Moving to Work

2010 Conference Report

June 2-4, 2010 – Washington, DC

Logistical Support Provided by The Cloudburst Group

EXECUTIVE SUMMARY

2010 Moving To Work Annual Conference

The Moving to Work (MTW) demonstration program was authorized in 1996 to provide public housing authorities (PHAs) the authority to design and test innovative, locally-designed strategies that use federal dollars more efficiently, help residents find employment and become self-sufficient, and increase housing choices for low-income families. MTW allows housing agencies to request and receive exemptions from many existing public housing and voucher rules and provide flexibility in the administration of their federal funds.

The MTW Demonstration, authorized by Section 204 of the 1996 Appropriations Act and administered by the U.S. Department of Housing and Urban Development (HUD), currently has 33 MTW-designated agencies, and three additional agencies will be added in the upcoming year, per the FY 2010 Appropriations.

Annual MTW Conferences provide an opportunity to bring together representatives from each MTW agency and staff to share innovative policies and ideas, which could lead to changes in federal housing policy nationwide.

The 2010 MTW Conference was held June 2–4, 2010, in Washington, DC. In late January, the MTW Office solicited volunteers from MTW agencies to join the Conference Planning Committee. The Planning Committee convened with the understanding that the MTW Conference was to be planned by and for MTW agency staff, using MTW staff to present and facilitate all discussions. The Planning Committee developed the theme for the Conference, the topics for the agenda, identified and solicited presenters and facilitators. A variety of formats were used to ensure participation and learning, including panel discussions, small group discussions, workshops, and question and answer sessions.

The theme of the 2010 MTW Conference was *Serving More Families Using MTW Flexibilities*. With appropriations language providing MTW agencies with the ability to engage in local, non-traditional MTW activities, programs can be tailored to meet the unique needs of a given community. The Conference provided the opportunity for MTW agencies to discuss accomplishments, identify promising practices, review lessons learned, and to increase technical skills while sharing strategies and ideas for strengthening and enhancing their program activities.

Over 200 people attended the 2010 MTW Conference, representing each of the 33 MTW agencies, 22 HUD field offices, HUD headquarters staff and representatives from the National Association of Housing and Redevelopment Officials (NAHRO), the Public Housing Authorities Directors Association (PHADA) and the Council of Large Public Housing Authorities (CLPHA).

DAY ONE: The first day of the Conference began with an overview of the importance of using MTW flexibilities to support more families. This laid the groundwork for the following six small group discussions:

- Establishing Supportive/Transitional/Homeless Programs
- Leveraging MTW Funds in the Development Process
- Building Partnerships Using MTW Flexibilities
- Creating Local Voucher Programs
- Establishing Foreclosure Prevention, Mortgage Assistance and Local Homeownership Programs
- Deconcentrating Poverty Using MTW Flexibilities

The debriefing session following these discussions identified numerous strategies, many of which had been successful in MTW agencies and others which did not produce expected results.

The Cash and Carry Lunch on Day One provided an opportunity for MTW agency representatives to meet with HUD staff and offered networking time among MTW agencies.

Concurrent afternoon sessions provided direct learning opportunities on the topics of employment and self-sufficiency incentives, creating UFAS units, energy and alternate subsidy calculations, questions for PIC and the Voucher offices, and a discussion regarding reporting requirements. Additional concurrent sessions addressed strategic planning, HUD's rent reform demonstration, financial reporting, using software to track activities, and questions on the Enterprise Income Verification System.

DAY TWO: After welcoming remarks from Assistant Secretary Sandra Henriquez, Day Two focused on strategies and examples for promoting MTW in the community. A panel of Executive Directors presented their successful strategies for obtaining and maintaining community support for MTW.

Two optional workshops allowed attendees to share lessons learned from the experiences of new and expanding MTW agencies, and to review the Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP). Afternoon panels addressed establishing alternate rent policies and encouraging resident involvement in MTW. The last session of Day Two consisted of discipline-specific group meetings to discuss issues and topics not otherwise covered in workshops or concurrent sessions.

DAY THREE: Day Three began with a panel session on using project-basing to preserve public housing and other affordable housing. Four housing authorities provided a brief overview of their strategies and priorities, followed by a discussion on Preservation, Enhancement and Transformation of Rental Assistance (PETRA). Attendees were invited to ask questions of the panelists. The day concluded with a question and answer session with senior leadership from HUD Office of Public and Indian Housing (PIH).

This 2010 MTW Conference Report provides a summary and a record of the topics discussed at the Conference and serves as a resource for ongoing discussion. Appendix A provides copies of the handouts included in the Conference attendees' folder. Appendix B includes the PowerPoint presentations and handouts from sessions held during Day 1 of the Conference; Appendix C includes PowerPoint presentations and handouts from sessions held during Day 2 of the Conference; Appendix D includes PowerPoint presentations and handouts from Day 3 of the Conference.

The contents of this report are the views of the Conference participants, as recorded by the technical support contractor, and do not necessarily reflect the views or policies of the U.S. Department of Housing and Urban Development or the U.S. Government.

Conference organizers would like to thank the 2010 MTW Conference Planning Committee:

Mary Abrahamson, Minneapolis Public Housing Authority
Jennifer Anderson, Housing Authority of the County of San Mateo
Bob Boyd, Minneapolis Public Housing Authority
Michael Buonocore, Housing Authority of Portland
Isaac Carreon, San Antonio Housing Authority
Romaine Chritton, Portage Metropolitan Housing Authority
Julie Davenson, Keene Housing Authority
Shaunte Evans, Charlotte Housing Authority
James Gurke, Alaska Housing Finance Corporation
Sean Heron, Oakland Housing Authority
Curt Hiebert, Keene Housing Authority
Louise Hofmeister, Housing Authority of the County of Santa Clara/City of San Jose
Melli Holley, Chicago Housing Authority
Jennifer Kelly, San Diego Housing Commission
Sarah Laster, Louisville Metro Housing Authority
Andria Lazaga, Seattle Housing Authority
Audrey Lim, Philadelphia Housing Authority
Joshua Meehan, Cambridge Housing Authority
Greg Meeropol, District of Columbia Housing Authority
Mary-Anne Morrison, Massachusetts Department of Housing and Community Development
Sasha Nichelson, Vancouver Housing Authority
Kellie O'Connell-Miller, Chicago Housing Authority
Maria Razo, Housing Authority of the County of San Bernardino
Linda Staley, Philadelphia Housing Authority
Catherine Stone, Alaska Housing Finance Corporation
Adrianne Todman, District of Columbia Housing Authority
Stephen Vigeant, Tracker Systems
Adrienne Walker, Atlanta Housing Authority
Kris Warren, Chicago Housing Authority
Gretchen Weismann, Massachusetts Department of Housing and Community Development
Fred Zawilinski, Portage Metropolitan Housing Authority

The Conference organizers would like to dedicate this 2010 MTW Conference Report in memory of Frank Narron, who passed away during the 2010 MTW Conference.

Mr. Narron was born in Raleigh, NC and dedicated 24 years of service to his passion of providing affordable housing to those in need of a home. Mr. Narron had been with the Charlotte Housing Authority as the Director of Strategic Initiatives in the real estate division since 2006. In this role he led innovative private/public initiatives, which financed large scale development of mixed income communities that include assisted and low income housing. His group was also charged with expanding the pool of developers and funding sources available to the CHA for their four HOPE VI revitalization projects and one HOPE VI demolition project. Prior to joining the Charlotte Housing Authority, Mr. Narron served as Senior Vice President for Enterprise Social Investment Corporation and at NationsBank as a Senior Vice President.

We express our deepest sympathy to Frank Narron's family and to his co-workers.

Omni Shoreham Hotel
Washington, DC
June 2 – 4, 2010

Conference Agenda

Tuesday, June 1, 2010

4:00 pm	**Registration (open until 8:00 pm)**	**Palladian Lobby**

Day 1 – Wednesday, June 2, 2010

7:00 am	**Registration** *Pick up registration materials; sign up for concurrent sessions.*	**Palladian Lobby**
9:00 am	**Welcome** Dominique Blom Deputy Assistant Secretary, Office of Public Housing Investments	**Palladian**
9:30 am	**Review Agenda and Logistical Information** Marianne Nazzaro – MTW Coordinator	**Palladian**
9:45 am	**Using MTW to Serve More Families** Ivan Pour – MTW Program Director	**Palladian**
10:00 am	**Break**	
10:15 am	**Small Group Discussion: Using MTW to Serve More Families**	
	1. Establishing Supportive/Transitional/Homeless Programs PHA Participants: Charlotte Housing Authority King County Housing Authority Housing Authority of Portland Housing Authority of the County of San Mateo Facilitator: Anice Schervish Chenault – ROSS Program Manager/HOPE VI CSS	**Palladian**
	2. Leveraging MTW Funds in the Development Process PHA Participants: Housing Authority of the City of Pittsburgh Housing Authority of Tulare County HUD Resource/Facilitator	**Senate**

Ivan Pour – MTW Program Director
Luci Blackburn – MTW Coordinator/HOPE VI Grant Manager

3. **Building Partnerships Using MTW Flexibilities** — **Executive**
PHA Participants:
Massachusetts Department of Housing and Community Development
Seattle Housing Authority
Facilitator:
Louise Hofmeister – Housing Authority of the County of Santa Clara/ City of San Jose

4. **Creating Local Voucher Programs with MTW** — **Cabinet**
PHA Participants:
Massachusetts Department of Housing and Community Development
Oakland Housing Authority
Facilitator:
Emily Cadik – MTW Coordinator

5. **Establishing Foreclosure Prevention, Mortgage Assistance and Local Homeownership Programs** — **Congressional A**
PHA Participants:
Louisville Metro Housing Authority
Housing Authority of the City of Pittsburgh
Facilitator:
Justin Fazzari – MTW Coordinator

6. **Deconcentrating Poverty Using MTW Flexibilities** — **Council**
PHA Participants:
Atlanta Housing Authority
Minneapolis Public Housing Authority
Facilitator:
Ron Atkielski – Cloudburst Consulting Group

11:30 am **Debrief** — **Palladian**

12:30 pm **Working Lunch** — **Palladian**
Each MTW agency will have an opportunity to meet with its MTW Coordinator and other HUD staff to answer agency-specific questions. Cash and Carry.

2:00 pm **Afternoon Concurrent Session 1**

1. **Developing Effective Employment and Self-Sufficiency Incentives With and Without Work Requirements and Time Limits** — **Palladian**

PHA Participants:
Housing Authority of Baltimore City
Chicago Housing Authority
Lawrence-Douglas County Housing Authority
Housing Authority of the County of San Bernardino
Facilitator:
Ron Ashford – Public Housing Supportive Services Director

2. **Creating UFAS Accessible Units with MTW** **Council**
PHA Participants:
Housing Authority of Baltimore City
District of Columbia Housing Authority
Facilitator:
Charles Kieffer – Cloudburst Consulting Group

3. **Energy and Alternate Subsidy Calculations** **Congressional A**
PHA Participants:
Cambridge Housing Authority
Chicago Housing Authority
Louisville Metro Housing Authority
Facilitator:
Justin Fazzari – MTW Coordinator

4. **Questions Regarding the PIC MTW Module** **Executive**
HUD Resource:
Matthew Steen/Pramod Pamnani – Real Estate Assessment Center
Ivan Pour – MTW Program Director

5. **Questions for the Voucher Office: Reporting into VMS and Applying MTW Flexibilities to Special Purpose Vouchers** **Congressional B**
HUD Resource:
Debra Hamblin/Laure Rawson – Office of Housing Voucher Programs
Marianne Nazzaro – MTW Coordinator

6. **Attachment B Requirements (Repeating)** **Senate**
HUD Resource:
Laurel Davis – MTW Coordinator

3:30 pm **Break**

3:45 pm **Afternoon Concurrent Session 2**

1. **Strategic Planning and MTW** **Palladian**
PHA Participants:
Minneapolis Public Housing Authority

Housing Authority of the County of San Bernardino
Facilitator:
Marianne Nazzaro – MTW Coordinator

2. **Brainstorming Development of PD&R Rent Reform Demonstration** — **Cabinet**
   HUD Resource:
   Jennifer Stoloff/Marina Myhre –Policy Development and Research
   Justin Fazzari – MTW Coordinator

3. **Financial Reporting and the Single-Fund Budget** — **Congressional B**
   HUD Resource:
   Steve Bolden/Ben Greenberg – Real Estate Assessment Center
   Ivan Pour – MTW Program Director

4. **Using Software to Track MTW Activities: Data Collection and Evaluation Techniques** — **Congressional A**
   PHA Participants:
   Massachusetts Department of Housing and Community Development
   Housing Authority of the County of San Bernardino
   Facilitator:
   Ron Atkielski – Cloudburst Consulting Group

5. **Questions on the Enterprise Income Verification System** — **Executive**
   HUD Resource:
   Nicole Faison – Real Estate Assessment Center
   Emily Cadik – MTW Coordinator

6. **Attachment B Requirements (Repeating)** — **Senate**
   HUD Resource:
   Laurel Davis – MTW Coordinator

5:30 pm **Informal Social Gathering** — **Medaterra**

Day 2 – Thursday, June 3, 2010

9:00 am **Welcoming Remarks** — **Palladian**
Sandra Henriquez
Assistant Secretary, Public and Indian Housing

9:30 am **Panel: Promoting a Greater Understanding of MTW in the Community** — **Palladian**
Panelists:
Atlanta Housing Authority
Cambridge Housing Authority

Charlotte Housing Authority
Keene Housing Authority
King County Housing Authority
Portage Metropolitan Housing Authority
San Antonio Housing Authority
Facilitator:
Stephen Holmquist – Reno & Cavanaugh

10:30 am **Break**

10:45 am **Panel: Promoting a Greater Understanding of MTW in the Community (cont'd)** **Palladian**

12:00 pm **Lunch (on your own)**

1:00 pm **Optional Lunch Sessions**

1. **New and Expanding Agencies Workshop** **Executive**
   PHA Participants:
   Alaska Housing Finance Corporation
   Housing Authority of the County of San Bernardino
   Facilitator:
   Emily Cadik – MTW Coordinator

2. **Alternatives to PHAS/SEMAP Workshop** **Congressional A/B**

   PHA Participants:
   Seattle Housing Authority

2:00 pm **Panel Sessions**

1. **Establishing Alternate Rent Policies that Encourage Employment and Self-Sufficiency** **Palladian**

   Panelists:
   Alaska Housing Finance Corporation
   Lawrence-Douglas County Housing Authority
   Lincoln Housing Authority
   Housing Authority of Portland
   Housing Authority of the County of San Mateo
   Nora McArdle – PIH Office of Policy, Program and Legislative Initiatives

   Facilitator:
   Victoria Main – Jacksonville Field Office

	2. **Encouraging Resident Involvement in the MTW Process**	**Congressional A/B**

PHA Participants:
Delaware State Housing Authority
Minneapolis Public Housing Authority
Philadelphia Housing Authority
San Antonio Housing Authority

Facilitator:
Laurel Davis – MTW Coordinator

3:30 pm **Break**

3:45 pm **Small Group Discussion**

1. **Executive Directors Meeting**	**Executive**
2. **Finance Staff Meeting**	**Forum**
3. **Real Estate and Development Staff Meeting**	**Cabinet**
4. **Voucher Staff Meeting**	**Council**
5. **Housing Management and Resident Services Staff Meeting**	**Congressional A**
6. **Information Technology Staff Meeting**	**Senate**
7. **MTW Plan/Report Writing Staff Meeting**	**Congressional B**
8. **HUD Staff Meeting**	**Palladian**

5:15 pm **Day Concludes**

Day 3 – Friday, June 4, 2010

9:00 am **Panel: Using Project-Basing to Preserve Public Housing Units and Other Affordable Housing** **Palladian**

Panelists:
Oakland Housing Authority
San Diego Housing Commission
Housing Authority of the County of San Mateo
Housing Authority of the County of Santa Clara/City of San Jose
Greg Byrne, PIH Lead on the Preservation, Enhancement, and Transformation of Rental Assistance
Ivan M. Pour, MTW Program Director

Facilitator:
Laurel Davis – MTW Coordinator

10:30 am **Break**

10:45 am **Conference Feedback – Questions/Comments** **Palladian**

Panelists:
Dominique Blom, Deputy Assistant Secretary, Public Housing Investments
Greg Byrne, PIH Lead on Preservation, Enhancement, and Transformation of Rental Assistance
D.J. Lavoy, Acting Deputy Assistant Secretary, Field Operations
Merrie Nichols-Dixon, Acting Deputy Assistant Secretary, Policy, Program and Legislative Initiatives
Milan Ozdinec, Deputy Assistant Secretary, Public Housing and Voucher Programs
Ivan M. Pour, MTW Program Director
David Vargas, Acting Deputy Assistant Secretary, Real Estate Assessment Center

Facilitator:
Marianne Nazzaro – MTW Coordinator

11:30 am **Conference Concludes**

TABLE OF CONTENTS

DAY 2 – THURSDAY, JUNE 3, 2010

<u>DAY 3 – FRIDAY, JUNE 4, 2010</u>

WELCOMING REMARKS

Dominique Blom, Deputy Assistant Secretary for Public Housing Investments, welcomed representatives from all of the MTW agencies. Ms. Blom noted that the theme of this MTW Conference was *Using MTW to Serve More Families*. She stated that there is a perception that the MTW agencies are not serving more families through use of MTW's flexibilities. According to the Housing Choice Voucher office, 34,000 vouchers are not being used, and the Budget office says that MTW agencies are only using 78% of their available budget authority. Ms. Blom made it clear that she believes the agencies were serving more families, leveraging their dollars to create more housing, encouraging resident self-sufficiency and employment through various programs, and serving the hard-to-serve populations, and that this information needs to be communicated more effectively.

It is important that HUD knows exactly how MTW agencies are spending their MTW funds, how are they serving more families, how are they creating more housing units, and how are they providing services to increase self-sufficiency. It is important that MTW agencies are able to accurately report how many families are being served by MTW agencies, whether through the traditional public housing and voucher programs or through non-traditional, local MTW programs.

Ms. Blom wants MTW agencies to think about how they would tell the national story of how they are serving more families as a result of the flexibilities provided through the MTW program. She concluded her opening remarks stating that she looked forward to a dynamic three days of presentations and discussions.

AGENDA REVIEW AND LOGISTICAL INFORMATION

Marianne Nazzaro, MTW Coordinator, welcomed attendees to the Conference, and thanked the Conference Planning Committee for their work. With the Committee's input, the term "broader uses of funds" was renamed "local, non-traditional uses of funds." Ms. Nazzaro provided attendees with detailed logistical information for the Conference and provided an overview of the Conference agenda.

USING MTW TO SERVE MORE FAMILIES: INTRODUCTION AND OVERVIEW

Ivan Pour, MTW Program Director, provided a brief overview of the six break-out sessions that would be held later in the morning.

The theme of the 2010 MTW Conference is: "Using MTW to Serve More Families." MTW agencies have a unique ability to engage in local, non-traditional MTW activities, which enables MTW agencies to address their local community needs and serve more families.

Mr. Pour introduced the six break-out sessions for the morning. Mr. Pour noted that each presentation will illustrate how local, non-traditional MTW flexibilities enable MTW agencies to serve additional families in their communities. These sessions include:

- Establishing Supportive/Transitional/Homeless Programs – The Charlotte Housing Authority, the King County Housing Authority, the Housing Authority of Portland, and the Housing Authority of the County of San Mateo discussed tactics to serve additional homeless and low-income families using local, non-traditional MTW flexibilities.

