income buyers. The existing HUD program (Section 32) is currently too limiting. Some agencies initially planned to sell scattered-site public housing units to residents, but instead chose to sell these units at market value to acquire funds to support the development of additional rental units.

Other homeownership factors might include:

- Some agencies have adopted policies covering the issue of equity sharing.

- There is a movement to include homeownership units in new transit-oriented mixed-use/rental housing developments.
- Some agencies intend to explore land trust strategies where the agency retains ownership of the land.
- Some agencies might pursue acquisition strategies as a result of the growing number of foreclosures.
- There is a potential for a tax credit homeownership program, but such an approach must use 15-year financing.

Family/Resident Self-Sufficiency Programs

3:45p.m. – Ron Ashford

To begin this session on family and resident self-sufficiency in the context of MTW programs, facilitator Ron Ashford, Director of Community and Supportive Services in the Office of Public Housing Investments, provided a brief overview of the Resident Opportunities and Self-Sufficiency (ROSS) program and recent changes to the program. In response to cuts in their operating subsidies and the implementation of asset management, housing authorities have reported that they have had to lay off personnel in the area of services provision. The challenge for HUD was how to make ROSS more responsive to the needs of PHAs. Funding to enable housing agencies to hire service coordinators was an area most often noted. ROSS now provides a three-year grant to enable PHAs to pay salary to hire service coordinators. The role of the service coordinator is to find services and to coordinate provision of those services to PHA residents. The difference between ROSS and the Family Self-Sufficiency (FSS) program is that there is no escrow policy with the ROSS program. The application for ROSS has now been streamlined – applicants will now simply be required to check boxes on an electronic application. PHAs will only need to certify that they have complied with certain requirements, not provide documents. Another difference in this year’s application cycle is that resident groups are encouraged to apply for ROSS grants. Both a PHA and a resident organization from that PHA may apply for and receive a ROSS grant, but for different properties. HUD is interested in spreading the funding and complying with the Congressional requirement to provide 25% of the funding to resident organizations.

The awarding of ROSS grants will be made through a lottery system. In the second year, applicants who were awarded grants in year one will have a “second” priority, and in the third year, applicants who were awarded grants in year two will have third priority.

In response to this description of the ROSS program, participants in the session expressed concern over the challenges in working with resident-led organizations, indicating that some resident organizations are not sufficiently stable to perform this function effectively. HUD acknowledges that funding resident organizations is a challenge, but one that HUD is hoping to meet. It is expected that HUD and the housing authority will be able to assist resident organizations in providing sample job descriptions, required reporting against benchmarks, and in funding only organizations that can demonstrate solid past performance.

On the topic of how MTW agencies use FSS program to support MTW initiatives, participants shared experiences. In Atlanta, the FSS program is currently being re-structured to focus on homeownership, so that residents who express a desire to move toward homeownership can enroll in the FSS program. In Portland, participants in the FSS programs (called the “Goals

Program”) have a seven-year time limit for housing assistance. Participants may only receive their saved escrow amount once they exit assisted housing. In another property, residents who move in must enroll in a self-sufficiency program. Once the tenant portion of the resident’s rent goes above \$250, then every dollar above that amount is put into an escrow account.

One participant asserted that the formula for calculating the escrow amount in the FSS program actually rewards people who are low performers, in terms of wage earning. Employed residents who enter the FSS program earn fewer benefits than those who enter when they are unemployed or underemployed. A suggestion was made for altering the FSS program to create an MTW FSS program that would offer a flat escrow payment as a way to reward households who enter the program with higher incomes. In addition, tying the escrow account to a time limit of a particular number of years could also yield positive outcomes. Time limits have proven to be a challenging policy to implement in some communities, however, as the advocacy community has typically responded negatively.

Reaching resident youths was noted as another challenge for supporting families. Much funding that has been targeted to youth-focused programs has been eliminated, and it is hard to find other funding. Vancouver described an initiative called “Smart Choices” that focuses on middle school students. The initial foundation for funding this program came from the agency’s MTW block grant. Atlanta described AHA’s approach in bridging the gap in eliminated funding through working with its partner organizations through the service provider network.

Assessing the Success of MTW Initiatives

3:45p.m. – Dina Elani

Dina Elani, Director of HUD’s Public Housing Management and Occupancy Division, led a discussion with MTW Agencies regarding how the agencies and HUD could assess the successes of the Demonstration. In considering how to assess the success of MTW initiatives, three primary questions were discussed as a guiding framework:

- Where are we going?
- What do we want to measure?
- How do we keep the momentum going after the MTW Conference?

There have been historical difficulties in evaluating MTW, especially with the lack of a consistent method of gathering data, both qualitatively and quantitatively. A number of measurement tools that can be used to assess “success” as a result of MTW initiatives were highlighted:

- For rent simplification, the reasons that families are requesting hardship and whether the requests are valid;
- The need to show that the rent program is not hurting the residents or the housing authority;
- Reasons why families leave the program. Many of the agencies noted that it is very difficult to get feedback from families, especially from former Housing Choice Voucher program participants. Owners often don’t know either, when they find units vacant. One agency noted that it cannot obtain information on two thirds of the families that leave the program. It would be useful if HUD provided agencies with

information on the number of families that would make a measurement statistically valid;

- Reported and unreported income;
- Length of stay;
- Spatial deconcentration;
- Poverty deconcentration;
- Operating costs; and,
- Amount of time spent on poor properties versus high quality properties.

It is important to frame the information from successful MTW initiatives in ways that enable others to use the information. For example, when considering what the industry (including HUD) needs to tell Congress about rent reform, MTW initiatives around rent initiatives can be examined through a number of lenses:

- Has rent reform increased employment? This area is difficult to measure, since there are different measurements of the term “employment”. Does it include full time? for how long? how many hours? etc.?
- Has rent reform changed the way people look at their choices? One method of obtaining this information would be to conduct focus groups.
- Has the staff time required for recertifications decreased?
- What is the agency’s administrative burden by transaction type since implementation of rent reform? It might be useful to provide cost estimates, even if cost savings are minimal for one transaction type. If one multiplies the savings by all of the transactions and by a period of time (or forever), the savings would prove significant.
- What types of changes in the resident population can be demonstrated by HUD-50058 data? (However, it is important to note that quality control of the 50058s is needed before using that data.)
- Can we benchmark MTW activities against non-MTW agencies? However, since every agency uses different criteria (such as re-examinations) for transactions, benchmarking data may not be valid.
- What does the MTW Agency portfolio look like, and how has it changed over time? (Agencies have varied missions: expand and preserve, develop new units, serve a wider span of income levels. At the same time, some agencies may be trying to decrease some types of housing.)
- MTW investment index. There is some investment being made out of MTW funds. Agencies moving away from conventional public housing or significant rehabilitation of public housing use funding as common measurement. For example, Baltimore used its MTW funding for improving public housing, and mixed-income housing, and the agency limited voucher issuance in order to fund this activity. Baltimore was able to maintain capacity and move funding into mixed-finance developments.

Because the MTW program does not cost the federal government any additional funding, the question of what MTW agencies need to demonstrate is a challenging one. Do MTW agencies feel that they have to demonstrate that they are doing even better, or should they show that they do not do any damage to the programs, families, or communities?

Agencies noted that there are potentially 30 different outcomes from the MTW agencies.

The Atlanta Housing Authority described its longitudinal study that began in the 1990s. Many different areas are being measured, including crime, work rates, education, mortality rates, etc. The midway report will be issued this year. Thousands of families are being tracked in the study, including families that moved out of public housing. If the data were grouped by the goals agencies are trying to achieve, assessment may work.

A cross-site analysis of the MTW agencies should be included in the design of the PIH study that is getting underway on public housing rents. It was also noted that the Empowerment Zone study that Abt Associates, Inc. conducted on commonalities and unique features might be instructive on how MTW outcomes are compared and examined.

Reporting Requirements: Attachment B

1:00 p.m., 2:15 p.m., and 3:45 p.m. – Marianne Nazzaro and Ivan M. Pour

The session on MTW Reporting Requirements under the Standard Agreement's Attachment B was held three separate times to enable all PHAs to participate in this discussion. This summary incorporates the discussion from all three sessions into one discussion. The document used for this discussion contained both the Attachment B Annual Plan and Report wording and proposed wording changes suggested by MTW agencies and by HUD (referenced document is included in Appendix B to this Report). Following is a summary of the questions, comments, and suggestions that were offered in the three sessions:

MTW Annual Plan Elements

<u>Section</u>	<u>Page</u>	<u>Comment/Suggestion</u>
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General		<p><i>Comment:</i> What about agency activities that are not related to MTW initiatives at all? Attachment B does not provide a place for agency report describe/report on those activities.</p> <p><i>Suggestion:</i> Agencies may add a section for non-MTW activities.</p>
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II.A	1	<p><i>Suggested change:</i> The number of public housing units "planned" should instead be the number "at the beginning of the year." The projected changes to these numbers are provided in the following required information.</p> <p><i>Question:</i> What does "planned significant" and ">30%" mean? What exactly is HUD looking for here. Need clarification.</p>
	2	<p><i>Suggested change:</i> Why is this needed? Describing the location of HCV units to be project-based should be at the option of the agency. What does "description" mean? HUD should provide more precise definition. Suggest changing "project" to "development."</p>
	2	<p><i>Question:</i> Why does HUD need to know this about "other properties"?</p> <p><i>Suggested change:</i> Describing the "other properties" owned by the agency should be at the option of the agency unless the unit in some way benefits from MTW. If the agency's stakeholders want these units included (to provide information on the entire agency), then the agency may choose to describe them. Agencies should only be "required" to</p>

		provide what is “needed” by HUD. Other information should be optional.
II.B	2	<i>Suggested change:</i> Leasing information should provide the “number” (not percentage) of vouchers and public housing units planned to be leased “at the end of the year” (not “in” the year).
II.C	3	<i>Question:</i> What kind of information is needed on the waiting list? If HUD has not specified the type of information needed, it is up to the agency to provide.
III	4	<i>Suggested change:</i> Information on the agency’s long-term vision should be optional. The agency’s MTW vision may not yet be in focus.
IV.B	4	<i>Question:</i> How will HUD judge if a MTW initiative truly relates to one of the three statutory MTW objectives? What if it doesn’t?
IV.D	4	<i>Suggested change:</i> Change “schedules” to “anticipated schedules”.

<u>Section</u>	<u>Page</u>	<u>Comment/Suggestion</u>
IV.F	4	<p><i>Question:</i> Why does HUD need to know the citations? If the wrong citation is inadvertently given, it may jeopardize the agency if it is sued by advocates.</p> <p><i>Suggested change:</i> Add wording in either the Agreement itself, or in the Attachment B and/or Attachment C that these citations are just for “guidance” and may not capture all 1937 Housing Act sections affected. Suggest that HUD include a <i>caveat</i> here that if the agency has not included all the necessary, applicable, and/or correct citations, the agency will be held harmless.</p>
IV.F New (D)	5	<i>Suggested change:</i> Remove the required description of the use of any outsider evaluators. Information must be provided on the data collection process in IV.E (page 4).
V.F	7	<p><i>Suggested change #1:</i> Replace “(1) Every effort” with “(1) Every reasonable effort”.</p> <p><i>Suggested change #2:</i> The wording in 2) does “qualify” the importance of the accuracy of the citations, but the wording should be further refined to address the issues raised in IV.F.</p>
VI.B New (C)	8	<p><i>Question:</i> Why does HUD need to know about state or local funds? Why just state and local funds and not other non-HUD funds? It could get very complicated and the information could get dated as financial arrangements can be time-sensitive. HUD should determine what financial information HUD actually needs, and why.</p> <p><i>Suggested change:</i> Only require the agency to provide the information HUD actually needs. Including information on non-HUD funding</p>

sources and uses should be optional for the agency. Some agency stakeholders may want this information included, while others may not care. Financial information on capital activities is provided in Section II.A.

- VI.C** **8** *Issue:* Planned Source and Used by development” – this seems to require entirely too much detail. *Suggestion:* Can we provide sources and uses for MTW Funds and non-MTW Funds?
- VI.D** **8** *Issue:* A concern was expressed about providing details on how fungibility will be used. It was noted by Marianne Nazzaro that the goal is to give HUD general information on how the agency is utilizing this important MTW authorization. In the past, little information was provided by MTW agencies. An agency need not track how each incoming dollar was spent, just describe how MTW allowed the agency to use its money in a way not authorized for non-MTW agencies.

MTW Annual Report Elements

<u>Section</u>	<u>Page</u>	<u>Comment/Suggestion</u>
General		<i>Comment:</i> Assume that HUD will be “gentle” the first year the MTW sites submit Annual Report according to Attachment B, and that there will be back and forth between HUD and MTW sites, especially with the reports.
General		<i>Comment:</i> MTW sites were told they can submit reports to HUD in any format as long as all the required information is submitted.
II.A	1	<i>Suggested change:</i> Clarify that HUD is looking for the number of units at the end of plan year.
	1	<i>Suggested change:</i> Clarify what HUD is looking for under “Number of Housing Choice Vouchers utilized”.
	1	<i>Suggested change:</i> Clarify that “specify location” will vary by agency; HUD wants some idea of where the units are, in a general sense. Location does not mean address, but instead community, neighborhood, etc.
II.B	2	<i>Suggested change:</i> Clarify that the leasing information reporting period is the PHA’s fiscal year end.
III.	2	<i>Comment:</i> Some MTW sites were opposed to talking about where the program is going. Others thought it would useful to help get the board talking and would be educational for new board members and elected officials. Ivan said he is OK with making this section optional.
IV.	3	<i>Comment:</i> Some MTW sites questioned why to list things proposed but not done here. They were concerned agency would be penalized in future for not having done what they proposed to do. Ivan told

- participants to list what was not done and explain why it was not done.
- V.B. 4** *Suggested change:* Clarify that the number of people requesting hardship is an MTW activity that should be reported here.
 - V.B. 4** *Suggested change:* Clarify that MTW site should report on an alternate rent structure by describing what it is and how many households are on it.
 - V. H. 6** *Comment:* MTW sites were concerned that if they include incorrect citations their reports will not be approved. They hope HUD will help them identify the proper citations if the ones they submit are not correct.
 - VI. 7** *Comment:* A lot of the information in this section will be in the unaudited financial statement. Is it needed here, too?
 - VII.B. 8** *Suggested change:* Clarify what is capital funding performance (P&E) reporting.
 - VIII. 9** *Comment:* Discussed making tables optional. Use the tables as a form of guidance and back-up and just have the PHAs certify that they are meeting all requirements (without actually submitted the tables).

It was noted that the requirement to conduct an impact analysis for proposed rent reform was inadvertently dropped from this version of the Attachment B and it will be re-incorporated. The current Attachment B has not yet cleared Office of Management and Budget Government (OMB) review, and clearance has to occur before it becomes an official HUD document. HUD will make changes to the Attachment B, based on suggestions provided at the conference, and submit the revised Attachment B to OMB for clearance. Agencies will have an opportunity to comment as the Attachment B goes through the OMB clearance process.

IV. Closing Remarks (Day One)

Deputy Assistant Secretary Dominique Blom thanked conference participants for the enthusiasm shown at Day 1 of the conference. She was glad to observe the honest dialogue in the sessions and how conference participants were making use of the conference to voice concerns and brainstorm solutions.

She then reviewed the schedule for Day 2. The session led by Ivan Pour at 8:15 a.m. on Day 2 was designed for MTW sites that will be new to block granting their funds (with attendance being optional).

The purpose of the 9:00 a.m. session would be to hear the solutions Groups 1 – 3 identified on Day 1 regarding asset management and MTW. Ms. Blom noted that the Department is committed to the asset management model, and through this conference the Department hoped to work out some of the details in how asset management is implemented at MTW sites. The suggestions and solutions developed during Day 1 by conference participants would be presented the following day at the 9:00 a.m. session.

The last session of the Conference would be a panel discussion on rent reform. Panel members would discuss their efforts in implementing rent reform initiatives in their communities and

Bessy Kong, Deputy Assistant Secretary of Policy, Programs and Legislative Initiatives, would provide an overview of HUD's ongoing rent study. The audience would then have the opportunity to ask questions and engage in a dialogue on the issue. Ms. Blom emphasized the importance of this topic, as the result of rent reform initiatives is one of the key learning points for HUD and MTW agencies through participation in the MTW Demonstration.

Finally, the Conference would conclude with a visit from General Deputy Assistant Secretary Paula Blunt, who would provide closing remarks.

V. Block Granting 101

To begin the second day of the Conference, Ivan Pour, MTW Core Team Leader, led a discussion with non-block granting MTW agencies on the block grant model and how they can transition (if they choose) to that model. Attendance at this session was optional.

The MTW funding flexibility is referred to as block granting, but this authorization is not a true block grant. Funds are allocated to agencies by HUD program (i.e. Operating Funds, Section 8 Funds, Capital Funds), but MTW allows an agency the ability to move funding between programs. Following are the three funding sources where fungibility can be utilized:

- Operating Funds: To date, most MTW agencies have not moved public housing operating funds from their intended purpose.
- Capital Funds: Public housing Capital Funds have been used for other purposes. The Capital Fund Budget has a MTW line item (1492) where all Capital Funds received can be consolidated by block grant agencies.
- Housing Choice Voucher Funds: Some block grant agencies have carved out funding originally allocated for vouchers to be used to address other agency priorities.

Moving to a True Block Grant

MTW is the closest that HUD has come to providing housing authorities with block grant funding. It would be ideal if all of this funding were provided in a standard way. It might someday be possible for HUD to provide one allocation and not separate allocations for each program. The pending Housing Innovations Program legislation includes this type of funding allocation. This type of allocation could prevent the problem of an agency using funding inappropriately. One agency budgeted MTW voucher funding separately from its non-MTW voucher funding and then moved funding between these budgets. The IG issued a finding to this agency for this action.

Share Information on the Benefits

It is important for block grant agencies to be transparent on how funding is used. Agencies should provide information on how funding fungibility has provided benefits to the agency.

Who Should Block Grant Their Funding?

Agencies that have straightforward housing programs, and where the benefits of funding fungibility are not apparent, may want to delay moving to a block grant. Agencies that have a use for fungibility (for example, to help transition to property-based management) should consider the benefits of early access to this authorization.

When and How Can an Agency Access Block Grant Authority?

An agency cannot begin using funding fungibility when it executes its MTW Agreement. The agency must first include this MTW activity in its Annual MTW Plan. Once the Plan is approved, the agency can then use this authorization.

What are the Eligible Uses of MTW Block Grant Funds?

Some existing block grant agencies used funding to support the traditional HUD programs, whereas other agencies used funding to enter new program areas such as supporting local (non-HUD) housing programs. The new Standard Agreement indicates that funding must only be used for Section 8 or Section 9 activities, which presents a concern for some agencies. The issue on how funding can be used must be guided by the MTW statute. This issue is currently being reviewed by HUD's Office of General Counsel.

How Can an Agency Confirm that it is Using Funding Correctly?

The agency must indicate how it plans to use block grant flexibility in its Annual MTW Plan. If there are any issues with their proposed use, HUD can advise the agency accordingly. If the agency's intended use is included in Attachment C, the use will be authorized. Proposed funding uses should address local purposes.

Can Funding be Used for Development?

Guidance is being developed by HUD on this topic, but it is not yet available. Agencies should wait for this guidance to ensure that preliminary efforts will not be wasted.

VI. Debrief- Small Group Asset Management Discussions

On Day 2 of the Conference, Groups 1-3 presented the key points and suggestions that arose from the asset management discussions held on Day 1 of the Conference. The information and resulting discussion points for each of the three groups are summarized below.

Group 1—How Can We Make FDS Work for MTW Agencies?

The purpose of the group's discussion was to identify the issues the Department needs to address to allow the Financial Data Schedule (FDS) to work for MTW agencies. The MTW sites were informed that the Department obtained a Catalog of Federal Domestic Assistance (CFDA) number for MTW funding that will be associated with FDS reporting for MTW PHAs in the future.

The Conference attendees identified issues for the Department to address related to how to make FDS work for MTW agencies. Attendees also identified specific questions for the Department that they felt must be answered in order for HUD and the PHAs to move forward in this process. These issues, questions, and feedback on the from senior HUD staff, are summarized below.

General Issues

- The Department needs to consult with each HUD program office on how funds should be shown in FDS;
- The Department should consider removing the reimbursement requirement for Capital Fund and provide it in monthly payments instead of having to obligate and expend. Funds would be considered obligated and expended at time of award.
Response: The Department noted that while Capital Fund awards are made in a lump sum, MTW sites cannot draw down from LOCCS until expenses are incurred. This issue is not, technically, an FDS issue but is a disbursement issue. The reason that MTW agencies are not permitted to draw down Capital Fund proceeds in some lump sum is because of Treasury (government-wide) rules related to cash management.
- The Department should simplify reporting requirements in line with the simplification goals of MTW. The current property-level guidance is very complex in asset management and in contrast to MTW streamlining policy.
Response: The Department's reporting requirements under asset management are essentially the same as those that exist for other operators of multifamily housing.
- The 6/30/2008 date for some PHAs to report to FDS may not be feasible to translate unique MTW funding sources.
Response: The Department is finalizing the "new" FDS for asset management. PHAs will have sufficient time following adoption of the new FDS to make their submissions. The different MTW reporting issues are expected to be resolved by that the time the new FDS is implemented.
- The Department needs to provide business rules on how to use the single MTW CFDA.
Response: Guidance is forthcoming.

- Concern was expressed about compliance with the statutory requirements—specifically around the 9j deadlines and required reporting to Congress. MTW agencies might be able to capture capital-eligible expenditures in FDS at the end of the year and compare to what was appropriated in that year for that program. No Physical Needs Assessment (PNE) would be needed and can report one line for CFP expenditures.

Response: As with non-MTW agencies, the FDS will not be used as the mechanism to track/report to the Congress on rates of Capital Fund obligations/expenditures; rather, the Department will continue to use e-LOCCS for that purpose (or its successor).

Mixed-Income Reporting/Column Issues

- FDS does not provide meaningful information on mixed-income.
- FDS captures program and not activity, and it was converted to AMPs to get to activity.
- Mixed-income spread across Replacement Housing Factor (RHF) or HOPE VI grant rather than in a mixed-finance column.
- AMP concept in project-based assistance is needed, but in a mixed-finance transaction there is the development vs. the operation.
- Mixed-finance transaction asked to report by AMP for operating subsidy by property.
- Collective activity under the system is needed to generate a picture of the development.
- A memo line for development activities is needed to give visibility for MF development activity.
- Move the date of full availability (DOFA) to operations.
- Because there are no AMPs prior to DOFA, a PHA cannot report development activities in FDS.

Response: The reporting of mixed-finance units is not an issue unique to MTW agencies. The Department is committed to working with MTW and non-MTW agencies in examining the reporting requirements for mixed-finance projects.

General Questions

- How will disbursement of funding for MTW agencies work? Will funding be drawn down from Line of Credit Control System (LOCCS) in the same single fund as reported in FDS?
Response: MTW agencies will continue to draw down funds from the programs duly authorized and appropriated. Until the Congress creates a truly separate funding authorization for MTW, amounts must be drawn down from the programs where the funds are appropriated.
- Is HUD's intent to collapse funds under the single CFDA number or to draw down funds from each program separately from LOCCS and then show as transfer the revenue from the program to the MTW CFDA column?

Response: At present time, HUD cannot use a single draw down for MTW (it must maintain separate program draw downs).

- How should MTW sites de-combine, set aside, or reserve funds that are not spent?

Response: Generally, PHAs could retain the unspent funds in the separate programs or within the new FDS MTW column.

- How should MTW sites report on MTW expenditures that do not fit into lines for other programs?

Response: For activities that are not related to a specific program or fund, e.g., general MTW coordination, those amounts should be reflected in the MTW column.

- How would the new CFDA code show up in FDS?

Response: It will appear as a new column on the FDS, similar to the current column for, say, the Housing Choice Voucher Program.

Capital Fund Questions

- Will funding be drawn down from Line of Credit Control System (LOCCS) in the same single fund as in reporting to FDS?

Response: No. See earlier response relating to Treasury rules.

- How can MTW sites track obligations and expenditure deadlines for reporting purposes since there is currently no distinction between Operating Fund Program (OFP) and Capital Fund Program (CFP) funds in FDS?

Response: See earlier response on obligation/expenditure deadlines. The Department will use e-LOCCS and not the FDS for monitoring rates of obligations/expenditures.

Please note that the Department made clear to conference participants that the reporting requirements associated with the FDS do not interfere with the basic funding flexibility agencies have under MTW. PHAs are free to use MTW funds for any authorized MTW purpose. The FDS is merely the means by which the Department can track the funding received and where that funding was spent.

Group 2—How Can the Fee Structure Work with MTW? How Can Cost Allocation Work with MTW?

The purpose of the group's discussion was to examine how the asset management fee structure and cost allocation can work with MTW.

Key Points

The group generally believed that project-based accounting, project-based budgeting, and project-based management for public housing are good management tools for tracking the costs of operating developments. Other programs (Section 8, Capital Fund) should not be included in the asset management program.

Note: the Capital Fund is specifically included in the Operating Fund rule per 990.280(a). Additionally, other programs, such as Section 8, are not included in asset management;

however, to make it easier for PHAs that are implementing the fee-for-service model, the Department has adopted voluntary fee schedules for those programs.

At the conference, HUD provided a draft Notice to clarify the application of asset management to MTW agencies. MTW Agencies indicated that they feel that 24 CFR 990 seems to be at a higher level in that it appears to be exempted from the application of MTW flexibility – a whole set of issues on how this Notice is established and relates to MTW. Group participants thought that HUD should do rulemaking rather than provide a Notice on this issue. The purpose of the draft Notice was simply to clarify how MTW intersects with asset management, not to impose new obligations. Based on conversations at the conference, it is likely that this Notice will not be issued. There will be significant changes to the Notice if it is issued.

MTW sites using a fee structure should be permitted to state their fees in their Annual MTW Plan, subject to a subsequent determination as to whether a “reasonable” method was used to derive the fees. This practice is similar to a cost allocation method, where an auditor determines after the fact that the method to develop the cost allocation was reasonable. There is no judgment on the results of the allocation, just as there should not be on the amount of fees derived from a reasonable method.

MTW sites may be interested in a hybrid system, i.e., using a fee structure for public housing programs and cost allocation for all others. Regardless of the system that is used, MTW agencies need flexibility in chaotic budget times. The Department responded that a hybrid approach is already allowed, although PHAs cannot do cost allocation for Capital Fund.

In addition to retaining flexibility in developing a fee structure, MTW sites do not want to be restricted to categorizing expenses as “property” or “Central Office Cost Center” based on 24 CFR 990. The group also felt the Department needed to reduce instruction on fees and that it was not workable to set the fees as established in the Notice.