- Leveraging MTW Funds in the Development Process – The Housing Authority of the City of Pittsburgh and the Housing Authority of Tulare County described how to serve more families by leveraging MTW funds in the development process.

- Building Partnerships Using MTW Flexibilities – The Massachusetts Department of Housing and Community Development and the Seattle Housing Authority discussed how to build partnerships using MTW flexibilities in order to serve additional families.

- Creating Local Voucher Programs - The Massachusetts Department of Housing and Community Development and the Oakland Housing Authority described how to implement local voucher programs using MTW authority.

- Establishing Foreclosure Prevention, Mortgage Assistance and Local Homeownership Programs – The Louisville Metro Housing Authority and the Housing Authority of the City of Pittsburgh discussed how they used MTW funds to serve more families by establishing foreclosure prevention, mortgage assistance and local homeownership programs.

- De-concentrating Poverty Using MTW Flexibilities – The Atlanta Housing Authority and the Minneapolis Public Housing Authority described how they served additional families using MTW flexibilities to de-concentrate poverty.

Mr. Pour invited attendees to return to and debrief each of the break-out session.

USING MTW TO SERVE MORE FAMILIES: ESTABLISHING SUPPORTIVE/TRANSITIONAL/HOMELESS PROGRAMS

This session included presentations by Dianne Quast, Housing Authority of Portland (HAP); Kristin Winkel, King County Housing Authority (KCHA); Cindy Chan, Housing Authority of the County of San Mateo (HACSM); and Cheryl Campbell and Frank Narron, Charlotte Housing Authority (CHA). The session was facilitated by Anice Schervish Chenault, HUD ROSS Program Manager/HOPE VI CSS Grant Manager.

Housing Authority of Portland (HAP)

The HAP has a long history of commitment to working in partnership with their local homeless services community. Some of the activities include:

- Developed and own Clark Center and Jean's Place, which are homeless shelters that are connected to Portland's Shelter Reconfiguration Plan;
- Supported Richmond Place and Turning Point projects, which function as "master leased" transitional housing for homeless families;
- Established a "Severe Housing Needs" preference/waitlist for Public Housing in the late 1990s;
- Set-aside over 1,100 Project-Based Section 8 vouchers targeted to homeless households, through contracts with over 60 community partners.

The HAP also is an active participant in the City/County Ten Year Plan to End Homelessness. As part of its efforts to advance implementation of Portland's Ten Year Plan, the HAP:

- Provides short term rent assistance for all of Multnomah County;
- Provides Section 8 Operating Support for Permanent Supportive Housing;
- Provides 25 public housing units for the Bridges to Housing project, focused on permanent supportive housing for homeless families;
- Creates Permanent Supportive Housing through its affordable housing portfolio as well as in its public housing; and
- Acts as developer and owner of a new Resource Access Center, to be completed in May 2011.

To facilitate more effective use of the housing agencies as a partner in addressing the challenges of housing for homeless adults, the HAP has promoted a shift in its own tenant screening criteria, reflecting changing community perspectives. For example:

- Resident participation requirements in the Fresh Start and the Ready to Rent initiatives have provided landlords the confidence to accept higher risk formerly homeless applicants.

- Modified criminal background checks, credit checks, and landlord references are used for the HAP properties where there are service requirements; tenants participate in "permanent supportive housing 'light'" approach.

Several major projects reflect the HAP's depth of commitment to this agenda. Included among these are:

- The Morrison Apartments: 140 units of affordable rental housing in a desirable downtown location, includes 45 units for permanent supportive housing; working with partner service providers (Northwest Pilot Project and Cascade AIDS Project).

- Two elderly/disabled public housing high-rise buildings provide 15 units in each building set aside for permanent supportive housing; service providers include JOIN and Human Solutions.

- Rental assistance initiatives, including an allocation of a small pool funds administered directly by two community agencies:
    - SE Works provides gradually decreasing rental assistance to individuals transitioning out of prison who are in employment-centered programs; and

    - The Northwest Pilot Project provides rental assistance and services to homeless individuals who are elderly, disabled, have zero income and manifest other barriers to success

- Development of the Resource Access Center (RAC), a cornerstone development in the City/County Ten Year Plan to End Homelessness. RAC will include a 90-bed shelter, a day access center, and 130 units of permanent supportive housing. The goals of this project include increasing access to the most medically vulnerable homeless in the community, leveraging primary and behavioral health care, providing wraparound services available on-site, and alignment with other supportive services. The RAC model increases access to public housing resources by limiting restrictions to "Class A" felonies only, not using credit checks to determine either public housing or Low Income Housing Tax Credit (LIHTC) income eligibility, not requiring prior landlord references, and not requiring completion of treatment prior to eligibility.

King County Housing Authority (KCHA)

The KCHA has a broad and deep commitment to housing for homeless populations, evidenced by their commitment of 180 sponsor-based units, 276 project-based units, 1,796 tenant-based vouchers, and 48 dedicated public housing units – all for homeless and imminently at-risk populations.

The model derives directly from the flexibilities that MTW allows, and is based on the intersection of four essential program elements: 1) willing landlords, 2) availability of supportive services, 3) availability of housing units, and 4) commitment of rental housing subsidies.

In its project-based programs, the KCHA has modified rules to best address local needs, developed 186 units of transitional housing with intensive services (time limit of 24 months), and established priority for homeless to access the KCHA housing. It also has implemented 74 units of permanent supportive housing in six (6) different locations, serving high need families and individuals, with strong service provider partnerships, and offering priority in the KCHA units for program graduates.

The KCHA provides support through sponsor-based rental assistance programs targeting hardest-to-house populations, including chronically homeless, mentally ill, and homeless young adults. Key elements for success include a requirement that mental health agencies "master lease" units from private landlords then sublet the units to the client and include provision of intensive services in the homes.

The South King County Pilot project uses scattered-site sponsor-based units for these same special needs populations, relying on the Assertive Community Treatment (ACT) service model, in partnership with King County Mental Health Division and Sound Mental Health (SMH), a contracted behavioral health provider. Tied to this model, a Housing Liaison was hired by SMH to work with and resolve issues with landlords.

Because scattered-site models are generally not as successful with high-needs populations, the KCHA has piloted another model, using banked public housing subsidy to help support permanent supportive housing in partnership with the County's mental health system. In this model, the KCHA purchased a building to be used as a dedicated structure for homeless populations with mental illness, turned on unused public housing subsidy, and partnered with a behavioral health provider to provide supportive services on-site to tenants. The success of this approach requires that property managers receive training in social and supportive services, and that service providers receive training in housing management.

Housing Authority of the County of San Mateo (HACSM)

In 2005, San Mateo County published a strategic plan providing recommendations and strategies for ending homelessness – Helping Our People Effectively (HOPE). The HACSM contributed to this long-term plan through its Housing Readiness Program (HRP), which committed 60 three-year, time-limited Housing Choice Vouchers (HCV) under a demonstration program.

The HACSM reviewed the Year One process evaluation (2009-2010) of this effort. This evaluation assessed written documentation, data collected in the HACSM database and the local Homeless Management Information System (HMIS), case files, staff member interviews, and interviews with local supportive services agencies. The HACSM shared a copy of the report on initial descriptive data of the homeless population assisted, and on initial program implementation. The program is using a Housing First approach, and is rapidly re-housing households that would otherwise be languishing in emergency shelters. Fifty-eight households were successfully moved into permanent housing in the first year of operations and the majority of these are perceived by case managers to be on the path to success. However, while most households have avoided serious landlord-tenant problems, few have thus far demonstrated change in income or economic stability. While HRP did not set aside funding in support of case management and/or services, the referring agencies and community services partners have been able to sustain regular (monthly) in-home supports. Housing permanency planning has been delayed, as premature for emphasis in the first year of intervention.

Based on the first year's evaluation, the HACSM has identified the following as desirable program "tweaks" likely to enhance success in achieving intended outcomes:

- Reinforcement of case management requirements directly with clients;
- Timely access to consumer compliance data;
- Inclusion of case management compliance as criteria in annual recertification process;
- Clarification of consequences for non-compliance;
- Clarification of service agency reporting requirements; and
- Increase frequency of meetings among program partners to review client progress and program concerns.

Charlotte Housing Authority (CHA)

The CHA is using MTW resources and flexibilities to establish a local rental subsidy program targeted toward both working and non-working homeless households; to acquire, renovate and/or construct project-based voucher units, to partner with local landlords in providing rental subsidies in units that are also combined with wrap-around services for the respective family; and to provide funds directly to construct project-based voucher units in McCreesh Place, a transitional housing facility.

The CHA anticipates serving 300-500 additional families via its base MTW flexibilities and the increased flexibility of its local, non-traditional broader use of funds authorization. While this is a small dent in the need for affordable housing in Charlotte, it is a stride that it asserts it would have been unable to accomplish without the use of MTW funds flexibility.

The CHA has not historically viewed transitional and supportive housing as its responsibility. Instead it has approached working with homeless more as a collaborative venture with service partners so that the benefit of housing can be tied to supportive services that will begin to pave the self-reliance road for the families. This type of partnership may also be able to strengthen the capacity of local agencies with existing expertise. This has included:

- Partnership with Urban Ministries to provide \$1.7M to Moore Place, a new 85 unit facility that will serve chronically homeless populations;

- Partnership with The Salvation Army to provide 60 renovated Section 9 units for homeless families receiving supportive services at Hampton Creste, a 239 apartment unit complex that the CHA recently acquired. Since the families are referred directly from short term transition shelter, it truly provides the next step in a housing continuum;

- Partnership with St. Peters Homes to provide MTW funds to McCreesh Place, a homeless housing facility, for constructing new units and providing housing rental subsidies; and

- Providing project-based vouchers for 10 units at a transitional program run by the YWCA.

The CHA has identified challenges in setting aside resources for homeless use, including:

- Community's desire to use available funds primarily for working households;

- Housing authority leadership's desire not to disadvantage households already on the CHA waiting list by establishing new preferences and its desire to serve this specific transitioning customer;

- Establishing rules/guidelines for partnering supportive housing service providers; and

- Expectations from the Charlotte community for the CHA to solve the housing problem.

The CHA has linked its efforts to Charlotte's Ten Year Plan to End Homelessness with the strong support of Charlotte's new mayor for this initiative. The CHA, in turn, has developed active outreach and engagement efforts linked to the sheltering system, particularly at the Hampton Creste apartments.

<u>Comments, Questions and Answers:</u>

Has NIMBYism (Not In My Back Yard) had an impact on the HAP's efforts?

- Staff has, in fact, had to be aggressive in their work to engage the community as supporters rather than antagonists in these initiatives.

What impact does criminal background checks have on client eligibility?

- As mentioned in the HAP's presentation, such charges are often overlooked, unless they violate the actual federal statute (e.g. manufacturing on premises).

What is the appropriate staffing and staff preparation needed by the HAP to take on this agenda effectively?

- The HAP spoke to the need to train and support staff working in a Housing First program, commit to rapid re-housing, and implement "harm reduction."

Are the KCHA's MTW funds funding services at all?

- The presenter indicated that the KCHA's funds are used only for rent subsidy and/or facilities operating costs. Mainstream services partners are providing support for necessary services.

How did the KCHA establish standards and accountability for client impact and outcomes?

- The KCHA responded that the County Mental Health System owned primary responsibility for services and that the housing agency generally stays out of service decisions.

Comment: The HACSM noted that there was concern over the idea of establishing a three-year limit on rent subsidy and program participation. The HACSM recognized that this cap on participation might well become an issue, given the difficulties that many households have with attaining self-sufficiency. Staff is working on follow-up strategies, including exploring the possibility that time-limited voucher-holders may qualify for permanent HCV's in the future.

What is the applicability of LIHTC resources for Transitional Housing development?

- In response, one of the panelists clarified that LIHTC could be used to a limited degree, but always with the expectation that the residents of supported units hold a lease in their name (not always a facet of traditional transitional housing approaches).

Do any of these programs mandate services participation for consumers?

- In response to this question, several of the panelists' replies reinforced one of the core principles of permanent supportive housing -- i.e., that providers should be assertive and pro-active in services provision, but that services participation should always be voluntary and NOT mandatory for permanent supportive housing tenants. At the same time, most also underscored their recognition that ongoing case management is likely to be essential for success in working with chronically homeless adults who have recently moved in to permanent housing. Several panelists described the importance of having a long-term game plan for all consumers coming in to housing, and discussed their processes for establishing "participation agreements" with their tenants. Another panelist emphasized that tenants would rarely be terminated for failure to participate in their plan, and that even those who had been evicted from permanent supportive housing might be allowed back in.

USING MTW TO SERVE MORE FAMILIES:
LEVERAGING MTW FUNDS IN THE DEVELOPMENT PROCESS

This session was facilitated by Luci Blackburn, MTW Coordinator/HOPE VI Grant Manager, with presentations by Ed Mauk, Housing Authority of the City of Pittsburgh (HACP); Ken Kugler, Housing Authority of Tulare County (HATC); and Ivan Pour, MTW Program Director.

In this session, two (2) housing authority representatives discussed their non-traditional ways to leverage MTW funds in the development process. Ivan Pour first provided an overview of how MTW can ease the traditional housing authorities' requirements. HUD is drafting a notice on the underlying federal requirements for MTW sites so housing authorities can be fully informed of the requirements they need to follow. Mr. Pour also spoke about how MTW funds can be an excellent source of gap financing in LIHTC projects during these challenging economic times.

Housing Authority of the City of Pittsburgh (HACP)

The HACP described how it needed to leverage funds so it could undertake larger development projects that exceed its annual funding capacity, as well as gain economies of scale that comes when developing larger projects. It hoped to attract larger and more qualified developers and contractors and realize savings by purchasing materials in bulk. Leveraging maximizes available funding sources like tax credits and provides resources when competing priorities deplete funds.

The HACP leveraged funds to redevelop Garfield, a 632-unit barracks-style public housing project built in 1966. The project was broken into 4 phases, with the first phase costing $27.7 million. The HACP contribution was $17.6 million coupled with 9% tax credits. But it could not devote significant capital dollars to the project due to competing demands for the funds, such as creating Uniform Federal Accessibility Standards (UFAS) units. The funds it had available were the current and future stream of Replacement Housing Factor (RHF) funds and the future stream of Capital Fund Program dollars.

The traditional Capital Fund Financing Program (CFFP) was not a viable option for the HACP. The economic downturn made getting loans difficult; Fannie Mae offered a 20-year fixed rate loan at 9.5%, which was a higher interest rate than the HACP wanted.

MTW allowed for creative thinking. The HACP was able to secure a Community Express Loan from Fannie Mae. This was a variable rate, non-revolving line of credit. The rate is equal to the London Interbank Offered Rate (LIBOR) plus 300 basis points, with a capped rate at 10%. The security is a collateral account equal to 25% of the available line of credit. It has no prepayment penalty, an annual payment of principal, and a quarterly payment of interest.

The benefits of this approach are the use of reserves to collateralize the debt, the ability to save on the letter of credit fees (1% a year), and the ability to draw funds only as needed. The interest rate has not been higher than 3.5% so far, and it prepays for the year when it receives its RHF funds, so its interest payments are low. The downside is that this new approach was effort intensive to get approved and payment of a standby fee for the unused line of credit was required. Also, Fannie Mae no longer offers the same terms; they now require 100% collateral; however, other institutions may be willing to provide the same type of financing.

The HACP has many more projects in the pipeline. Once it pays off this loan, it plans to continue to leverage future RHF, operating subsidies, and Section 8 MTW voucher funds, and will revisit the traditional CFFP.

Housing Authority of Tulare County (HATC)

The HATC started this session about leveraging with some MTW humor.   The HATC stated that leveraging is the art of getting millions of dollars to acquire existing units or build new units to add to your housing authority portfolio by agreeing to commit as little of your own money as possible.

On the more serious side, being part of MTW gives a housing authority the ability to work with its resources proactively in a difficult economic time. Housing authorities can look for leveraging dollars through local cities or counties, Community Development Block Grants (CDBG), redevelopment set-asides, Neighborhood Stabilization Program (NSP) funds, American Recovery and Reinvestment Act (ARRA) funds, tax credits, Troubled Asset Relief Program (TARP) funds from local banks, bond sales, other local service agencies, mental health agencies, utility companies rebate programs, HUD, and others.

Eighteen projects (644 units) in Tulare County were developed by leveraging MTW funds. They have significant reserves that they built up over many years; at one point they had six years of operating funds in reserves. They have a flat rent structure, so they get more cash flow than traditional public housing authorities. They are able to invest their reserve dollars in projects and earn interest payments, participate in a number of Low Income Housing Tax Credit (LIHTC) deals, where their nonprofit subsidiary is the managing general partner and will be the ultimate owner when the 15 year period ends, earn developers fees, and manage the units. Their nonprofit now has about $25 million in assets.

Myrtle Court Project: Acquisition of 8 foreclosed four-plexes (32 units) in a cul-de-sac that has a total of 12 four-plexes. To finance, it utilized City NSP1 funds, financing was secured from TARP funds at 4.75% fixed for 10 years and 25 year amortization. The HATC tried to get bond financing for this project, but the cost was prohibitive. The four-plexes appraised for $70,000 per unit and LTV of 70%.

Court & Paradise Project: Acquisition of 11 existing units and construction of 3-bedroom tri-plexes for 9 new units, a community center and playground. To finance, it utilized the HATC construction & permanent financing, City Redevelopment and HOME funds of $1,000,000 and 4% and 9% tax credits of $2,200,000. The project is using ARRA funding for the tax credit portion. The total long-term debt of approximately $750,000 ($37,500 per unit) will be carried by the HATC at 5% for 30 years.

Village Grove Apartments: A 48-unit Senior United States Department of Agriculture (USDA) Project, acquisition and rehab 4% tax credit. To finance, it utilized a USDA loan for $1,000,000, a Citicorp loan for $1,200,000, and the HATC nonprofit gap financing $700,000. The project was purchased from Regional Bank, which had foreclosed on the project many years earlier and was holding the property until the end of the 15 year Tax Credit compliance period. The HATC nonprofit controls the project which kept the $454,000 of cash and did about $1,070,000 of rehab work. The project was purchased for $1,560,000 but that included $384,000 in replacement reserves and operating funds of $70,000.

Oakwood Apartments: 20 units (1, 2, 3, & 4 bedroom). To finance, the HATC used $250,000 of City HOME funds for rehab; $950,000 was approved in the MTW Plan for the project purchase and to provide the permanent financing for a total cost of $1,200,000 ($60,000 per unit). The project was in foreclosure for $950,000 and will pay 5% interest to the HATC for the loan.

Gateway Village I & II: 64 units (2, 3, 4 bedroom). This project was a joint venture with a private developer and the HATC through the HATC nonprofit (Kaweah Management Company, Inc.), 9% TCAC (Tax Credit Allocation Committee) USDA funds, and local city providing additional financing of $200,000. The HATC provided $200,000 GAP (Good Agricultural Practices) funds, developer fees earned by Kaweah Management Company of approximately $600,000. Kaweah Management Company maintains ownership of the project at the end of the tax credit compliance period and is the managing general partner of all projects. The HATC works with local cities to help with building & design issues and provides local ownership & management. The HATC and Kaweah Management Company get 30% of project developer fees.