De-federalization is not a big incentive for most agencies. First, the fees do not result in excess funds. Second, most agencies have a mission that requires them to provide housing and services to low-income families. Third, most states have requirements that place additional limits on how agencies can spend their funds.

MTW sites want the Department to give some basic asset management guidance on public housing and then leave the rest fungible. Let asset management be directed to the assets and then the agency can decide how the funds are best used. Agencies would like HUD to remove all instructions on fees, especially the universal fees that may not apply to MTW agencies from the Notice.

General Response to above: Under asset management, PHAs have the option of maintaining fee-for-service for Operating/Capital fund programs but cost-allocation for other programs. The same would be the case for MTW agencies. Additionally, all agencies have the option of “phase-in” fees through 2011, to help with the transition to asset management (where initial fees are equal, essentially, to current overhead costs and then step-down to amounts in HUD’s fee schedules by 2011). For MTW agencies, because of fungibility provisions, the Department has also decided that they can use cost allocations in lieu of management fees for overhead costs. These allocated overhead costs will be reported on a new FDS line item called “Allocated Overhead”, at both the project and

program level. The Department has formed a working group of MTW agencies to give further consideration to the alternative fee structures proposed during the conference.

Questions for HUD

- What is HUD's goal for accounting at MTW agencies?
Response: The goal is the same for any agency, which is to be able to monitor the funds received and the funds spent, by program/activity, particularly project-level activity.
- Are there going to be any "reasonableness" tests under the cost allocation method, beyond the review by the auditor?
Response: The Department has not established any reasonableness standards for cost-allocation. PHAs should be guided by OMB Circular A-133.
- Could MTW sites establish fee for service and set their own fees?
Response: For administrative convenience, it is preferable to Departmentally established fee schedules – this method gives PHAs the certainty that fees charged are in conformance with program rules; it also minimizes the need for HUD review of PHA-proposed schedules on a case-by case-basis.

The observation was made that there is an expectation that any remaining funds an MTW site has should be used to enhance the site's MTW program.

Group 3: How Can We Use MTW Flexibilities to Provide Effective Project-Based Management?

The purpose of the group's discussion was to examine how the MTW sites can use MTW flexibilities to provide effective project-based management under asset management. The group identified six challenges with implementing project-based management, and for each challenge it recommended solution(s).

Key Challenges and Solutions

- Establishing and Living Within AMPs. MTW sites felt that funding levels were not appropriate and that HUD's AMP system may not fit well with some MTW sites' local situations. The group proposed that PHAs be allowed to define their own AMPs. While some sites were able to form their own AMPs, others reported that their Field Offices dictated how their AMPs were to be structured.
Response: The current guidance on project groupings provides for enormous PHA flexibility, within the spirit of the rule.
- Cost Allocation. The group also proposed that PHAs be allowed to develop their own cost allocation to each AMP from the MTW block grant. For example, each PHA could establish the dollar value needed for each AMP, based on actual costs of each AMP.
Response: See earlier discussion on fees.

- Flexibility vs. Restrictions. MTW sites perceive a general contradiction of MTW fungibility and flexibility with HUD asset management mandates. In response, MTW sites would like more funding flexibility, such as:
 - allow MTW sites to have more funding flexibility to tailor its asset management approach to better address local situations;
 - have funding rules that are consistent across all MTW agencies; and
 - allow PHAs with unique financial challenges to reflect their actual costs.

Response: Under asset management, PHAs have significant flexibility to move funds between projects, subject to “excess cash.” MTW agencies have even more flexibility, particularly given that there is no excess cash requirement under MTW.

- Property management decisions. The group participants felt that decisions are only being guided by financial issues. In response, the MTW sites would like HUD to allow them to use local priorities (not just financial factors) to guide property level decisions.

Response: The Department is not aware of any program rule that is inappropriately interfering with local management decisions/flexibility. PHAs must operate “in the best interests” of each project, consistent with the norms in multifamily housing.

- Resident services and security. FSS and other service programs are the first to suffer under asset management. MTW sites want the Department to allow more funding flexibility to deliver services and security, if needed.

Response: The Department has not issued any guidance on resident programs under asset management that would alter the way in which such programs are delivered. The Department has only indicated that, to the extent feasible, costs associated with resident programs should be tracked to the projects where the service is rendered.

- Decentralization/Centralization Issues. The group participants felt that for some activities and PHA situations, it does not make sense to decentralize. This conviction is especially true when PHAs need to respond to needs of non-HUD programs that can affect what is decentralized. The group would like more flexibility to keep some activities centralized.

Response: The guidance established – governing what’s a front-line activity and what’s a management fee activity – is consistent with the norms in multifamily housing.

- Addressing poorly performing units/properties. The group indicated there are problems associated with addressing poorly performing units and properties. As a solution, the group would like the Department to implement a simplified conversion program that would allow agencies to go from disposition to project-basing through one process.

Response: The MTW program allows PHAs even greater flexibility with respect to deployment of assets.

- Addressing unique features of units/properties. The group identified the need for the Department to provide an approach that recognized the unique features of units/properties. The group recommended that a different rent structure for different properties (higher rents for better developments/units and resident groups, employable families vs. fixed incomes) be developed.

Response: PHAs already have this flexibility (rent structure) under MTW.

Questions

- Can we take units off rent roll so agencies can use them as office space for social services?

Response: Generally, a PHA does not need HUD approval to convert a unit to office space and/or other non-dwelling use. However, PHAs should refer to their specific “Attachment A” to determine any impact on Capital Fund and Operating Fund formulas.

- Why not make PHAs with less than 400 units exempt beyond this year from asset management?

Response: The Department strongly believes in asset management. During negotiated rulemaking, participants agreed that all PHAs with 250 or more units would be subject to asset management. The Department continues to feel strongly in this threshold and in the receipt of project-level financial statements, which would be lost as PHAs combine all units into one project.

- If centralized maintenance makes sense for an MTW sites, can expenses be allocated across projects?

Response: An allocation of central maintenance would no permit one to know the true cost of operating each project, which is one of the central tenets of asset management and the new Operating Fund rule.

VII. Rent Reform Panel

During Day 2 of the Conference, a panel session was held on the topic of rent reform. Marianne Nazzaro of the MTW Core Team served as moderator, and the following individuals served as panelists: Bessy Kong, HUD Deputy Assistant Secretary, Office of Policy, Programs and Legislative Initiatives (OPPLI); Roy Johnson, Executive Director, Vancouver Housing Authority; P. Curtis Hiebert, Executive Director, Keene Housing Authority; and Greg Russ, Executive Director, Cambridge Housing Authority.

Bessy Kong provided an overview of HUD’s current rent reform legislative issues and strategies. Establishing an appropriate rent system is critical to HUD’s mission. The current HUD rent systems were developed over time, but rent calculation errors have been a problem. HUD has attempted to address this issue (through RIM Reviews and EIV) and improvements have resulted, but a true fix can only be achieved through rent simplification. The State and Local Housing Flexibility Act of 2005 attempted to address this situation, but that legislation was not enacted. HUD continues to work with Congress to enact rent simplification.

To better understand the issues and options that might lead to an improved rent system, OPPLI is conducting a one-year study of the topic. The study seeks to explore different methods of determining and administering rents, including an investigation of non-housing authority rental assistance systems. Ms. Kong would like to work with MTW agencies on this study. *Agencies interested in establishing a small pilot rent program in conjunction with OPPLI should contact Ms. Kong or her staff.*

Panelists then reviewed their experiences with establishing alternate rent policies. Roy Johnson began by reviewing the Vancouver Housing Authority's (VHA) rent modification efforts. VHA's original MTW rent policy included a 5-year time limit. Concerned that these limits would extend beyond the term of VHA's MTW Agreement, term limits were not continued. Using an inclusive process, VHA recently developed a voucher rent policy that would have been based on the number of family members, not income. A local legal aid organization objected to the policy as being unfair to some families. VHA has therefore decided to refine this rent policy. A stakeholder group will be used to explore the following policy issues:

- Should FSS be mandatory or a choice?
- Should the new policy be limited only to families entering the program?
- What should/will be the impacts of the policy?
- What should be established as a minimum rent?
- Should different values be established for different programs?
- How will the policy affect and support homeownership?
- How best to obtain support for the new policy from advocacy groups/legal aid?

Next, Greg Russ next noted that the Cambridge Housing Authority's (CHA) rent policy was also scrutinized by resident advocates. A hotwire issue was any policy that resulted in a family paying more than 30% of its income in rent. CHA chose first to adopt a public housing rent policy and to defer a voucher rent policy. A key first step was to examine the impacts of the current (pre-MTW) rent policy—e.g., to see the total amount of income deductions that were actually provided to families.

Once the analysis was completed, rent policy options were then explored. The goal of CHA's rent policy is not to move families to employment but to change each household's relationship with CHA. CHA remarked how it learned the importance of getting early input from property managers in this process.

The first policy draft was not well received by stakeholders and advocates, and, based on their feedback, modifications to the policy were made. CHA recommends that staff be aware of the policy features (before it is presented for public review) to help address questions that might arise.

CHA's rent policy has been operational for two years. A handout with information on the adopted policy was provided at the MTW Conference (and included in Appendix B of this Report). Initially, there was a concern that the policy would result in hardships, but there have been only seven hardship requests to date. CHA completes quality control assessments to insure that the policy is administered properly. Broad outcomes are monitored (the policy is saving administrative costs), but impacts on issues such as resident self-sufficiency progress are not yet measured.

Finally, P. Curtis Hiebert profiled the Keene Housing Authority's rent modification experience, noting that the KHA entered MTW for the purpose of implementing rent reform. KHA surveyed residents and discovered that most families were willing to pay more for rent if they could avoid the annual income review process. KHA established a goal of ensuring that its new rent policy was equitable and simple – fixed income households should be protected, employable families should be employed, and a safety net must be provided.

Separate MTW rent policies have been adopted for both the public housing and voucher programs. Handouts with information on the adopted policy were provided at the MTW Conference. Entering public housing families pay either the welfare rent (30% of their income) or \$125 per month. In the second year, the rent becomes 45% of the Fair Market Rent (FMR). In the 4th year, the rent becomes 65% of the FMR. Services are provided to families to help them prepare for these rent increases. KHA works with families with high rent burdens. Approximately 65% of the families are now working full time, up from 45% at the program's inception. Incomes have increased 30%. Under this system, families are not penalized if they experience an increase in income.

The rent policy adopted for vouchers involves providing money directly to residents, who in turn are required to pay the entire rent to the landlord. Although KHA does not enforce rent reasonableness, families are given guidance on selecting affordable units. Landlords can self-certify that units comply with HQS, but only 50% opt for the certification process. Unit conditions are spot-checked by KHA and inaccurate certifications will disqualify landlords from the self-certification process. KHA does not allow portability.

KHA is still open to further policy refinements and is currently exploring the conversion of all of its public housing units to project-based vouchers.

After each panelist had provided introductory remarks, Ms. Nazzaro opened the floor to questions and comments from the audience. These questions and comments are listed below:

- Developing a rent policy should not be rushed. PHAs don't want to inadvertently create new problems like driving away landlords. The new policy can increase incentives to landlords and should include landlords in policy development process.
- A new rent policy could allow choices for senior and/or disabled families. They could be allowed to choose to use the system designed for employable families or use a system designed for fixed-income households.
- Adapting existing software systems to new rent policies is an issue. One agency noted that it will purchase new software but currently must do a manual override to existing older software. Agencies also must continue to submit Form 50058-MTW data to PIC.
- The audience noted that anyone should be allowed to use the safety net policy.
- Both Keene and Cambridge participated in developing the recent Housing Innovations Program (HIP) legislation, passed last year in the U.S. House of Representatives. It was beneficial to discuss the issues with resident advocates during this process. They suggested waiting to see how the legislation evolves and to read the House HIP legislation and possibly support the Senate version of the bill, if it meets the needs of one's agency. It is expected that a MTW-type program will be added to the current Senate legislation. The goals for a new MTW program were to

make MTW permanent, expand MTW to additional agencies, and grandfather in existing MTW agencies.

- It was noted that one State is considering legislation that might prevent MTW activities in that State. This situation could be a backdoor way of restricting MTW. Agencies would like to see if federal legislation might be used to preempt such state legislation.
- It was noted that HUD (OPPLI) may soon issue a regulatory rent reform PIH Notice addressing such issues as third party verifications.
- The following rent reform authorizations were available to MTW agencies:
 - Defining annual income;
 - Defining asset income;
 - Establishing adjustments to gross income;
 - Modifying the 30% of income calculation;
 - Scheduling of income recertifications;
 - Establishing minimum rents; and
 - Establishing income limits for voucher families.

VIII. Closing Remarks (Day Two)

Paula Blunt, General Deputy Assistant Secretary of the Office of Public and Indian Housing at HUD, delivered the closing remarks for the conference.

She thanked conference participants for the very energetic and positive conference, specifically how the participants came together to share experiences, propose solutions and, brainstorm innovative ways to use the flexibilities in their MTW toolbox. There are over three thousand PHAs, and only the PHAs present at this Conference are lucky enough to participate in the MTW Demonstration. She noted that the Department is looking to Conference participants to experiment with the MTW flexibilities to reach the three MTW statutory objectives of

- Increasing the efficiencies of federal expenditures;
- Promoting self-sufficiency; and
- Increasing housing options for low-income households.

Many MTW sites have already begun to achieve these objectives. Portland, King County and others have developed alternate inspection schedules to achieve the objective of increasing the efficiencies of federal expenditures. Conference participants heard from just two of the MTW agencies that have helped their residents achieve the second objective of self-sufficiency through alternate rent policies. Atlanta, Seattle and others have increased housing options available to the low-income households in their communities (the third objective), by using MTW to increase the statutory cap on project-based assistance. These examples represent just a few of the many creative initiatives implemented using MTW authorities.

In order to implement MTW initiatives, MTW sites should engage with their residents and community members because they need their buy-in and support. Together, MTW sites should determine the needs of their local community and develop a plan to help their low-income residents achieve self-sufficiency and to increase housing options in their areas. Since MTW

sites have the advantage of the MTW toolbox, they may be able to overcome barriers by waiving certain statutory requirements; however, it is crucial that they develop protections to ensure residents' rights are upheld. As Cambridge, Vancouver, and others have learned, by engaging their residents early and soliciting active community participation from the outset, they will increase the chances that an MTW activity will actually come to fruition.

Conference participants were reminded how their efforts could inform policy decisions that would affect the entire public housing industry in the future. They were also reminded of the importance of collecting data from MTW sites on their households served. The Department appreciates all of the effort expended to begin reporting to PIC. Through the data in PIC, the Department will be able to quantify the achievements of MTW sites and tell the MTW story in terms of which policies MTW sites found to be effective.

Finally, the conference participants were reminded that lessons the Department learns from them will determine the direction of any future MTW-like program or demonstration. Congress is paying attention. Moving to Work provides the flexibility to deviate from many federal requirements. In order to retain those flexibilities, the Department needs to do a good job now. Otherwise, Congress is sure to correct any missteps through legislative action.

Ms. Blunt thanked participants for attending the conference and being so open in sharing experiences and ideas with the Department and with one another. She closed the conference by stressing that the Department looks forward to continuing to work with the MTW sites and to learning from them in the upcoming years.

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Appendix A – Conference Attendees, Affiliation, and Email Address

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May 12-13, 2008			
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Appendix B – Conference Handouts

MTW Standard Agreement

Amended and Restated Moving to Work Agreement

This Amended and Restated Moving to Work Demonstration Agreement (Restated Agreement) is entered into on this ____ day of ____ by and between the United States of America through the U.S. Department of Housing and Urban Development (HUD) and the [Name of Public Housing Authority] (Agency). The term of this Agreement shall begin on the Date of Execution by HUD and shall continue until the end of the Agency's 2018 Fiscal Year, subject to meeting the evaluation criteria described in Section IV, unless such term is otherwise extended by HUD; and

WHEREAS, Section 204 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Pub. L. 104-134) (1996 Appropriations Act) establishes the statutory framework known as the Public Housing/Section 8 Moving to Work (MTW) demonstration program; and

WHEREAS, Section 204(a) of the 1996 Appropriations Act provides that public housing agencies that administer Section 8 and public housing (Agencies) and the Secretary of HUD (Secretary) shall have the flexibility to design and test various approaches for providing and administering 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 statutory objectives); and

WHEREAS, pursuant to Section 204(a) of the 1996 Appropriations Act, HUD may permit Agencies to combine funds appropriated under sections 8 and 9 of the 1937 Act, and may exempt Agencies from provisions of the 1937 Act and implementing regulations thereunder pertaining to Public and Indian Housing and section 8 voucher assistance; and

WHEREAS, the Secretary determined that the Agency satisfies the Secretary's selection criteria and selected the Agency to participate in MTW; and

WHEREAS, on [the ____ day of ____], HUD and the Agency executed an MTW Agreement, and on [the ____ day of ____], HUD and the Agency executed an MTW Amendment, and on [the ____ day of ____], HUD and the Agency executed an MTW Extension, (collectively known as the Original MTW Agreement) governing the terms and conditions under which HUD authorizes the Agency to participate in MTW; and

WHEREAS, the parties have previously entered into one or more Annual Contributions Contracts (ACCs) setting forth the terms and conditions under which the Agency participates in the public housing and/or Section 8 Housing Choice Voucher programs administered by HUD; and

WHEREAS, the parties agree to execute this Restated Agreement, which hereby amends and replaces any Original MTW Agreement between HUD and the Agency; and

WHEREAS, it is a goal of the MTW demonstration to design and test innovative methods of providing housing and delivering services to low-income families in an efficient and cost effective manner, and HUD and the Agency agree to fully cooperate with each other in order to make the demonstration a success;

NOW, THEREFORE, in reliance upon and in consideration of the mutual representations and obligations hereunder, the parties do agree as follows:

I. Statutory Authorizations

- A. This Restated Agreement amends and replaces the Original MTW Agreement between HUD and the Agency. This Restated Agreement waives certain provisions of the United States Housing Act of 1937, as amended (1937 Act), and HUD's implementing requirements and regulations thereunder, as are set forth in the Statement of Authorizations (Attachment C), and the Legacy and Community-Specific Authorizations (Attachment D) only to the extent they are necessary to implement the Agency's Annual MTW Plan. Except as noted in Section I.B. below, this Restated Agreement supersedes the terms and conditions of one or more ACCs between the Agency and HUD, to the extent necessary for the Agency to implement its MTW demonstration initiatives as laid out in the Agency's Annual MTW Plan, as approved by HUD.
- B. Notwithstanding the preceding authority waiving certain provisions of the 1937 Act as necessary to implement the Agency's Annual MTW Plan, the following provisions of the 1937 Act, as otherwise applicable, shall continue to apply to the Agency and/or assistance received pursuant to the 1937 Act:
 - 1. The terms "low-income families" and "very low-income families" shall continue to be defined by reference to Section 3(b)(2) of the 1937 Act (42 U.S.C. § 1437a(b)(2));
 - 2. Section 12 of the 1937 Act (42 U.S.C. § 1437j), as amended, shall apply to housing assisted under the demonstration, other than housing assisted solely due to occupancy by families receiving tenant-based assistance; and
 - 3. Section 18 of the 1937 Act (42 U.S.C. § 1437p, as amended by Section 1002(d) of Public Law 104-19, Section 201(b)(1) of Public Law 104-134, and Section 201(b) of Public Law 104-202), governing demolition and disposition, shall continue to apply to public housing notwithstanding any use of the housing under MTW.
- C. This Restated Agreement only waives certain provisions of the 1937 Act and its implementing regulations. Other federal, state and local requirements applicable to public housing shall continue to apply notwithstanding any term contained in this Restated Agreement or any Authorization granted thereunder. Accordingly, if any requirement applicable to public housing, outside of the 1937 Act, contains a provision that conflicts or is inconsistent with any authorization granted in this Restated Agreement, the MTW Agency remains subject to the terms of that requirement. Such requirements include, but are not limited to, the following: Appropriations Acts,

competitive HUD notices of funding availability under which the Agency has received an award, state and local laws, Federal statutes other than the 1937 Act, and OMB Circulars and requirements (including regulations promulgated by HUD thereunder in 24 C.F.R. part 85).

- D. The MTW Agency is authorized to conduct activities in accordance with the Statement of Authorizations (Attachment C) and in accordance with the Legacy and Community-Specific Authorizations (Attachment D), as applicable. In the event of a conflict between Attachment C and Attachment D, the authorizations in Attachment D will supersede those in Attachment C.
- E. Notwithstanding any provision set forth in this Restated Agreement, including without limitations, the term of years and all extensions, renewals and options, and the terms set forth herein otherwise, any federal law that amends, modifies, or changes the aforementioned term of years and/or other terms of this Restated Agreement shall supersede this Restated Agreement such that the provisions of the law shall apply as set forth in the law.

II. Requirements and Covenants

- A. The amount of assistance received under sections 8 or 9 of the 1937 Act by an Agency participating in the demonstration shall not be diminished by the Agency's participation in the MTW demonstration.
- B. The Agency agrees that any HUD assistance that the Agency is authorized to use under the MTW demonstration shall be used in accordance with the Agency's Annual MTW Plans, as may be applicable. The Agency hereby certifies that the Agency's governing board has approved this Restated Agreement, and each Annual MTW Plan issued prior to the date hereof, as applicable, and that a copy of each such board approval has been provided to HUD.
- C. The Agency shall hold at least one public hearing per Annual MTW submission, and make the Annual MTW Plan available for public comment for at least thirty (30) days. The Agency agrees to take into account public comments on the program design, including comments from current tenants/participants, to the extent such comments were provided.
- D. The Agency shall: (i) ensure that at least 75 percent of the families assisted are very low-income families, as defined in section 3(b)(2) of the 1937 Act, (ii) assist substantially the same total number of eligible low-income families under MTW, as would have been served absent the demonstration, and (iii) maintain a comparable mix of families by family size, as would have been served or assisted had the amounts not been used under the demonstration.
- E. When providing public housing, the Agency will ensure that it is safe, decent, sanitary, and in good repair, according to an inspection protocol established or approved by the Secretary. This in no way precludes the Agency from modifying its own inspection

protocol as authorized in Attachments C and/or D as long as such protocol meets the housing quality standards established or approved by the Secretary.¹

- F. The Agency agrees to keep project level budgeting and accounting, report financial statements in the Financial Data Schedule (FDS)², and abide by project level management reviews and fees. The Agency will conform to OMB Circular A-87 and the HUD definition of reasonable fees as defined in 24 CFR part 990, and HUD's Financial Management Guidebook 7475.1 and Supplement, as they may be amended.
- G. HUD will not score the Agency under HUD's Public Housing Assessment System (PHAS) or HUD's Section Eight Management Assessment Program (SEMAP), or their successor systems, unless the Agency elects to be scored. If the Agency elects to be scored, the agency will continue to be scored for the duration of the demonstration.
- H. The Agency agrees to cooperate fully with HUD and its contractors in the monitoring and evaluation of the MTW demonstration, to keep records, and to submit reports and other information to HUD as described in the Restated Agreement.
- I. The Agency shall comply with the requirements of the National Environmental Policy Act (NEPA) and other related federal laws and authorities identified in 24 C.F.R. Part 50 or Part 58, as applicable.
- J. The Agency will comply with all applicable nondiscrimination and equal opportunity requirements set forth in 24 C.F.R. § 5.105(a), and will administer its programs and activities in a manner affirmatively to further fair housing. In particular, the Agency must make reasonable accommodations needed by applicants and residents and must make units accessible in accordance with the Needs Assessment and Transition Plan as required under Section 504 of the Rehabilitation Act of 1973 and its implementing regulations.
- K. The Agency will comply with the terms of any applicable court orders or Voluntary Compliance Agreements that are in existence or may come into existence during the term of the Agreement. The Agency further agrees that it will cooperate fully with any investigation by the HUD Office of Inspector General or any other investigative and law enforcement agencies of the U.S. Government.
- L. Unless otherwise provided herein, this Restated Agreement does not apply to Section 8 assistance that is required:
 - 1. To meet existing contractual obligations of the Agency to a third party (such as Housing Assistance Payment contracts with owners under the Agency's Section 8 Housing Choice Voucher program);
 - 2. For payments to other public housing authorities under Section 8 portability billing procedures; or

¹ Agencies are still subject to state and local building codes, and housing codes, and state and local public housing law on inspections.

² The Agency agrees to comply with FDS submission requirements, including the requirement to submit project level financial data in the FDS.

3. To meet particular purposes for which HUD has expressly committed the assistance to the Agency.

The aforementioned covenants made by the Agency are not exclusive, as the Agency must also comply with all requirements applicable to public housing other than both those provisions of the 1937 Act, as amended from time to time, and its implementing regulations specifically waived by the Authorizations contained in this Restated Agreement.

III. Rent Reform Initiatives

The Agency shall establish a reasonable rent policy that is designed to encourage employment and self-sufficiency by participating families, consistent with the purpose of this demonstration. In developing its rent policy, the Agency must adopt a policy for addressing hardship cases. To meet the Department's purposes of evaluating the MTW demonstration, Agencies may randomly assign new participants into the MTW group, which will provide an alternate program/rent structure, and into a control group, which will continue to operate under the 1937 Act requirements, and collect useful participant data at the point of random assignment.

IV. Evaluation

- A. HUD will consider the following criteria when evaluating whether this Agency shall continue in the MTW Demonstration:
 1. The Agency is in compliance with this Restated Agreement.
 2. The Annual MTW Plans and Reports have been satisfactorily completed and submitted in a timely manner, consistent with this Restated Agreement; and
 3. The Agency has demonstrated, through the Annual MTW Plan and Report, that it has used its MTW designation (i.e., engaged in MTW Activities), as set forth in Section 204 of the 1996 Appropriations Act.
- B. If, after the evaluation during FY 2011 and FY 2014, HUD determines that the Agency fails to meet the above criteria, HUD can terminate this Restated Agreement.

V. Amendments and Continuation of Activities

- A. Amendment of this Restated Agreement. This Restated Agreement may be further amended upon mutual agreement of the Agency and HUD. Proposed amendments by the Agency to the Restated Agreement shall be submitted in writing to HUD's Office of Public and Indian Housing, or its successor, only after the Agency has conducted a public hearing, considered comments from the hearing in drafting the proposed amendment, and obtained an approval from the Agency's Board of Commissioners or Directors, as applicable. HUD will respond to the Agency in writing to either approve and execute or disapprove the amendment request. The Statement of Authorizations (Attachment C) may be unilaterally amended by HUD only in order to add to the existing authorizations. The Legacy and Community-Specific Authorizations (Attachment D) may be amended upon mutual agreement between HUD and the Agency. In the event of a conflict between Attachment C and Attachment D, the authorizations in Attachment D supersede the authorizations in Attachment C.