Tule Vista Project: The financing scheme for Tule Vista is the first of its type to be approved in California. This project is a tax credit project for single family homes to be sold to qualifying families at the end of the 15 year tax credit compliance period. The HATC's MTW loan of $3,900,000 will be repaid at the end of the 15 year period (when the homes are sold) with a "loan distribution" of an additional $1,755,000 for a total of $5,655,000. The city has committed up to $75,000 of deferred first time homebuyer financing per unit and its loan and land are subordinate to the HATC. The average sale price per unit only needs to be approximately $142,500 in 15 years to cover the permanent debt and the HATC portion. It will use a first time homebuyer program for these houses. The long-term debt is from the New Issue Bond Program that was approved in 2009. This financing would not have been possible without MTW dollars, which allowed it to pledge its reserve dollars for the 15 year period. In the end, the note could not say it was a 3% residual receipts note. Instead, it is now called a "loan distribution" which gives it 3% at the end. The banks are concerned about collateral or any potential tax ramifications in the deals.

East Tulare Ave Cottages: 12 units for persons with developmental disabilities. The HATC and the California Department of Mental Health Services (CMH) had been looking to work together on a project for developmentally disabled tenants. East Tulare Ave Cottages is across the street from an existing housing site. The project was acquired for $795,000 and was to be funded with the California Housing Finance Agency (CalHFA) funding. The total approved by CalHFA to cover acquisition, rehab and operating funds is $1,540,000. The interest rate is .5% for 30 years.

This was a very difficult process to get approved and DMHS paid for a consultant to assist in the development process.

Encina Tri-Plex: Three 1-bedroom units in a historic home in downtown Visalia for persons with disabilities. The home was built in the 1940's and was converted to a tri-plex in the 1970's. This project was complicated by the fact that the rehabs were not properly documented and there were major structural issues with the building. However, the project was in a great location and worth pursuing. The City of Visalia agreed to provide the long term financing for the project ($325,000), the Central Valley Regional Center paid for all the rehab work ($550,000), and they secured another $250,000 from one of the tenant's trust account. The HATC nonprofit is the owner of the project.

The HATC would like to work with HUD and other MTW housing authorities that may apply for the MTW Demonstration. In the meantime, it will continue to pursue adding quality housing to the existing inventory with a concentrated effort to serve communities with little or no assisted units currently.

Comments, Questions and Answers:

How many units will be at Garfield?

- There will be 270 units (2 and 3 bedroom). Garfield was a dense project, so HACP decided to demolish the housing, re-grade the site, and develop fewer units. Although the unit number on this site is far fewer than before, overall the HACP has the goal of retaining the same number of housing units serving people under 80% of the area median, and counts its LIHTC projects towards this unit goal.

How was relocation handled for the Garfield project?

- Garfield had a lot of vacancies, so relocation was not a big issue. Tenants were moved to vacant units while work was completed; some residents later moved back into their former units.

What is a reasonable amount of reserve?

- The HACP likes to have four months of total budget for its reserve. If it has more than that, then the surplus can be put into other costs. The authorized number of Section 8 vouchers is higher than is used; occupancy is significantly better in public housing due to MTW, but worse in Section 8.

Can you describe the HACP's Garfield development in more detail?

- Phase 1 is 90 units; half are public housing and half are above the Total Development Costs (TDC). Site improvement costs were high; it cost $45,000 per unit for grading costs in order to make the project accessible.

When you do tax credit or bond financed projects, what is the Area Median Income (AMI) you use? Do you use Project-based vouchers or Annual Contributions Contract (ACC) funds to provide subsidies?

- The HACP uses ACC funds now, but is considering Project-based vouchers in the future.

Comment: One housing agency is using MTW funds to buy land that it could not afford previously. This allows its residents to live in neighborhoods with better school systems and access to transportation.

Comment: Another housing agency is also using MTW funds to acquire properties in areas that traditionally do not have public housing for people with incomes at or below 30% of AMI.

Comment: The HATC's voucher program is fully used. It is considering using MTW authority to convert reserve funds to make 150 new Vouchers available. By having flat rents, it keeps its costs certain so they can better project their income stream.

USING MTW TO SERVE MORE FAMILIES: BUILDING PARTNERSHIPS USING MTW FLEXIBILITIES

This session was facilitated by Louise Hofmeister, Housing Authority of the County of Santa Clara/City of San Jose (HACSC) with presentations by Ann Marie Lindboe, Seattle Housing Authority (SHA) and Joanne McKenna, Massachusetts Department of Housing and Community Development (MADHCD).

Seattle Housing Authority (SHA)

The SHA began its presentation by outlining three primary goals for having partnerships and identifying some challenges they met. It then described its partnerships and described the program activities that resulted from them.

The SHA acknowledged that it does better with housing clients who have little or no barriers to stability, so it knew it needed to find partners who could house and support clients with high needs. The City of Seattle voted to increase property taxes to build/make available more units for low income households, creating the Seattle Housing Levy (City Levy). It also received three HOPE VI grants and entered into an agreement to replace units one for one. Its receipt of the HOPE VI grants created fear among the nonprofits that the MTW program would take available resources to facilitate HOPE VI redevelopment, but that did not occur. For nonprofits not familiar with housing agency requirements, it was an "eye opener" on how to manage permanent housing.

The SHA's three primary partnership goals were: 1) increase housing choice, 2) increase efficiency, and 3) increase client self-sufficiency. Increasing housing choice focused on transitional housing, increasing affordable housing in the City, and coupling housing with services. Increasing efficiency focused on utilizing partner expertise to more efficiently house hard to house clients and combining efforts with the City Levy process to leverage resources and simplify the SHA's level of effort. Increasing self-sufficiency focused on utilizing partner services (ranging from intensive case management to job placement) to increase the self-sufficiency of clients.

The SHA outlined five programs with which they partner: Assertive Community Treatment (ACT), Sound Families, City Levy, Replacement Housing and Request for Proposals (RFPs), and Assisted Living.

Assertive Community Treatment (ACT): The SHA developed a provider-based voucher program to serve people with severe mental illness offering a combination of housing and 24/7 support. The program targets high users of psychiatric hospitals and jail services. Service agencies are selected through a competitive process overseen by the State of Washington. They must master lease units in the private market and tenants must complete the SHA paperwork so that the HUD Form 50058 for tenant demographic and economic information can be generated. The SHA provides the housing vouchers (the initial pilot was for 50 vouchers) and funding for services are provided by the State, treatment funds generated by the providers, and County Levy (county taxes). This program is a Housing First model - it is not transitional housing.

Sound Families: This program began in 2000 with capital and service funding from the Bill & Melinda Gates Foundation to develop new housing with support services for homeless families. This collaborative partnership is a sponsor-based program where seven housing authorities provide housing vouchers and Sound Families handles eligibility and case management. The operating subsidy provides up to 400 project-based vouchers. Specific achievements of the program to date are the development of 305 transitional units, with intensive case management provided by partner agencies, and 67% of the participants in the Sound Families' evaluation exiting to permanent housing.

City Levy (Seattle Housing Levy): The City Levy is a local tax levy approved by Seattle city residents to create affordable housing. Through this funding, the SHA has committed 500 vouchers to make levy-funded units affordable to extremely low income households. Seattle citizens and affordable housing experts establish priorities for the Levy funds. These priorities serve as selection criteria for recipients. As of the end of 2009, 286 units were under contract through this program.

Replacement Housing and RFPs: awards project-based vouchers to partner agencies to achieve local priorities, including replacement of sold or demolished units. Agencies work with the city to better align timelines and goals. To date, nearly 1,200 vouchers have been awarded through the SHA. Through a Request for Proposals (RFP), 350 vouchers have been awarded to partners for replacement housing.

Assisted Living: This is a partnership with the Retirement Housing Foundation. This partnership built 154 assisted living units onsite at NewHolly (a HOPE VI redevelopment). Historically, Medicaid service dollars have been diverted to pay housing costs for elderly, critically reducing the funding of services. The SHA covers the cost of housing, so that Medicaid dollars can go to services. To date, 126 project-based vouchers have been provided by the SHA, making these units affordable to people with incomes at or below 30% Area Median Income (AMI). This is the first and only such partnership in the State.

The SHA identified a number of flexibilities within the MTW program that assisted them in achieving successful partnerships:

- Voucher use in transitional housing;
- Voucher award process;
- Partners maintain their own waiting lists, and have their own preferences and suitability criteria (however, the requirement of serving households at or below 30% of AMI is mandatory);
- Contract term can be up to 40 years;
- No exit voucher;

- Partners conduct their own “turn-over” inspections;

- Use a higher payment standard to support the project if necessary;

- Provider-based programs – provider master leases units.

Massachusetts Department of Housing and Community Development (MADHCD)

The MADHCD began its MTW programs in 1999. The MADHCD has no federal Public Housing but it is the Commonwealth’s Low Income Housing Tax Credit agency, and administers 19,300 Housing Choice Vouchers through eight Regional Administering Agencies (RAA) located across the state. It was one of the original MTW Demonstration sites. Currently it is running a small pilot MTW programs in Boston and Southern Worcester County focused on helping families increase self-sufficiency. In this pilot there are 183 units with a three-year time limit (with an option of two one-year extensions). The pilot features a shallow flat rental subsidy, requires automatic monthly escrow for clients, and has flexible support funding to cover work-related expenses for clients to secure or sustain employment. The service delivery model has the following components: initial meeting and intake; service plan development; referrals to support services as needed; and one-on-one advisory meetings when requested by client (crisis management). A lot of this work is “low-touch” since it involves more contact via phone than in person.

The MADHCD outlined why partners are central to program and participant success including: project scale (expansion of small projects need partners to meet demand); public awareness and support; improvement of individual outcomes; leveraging of needed resources; and partner expertise. Partners play important roles. They create strong and scale-able programs and deliver complimentary services. Advisory partnerships are invaluable to guiding program expansion and leveraging resources.

For planning, The MADHCD partners with RAA Executive Directors, RAA Leased Housing Directors, Housing Quality Standards (HQS) Inspectors, a Management Information Systems (MIS) Contractor (to conduct data collection and evaluation), and an MTW consultant.

The MADHCD program partners enhance the self-sufficiency pilot by providing job training and educational programs, case management, increased financial literacy and asset development, identification of long-term employment and income growth strategies, and, more fundamentally, add resources and impact the next generation. Partners include job training and educational programs, financial institutions, community health centers, Community Development Corporations (CDC), social service agencies, and schools.

As the pilot program matures and the MADHCD looks to expand the program, it is moving beyond referral and looking more closely at success. To highlight the impact of partnerships on programs, the MADHCD reviewed three aspects of its MTW program.

Value Vouchers: This aspect sets aside units in Low Income Housing Tax Credit (LIHTC) buildings for MA Health and Human Services clients. It is a shallow subsidy to fill the rental cost gaps. Partners are property management companies, the Massachusetts Department of Mental Health, MA Rehab Commission, and the Massachusetts Department of Developmental Services.

Opportunity Neighborhoods: This is a choice and mobility program that assists families in moving to low poverty/ high opportunity areas. It provides on-going supports to stabilize families and provides access to local schools for improved academic outcomes for children. An important aspect of this program is that families aren't just "dropped" into the community. Health centers, after school and summer programs, and Community Development Corporation partners provide additional supports to help families achieve a successful transition.

Youth Aging Out of Foster Care: This is a time-limited subsidy for youth to take advantage of educational and job training opportunities. Involved partners include the Department of Children and Families, colleges, training programs, supportive services providers, and the program participants themselves.

The MADHCD's advisory partners include advocacy groups, funders, academic centers, program participants, policy and planning agencies, and other state agencies. These partners work with the MADHCD to craft and expand MTW's full potential – recognizing the intersection of housing and income and looking to job training programs to increase success rates. They inform and advise program design, assist with program evaluation and data analysis, leverage existing resources, and identify new resources.

As the MADHCD looks to expand beyond the pilot, it has many questions and anticipates challenges. It is considering voluntary versus mandatory participation, time limits, flat/tiered/other rental models, garner public support, and changing the role of the RAAs.

Comments, Questions and Answers:

Regarding preferences, how are waitlists handled?

- The SHA responded that there is an expedited waitlist process for those transitioning out of a transitional/supportive housing unit, but there are no exit vouchers. The SHA does not want to provide an option for clients to circumvent the waitlist process. Therefore, programs get clients on the waitlists at the beginning of the program so that they are ready when the MTW voucher time limit approaches.

Regarding case management, how long do they follow-up?

- The SHA responded that in Seattle, there is no timeframe requirement, but once clients rely less on case management, other partners pick up that service. The expectation is that the client can live independently as a criteria for coming into the housing. A session participant suggested that having contractors administer case management is not effective due to quality and control issues and recommended that case managers be hired directly.

How do you get partners to keep records or make data available?

- The SHA has just added data elements to its list of required data collection to get the reports it needs. Most partnering agencies already had reporting requirements.

Is the SHA or the MADHCD asking for measures other than housing (i.e., self sufficiency and other measures)?

- The SHA also asks for other measures, but these were already part of existing reporting (# transitioned to PH, # employed, # in educational opportunities).

- Originally, the MADHCD didn't ask for additional reporting measures because it was unsure of what metrics and data would provide effective information. This has changed, now the pilot is very goal driven and the MADHCD wants to know how the client moves through the program and what his/her outcomes are. The MADHCD also hired an MIS contractor to assist with this process. Another session participant works with homeless providers because they have a strong grasp of the situation and viable metrics.

Question: "Spreading the Good News": how to you share your accomplishments with community as well as stakeholders?

- The MADHCD has participated in limited promotional marketing citing geographic diversity challenges. However, as more partnerships are developed and data collection improves, more information will become available. Inspectors will also be able to work with localities to educate that MTW is a resource and increase understanding on how to improve the housing stock.

- Every six weeks, the SHA publishes a county newsletter that talks about MTW and HOPE VI grants. There is also a Landlord newsletter, regular press releases, and partners are more than willing to give the MTW program credit and add its role in their projects to their talking points.

Comment: Another session participant recommended being aware of the political angle; when it came to expanding and preserving these programs, it talked amongst Directors, conducted a survey and will now disseminate the results to legislators.

Baselines and benchmarking: Issue of monitoring the outcomes of partnerships – is there anything that you want to think about when monitoring partners?

- The SHA acknowledged that there is always a struggle between what you want to monitor while minimizing burden. It recommends restraining from asking for too much detail and only monitoring needed data and information. Its subgrantees propose outcomes and the SHA measures actual performance against these estimates. There is some influence by the MTW agency on what those measures should be, but MTW is flexible. The SHA suggested MTW programs could check regularity (pay raises, etc), preferences, occupancy rates, Enterprise Income Verification (EIV) issues (50058 reporting is a challenge, receive in paper form and requires data entry and checking/validation), and data quality (there is a risk of audit from HUD when data is wrong).

- The MADHCD acknowledges that this will be a big challenge as they move their pilots to full scale programs. It has hired the MIS contractor to assist in collecting this data.

How do you select partners?

- The SHA conducts its own RFP, but also will match to service dollars RFP requirements – if it would provide a better overall package.

Did the SHA get a procurement waiver?

- No, it still has to follow an approved procurement process; it's just a matter of who is running the procurement. Another session participant recommended using the local government as a partner for procurement.

USING MTW TO SERVE MORE FAMILIES:
CREATING LOCAL VOUCHER PROGRAMS WITH MTW

This session was facilitated by Emily Cadik, MTW Coordinator, with presentations by MaryAnn Morrison, Massachusetts Department of Housing and Community Development (MADHCD) and Sean Heron, Oakland Housing Authority (OHA).

Ms. Morrison discussed the MADHCD's planning process associated with developing a local voucher program, and Mr. Heron discussed reviewing the OHA's sponsor-based vouchers and how the OHA implemented the program. Session attendees introduced themselves and stated the number of vouchers they had. A volunteer was selected to provide a summary of the session's discussion to the larger group.

Massachusetts Department of Housing and Community Development (MADHCD)

This presentation began by asking attendees two questions: how many were already conducting local initiatives in their MTW programs and how many were learning about creating local initiatives? Several hands were raised in response to the first question, and only a few hands in response to the second. The presentation was focused on the planning process for creating various local initiatives, and what the MADHCD learned about operating a small program during the first 10 years of involvement with MTW. In retrospect, the MADHCD believes it did not spend enough time planning what the agency wanted to achieve through the MTW program when it first started.

An overview of the MADHCD was provided: the agency was the only voucher-only agency when the MTW program started. Since then, other MTW agencies have transitioned into voucher-only agencies as well. The MADHCD had two database systems to manage its 19,300 vouchers, which would also be important for data collection and the evaluation of the MTW initiatives.

The MADHCD's initial program, started in 1999, only affected 183 vouchers in two parts of the State (greater Boston and southern Worcester County). The program was based on a time-limited stipend. The MADHCD selected participants who had been on public assistance for the last 12 months. Participants did not receive a traditional voucher; rather they were given a stipend that could be used for rent and work-related expenses. Additionally, the MADHCD automatically placed $50 of the stipend into escrow for each family each month, and participants could divert some of their rent subsidy to the escrow if they wanted. The program was originally to last for three years, but now there is a five year option.

When designing the program, the MADHCD did not develop an evaluation strategy to test outcomes. The MADHCD recognizes that this was a missed opportunity for it to assess how successful of a program it was. Currently, the MADHCD is going back to collect data from participants, since it does not want to repeat the same mistake going forward.

When the MADHCD renegotiated its MTW Agreement with HUD in 2008, the administration was supportive of expanding MTW to the agency's entire portfolio. There would also be a more rigorous evaluation as well as tracking of outcomes associated with the self-sufficiency program. The MADHCD wanted to be more strategic in designing the expanded program and asked the questions: what it was going to do, how it was going to do it, and why was it going to do it?

To accomplish this, the MADHCD first identified who the partners were and made sure they were at the table from the beginning. No decision would be made in a vacuum. Partners included the eight regional housing directors, front line staff, and executive directors. The MADHCD also hired a consultant to provide guidance in developing the plan and moving it forward, and a Management Information Systems (MIS) contractor to assist the group with modifying its database system as needed. The MADHCD also reached out to local partners and other stakeholders with expertise in moving families to self-sufficiency. There were several reasons why partners were important. The MADHCD needed to know that the program would be scalable and could be translated to a larger program; to leverage money and expertise; to help tell the story of the MTW program; and to assist with follow up with participants.

The planning process was shaped around the three statutory objectives of the MTW program with the various partners assigned to different objectives. The MADHCD also created small working groups comprised of experts in the community that were working on similar self-sufficiency programs to help shape the MTW initiatives.

In planning process, several key questions were asked:

- What are the key assumptions? For example, a successful outcome defined as the elimination or reduced need for subsidy by a household.
- What are we testing and how will this inform the transformation of our entire program?
- Is the program teaching us something valuable?
- What are the design elements?
- What information is out there that we can refer to? What have other researchers and outside stakeholders found so that we do not reinvent the wheel.
- What data do you have and what data do you need?
- What can you leverage?

The transformation of the MADHCD's entire portfolio did not happen immediately. The Amended and Restated MTW Agreement was signed in 2008, but the agency did not propose an expansion until its recently submitted FY 2011 MTW Plan. Additionally, the MADHCD stressed the need for front line staff involvement in the planning process. If the program was not intuitive and understood by staff, it would be difficult to implement.

For the self-sufficiency pilot programs, the MADHCD is focused on conducting household assessments and linking the assessments with services, whether provided in-house or through local partners. There would also be a work requirement. The MADHCD also modified its approach to escrows, and would now require participants to actively save money in addition to the automatic escrow.