- B. Amendment of the Annual MTW Plan. Amendments to the Annual MTW Plan only need to be made if the proposed MTW activity falls outside the scope of the HUD-approved Annual MTW Plan. An MTW activity is defined as an activity that an Agency participating in the MTW demonstration is authorized to undertake only by means of invoking an authorization included in Attachment C or Attachment D of this Restated Agreement, as opposed to an activity that a non-MTW agency could undertake pursuant to the conventional public housing and Section 8 Housing Choice Voucher programs' statutory and regulatory requirements. Proposed amendments by the Agency to the Annual MTW Plan shall be submitted in writing to HUD's Office of Public and Indian Housing, or its successor, only after the Agency has conducted a public hearing, considered comments from the hearing in drafting the proposed amendment, and obtained an approval from the Agency's Board of Commissioners or Directors, as applicable. HUD will respond in writing to either approve or disapprove the amendment request.

The letter requesting any amendment to the Annual MTW Plan should include the following information in relation to the proposed MTW Activity:

1. Description of the proposed activity;
2. Description of how the activity relates to at least one of the three statutory objectives;
3. Identification and discussion of the anticipated impact of the proposed MTW activity on the stated objective;
4. Description of the baselines and benchmarks that the Agency will use to measure the performance and progress of the MTW activities;
5. Description of the data collection process and metrics the Agency will use to measure how this activity will achieve one or more of the MTW statutory objectives; and
6. The specific provision of the 1937 Act or regulation that is waived under MTW that authorized the Agency to make this change, when applicable.

C. Continuation of Activities.

1. Not later than one year prior to expiration of this Restated Agreement, the Agency shall submit a transition plan to HUD. It is the Agency's responsibility to plan in such a manner that it will be able to end all features of the MTW Plan upon expiration of the Agreement, as HUD cannot guarantee that it will be able to extend any features of the Plan. The transition plan shall describe plans for phasing out of such authorizations/features. The plan shall also include any proposals of authorizations/features of the Restated Agreement that the Agency wishes to continue beyond the expiration of the Restated Agreement. The Agency shall specify the proposed duration, and shall provide justification for extension of such authorization/features. HUD will respond to the Agency in writing in a timely manner. Only authorizations/features specifically approved for extension shall continue beyond the term of the MTW Restated Agreement.

The extended features shall remain in effect only for the duration and in the manner specified in the approved transition plan.

2. HUD will review and respond to timely-submitted transition plans within 75 days or they are deemed approved. To the extent that HUD has questions or feedback within this 75-day period, HUD will transmit such information within a sufficient time period for the Agency to respond and for HUD to approve a transition plan within 75 days of submission of the plan.

VI. Funding

- A. Funding Methodology. During the term of the MTW demonstration, HUD will provide the Agency with public housing operating subsidies, and modernization or capital funds (including development and replacement housing factor funds), and with tenant-based Section 8 assistance, as provided in Attachment A. If the Agency's Attachment A does not describe the funding methodology for any of these funding streams, the Agency's funding will be calculated according to standard HUD calculations of Agency benefits.
- B. Funding Disbursements. The Agency will receive its public housing operating subsidy and Section 8 tenant-based funding in accordance with the following calculation and disbursement requirements:
 1. Operating Fund subsidies
 - a. HUD shall calculate the allocation of Operating Fund subsidies to the Agency in accordance with Attachment A.
 - b. The Agency may use these funds for any eligible activity permissible under Section 9(e)(1) of the 1937 Act or, if the Agency proposes to use the funding as part of a block grant in its Annual MTW Plan, it may use these funds for any eligible activity permissible under Section 8(o), 9(d)(1) and 9(e)(1) consistent with this MTW Restated Agreement.
 2. Capital Funds and Other Grants
 - a. HUD shall calculate the allocation of Capital Fund grants (including replacement housing factor fund grants) to the Agency in accordance with Attachment A. Capital Funds will be disbursed in accordance with standard HUD procedures for the disbursement of public housing Capital Fund Grants.
 - (i) In requisitioning grant funds, the Agency will not be required to provide line item detail, but will request the funds using a single MTW line item; provided however, that the Agency may not accelerate draw downs of funds in order to fund reserves.

- (ii) The Agency may use these funds for any eligible activity permissible under Section 9(d)(1) of the 1937 Act, or if the Agency proposes to use the funding as part of a block grant in its Annual MTW Plan, it may use these funds for any eligible activity permissible under Section 8(o), 9(d)(1) and 9(e)(1) consistent with this MTW Restated Agreement.
 - (iii) The Agency is subject to the requirements of Section 9(j) of the 1937 Act with respect to its Capital Fund Grants.
- b. Section 8 Tenant-Based Assistance
 - (i) HUD shall calculate the allocation of Section 8 Housing Choice Voucher funding to the Agency in accordance with Attachment A.
 - (ii) The Agency may use tenant-based Section 8 funds included in the MTW block grant for any eligible activity permissible under Section 8(o) of the 1937 Act or, if the Agency proposes to use the funding as part of a block grant in its Annual MTW Plan, it may use the funds for any eligible activity permissible under Section 8(o), 9(d)(1) and 9(e)(1) consistent with this MTW Restated Agreement.
- c. The Agency may submit for HUD consideration and approval alternative schedules for disbursement of public housing operating subsidy and Section 8 tenant-based funding to reduce the number of transactions and to address the time lag between making Housing Assistance Payments (HAP) for the large number of Section 8 participants from other jurisdictions (portables) and reimbursement by those jurisdictions. An Agency's request for consideration and approval of an alternative schedule for disbursement shall be subject to certain administrative limitations, such as only one request will be allowed per year.

VII. Administrative Responsibilities

A. Annual MTW Planning and Reporting.

1. Annual MTW Plans

- a. If the Agency has ten percent or more of its housing stock in MTW, the Agency will prepare and submit an Annual MTW Plan, in accordance with Attachment B, or equivalent HUD form as approved by OMB, in lieu of the Five (5) year and Annual Plans required by Section 5A of the 1937 Act.
- b. If the Agency has less than ten percent of its housing stock in MTW, the Agency will continue to complete the Five-Year and Annual Plans required by Section 5A of the 1937 Act. The Agency will also complete a Supplemental Annual MTW Plan, based on Attachment B, or equivalent HUD form as approved by OMB. Only information not included in either

the Five-Year Plan or the Annual Plan will need to be included in the Supplemental Annual MTW Plan (herein also referred to as the Annual MTW Plan).

- c. Three (3) copies of the Annual MTW Plan shall be submitted to HUD: one copy will be provided to HUD Headquarters in hard-copy, one copy to HUD Headquarters in electronic format (i.e., PDF, or Word), and one copy to the Agency's local HUD Field Office.
- d. The Annual MTW Plan is due not later than seventy-five (75) days prior to the start of the Agency's fiscal year, unless otherwise approved by HUD, except in the first year of this Restated Agreement the Agency may submit an amendment to its MTW Plan if it wants to implement initiatives prior to the due date of the subsequent MTW Plan.
- e. Attachment B of this Restated Agreement, or equivalent HUD form as approved by OMB, provides a detailed description of the required elements of the Annual MTW Plan.
- f. The Annual MTW Plan will be submitted to HUD only after:
 - (i) The Agency has provided for citizen participation through public hearing and other appropriate means and is approved by the Board of Commissioners or Directors, as applicable, and
 - (ii) The Agency has taken into account public comments on the program design, including comments from current tenants/participants, to the extent such comments were provided. To document the foregoing, the Agency will submit with the Annual MTW Plan documentation that at least one public hearing was held, that the Plan was available for public comment for at least thirty (30) days, and that the Agency took no less than fifteen (15) days between the public hearing and the approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan. The Agency will submit these documents to HUD in accordance with Attachment B, or equivalent HUD form as approved by OMB, and will keep these documents on file for HUD review.
- g. HUD shall notify the Agency in writing if HUD objects to any provisions or information therein. When the Agency submits its Annual MTW Plan seventy-five (75) days in advance of its fiscal year, HUD will respond to the Agency within seventy-five (75) days. If HUD does not respond to the Agency within seventy-five (75) days after an on-time receipt of the Agency's Annual MTW Plan, the Agency's Annual MTW Plan is approved and the Agency is authorized to implement that Plan. If HUD does not receive the Agency's Annual MTW Plan seventy-five (75) days before the beginning of the Agency's fiscal year, the Agency's Annual MTW Plan is

not approved until HUD responds. Reasons that HUD may object to a provision or information in the Annual MTW Plan include, but are not limited to, the following:

- (i) The information required in Attachment B, or equivalent HUD form as approved by OMB, is not provided or is deemed insufficient;
 - (ii) The Agency's planned MTW activities are not permissible under MTW Authority or are inconsistent with requirements outside the 1937 Act³;
 - (iii) The Agency's planned MTW activities do not have a clear connection to the statutory goal of the MTW demonstration, which is to provide Agencies with the flexibility to design and test various approaches for providing and administering housing assistance that: (a) reduce cost and achieves greater cost effectiveness in Federal expenditures; (b) 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 (c) increase housing choices for low-income families; or
 - (iv) There are other good cause factors, such as material misrepresentation, in the submission.
- h. Once HUD approves an MTW Activity, the activity shall remain approved as long as it is included in the Agency's Annual MTW Plan submissions subsequent to the initial approval of the MTW Activity. The approval shall remain in effect until such time as the Agency proposes to modify the activity, initiative, or program.

2. Annual MTW Reports

- a. The Agency will prepare Annual MTW Reports, which will compare the Agency's activities with its Annual MTW Plan. The Annual MTW Report will provide the information necessary for HUD to assess the Agency's activities, in both regular operations and in activities authorized by MTW.
- b. Three (3) copies of the Annual MTW Report shall be submitted to HUD: one copy will be provided to HUD Headquarters in hard-copy, one copy to HUD Headquarters in electronic format (i.e., PDF, or Word), and one copy to the Agency's local HUD Field Office.
- c. The Annual MTW Report will be submitted to HUD for its review annually, no later than ninety (90) days after the end of the Agency's fiscal year.

³ Even if HUD approves a MTW Plan that is inconsistent with an external requirement, such as a state law requirement, the Agency is still subject to the external requirement.

- d. Attachment B of this Restated Agreement, or equivalent HUD form as approved by OMB, provides a detailed description of the required elements of the Annual MTW Report.
 - e. HUD shall notify the Agency in writing if HUD requires additional information or clarifications to the information provided in the Annual MTW Report.
 - f. All HUD forms and other reporting mechanisms required by this Restated Agreement, including any required certifications, will, where appropriate, be included in either the Annual MTW Plan or the Annual MTW Report.
3. HUD reserves the right to request, and the Agency agrees to provide, any information required by law or required for sound administration of the public housing and Section 8 Housing Choice Voucher programs.

B. Other Data Submission Requirements.

- 1. The Agency will submit HUD-50058 data and/or HUD-50058 MTW (or their replacement forms) data to HUD's Public and Indian Housing Information Center (PIC) system, or its successor. (Note that the use of the HUD-50058 MTW form is restricted to the MTW agencies that have implemented MTW Activities that prevent use of the standard 50058 form.) These submissions will be in compliance with HUD's 50058 and/or 50058 MTW submission requirements for MTW public housing authorities. The Agency will maintain current building and unit information in the development module of the PIC Inventory Management System (IMS).
- 2. The Agency will provide basic data about the Agency (e.g., address, phone number, e-mail address, etc.) to HUD through the PIC/IMS system, or its successor system.
- 3. The Agency will complete an annual audit pursuant to the Office of Management and Budget (OMB) Circular A-133 (including the Compliance Supplement, as determined by the auditor to be relevant to MTW). The A-133 Audit must be submitted to HUD in accordance with HUD regulations; a separate copy of the most recently completed audit must be submitted to the Office of Public Housing Investments, or its successor Headquarters Office responsible for national oversight of the MTW demonstration.
- 4. The Agency will provide data to HUD through FDS, or its successor system, as required by the Public Housing Assessment System (PHAS) regulations and procedures as they may be amended.
- 5. The Agency will provide HUD with an electronic version of the Admissions and Continued Occupancy Policy and Administrative Plan upon HUD's request.
- 6. The Agency will provide HUD with a Performance and Evaluation Report for Capital Fund activities not included in the MTW Block Grant by including this

as a supplement to Attachment B, or equivalent HUD form as approved by OMB.

In addition to the reporting requirements listed above, the Agency is required to comply with any and all HUD reporting requirements that are not specifically waived by HUD.

- C. Annual MTW Monitoring Site Visit. HUD and/or its contractors will conduct at least one formal Site Visit to the Agency each year. The purpose of these visits will be to confirm reported Agency activities, to review the status and effectiveness of the Agency's MTW strategies, and to identify and resolve outstanding MTW related issues. The Agency shall give HUD and/or its contractors unimpeded access to all requested sources of information including access to files, access to units, and an opportunity to interview Agency staff and assisted residents.
- D. Single Point of Contact. HUD and the Agency shall each appoint a liaison as a single point of contact in implementing the Restated Agreement.

VIII. Termination and Default

- A. If the Agency violates this Restated Agreement, HUD is authorized to take any corrective or remedial action described in this Article VIII for Agency default. HUD will give the Agency written notice of any default. The Agency will have the opportunity to cure such default within 30 days of the date of said notice, or to demonstrate within said time period, by submitting substantial evidence satisfactory to HUD, that it is not in default. If the default is not susceptible to being cured within said 30 day period, the Agency will demonstrate, to HUD's satisfaction, that the Agency has taken actions necessary to cure the default and that the default is curable within 90 days from the date of the default notice. Additionally, the Agency must covenant to prosecute such cure diligently and complete such cure within the 90 day period, unless HUD, in its sole judgment, determines that immediate action is necessary, and therefore has discretion to institute the remedies under Section VIII.C. of this Restated Agreement.
- B. The following are reasons that HUD may declare the Agency in default of this Restated Agreement:
 - 1. The Agency has not corrected HUD identified performance deficiencies within a reasonable period of time;
 - 2. Material misrepresentation in the application process that led to the Original MTW Agreement or this current Restated Agreement;
 - 3. Use of funds subject to this Restated Agreement for a purpose other than as authorized by this Restated Agreement;
 - 4. Material noncompliance with legislative, regulatory, or other requirements applicable to this Restated Agreement;
 - 5. Material breach of this Restated Agreement; and/or

6. Material misrepresentation in the Annual MTW Plan or Report submission by the Agency.
- C. If the Agency is in default, HUD may, among other remedies, undertake any one or all of the following remedies:
1. Suspend payment or reimbursement for any MTW activities affected;
 2. Suspend the Agency's authority to make draws or receive or use funds for affected activities;
 3. Change the method of payment to the Agency;
 4. Require additional reporting by the Agency on the deficient areas and the steps being taken to address the deficiencies;
 5. Require the Agency to prepare and follow a HUD-approved schedule of actions and/or a management plan for properly completing the activities approved under this Restated Agreement;
 6. Suspend the MTW waiver authorization for the affected activities;
 7. Prohibit payment or reimbursement for any MTW Activities affected by the default;
 8. Require reimbursement by the Agency to HUD for amounts used in violation of this Restated Agreement;
 9. Reduce/offset the Agency's future funding;
 10. Terminate this Restated Agreement and require the Agency to transition out of MTW;
 11. Take any other corrective or remedial action legally available; and/or
 12. Implement administrative or judicial receivership of part or all of the Agency.
- D. The Agency may choose to terminate this Restated Agreement at any time. Upon HUD's receipt of written notification from the Agency and a copy of a board resolution approving termination, termination will be effective. The Agency will then begin to transition out of MTW, and will work with HUD to establish an orderly phase-out of MTW activities, consistent with Section IV C of this Restated Agreement.

This Agreement, including all Attachments, is effective upon execution, except as otherwise provided herein.

HOUSING AUTHORITY OF

BY: _____

ITS: _____

Date: _____

UNITED STATES DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT

BY: _____

ITS: Assistant Secretary

Date: _____

Attachment A

**TO
MOVING TO WORK AGREEMENT
BETWEEN
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
AND
[AGENCY]**

Calculation of Subsidies

[This will be the same as in the original MTW agreement]

Attachment B

**TO
AMENDED AND RESTATED MOVING TO WORK AGREEMENT
BETWEEN
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
AND
AGENCY**

Elements for the Annual MTW Plan and Annual MTW Report

All MTW Agencies will provide the following required elements in their Annual MTW Plans and Reports, consistent with the requirements of Section VII of the Restated Agreement, and will follow the following order and format.

<u>Annual MTW Plan</u>	<u>Annual MTW Report</u>
I. Introduction	
A. Table of Contents, which includes all the required elements of the Annual MTW Plan; and	A. Table of Contents, which includes all the required elements of the Annual MTW Report; and
B. Overview of the Agency's MTW goals and objectives for the year, including new and ongoing MTW activities.	B. Overview of the Agency's ongoing MTW goals and objectives.

II. General Housing Authority Operating Information

Please provide the following:

A. Housing Stock Information

- Number of public housing units planned;
- General description of any planned significant capital expenditures by development;
- Description of any new public housing units to be added during the year by development (specifying bedroom size);
- Number of units to be removed from the inventory during the year by development specifying the justification for the removal;
- Number of Housing Choice Vouchers (HCV) units authorized;
- Number of HCV units to be project-based, including description of each separate project;
- General description of other housing planned to be managed by the Agency, specifying location, number of units, and type of non-public housing/non-HCV assistance (to include tax credit, state funded, project based Section 8, and market rate); and
- Description of other properties owned or managed by the Agency.

B. Lease Up Information

- Anticipated number of public housing units planned to be leased;
- Anticipated number of HCV planned to be leased; and
- Description of anticipated issues relating to any potential difficulties in leasing units (HCV or public housing).

C. Waiting List Information

- Description of anticipated changes in waiting lists (site-based, community-wide, HCV, merged);
- Description of anticipated changes in the number of families on the waiting list(s) and/or opening and closing of the waiting list(s); and
- Date the waiting list was last purged.

Please provide the following:

A. Housing Stock Information

- Number of public housing units;
- Number of Housing Choice Vouchers utilized;
- General description of number and type of other housing managed by the Agency, specifying location, number of units and type of non-public housing/non-HCV assistance (to include tax credit, state funded, project based Section 8, and market rate); and
- Description of other properties owned or managed by the Agency.

B. Lease Up Information

- Number of public housing units leased;
- Number of HCV under lease; and
- Description of issues relating to any difficulties in leasing units (HCV or public housing).

C. Waiting List Information

- Description of waiting lists (site-based, community-wide, HCV, merged) and any changes that were made in the past fiscal year;
- Number of families on the waiting list(s), both at the beginning of the fiscal year and at the end of the fiscal year, and if the list(s) are open or closed; and
- Date the waiting list was last purged.

<u>Annual MTW Plan</u>	<u>Annual MTW Report</u>
III. Long-term MTW Plan	
Describe the Agency's long-term vision for the direction of its MTW program, extending through the duration of the MTW Agreement.	Describe the Agency's long-term vision for the direction of its MTW program, extending through the duration of the MTW Agreement.
IV. Proposed MTW Activities: HUD approval requested (provide the listed items below grouped by each MTW activity)	
<p>A. Describe each proposed MTW activity;</p> <p>B. Describe how each proposed activity relates to at least one of the three statutory objectives;</p> <p>C. Identify and discuss the anticipated impact of each proposed MTW activity on the stated objective;</p> <p>D. Describe the baselines and proposed benchmarks and metrics that the Agency will use to measure the performance and progress of the MTW activities;</p> <p>E. Describe the data collection process and the proposed metrics the Agency will use to measure how this activity will achieve one or more of the MTW statutory objectives;</p> <p>F. Cite the authorization(s) detailed in Attachment C or D of this Restated Agreement that give the Agency the flexibility to conduct the activity, and include the specific citation(s) of the Act or regulation as identified in Attachment C or D of this Restated Agreement that authorize the Agency to make the change; and</p> <p>G. Describe the hardship policy (for rent reform initiatives only).</p>	<p>(All proposed activities that are granted approval by HUD will be reported on in Section V as "ongoing activities.")</p>

<u>Annual MTW Plan</u>	<u>Annual MTW Report</u>
V. Ongoing MTW Activities: HUD approval previously granted (provide the listed items below grouped by each MTW activity)	
<ul style="list-style-type: none"> A. Describe each ongoing MTW activity applicable for the coming year; B. Describe how each ongoing activity relates to at least one of the three statutory objectives; C. Identify and discuss the anticipated impact of each ongoing MTW activity on the stated objective, if in the first year of completing this revised Plan; or any anticipated changes in the impact (as applicable), if in subsequent years; D. Describe the baselines and benchmarks that the Agency will use to measure the performance and progress of the MTW activities, if in the first year of completing this revised Plan; or any changes in benchmarks (as applicable), if in subsequent years; E. Describe the data collection process and metrics the Agency will use to measure how this activity will achieve one or more of the MTW statutory objectives, if in the first year of completing this revised Plan; or any changes in data collection (as applicable), if in subsequent years; F. Cite the authorization(s) detailed in Attachment C or D of this Restated Agreement that give the Agency the flexibility to conduct the activity, and include the specific citation(s) of the Act or regulation as identified in Attachment C or D of this Restated Agreement that authorize the Agency to make the change; and G. Describe the hardship policy (for rent reform initiatives only). 	<ul style="list-style-type: none"> A. Describe any activities that were proposed in the Plan, approved by HUD, but not implemented, and discuss why these were not pursued; B. Describe each ongoing and completed (within the FY) MTW activity; C. Describe how each ongoing activity relates to at least one of the three statutory objectives; D. Analyze the actual impact of each ongoing MTW activity on the stated objective; E. Evaluate the actual performance versus the target benchmark goals, the originally established baseline, and the previous year's performance; F. If benchmarks were not achieved or if the activity was determined ineffective provide a narrative explanation of the challenges, and, if possible, identify potential new strategies that might be more effective; G. Using the metrics proposed in the Plan, evaluate the effectiveness of the activity in achieving the statutory objectives it relates to; and H. Cite the specific provision(s) of the Act or regulation that is waived under MTW (as detailed in Attachment C or D of this Restated Agreement) that authorized the Agency to make the change, and briefly describe if and how the waived section of the Act or regulation was necessary to achieve the benchmark.

<u>Annual MTW Plan</u>	<u>Annual MTW Report</u>
VI. Sources and Uses of Funding	
<p>A. Provide Consolidated Budget Statement in the same format and level of detail as the unaudited financial statement;</p> <p>B. Planned sources and expenditures by development;</p> <p>C. Description of changes in sources and uses of MTW funding from previously-approved plan; and</p> <p>D. Description of how funding fungibility is planned to be used, if applicable.</p>	<p>A. Unaudited Financial Statement;</p> <p>B. Planned vs. actual financial information by development with a narrative discussion and explanation of the differences;</p> <p>C. Planned vs. actual for all capital activities presented in the Annual MTW Plan with a narrative discussion and explanation of differences;</p> <p>D. Explanation of how funding fungibility was used and narrative explanation of the difference, if applicable.</p>
VII. Administrative	
<p>The Agency will provide the following:</p> <p>A. Board Resolution adopting 50077-MTW, or equivalent form;</p> <p>B. Documentation that at least one public hearing was held, that the Plan was available for public comment for at least thirty (30) days, and documentation that the Agency took into consideration public and resident comment before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan;</p> <p>C. Description of any planned or ongoing Agency-directed evaluations of the demonstration, if applicable;</p>	<p>The Agency will provide the following:</p> <p>A. Results of latest Agency-directed evaluations of the demonstration, as applicable;</p> <p>B. Performance and Evaluation Report for Capital Fund activities not included in the MTW Block Grant, as an attachment to the Report; and</p> <p>C. Description of progress on the correction or elimination of observed deficiencies cited in monitoring visits, physical inspections, submissions to REAC, or other oversight and monitoring mechanisms, if applicable.</p>

VIII. Reporting Compliance with Statutory MTW Requirements																																																											
<u>Annual MTW Plan</u>	If the Agency has been out of compliance with any of the required statutory MTW requirements listed in Section II(C) of the Restated Agreement, as determined by HUD in its review of the previous fiscal year's Annual MTW Report, the Agency will provide a narrative discussion and a plan as to how it will return to compliance. If the Agency is currently in compliance, no discussion or reporting is necessary in this section.																																																										
<u>Annual MTW Report</u>	<p>The Agency will provide the following:</p> <p>A. In order to demonstrate that the statutory objective of “assuring that at least 75 percent of the families assisted by the Agency are very low-income families” is being achieved, the Agency will provide information in the following format:</p> <p style="text-align: center;">Initial Incomes of Families Assisted by MTW</p> <table border="1"> <thead> <tr> <th>Fiscal Year:</th> <th>2008</th> <th>2009</th> <th>2010</th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Total number of newly admitted families assisted¹</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Number of families with incomes below 50% of area median</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Percentage of families with incomes below 50% of area median</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>											Fiscal Year:	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total number of newly admitted families assisted ¹												Number of families with incomes below 50% of area median												Percentage of families with incomes below 50% of area median											
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¹ “Total number of newly admitted families assisted” is defined as all families that have been admitted to federal housing assistance during the fiscal year in question. Therefore, this does not mean that all families assisted by the housing authority will be captured in this figure. Instead, the figure only captures the initial admittees’ income, just as they begin to receive housing assistance.

VIII. Reporting Compliance with Statutory MTW Requirements, Continued**Annual
MTW
Report,
cont.**

B. In order to demonstrate that the statutory objective of “continuing to assist substantially the same total number of eligible low-income families as would have been served had the amounts not been combined” is being achieved, the Agency will provide information in the following formats:

Baseline for the Number of Eligible Low-Income Families to Be Served

	Number of families served when Agency entered MTW	Non-MTW adjustments to the number of families served ²	Baseline number of families to be served	Explanations for adjustments to the number of families served
Number of public housing families served				
Number of tenant-based Section 8 families served				
Total number of families served				

Number of Low-Income Families Served

Baseline number of families to be served (total number of families) ³	
Total number of families Served this Fiscal Year ⁴	
Numerical Difference ⁵	
Percentage Difference	

Justification for variations in excess of 10% below the baseline number of families to be served (total number of families):

--

² “Non-MTW adjustments to the number of families served” are defined as factors that are outside the control of the Agency. Acceptable “non-MTW adjustments” include, but are not limited to, influences of the economy and of the housing market. If the Agency includes non-MTW adjustments, HUD expects the explanations of the factors to be thorough and to include information substantiating the numbers used.

³ This number will be the same number in the chart above, at the cross-section of “total number of families served” and “baseline number of families served.”

⁴ The methodology used to obtain this figure will be the same methodology used to determine the “Number of families served when Agency entered MTW” in the table immediately above.

⁵ The Numerical Difference is considered “MTW adjustments to the number of families served.” This number will reflect adjustments to the number of families served that are directly due to decisions the Agency has made. HUD expects that in the course of the demonstration, Agencies will make decisions that may alter the number of families served.

VIII. Reporting Compliance with Statutory MTW Requirements, Continued**Annual
MTW
Report,
cont.**

C. In order to demonstrate that the statutory objective of “maintaining a comparable mix of families (by family size) are served, as would have been provided had the amounts not been used under the demonstration” is being achieved, the Agency will provide information in the following formats:

Baseline for the Mix of Family Sizes to Be Served

Family Size	Occupied number of Public Housing units by family size when Agency entered MTW	Utilized number of Section 8 vouchers by family size when Agency entered MTW	Non-MTW adjustments to the distribution of family sizes ⁶	Baseline number of family sizes to be maintained	Baseline percentages of family sizes to be maintained
1 person					
2 people					
3 people					
4 people					
5 people					
6+ people					
Totals					100%

Explanations for
Baseline adjustments
to the distribution of
family sizes utilized

Mix of Family Sizes Served

	1 person	2 people	3 people	4 people	5 people	6+ people	Total
Baseline percentages of family sizes to be maintained ⁷							100%
Number of families served by family size this Fiscal Year ⁸							
Percentages of families served by family size this Fiscal Year ⁹							100%
Percentage Difference							

Justification and explanation for family size variations of over 5% from the Baseline percentages:

⁶ “Non-MTW adjustments to the distribution of family sizes” are defined as factors that are outside the control of the Agency. Acceptable “non-MTW adjustments” include, but are not limited to, demographic changes in the community’s population. If the Agency includes non-MTW adjustments, HUD expects the explanations of the factors to be thorough and to include information substantiating the numbers used.

⁷ These numbers in this row will be the same numbers in the chart above listed under the column “Baseline percentages of family sizes to be maintained.”

⁸ The methodology used to obtain these figures will be the same methodology used to determine the “Occupied number of Public Housing units by family size when Agency entered MTW” and “Utilized number of Section 8 Vouchers by family size when Agency entered MTW” in the table immediately above.

⁹ The “Percentages of families served by family size this fiscal year” will reflect adjustments to the mix of families served that are directly due to decisions the Agency has made. HUD expects that in the course of the demonstration, Agencies will make decisions that may alter the number of families served.

ATTACHMENT C**STATEMENT OF AUTHORIZATIONS**

**TO
AMENDED AND RESTATED MOVING TO WORK AGREEMENT
BETWEEN
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
AND
AGENCY**

A. General Conditions

1. This Statement of Authorizations describes the activities that the Public Housing Authority (Agency) may carry out under the Moving to Work (MTW) Demonstration program, subject to the terms and conditions of the Amended and Restated Moving to Work Demonstration Agreement (Restated Agreement) between the Agency and the U.S. Department of Housing and Urban Development (HUD).
2. Unless otherwise provided in Attachment D of the Restated Agreement, the Agency's MTW Demonstration Program applies to all of the Agency's public housing assisted units (including Agency-owned properties and units comprising a part of mixed-income, mixed finance communities) tenant-based Section 8 voucher assistance (hereinafter referred to as the "Housing Choice Voucher Program"), Section 8 project-based voucher assistance under Section 8(o) and Homeownership units developed using Section 8(y) voucher assistance.
3. The purpose of the Statement of Authorizations is to delegate to the Agency the authority to pursue locally driven policies, procedures and programs with the aim of developing better, more efficient ways to provide housing assistance and incentives to self-sufficiency to low, very-low, and extremely low-income families. The authorizations listed in this Attachment C are granted fully without requiring any additional HUD authorizations, as necessary to implement the activities described in the Annual MTW Plan. The Agency may proceed with activities based upon these authorizations once the activity has been included in the Annual MTW Plan, in accordance with Attachment B, and HUD has approved the Plan and activities. HUD will review and approve these documents to ensure that the Annual MTW Plan has provided meaningful citizen participation, taking into account comments from a public hearing and any other comments on the proposed program, as well as providing for, receiving, and meaningfully considering comments from current and prospective residents who would be affected. HUD will also review in order to ascertain that these activities are within the MTW authorizations provided by HUD.
4. The Agency reaffirms that it will comply with all applicable nondiscrimination and equal opportunity requirements set forth in 24 CFR 5.105(a), and will administer its programs and activities in a manner affirmatively to further fair housing. In particular, the Agency

must make reasonable modifications and accommodations needed by applicants and residents and must make units accessible in accordance with the Needs Assessment and Transition Plan as required under Section 504 of the Rehabilitation Act of 1973 and its implementing regulations.

B. Authorizations Related to Both Public Housing and Section 8 Housing Choice Vouchers

1. Single Fund Budget with Full Flexibility

This authorization waives certain provisions of Sections 8 and 9 of the 1937 Act and 24 C.F.R. 982, and 990 as necessary to implement the Agency's Annual MTW Plan.

- a. The Agency may combine funding awarded to it annually pursuant to Section 8(o), 9(d) and 9(e) of the 1937 Act into a single, authority-wide funding source ("MTW Funds"). However, section 9(d) funds are still subject to the obligation and expenditure deadlines and requirements provided in section 9(j) despite the fact that they are combined in a single fund. The funding amount for the MTW Funds may be increased by additional allocations of housing choice vouchers to which the Agency is entitled over the term of the Agreement. Special purpose vouchers will not be included in the MTW Funds during their initial term, though some may be included in the MTW Funds upon renewal.
- b. The Agency may use MTW Funds for any eligible activity under Sections 9(d)(1), 9(e)(1) and Section 8(o) of the 1937 Act. Within the scope of the permissible eligible activities, the Agency can carry out the purposes of the MTW Demonstration Program to provide flexibility in the design and administration of housing assistance to eligible families, to reduce cost and achieve greater cost effectiveness in Federal expenditures, to give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient, and to increase housing choices for low-income families, through activities that would otherwise be eligible under sections 8 and 9 of the 1937 Act, including, but not limited to, the following activities:
 - i. Provision of Capital funds or operating assistance to housing previously developed or operated pursuant to a contract between HUD and the Agency or newly acquired or developed pursuant to section ii below.
 - ii. The acquisition, new construction, reconstruction or moderate or substantial rehabilitation of housing (including, but not limited to, assisted living, or other housing as deemed appropriate by the Agency, in accordance with its mission), or commercial facilities consistent with the objectives of the demonstration. Such activities may include but are not limited to real property acquisition, site improvement, development of utilities and utility services and energy efficiency systems, conversion, demolition, financing, administration and planning costs, relocation and other related activities; provided, however, that prior HUD

approval is required for the development of any incremental public housing units, pursuant to Section 9(g)(3) of the 1937 Act.

- iii. The provision of housing or employment-related services or other case management activities, such as housing counseling in connection with rental or homeownership assistance, energy auditing, activities related to the provision of self-sufficiency and other services, employment counseling, education, training and other services related to assisting tenants, owners, contractors, and other persons or entities participating or seeking to participate in other housing or training and educational activities assisted pursuant to this section.
- iv. The provision of management services, including preparation of work specifications, loan processing, inspections, tenant selection, management of tenant and project-based rental assistance and management of housing projects or other facilities or operations developed under this program.
- v. The provision of safety, security, and law enforcement measures and activities appropriate to protect residents of housing from crime.
- vi. The provision of Housing Choice Voucher assistance or project-based rental assistance (under Section 8(o)), alone or in conjunction with other private or public sources of assistance.
- vii. The preservation of public housing and/or Housing Choice Voucher units currently serving people of low income or the acquisition and/or development of new units for people of low income, provided that all rehabilitation and construction is done in accordance with the requirements of Section 504 of the Rehabilitation Act and where applicable, the design and construction requirements of the Fair Housing Act.
- viii. If the Agency chooses to establish single fund flexibility, the Agency is authorized to use housing assistance payments for purposes other than payments to owners, so long as these purposes are consistent with other eligible uses of section 8 and section 9 funds.
- c. These activities may be carried out by the Agency, by an entity, agent, or instrumentality of the Agency, a partnership, a grantee, contractor, or other appropriate party or legal entity.
- d. The Agency's expenditures must comply with OMB Circular A-87, which provides basic guidelines for the use of federal funds, and with this MTW Agreement.
- e. The Agency may use capital funds (including development and replacement housing factor funds) in accordance with this Agreement.

2. Partnerships with For-Profit and Non-Profit Entities

The Agency may partner with for-profit and non-profit entities, subject to 24 C.F.R. Part 85 and 941.602(d), including, mixed-income, mixed-finance development partners and third party management companies, as well as affiliates and instrumentalities of the Agency (“Agency Partners”), to implement and develop all or some of the initiatives that may comprise the Agency’s MTW Demonstration Program. The Agency may, with respect to MTW eligible activity and when working with or partnering with such partners, make available to Agency Partners the least restrictive regulatory requirements allowable based on Agency’s participation in the MTW Demonstration Program and that agreements with Agency Partners may reflect the implementation of less restrictive regulatory requirements. *This authorization waives certain provisions of Sections 13 and 35 of the 1937 Act and 24 C.F.R. 941 Subpart F as necessary to implement the Agency’s Annual MTW Plan.*

3. Definition of Elderly Family

The Agency is authorized to amend the definition of elderly to include families with a head of household or family member who is at least 55 years old, and must be in compliance with the all Fair Housing Requirements, in particular the Housing for Older Persons Act of 1995. *This authorization waives certain provisions of Section 3 (b)(3) and (G) of the 1937 Act and 24 C.F.R. 5.403 as necessary to implement the Agency’s Annual MTW Plan.*

4. Transitional/Conditional Housing Program

The Agency may develop and adopt new short-term transitional housing programs, consistent with an eligible use of section 8 and 9 funds, with supportive services in one or more buildings in collaboration with local community-based organizations and government agencies. Successful participants in these programs will be eligible for transfer to the Agency’s public housing or housing choice voucher programs. The Agency will ensure that these programs do not have a disparate impact on protected classes, and will be operated in a manner that is consistent with the requirements of Section 504 of the Rehabilitation Act. More specifically, under no circumstances will residents of such programs be required to participate in supportive services that are targeted at persons with disabilities in general, or persons with any specific disability. In addition, admission to any of the programs developed under this section will not be conditioned on the presence of a disability or a particular disability. This section is not intended to govern the designation of housing that is subject to Section 7 of the 1937 Act. *This authorization waives certain provisions of Sections 3, 4, 5, 8, and 9 of the 1937 Act and 24 C.F.R. 941, and 960 Subpart B as necessary to implement the Agency’s Annual MTW Plan.*

5. Investment Policies

Subject to HUD approval, the Agency is authorized to adopt investment policies consistent with state law to the extent such policies are in compliance with applicable OMB circulars and other federal laws. The Agency shall invest only in securities authorized under state law that will allow the flexibility to invest productively and efficiently. *This authorization waives certain provisions of Section 6(c)(4) of the 1937 Act and 24 C.F.R. 982.156 as necessary to implement the Agency’s Annual MTW Plan.*

C. Authorizations Related to Public Housing Only

1. Site Based or Geographic Area Waiting List System

The Agency is authorized to implement a locally designed waiting list system in lieu of the specific procedural requirements of 24 C.F.R. Part 903 provided that it provides applicants with a reasonable choice of location in accordance with title VI of the Civil Rights Act, the Fair Housing Act, and other applicable civil rights requirements. The Agency may implement additional site-based waiting lists under this MTW Agreement. Such additional site-based waiting lists will be developed, at the Agency's option, to address various situations, including, but not limited to the following: (1) any existing or new or mixed-income, mixed finance communities; (2) any on-site and/or off-site public housing replacement units developed in support of the Agency's redevelopment or HOPE VI efforts, if any; (3) any specially designated public housing or project-based communities; and (4) combining or separating waiting lists for Section 8 tenant-based or project-based assistance, public housing rental communities, homeownership opportunities, and mixed-income, mixed-finance communities. *This authorization waives certain provisions of Section 6(r) of the 1937 Act and 24 C.F.R. 903.7 as necessary to implement the Agency's Annual MTW Plan.*

2. Local Preferences and Admission and Continued Occupancy Policies and Procedures

The Agency is authorized to develop and adopt local preferences and admission policies and procedures for admission into the public housing program in lieu of HUD statutes, regulations or other requirements based in the 1937 Act so long as the families assisted qualify as low income, and that the total mix of families assisted meets the requirements of part I.C of the Amended and Restated MTW Agreement. The Agency is required to revise the Admissions and Continued Occupancy Policy (ACOP), to implement changes in public housing occupancy policy as a result of the MTW program. Regardless of changes to the Agency's adopted ACOP policies and procedures, the Agency must comply with Sections I(B)(1) and II(D) of this Agreement. The Agency is subject to state and local preferences law. *This authorization waives certain provisions of Section 3 of the 1937 Act and 24 C.F.R. 960.206 as necessary to implement the Agency's Annual MTW Plan.*

3. Deconcentration Policy

The Agency is authorized to develop and adopt a local policy designed to provide for deconcentration and income mixing in public housing communities. *This authorization waives certain provisions of Section 16(3)(B) of the 1937 Act and 24 C.F.R. 903.2 as necessary to implement the Agency's Annual MTW Plan.*

4. Initial, Annual and Interim Income Review Process

The Agency is authorized to restructure the initial, annual and interim review process in the public housing program in order to affect the frequency of the reviews and the methods and process used to establish the integrity of the income information provided. In addition, the Agency is expressly authorized to adopt a local system of income verification in lieu of the current HUD system. For example, the Agency may implement alternate time frames for validity of verification or adopt policies for verification of income and assets through sources other than those currently allowed under the 1937 Act. *This authorization waives certain provisions of sections 3(a)(1) and 3(a)(2) of the 1937*

Act and 24 C.F.R. 966.4 and 960.257, as necessary to implement the Agency's Annual MTW Plan.

5. Use of Public Housing as an Incentive for Economic Progress

The Agency is authorized to modify current public housing occupancy policies to use housing as an incentive for making economic progress, as long as Section II.C. of the MTW Agreement is adhered to. Such modifications may include revising maximum income limits for admission or continued occupancy. Families denied admission or continued occupancy shall continue to be entitled to the right to an informal hearing. *This authorization waives certain provisions of Section 6(c) of the 1937 Act and 24 C.F.R. 960.201, as necessary to implement the Agency's Annual MTW Plan.*

6. Incentives for Underutilized Developments

The Agency is authorized to develop and offer incentives that will attract applicants to developments, or portions thereof, which have been difficult to market. *This authorization waives certain provisions of Section 3(a)(2) and 3(a)(3)(A) of the 1937 Act and 24 C.F.R. 960 subpart B as necessary to implement the Agency's Annual MTW Plan.*

7. Simplification of the Development and Redevelopment Process for Public Housing

This authorization waives certain provisions of Sections 4, 5, 9, 24, 32 and 35 of the 1937 Act and 24 C.F.R. 941 as necessary to implement the Agency's Annual MTW Plan.

- a. The Agency may, at its own discretion, allow any authorizations and regulatory relief granted to the Agency pursuant to this MTW Agreement to inure to the benefit of the Agency's Partners with respect to MTW eligible activities, and HUD hereby agrees to the amendment of any and all evidentiaries necessary to implement the least restrictive regulatory requirements allowable.
- b. The Agency is authorized to establish reasonable low-income homeownership programs, such as a lease-to-own program, that are not limited by the existing public housing homeownership requirements, provided that units can only be sold to current public housing residents and that any disposition of current public housing units must be approved in advance by HUD. Any disposition application will be submitted and processed in accordance with this Agreement.

8. Streamlined Demolition and Disposition Procedures

The Agency may choose to follow HUD's "Streamlined Processing Instructions for Disposition, Demolition, and Disposition/Demolition Applications from MTW Agencies."

9. Simplification of Property Management Practices

The Agency is authorized to simplify property management practices as follows:

- a. The Agency is authorized to deploy a risk management approach in establishing property and system inspection protocols and frequencies in lieu of the HUD requirements of annual inspections by Agencies, as long as these protocols assure that housing units assisted under the demonstration meet housing quality standards approved or established by the Secretary. *This authorization waives certain provisions of Section 6 (f) of the 1937 Act and 24 C.F.R. 902-Subpart B as necessary to implement the Agency's Annual MTW Plan.*

- b. The Agency is authorized to develop and adopt a new form of local lease and establish community rules, grievance procedures, tenant self-sufficiency requirements and reasonable tenant fees based on proven private management models (subject to State and local laws), provided that no-cause evictions are not permitted. *This authorization waives certain provisions of Section 6 (l) of the 1937 Act and 24 C.F.R. 966 Subparts A and B as necessary to implement the Agency's Annual MTW Plan.*

10. Special Admissions and Occupancy Policies for Certain Public Housing Communities

The Agency is authorized to involve a broad spectrum of community stakeholders, including advocacy groups, in a process to explore and adopt reasonable restrictions for occupancy of specific public housing buildings in the Agency's inventory. Buildings, or portions of buildings (floors, units), may be designated as Smoke-Free, Pet-Free or Assisted Living (or other similar reservations). The Agency may establish admissions preferences in order to establish these special occupancy requirements. A key goal of this initiative will be to ensure that the Agency is able to maintain and improve the quality of life in the Agency communities. These reservations or policies must not have a disparate impact on protected classes and must be operated in a manner that is consistent with the requirements of Section 504 of the Rehabilitation Act. Any such designations or policies will include adequate safeguards for the disabled, including protections for disabled persons who are Agency residents and those seeking housing assistance. Residents can voluntarily participate in any of the services provided. Once adopted, the designations or policies will be updated and reviewed as part of the Annual MTW Plan and Report submitted by the Agency for HUD's review. In particular, the Agency will review the demographic make-up of its current resident population and applicants to assess the need for and support any changes to its designations or policies. *This authorization waives certain provisions of Sections 3, 6, 7, 16, and 31 of the 1937 Act and 24 C.F.R. 945 subpart C, 960 Subparts B, D, E and G as necessary to implement the Agency's Annual MTW Plan.*

11. Rent Policies and Term Limits

The Agency is authorized to determine family payment, including the total tenant payment, the minimum rent, utility reimbursements and tenant rent. The Agency is authorized to adopt and implement any reasonable policies for setting rents in public housing including but not limited to establishing definitions of income and adjusted income, or earned income disallowance that differ from those in current statutes or regulations. The Agency is authorized to adopt and implement term limits for its public housing assistance. Such policies must include provisions for addressing hardship cases. *This authorization waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 C.F.R. 5.603, 5.611, 5.628, 5.630, 5.632, 5.634 and 960.255 and 966 Subpart A as necessary to implement the Agency's Annual MTW Plan.*

12. Design Guidelines

The Agency is authorized to establish reasonable and modest design guidelines, unit size guidelines and unit amenity guidelines for development and redevelopment activities that will replace HUD guidelines with guidelines that reflect local marketplace conditions for quality construction in its locality so long as all units meet housing quality standards approved by the Secretary. *This authorization waives certain provisions of Sections 4, 5, and 9 of the 1937 Act and 24 C.F.R. 941.202, 941.203, 941.401, and 941.403 as*

necessary to implement the Agency's Annual MTW Plan.

13. Site Acquisition

The agency is authorized to acquire sites without prior HUD approval, provided that the agency certifies that HUD site selection requirements have been met. *This authorization waives certain provisions of 24 C.F.R. 941.401 as necessary to implement the Agency's Annual MTW Plan.*

14. Commercial Business Venture

The Agency is authorized to enter into commercial business ventures as part of its neighborhood revitalization or affordable housing strategies or other strategies designed to serve as catalysts for revitalization of public housing or surrounding communities. Any venture must be consistent with eligible uses of funds under Sections 8 and 9 of the 1937 Act. *This authorization waives certain provisions of 24 C.F.R. 941 subpart F as necessary to implement the Agency's Annual MTW Plan.*

15. Available Property

The Agency is authorized to make available public housing property including dwelling and non-dwelling spaces and vacant land for the purpose of providing services, programs and capital improvements that benefit residents and program participants. *This authorization waives certain provisions of Section 9 of the 1937 Act and 24 C.F.R. 990 Subpart B as necessary to implement the Agency's Annual MTW Plan.*

16. Total Development Cost (TDC) limits

The agency is authorized to establish reasonable cost formulas for development and redevelopment activities that will replace HUD's TDC limits in order to reflect local marketplace conditions for quality construction in its locality. *This authorization waives certain provisions of Section 6(b) of the 1937 Act and 24 C.F.R. 941.306 as necessary to implement the Agency's Annual MTW Plan.*

D. Authorizations Related to Section 8 Housing Choice Vouchers Only

1. Operational Policies and Procedures

The Agency is authorized to determine the following basic operational policies and procedures for all Section 8 assistance the Agency is provided under section 8(o) of the 1937 Act:

- a. The Agency is authorized to determine the term and content of Housing Assistance Payment (HAP) contracts to owners during the term of the MTW demonstration. However, any revised HAP contract must include language noting that the funding for the contract is subject to the availability of Appropriations. *This authorization waives certain provisions of Section 8(o)(7) of the 1937 Act and 24 C.F.R. 982.162 as necessary to implement the Agency's Annual MTW Plan;*
- b. The Agency is authorized to determine the length of the lease period, when vouchers expire and when vouchers will be reissued. *This authorization waives certain provisions of Sections 8(o)(7)(a), 8(o)(13)(F) and 8(o)(13)(G) of the 1937 Act and 24 C.F.R. 982.303, 982.309 and 983 Subpart F as necessary to implement the Agency's Annual MTW Plan;*

- c. The Agency is authorized to define, adopt and implement a reexamination program that differs from the reexamination program currently mandated in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Section 8(o)(5) of the 1937 Act and 24 C.F.R. 982.516 as necessary to implement the Agency's Annual MTW Plan;*
- d. The Agency is authorized to determine a damage claim and/or vacancy loss policy and payment policy for occupied units that differs from the policy requirements currently mandated in the 1937 Act and its implementing regulations. Damage and vacancy authority are subject to state and local laws. *This authorization waives certain provisions of Section 8(o)(9), of the 1937 Act and 24 C.F.R. 982.311 as necessary to implement the Agency's Annual MTW Plan;*
- e. The Agency is authorized to determine the percentage of housing voucher assistance that it is permitted to project-base, and criteria for expending funds for physical improvements on those units that differs from the percentage and criteria requirements currently mandated in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Section 8(o)(13) of the 1937 Act and 24 C.F.R. 983 as necessary to implement the Agency's Annual MTW Plan;*
- f. The Agency is authorized to determine property eligibility criteria, including types of units currently prohibited by Section 8 regulations, as well as shared living facilities. If the Agency chooses to use this authorization, it will need to provide a transition plan to both the affected residents and HUD prior to the end of the demonstration. *This authorization waives certain provisions of Section 8(p) of the 1937 Act and 24 C.F.R. 983.53-54 and 982 Subparts H and M as necessary to implement the Agency's Annual MTW Plan; and*
- g. The Agency is authorized to establish its own portability policies with other MTW and non-MTW housing authorities. *This authorization waives certain provisions of Section 8(r) of the 1937 Act and 24 C.F.R. 982 Subpart H as necessary to implement the Agency's Annual MTW Plan.*

2. Rent Policies and Term Limits

- a. The Agency is authorized to adopt and implement any reasonable policy to establish payment standards, rents or subsidy levels for tenant-based assistance that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. The Agency is authorized to adopt and implement any reasonable policies to calculate the tenant portion of the rent that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Sections 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 C.F.R. 982.508, 982.503 and 982.518, as necessary to implement the Agency's Annual MTW Plan;*

- b. The Agency is authorized to determine contract rents and increases and to determine the content of contract rental agreements that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Sections 8(o)(7) and 8(o)(13) of the 1937 Act and 24 C.F.R. 982.308, 982.451 and 983 Subpart E as necessary to implement the Agency's Annual MTW Plan;*
- c. The Agency is authorized to develop a local process to determine rent reasonableness that differs from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Section 8(o)(10) of the 1937 Act and 24 C.F.R. 982.507 as necessary to implement the Agency's Annual MTW Plan;* and
- d. The Agency is authorized to implement term limits for HCV units designated as part of the MTW demonstration. *This authorization waives certain provisions of Sections 8(o)(7) and 8(o)(13)(F)-(G) of the 1937 Act and 24 C.F.R. 982 Subpart L and 983 Subpart E as necessary to implement the Agency's Annual MTW Plan.*

3. Eligibility of Participants

- a. The Agency is authorized to determine income qualifications for participation in the rental assistance program that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations, as long as the requirements that i) at least 75 percent of those assisted under the demonstration are "very low-income" as defined in section 3(b)(2) of the 1937 Act, ii) substantially the same number of low-income persons are assisted under the demonstration as would be without the MTW authorizations contained herein, and iii) a comparable mix of families are assisted under the Agreement as would have been otherwise in Section I.C. of the MTW Agreement are met. *This authorization waives certain provisions of Sections 16(b) and 8(o)(4) of the 1937 Act and 24 C.F.R. 5.603, 5.609, 5.611, 5.628, and 982.201 as necessary to implement the Agency's Annual MTW Plan;* and
- b. The Agency is authorized to adopt and implement any reasonable policy for verifying family income and composition and for determining resident eligibility that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of 24 C.F.R. 982.516 and 982 Subpart E, as necessary to implement the Agency's Annual MTW Plan.*

4. Waiting List Policies

The Agency is authorized to determine waiting list procedures, tenant selection procedures and criteria and preferences, including authorizing vouchers for relocation of witnesses and victims of crime that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Sections 8(o)(6), 8(o)(13)(J) and 8(o)(16) of the 1937 Act*

and 24 C.F.R. 982 Subpart E, 982.305 and 983 Subpart F as necessary to implement the Agency's Annual MTW Plan.

5. Ability to Certify Housing Quality Standards

The Agency is authorized to certify that housing assisted under MTW will meet housing quality standards established or approved by HUD. The certification form will be approved or provided by HUD. *This authorization waives certain provisions of Section 8(o)(8) of the 1937 Act and 24 C.F.R. 982, Subpart I as necessary to implement the Agency's Annual MTW Plan.*

6. Local Process to Determine Eligibility

The Agency is authorized to adopt a local process for determining whether units meet certain eligibility requirements, provided such requirements are part of the 1937 Act. *This authorization waives certain provisions of Section 8(o)(13) of the 1937 Act and 24 C.F.R. 983 Subpart D as necessary to implement the Agency's Annual MTW Plan.* This includes, but is not limited to, the following:

- a. The minimum expenditure requirement and the timing of rehabilitation and construction of units.
- b. The type of funds that may be used to rehabilitate or construct units.
- c. Procedures to determine whether or not units meet the Agency's requirements regarding rehabilitation and construction, including what information is required to be submitted by owners to the Agency.