For the choice pilot programs, the MADHCD is working on two programs: a value voucher and opportunity neighborhoods. The value voucher program is targeted at the homeless population in Massachusetts. Through this program, properties make their lower rent units available to the homeless population as long as case management is being provided. The opportunity neighborhoods program is focused on the reality that where residents live informs the opportunities available to them. The MADHCD is evaluating neighborhoods with positive factors with respect to housing and education and connecting families to these areas.

To evaluate the program, agencies need to know what data has to be collected, and what modifications need to be made to their MIS systems. A lot of data is already available both externally and internally to the agency. The MADHCD is working with its MIS department to extract the information that is already in system, so it can be used to evaluate the impact of the MTW initiatives.

The presenter closed by stressing that if an agency does not take the time to plan and have the right partners at the table; it does a disservice to the MTW program and the opportunities it provides.

Oakland Housing Authority (OHA)

The presenter briefly reviewed the number of public housing units, MTW Housing Choice Voucher (HCV) units, and non-MTW HCV units managed by the OHA.

Under the special housing programs, the OHA is not providing vouchers; rather, the OHA is providing housing subsidy to participants who would not otherwise benefit from the Section 8 or public housing programs. The two primary MTW authorizations that are permitting the OHA to pursue this approach are the following: Attachment C, Section B.1. Single Fund Budget, which allows the agency to combine funds received under the operating, capital and voucher programs, and 2) and Attachment D. Use of MTW Funds, also referred to as local, non-traditional use of funds, which states that the use of MTW funds is not restricted to Section 8 or public housing.

The two other small group discussions focused on the belief that establishing supportive/ transitional/homeless programs and building partnerships using MTW flexibility are interrelated, and that using a Sponsor-Based Housing Assistance Program (SBHAP) is a way to accomplish both. The OHA looked to both the Housing Authority of Portland and Cambridge Housing Authority and what they did to serve special needs populations. The OHA has been very careful not to use the term “voucher” in describing this SBHAP, and noted that the program is a “work in progress.” The agency has thrown itself into the program and is responding to issues as they arise while trying to be strategic and deciding where to use the program.

There are three goals to SBHAP: 1) to be agile in responding to local needs and become a partner in addressing community issues; 2) to serve households not served by the HCV or public housing programs; and 3) to leverage the resources around in the community. For example, the OHA may not have the expertise to work with housing special needs populations, while many community-based agencies do have robust programs that serve special needs populations but do not provide a housing subsidy. Where housing assistance and supportive services have traditionally existed in two silos, MTW has allowed the OHA to bring them together.

In expanding housing opportunities, the OHA sought to serve groups that do not traditionally qualify for or benefit from the public housing or HCV programs. These include people on the waiting list that need services to succeed, do not have a good credit history, poor references, no funds for a security deposit, problems with behavior in the community, or past criminal records. For many of these groups, such as the prisoner re-entry population, they need housing to succeed but are denied because of their history.

The OHA then provided some examples of how it was using SBHAP to respond to local housing needs and emerging issues. In one case, a local nonprofit housing provider collapsed, which could have resulted in a loss of housing resources and displacement of current tenants. The City of Oakland asked the OHA to provide emergency vouchers as the buildings were shut down. As a result of MTW, the OHA took a different approach. Instead of providing vouchers, the OHA provided funding to keep the buildings open, which meant that families could remain in their units and kids in schools and limited disruption. In another case, the OHA disposed of its 254 scattered site public housing units and put project-based vouchers in the units. Several of these families were over-income (over 50% AMI) and would have had to be relocated. The OHA used its MTW flexibility to allow these over-income families to remain in the unit. Finally, a county-wide strategy for homeless issues turned into a nonprofit organization that got local governments to commit units to the program. Through MTW, the OHA is providing units to this endeavor.

In discussing the leveraging of resources, the issues of service providers that could not provide housing subsidy, the OHA not having the expertise to provide services to special needs populations, and the utilization of MTW to get out of these silos, were repeated.

Currently, the OHA has implemented two local housing subsidy programs: 1) serving over-income families in the former scattered-site public housing units so they are not displaced; and 2) a short-term subsidy program for a distressed LIHTC property. For this SRO property, the Oaks Hotel, the OHA is providing enough subsidy to keep it operating - $130,000 over 16 months – while other partners are brought in to stabilize the building for the long-term. As a result, a local nonprofit was brought in to take over the property, which is combining the property with the Single Room Occupancy (SRO) that the organization owns next door. This will allow it to provide 24-hour desk service, which was not feasible until it had two buildings. The organization has also applied for Low Income Housing Tax Credit (LIHTC) and anticipates starting construction in October 2010.

The OHA also has two programs in progress: 1) the MOMS (Maximizing Opportunities for Mothers to Succeed) transitional program; and 2) the homeless and re-entry partnership with the City. The MOMS program is being done in partnership with the Sheriff's department and is targeted to mothers coming out of jail and reuniting with their children. The program will be operated out of 12-unit scattered site building. Since the building was part of the public housing disposition, the OHA would provide project-based vouchers (PBV). However, the OHA is rethinking this approach, and may do a sponsor-based program instead and bring in a service provider that is better equipped to serve this population. There is a vested interest in utilizing this building because relocating such a facility would be very difficult. An on-going challenge to this program is the State budget crisis. The Sheriff's department budget to provide on-site case management was almost entirely eliminated, so it is unsure if it will be able to continue to provide this service.

For the homeless and re-entry programs, the City has the expertise in working with this clientele, and already has in place a set of criteria for program evaluation and reporting mechanisms. The OHA will partner with the City to leverage its expertise and provide subsidy dollars to its clientele. The pilot program is targeted at 40 homeless individuals living in encampments, and 50 individuals in the re-entry program. Current challenges include eligibility criteria associated with past criminal history (e.g., no history of methamphetamine production or registered sex offenders in public housing and the existence of outstanding warrants). The OHA is moving its background checks away from the Oakland Police Department (OPD) since OPD would have to arrest the individual. Another challenge is funding. The real estate parcel tax had been used to fund the re-entry program. This tax may be eliminated, which would impact the funding for the program. The goals of the pilot program are 85% of the population remaining housed after one year and 95% of those without income being employed after one year.

The presentation ended with three themes going forward. The first was managing its partnerships and knowing who brings what to the table and what impact the budget problems would have on its relationships. Second, the OHA is working on its reporting and evaluation of these programs. These include how to fill out the MTW 50058s and how this information is linked back to the OHA's Annual MTW Plans and Reports. For program-specific goals, the OHA Board of Directors has its goals for the sponsor-based program, while its partners have their own goals. The question is how to blend the two different goals together. Finally, the OHA is looking at the possibility of establishing "graduation" vouchers. In many instances, people enter the program with a need for services, and that need drops off over time, such as in the Shelter Plus Care program. However, those vouchers continue to be used by those households even if they do not need services anymore. The question is how to transition them to a regular voucher and open up the service-enriched voucher for someone who needs it. There is no support for issuing time-limited vouchers in Oakland, but if agencies are serious about a continuum housing and service, a method of graduating clients needs to be developed.

<u>Comments, Questions, and Answers:</u>

For the Oaks Hotel, what was the $130,000 used for and what paperwork was required by HUD?

- The OHA responded that The Oaks Hotel was an 85-unit SRO operating at a deficit. The City had provided temporary operating support, the management company was departing, and the SRO was serving a Housing First population. The City would have had to scramble to relocate these residents if the building was closed down and would be difficult to reopen the building once it was closed. The OHA told the City that it would assist them, but would not provide relocation vouchers. Instead, if the City was serious about keeping the building open, the City should calculate what the cost would be to operate the building until it could be re-stabilized and operated by another nonprofit. The operating gap determined by the City was $130,000. The OHA funded the $130,000 in three increments, which is contingent upon the City meeting certain benchmarks. The funding was provided as a grant. Ultimately, the OHA justified the expenditure by determining that the agency would spend more than $130,000 to relocate all of the households if the building were shut down. Hence, a cost-benefit analysis was performed: what did it cost to keep the building in operation while a long-term solution was reached versus shutting it down.

How is the MADHCD going to get participants to actively save into their escrow accounts?

- The MADHCD was working with the Asset Development Commission on their Individual Development Accounts (IDA) program. The MADHCD is requiring that everyone participate in a financial literacy program and invest 1% of their increased income to savings. While people's escrows may grow, they are stuck in a job that does not pay a living wage. The MADHCD will work with the family to take some of escrow and use it to get into a program that would help them obtain a better paying job. This is one of the rationales for a case management ration of 25:1. While the assessment is completed in the beginning, it is critical to revisit that assessment and use it to help the families address their issues. It is important for the case managers to be able to spend time with their clients to help them make those decisions.

How is the OHA funding a case management ratio of 20-1 in the homeless and re-entry pilot program?

- In Oakland, the City is committed to this ratio and provide funds accordingly. The MADHCD is funding to that level where feasible and using any savings realized by the agency through MTW to fund case managers.

On the economic side, are the costs per family going up or down?

- The OHA was providing $830 per month for their sponsor-based contribution, which was being leveraged with case management at a 20-1 ratio being paid for by the City, and the City was paying that for a population that did not have any housing subsidy. The OHA's average Housing Assistance Payment (HAP) is $950, and for an individual HAP, it is about $830. Therefore, while the costs are about the same, the OHA believes that the outcomes for participants will be better.

- The MADHCD will be creating more stipend programs going forward. The MADHCD looked at the average HAP in region and is already working with less than that. Therefore, the agency was not immediately spending as much. However, the statutory objective of administrative efficiency became an issue for front line staff. Since they did not understand what it was initially, staff thought the agency was trying to put them out of a job. Instead, as efficiencies have been achieved, the role of the staff has changed from being a program representative to being more of a case manager. The staff time freed up can be used to do one-on-one work with clients and spending more time with them and linking them to programs. These responsibilities cannot solely reside with Family Self-Sufficiency (FSS) or ROSS coordinator. The MADHCD wants inspectors to provide knowledge to owners to help them be more cost effective in making repairs. This has changed the dynamics of how the agency is perceived in the community. The efficiency is gained by moving people off the program by providing more supports.

What would you measure with respect to efficiency?

- The MADHCD has a working group discussing this issue; one person in each of the eight regions is conducting a small time management study on how long it takes to prepare all of the information that goes into a mailing, and then see how saved staff time was redirected to client interaction and helping them to move forward.

How is the OHA supporting over income-families?

- The OHA responded that for those who are not eligible for housing because their income is over 50% of Area Median Income (AMI), the OHA is allowing them to stay in unit by using the sponsor-based program to provide subsidy. If the family is above 50% AMI and below the allowable rent for unit in that market, they are allowed to stay in unit. The contract rent is based on a flat rent. These families have their rent frozen with a 5% increase each year in the amount they are paying until there is no HAP. Once that occurs, families may remain in the unit for an additional 24 months.

For the Oaks Hotel, since the OHA is providing gap financing via a short-term subsidy, how is the agency going to submit the 50058 information?

- The OHA is not sure how they would report 50058 information on this project since it is already being done in partnership with the City. Some people may be served very quickly and moving through the program. The OHA is not well adjusted to rapid turnover, so it is unclear how it would be able to report the 50058 information in pace with the turnover.

USING MTW TO SERVE MORE FAMILIES: ESTABLISHING FORECLOSURE PREVENTION, MORTGAGE ASSISTANCE AND LOCAL HOMEOWNERSHIP PROGRAMS

This session was facilitated by Justin Fazzari, MTW Coordinator, with presentations by David Weber, Housing Authority of the City of Pittsburgh (HACP) and Sarah Laster, Louisville Metro Housing Authority (LMHA).

Although the presentations highlighted different tactics to preventing foreclosures, it was noted that the overall theme to the Conference and this session was to serve more families.

Housing Authority of the City of Pittsburgh (HACP)

The HACP uses a combined program with housing choice vouchers (HCV) and low income public housing (LIPH) for their homeownership program. This combination allows the HACP to reduce administrative costs and operate a more efficient program.

In order to fund their homeownership program, the HACP uses the MTW single fund budget for soft-second mortgage assistance. This innovative usage of funds has allowed the HACP to expand the eligibility to include more families from their waiting lists. Providing a soft-second also expands the housing choices available to families, which in turn aids the HACP to serve more families.

Eligibility requirements for a homebuyer to enroll in the HACP program include a minimum annual income of $17,000 per year, employment of at least 30 hours per week (or disabled or elderly), a debt ratio of less than 35%, and the buyer must provide a 1% down payment, complete a homeownership class, and obtain a pre-approval letter from a bank or other approved lender. All home purchases must be approved by the HACP and be located within the HACP's jurisdiction.

The success and strength of the program is due to the following services provided by the HACP:

- A homeownership class and credit counseling services.

- Information on affordable banking and settlement services. These services help insure that homebuyers are not being taken advantage of by predatory lending services.

- Up to $7,000.00 in closing cost assistance which includes three years of homeowner's insurance and a home warranty.

- Funding to cover home inspection costs and other closing costs.

- Soft-second mortgage assistance, which can be up to $32,000. The average soft-second mortgage amount administered by the HACP is $14,000. The HACP considers this assistance to be "lump-sum" assistance and is calculated based upon eligible monthly rental assistance multiplied by twelve months and then that same rate for ten years. The debt on this assistance is forgiven at an annual rate of 10% per year and 100% after ten years, which substantially reduces the homebuyer's mortgage amount.

- Extended aid to any program members facing possible foreclosure. The HACP established a foreclosure prevention fund which program members can take advantage of for up to six months. The total payment amount for each homebuyer cannot exceed $3,000. The HACP did note that out of the 81 homebuyers currently enrolled in the program there has not been a single individual who has had to take advantage of this foreclosure prevention system.

The main reasons the HACP program is successful at avoiding foreclosures include the following:

- Since the HACP must approve every mortgage, the HACP can examine each and every mortgage and insure that their homebuyer program members are not victims of predatory lending practices.

- The cost of homes in Pittsburgh is relatively low.

- The HACP also has a very strict requirement that every homebuyer enrolls in and completes the homebuyer education program.

- The HACP provides one-on-one assistance throughout the entire purchase process.

- The HACP reviews all home inspections and requires that sellers be responsible for any required repairs. These steps ensure that a homebuyer is buying a home in a fair and responsible manner, which significantly increases the ability of the homebuyer to stay in their home well after they have purchased it.

Louisville Metro Housing Authority (LMHA)

The goal and objective of the LMHA is to offer a comprehensive route to self-sufficiency for low-income families through mortgage assistance, homeownership counseling, and maintenance support. The presenter explained that both Public Housing and Section 8 participants may enroll in the Section 8 homeownership program.

The LMHA has a locally defined homeownership program; it was one of the first Section 8 homeownership programs in the country. In order to have a successful local homeownership program, the LMHA has instituted the following program tactics:

- Time limits for homeowners to purchase their homes. The intent is to keep potential homebuyers motivated.

- Utility estimates that ease the calculation that ease the calculation for bank pre-qualification affordability.

- Utilization of MTW flexibilities to adjust the exception payment standard regulations and use owner occupied median value rather than renter occupied median gross rent in calculating their exception payment census tracts. This provision promotes residential choice, helps families move closer to areas of job growth, and de-concentrates poverty.

- This single mortgage model is a major success of the program. This maximizes the buying power of the potential homebuyer.

A unique tactic in the LHMA program is to expand the housing choices offered to homebuyers. The LMHA has used its MTW flexibilities to allow those who qualify for a one bedroom home the opportunity to purchase a two bedroom home. The LMHA chose this tactic because their housing stock does not contain many one bedroom homeownership units. Therefore, the LMHA allows a HUD waiver for these one bedroom qualified tenant to increase their payment standard to two bedroom qualified units to increase asset opportunities. The LMHA also utilizes its MTW flexibilities to allow for different payment standards for homeownership and rental units. Alternate payment standards are used for exception payment standards and one and two bedroom qualified homebuyers.

The LMHA has implemented various tactics to protect homebuyers from the foreclosure crisis that has crippled other areas of the country. These include:

- Intensive post-purchase counseling. The LMHA has found that predatory practices often start the day after a homebuyer close on their home. The LMHA works with homebuyers to ensure that they understand the principal of equity and work to maintain their home's equity.

- Requires that homebuyers contribute $10 a month during the first three years to an individual development account (IDA). This account is set-up and the LMHA will match funds on a two-to-one basis for repairs and maintenance.

- Commitment to the continuing work requirement. The LMHA made a decision to require homebuyers to be gainfully employed and if they lose their jobs they must find another job within two weeks. During tough economic times the LMHA has worked with homebuyers and allowed for a reduced number of hours if a situation arises, as well as additional time.

Currently 156 families have completed counseling and purchase with a LMHA voucher; 50 families completed counseling and purchased a home on their own; 73 families completed the counseling program and did not purchase a home. Of the 156 homeowners, 27 are off of assistance, 11 had executed exception payments, 31 homes were new construction. Homes are located in 22 of 26 Metro Council Districts; 21 were from public housing; 68 were disabled/elderly/handicapped; and 58 had participated in the family self-sufficiency program. 68% were female heads of households with children, 68% were African American, and 40% percent were elderly/disabled/handicapped.

The current pipeline for the LMHA includes seven sales contracts, two buyers looking for units, ten applications, and over 300 eligible buyers enrolled in the housing counseling program. The LMHA does not currently market its program.

Comments, Questions and Answers:

What is the number of staff dedicated to the Homeownership Program?

- The HACP has approximately 1.1 FTE (normally only one person works for the Homeownership Program, but when there are more applications or if there is a house closing, more staff is involved).
- The LMHA has 2-3 FTE. The staff time varies based on where the homeowner is in the program. For instance, there is supportive staff for Housing Quality Standards (HQS) for inspecting and the program administrator is heavily involved with other programs so her time with the program fluctuates.

Do you institute a work requirement?

- The LMHA has a strict work requirement that has a two-week grace period in which the homeowner must be actively looking for a new job. So far the LMHA hasn't had a problem with someone trying to find a job. The LMHA has decreased the number of hours required because many people have their hours cut and this has proven to be an effective way to keep people eligible.

Have other locations been able to consolidate multiple programs together?

- The HACP has an MTW activity to consolidate some things, but the MTW program does stand alone. Full policy and adjustments went through the public process. A separate HOPE VI Homeownership Program also operates within the jurisdiction, run jointly by the HACP and the Urban Redevelopment Authority (URA). A session participant shared that they have a time limit for families to be on the waitlist as they don't want someone enrolled in the program forever.

Any push back with the new initiative and people jumping the waitlist?

- The HACP has not experienced any pushback or waitlist issues.

Does a participant have to be involved with the Family Self-Sufficiency (FSS) program?

- The HACP does not have this as a requirement, but highly recommends it.

A participant is pre-qualified for the homeownership list, but a person later on the list finds a unit and completes the appropriate process. Does this person have to wait for the people above them on the list in order to receive funds?

- In short, no. The HACP does not require that persons that completed the process and have a unit must wait for others to complete before purchasing, provided there is enough money in the lump sum budget to cover the purchase. However, someone much farther down on the list must wait for the people above to either buy a house or have their time limit run out.

Both programs have had high levels of success, where do you see that strength coming from?

- The LMHA identifies a primary strength as the education of participants about what they are getting into and the requirements of the program (including the long-term effects) and the relationship the staff has with the participants. The counseling program is also very helpful. The LMHA highlights the principal of equity and that homeowners must maintain their homes in order to increase equity.