7. Establishment of an Agency MTW Section 8 Project-Based Program

The Agency is authorized to develop and adopt a reasonable policy and process for project-basing Section 8 tenant-based leased housing assistance, which includes the components set forth below:

- a. The Agency is authorized to project-base Section 8 assistance at properties owned directly or indirectly by the Agency that are not public housing, subject to HUD's requirements regarding subsidy layering. If the Agency chooses to project-base Section 8 assistance at such properties, the Agency recognizes and accepts that such units would no longer be eligible for operating subsidy provided under Section 9(e) of the 1937 Housing Act or for future capital funds provided under section 9(d) for those units if it chooses to use this authorization. Project-based assistance for such owned units does not need to be competitively bid, nor are the owned units subject to any required assessments for voluntary conversion. *This authorization waives certain provisions of Sections 8(o)(13)(B and D) of the 1937 Act and 24 C.F.R. 982.1, 982.102 and 24 C.F.R. Part 983 as necessary to implement the Agency's Annual MTW Plan;*
- b. The Agency is authorized to establish a reasonable competitive process or utilize an existing local competitive process for project-basing leased housing assistance at units that meet existing Housing Quality Standards, or any standards developed by the Agency pursuant to this MTW Agreement and approved by the Secretary, and that are owned by non-profit, or for-profit housing entities. *This authorization waives certain provisions of 24 C.F.R. 983.51 as necessary to implement the*

Agency's Annual MTW Plan;

- c. The Agency is authorized to duly adopt, according to the requirements of local law, alternate standards for determining the location of existing, newly constructed or substantially rehabilitated housing to receive subsidy; provided, however, *that in lieu of the Site Selection Standards currently set forth in 24 C.F.R. Section 983.57*, the agency will comply with the following requirements:
 - i. The Agency will comply with the Fair Housing Act and Title VI of the Civil Rights Act of 1964, and implementing regulations thereto, in determining the location of newly constructed or acquired public housing units.
 - ii. Units may be located in the agency's jurisdiction, including within, but not limited to, the following types of urban areas: (1) an area of revitalization that has been designated as such by the governing jurisdiction, including Redevelopment Areas and Enhanced Enterprise Communities, (2) an area where public housing units were previously constructed and were demolished, (3) a racially or economically impacted area where the agency plans to preserve existing affordable housing, (4) in connection with a HOPE VI or other HUD funded master planned development, (5) in areas where a needs analysis indicates that subsidized housing represents a low percentage of the total number of housing units in the area, or (6) relocating units to an area with a lower concentration of public housing units.
 - iii. Conduct a housing needs analysis indicating that there is a real need for the housing in the area; and
 - iv. When developing or substantially rehabilitating six or more Section 8 project-based units, the agency will: (1) advise current residents of the subject properties and representative community groups in the vicinity of the subject property by letter to resident organizations and by public meeting, of the agency's revitalization plan; and (2) certify to HUD in its Annual MTW Report that the comments from Residents and representative community groups have been considered in the revitalization plan. Documentation evidencing that the agency has met the stated requirements will be maintained at the housing authority and submitted to HUD in its Annual MTW Report.
- d. All units that receive project-based Section 8 assistance must meet either (i) existing HQS standards established by the Secretary or (ii) a local standard for communities receiving project-based Section 8 assistance developed by the Agency and approved by the Secretary pursuant to this MTW Agreement, as applicable. *This authorization waives certain provisions of Section 8(o)(8) of the 1937 Act and 24 C.F.R. 982 Subpart I as necessary to implement the Agency's Annual MTW Plan.*

8. Homeownership Program

- a. The Agency is authorized to establish reasonable Section 8 homeownership programs that are not limited by the existing Section 8 homeownership requirements. *This authorization waives certain provisions of Section 8(o)(15) and 8(y) of the 1937 Act and 24 C.F.R. 982.625 through 982.643 inclusive as necessary to implement the Agency's Annual MTW Plan; and*
- b. The Agency is authorized to permit current public housing residents who are on a merged waiting list to obtain a Section 8 homeownership voucher. *This authorization waives certain provisions of Sections 8(o)(15) and 8(y) of the 1937 Act and 24 C.F.R. 982.625 through 982.643 inclusive as necessary to implement the Agency's Annual MTW Plan.*

E. Authorizations Related to Family Self Sufficiency

The Agency is authorized to operate any of its existing self-sufficiency and training programs, including its Family Self-Sufficiency (FSS) Program and any successor programs exempt from certain HUD program requirements. These may include those requirements governing program size or participation, including whether to establish escrow accounts and other rent incentives and whether to establish mandatory self-sufficiency participation requirements. If the Agency receives dedicated funding for an FSS coordinator, such funds must be used to employ a self-sufficiency coordinator. In developing and operating such programs, the Agency is authorized to establish strategic relationships and partnerships with local private and public agencies and service providers to leverage expertise and funding. However, notwithstanding the above, any funds granted pursuant to a competition must be used in accordance with the NOFA and the approved application and work plan. *This authorization waives certain provisions of Section 23 of the 1937 Act and 24 C.F.R. 984 as necessary to implement the Agency's Annual MTW Plan.*

Draft Asset Management Notice

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U. S. Department of Housing and Urban Development Office of Public and Indian Housing

Special Attention of:
Directors, Public Housing Hub Offices;
Directors, Public Housing Program Centers;
Director, Office of Field Operations;
Moving to Work Public Housing Agencies;
Regional Directors;
State/Area Coordinators

NOTICE: PIH-2008-__ (HA)

Issued:

Expires:

Subject: Asset Management for Moving to Work (MTW) Agencies

1. Purpose

The Moving to Work (MTW) demonstration program was authorized under the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104-134, 110 Stat 1321), dated April 26, 1996. The demonstration offers public housing authorities (PHAs) the opportunity to design and test innovative, locally-designed housing and self-sufficiency strategies for low-income families by allowing exemptions from the United States Housing Act of 1937 and its implementing regulations.

On September 19, 2005, HUD issued regulations at 24 CFR 990 entitled "Revisions to the Public Housing Operating Fund Program," which requires public housing agencies (PHAs) of 250 or more units to implement asset management.

The purposed of this notice is to clarify the application of asset management to MTW agencies.

2. Application

HUD has recently collaborated with MTW agencies to develop a standard MTW Agreement, which would extend the MTW demonstration through the agency's 2018 fiscal year. The Standard Agreement was mailed to the MTW agencies on January 4, 2008, and MTW agencies have a choice as to whether or not they execute the agreement. Regardless of whether an MTW agency chooses to sign the Standard Agreement, this notice applies.

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3. Calculation of Operating Subsidy

The regulations at 24 CFR 990.165(f) state that PHAs participating in MTW “shall receive an operating subsidy as provided in Attachment A of their MTW Agreements executed prior to November 18, 2005.”

MTW agencies that had an executed MTW agreement prior to November 18, 2005 have two options for calculating their operating subsidies:

1. Agencies can retain the existing methodology as described in the agency’s Attachment A to the MTW Agreement. In this instance, HUD will work with the agency to establish a Per Unit Month (PUM) subsidy amount, since some of the previous formula elements (e.g. add-ins) referenced have not been retained by HUD.
2. If Attachment A does not describe a method for calculating Operating Fund subsidies, Operating Fund calculations will be in accordance with those set forth at 24 CFR 990.110 and applicable provisions of the regulation thereafter.

4. Fungibility

The Standard Agreement and several of the older MTW Agreements provide MTW agencies with the opportunity to combine funding awarded to it annually pursuant to Section 8(o), 9(d) and 9(e) of the 1937 Act into a single, authority-wide funding source. MTW agencies with authorized and approved funding fungibility may continue to use funds for authorized purposes between programs. If the MTW agency chooses to establish a Central Office Cost Center (COCC) as described in the regulation at 24 CFR 990.280, its funding is limited to the fees described therein. If it is necessary to pro-rate operating subsidy or any other HUD funding to agencies, MTW agencies will receive the same level of proration as all other housing agencies.

5. Project-Based Budgeting

While MTW agencies may have fungibility over the use of their funds, MTW agencies are still required to develop and maintain a system of budgeting and accounting for each project in a manner that allows for analysis of the actual revenues and expenses associated with each property. More information on project based budgeting and accounting can be found at <http://www.hud.gov/offices/pih/programs/ph/am/budgeting.cfm>.

6. Project-Based Accounting and Submission of Financial Data Schedule

All MTW agencies must submit a year-end FDS in the same timeframes as non-MTW agencies. Similarly, all MTW agencies must comply with the same accounting requirements, including fee-for-service or allocated-overhead. For more information, see <http://www.hud.gov/offices/pih/programs/ph/am/accounting.cfm>.

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7. MTW Agencies Can Choose Between Fee-for-Service and Cost Allocation

All MTW agencies, including those operating under the Standard Agreement, now have a choice. They can either adhere to the fee-for-service system established in 24 CFR 990 to fund the COCC, or they can instead elect to maintain an allocated overhead structure to fund their central costs. Moreover, since MTW agencies have complete fungibility between sections 8 and 9, they would not be restricted on the source of funds for their central office costs.

8. Requirements for MTW Agencies Utilizing the Cost Allocation Alternative

Section 226 of Consolidated Appropriations Act, 2008 (P.L. 110-161), states, “With respect to the use of amounts provided in this Act and in future Acts for the operation, capital improvement and management of public housing as authorized by sections 9(d) and 9(e) of the United States Housing Act of 1937 (42 U.S.C. 1437g(d) and (e)), the Secretary shall not impose any requirement or guideline relating to asset management that restricts or limits in any way the use of capital funds for central office costs pursuant to section 9(g)(1) or 9(g)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437g(g)(1), (2)): Provided, however, that a public housing agency may not use capital funds authorized under section 9(d) for activities that are eligible under section 9(e) for assistance with amounts from the operating fund in excess of the amounts permitted under section 9(g)(1) or 9(g)(2).”

Section 9(g) of the United States Housing Act of 1937 permits housing authorities to spend 20 percent of the Capital Fund Program grant to operate public housing (100 percent for housing authorities with fewer than 250 units). Effectively, these funds are “transferred” to the Operating Fund Program, or operations. Under 24 CFR 990, Subpart H, a housing authority can transfer Capital Fund Program grant funds to operations to pay for direct project costs such as maintenance or resident services, but not to enable the COCC to charge a management fee higher than otherwise allowed. Section 226 of the Consolidated Appropriations Act, 2008, now prohibits HUD from limiting a housing authority from using Capital Fund Program grant amounts to pay for public housing central office costs, within the 20 percent limit on operations (100 percent for housing authorities with fewer than 250 units; or Moving to Work agencies, since they have the ability to funge monies between sections 8 and 9 of the United States Housing Act of 1937).

If a housing authority elects to utilize Section 226, there is no way to impose the reasonable fee limitation that permits the fees to be considered “non-program” or “non-federal.” HUD has issued guidance on this matter in PIH Notice 2008-16. Housing authorities that utilize Section 226 must maintain overhead allocations to demonstrate reasonable costs.

While Section 226 restricts HUD’s ability to limit the amount of Capital Fund Program grant funds an MTW agency can use to pay for central office costs of the Public Housing Program, Section 226 cannot be read, however, to obviate the requirements under OMB Circular A-87 for costs to be reasonable and necessary.

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When an MTW agency complies with the established procedures for charging reasonable management fees (including the phased-in or transition fees), it satisfies the reasonable and necessary standards of A-87, which permits that fee income to be de-federalized. If an MTW agency chooses not to use the fee-for-service established in 24 CFR 990, the agency must maintain an overhead allocation system and can only charge actual costs, subject to the reasonable and necessary standards of A-87. MTW agencies have the ability to draw funds from the Capital, Operating and Housing Choice Voucher programs to meet these costs. However, in the actual costs approach, there would not be fee income that is de-federalized. For purposes of the year-end financial reporting, MTW agencies will use a new “Allocated Overhead” line item on the FDS and should not charge a management fee, bookkeeping fee or asset management fee.

MTW agencies that utilize Section 226 are further instructed that:

- A condition of using Capital Fund Program grants for operations is that the MTW agency includes this election in its MTW Annual Plan, which is submitted to HUD annually for approval.
- If an MTW agency utilizes Section 226, it may not collect other fees allowed under asset management, such as the fee for mixed-finance development, the Capital Fund Program management fee, and the voucher management fee.
- MTW agencies that have already drawn down a Capital Fund Management Fee under fee-for-service, and now wish to convert to an allocation method for overhead, will need to refund the fee advance and charge back actual costs.
- An MTW agency’s change from “fee-for-service” to “allocated-overhead” during a fiscal year may constitute a change in accounting principle and require special considerations, including a restatement of beginning net assets. It may also increase the risk of an auditor rendering other than an unqualified audit opinion. As such, PHAs should communicate with their auditor if planning to change from fee-for-service to allocated overhead within defined financial reporting periods.

MTW agencies that plan to utilize Section 226 immediately will report the allocated overhead to each project on a new FDS line item called “Allocated Overhead.” To ensure proper program monitoring, including Capital Fund Program grant drawdowns for administration, an MTW agency must notify HUD by email of its intent to use the cost-allocation method for overhead. The email address is:

REAC_OpSub@hud.gov

MTW agencies should also advise their MTW coordinator that they are utilizing the Section 226 allocated overhead approach.

9. Requirements for MTW Agencies Utilizing Fee-for-Service to Fund a Central Office Cost Center

Under 24 CFR 990, agencies fund the COCC with fees charged to the various programs operated by the agency. HUD has defined the fee structure for the public housing program as consisting of a management fee, bookkeeping fee and an asset management fee. PHAs can use

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fee schedules provided by HUD, or they can utilize local data to determine a reasonable management fee in accordance with the instructions contained in the Supplement to PIH Notice 2007-9¹. Any fees developed must be reasonable, and MTW agencies must develop and maintain supporting documentation for any such fees.

For the Capital Fund program, MTW agencies are limited to using 10 percent of the grant for administration for the COCC in accordance with the Supplement to PIH Notice 2007-9.² Capital Funds may continue to be used for public housing or Housing Choice Voucher (HCV) operational activities and management improvements as part of the block grant, but may not be used for operations or management improvements in the COCC.

The COCC may charge reasonable management and bookkeeping fees for the HCV program. If choosing the fee methodology, MTW agencies that receive HCV funding in accordance with standard HUD practices must calculate fees in accordance with the Supplement to PIH Notice 2007-9.³ For special purpose HCV units that are funded separately, the management and bookkeeping fees described in the Supplement to PIH Notice 2007-9 apply.

However, since most MTW agencies do not receive a separate Administrative Fee for the operation of the HCV program, they will need to use a different methodology to calculate the COCC fee charges for the HCV program. Several options are provided below:

- The MTW agency may charge \$12 per unit month (PUM) for a management fee and \$7.50 PUM for a bookkeeping fee for each unit funded under the MTW program.
- The MTW agency may charge \$12 per unit for a management fee and \$7.50 for a bookkeeping fee for each unit leased under the MTW program. For agencies with program designs that increase the number of vouchers leased over the number funded under MTW, this may be the most reasonable methodology.
- If an MTW agency is using HCV funding for capital improvements to public housing, 10 percent of the portion of the HCV funding use for capital improvements may be charged by the COCC. The remaining HCV funding may be charged management and bookkeeping fees as described above or through another documented reasonable method.
- If an MTW agency is using a portion of its HCV funding for supportive services programs in public housing and/or the HCV program, the COCC may charge a management fee of 10 percent or other documented reasonable amount on the portion of the funding that is being used for the supportive services programs.

Under no circumstances may an MTW agency's COCC charge more than one fee on the same funding. Therefore, if an MTW agency charges management and bookkeeping fees on HCV units that are funded under MTW and then determines that some of that funding will be

¹ Paragraph 7.4

² Paragraph 5.2

³ Paragraph 7.8

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used for capital improvements instead, the Agency may not charge the 10 percent capital fee in addition to the HCV management and bookkeeping fees already paid to the COCC.

10. Moving to Work Fee

MTW agencies are permitted to charge a reasonable MTW management fee to cover costs related to the operation of the MTW Demonstration Program. The MTW management fee must be reasonable and MTW agencies must document how they have calculated the MTW management fee. Some examples of the types of COCC activities that an MTW agency may undertake that are eligible for funding through an MTW management fee include:

- Developing separate MTW policies for families and/or retaining policies based on statute for elderly and disabled families;
- Conducting analysis of various modifications to the statutory rent/subsidy formula to determine what formula meets the needs of the agency;
- Conducting the annual impact analysis of the agency's rent/subsidy formula;
- Developing and analyzing metrics designed to measure the impact of MTW initiatives;
- Conducting specialized studies of agency MTW programs;
- Participating in HUD MTW site visits or in HUD evaluations of MTW initiatives;
- Preparing those portions of the Annual MTW Plan that are in addition to non-MTW PHA Plans; and
- Preparing the Annual MTW Report.

This list is not intended to be exhaustive. Since MTW agencies do not undertake every one of these activities on an annual basis, the MTW management fee may vary from year to year. MTW agencies charging the Operating Fund, Capital Fund and/or Housing Choice Voucher programs an MTW management fee must be able to document how the fee has been calculated and must ensure that the MTW management fee is reasonable.

HUD will review the MTW fee when receiving the Annual MTW Plans and Reports. If a project is at or below a safe harbor standard, no further review will be required by HUD. If a project is above a safe harbor standard, additional review by HUD will be necessary. In order to approve terms above the safe harbor, the housing authority must demonstrate to HUD in writing that the MTW fee is appropriate for the scope of work involved, any specific circumstances, and the local or national market for the services provided. HUD believes that a reasonable safe harbor for an MTW fee is \$2 PUM.

11. Other Fees

MTW agencies, like non-MTW agencies, are permitted to charge a management fee to other grants, programs and mixed finance developments. MTW agencies should follow the

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requirements of 24 CFR 990 and the Supplement to PIH Notice 2007-9 regarding calculation of these fees.⁴

12. Fungibility Between Projects – No Excess Cash Requirement

Since MTW agencies have full fungibility between the Operating Fund, Capital Fund and/or Housing Choice Voucher programs, they are deemed to have met the excess cash requirement as described in Section 6 of the Supplement to PIH Notice 2007-9. Consequently, MTW agencies have the ability to transfer funds from one project to another. Excess cash can be retained for future use, transferred to other projects, pay an asset management fee to the COCC; or use these funds for other HUD-approved eligible purposes, including:

- Financing costs for the modernization or development of new units (to the extent allowed under program rules);
- PHA-wide lawsuits and legal issues incurred prior to asset management that cannot be charged to specific AMPs or other programs with any degree of accuracy or fairness; and
- Accrued pension liabilities, retirement benefits liabilities and other “legacy costs” incurred prior to adoption of asset management.

Excess cash cannot be used to loan or transfer funds to the COCC except through asset management fees. Proceeds from asset disposals of a project – i.e., the sale of a project’s maintenance vehicle – are considered to be assets of the projects and not of the COCC. With HUD approval, certain proceeds may be transferred to the COCC but may still be governed by other restrictions.

13. Innovative Approach: King County Housing Authority

The King County Housing Authority (KCHA) has developed its own local funding model for Public Housing and Section 8 using its block grant authority. All Federal public housing and Section 8 funds that are included in the MTW “block grant” will be accounted for in an MTW ledger. KCHA prepares a budget for each program and each asset management project (AMP), prior to the start of each year. The KCHA determines, within its MTW block grant, the amount of subsidy to assign to each project. KCHA establishes a “residual-type” column that captures: (1) any MTW block grant funds that have not been assigned to a specific project/program, and (2) any direct costs of the MTW program; e.g., the MTW coordinator. At year-end, the KCHA provides financial statements for each of these projects/programs previously budgeted, including the “residual” account. The KCHA has full authority to determine the amount of subsidy to provide to each project annually. Further, the COCC charges fees to each project/program in accordance with current program rules.

14. Compliance with Asset Management, Budgeting, and Accounting

To assist in the compliance effort, in particular submissions of financial information, HUD is committed to working with the MTW agencies to ensure they can submit their financial

⁴ Paragraph 7-9

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information into the Financial Data Schedule (FDS). To that end, a new Catalog of Federal Domestic Assistance (CFDA) number is being obtained for the Moving to Work Demonstration, and proposed modifications to the FDS to accommodate MTW agencies are being considered.

All MTW agencies, unless otherwise specified in the regulations or appropriations language, must comply with the timeframes for implementation of requirements of 24 CFR 990 and the Supplement to PIH Notice 2007-9 regarding implementation of asset management, budgeting and accounting. Project-based budgeting and accounting must be implemented in accordance with the following schedule:⁵

PHA Fiscal Year End	Implementation of Project Based Budgeting and Accounting
June 2007	Beginning 7/1/2007
September 2007	Beginning 10/1/2007
December 2007	Beginning 1/1/2008
March 2008	Beginning 4/1/2008

MTW agencies must be in compliance with the remainder of the components of asset management by FY 2011. MTW agencies will be subject to the demonstration of compliance with asset management as described in 24 CFR 990.290.

⁵ Paragraph 1.4

PIC Reporting Slide Presentation



Moving To Work

Pending Changes to MTW Submodule
&
Reports

May MTW System Changes

- **MTW – Data Collection – HAs not be able to upload the file under a different HA.**
- **MTW – Data Collection – Issue with MTW uploads for unit status “Exception”.**
- **MTW – Data Collection – Issue with MTW XML error report.**
- **Development – Unit Status – Modify the business logic for “Vacant or Otherwise Occupied” unit status.**



FYI of MAY System Changes

- FO receive an email notification Bldg & Unit data is submitted
- Auto Geocoding Process – includes MTW addresses for low rent
- SSN first fails SSA validation, warning, not flagged until 'X' months
- Tenant ID Mgt Reports to include PHAs contact information
- Error messages returned by PIC only contain a field number and at times, rather cryptic error message – for 50058

SEPT (Potential) - MTW Related

- Search by household member name
- Requirement for tracking Tax Credit Units
- Tenant ID Management to include SSA validation for MTW tenants
- FYI for MTW
 - Suspected IMS data error tracking - REAC inspectors/FO staff mark
 - Require users to be recertified annually



Potential February 2009

- Overlapping Portability between 50058 to MTW



MTW Adhoc Report

- Form 50058 Adhoc Report
- MTW Adhoc Report
- HA Query Report

MTW Adhoc Report

MTW Adhoc Report

Select View:	Field Office HA
HQ Division:	Public and Indian Housing
HQ Office:	PO Field Operations
Hub:	ICHSEA/Seattle Hub
Field Office:	CAPH SEATTLE HUB OFFICE
Housing Authority:	AK001 AHFC

Select Program Type:

- All Voucher Funded Assistance
- Homeownership Voucher
- Public Housing
- Project-based Voucher
- Tenant-based Voucher

HA Query Report

- Form 50058 Adm Report
- MTW Adhoc Report
- HA Query Report

Enter SSN Numbers:

Enter up to 14 SSNs
Separate each SSN by a ",".

Retrieve

HA Report

☐ Housing Authority
☒ Development
☐ Inventory Removals

Occupancy Report	Comments	Reports	Trans. to New Dev Nos
Housing Authority List	H-UD Staff	H-A Contacts	Temporary Office
H-A History			

<input type="checkbox"/> Occupancy Report <input checked="" type="checkbox"/> Comments <input checked="" type="checkbox"/> Reports <input type="checkbox"/> Trans. to New Dev Nos	<input type="checkbox"/> Housing Authority <input checked="" type="checkbox"/> H-UD Staff <input type="checkbox"/> H-A Contacts <input type="checkbox"/> Temporary Office <input type="checkbox"/> H-A History	HA Report Select View: HQ Division: HQ Office: Hub: Field Office: Housing Authority: Housing Authority Address Address Type: Address Line 1: Address Line 2: City: County: State: ZIP Code: Housing Authority Capital Fund Data Verification Contact Contact Name: Title: Salutation: Phone Number: Fax Number: E-Mail Address:	HA Summary Field Office HA: Public and Indian Housing PO Field Operations CHSEA Seattle Hub CAPH SEATTLE HUB OFFICE WASH Seattle Housing Authority	HA Contact List	HA Profile
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* Indicates that the contact is inactive.