- The HACP identified pre purchase requirements and low housing prices as key. The representative also noted that the post sale costs of the home being very low maintenance as a critical success factor. The dream of owning a home is really a drive for people, which causes them to want to stay in the home. The front work is very helpful, but the pre-purchase process is really the strength. They try not to get too involved with any work post-sale of the home. A homeowner cannot take out another mortgage on the home without the HACP approval.

If someone is eligible for a 1 bedroom home and qualifies for a 2 bedroom, how many people take advantage of that program?

- The LMHA stated there were 12 individuals in the LMHA program who took advantage of this opportunity to buy a bigger home.

Have you received any type of positive criticism to help you structure your administrative programs better?

- The LMHA stated that participants indicate that they appreciate the hands on approach.

Comment: A participant referencing the Minnesota State Homeownership Program Research stated that they did not understand why on the day after a person closed on their home their mailbox was full of credit card applications. In Louisville, a home sale is published in the local newspaper within the month, so credit card offers and other lending/refinancing mail is being sent to the new homeowner. The LMHA responded by encouraging other agencies to constantly check-in with their clients, especially during the first year, in order to keep their clients away from predatory lender activities.

Where do the funds come from for your soft second loans?

- The HACP uses MTW block grant funds for the soft second mortgage loans.

How do the soft seconds decrease administration costs?

- The HACP identified that decreased inspection costs for future years is a result of soft seconds.

Have you tried to expand the number of Uniform Federal Accessibility Standards (UFAS) units in your program?

- The LMHA responded that the housing stock is severely limited, as many houses are over one hundred years old and were not designed with UFAS in mind. It is still trying to find ways to work on this dilemma.

USING MTW TO SERVE MORE FAMILIES: DECONCENTRATING POVERTY USING MTW FLEXIBILITIES

This session was facilitated by Tracey Scott, Atlanta Housing Authority (AHA), and Bob Boyd, Minneapolis Public Housing Authority (MPHA). Ms. Scott and Mr. Boyd began the session by introducing themselves and briefly discussing their backgrounds. Ms. Scott stated that she was presenting in lieu of three of her colleagues so she expected her remarks to be informal and suggested a more informal conversation take place.

Atlanta Housing Authority (AHA)

The AHA's vision is a healthy mixed-income communities and healthy self-sufficient families. The AHA has focused on de-concentrating poverty since 1994, prior to the MTW Agreement. In 1994, when Renée Glover, the AHA's CEO, was asked to head the agency, the AHA was in quite a situation: public housing communities were blighted, truancy prevailed, crime was high, and the AHA was a "troubled agency." Public housing was Atlanta's "crown jewel" in the 1970s but by the 1990s it was "completely tarnished."

The AHA used HOPE VI funds to begin relocating families and improve the communities. The AHA has used a variety of tactics, including MTW, to tear down public housing and begin building healthy mixed-use, mixed-income communities. There are four pillars to describe how the AHA uses its MTW flexibility: funding, program management policies, human development, and community-building.

1. Funding – the AHA uses the flexibility of the single fund to further development. The AHA leverages its funds into new real estate development. This access has allowed a 10-to-1 funding ratio of private dollars to the AHA HOPE VI funds. The AHA may provide a long-term ground lease to the partnership; when the ground lease ends the property reverts back to the AHA. This allows developers to come into a partnership where they can focus on the market-rate units and use a mix of public and private investment, including tax credits, for funding the entire development that also includes affordable units.

2. Human Development – the AHA uses MTW funds to provide support, counseling and coaching for 27 months after residents move from public housing. The AHA has also initiated several educational efforts (the AHA's Good Neighbor Program). Families go through a series of six classes on tenancy topics including how to maintain the unit and conflict resolution. These efforts are intended to optimize each participant's opportunity for success.

3. Program Management Policies – To ensure greater success as families moved from public housing, the AHA implemented program policies such as limiting the family's portion of rent to 30% of income to ensure greater affordability.

4. Community Building –Starting with its Olympic Legacy program, the AHA used HOPE VI funds to revitalize the Techwood/Clark Howell public housing and create Centennial

Place in 1996. Centennial is right in downtown Atlanta and has truly created new life for the entire surrounding area as well as for families and children. With the Quality of Life initiative, Atlanta targeted 12 of the remaining family public housing communities for demolition requiring relocation of about 3,000 families. Several of those communities have been developed into mixed-use, mixed-income communities.

The AHA provided a summary of programmatic and policy changes they have implemented (refer to handout) across programs, including its Housing Choice Voucher Program, and Project-based Rental Assistance (PBRA) partnerships.

AHA Handout Synopsis:

- 30% of adjusted income - the AHA provides affordability for families by limiting total tenant payment to 30% of adjusted income. Additionally, the AHA recently increased its standard deductions well above the HUD standard.

- Project-based Rental Assistance – the AHA uses PBRA as a financial incentive and financing tool by providing a renewable rental subsidy to private sector developers and owners to commit a percentage of units as affordable in quality market-rate multifamily developments. PBRA also enhances developers and owners' competitive applications for the State's Low-Income Housing Tax Credits Program for the provision of affordable rental housing. It enables the AHA to leverage Federal funds with other public and private investment to expand the affordable housing resource.

Minneapolis Public Housing Authority (MPHA)

The MPHA is a mission-driven agency that promotes and delivers well-managed homes (not apartments and condominiums) and contributes to families and communities it serves.

The MPHA recently created the Mobility Voucher Program. The MPHA recognized that families wanted to live near the people with whom they grew up - potentially staying in the same, concentrated area. The MPHA wanted to encourage families to look at different environments and look at housing in a different way.

The MPHA's Mobility Voucher Program Action Plan overview reads, "MPHA is committing between 3-5% of its Housing Choice Vouchers (up to 240 vouchers) to support the Mobility Voucher Program. Participants for this program will be drawn from the MPHA's Housing Choice Voucher program waiting list and must meet the MPHA Section 8 income limits as well as other screening requirements for participation in the MPHA's Section 8 Housing Choice Voucher (HCV) program. Each family will be assigned to a Mobility Counselor responsible for assisting the family in finding and maintain a home in a non-concentrated area of Minneapolis for three years. Upon completion of the Mobility Voucher Program, participants will be able to live wherever they desire. Participants will sign a Contract of Participation that outlines the obligations of the family and understanding of the Program requirements. Participants who do not fulfill the Mobility Voucher Program requirements will lose their housing assistance as well as their place on the waiting list; participants will need to wait until the waiting list reopens to reapply for assistance."

All residents of the MPHA's HCV and public housing are encouraged to participate in a matched earnings incentive program. As an incentive to join the workforce, anyone that is working gets 15% of their gross income matched and placed in an escrow account.

The MPHA has a web-based housing search application that lists every vacant housing option: the site sorts by county, transportation, house size, and bedroom size. The MPHA support services and special mobility counselors are full-time and there are service workers to help families complete the self-sufficiency program.

It was noted that after a family has used a voucher for ten years they have the option to use that voucher towards a mortgage for up to one year.

MPHA Handouts Synopsis:

- Mobility Voucher Program sheet – briefly discusses the mission statement, purpose, and requirements of the program.
- The MPHA Mobility Voucher Program Action Plan – this is a step by step outline of the Mobility Voucher Program in the event a housing authority would like to duplicate the program in their community.
- Wait list letter – sent to families on waiting list. This letter explains that if families are interested in living in a non-concentrated area they may move up on the waiting list - this is used as an incentive.
- Nokomis Community Resources map – the MPHA is developing a map for each neighborhood that shows where the food shelves and pharmacies are located.
- The MPHA's Neighborhood Profile of Diamond Lake – the MPHA is creating a neighborhood profile for each neighborhood that includes employment resources, libraries, parks, recreation centers, etc. When families move into these communities they will know where parks, schools, and transportation are located.
- Health Care Resources – the MPHA lists all the healthcare resources in the neighborhood and surrounding areas.
- Afterschool Programs – information describing after school programs in the neighborhoods.
- Food Shelves – lists food shelves in areas, including all food shelves in Minneapolis.
- Other Resources – other resources available for the MPHA residents.

- Letter to recruiters.

Comments, Questions and Answers:

Has the MPHA implemented the Mobility Voucher Program?

- The MPHA has indeed implemented this plan; albeit a less aggressive form that was not as comprehensive.

How effective does the MPHA expect this program to be, especially the observation that families, after the second and third move, tend to move back to their original location to be near family and friends, which may also be known as concentrated areas?

- The MPHA found similar results that after a few moves the families want to move back to concentrated areas; they get tired of children suffering the effects of racism and they miss the community. The MPHA is striving to use tools to help these families deal with that. The presenter commented that change is hard to see when you are living in it and explained that the MPHA has to have the long view on those types of issues.

Are the AHA's efforts to relocate some portion of a minority to less poor, less minority neighborhoods but at the same time develop housing that attracts more affluent, white families? Poor, black families tend to move into bad areas and nothing is done to move white families to less concentrated areas where they might feel less comfortable.

- The presenter responded by discussing Centennial Place, the AHA's first revitalization effort which is located near Coca-Cola's headquarters and Georgia Tech University. She noted that none of the kids from impoverished public housing had attended Georgia Tech University and that Centennial Place is now part of one of the "hottest neighborhoods in Atlanta." Everywhere the AHA has touched or torn down property, it has focused on community building. The AHA not only targets the agency-owned property but is looking to buy adjacent land to create housing opportunities. The AHA noted that it focuses on community-building, providing incentives, making attractive and amenity-rich environments.

- The MPHA noted that their efforts have increased the value of the surrounding neighborhoods as well, which may become a problem as public housing represents a small number of people who are in need of help.

What is the AHA's conflict resolution program and are community volunteers involved in the process?

- The AHA responded that the conflict resolution program is mandatory and while not all residents are keen on this, the AHA is seeing the value. The AHA has created "AHA4You," a hotline for the community to voice complaints, concerns, and suggestions regarding the happenings in the community. Curiously, many of the calls the AHA receives are not about the AHA-assisted families.

What determines a non-concentrated area versus a concentrated area?

- The MPHA referred to the census' definition of 32% race or poverty. The AHA addresses de-concentration by tearing down public housing and focusing on mixed-income environments throughout the city.

Comment: The AHA is very focused on building relationships with landlords and moving toward determining market equivalent rents for units in the Housing Choice Voucher program. The AHA established payment standards for seven submarkets using a wide variety of factors; higher rents may apply for higher income neighborhoods but ensures affordability for families.

Is the AHA actually able to serve more families or is it costing the housing agency more to serve these families?

- The AHA responded that the AHA wants to make families successful so they are trying to push them toward self-sufficiency as a means to serve more families. The presenter mentioned that the AHA leasing incentive fee started as part of a relocation effort to defray the initial move-in security deposit cost, to encourage more movement, and to reduce barriers. It is a set fee that is provided to the landlord after the family rents and covers security deposit and moving fees. Specifically in Atlanta, this rate is a flat amount.

The mobility program sounds like a soft FSS program; are the housing agencies also going to look to the market?

- The MPHA's long term goal and the Mobility Voucher Program Action Plan specifically states the areas the MPHA will review. The MPHA is not pre-setting where the families are currently living and where they will be living when their three years are up. The MPHA stated that about 50% of the families in this program move back to concentrated areas when their three years are up. This sparked an inquiry as to how the MPHA is tracking the number of families that move back. The presenter commented that if the family is still using the voucher, the MPHA uses the voucher code to track the family. However, if the family graduates from the program and they no longer use a voucher, the MPHA use a traditional survey.

A housing authority representative noted that his agency notices families that are successful in keeping housing are richer and the families that continuously move through many housing structures are the poorest. He noted that the MPHA may effectively be prioritizing for participation with a richer resource set than others and asks what issues the housing agency perceives.

A representative inquired about how families are to pay their utilities under both housing agencies Action Plan' and asked if either had support programs to help in this area.

- The AHA noted that energy management is covered in one of its mandatory classes. The AHA provides a utility allowance on top of rent, and provides a utility card. If the family is eligible, it will receive the utility card, a VISA debit card. The family can go online and use bill-pay through the website. Once the utility card money is in the account, it belongs to the family.

USING MTW TO SERVE MORE FAMILIES: DEBRIEF

During this brief session debrief, volunteers from each of the six break-out sessions provided a short summary to the Conference participants.

Establishing Supportive/Transitional/Homeless Programs:

Four agencies discussed their programs. There are a variety of different ways to serve more families: provider-based model; public housing for homeless housing is a new trend; project-based housing. There are multiple major challenges with supporting homeless families, but a specific challenge discussed was dealing with time limits with homeless clients. If a program doesn't have a transitional component (time limit), how does it encourage people to move on?

Leveraging MTW Funds in the Development Process:

The session discussed ways to create innovative financing for buying duplexes and other multiple units and converting them to other types of housing; also discussed were the use of tax credits, mental health funds, and public housing and voucher reserves. Future funding streams for Replacement Housing Factor (RHF) were also presented. The discussion acknowledged the impact of local conditions - foreclosure markets, tax credit markets - and addressed incorporating financing fees in various phases.

Building Partnerships Using MTW Flexibilities:

This discussion centered on building partnerships to serve populations who are not served under traditional public housing or voucher programs. One tactic was to combine in-house services with those of other nonprofits. A goal is to expand housing choices for people who need services. Various participants asked questions on HUD processes and reporting. Many partners have stated that they have similar reporting measures for their funding and therefore only need to add one or two pieces of information. However, MTW agencies should make sure data elements are defined up front and everyone agrees on the outcomes before program development. The discussion also illustrated ways to build communication channels with the community through newsletters, annual reports, having partners share the credit for success. Another discussion was around procurement and the use of local government structures to facilitate procurements.

Creating Local Voucher Programs with MTW:

The Massachusetts Department of Housing and Community Development (MADHCD) program is a long term program (since 2000). They took the voucher program and provided a stipend rather than a voucher. The MADHCD shared that it believes they missed an opportunity in the beginning of the program to capture a lot of data. They encourage other MTW agencies to not make this same mistake. They are now in the process of designing an evaluation as part of the process going forward. Another suggestion was to bring in partners in the evaluation process. The Oakland Housing Authority (OHA) shared how they are fully participating in the process and examining what they need to do on a local level to respond quickly to their local needs. How to put all of that onto a HUD-50008 form was a major question.

Establishing Foreclosure Prevention, Mortgage Assistance and Local Homeownership Programs:

To establish these programs, agencies should conduct a local, in-depth review. The Louisville Metro Housing Authority (LMHA) and the Housing Authority of the City of Pittsburgh (HACP) shared successful strategies. One-on-one counseling was identified as a vital component of any program, particularly around improving credit and educating clients so they are not taken advantage of once their credit improves. The first year the homeowners are in their homes and credit has been established, they may be approached by numerous companies offering them new credit cards and other lending opportunites. The processes used in helping homeowners move toward and into homeownership are also very important. One agency talked about combining their Homeless Planning Council and Housing Counseling program. Another funding option was to set up a lump sum, soft second loan program from Block Grant funding. Two major sources of success were the expanding of the eligibility of the program and the expanding the pool of potential buyers. A succession payment program (where a household eligible for a 1 bedroom home is allowed to purchase a 2 bedroom home to increase asset opportunities) resulted in rehab savings.

De-concentrating Poverty Using MTW Flexibilities:

The Atlanta Housing Authority (AHA) program is broad based and centers on relocation efforts and redevelopment of high poverty concentration areas into mixed use/mixed income communities and rebuilding within urban areas. The Minneapolis Public Housing Authority (MPHA) focuses its voucher program on incentive based mobility which gives priority to families to move to less poverty –concentrated areas. Its presentation asked, “What is the definition of concentration?” It felt that no one has one answer. There is a lot of work in order to define concentration of poverty consistently and effectively. Other questions posed were: “What effect are we having on communities as we encourage people to move from place to place? If we are effective are we serving more families?” Are we seeing an opportunity to serve more programs as clients graduate to self-sufficiency?” All of these questions need to be considered as MTW agencies work to serve more families, effectively and efficiently.

DEVELOPING EFFECTIVE EMPLOYMENT AND SELF-SUFFICIENCY INCENTIVES WITH AND WITHOUT WORK REQUIREMENTS AND TIME LIMITS

Session facilitator Ron Ashford, Public Housing Supportive Services Program Director, HUD, provided a brief introduction and overview of the presentations that would be given during the session. Mr. Ashford introduced the session speakers: Carrie Lindsey, Lawrence-Douglas County Housing Authority (LDCHA); Linda Kaiser, Chicago Housing Authority (CHA); Ashley Lommers-Johnson, Housing Authority of Baltimore City (HABC); and Maria Razo, Housing Authority of the County of San Bernardino (HACSB).

Lawrence-Douglas County Housing Authority (LDCHA)

The LDCHA has a mandatory work requirement, which states that all non-disabled/non-elderly adults aged eighteen and over must work at least fifteen to twenty hours a week. An exception to this requirement is if someone is enrolled full time in a job training or post-secondary education program. Additionally, a two parent household can satisfy the work requirement if only one parent works a minimum of thirty-five hours a week.

Another component of the work requirement is training and education. The LDCHA has an employment center complete with five computers available for public use. In this center, the LDCHA conducts focused workshops and computer training, both of which the LDCHA has found to be vital aspects for any prospective job candidate. The LDCHA also provides assistance to those who wish to enroll in education and training programs even those programs which are offered at other facilities. There are no time limits imposed for the training and workshops programs. The LDCHA has kept their programming current and offers extensive opportunities for technology-based education. This education includes: computer and internet access, computer based job search, resume help, writing for employment, word processing and computer skills workshops. Finally, the LDCHA recognizes the benefits of providing paid training for certified nurse and medication aides, Microsoft Office certifications, and paid training positions in the Resident Services Office.

As a tool to help individuals find permanent jobs, the LDCHA has implemented a “barrier analysis.” This fifty-three item questionnaire allows staff to not only to identify residents’ barriers to obtaining a job, but helps staff and residents prepare for some difficult conversations that might come up in the job search process. The analytic tool also offers a great opportunity to find areas in which there might be an easy fix and/or a clear path. Questions include, “Do you have a suspended driver’s license?” and “What three personal or professional achievements are you most proud of?” After the barrier analysis is complete, the LDCHA staff helps residents to consider a long-term career path and lay out steps that the resident will need to follow to reach their goals. The LDCHA staff use “SMART Goals,” which require that goals are <u>s</u>et, <u>m</u>et, <u>a</u>ctionable, <u>r</u>ealistic, and <u>t</u>ime-based.

The LDCHA prides itself on having very strict requirements, but also having flexibility to work with tenants. First and foremost, residents are required to sign a work requirement contract. The LDCHA never allows lack of child care as a reason to not come into work at their resident services employment. The LDCHA offers bus passes and has two vans to provide transportation to and from work for their tenants. Additionally, the LDCHA has implemented a new policy where an eighteen to twenty-one year old living with his or her parents is required to work, but his or her income is not counted towards the household income.

The LDCHA has an extensive list of both partners and employment affiliates which has led to the successful implementation of the program's work requirement. The LDCHA has partnered with many employers in the area and has established an agreement where the LDCHA pays a portion of a tenant's wage. This encourages employers to hire program tenants. The presenter encouraged other MTW agencies to look into utilizing the AmeriCorps Vista program to build the capacity of their MTW agencies without having to use precious program funds. Through traditional financing and partnerships with Habitat for Humanity none of the LDCHA tenants are in foreclosure.

Chicago Housing Authority (CHA)

The CHA is in the process of transforming its work requirement. The CHA implemented a work requirement for all public housing residents on January 1, 2009. The work requirement mandates that all residents between the ages of 18 and 62 engage in some activity for at least 15 hours per week for the first year of program implementation and then 20 hours per week for subsequent years. Any household member who is s17 years of age and not attending school full-time is also subject to the policy. The work requirement may be met through a verified combination of employment, attendance in an accredited school, institution, training program, job readiness, GED program, internship or volunteer and community service. Volunteer and/or community service may only fulfill up to fifty percent of the work requirement for the first three years of implementation. Residents may request a 90-day safe harbor from the work requirement if they are unable to comply with the policy, but they can demonstrate that they are working to meet the requirement. The CHA operates a Case Management and Workforce Development Program to assist families in their transition to economic self-sufficiency.

The CHA has implemented exhaustive workforce development opportunities for its residents. Through the CHA's Resident Services division, residents are able to participate in opportunities for education, training and work experience that assist them on the path to gainful employment and complying with the work requirement. The CHA is prepared to spend up to $1million per year in a partnership with the City Colleges of Chicago. This service will provide bridge programming and adult literacy classes to residents at no cost. Residents are also able to take a variety of degree and certificate programs in industries such as hospitality, transportation distribution and logistics, and healthcare. Six hundred and ninety residents have enrolled in training programs with the City Colleges since 2008, and 477 have completed a program.

The CHA does not shy away from encouraging its residents to take transitional jobs. The CHA has found transitional jobs are an effective way for many residents to overcome multiple barriers to obtaining permanent employment. The CHA has implemented a Transitional Jobs Program offering unique opportunities not available elsewhere. Residents receive paid training and on-the-job experience in preparation for entering the workforce. The Transitional Jobs Program utilizes time-limited subsidized jobs that combine real work, skill development, and supportive services to transition participants to unsubsidized positions. It has four components: job readiness and basic skills training; placement in paid subsidized employment; placement in unsubsidized employment; and employment retention services which are coordinated with case management agencies. Since 2008, when this program was implemented, 698 residents have participated in the program. Ninety percent of these participants have retained their position for at least 30 days. Four hundred and thirty-three residents have completed a subsidized placement. Four hundred and eighteen residents have transitioned to unsubsidized jobs.

The CHA has several lessons learned through the Transitional Jobs Program. This program has helped participants manage barriers that often prohibit successful employment, provided a greater opportunity for participants to earn higher wages and enabled participants to comply with the CHA’s work requirement. The presenter stressed that although funding this program is more expensive than a traditional workforce development program, it has effectively helped individuals with multiple barriers to obtain and retain gainful employment.

Housing Authority of Baltimore City (HABC)

This presentation discussed a new demonstration program the HABC designed to simplify rent policy and increase resident self-sufficiency in the Gilmor Homes family residential facility.

First, the presenter provided an overview of the Gilmor Homes family residential facility and the HABC’s goals for the project, including the current rent structure, income levels and employment status percentages for Gilmor Homes tenants. The HABC has four main goals for Gilmor Homes: increase tenant self-sufficiency, increase income diversity, increase rent revenue, and make this project cost-effective. For this last goal the HABC anticipates an increase in rent revenue that is expected to exceed the amount of funding necessary for employment services.

The main focus of the presentation was on the simplified process of calculating rents for Gilmor Homes. The HABC wants tenants to have predictable increases in rents, which would eliminate some of the confusion and hesitation many tenants report regarding rent increases. The HABC has found in the past that some tenants are inclined not to obtain a job for fear that their rent will increase exponentially. The intention of the predictable rent reform is to eliminate this fear and instead encourage residents to become gainfully employed. The presenter stressed that the maximum rent amount is low and is highly publicized. This information is shared with all tenants, and tenants are educated that they will not be subject to any additional rent increases for a two-year period.

Finally, the presenter stressed the tools that were necessary for this program to be successful. The HABC has a dedicated management team and resident services staff. The HABC has implemented clear goals and strategies to not only implement this program, but to keep it running. The HABC is also committed to over-education and constant reinforcement of their goals and strategies. The highest priority for the HABC is to ensure that its tenants are fully aware of rent increases and how the system operates. Finally, the HABC has taken a detailed approach to ensure that all their current systems support the individual goals and tactics of the program.

Housing Authority of the County of San Bernardino (HACSB)

The final presentation outlined the HACSB's pilot Family Self-Sufficiency program. The presenter provided a brief overview of the HACSB program and its activities. The HACSB is the largest geographical county in the contiguous United States and the HACSB provides nearly 8,000 MTW vouchers. The HACSB is relatively new to MTW, having executed its MTW Agreement in March 2008. In these short years the HACSB has instituted and proposed a total of 16 activities.

The HACSB's pilot program intends to replace the agency's traditional escrow account with a savings account where a tenant's withdrawals for self sufficiency activities during the FSS contract term would be allowed. The pilot program is also considering allowing its FSS graduates to retain their savings account balance after the contract term is complete and after the tenant graduates from the Housing Choice Voucher (HCV) program. The primary objective of the pilot program is for tenants to obtain a measure of self sufficiency.

The HACSB has four expected outcomes for this pilot program. First, the HACSB hopes that this new program will increase participation in the larger FSS program. Second, the HACSB expects this program to increase its tenants' income. Third, the HACSB anticipates increased completion of contract goals. Finally, the HACSB expects an increase in their HCV program graduates. The HACSB projects these increases due to an increase in tenants' self sufficiency.

The presenter concluded the presentation by stressing that this Family Self-Sufficiency program is indeed a pilot program. A conference participant asked why the HACSB chose not to implement this pilot program into their current overall Family Self-Sufficiency (FSS) program. The presenter responded that the HACSB wished to have a pilot program, which would allow the HACSB to have a control group. The HACSB wants to be able to see if this pilot program is more successful than their traditional FSS program. In order to track the progress of each program the HACSB needs to have a control group.

Comments, Questions and Answers:

For the individuals who decided to take their funds out of the escrow, will there be a follow-up?

- Yes, we want to track their progress. The decision hasn't been made yet whether to allow those individuals back into the program.

Do you try to encourage your clients to participate in the Family Self-Sufficiency (FSS) program?

- LDCHA: Yes, we do encourage our families to participate in FSS. We have never had a traditional escrow program.

- CHA: We encourage it for select families. It's a good program, but it's better suited for certain families.

- HABC: Our savings account feature is modeled slightly after the escrow program. Our goal is that after three years someone would have enough saved up for first month rent and security deposit to enter the private rental environment.

Do you have a utility allowance?

- HABC: Not yet. We are working to install meters and eventually intend to have a utility allowance.

Do you offer any type of literacy program or financial budgeting counseling?

- HABC: The rent jumps are not automatic; instead they are 30% of your income with caps. We do have staff on-site that works with the families and there is a team effort to provide education. We do not have a specific counseling requirement, but classes are available for our tenants.

What does your partnership with the community college pay for?

- CHA: The current agreement has been in place for over three years. We haven't spent $1 million in any of those years. They have tutoring, they check in with our residents, they work with our case managers, they provide special tutoring for licensing courses, pay for books and tuition.

What other contracts does the CHA have for education?

- CHA: We pay for 1-on-1 training at other institutions, but it really depends on the course that is needed. We offer bridge programs that help residents get into college. We rely on other case management staff to focus on placement for our clients because we have found that colleges typically do not do a good job of job placement for our clients.

Do you fund transportation services?

- LDCHA: We fund these programs with a variety of funds. We have bus passes and we have worked to teach our tenants how to use the bus system. We use MTW reserve funds for some transportation costs.

How does your program address terminating someone from these programs for failure to participate in the program?

- CHA: You have to enforce your requirements. We haven't evicted anyone yet, but we have served notice twice. We have a two-tiered process and we collect enough information that we feel very comfortable evicting someone and having the documentation to back it up.

- LDCHA: We do evict people. Someone gets evicted because there are numerous infractions and problems.

- HACSB: If someone fails to meet the work requirement then he/she would lose the housing assistance provided and would move to paying the market value for the unit. If the tenant was unable to pay the market rent, then he/she could be evicted for nonpayment of rent.

- HABC: We hope to be able to evict someone if they don't pay their rent. We know that doesn't sound helpful, but we have to enforce our requirements in order to support our program.

The facilitator concluded the session by asking for a "sense of the audience" regarding the income disregard. The response from the housing authorities was an overwhelming consensus that they do not think this requirement is necessary and that they find it extremely difficult to administer.

CREATING UFAS ACCESSIBLE UNITS WITH MTW

This session was facilitated by Charles Kieffer, Cloudburst Consulting Group, with presentations from Lorry Bonds, Esq., District of Columbia Housing Authority (DCHA); and Charles Aquavella and Amy Wilkinson, Housing Authority of Baltimore City (HABC).

District of Columbia Housing Authority (DCHA)

The DCHA has a Voluntary Compliance Agreement and also a Consent Decree with complainants that filed a class action lawsuit. Advocates came and wanted to insure that they had disability accessible units. The DCHA wanted to fund as many Uniform Federal Accessibility Standards (UFAS) units as possible. In order to work with existing housing stock, they changed duplexes to "piggy back" apartments: the first floor was UFAS units and the top apartments were not. It looked heavily at bedroom size when determining what was to be converted, since they wanted fewer one-bedroom and more multiple-bedroom units to better suit customer need. To fulfill the Consent Decree and Voluntary Compliance Agreement obligations the DCHA needed to develop 585 units and converted hundreds of units to create over 300 UFAS units. The DCHA also needed to create new construction UFAS units. To do this, the DCHA utilized HOPE VI grants to put in elevators, wheelchair stair glides, lifts, etc. It also entered into partnerships with developers and property owners that would need subsidy to assist with their building to request UFAS units be created for their clients as part of the deals.

The DCHA looked to MTW as a way to reach out to developers to create additional UFAS units. Using MTW, it developed a forgivable loan program and marketed it to landlords and land owners to garner interest ($50,000 per unit, up to $300,000, forgiven after 10 years). To further incentivize the program, the DCHA provided architectural and engineering expertise to contractors to ensure that units met guidelines. The DCHA was involved in all aspects of the project – it assisted with the design, had plans drawn up, and held contractor hands from beginning to end. The point of this heavy involvement was to make sure that things were done correctly so that there would not be an additional cost later on to be in compliance. The loan was a drawdown model. The DCHA has done this for the past 3 years; it has completed 5 units and 9 more are in development now. There were other partners for funding as well, but property owners needed to bring funds and prove fiscal stability. MTW flexibility allowed the DCHA to allocate a certain amount of money to help developers bridge the funding gaps. Developers also liked 10 years of subsidy rather than having to try to find renters.

Housing Authority of Baltimore City (HABC)

The HABC has two consent decrees, one related to race discrimination and the other to disability. Baltimore has an added restriction that prohibits it from using public housing capital funds to develop housing in "impacted" areas. Thus, for the disability decree, it could use Section 8 funds to acquire, but not public housing capital. In response, it created a program "much like a public housing unit" that was deeply subsidized, available for 40 years, with client rights equivalent to that of public housing. It fills these units by taking people from their public housing waiting list, not the section 8 waiting list.

To develop the housing, the HABC needed 600 vacant units and a relocation policy. It tried not to develop too many properties with elevators, and other long-term expense items. With elevatored buildings, it created units in a stack to facilitate minimal changes to plumbing, electric, etc. Most 1-bedroom units ended up in mixed population buildings. MTW funding fungibility made funding available for the UFAS units; otherwise there would have many long-term vacant units. Occupancy went to 82%.

MTW gave the HABC an 'out' on the minimal # of units. Using Housing Assistance Payments (HAP) or other funds as part of the cash flow would generate the cash flow needed.

The HABC still needs to create 147 more units to meet requirements of the consent decree. Some will be new units, but those won't be enough to cover the need. It may need to go back to existing stock, but the cost will be much more than the original units created: there is 99% occupancy; the units are further from the accessibility route, etc. It went back to Department of Justice (DOJ) and the State of Maryland and successfully negotiated down the numbers of 5- and 6-bedroom units required in the consent decree; however developing 40 4-bedroom units is still required. The HABC has issued a Request for Proposal (RFP), offering $30,000 per unit along with the long-term affordable rental guarantee. As another solution, it is now looking at vacant lots to create modular or stick built UFAS units to meet the requirement. Modular homes have large upfront cost, but the advantage is a greater surety that the units meet UFAS.

<u>Comments, Questions and Answers:</u>

How do we attract private property owners?

- In DC, they wanted the subsidy. In Baltimore, private owners and developers are not interested.

How do you deal with Fair Market Rent (FMR) if a landlord is willing to combine 2 units to 1 large UFAS unit?

- The DCHA responded that landlords need to assess the balance between a guaranteed 10 year contracts versus recouping the rehab funds for creating a UFAS. This is also a niche group in DC. Their partners were private owners looking for investment who liked the guarantee, particularly in a shaky housing market.

As Baltimore combined units to create UFAS units, are they also addressing the fact that now there are fewer units?

- The HABC never would have touched the long-term units if MTW hadn't provided funding, which in itself created more housing opportunities. Reducing the density of the buildings/projects was also a good thing as it increased the quality of life for residents. The DCHA also lost units, but not to the same degree as the HABC. It had also received bond funding, so it needs to ensure that it could keep the minimum needed as it rehabilitated and consolidated units to create UFAS.

How do you get HUD to work with the accessibility "tolerance" language?

- It was recommended to work within the scope of maximums and minimums; if a cabinet says 34" from floor, then remember that the floor is going to take several inches, so plan for it. Make sure that the inspectors know the UFAS code and they are constantly monitoring for items that could be incorrect. It is also important to have a certifying architect that the plaintiffs have agreed to work with, and that Project Managers must know tolerance and be constantly looking for non-compliance long before the major floor or the tub is installed, etc. Also, make sure the contractor is responsible for getting the certification from the certifying architect – and make final payment based on this certification.

How do you select a certified architect?

- Generally word of mouth, then formally through the RFP process. A best practice is to request proof that they have successfully dealt with consent decree concerns and ask for samples of their work product.

Comment: Another good practice is to ask HUD to come and inspect. It will provide you with guidance on what is acceptable, how to fix any found concerns, and make a decision on what isn't acceptable. Commenter has found them to be helpful and much easier to work with than DOJ.

Comment: Financing for private developers is also a barrier to developing UFAS units – dedicating units for 10-15 years doesn't fit within that financing schema. Private developers don't want to be tied to a loan for that long, they want to refinance as soon as it is prudent to do so.

Comment: The DCHA looked at modular housing also but chose not to move forward with that solution. It was not just an upfront cost issue; most modular builders are only Americans with Disabilities Act (ADA) compliant, not UFAS compliant. Also, it needed to be able to buy additional units to meet UFAS unit to traditional unit density levels, which just was not feasible.

Comment: The DCHA is also incorporating maintenance into planning, so that problems that appear can be dealt with sooner than later. The DCHA felt it was more important to arm its internal staff rather than relying on outside contractors. Then there was a safeguard – more than person checked the project. As another safeguard, it had the internal Certifying Architect train the inspectors and monitors.

Comment: The HABC indicated there may be an opportunity to look at zero bedroom units and the ability to convert and combine those. These are "lost units" since it couldn't rent them anyway, so it made it worth it.

Comment: There is no guidance on how to deal with these all of the UFAS issues. Housing authorities should make sure that contractors, certifying architects, and monitors are all using the same tools (4-foot levels provide different results than a 2-foot level!)

ENERGY AND ALTERNATE SUBSIDY CALCULATIONS

This session was facilitated by Justin Fazzari, MTW Coordinator, with presentations by Elias Rosario, Chicago Housing Authority (CHA); Greg Russ, Cambridge Housing Authority (CHA); and Sarah Laster and Bernard Pincus, Louisville Metropolitan Housing Authority (LMHA).

In this session, housing authorities discussed their alternate energy performance contracts and the steps they have taken to develop green, affordable designs. Each of the three housing authority representatives presented on their previous efforts in their local communities and discussed their plans for the future. Conference participants were encouraged to dialogue with the presenters and brainstorm other approaches.

Boiler Replacement Project, Chicago Housing Authority (CHA)

The CHA has entered into energy performance contracts with vendors to provide the design, installation and maintenance of energy conservation measures for its assets. These agreements have the potential to reduce utility expenses while modernizing buildings with capital improvements.

Critical to the plan is an Energy Performance Contract (EPC), which is an agreement that provides for the design, acquisition, installation, testing, operation, and, where appropriate, maintenance and repair of energy conservation measures in a building or a group of buildings. An engineering firm that develops, finances, and installs projects designed to improve energy efficiency and maintenance costs for facilities is called an Energy Services Company (ESCO). Many states have enacted laws to govern EPC use, which may require ESCO to provide a savings guarantee.

The benefits for a housing authority of using an EPC are that it can:

- Make capital energy improvements while preserving limited budget dollars.
- Reduce repair and maintenance costs caused by inadequate, aging or obsolete equipment.
- Reduce their utility expenses.
- Modernize building operations.
- Provide technical and operations training for building operating personnel.
- Improve indoor air quality (IAQ).
- Create incentives for ESCOs to develop highly efficient projects by linking their compensation to project savings.
- Conserve energy and water resources and improve the environment.

Currently, the CHA is working with two vendors to replace its aging boilers in 22 CHA properties, impacting a total of 4,811 units. This project will not only increase efficiency and better ensure safety during Chicago's cold winters, but also promote a cleaner environment and save what is estimated to be millions of dollars by reducing maintenance and repair, increasing efficiency and reducing gas consumption.

The project will produce many benefits:

- Guaranteed 30% reduction in total energy use (average "payback" of 16.6 years).
- Annual energy savings of more than $1M per year.
- Estimated cost savings of $9,273,924 over the life of the project.
- Abatement of asbestos containing materials.
- Improved reliability, operational efficiency, and maintenance of heating systems.
- Reduced gas usage, resulting in annual reduction of 5,865 metric tons of CO_2, equal to removing 1,015 cars from the road.

The CHA considered four (4) financing options:

1. Traditional EPC Funding – HUD add-on subsidy or Frozen Rolling Base Utility Allowance.
2. Loan – Borrowing funds.
3. Bond Issuance.
4. Energy Efficient, Green Communities Grants.

In the traditional approach, an Add-On Subsidy is an additional subsidy that is applied to amortizing payments for a loan contracted to finance energy-conservation improvements with a repayment period not to exceed 12 years. The Frozen Rolling base is an incentive that freezes the 3-year rolling base utility allowance at the level of consumption before installation of the energy improvements. This incentive applies when payments by the housing authority to an ESCO or third party financier are dependent on the amount of energy cost savings realized.

The CHA chose a hybrid financing strategy that included a bond issue and American Reinvestment and Recovery Act (ARRA) stimulus competitive grants. The CHA had a bond issue through Build America Bonds (BAB's). Standard & Poor's (S&P) Ratings Services has assigned its 'AA-' issuer credit rating (ICR) to the CHA. At the same time, S&P also assigned its "AA-" rating to the CHA's $25M taxable revenue bonds series 2010 (Build America Bonds-direct). As an example, the difference between "A" to "AA-"is approximately 65 basis points;

approximately $162k per year for 20 years or $3.3M if the rating remains constant. The CHA applied for 82 Capital Fund Recovery Competition grants and won 61.