HA Summary Report

Occupancy Report Comments Reports Trans. to New Dev Nos															
Housing Authority	HUD Split HA Contacts Temporary Office HA History														
HA Report	HA Summary														
HA Contact List HA Profile															
Select View:	Field Office HA														
HQ Division:	Public and Indian Housing														
HQ Office:	PIO Field Operations														
Hub:	IOHSEA Seattle Hub														
Field Office:	IOHSEA SEATTLE HUB OFFICE														
Housing Authority:	WAC001 Seattle Housing Authority														
HA Summary Report as of Wednesday, April 23, 2008															
<table border="1"> <thead> <tr> <th>Dwelling Structures</th> <th>Non-Dwelling Structures</th> <th>Scattered Sites</th> <th>Non-Scattered Sites</th> <th>Total Number of Developments</th> </tr> </thead> <tbody> <tr> <td>2246</td> <td>0</td> <td>25</td> <td>109</td> <td>1280</td> </tr> </tbody> </table>		Dwelling Structures	Non-Dwelling Structures	Scattered Sites	Non-Scattered Sites	Total Number of Developments	2246	0	25	109	1280				
Dwelling Structures	Non-Dwelling Structures	Scattered Sites	Non-Scattered Sites	Total Number of Developments											
2246	0	25	109	1280											
<table border="1"> <thead> <tr> <th>Low Income Rental</th> <th>Low Income/ Fair Market Rent</th> <th>Section 23 Bond Financed</th> <th>Section 23 Leased</th> <th>Turnkey III</th> </tr> </thead> <tbody> <tr> <td>125</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table>		Low Income Rental	Low Income/ Fair Market Rent	Section 23 Bond Financed	Section 23 Leased	Turnkey III	125	0	0	0	0				
Low Income Rental	Low Income/ Fair Market Rent	Section 23 Bond Financed	Section 23 Leased	Turnkey III											
125	0	0	0	0											
<table border="1"> <thead> <tr> <th>Acquisition w/out rehabilitation</th> <th>MROP</th> <th>New Construction</th> <th>New Construction - Turnkey</th> <th>New Construction - Conventional</th> <th>Rehabilitation - Conventional</th> <th>Rehabilitation - Turnkey</th> </tr> </thead> <tbody> <tr> <td>25</td> <td>0</td> <td>1</td> <td>53</td> <td>44</td> <td>0</td> <td>0</td> </tr> </tbody> </table>		Acquisition w/out rehabilitation	MROP	New Construction	New Construction - Turnkey	New Construction - Conventional	Rehabilitation - Conventional	Rehabilitation - Turnkey	25	0	1	53	44	0	0
Acquisition w/out rehabilitation	MROP	New Construction	New Construction - Turnkey	New Construction - Conventional	Rehabilitation - Conventional	Rehabilitation - Turnkey									
25	0	1	53	44	0	0									

HA Summary - 2

Unit Type

Elevator Structure	Mixed Type	Row or Townhouse Style	Semi Detached	Single Family/ Detached	Walkup/ Multifamily Apartment
59	24	16	5	12	6

Current Unit Distribution

Handicapped Units:	0
Employee Units:	0
Non-Dwelling Units:	323

Actual Demolition

Unit Designation:	0 Bedrooms	1 Bedroom	2 Bedrooms	3 Bedrooms	4+ Bedrooms	Total:
Family Unit	306	581	585	1154	601	3257
Not Applicable	0	0	585	279	581	1445

Actual Disposition

Unit Designation:	0 Bedrooms	1 Bedroom	2 Bedrooms	3 Bedrooms	4+ Bedrooms	Total:
Elderly Unit	21	21	21	0	0	63
Family Unit	0	21	27	28	27	103
Not Applicable	21	21	21	27	0	90

HA Summary - 3

Actual HOPE VI Revitalization

Unit Designation:	0 Bedrooms	1 Bedroom	2 Bedrooms	3 Bedrooms	4+ Bedrooms	Total:
Family Unit	0	494	494	494	237	1719
Not Applicable	0	257	494	494	237	1482

Proposed Demolition

Unit Designation:	0 Bedrooms	1 Bedroom	2 Bedrooms	3 Bedrooms	4+ Bedrooms	Total:
Family Unit	306	551	555	1034	601	3247
Not Applicable	0	0	555	279	551	1445

Proposed Disposition

Unit Designation:	0 Bedrooms	1 Bedroom	2 Bedrooms	3 Bedrooms	4+ Bedrooms	Total:
Elderly Unit	21	21	21	0	0	63
Family Unit	0	21	27	47	27	122
Not Applicable	21	21	21	27	0	90

Proposed HOPE VI Revitalization

Unit Designation:	0 Bedrooms	1 Bedroom	2 Bedrooms	3 Bedrooms	4+ Bedrooms	Total:
Family Unit	0	963	963	963	472	3361
Not Applicable	0	496	963	963	472	2994

HA Contact List Report

Occupancy Report Comments **Reports** Trans. to New Dev Nos

Housing Authority HUD Staff **HA Contacts** Temporary Office HA History

HA Report **HA Summary** **HA Contact List** **HA Profile**

Select View: Field Office HA

HQ Division: Public and Indian Housing

HQ Office: PO Field Operations

Hub: TCHSEA Seattle Hub

Field Office: OAPH SEATTLE HUB OFFICE

Housing Authority: WACOM Seattle Housing Authority

Housing Contact Report Filters

Role: All Roles

Last Name:

First Name:

Contact Status: All

By Field Office

Generate Report

HA Profile Report

Housing Authority	Occupancy Report	Comments	Reports	Trans. to New Dev Nos
HUD Staff	HA Contacts	Temporary Office	HA History	
HA Report		HA Summary		HA Contact List
				HA Profile

Select View:	Field Office HA
HQ Division:	Public and Indian Housing
HQ Office:	PO Field Operations
Hub:	10HSEA Seattle Hub
Field Office:	CAPH SEATTLE HUB OFFICE
Housing Authority:	WACOM Seattle Housing Authority

Housing Profile Report Filters

Category Selection:	Details	Address	Inventory	Performance	Funding
	Select All				

[Generate Report](#)

A 3D coordinate system with three axes: a vertical z-axis, a horizontal x-axis pointing to the right, and a y-axis pointing into the page. The axes are represented by lines with arrows at their ends. The x-axis is labeled 'x', the y-axis is labeled 'y', and the z-axis is labeled 'z'. The origin is the point where the three axes intersect.

- Data Collection
- Viewer
- Reports

Data Upload		Upload Data	Online Data Entry
Select View:	Field Office HQ		
HQ Division:	Public and Indian Housing		
HQ Office:	FO Field Operations		
Hub:	ICHSER Seattle Hub		
Field Office:	OARH SEATTLE HUB OFFICE		
Housing Authority:	CARC+ Seattle Housing Authority		

NW Filter

Ticket No.	Upload Date	File Type	All
File Name	Status	All	

Search

Ticket List Results

Tickets 1 to 50 of 894

Page No. 1 of 18

Page 1 2 3 4 5 6 7 8 9 10 Next > »

Ticket Number ▲ ▼	File Name ▲ ▼	File Type ▲ ▼	Upload Date Time ▲ ▼	User Id ▲ ▼	Status ▲ ▼
6336000000	ntr_0-2008_09des0002.csv	csv	04-22-2008	NW5549	Complete

HA Search Capability

MTW Viewer

Search

Rent

P&S

Search

Select View: Field Office HA
HQ Division: Public and Indian Housing
HQ Office: FO Field Operations
Hub: 10HSEA Seattle Hub
Field Office: OAPH SEATTLE HUB OFFICE
Housing Authority: WA001 Seattle Housing Authority

Housing Authority Search Filter

Historical Database

Current Database

SSN:

First Name:

Last Name:

Search

Reporting Rate Report

MTW Reports

MTW Delinquency Report

As of March 31, 2008

PHA Code: WA001

PHA Name: Seattle Housing Authority

Field Office Code: OAPH

Field Office Name: WASHINGTON STATE OFFICE

PHA FYE: 12 31

Effective Dates Included: December 1, 2004 through March 31, 2008



Do not copy or paste from this report

Program Type	ACC Units	VMS Units Leased	As of MM/YY	Port-Outs	Port-Ins	50053s Required	50053s Received	Diff	Reporting Rate	Forms Received		
										Last Month	Last 3 Months	Last 6 Months
Voucher-Funded Assistance	0	5041	12 07	1001	55	4095	6950	2855	142.03	940	2029	4074
SRO	0	N/A	N/A	N/A	N/A	0	562	-562		52	190	455
Mod Rehab	0	N/A	N/A	N/A	N/A	0	576	-576		55	182	445
Public Housing	5775	N/A	N/A	N/A	N/A	4021	4610	209	95.66	111	645	1614



Contacts

■ REAC Technical Assistance Center:

- Call the TAC **Monday through Friday, 7:00am - 8:30pm EST**
 - be ready to share:
 - your ID number
 - PHA Code
 - FYE
 - error message and
 - any other specific information needed to answer your inquiry
- **Phone: 1-888-245-4860**
- email at REAC_TAC@hud.gov
- <http://www.hud.gov/offices/reac/support/tac.cfm>

■ Lloyd Darasaw — Lloyd.C.Darasaw@HUD.GOV

■ Dudley Ives — Dudley.Ives@HUD.GOV

PIC Reporting Frequently Asked Questions

**Moving to Work (MTW)
Frequently Asked Questions (FAQs)**

MTW Viewer FAQs

MTW Data Collection FAQs

MTW Viewer FAQs - IMS-PIC

How can I find a head of household?

There is an HA Query Report in the Ad Hoc module that will search all 50058 and MTW heads of household for a match and will display the HA Code, Action Type, and Effective Date for the HOH.

How can I find a member of a household?

There is no way to search directly for a household member. If a member of one of your households is also in the system somewhere else, the Possible Dupe Tenant Report in Tenant ID Management will display both instances of the individual. Alternatively, you can request help from the REAC_TAC to find the individual and the request will be passed to a contractor to generate the data for you.

How can I find someone at another PHA?

If the individual is a Head of Household (HOH), you can use the HA Query Report that will search all 50058 and MTW heads of household for a match and will display the HA Code, Action Type, and Effective Date for the HOH. The HA Query Report is located in the Ad Hoc Reports module.

How can I show all my forms for a time period?

Use the MTW Ad Hoc Report in the Ad Hoc Reports module. Currently, MTW does not have a Transaction Report for MTW agencies.

What is an online EOP?

"EOP" refers to End of Participation, when a tenant moves out. Generally, an EOP is created in the MTW HA software and uploaded to IMS-PIC. If this is not or cannot be done for some reason, IMS-PIC offers an option in the Viewer Search results to authorized users to generate an MTW EOP from within IMS-PIC.

Can I do an online EOP in MTW Viewer?

Yes. If you have the proper access, when searching in the Viewer, the Search Results screen will display a column on the right for all active tenants called "Online EOP". Click the link there and a window pops open displaying the tenant, last action, and effective date for the tenant, and permits the change of the effective date to the online EOP date. Click Save to implement the EOP or click Close to back out without taking action.

Can I view a complete form in MTW Viewer?

Not at this time. You can view each section of the form separately in the MTW Viewer and print it if needed.

MTW Frequently Asked Questions

Where is the MTW Transaction Report?

At this time, MTW Transaction Report does not exist. The next nearest thing would be the MTW Ad Hoc Report in the Ad Hoc reports module.

Where is the MTW HA Query Report?

The MTW HA Query is built into the new combined HA Query Report located in the Ad Hoc Reports module. It searches all Head of Household current tenant data for both Form 50058 and MTW simultaneously.

Where do I find the list of household members?

The list is found in the Viewer. If you search in Viewer and find the household, click the HOH SSN then click the Members tab. It will list all of the household members.

Where do I find the unit address?

In Public Housing, the unit physical address comes from the Development submodule. In Vouchers, the unit physical address is in field 5a of the MTW Form. In either case, the address is displayed in MTW Viewer in the Unit to be Occupied subtab under the Household tab.

Where do I find the income(s)?

In the MTW Viewer, once your Search finds the tenant's name, click on the SSN. There are multiple views of the same household's data. Click the Members tab and the Income subtab to display the income for each household member.

Where do I find the TTP?

There is no TTP in the MTW data.

What are "Overlapping Dates"?

Overlapping dates are IMS-PIC shorthand for the situation where Tenant X is listed in IMS-PIC at HA Number 1 and HA Number 2 submits a New Admission record (action type 1) or Portability Move-in record (action type 4) for Tenant X.

How do overlapping dates work in MTW?

If Tenant X moves from HA Number 1's voucher program to HA Number 2's voucher program and HA Number 1 does not submit a Portability Move-out record (action type 5), IMS-PIC will automatically generate a Portability Move-out record for Tenant X at HA Number 1 on the first day of the next month, retroactive to the day before the Portability-Move in effective date at HA Number 2.

MTW Frequently Asked Questions

Note: At this time, PIC-IMS does not support overlapping dates when one of the HAs involved reports to the Form 50508 module and the other reports to the MTW module. In addition, while the Form 50058 module handles overlapping dates that occur when a tenant changes HAs and: 1) moves from the voucher program to public housing; 2) moves from public housing to the voucher program; 3) remains in public housing; or 4) remains in the voucher program, the MTW module only supports overlapping dates when a tenant changes HAs and remains in the voucher program.

Where is the MTW Overlapping Dates Report?

Overlapping Dates Report does not exist in MTW at this time.

Where is the MTW Portability Billing Report?

Portability Billing Report does not exist in MTW at this time.

Why can't I see the whole SSN and name?

Most users will only see the First Initial, Last Name, month and year of birth, and last four digits of the SSN. This is a Privacy Act protection requirements. Certain users at each agency, who have a valid business need to see the full SSNs and names, may be assigned "Special System Privileges" in Security Administration. This removes all data blocking of names, birth dates, and SSNs in all screens for these individual users. The default value is No Special System Privileges for all users.

MTW Data Collection FAQs - IMS-PIC

How is MTW different from Form 50058?

MTW agencies do not submit as much data for each household as Form 50058 agencies. The MTW format is simplified and excludes all rent calculation data because MTW agencies are testing alternatives, more efficient ways of establishing rents, and subsidies.

What format(s) can I use to upload MTW data?

MTW offers three ways to input tenant data into IMS-PIC. Users can download a standard 2-tabbed spreadsheet (one tab household data, one tab member data). They can also submit pipe-delimited "*.csv" files for each tab. MTW also offers an on-screen data entry option.

Where can I find the upload formats?

The upload formats can be downloaded from the MTW Data Collection submodule, Data Upload tab, Upload Data subtab. Choose one of the two formats and it will download to your computer. The "*.csv" option is intended for the more IT-knowledgeable users.

Why is there a separate upload for MTW?

MTW is an opportunity for about 25 PHAs to individually experiment with advanced prototypical ideas for running an agency more efficiently. Therefore, many of the standard HUD regulations and procedures do not apply; and PIH needed a simplified tenant data format that is flexible enough for each of the MTW agencies to use for their different situations.

Can any PHA use the MTW format?

No, only agencies that have signed an MTW agreement with HUD may use.

How often do I need to upload MTW data?

The upload frequency, accuracy, and reporting rate generally apply to MTW agencies just as they do other agencies. To meet the reporting requirement, MTW data need to be uploaded timely to meet the reporting rate percentage.

How often can I upload?

You can upload multiple times each day. Each upload will receive a different upload ticket number and a separate error report.

MTW Frequently Asked Questions

What is a fatal error? And What is a warning error?

IMS-PIC MTW Form recognizes two types of errors.

A "fatal" error is the kind of error that is so serious that it stops processing of the submission for that household.

A "warning" error does not stop processing of the household and is considered to be a "heads up" to the user to ensure that the value submitted is correct.

Example: Head of household date of birth indicates she is 109 years old. Possible but not likely so it gets a warning error. It is processed but if the user checks and finds that the year of birth was reversed "1988" to "1898"(which would account for the 109 years instead of the correct 19 years), the user should submit a correction to the tenant date of birth.

Do I have to correct warning errors?

Warning errors are processed normally by IMS-PIC MTW Form. The warning is calling the user's attention to an unusual value that may be incorrect. If it is incorrect, it should be corrected.

Are there any errors I don't need to correct?

All fatal errors must be corrected because the form with the fatal error was not processed. Exceptions to the correction requirement are situations where the IMS-PIC data already is saying what the MTW Form is trying to make it say, For example: Required household record for End of Participation could not be found. The user was trying to do an EOP but the tenant has already moved out in IMS-PIC so no further action is required. These generally occur when there are duplicate submissions (forms submitted more than once).

What if the other PHA won't void an error?

This is a difficult situation. Ask for help. We recommend you involve the HUD Field Office Director and the other Executive Director involved in clearing up the matter.

How do I correct an error?

To correct a "current" record, submits a MTW Form with the same effective date, field 2c = "Y" and field 2d indicating which type of correction is being made and replace the incorrect information with the correct information. This will only work for the "current" record. This cannot be used to correct the HOH's (head of household's) SSN or Alternate ID number. The HOH SSN or AID can be corrected in one of two ways:

1. If it is the first report for the HOH, the user can VOID and resubmit a corrected MTW Form; or
2. When the HOH appears in the Invalid Tenant ID Report, change all instances of the incorrect SSN or AID using the Tenant ID Management tool.

MTW Frequently Asked Questions

Do MTW Form errors count against our PHA?

MTW errors do not count against your agency per se but fatal errors, which mean that a household has not been reported, can count against your agency's reporting rate and data accuracy.

How quickly do I need to correct errors?

There is no required timing but the sooner the better because you do not want subsequent uploads to further confuse the situation before you make the corrections for the previous upload. In addition, since IMS-PIC must receive things in chronological order for a household, nothing else should be processed with a later effective date for the household until the present record is corrected and successfully submitted.

What are fields that are solely for PHA-use in Form 50058?

There are five fields in the MTW Form that are free for each HA to use as it pleases. Fields 2q through 2u are fields that may be used by HAs to upload any information and they are available for download using the Adhoc Reporting. The fields are of varying sizes. HAs may use them in any way that supports or enhances their business process. The field sizes are defined in the Technical Reference Guide.

Where can I find the technical details?

The MTW Technical Reference Guide (TRG) can be downloaded from the **MTW TRG page**, located at <http://www.hud.gov/offices/pih/systems/pic/mtw/trg.cfm>

Why isn't there an MTW Instruction Book?

Because the MTW form only applies to a few PHAs, it was not practical to prepare a separate instruction book. The Form 50058 instruction book is a useful resource for understanding the common fields in the MTW Form.

Can I move a non-MTW tenant to MTW?

If you mean within your own organization, generally MTW agencies are all-MTW. If you mean from another non-MTW agency to your MTW agency, yes but the other agency must process an EOP before you can admit them.

Can I move a non-MTW tenant to MTW?

If you are an MTW agency, all of your tenants should already be either converted or cleared from 50058 to MTW. If you are porting someone in from a 50058 agency, the other agency must first process the port out. If you are admitting a tenant to public housing, the other agency must do an EOP. The "overlapping date" functionality (automatic EOP and Port Out) does not work between 50058 and MTW agencies.

MTW Frequently Asked Questions

Can I cancel an MTW submission?

No, once it has been uploaded, you must wait until it has been processed. At that point, you may submit a VOID for any or all of the data you uploaded.

Where is special purpose vouchers reported?

Special purpose vouchers (and mod rehab households) are reported to the Form-50058 module.

How do you verify if the system needs to convert the old development numbers or not?

If MTW users are submitting old development numbers, the program type needs to be submitted as |P| (the program type is submitted as |P |. you can remove the space following P and submit it as |P|). This is a workaround for the time being – system will be modified to handle |P | as well. If you are submitting new development numbers, they can submit it as |P| or |P |.

PIC Record Removal and Initial Entry Guidance

**Guidance for Moving to Work Sites on
Removing Records from the Form 50058 Module
and Initially Populating the MTW Module**

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
Office of Public Housing and Voucher Programs

Revision 1 – April 2006
(Originally issued in February 2006)

Instructions

This document is for MTW sites that will report to the Public and Indian Housing Information Center (PIC) MTW module. This document does not apply to MTW sites that will continue to report to the regular PIC Form 50058 module.

Records in the regular Form 50058 module for households that will be reported to the MTW module first must be removed from the Form 50058 module. MTW sites remove records from the Form 50058 module through the submission of End of Participation records. The MTW site can either request PIH to submit the End of Participation records through the Record Removal Process (RRP) or the MTW site can submit the End of Participation records itself.

The process to remove records and begin transmitting data to the MTW module involves two steps. This document describes the options/approaches MTW sites have for how to complete each step. MTW sites only need to complete Step 1 for their current MTW households with records in the regular Form 50058 module that they will be reporting on to the MTW module. Step 2 applies to all of the MTW site's current MTW households—the MTW households that have records in the Form 50058 module and the MTW households that do not have records in the Form 50058 module. Special purpose voucher households should not be removed from the Form 50058 module. MTW sites should continue reporting on these households to the Form 50058 module. Appendix A contains the template MTW sites will transmit to the MTW module. Appendix B provides guidance on reporting requirements for households exercising portability.

Step 1: Remove records from the Form 50058 module

MTW sites have four options for removing Form HUD-50058 records in the Form 50058 module for their MTW households:

- Option 1. Request PIH remove all records in Form 50058 database through the RRP
- Option 2. Request PIH remove select records in the Form 50058 database through the RRP by submitting a list of records to delete
- Option 3. Request PIH remove select records in Form 50058 database through the RRP by submitting a list of records to keep
- Option 4. PHA removes records in Form 50058 module through submission of Form HUD-50058 End of Participation records.

Step 2: Populate the MTW module

MTW sites have three approaches for how to populate the MTW module:

- Approach A. Create baseline record through the Record Transfer Process (RTP) and then submit current action type record
- Approach B. Generate own baseline record with historical data and then submit current action type record
- Approach C. Submit baseline record with current data. (No need to submit subsequent record at this time.)

MTW sites should review the four options to determine which one will work best given what records they currently have in the Form 50058 module and whether they want to remove old records in the Form 50058 themselves or with PIH's assistance through the RRP. MTW sites that choose to participate in the RRP (whether under Option 1, 2 or 3) and the RTP (Approach A) will also need to select Approach B or C to create baseline and current records for their MTW households that do not have records in the Form 50058 module.

PIH will coordinate with each MTW site to ensure that the proper records are removed from the Form 50058 module and transferred to the MTW module. If you need assistance with the RRP/RTP, or with initially populating the MTW module, please email **PIH_MTW_PIC-Reporting@hud.gov** or call Mrs. Jackie Woods-East at (202) 708-0614 x4301.

Option 1: Request PIH remove all records in Form 50058 database through the RRP

Step 1: Remove records from the Form 50058 module	Step 2: Populate the MTW module (three approaches)		
	Approach A: Create baseline record through the RTP and then submit current action type record	Approach B: Generate own baseline record with <u>historical</u> data and then submit current action type record	Approach C: Submit baseline record with <u>current</u> data. (No need to submit subsequent record at this time.)
<p>Submit request to PIH to remove <u>all</u> records in the Form 50058 module through the RRP.</p> <p><i>How PIH-IT populates the date fields*:</i> 2b=01/01/2006 2h= Not applicable. Line 2h is not transmitted in an End of Participation record.</p>	<p><u>Baseline record instructions:</u> Submit a list of SSNs to PIH to transfer from the Form 50058 module to the MTW module. PIH-IT will transfer each household's original baseline record in the Form 50058 module to the MTW module.</p> <p><i>How PIH-IT populates the date fields:</i> 2b= actual date (accessed from existing record in the Form 50058 module) 2h= actual date (accessed from existing record in the Form 50058 module)</p> <p><u>Current action type record instructions:</u> After PIH completes the RTP, transmit the current action type for the households to the MTW module with current data.</p> <p><i>How to complete the date fields:</i> 2b=current date 2h=actual date the household entered the program</p> <p><u>Deadline:</u> Complete submissions within 120 days after PIH-IT completes the RRP and RTP.</p>	<p><u>Baseline record instructions:</u> Transmit a baseline record (New Admission, Historical Adjustment or Portability Move-in**) with historical data for all MTW households that did not have a baseline record created through the RTP under Approach A, if applicable, including current MTW households that did not exist in the Form 50058 module.</p> <p><i>How to complete the date fields:</i> 2b=actual effective date of the historical data 2h=actual date the household entered the program</p> <p><u>Current action type record instructions:</u> After baseline record transmitted, transmit the current action type for all MTW households not addressed under Approach A, if applicable, to the MTW module with current data.</p> <p><i>How to complete the date fields:</i> 2b=current date 2h=actual date the household entered the program</p> <p><u>Deadline:</u> Complete submissions within 120 days after PIH-IT completes the RRP.</p>	<p><u>Baseline record instructions:</u> Transmits a baseline record (New Admission or Portability Move-in**) with current data for all current MTW households that did not have a baseline record created through the RTP under Approach A, if applicable, including current MTW households that do not exist in the Form 50058 module.</p> <p><i>How to complete the date fields:</i> 2b=current date 2h=actual date the household entered the program</p> <p><u>Current action type record instructions:</u> No subsequent record needed until the next action type occurs.</p> <p><u>Deadline:</u> Complete submissions within 120 days after PIH-IT completes the RRP.</p>

*From the Form HUD-50058, line 2b=Effective date of action and 2h=Date of admission to program.

**MTW site can only send a Portability Move-in record as a baseline if a Portability Move-out record exists for the household in the MTW or Form 50058 module.

Option 2: Request PIH remove select records in the Form 50058 database through the RRP by submitting a list of records to delete

Step 1: Remove records from the Form 50058 module	Step 2: Populate the MTW module (three approaches)		
	Approach A: Create baseline record through the RTP and then submit current action type record	Approach B: Generate own baseline record with <u>historical</u> data and then submit current action type record	Approach C: Submit baseline record with <u>current</u> data. (No need to submit subsequent record at this time.)
<p>Submit list to PIH of <u>select</u> records to <u>remove</u> in the Form 50058 module through the RRP.</p> <p><i>How PIH-IT populates the date fields*:</i> 2b= actual date household left program (for households no longer being served) and 01/01/2006 for current households. MTW site will provide this information to PIH-IT in an Excel spreadsheet. 2h= Not applicable. Line 2h is not transmitted in an End of Participation record.</p>	<p><u>Baseline record instructions:</u> Submit a list of SSNs to PIH to transfer from the Form 50058 module to the MTW module. PIH-IT will transfer each household's original baseline record in the Form 50058 module to the MTW module.</p> <p><i>How PIH-IT populates the date fields:</i> 2b= actual date (accessed from existing record in the Form 50058 module) 2h= actual date (accessed from existing record in the Form 50058 module)</p> <p><u>Current action type record instructions:</u> After PIH completes the RTP, transmit the current action type for the household to the MTW module with current data.</p> <p><i>How to complete the date fields:</i> 2b=current date 2h=actual date the household entered the program</p> <p><u>Deadline:</u> Complete submissions within 120 days after PIH-IT completes the RRP and RTP.</p>	<p><u>Baseline record instructions:</u> Transmit a baseline record (New Admission, Historical Adjustment or Portability Move-in**) with historical data for all MTW households that did not have a baseline record created through the RTP under Approach A, if applicable, including current MTW households that did not exist in the Form 50058 module.</p> <p><i>How to complete the date fields:</i> 2b=actual effective date of the historical data 2h=actual date the household entered the program</p> <p><u>Current action type record instructions:</u> After baseline record transmitted, transmit the current action type for all MTW households not addressed under Approach A, if applicable, to the MTW module with current data.</p> <p><i>How to complete the date fields:</i> 2b=current date 2h=actual date the household entered the program</p> <p><u>Deadline:</u> Complete submissions within 120 days after PIH-IT completes the RRP.</p>	<p><u>Baseline record instructions:</u> Transmits a baseline record (New Admission or Portability Move-in**) with current data for all current MTW households that did not have a baseline record created through the RTP under Approach A, if applicable, including current MTW households that do not exist in the Form 50058 module.</p> <p><i>How to complete the date fields:</i> 2b=current date 2h=actual date the household entered the program</p> <p><u>Current action type record instructions:</u> No subsequent record needed until the next action type occurs.</p> <p><u>Deadline:</u> Complete submissions within 120 days after PIH-IT completes the RRP.</p>

*From the Form HUD-50058, line 2b=Effective date of action and 2h=Date of admission to program.

**MTW site can only send a Portability Move-in record as a baseline if a Portability Move-out record exists for the household in the MTW or Form 50058 module.

Option 3: Request PIH remove select records in Form 50058 database through the RRP by submitting a list of records to keep

Step 1: Remove records from the Form 50058 module	Step 2: Populate the MTW module (three approaches)		
	Approach A: Create baseline record through the RTP and then submit current action type record	Approach B: Generate own baseline record with <u>historical</u> data and then submit current action type record	Approach C: Submit baseline record with <u>current</u> data. (No need to submit subsequent record at this time.)
<p>Submit list to PIH of <u>select</u> records to <u>keep</u> in the Form 50058 module; PIH-IT will use list to remove all other records in the Form 50058 module through the RRP.</p> <p>How PIH-IT populates the date fields*: 2b=01/01/2006 2h= Not applicable. Line 2h is not transmitted in an End of Participation record.</p>	<p><u>Baseline record instructions:</u> Submit a list of SSNs to PIH to transfer from the Form 50058 module to the MTW module. PIH-IT will transfer each household's original baseline record in the Form 50058 module to the MTW module.</p> <p>How PIH-IT populates the date fields: 2b= actual date (accessed from existing record in the Form 50058 module) 2h= actual date (accessed from existing record in the Form 50058 module)</p> <p><u>Current action type record instructions:</u> After PIH completes the RTP, transmit the current action type for the household to the MTW module with current data.</p> <p><i>How to complete the date fields:</i> 2b=current date 2h=actual date the household entered the program</p> <p><u>Deadline:</u> Complete submissions within 120 days after PIH-IT completes the RRP and RTP.</p>	<p><u>Baseline record instructions:</u> Transmit a baseline record (New Admission, Historical Adjustment or Portability Move-in**) with historical data for all MTW households that did not have a baseline record created through the RTP under Approach A, if applicable, including current MTW households that did not exist in the Form 50058 module.</p> <p><i>How to complete the date fields:</i> 2b=actual effective date of the historical data pulled from the MTW site's records 2h=actual date the household entered the program</p> <p><u>Current action type record instructions:</u> After baseline record transmitted, transmit the current action type for all MTW households not addressed under Approach A, if applicable, to the MTW module with current data.</p> <p><i>How to complete the date fields:</i> 2b=current date 2h=actual date the household entered the program</p> <p><u>Deadline:</u> Complete submissions within 120 days after PIH-IT completes the RRP.</p>	<p><u>Baseline record instructions:</u> Transmits a baseline record (New Admission or Portability Move-in**) with current data for all current MTW households that did not have a baseline record created through the RTP under Approach A, if applicable, including current MTW households that do not exist in the Form 50058 module.</p> <p><i>How to complete the date fields:</i> 2b=current date 2h=actual date the household entered the program</p> <p><u>Current action type record instructions:</u> No subsequent record needed until the next action type occurs.</p> <p><u>Deadline:</u> Complete submissions within 120 days after PIH-IT completes the RRP.</p>

*From the Form HUD-50058, line 2b=Effective date of action and 2h=Date of admission to program.

**MTW site can only send a Portability Move-in record as a baseline if a Portability Move-out record exists for the household in the MTW or Form 50058 module.

Option 4: PHA removes records in Form 50058 module through submission of Form HUD-50058 End of Participation records

Step 1: Remove records from the Form 50058 module	Step 2: Populate the MTW module (three approaches)		
	Approach A: Create baseline record through the RTP and then submit current action type record	Approach B: Generate own baseline record with <u>historical</u> data and then submit current action type record	Approach C: Submit baseline record with <u>current</u> data. (No need to submit current action type at this time.)
<p>Submit an End of Participation record through own software or through the PIC on-line End of Participation functionality.</p> <p><i>How to populate the date fields*:</i> 2b=01/01/2006 (Note: PIC will auto-populate this field for on-line EOP records.) 2h= Not applicable. Line 2h is not transmitted in an End of Participation record.</p>	N/A	<p><u>Baseline record instructions:</u> Transmit a baseline record (New Admission, Historical Adjustment or Portability Move-in**) with historical data for all MTW households, including current MTW households that did not exist in the Form 50058 module.</p> <p><i>How to complete the date fields:</i> 2b=actual effective date of the historical data 2h=actual date the household entered the program</p> <p><u>Current action type record instructions:</u> After baseline record transmitted, transmit the current action type for all MTW households to the MTW module with current data.</p> <p><i>How to complete the date fields:</i> 2b=current date 2h=actual date the household entered the program</p> <p><u>Deadline:</u> Complete submissions within 120 days after the date of the March 2006 PIC release.</p>	<p><u>Baseline record instructions:</u> Transmits a baseline record (New Admission or Portability Move-in**) with current data for all current MTW households, including current MTW households that did not exist in the Form 50058 module.</p> <p><i>How to complete the date fields:</i> 2b=current date 2h=actual date the household entered the program</p> <p><u>Current action type record instructions:</u> No subsequent record needed until the next action type occurs.</p> <p><u>Deadline:</u> Complete submissions within 120 days after the date of the March 2006 PIC release.</p>

*From the Form HUD-50058, line 2b=Effective date of action and 2h=Date of admission to program.

**MTW site can only send a Portability Move-in record as a baseline if a Portability Move-out record exists for the household in the MTW or Form 50058 module.

Appendix A: MTW Template

See the “Appendix A - MTW Template” file.

Appendix B: Guidance on Reporting Requirements for Households Exercising Portability

Portability Move-out Households

The following table provides instructions on when and how MTW sites should report on households that ported from their site.

Scenario	Reporting Requirements
MTW site never submitted <u>any</u> record to the regular Form 50058 module on the household that ported from its site.	No action is required. Do not submit any record to the regular Form 50058 module <u>or</u> the MTW module on this household.
MTW site previously submitted records on the household to the regular Form 50058 module (this can include records reported before it became an MTW site or before it implemented an alternative rent structure) <u>but</u> never submitted a Portability Move-out record for the household that ported from its site.	<p>Determine if the household has a record in the regular Form 50058 database through the Ad Hoc function, HA Query Report or Viewer submodule (all available through the regular Form 50058 module). If a record exists in the regular Form 50058 module, either:</p> <ol style="list-style-type: none"> 1. Submit a Portability Move-out record to the regular Form 50058 module; or 2. Follow Steps 1 and 2 (Approach A, B or C) of this document to remove the household from the regular Form 50058 module and transmit the household to the MTW module. <p>If the MTW site does not find a record for the household in the regular Form 50058 database, then no action is required. Do not submit any record to the regular Form 50058 module <u>or</u> the MTW module on this household.</p>
MTW site previously submitted a Portability Move-out record to the regular Form 50058 module for the household that ported from its site.	No action is required. Do not submit any record to the regular Form 50058 module <u>or</u> the MTW module on this household.

Portability Move-in Households

The following table provides instructions on how the MTW sites should report on households that ported into their site.

Scenario	Reporting Requirements
MTW site previously submitted a Portability Move-in record for the household in the regular Form 50058 module for the household that ported into its site.	Follow Steps 1 and 2 (Approach A, B or C) of this document to remove the household from the regular Form 50058 module and transmit the household to the MTW module.
MTW site never submitted a Portability Move-in record to the regular Form 50058 module for the household that ported into its site.	Follow Step 2 (Approach B or C) of this document to transmit the household to the MTW module.

Reporting Requirements Handout

PLAN ELEMENTS --
Proposed Changes to Attachment B of Standard MTW Agreement

May 12, 2008

Standard Agreement Language	Agency Comment	Proposed Language
	Finally, in recent years, we have included a broad range of activities in our MTW plan and report in an effort to help our different stakeholders understand the full array of major agency activities. Are we right in interpreting the new agreement to call for plans and reports that limit themselves to MTW activities?	
<u>Introduction</u>		
A. Table of Contents, which includes all the required elements of the Annual MTW Plan; and		
B. Overview of the Agency's MTW goals and objectives for the year, including new and ongoing MTW activities.		
II. General Housing Authority Operating Information		
Please provide the following:		
A. Housing Stock Information	· Number of Public Housing (PH) units planned;	
· Number of public housing units planned;	· Planned significant (> 30% of total capital program) expenditures by PH development;	
· General description of any planned significant capital expenditures by development;	· Description of new PH units to be added during the plan year by development (specifying bedroom size, type, accessible features, if applicable);	
· Description of any new public housing units to be added during the year by development (specifying bedroom size);	· Number of PH units to be removed from the inventory during the plan year by development, specifying the justification for removal;	
· Number of units to be removed from the inventory during the year by development specifying the justification for the removal;	· Number of MTW Housing Choice Vouchers (HCV) authorized;	
· Number of Housing Choice Vouchers (HCV) units authorized;	· Number of non-MTW Vouchers authorized;	

PLAN ELEMENTS --
Proposed Changes to Attachment B of Standard MTW Agreement

May 12, 2008

Standard Agreement Language	Agency Comment	Proposed Language
<ul style="list-style-type: none"> Number of HCV units to be project-based, including description of each separate project; 	<ul style="list-style-type: none"> Other housing managed by the Agency, including tax credit, state funded, market rate; 	
<ul style="list-style-type: none"> General description of other housing planned to be managed by the Agency, specifying location, number of units, and type of non-public housing/non-HCV assistance (to include tax credit, state funded, project based Section 8, and market rate); and 	Other properties owned or managed by the Agency using MTW funds or developed through an MTW initiative	
<ul style="list-style-type: none"> Description of other properties owned or managed by the Agency. 		
B. Lease Up Information	B. Leasing Information, planned – it is understood this information is estimated and may be subject to change during the plan year	
<ul style="list-style-type: none"> Anticipated number of public housing units planned to be leased; 	<ul style="list-style-type: none"> Anticipated PH leased in the plan year; 	
<ul style="list-style-type: none"> Anticipated number of HCV planned to be leased; and 	<ul style="list-style-type: none"> Anticipated HCV leased in the plan year 	
<ul style="list-style-type: none"> Description of anticipated issues relating to any potential difficulties in leasing units (HCV or public housing). 	<ul style="list-style-type: none"> Anticipated additions to project-based vouchers in the plan year 	
	<ul style="list-style-type: none"> Number of Project-based vouchers in-use at the start of the plan year; 	
	<ul style="list-style-type: none"> Description of any issues related to leasing of PH units or HCVs. 	
C. Waiting List Information		
<ul style="list-style-type: none"> Description of anticipated changes in waiting lists (site-based, community-wide, HCV, merged); 	<ul style="list-style-type: none"> Number and characteristics of households on the waiting lists (all housing types); 	
<ul style="list-style-type: none"> Description of anticipated changes in the number of families on the waiting list(s) and/or opening and closing of the waiting list(s); and 	<ul style="list-style-type: none"> Status of lists at the start of the plan year (open/closed) 	
Date the waiting list was last purged.	Type of list: site-based, community-wide, merged	
III. Long-term MTW Plan		

PLAN ELEMENTS --
Proposed Changes to Attachment B of Standard MTW Agreement

May 12, 2008

Standard Agreement Language	Agency Comment	Proposed Language
Describe the Agency's long-term vision for the direction of its MTW program, extending through the duration of the MTW Agreement.	recommend deleting this section	
	Could you help us understand the level of detail that is wanted here? Projecting out 10 years will be challenging, as one of the tenets of our planning is to support local needs and priorities, which shift with time.	
IV. Proposed MTW Activities: HUD approval requested (provide the listed items below grouped by each MTW activity)	Many of the requirements in this section are written so they don't repeat in after the first year unless there have been changes. We are wondering why B, F, and G aren't handled in a similar fashion	
A. Describe each proposed MTW activity;	A. Describe proposed activity	
B. Describe how each proposed activity relates to at least one of the three statutory objectives;	B. Identify and discuss the anticipated impact of the activity; described if this a one-year or multi-year activity;	
C. Identify and discuss the anticipated impact of each proposed MTW activity on the stated objective;	C. Describe baselines, proposed benchmarks, and metrics to assess outcomes, include schedules;	
D. Describe the baselines and proposed benchmarks and metrics that the Agency will use to measure the performance and progress of the MTW activities;	D. Describe if the use of any outsider evaluators is planned;	
E. Describe the data collection process and the proposed metrics the Agency will use to measure how this activity will achieve one or more of the MTW statutory objectives;	E. For Rent reform	
F. Cite the authorization(s) detailed in Attachment C or D of this Restated Agreement that give the Agency the flexibility to conduct the activity, and include the specific citation(s) of the Act or regulation as identified in Attachment C or D of this Restated Agreement that authorize the Agency to make the change; and	** Retain requirements from existing MTW agreements -	
G. Describe the hardship policy (for rent reform initiatives only).	<i>Agency's Board approves policy;</i>	

PLAN ELEMENTS --
Proposed Changes to Attachment B of Standard MTW Agreement

May 12, 2008

Standard Agreement Language	Agency Comment	Proposed Language
	· <i>Impact analysis;</i>	
	· <i>Annual reevaluation;</i>	
	· <i>Hardship case criteria;</i>	
	· <i>Transition period</i>	
	· <i>Public hearing held (may be same as the Annual Plan public hearing)</i>	
	Must address the above in the activity statement for Rent Reform.	
V. Ongoing MTW Activities: HUD approval previously granted (provide the listed items below grouped by each MTW activity)		
A. Describe each ongoing MTW activity applicable for the coming year;	A. List activities continued from the prior plan year(s); specify the Plan Year in which the activity was first identified and implemented;	
B. Describe how each ongoing activity relates to at least one of the three statutory objectives;	B. Provide an update on the status of the activity.	
C. Identify and discuss the anticipated impact of each ongoing MTW activity on the stated objective, if in the first year of completing this revised Plan; or any anticipated changes in the impact (as applicable), if in subsequent years;	C. For the plan year, indicate if the agency anticipates any changes, modifications, or additions to Attachment C authorizations.	
D. Describe the baselines and benchmarks that the Agency will use to measure the performance and progress of the MTW activities, if in the first year of completing this revised Plan; or any changes in benchmarks (as applicable), if in subsequent years;	D. Describe if the agency is using outside evaluators for any on-going activity	
E. Describe the data collection process and metrics the Agency will use to measure how this activity will achieve one or more of the MTW statutory objectives, if in the first year of completing this revised Plan; or any changes in data collection (as applicable), if in subsequent years;		

PLAN ELEMENTS --
Proposed Changes to Attachment B of Standard MTW Agreement

May 12, 2008

Standard Agreement Language	Agency Comment	Proposed Language
F. Cite the authorization(s) detailed in Attachment C or D of this Restated Agreement that give the Agency the flexibility to conduct the activity, and include the specific citation(s) of the Act or regulation as identified in Attachment C or D of this Restated Agreement that authorize the Agency to make the change; and	With respect to requirements related to statutory or regulatory cites, the following is agreed: <i>[This is new and not discussed at our meeting.]</i>	
Describe the hardship policy (for rent reform initiatives only).	<i>(1) Every effort will be made by the Agency to reference the complete and correct statute or regulation application to a particular initiative;</i>	
	<i>(2) However, failure to cite to the correct or entire statute or regulation will not be grounds for disapproval of such initiative in an Annual Plan nor will such failure invalidate the use of the MTW authority necessary to implement and support the initiative.</i>	
VI. Sources and Uses of Funding		
Provide Consolidated Budget Statement in the same format and level of detail as the unaudited financial statement;	A. List planned sources (Operating, Capital, HCV) and uses of MTW funds;	
B. Planned sources and expenditures by development;	B. List planned sources and uses of other HUD or other Federal Funds (excluding HOPE VI);	
	What does this mean? Is it down to the property (AMP) level? If so, it goes into the asset management reporting category, and we will want to discuss it as part of the May conference.	
C. Description of changes in sources and uses of MTW funding from previously-approved plan; and	C. List planned sources and uses of State or local funds;	

Standard Agreement Language	Agency Comment	Proposed Language
	C. We see the benefit of comparing actual to plan but we don't see the same benefits of plan-to-plan comparisons, particularly relative to the level of effort required to produce them.	
D. Description of how funding fungibility is planned to be used, if applicable.	D. If applicable, list planned sources and uses of the COCC;	
	E. List or describe use of single-fund flexibility, if applicable describe uses across traditional program lines or special circumstances in support of an MTW activity;	
	F. List reserve balances at beginning of the Plan year.	
	G. Optional – In plan appendix, provide planned sources and use by AMP.	
	H. Describe major capital needs, projects, estimated costs and timetables	
VII. Administrative		
The Agency will provide the following:		
A. Board Resolution adopting 50077-MTW, or equivalent form;		
B. Documentation that at least one public hearing was held, that the Plan was available for public comment for at least thirty (30) days, and documentation that the Agency took into consideration public and resident comment before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan;		
C. Description of any planned or ongoing Agency directed evaluations of the demonstration, if applicable;	C. Description of any overall planned or ongoing Agency-directed evaluations of the demonstration, if applicable.	
	C: To us, this appears to be double reporting to HUD as these different HUD oversight programs have their own reporting/redress structures and protocols.	

Standard Agreement Language	Agency Comment	Proposed Language
VIII. Reporting Compliance with Statutory MTW Requirements		
If the Agency has been out of compliance with any of the required statutory MTW requirements listed in Section II(C) of the Restated Agreement, as determined by HUD in its review of the previous fiscal year's Annual MTW Report, the Agency will provide a narrative discussion and a plan as to how it will return to compliance. If the Agency is currently in compliance, no discussion or reporting is necessary in this section.		

Standard Agreement Language	Agency Comment	Proposed Language
<u>Introduction</u>		
A. Table of Contents, which includes all the required elements of the Annual MTW Report; and		
B. Overview of the Agency's ongoing MTW goals and objectives.		
<u>II. General Housing Authority Operating Information</u>		
Please provide the following:		
A. Housing Stock Information		
Number of public housing units;	· Number of Public Housing (PH) units at the end of the plan year, discuss any changes greater than 10%;	
Number of Housing Choice Vouchers utilized;	· Number of HCVs in use at the end of the plan year, discuss any changes;	
General description of number and type of other housing managed by the Agency, specifying location, number of units and type of non-public housing/non-HCV assistance (to include tax credit, state funded, project based Section 8, and market rate); and		
Description of other properties owned or managed by the Agency.		
B. Lease Up Information	B. Leasing Information - Actual	
Number of public housing units leased;	· PH leased in the plan year;	
Number of HCV under lease; and	· HCV leased in the plan year	
Description of issues relating to any difficulties in leasing units (HCV or public housing).	· Description of any issues related to leasing of PH units or HCVs.	
	· Number of project-based vouchers committed or in use at the end of the plan year, described project where any new vouchers are placed (include only vouchers where Agency has issued a letter of commitment in the plan year)	
C. Waiting List Information		

· Description of waiting lists (site-based, community-wide, HCV, merged) and any changes that were made in the past fiscal year;	· Number and characteristics of households on the waiting lists (all housing types) at the end of the plan year;	
Number of families on the waiting list(s), both at the beginning of the fiscal year and at the end of the fiscal year, and if the list(s) are open or closed; and	Status of lists at the start of the plan year (open/closed) as of the end of the plan year	
Date the waiting list was last purged.		
<u>III. Long-term MTW Plan</u>		
Describe the Agency's long-term vision for the direction of its MTW program, extending through the duration of the MTW Agreement.	recommends deleting this section	
	Could you help us understand the level of detail that is wanted here? Projecting out 10 years will be challenging, as one of the tenets of our planning is to support local needs and priorities, which shift with time.	
<u>IV. Proposed MTW Activities: HUD approval requested (provide the listed items below grouped by each MTW activity)</u>		
(All proposed activities that are granted approval by HUD will be reported on in Section V as "ongoing activities.")	A. Describe any proposed activity not implemented during the plan year, include any revised schedule for the continuing the effort, suspension or deletion from Agency activities.	
	B. List the applicable Attachment C authorization(s) used for the MTW activity;	

	C. Provide reasonable detail related to the regulation or statute affected by the change, e.g. under rent reform note changes (if any) to the Part 5 definition of annual income. Describe why the section of regulation or statute impact	
V. Ongoing MTW Activities: HUD approval previously granted (provide the listed items below grouped by each MTW activity)	Many of the requirements in this section are written so they don't repeat in after the first year unless there have been changes. We are wondering why B, C, F, G, and H aren't handled in a similar fashion	
A. Describe any activities that were proposed in the Plan, approved by HUD, but not implemented, and discuss why these were not pursued;	A. List activities continued from the prior plan year(s); specify the Plan Year in which the activity was first identified and implemented;	
B. Describe each ongoing and completed (within the FY) MTW activity;	B. Provide detailed information on the impact of the activity and compare against the proposed benchmarks, and metrics to assess outcomes, including if activity is on schedule;	
C. Describe how each ongoing activity relates to at least one of the three statutory objectives;	C. Describe if benchmarks or metrics have been revised; identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases);	
D. Analyze the actual impact of each ongoing MTW activity on the stated objective;	D. Describe original data collection methodology and any revisions to the process or change in data collected;	
E. Evaluate the actual performance versus the target benchmark goals, the originally established baseline, and the previous year's performance;	E. Provide summary of results from any outside evaluators;	
F. If benchmarks were not achieved or if the activity was determined ineffective provide a narrative explanation of the challenges, and, if possible, identify potential new strategies that might be more effective;	F. Note any change in the Attachment C authorizations, if authorizations are different or amended from the proposed activity.	

G. Using the metrics proposed in the Plan, evaluate the effectiveness of the activity in achieving the statutory objectives it relates to; and	G. Describe why the change in the section of regulation or statute impact by the MTW authorization was necessary for the activity to achieve stated outcomes.	
Cite the specific provision(s) of the Act or regulation that is waived under MTW (as detailed in Attachment C or D of this Restated Agreement) that authorized the Agency to make the change, and briefly describe if and how the waived section of the Act or regulation was necessary to achieve the benchmark.	The webinar helped us to understand why you wanted the specific citations from the Act. In some cases, they are cited in Attachment C. Where they aren't, or where they aren't specific enough, do you still want us to track this down? Our concern, of course, is that this will add cost for housing authorities – at HAP we do not have internal legal counsel – and could be done more efficiently by HUD on behalf of all of us.	
	With respect to requirements related to statutory or regulatory cites, the following is agreed: <i>[This is new and not discussed at our meeting.]</i>	
	<i>(1) Every effort will be made by the Agency to reference the complete and correct statute or regulation application to a particular initiative;</i>	
	<i>(2) However, failure to cite to the correct or entire statute or regulation will not be grounds for disapproval of such initiative in an Annual Plan nor will such failure invalidate the use of the MTW authority necessary to implement and support the initiative.</i>	
VI. Sources and Uses of Funding		
A. Unaudited Financial Statement;		

B. Planned vs. actual financial information by development with a narrative discussion and explanation of the differences;	B. What does this mean? Is it down to the property (AMP) level? If so, it goes into the asset management reporting category, and we will want to discuss it as part of the May conference. The narrative discussion of the differences between planned vs. actual, depending on the level of detail required, could represent a significant additional effort for us.	
C. Planned vs. actual for all capital activities presented in the Annual MTW Plan with a narrative discussion and explanation of differences;	B. List planned vs actual sources and uses of other HUD or other Federal Funds (excluding HOPE VI);	
D. Explanation of how funding fungibility was used and narrative explanation of the difference, if applicable.	C. List planned vs actual sources and uses of State or local funds;	
	D. If applicable, list planned vs actual sources and uses of the COCC;	
	E. List or describe planned vs actual use of single-fund flexibility;	
	F. List planned vs actual reserve balances at the end of the plan year.	
	G. Optional – In plan appendix, provide planned vs actual sources and use by AMP.	
	H. Under separate cover and within 180 days after the plan year - Provide unaudited Financial Statements and Supplemental Information for the Plan Year.	
	I. Described actual capital expenditures in the plan year, note if capital projects are on schedule.	
VII. Administrative		
The Agency will provide the following:		
A. Results of latest Agency-directed evaluations of the demonstration, as applicable;		

B. Performance and Evaluation Report for Capital Fund activities not included in the MTW Block Grant, as an attachment to the Report; and	A. Results of agency directed evaluations of the overall demonstration, if applicable;	
C. Description of progress on the correction or elimination of observed deficiencies cited in monitoring visits, physical inspections, submissions to REAC, or other oversight and monitoring mechanisms, if applicable.	B. DELETED - <i>**Under single-fund budget concept all capital work is MTW funded see H and I in the prior section.</i>	
	C. Provide description of progress on any problem items described in writing in a follow-up report to the annual MTW site visit. <i>**Note: the REAC paper exchange alone would overwhelm the annual report process.</i>	
VIII. Reporting Compliance with Statutory MTW Requirements		
The Agency will provide the following: (provides a table to be filled in)		
A. In order to demonstrate that the statutory objective of “assuring that at least 75 percent of the families assisted by the Agency are very low-income families” is being achieved, the Agency will provide information in the following format:		
B. In order to demonstrate that the statutory objective of “continuing to assist substantially the same total number of eligible low-income families as would have been served had the amounts not been combined” is being achieved, the Agency will provide information in the following formats: (provides a table to fill in)	Chart A - is retained (page 6 of attachment B);	

C. In order to demonstrate that the statutory objective of “maintaining a comparable mix of families (by family size) are served, as would have been provided had the amounts not been used under the demonstration” is being achieved, the Agency will provide information in the following formats: (provides a table to fill in).	Chart B - DELETE (page 7 Attachment B) New Chart B - a 3- year rolling trend chart of total families served measured against the total base year families served. If the trend is down over the 3-years the agency will provide an explanation. Adjustments, such as disposition of property out of the stock, can be noted in the narrative.	
	Chart C- is retained (page 8 of attachment B)	

Handout from Cambridge Housing Authority on Rent Reform

Rent Reform: Technical, Logistical & Other Factors

Initial Impact Analysis

- ⊕ Charting an approach, testing ideas first
- ⊕ Measure across resident population
- ⊕ Measure across waiting list
- ⊕ Factors to assess: deductions claimed, system proposed and families with increases and decreases (how many and how much), also no change
- ⊕ Outlier families (see Adjusted Income below)

Annual Income

- ⊕ Inclusions
- ⊕ Exclusions
- ⊕ Definitions

Assets (part of Annual Income)

- ⊕ Actual and imputed income from assets
- ⊕ Included and excluded items
- ⊕ Asset limits

Adjusted Income/Deductions

- ⊕ Deductions retained, eliminated, modified?
- ⊕ Medical and child care issues
- ⊕ Work incentive deductions
- ⊕ Are deductions worth it?