The outcomes of the CHA Boiler Replacement Project are:

- Stimulated $32M project & produced needed jobs:
  - $18M in ARRA CFRC grant award
  - 22 CHA Properties, 4,811 units impacted
  - 53 FTEs created since 4th quarter 2009

- Improved quality of life:
  - Replaced aging equipment
  - Improved reliability and operating efficiency
  - Abated asbestos materials
  - Reduced 5,835 metric tons of CO2 annually (equal to removing 1,015 cars from the road)

- Produced favorable financing strategy :
  - $2M in BAB's savings
  - $3.3M projected S&P rating adjustment savings

- Guaranteed savings :
  - Guaranteed 30% reduction in energy usage
  - $1M in annual energy savings
  - $9.2M in estimated project cost savings

Frozen Utility Base, Cambridge Housing Authority (Cambridge)

Cambridge has a significantly older housing inventory with older heating systems. By 2012, it intends to reduce total electricity consumption by 57%, generate 18% of its electricity onsite with solar panels, and eliminate 4 million pounds of greenhouse gas emissions annually.

Cambridge did not have an energy plan when it joined MTW. It initially decided to study its utility billing structure. It employed an intern for 6 months to review the records and develop a database. It now has accurate information about where meters are located and the billing history for electricity and gas going back 8 years. It can aggregate accounts correctly and charge to the correct properties. With this system, it can monitor energy reports monthly.

The Frozen Utility Base does not allow for energy complacency. Effective management of frozen utility base requires constant vigilance and timely energy reporting. Cambridge generates energy reports monthly, and these are monitored both centrally and by property managers. The progress of energy reduction with the frozen utility base is tracked in aggregate and for each site.

The Energy Information Administration estimates that electric plug load increases by 1-2% annually, despite advances in energy efficiency technologies. Absent rigorous attention, this increased load can rapidly eclipse energy savings. Also, maintaining energy efficiency upgrades requires ongoing monitoring, preventive maintenance and repeated engagement. Aerators and CFLs can disappear, zone values can be opened, pumps can fail, and equipment obsolesces.

The Frozen Base provides impetus to actively pursue efficiency upgrades and creative partnerships. Agencies may pursue private finance to leverage energy savings to fund capital improvements, and more efficiently engage in either third party or self directed Energy Performance Contracts. Funds are available as necessary to leverage private foundation or utility sponsored rebate programs.

Frozen base is good for an MTW agency. If the subsidy reflects the snapshot in time and unit mix in time, not only savings will be realized, but income can be generated from the base. The flexibility of MTW allows an agency the ability to direct energy related cost savings to best meet the overall needs of the agency, such as energy improvements or resident services.

Cambridge converted its heating systems from electricity to gas. Since it is able to purchase both as commodities and can lock into costs, it has been able to save money.

It has realized a 22% reduction in electricity consumption, and most of that savings derives from converting senior properties to gas. Unfortunately, the gas consumption increased; this did not offset the savings. However, it believes it will save more money when it is able to purchase cheaper gas on the commodities market and it hopes that gas prices will remain steady if new gas drilling techniques are used.

It has found that it is difficult to get people to use new water saving devices and therefore Cambridge has had to be aggressive in monitoring usage of the water device. It also found that solar panels need to be washed monthly.

Energy Conservation, Louisville Metro Housing Authority (LMHA)

The LMHA is a leader in green, affordable housing development within the Kentuckiana region. Green building, which is related to ecological design, not only embraces energy efficiency but also sustainability, storm water management and indoor air quality. To these goals, the LMHA has added resident awareness of environmentally responsible behavior such as recycling. The presentation discussed the LMHA's greening activities and the agency's plan for future MTW initiatives to reduce dependence on fossil fuels.

The LMHA believes in energy conversation not just in energy conservation. The LMHA has taken steps to save energy and enhance residents' quality of life. The LMHA's energy efficiency efforts began in 2002 with a HOPE VI application to replace Clarksdale Homes, a severely distressed housing development located in downtown Louisville. Clarksdale Homes (built circa 1938-1940) was the oldest public housing complex in the Commonwealth of Kentucky. The development consisted of 786 units located on 6 square blocks, or approximately 29 acres.

The LMHA believed that the new neighborhood should reflect the proud history of the City and not just be a neighborhood unto itself, but rather an integral part of the existing historic Phoenix Hill neighborhood. The LMHA also believed that the new neighborhood should model green building practices that could be implemented in other projects located throughout the community and city.

Consequently, the LMHA applied for a grant to fund a high performance building design charrette, and was selected for the award. It was funded by the U.S. Department of Energy and Kentucky Division of Energy with a local project sponsor, Louisville Metro Air Pollution Control District, in conjunction with Southface Energy Institute. The charrette occurred in October, 2003. The project architect, Sherman-Carter-Barnhart (SCB) and SCB's team of design consultants facilitated the charrette.

The LMHA incorporated a number of the charrette recommendations into the design. The LMHA decided to pursue an ENERGY STAR rating for the development. The LMHA worked closely with HUD, Environmental Protection Agency (EPA), and the project architect to design units that would qualify for the ENERGY STAR Label.

The LMHA experimented with 3 units of the same general design and orientation to determine if a geothermal system afforded any energy savings. The results were inconclusive, because household family sizes and lifestyles vary significantly. A larger sample of households is needed.

In addition to the tight building envelope, the site incorporates pervious pavers in a 2 block section of a street, to replenish the ground water table. Also, the old building foundations were ground up for fill.

The rental portion of Liberty Green is now completed (443 units rental and 275 homeowners). The new community center at Liberty Green, designed to meet LEED Gold criteria, is nearing completion. The Center will be the first the LMHA owned and managed LEED certified facility.

The LMHA has received 4 consecutive EPA awards. In 2007, the LMHA was awarded the national *ENERGY STAR Excellence in Affordable Housing Award*. This award was for Liberty Green. In addition, the LMHA has won consecutive *ENERGY STAR Regional Awards for Excellence in Affordable Housing* in 2008, 2009, and 2010 for implementing green initiatives agency-wide.

Louisville was chosen by the EPA in November of 2007, as one of five cities to become a model partner of its ENERGY STAR program. Simultaneously, Louisville’s mayor launched the “Go Green Louisville!” campaign to encourage sustainable practices. The LMHA quickly joined this initiative. The LMHA's previous success at Liberty Green served as a catalyst to establish an agency-wide energy efficiency program.

To begin, the LMHA formed its Green Team to develop greening goals and a comprehensive action plan, including short and long term initiatives. The goals are:

- Develop, renovate and maintain housing stock and communities with green materials and energy efficient technologies;

- Conserve energy and other natural resources; and

- Increase awareness of environmentally responsible business and development practices. During 2009, the LMHA competed with 37 other Louisville building owners in the Kilowatt Crackdown contest. The Authority chose to enter Avenue Plaza, an 18-floor high-rise that is home to 225 elderly and disabled households. It also houses the LMHA's Central Office facilities, including 66 staff and 57 computer stations.

A local architecture and engineering firm, Luckett and Farley, conducted an energy audit of the building. The LMHA implemented the following recommended energy savings measures:

- Replaced two chillers and elevator penthouse condenser with high-efficiency units

- Replaced over 500 T12 three and four bulb fixtures with T5 two bulb fixtures throughout basement, 1st and 2nd floors

- LED parking fixtures

- Changed filters in over 230 thru-the-wall HCAV units in apartments

- Established maintenance procedures to change filters and vacuum air-intakes every 2 months

- Adjusted temperature on the central hot water boiler from 120 degrees to 105 degrees with no complaints

- Worked with a vendor to update 8 commercial washer and dryers in the resident laundry room with new ENERGY STAR rated appliances at no cost to the LMHA

The LMHA saw a 19% reduction in average weather normalized source energy intensity (kBtu/SqFt) during 2009 and a cost savings equivalent of $16,606. The LMHA was one of five finalists among 102 buildings for the Kilowatt Cup.

Through a joint effort with Louisville Metro Solid Waste Management Services Division of the Public Works and Administration Department, the LMHA launched a resident recycling pilot program in 2009 at Avenue Plaza. The LMHA distributed fliers, posters, door hangers, magnets and stickers designed to educate residents on the benefits of recycling, the types of materials that can be recycled and the procedures for disposing of recyclables. The Residents Recycle pilot and promotional materials were funded through a grant from the Kentucky Division of Waste Management.

Comments, Questions, and Answers:

Comment: Cambridge noted that, as an MTW agency, ESCO is practical if you can manage the internal part of it. Self-ESCO is 297 units. They have completed a lot of other work in many locations, such as replacing windows at family sites.

Comment: One agency found a wealth of local partners to subsidize the work rather than paying for an ESCO partner. It spread the energy efficiency projects out around the portfolio – lots of small projects to take advantage of the funds.

Is there any premature replacement cost as result of replacement work?

- It is a 16.6 year pay back for Chicago; it used to be 12 years. Need to spend more because of the older elderly housing stock.

Comment: Cambridge has conducted a solar assessment on all the buildings. It would install as many solar panels as possible on a subsidized rate. Then when a more efficient collector comes on the market, it can be swapped out.

Comment: One housing agency uses CDBG funds to install insulation and other energy efficient items.

Comment: More and more products allow you to monitor them by computer. The technology will hit a new generation that allows even more oversight of the usage.

Comment: Some PHAs are considering less hazardous cleaning materials.

Has anyone tapped into state weatherization funds for their housing authorities?

- States are using them for single family.

How do you get an energy audit?

- It can be done for the whole portfolio or a single building. If looking at whole portfolio, prioritize buildings and hire a qualified consultant to do the audit. The consultant will provide a list of all the possible solutions, savings, and pay back periods, and then the housing agency can decide how to mix and match the options. Also, these energy solutions can be overlaid with a capital plan. Energy audits are good for 5 years. They were required for all housing authorities in 2005 so they will be expiring in 2010. PHAs will need to get them done this year anyhow.

QUESTIONS REGARDING THE PIC MTW MODULE

This session was facilitated by Ivan Pour, MTW Director, with a presentation by Matthew Steen, Pramod Pamnani, and Prem Subramaniyan of the REAC (Real Estate Assessment Center), HUD. The session opened with a statement that there would be a presentation on the next PIC (PIH Information Center) Release to be issued in September. Given that the theme of the Conference is housing additional families, HUD wants to make sure that families are being reported properly in PIC to capture all of the families that are served with MTW funds. This session focused on identification and resolution of issues. The presenters had the ability to go on-line and directly address any specific problems that an agency may be having.

Mr. Steen is the day-to-day operating manager of the MIS-PIC system, and the individuals running the script behind the scenes are Mr. Pamnani and Mr. Subramaniyan. A brief presentation was conducted and then the session was opened up to questions and answers. Attendees were encouraged to ask any questions that they may have since many people also probably have the same questions.

MTW 50058

With each Release (an updated version of the software), HUD is trying to perfect the system, but it had limited development time to fix all of the problems. The main feature of the upcoming September 2010 Release is the ability of the MTW 50058s and regular 50058s to now “talk” to each other. This allows agencies to do port-ins and port-outs properly. The two systems will allow resident data to move from MTW to non-MTW and vice versa. The data will reside in two different tables because the MTW table is significantly briefer than the regular table. Testing of the new Release will start in the next month or two with the Release going live the second week of September.

Another new item in the September Release will be the automatic end of participations for port-outs. Previously, if someone moved from public housing to Section 8, in the regular 50058 module, the accepting agency would enter in action code 1 for a new resident. This record was held in suspense until the following month awaiting the entry of an end of participation code by the departing agency. Now, MTW agencies will be able to enter action code 1, and the departing agency will have until the end of the month to enter action code 6 (end of participation). If the agency does not enter in action code 6, it will be automatically generated by the system. The same will occur with port-ins. The losing agency will have until the end of the month to enter the port-out. If they do not, one will be automatically generated for them.

A message will not be sent to the losing agency saying that the code was automatically generated. It was demonstrated on the screen where an agency could find this information. Under viewer reports, overlap and port reports will show both the gaining and losing agency in the same report, and will include both MTW and non-MTW tenants. An online EOP (End of Participation) link will be available to the losing agency to generate a historic EOP. The port-out agency will have an action code 5 automatically generated (port-out) if the gaining agency enters action code 4 (port-in).

In the overlapping data report, there are three tabs. The first tab shows port-outs that are pending, and gives the name of the gaining agency and program. This will inform agencies if a tenant has left without informing them since the report is in real time. The actual action of registering a port-out or port-in in the system is done at the first of each month. The second tab shows new admissions and port-ins. The third tab shows port-outs that have been processed. Previously, agencies had to wait until action code 4 was entered into the system before they could enter in action code 5. This has been corrected, and allows agencies to make sure that they do not have tenants that have moved out in their system anymore.

MTW agencies will have to go to the regular 50058 to view the regular report. At some point HUD will try to consolidate everything into one report to include MTW tenants.

There had been an issue with field 3T. This field should be blank for an action code 5 or 6, but was requiring that a number to be present. The system was showing a warning, but would allow the record to go through. This issue will be taken care of in the September Release. It was noted that the portability overlapping action codes 4 and 5 do not apply to project-based vouchers. Agencies will have to enter the tenant as a new admission versus portability. This was a business office rule given to the PIC office. The MTW 50058s and regular 50058s will work together and both will recognize action codes 4, 5, and 6.

A PIH Notice will be issued in the near future, which that will require issuance and expiration dates for tenant-based vouchers (action codes 10 and 11, respectively) from all agencies. If an agency issues a Housing Choice Voucher (HCV), they need to enter a 10 into the system. Recipients will have 60 days plus an extension if needed to look for a unit. If the voucher expires without being leased, the agency will need to transmit an 11. Congress wants to know tenant success rate in finding units. While not a fatal error, a warning will be issued if an agency tries to enter in an action code 1, 4 or 7 indicating that an action code 10 (voucher issuance) needs to be entered. The warning will eventually be changed to a fatal error. The PIC office is discussing with the HCV program office whether an 11 should be automatically generated 60 or 120 days later after an action code 10 has been entered.

Asset Management Regrouping

Also to be included in the September Release is the ability for agencies to do asset management regrouping for their public housing inventory. The operating subsidy department will now allow agencies to make changes to their Asset Management Projects (AMP) groupings as needed. The initial rule was that an agency had to submit their AMP regrouping proposal six months before the fiscal year start date for it to be effective for the upcoming fiscal year; otherwise they would have to wait until the following fiscal year. This rule can be overridden and made effective immediately if the agency has the approval of everyone involved.

To complete an asset management regrouping on-line, the user should go to maintain inventory, and click on the development regrouping tab. Under this table, users will be able to pick and choose by building or whole development (shift-click or control-click) and move to different AMPs. Users would also be able to add AMPs and remove AMPs. Users need to click the “save” button before navigating to another page. It was also recommended that agencies talk to their Field Office first before submitting a proposal. Prior to submittal, the proposal will be held as a draft in the system and the user can continue to make modifications to the draft. Once the proposal has been submitted, it becomes locked and no further changes are allowed. The Field Office will review and approve the proposal. If it is approved, the changes go into a queue to become effective next fiscal year. Sometimes the program office tells PIC to make changes mid-year for non-dwelling units.

Agencies should make any changes based upon what makes sense to the agency. The Field Office will only step in if the proposal seems unreasonable (e.g. separating 10,000 units into only two AMPs, when the rule of thumb is 300-400 units per AMP). If any agency has a problem with its inventory, such as duplicate units or inappropriate categorization, HUD has established a method to manually correct the errors. From the work online link from the HUD home page, click on "housing industry" then "table" for different systems. Click on "PIC" then on the PIC page, the technical reference guide can be found. The Building and Unit Data Modification page (accessed from the PIC page) contains templates to be completed if there are problems with the physical data, and how to complete asset management changes. The PIC office tried to define the nature of errors that would find with the public housing inventory, and created basic templates to be completed. These completed templates should be sent to REAC-Technical Assistance Center (TAC), who will then send it to a team to correct.

The changes included in the September Release have not been published yet since the Release is still in the development stage. The changes will be published three weeks to one month prior to the Release.

Comments, Questions and Answers:

Currently, the agency's mixed-finance units are in their regular 50058 module, but they want to migrate them over to the MTW module. Should mixed-finance developments be in MTW module?

- HUD is aware that the reporting rate would go below 95%, but is providing waivers on the 95% reporting rate. Agencies should talk with their local HUD office if they are having problems, but the problem ultimately needs to go to the operating subsidy department. If there are legitimate circumstances for a lower reporting rate, the office has been very willing to issue waivers. The reporting rate looked at both the MTW and regular 50058 modules. As for whether mixed-finance units should be moved over to the MTW 50058, this was a business decision for the each agency to make since mixed-finance agreement are tailored for each development. This is something that should be discussed with the Field Office and the operating subsidy department. A final consideration for mixed-financed families is that if MTW rules apply to those households, they should be reported in the MTW 50058.

On the delinquency report, how is HUD calculating the reporting rate?

- HUD looks at both the MTW and non-MTW 50058s, but Veterans Affairs Supportive Housing (VASH) is not included. The delinquency report rules are posted on-line. The office has been cleaning up its reports and put out indexes on the reports. The delinquency rate for MTW is 95%, and a notice was issued previously that had the sanctions (used to be 85%). At this point in time, most agencies are over 95%. If not, there has been a problem with the transition or a system issue that they are working to resolve.

Comment: An attendee requested the PIC office take into consideration that MTW agencies may have different rules than conventional programs; therefore, the MTW module should not issue fatal errors. Another attendee noted that each agency's module almost needs to be custom built.

Information on the expiration of HCVs would also be informative for the agency's Board of Commissioners. Will this information be available to the agencies?

- There will not be a report with this Release but there could be in the future.

If an agency puts in action code 10 for household coming off of the waiting list, will it interface with Enterprise Income Verification (EIV)?

- It is not clear if EIV is looking at action codes 10 or 11 currently. The question has been posed, but not yet answered, and follow up with EIV will occur. The attendee noted that currently, the information is not available until 90 days after lease up, but if they could have access to the information ahead of time, they could have it when they did the lease up. HUD cannot talk directly with the Social Security Administration (SSA), but the SSA can talk with EIV, and then EIV can talk with HUD.

If someone wants to do a transfer, how is the action code 10 entered into the system?

- If an agency has an existing tenant who wants to transfer, the agency will need to issue a new voucher. The effective date for action codes 1, 4, and 7 needs to later than the action code 10 and users will receive a warning if this is not the case. Additionally, if an agency has 21B checked as yes, they will get a warning if they enter in an action code 2 or 3.

My agency is using $130,000 in voucher funds to support the operating expenses of a Single Room Occupancy program (SRO) and the units were already in PIC. How would this be addressed in PIC and the ability to track the increase in affordable units?

- The MTW Office had advanced a proposal whereby units that do not neatly fall into one of the typical category would be captured in a separate value to be added to the MTW module. Currently, there is a special use field (2N), and agencies could use this to capture special tweaks there until a better solution can be implemented.

Can data be provided in a way that is not administratively burdensome? For example, under a transitional housing program, people can be in the program for only three to five days. Is there something that could be simplified so an error isn't generated?

- In this situation, it does not make sense to fill out entire 50058. Therefore, the form may need to be modified and another box added. This suggestion will be forwarded to the PIC office for consideration.

Will HUD have another big PIC training session like they use to?

- That it is a matter of time and money, and the last PIC training took a year to organize. It is recommended that agencies contact the new REAC director with this recommendation. If it is something that has been done before and industry would like to see it again, the director might be receptive but would have to work it into the budget. It is unknown if there was any funding available in 2010 or 2011, and doing the training would be a multi-million dollar undertaking.

Comment: One attendee suggested that it would be more cost-effective and user-friendly if HUD did a web-based training. This way, the training can be saved for repeated viewing and be more accessible to the users of the system.