Rent System Proposed

- ⊕ Information from impact analysis informs approach
- ⊕ Public Housing and Vouchers? Voucher program is much more complicated: utility allowance, HAP, landlords
- ⊕ % of income
- ⊕ Flat
- ⊕ Stepped
- ⊕ Hybrid
- ⊕ Time between recertifications
- ⊕ Issues around household types: family, seniors, persons w/disabilities
- ⊕ *Interim adjustments* – How many and what for? Exceptions? Relationship to hardship provisions
- ⊕ Level of documentation required (use of income matching)
- ⊕ Rewards and incentives

- ⊕ Fraud prevention and gaming

Transition and Hardship Rules

- ⊕ Review process
- ⊕ Ability to set different rent
- ⊕ How to deal with increases (e.g. hard caps, phase in)

Implementation

- ⊕ Public process and comments
- ⊕ Staff training
- ⊕ Quality control
- ⊕ Software issues impact implementation and outcome assessment

Outcome measures and assessment

- ⊕ Creating a manageable evaluation process
- ⊕ National evaluation (SEVRA)
- ⊕ Cost of the evaluation (no bucks, no Buck Rodgers)
- ⊕ Capacity and staff resources @ the PHA
- ⊕ Continuation of impact analysis, how to present? Frequency information in the Annual Report
- ⊕ Hardship and transition families

Rent Reform: CHA's Guiding Principles

- ⊕ **Equity & Efficiency**
- ⊕ **Fairness for the Resident**
- ⊕ **Less Intrusive Process**
- ⊕ **Everyone Should Contribute**
- ⊕ **Fiscal Equity for the CHA**
- ⊕ **Approachable Method**

Rent Reform: Performance Benchmarking

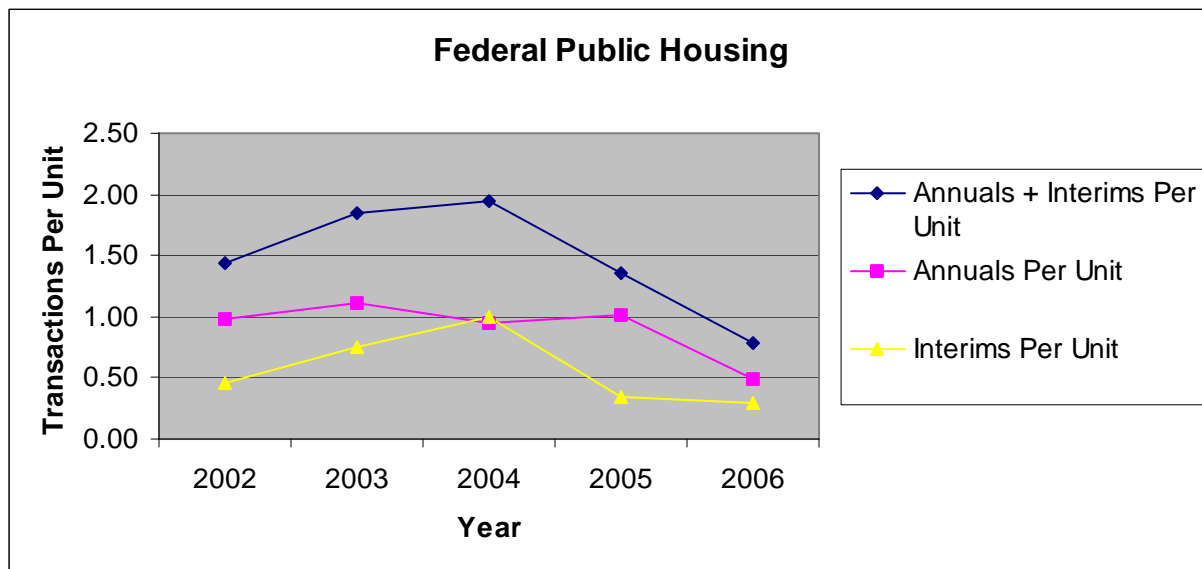
Using the services of an external consulting firm, CHA evaluated the impact Rent Simplification is having on the Agency's operations. The study looked at three major operational impact areas: staff time, administrative burden/transaction volume and program costs.

Finding 1: Staff Time required for Recertifications

- ⊕ Asset and deduction calculation times dropped from 16.34 minutes to 3.48
- ⊕ The entire recertification process dropped from 25.22 minutes to 14.89

Finding 2: Administrative Burden/Transaction Volume

- ⊕ 37.7% drop in transactions
- ⊕ 49.9% drop in recertifications
- ⊕ 85.5% drop in interim recertifications



Finding 3: Program Costs

- ⊕ FTE reduction amounts to approximately \$26,526 per year

FEDERAL PUBLIC HOUSING – INCOME AND DEDUCTIONS

	<u>1 Memb.</u>	<u>2 Memb.</u>	<u>3 Memb.</u>	<u>4 Memb.</u>	<u>5 Memb.</u>	<u>6 Memb.</u>	<u>> 6 Memb.</u>	<u>TOTAL</u>
Number of Households	725	327	254	180	101	46	19	1,652
GROSS INCOME								
Average	\$12,466.42	\$19,726.54	\$23,671.37	\$28,420.07	\$32,882.31	\$33,968.50	\$38,895.74	\$19,515.47
25th Percentile	\$8,321.00	\$11,062.00	\$12,164.00	\$14,497.25	\$20,022.00	\$19,345.50	\$25,557.50	\$8,555.75
50th Percentile (Median)	\$9,338.00	\$17,229.00	\$21,491.50	\$24,714.50	\$28,247.00	\$29,552.50	\$35,065.00	\$14,525.50
75th Percentile	\$14,245.00	\$27,154.50	\$31,248.75	\$37,989.75	\$40,651.00	\$43,870.25	\$42,930.00	\$25,788.25
Maximum	\$62,616.00	\$81,567.00	\$85,895.00	\$120,824.00	\$102,935.00	\$83,569.00	\$116,865.00	\$120,824.00
DEDUCTIONS								
Average	\$1,108.89	\$962.44	\$1,385.98	\$1,408.20	\$1,549.65	\$2,030.22	\$2,605.84	\$1,224.93
25th Percentile	\$400.00	\$400.00	\$480.00	\$960.00	\$960.00	\$1,440.00	\$1,680.00	\$400.00
50th Percentile (Median)	\$400.00	\$480.00	\$960.00	\$960.00	\$1,440.00	\$1,920.00	\$2,320.00	\$480.00
75th Percentile	\$1,049.00	\$480.00	\$960.00	\$1,440.00	\$1,840.00	\$1,920.00	\$2,640.00	\$1,425.00
Maximum	\$35,951.00	\$39,050.00	\$18,380.00	\$8,331.00	\$7,640.00	\$7,120.00	\$7,383.00	\$39,050.00

SECTION 8 – INCOME AND DEDUCTIONS

	<u>1 Memb.</u>	<u>2 Memb.</u>	<u>3 Memb.</u>	<u>4 Memb.</u>	<u>5 Memb.</u>	<u>6 Memb.</u>	<u>> 6 Memb.</u>	<u>TOTAL</u>
Number of Households	795	479	367	190	73	27	13	1,944
GROSS INCOME								
Average	\$12,226.76	\$16,217.86	\$19,296.22	\$21,374.62	\$24,999.86	\$25,617.81	\$23,275.31	\$16,178.38
25th Percentile	\$8,142.50	\$8,146.00	\$10,452.00	\$11,309.75	\$15,616.00	\$18,024.00	\$17,524.00	\$8,321.00
50th Percentile (Median)	\$9,640.00	\$14,174.00	\$17,312.00	\$20,774.00	\$24,462.00	\$26,520.00	\$22,841.00	\$13,068.50
75th Percentile	\$15,385.00	\$23,592.00	\$26,776.50	\$31,200.25	\$33,460.00	\$35,109.50	\$30,777.00	\$22,862.75
Maximum	\$42,001.00	\$62,193.00	\$56,181.00	\$54,026.00	\$60,481.00	\$49,422.00	\$41,189.00	\$62,193.00
DEDUCTIONS								
Average	\$799.66	\$913.45	\$1,598.12	\$1,960.29	\$2,520.58	\$2,067.19	\$2,896.15	\$1,188.12
25th Percentile	\$0.00	\$480.00	\$960.00	\$960.00	\$1,440.00	\$1,880.00	\$2,400.00	\$400.00
50th Percentile (Median)	\$400.00	\$480.00	\$960.00	\$1,440.00	\$1,440.00	\$1,920.00	\$2,880.00	\$480.00
75th Percentile	\$650.50	\$880.00	\$1,360.00	\$1,440.00	\$1,920.00	\$2,120.00	\$2,880.00	\$1,360.00
Maximum	\$10,541.00	\$9,840.00	\$14,750.00	\$11,360.00	\$18,420.00	\$6,054.00	\$4,610.00	\$18,420.00

MEDICAL DEDUCTIONS CLAIMED BY PUBLIC HOUSING AND SECTION 8 HOUSEHOLDS

The following tables present key indicators regarding the amounts currently deducted from annual gross income for medical expenses for Public Housing and Section 8 households. The data is based on an overall population of 1,652 Public Housing households and 1,944 tenant-based Section 8 households.

STATISTICAL INDICATORS:

PROGRAM AFFILIATION	# OF FAMILIES CLAIMING	% OF FAMILIES CLAIMING*	AVERAGE AMOUNT CLAIMED	LOWEST VALUE	25% VALUE	50% VALUE (MEDIAN)	75% VALUE	HIGHEST VALUE
FEDERAL PUBLIC HOUSING	343	20.76%	\$1,931	\$0	\$453	\$1,076	\$2,395	\$38,650
SECTION 8	270	13.89%	\$1,783	\$2	\$432	\$1,088	\$2,721	\$10,141

SUMMARY OF AMOUNTS CLAIMED FOR MEDICAL DEDUCTION, BY NUMBER OF HOUSEHOLDS:

MEDICAL DEDUCTION AMOUNT CLAIMED	PUBLIC HOUSING	SECTION 8
Greater than \$15,000	3	0
\$10,000 to \$15,000	2	1
\$8,000 to \$10,000	1	0
\$6,000 to \$8,000	11	10
\$4,000 to \$6,000	13	22
\$2,000 to \$4,000	76	57
\$1,000 to \$2,000	74	50
\$500 to \$1000	65	50
\$250 to \$500	55	46
Less than \$250	43	34
	343	270

CHILDCARE DEDUCTIONS CLAIMED BY PUBLIC HOUSING AND SECTION 8 HOUSEHOLDS

The following tables present key indicators regarding the amounts deducted from annual gross income for childcare expenses for Public Housing and Section 8 households. The data based on an overall population of 1,652 Public Housing households and 1,944 tenant-based Section 8 households.

STATISTICAL INDICATORS:

PROGRAM AFFILIATION	# OF FAMILIES CLAIMING	% OF FAMILIES CLAIMING*	AVERAGE AMOUNT CLAIMED	LOWEST VALUE	25% VALUE	50% VALUE (MEDIAN)	75% VALUE	HIGHEST VALUE
FEDERAL PUBLIC HOUSING	106	6.42%	\$3,094	\$15	\$1,200	\$2,312	\$4,290	\$17,420
SECTION 8	184	9.47%	\$3,448	\$50	\$1,457	\$2,555	\$4,290	\$16,500

SUMMARY OF AMOUNTS CLAIMED FOR CHILDCARE DEDUCTION, BY NUMBER OF HOUSEHOLDS:

CHILDCARE DEDUCTION AMOUNT CLAIMED	PUBLIC HOUSING	SECTION 8
Greater than \$15,000	2	2
\$10,000 to \$15,000	0	3
\$8,000 to \$10,000	3	10
\$6,000 to \$8,000	8	15
\$4,000 to \$6,000	17	25
\$2,000 to \$4,000	29	69
\$1,000 to \$2,000	25	33
\$500 to \$1000	12	16
\$250 to \$500	3	6
Less than \$250	7	5
	106	184

FEDERAL PUBLIC HOUSING, RENT SIMPLIFICATION DATA - 9/29/2005

Summary Of Rent & Revenue Change Due To Implementation of Table Rent & Deductions

Rent calculated as 30% of low end of \$2500 income band

\$50 Minimum Rent, Utility Allowance Increased 10%, \$100 Cap on Rent Increase 1 year / 2 ext

Medical Deduction and Childcare Expense Allowance according to tables below.

Ineligible families have been excused from this analysis

Ceiling Rents: 0Br: \$910, 1Br: \$980, 2Br: \$1050, 3Br: \$1100, 4Br: \$1200, 5Br: \$1300, 6Br: \$1400.

FEDERAL PUBLIC HOUSING	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	TOTAL
Number of Households	353	356	426	358	82	5	2	1,582
Current Households on Ceiling Rent	4	7	61	40	15	1	0	128
Proposed Households on Ceiling Rent	3	0	0	6	2	0	0	11
Households receiving Medical Deduction	46	28	6	0	0	0	0	80
Households receiving Childcare Deduction	0	0	57	43	5	0	0	105
Gross Income								
Average	\$12,623	\$12,933	\$23,215	\$27,488	\$34,621	\$40,362	\$26,687	\$20,155
Minimum	\$1,200	\$0	\$0	\$0	\$3	\$11,578	\$20,228	\$0
1st Quartile	\$8,421	\$8,396	\$10,661	\$14,387	\$15,810	\$35,850	\$23,457	\$8,421
Median	\$9,251	\$10,146	\$19,631	\$24,350	\$30,601	\$45,714	\$26,687	\$14,579
3rd Quartile	\$14,416	\$15,028	\$30,680	\$35,180	\$44,020	\$50,296	\$29,916	\$14,416
Maximum	\$63,969	\$62,616	\$126,607	\$133,122	\$139,907	\$58,374	\$33,145	\$139,907
Current TTP								
Average	\$277	\$290	\$489	\$560	\$665	\$871	\$616	\$424
Minimum	\$20	\$25	\$25	\$57	\$60	\$218	\$472	\$20
1st Quartile	\$199	\$198	\$229	\$318	\$336	\$824	\$544	\$199
Median	\$211	\$227	\$463	\$534	\$655	\$1,008	\$616	\$320
3rd Quartile	\$304	\$346	\$733	\$788	\$1,017	\$1,072	\$687	\$304
Maximum	\$908	\$798	\$968	\$1,109	\$1,191	\$1,233	\$759	\$1,233
Proposed TTP								
Average	\$273	\$288	\$505	\$587	\$722	\$973	\$657	\$436
Minimum	\$50	\$50	\$50	\$50	\$50	\$250	\$500	\$50
1st Quartile	\$188	\$188	\$250	\$313	\$375	\$875	\$578	\$188
Median	\$188	\$188	\$438	\$563	\$719	\$1,125	\$657	\$313
3rd Quartile	\$313	\$313	\$750	\$813	\$1,063	\$1,250	\$735	\$313
Maximum	\$910	\$1,025	\$1,104	\$1,163	\$1,274	\$1,363	\$813	\$1,363
Difference in TTP								
Average	-\$6	-\$6	\$3	\$14	\$34	\$77	\$41	\$4
Minimum	-\$52	-\$61	-\$98	-\$120	-\$77	\$32	\$28	-\$120
1st Quartile	-\$21	-\$21	-\$31	-\$21	-\$6	\$51	\$35	-\$21
Median	-\$12	-\$10	-\$11	\$4	\$28	\$100	\$41	-\$9
3rd Quartile	\$6	\$7	\$21	\$44	\$100	\$100	\$48	\$6
Maximum	\$100	\$100	\$100	\$100	\$100	\$100	\$54	\$100
Current % of TTP to Gross Inc.**								
Average	27%	28%	27%	26%	25%	26%	28%	27%
Minimum	10%	10%	2%	4%	10%	23%	27%	2%
1st Quartile	26%	27%	26%	25%	24%	25%	28%	26%
Median	29%	29%	28%	28%	26%	26%	28%	28%
3rd Quartile	29%	29%	29%	29%	28%	26%	28%	29%
Maximum	32%	73%	36%	98%	32%	28%	28%	98%
Proposed % of TTP to Gross Inc.**								
Average	26%	26%	26%	26%	26%	28%	30%	26%
Minimum	9%	13%	7%	10%	10%	26%	29%	7%
1st Quartile	25%	25%	25%	25%	24%	27%	29%	25%
Median	26%	27%	27%	27%	27%	28%	30%	27%
3rd Quartile	27%	28%	28%	29%	29%	29%	30%	28%
Maximum	50%	56%	30%	56%	30%	29%	30%	56%
Current Rent Roll	\$97,719	\$97,874	\$190,247	\$183,004	\$49,577	\$4,059	\$1,111	\$623,591
Proposed Rent Roll	\$95,728	\$95,347	\$189,891	\$186,441	\$51,884	\$4,412	\$1,181	\$624,885
Change in Rent Roll	-\$1,991	-\$2,527	-\$356	\$3,437	\$2,307	\$353	\$70	\$1,294
Calculated Rent Roll	\$97,630	\$97,791	\$190,575	\$183,189	\$49,558	\$4,070	\$1,111	\$623,925

Change in TTP to Proposed Model:
from Current Data:
from Calculated Data:

		# OF TENANT S	% OF TOTAL	# OF TENANT S	% OF TOTAL
	CHANGE IN TTP				
	# of Households, Total	1,582	100.00%	1,582	100.00%
	# of Households whose TTP decreased	936	59.17%	946	59.80%
	Difference of \$0 to -\$5	81	5.12%	85	5.37%
	Difference of -\$5 to -\$25	503	31.80%	503	31.80%
	Difference -\$25 to -\$50	295	18.65%	297	18.77%
	Difference -\$50 to -\$75	45	2.84%	46	2.91%
	Difference -\$75 to -\$100	11	0.70%	12	0.76%
	Difference -\$100 to -\$125	1	0.06%	1	0.06%
	Difference -\$125 to -\$150	0	0.00%	0	0.00%
	Difference -\$150 to -\$175	0	0.00%	0	0.00%
	Difference -\$175 to -\$200	0	0.00%	0	0.00%
	Difference < -\$200	0	0.00%	2	0.13%
	# of Households whose Rent did not change	16	1.01%	2	0.13%
	# of Households whose TTP increased	630	39.82%	634	40.08%
	Difference of \$0 to \$5	77	4.87%	72	4.55%
	Difference \$0 to \$25	216	13.65%	225	14.22%
	Difference \$25 to \$50	111	7.02%	110	6.95%
	Difference \$50 to \$75	37	2.34%	38	2.40%
	Difference \$75 to \$100	189	11.95%	145	9.17%
	Difference \$100 to \$125	0	0.00%	34	2.15%
	Difference \$125 to \$150	0	0.00%	10	0.63%
	Difference \$150 to \$175	0	0.00%	0	0.00%
	Difference \$175 to 200	0	0.00%	0	0.00%
	Difference > \$200	0	0.00%	0	0.00%

Medical/Childcare Deductions:

\$1-\$2500	\$0
\$2501-\$5000	\$2,500
\$5001-\$7500	\$5,000
\$7501 and over	go to hardship

NOTES:

Data used for this analysis is based on CHA data, as of July 6, 2005.

"TTP" (Total Tenant Payout) is equal to the sum of the amount that households pay towards rent and utilities.

* Elderly Households are those having Head of Household 62 years and over.

* Statistics for Percentages of TTP to Gross Income uses "TRUE" Gross Income (without any exclusions) and is calculated only for those households with an annual gross income greater than \$1000.

***These stats. do not exclude edlerly and disabled households.**

Rent Schedule: Family Public Housing

Rent Simplification Rent Schedule

Utilities already subtracted

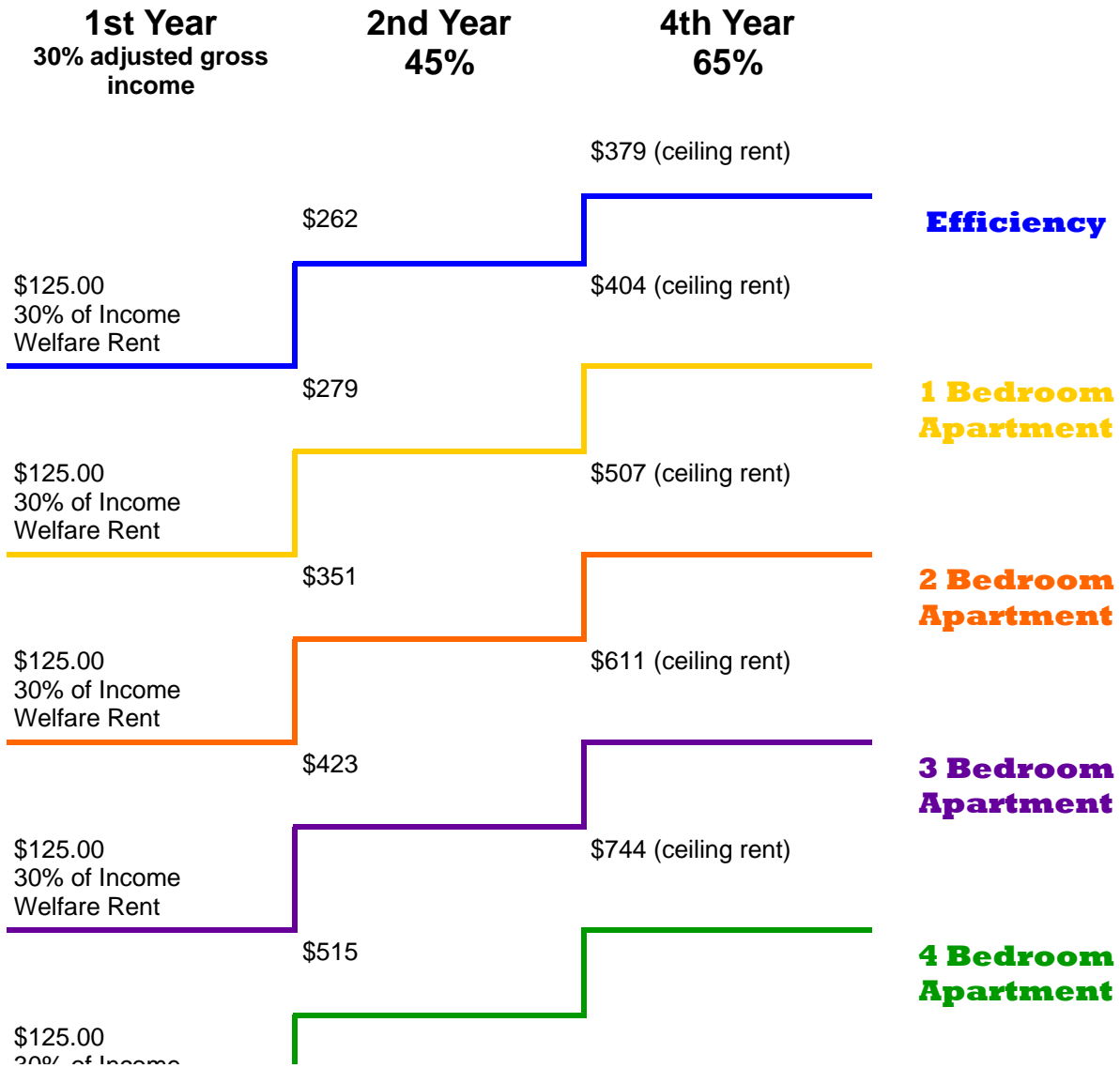
Utility Allowances		\$0	(\$42)	(\$49)	(\$57)	(\$67)	(\$67)	(\$67)
Income Range		Bedroom size						
		0	1	2	3	4	5	6
\$0	\$2,499	\$75	\$75	\$75	\$75	\$75	\$75	\$75
\$2,500	\$4,999	\$75	\$75	\$75	\$75	\$75	\$75	\$75
\$5,000	\$7,499	\$125	\$83	\$76	\$75	\$75	\$75	\$75
\$7,500	\$9,999	\$188	\$146	\$139	\$131	\$121	\$121	\$121
\$10,000	\$12,499	\$250	\$208	\$201	\$193	\$183	\$183	\$183
\$12,500	\$14,999	\$313	\$271	\$264	\$256	\$246	\$246	\$246
\$15,000	\$17,499	\$375	\$333	\$326	\$318	\$308	\$308	\$308
\$17,500	\$19,999	\$438	\$396	\$389	\$381	\$371	\$371	\$371
\$20,000	\$22,499	\$500	\$458	\$451	\$443	\$433	\$433	\$433
\$22,500	\$24,999	\$563	\$521	\$514	\$506	\$496	\$496	\$496
\$25,000	\$27,499	\$625	\$583	\$576	\$568	\$558	\$558	\$558
\$27,500	\$29,999	\$688	\$646	\$639	\$631	\$621	\$621	\$621
\$30,000	\$32,499	\$750	\$708	\$701	\$693	\$683	\$683	\$683
\$32,500	\$34,999	\$813	\$771	\$764	\$756	\$746	\$746	\$746
\$35,000	\$37,499	\$875	\$806	\$826	\$818	\$808	\$808	\$808
\$37,500	\$39,999	\$938	\$806	\$889	\$881	\$871	\$871	\$871
\$40,000	\$42,499	\$938	\$806	\$951	\$943	\$933	\$933	\$933
\$42,500	\$44,999	\$938	\$806	\$959	\$1,006	\$996	\$996	\$996
\$45,000	\$47,499	\$938	\$806	\$959	\$1,068	\$1,058	\$1,058	\$1,058
\$47,500	\$49,999	\$938	\$806	\$959	\$1,116	\$1,121	\$1,121	\$1,121
\$50,000	\$52,499	\$938	\$806	\$959	\$1,116	\$1,178	\$1,183	\$1,183
\$52,500	\$54,999	\$938	\$806	\$959	\$1,116	\$1,178	\$1,246	\$1,246
\$55,000	\$57,499	\$938	\$806	\$959	\$1,116	\$1,178	\$1,303	\$1,308

Medical & Childcare Deduction Schedule

<i>Medical Expenses</i>	<i>Medical Deduction</i>	<i>Childcare Expenses</i>	<i>Childcare Deduction</i>
\$1 – 2,500	0	\$1 – 2,500	0
\$2,501 - \$5,000	\$2,500	\$2,501 - \$5,000	\$2,500
\$5,001 - \$7501	\$5,000	\$5,001 - \$7501	\$5,000
More than \$7,501	Hardship Review	More than \$7,501	Hardship Review

Handouts from Keene Housing Authority on Rent Reform

Spectrum Step Rents



Average Rents in Cheshire County

2 Bedroom Apartment

\$858

3 Bedroom Apartment

\$1035

4 Bedroom Apartment

\$1259

SPECTRUM HOUSING ASSISTANCE COUPON PAYMENTS

**NUMBER OF
QUALIFYING
BDRMS:**

**ONE
BEDROOM**

**YEAR
1**



\$842.00
-(20% of Gross Income)*
=
Subsidy Amount

**YEAR
2 & 3**



\$460.00

**YEAR
4 & 5**



\$290.00

**TWO
BEDROOM**

\$1,055.00
-(20% of Gross Income) *
=
Subsidy Amount

\$580.00

**THREE OR
MORE
BEDROOMS**

\$1,273.00
-(20% of Gross Income)*
=
Subsidy Amount

\$700.00

\$370.00

\$450.00

- VPS—VOUCHER PAYMENT STANDARD (DEFINED BY HUD)—This amount is subject to change
- 2nd & 3rd step is based on 55% of the VPS rounded to the nearest 10 dollars.
- 4th & 5th step is based on 35% of the VPS rounded to the nearest 10 dollars.
- Effective 01/01/2008—VPS for 1 Bedroom = \$842.00; VPS for 2 Bedroom = \$1055.00; VPS for 3 Bedroom = \$1273.00
- * If entrance subsidy is being used, subsidy amount will still likely change annually. Both the current annual VPS and the gross income (upon entrance) will always be used in determining subsidy.

If 1st year subsidy amount is lower than step two, but higher than step three; you will receive the step two amount for 3 years and then go to step three for last 2 years.

If 1st year subsidy amount is lower than step three; you will receive the step three amount for five years.

*If a participant receives only TANF, the welfare rent will be used instead of 20% of Gross Income.