Comment: Another attendee noted that the PIC Coaches at local Field Offices vary significantly in their knowledge and ability. Microsoft Live Meeting has been used before with them, but there is a limit of 50 participants. The PIC office encourages the PIC Coaches to conduct Live Meetings with their agencies when something new comes out. Additionally, when travel money is available the PIC office has done presentations at state NAHRO conferences. It was recommended that Conference organizers submit a request to have someone from PIC office come and talk at the Conference.

Comment: The PIC office raising the bar for PIC coaches is extremely important given the amount of time that has been spent trying to get an answer and getting bad information. The call center for PIC information is also useless. PIC did have a helpdesk a few years ago, but went to a call center model where the operators take your information and pass it along. Unfortunately, there has been high turnover at the front line level. Answering TAC (Technical Assistance Center) tickets could be a full-time job for the PIC office.

For the MTW 50058s, our software vendor says there is no coding to do the validation?

- There is a macro in excel that can be used to do validation. Currently, there is no validation for Comma Separated Values (CSV), but there is a form that can been completed on-line. He also stated that the office was looking at developing a Family Reporting Software (FRS).

Is there one dedicated MTW PIC coach?

- There is not one dedicated MTW PIC coach, rather PIC coaches with MTW sites are getting up to speed. If there is an extreme situation, the agency can contact Gwendolyn in Omaha who can help.

Our agency has 50 AMPs and of those, only 11 are right. There is every error possible in the rest of the AMPs. The agency has talked with Bob Harmon, but it does not want to use the existing templates because of the need to enter in everything that is wrong and then everything that is right. Can the agency give the PIC office a form that just shows what the correct information by AMP should be?

- Go to the PIC main menu, and click on "PIC downloads." If that button is not available, contact the PIC coach who can provide access. From the download page, the user can request a download of the AMP information. Batch reports are run every 30 minutes, and the download will arrive as a pipe-delimited text file that can be imported into Excel. From there, the information can be cut and paste into the template.

Is there a working group looking at additional data fields for MTW?

- There is an on-going working group, and there were several recommended items that did not get into the September Release. A future Release will have 50 additional fields incorporated. An attendee requested a listing of the 50 additional fields that will be added to PIC, but nothing will be added beyond what is included in the September Release. Another Release may be schedule for April 2011.

Will FSS fields be collected?

- Many of those fields will be a part of the April 2011 Release.

QUESTIONS FOR THE VOUCHER OFFICE: REPORTING INTO VMS AND APPLYING MTW FLEXIBILITIES TO SPECIAL PURPOSE VOUCHERS

This session was facilitated by Marianne Nazzaro, MTW Coordinator, with presentations by Debra Hamblin, Office of Housing Choice Vouchers and Laure Rawson, Housing Voucher Management and Operations Division.

This session reviewed various voucher programs and provided participants with an opportunity to ask questions regarding Veterans Affairs Supportive Housing (VASH), Family Unification Program (FUP), Non-Elderly Disabled (NED) vouchers, and the Voucher Management System (VMS). It is important for MTW agencies to provide feedback to enable HUD to align these programs more efficiently and effectively within MTW housing agencies.

VASH – Vouchers

The session began by discussing the general framework of HUD -VASH Vouchers and the program's importance to and necessity in serving and supporting the homeless Veteran population. The 2008 Consolidated Appropriations Act allocated $75 million of funding for the HUD-VASH voucher program. Due to the specifics of the target population, these vouchers must be administered in accordance with HUD-VASH operating requirements as opposed to the requirements for other Housing Choice Vouchers (HCV). Consequently, VASH vouchers are not eligible for fungibility under MTW Agreements and the funding must be tracked separately. Furthermore, all MTW agencies must report HUD-VASH vouchers separately from other vouchers under their MTW Agreements.

An MTW agency can request to operate VASH in accordance with its MTW Agreement. To do this, the MTW agency must submit a request to HUD headquarters asking to operate the HUD-VASH vouchers in accordance with MTW provisions. The request must identify the specific MTW provisions the agency wants to apply to HUD-VASH vouchers. Generally, if the MTW provisions are not detrimental to the intended population, HUD will approve the request and waive the HUD-VASH operating requirements accordingly. To date, two MTW agencies (King County and San Diego) have been approved to operate their VASH programs under their MTW Agreements.

When reporting VASH, housing agencies must follow the reporting requirements contained in Notice PIH 2010-12. Within these reports, the housing agency must use VASH as the special program code and report voucher issuances. Additionally, housing agencies must submit regular HUD-50058 for HUD-VASH families. If housing agencies have received approval to operate in accordance with MTW Agreement, they can also request to submit HUD-50058 MTW.

FUP and NED Vouchers

The NOFA language for these vouchers permits MTW agencies to administer FUP and NED vouchers in accordance with their MTW Agreements unless the MTW provisions are inconsistent with Appropriations Act or Notice of Funds Availability (NOFA) requirements. In the event of a conflict, the requirements of the Appropriation Act and/or the NOFA govern. For both vouchers, the agency needs to verify that the vouchers are serving the originally intended populations.

When reporting FUP and NED vouchers, the MTW agency can use the HUD-50058 MTW form as long as the Special Purpose codes are identified on the 50058. Additionally, all voucher issuances must be reported.

Voucher Management System (VMS)

Participants were asked to share their trials and tribulations with VMS, in order to clarify outstanding issues experienced by agencies and to provide HUD with a list of concerns and issues to inform improvements to VMS for MTW agencies.

Reporting changes were introduced in Notice PIH 2010-16 issued on May 6, 2010. The Notice cited four new reporting fields that were added to VMS. These fields are:

1. Net Restricted Assets (NRA) updated through the last day of the month

2. Unrestricted Net Assets (UNA) as of the last day of the month

3. Cash/Investments as of the last day of the month

4. Number of vouchers issued but not under active Housing Assistance Payments (HAP) contract as of the last day of the month

Currently, none of these new fields are applicable to MTW agencies.

Changes set forth in the April 2010 Release of VMS were reviewed. One of the key changes was the overall format of the system to make it more user-friendly for housing agencies. Now, all reports and documents are formatted in Excel. HUD also added a PRINT button that will print the displayed form in Excel format and enhanced the email correspondence. At this time, the PHA number, name, point of contact and submission month and year are all displayed in email correspondence to the housing agencies. HUD also corrected errors in the Data Collection Report and all users should now be able to view and generate the report. Finally, HUD corrected the TP codes to ensure accuracy, which should greatly reduce the number of Hard Edits housing agencies are receiving in error.

Upcoming changes in the September 2010 Release were reviewed. The most substantial change will be altering the screen layout to include multiple tabs. These tabs will include:

1. Voucher Units Months Leased (UML) and HAP Information

2. Other Income and Expenses

3. Additional Expenses and Comments

4. Disaster UML and HAP

5. PHA Contact Information

6. Submission Tab

Additionally, agencies will be able to identify at what point in times changes were made within the system.

The goal for the April 2011 Release is to include an Executive Summary Page that will enable PHAs to monitor program utilization.

Comments, Questions and Answers:

In relation to tenant protection, when the twelve months expire, the VMS still insists that you put in a Tenant Protection Code resulting in an error message. How do you correct this?

- There isn't a way of telling the VMS that this particular housing agency is no longer requiring those vouchers because we cannot make the system agency specific. Consequently, that error message will always occur. To complete the VMS with that error message, you must click "other" and write a comment indicating that tenant protection is no longer required.

Does the VMS know the difference between enhanced and regular tenant protection vouchers?

- In VMS, all tenant protection vouchers are reported under tenant protection. Enhanced vouchers are entered as a subfield within this section.

MTW does not require all of the categories and regulations that VMS uses; consequently, we are being forced to report under these categories when we don't necessarily incorporate them into our programs.

- Yes, this is right and HUD would like to continue working with MTW agencies to develop a system that fits better with MTW needs and programs. The bottom line is that HUD needs to capture how many families are being served in MTW programs. If agencies are serving more families because of the options permitted by MTW, HUD needs to know this.

Action Items

It was suggested that a small working group of MTW agencies be formed to develop an MTW-related tab for VMS just as there is a tab for disaster programs. This could be a short-term solution for making VMS a more effective reporting system for MTW agencies. Additionally, this working group could review ways to organize Attachment B in a more efficient manner.

ATTACHMENT B REQUIREMENTS
(CONCURRENT SESSION 1)

This session was facilitated by Laurel Davis, MTW Coordinator.

This group session discussed the required reporting elements in Attachment B (HUD Form 50900). This form contains the guidelines the agencies must follow when preparing Annual MTW Plan and Report submissions. At last year's Conference, Attachment B was a primary discussion topic. The session was an informal discussion in an effort to facilitate good dialogue regarding Attachment B - providing HUD and MTW agencies with an opportunity to review mutually identified shortcomings relative to these requirements and to discuss possible future improvements to address them. The goals for the session were to discuss discrepancies between HUD and MTW agencies, resources that HUD has made available, some of the shortfalls of the system and the reporting, and areas where the MTW Office recognizes that they are not getting the correct information from the MTW agencies.

The discussion started with future recertification of Attachment B in August of 2011. There are potential pitfalls - the possibility that the language is unclear and that some information HUD is collecting may be superfluous. Timing of the Conference makes it ideal for discussion around any changes that HUD should make in anticipation of the 2011 recertification.

Multiple MTW agencies expressed their frustration with the current method of reporting. However, HUD is bound to a set of reporting requirements and specific pieces of information it must capture. Although reporting is detail-oriented and may seem burdensome, the information obtained in Attachment B serves many purposes for HUD as well as for the programs: surveying, using it as a public tool, and a tool to facilitate planning with residents.

There was clarification regarding the timeline related to the MTW Annual Plan. The Plan process is as follows: The Plan is due seventy-five days before the fiscal year starts. Once HUD receives it, it is distributed to an MTW working group, Public Indian Housing (PIH), Office of Field Operations, and their local field office. It takes five weeks for HUD and its review partners to review the Plan. Once this is done HUD contacts the MTW agency. Although it lengthens the timeframe, it is helpful for HUD to have other offices looking at the Plans. For example, Field Operations and the Voucher Office are able to report on technical issues and provide revisions to the Plans as well as metrics review. HUD works diligently to get the Plans approved by the beginning of each MTW agency's fiscal year.

The review process for amendments is similar to that of Plans. However, if MTW agencies add activities in the amendments, then those amendments must go to the review working group, which may add additional turnaround time to the five weeks.

The facilitator noted that HUD has been getting multiple questions about the numbering of sections in the Plan. It was suggested that applicants number in order of the format in the Attachment B sections, ensuring that HUD and the MTW agencies are always discussing the same sections. It was also suggested that if a particular section does not apply to the MTW agency, the section is still listed, but with an 'N/A' designation. This is preferable to stating that the MTW agency has chosen not to include anything in the section or that the MTW agency does not have any information.

Goals and Objectives

There was extensive discussion on the issue of goals and objectives in the Plan relative to reporting. There was concern about discrepancies between the information HUD is seeking versus information it is actually using. A clarification of the purpose of the goals and objectives was provided: HUD reviews the goals and objectives listed by the agencies to seek assurances that they match the goals and objectives of the MTW Demonstration. The agency goals and objectives are not considered a metric of the program's activities. HUD agreed to work on loosening the language around goals and objectives to further clarify the intent of agency goals and objectives.

It is allowable to consider goals and objectives from a strategic plan framing perspective; however, a barrier is the disparity between MTW agency definitions for goals and objectives and HUD definitions. Additionally, the detail on goals and objectives are repeated throughout the Plan; some session participants liked this aspect since it provided an opportunity to describe their overall program, their focus for the year, and how it links to the long-term plan. Others felt it was an unnecessary exercise. Many session participants agreed that the level of detail HUD is requesting is unnecessary. A suggested solution to this barrier was for HUD to standardize the goals and objectives definitions by providing their definitions to all MTW agencies for use.

Clarification was provided regarding significant capital expenditures, defining capital budget and defining block granted MTW funds for the year. A significant capital expenditure is expenditures for one development that is more than 30% of the overall capital budget ($666,000 dollars in a $2 million fund); a capital budget in Attachment B is the portion of the MTW agency MTW budget that is set aside for capital activities. HUD is using this particular percentage to gain a sense of large expenditures.

HUD clarified the section regarding the number of Housing Choice Vouchers (HCV) units authorized. The number of HCV units authorized is the number authorized in the Annual Contributions Contract (ACC) for the MTW agency. In response to a question, a suggestion was made that the MTW agency describe as "fully accessible, adaptable, having some features, etc." and then provide narrative such as "the units in those developments have 'xyz' features" rather than reporting each feature individually by unit (i.e., the specific number of bathroom sinks, outside ramps, etc.).

Proposed and Ongoing Activities

In order to expeditiously approve Plans that have been thoroughly thought through and ready for implementation, HUD wants MTW agencies to describe their activities in a way that the families will know how they are going to be affected. Since HUD wants this to be a public process, if the activity is so broad that the families cannot understand what it will involve, then it will not be approved. In other words, if an MTW agency cannot create metrics for an activity (identify impacts and methods to measure them), then the activity is not ready for implementation and will not be approved at this point in the process. HUD has recently received Plans that included activities that were more in line with future long-term plans and not specific activities. HUD acknowledges that this is very different from the previous parameters used to define activities and this difference is causing confusion with many MTW agencies. This change represents a significant policy change at HUD. HUD does not want future activities in Section V of the Plan; however, they may be described in Section IV.

Uses of Funds

It is necessary for HUD and the MTW agencies to have parameters around the MTW funds. The target demographic should be identified by the MTW agency for anticipated expenditures, and disparities between the budget and actual expenditures must be explained in the Report. If an MTW agency Plan changes it should be reported at the end of the year; however, this does not necessarily mean that an amendment to the plan is needed.

Activities Approved but not Implemented

Activities that have been approved but not implemented will stay in Section V for that report year. The following year the activity must be included in Section VI even if it has not actually been implemented. In order to clarify, the MTW Office recommends renaming Section VI to 'Implemented Activities'. All participants were in agreement with this suggestion and recommended this apply to the Report as well.

MTW agencies must provide updates in the reporting of an ongoing activity by commenting that the activity has been implemented "in X year" and is now ongoing. An activity must also be closed out through reporting; MTW agencies must note an activity completion in that year's Report. If an activity was new and implemented and continued for multiple plan years, it does not need to be discussed in each Plan. An MTW agency will need to re-propose an activity if it is to be implemented in future program years.

Single Fund Budget

It is difficult to produce metrics around the single fund budget. MTW agencies should not list the single fund budget as a separate activity in Section V and Section VI. Single fund budgets should be discussed extensively in Section VII. In Section VII, MTW agencies are not required to include a baseline or metrics for these activities; instead, MTW agencies should describe how they are using the funds.

Regarding audits, MTW agencies must submit a copy of their audit annually to HUD. The most recently completed audit to be submitted with support. For example, if it is a 2010 p\Plan, the 2009 audit can be sent in provided it must be the most recent audited (2010 has not been conducted).

Comments, Questions, and Answers:

A session participant inquired about who the MTW agencies speak with if they have questions regarding Attachment C. It is always best if the MTW agencies speak with their MTW Coordinator.

ATTACHMENT B REQUIREMENTS
(CONCURRENT SESSION 2)

This session was facilitated by Laurel Davis, MTW Coordinator.

The primary focus of the session was to provide Moving To Work (MTW) agencies with the opportunity to ask questions and seek clarification on Attachment B. Attachment B is HUD Form 50900 and is a requirement for MTW agencies when submitting their annual Plans and Reports. HUD is examining Attachment B and is seeking input for potential changes to some of its components. It was an informal discussion and agencies were encouraged to freely articulate their concerns and challenges with Attachment B. HUD understands that MTW agencies currently collect other pieces of vital information that are not included in Attachment B.

The discussion began by acknowledging that there is confusion as to what happens with a Plan or Report once it has been submitted to the "HUD void." A Plan is due seventy-five days before the start of the fiscal year. The Plan goes to the MTW coordinator, a working group, and the local field office. Consolidated comments from these entities are provided to the MTW agency. The timeline is longer on the reports because the priority is getting the Plans approved; the goal is always to have Plans approved before the fiscal year begins. Half of the agencies have submitted reports using the new format.

The next series of questions all related to activities included in Attachment B Plans and Reports. HUD cannot approve an activity that is very broad; therefore, HUD is expecting a thought out activity. An indicator of a well thought out activity is the presence of a defined method of measuring the activity. An activity needs to be ready to be implemented. HUD has received plans recently that included activities that were more in line with future long-term plans and not really specific activities. This is very different from how activities used to be defined and this is the reason why it is causing some confusion. Requirements are different under the new reporting measures and represent a policy change at HUD.

Changing activities was discussed. A "significant change" occurs when an MTW agency is requesting additional authorization in Attachment C. Likewise, requesting approval to use the authorization is also considered a significant change. Multiple MTW agencies reported that requesting additional authorization stifles their movement and their ability to operate.

There were multiple questions and discussion related to reporting on activities. Many MTW agencies were confused as to how they should determine their own baseline in order to report on activities. MTW agencies were required to provide metrics during their first fiscal year, which is the baseline. MTW agencies were encouraged to review any reporting measures described during the first year an activity was implemented. MTW agencies that do not have this data would need to "create" data for the first year they use Attachment B. The consensus was that "creating a baseline" would skew data and valuable progress would not be represented. HUD will take this serious concern under consideration.

There was discussion regarding single fund flexibility activities and where to include them in Attachment B. As single activities, nothing that needs additional authorization on these activities is to be included in Section VII. In Section VII, MTW agencies do not need to include baseline or metrics; instead, MTW agencies should describe how to use it.

Activities that have not yet been implemented were discussed. A hypothetical situation was shared: HUD approves the activity, but the activity is not yet implemented. The activity is to be reported in Section V. Additionally, the next year the MTW agency will have to update the activity in Section VI, regardless of whether the activity was implemented or not. Section VI will be renamed "Approved Activities" which should cut down on the confusion.

There was a significant discussion focused on the new requirement that MTW agencies must list every single activity. This is a huge requirement for agencies that have participated in the program for a few years (for example, one agency indicated they have over one hundred and seven activities). HUD believes it is important to know what flexibilities are being taken in the program. Reporting all activities will facilitate one cohesive list, which is very important for having a demonstration from a management perspective.

The discussion then switched to the subject of statutory requirements for Plan submission. There is a statutory requirement for Plan frequency, but it is the MTW Agreements that state Plans must be submitted every year. It was suggested that frequency of Plan submittals be considered for a potential change; a recommendation for Plan submission every two years and an annual Report was put forth. This recommendation represented a means to significantly reduce MTW administrative costs. Multiple housing agencies approved this recommendation.

Clarification for local asset management plans was provided. It is not a requirement to list local asset management plans in Section V and VI. HUD prefers this as an appendix to the year it was initiated, which would allow the Plans to be included in the records for future years. MTW agencies are not reporting on this and this is not a measurable outcome. It is not a requirement to report on items included in the appendix, but HUD will seek additional clarification to ensure that if an item is attached as an appendix that no additional reporting is necessary.

The last discussion of the session described the overall frustration MTW agencies have with Attachment B. Of primary concern was the hesitancy of housing agencies to label a house as an MTW house due to reporting requirements through Attachment B.

HUD is currently examining Attachment B and is open to making changes to it. Further guidance will be distributed on the process through which MTW agencies can make recommendation for changes.

<u>Comments, Questions, and Answers:</u>

How familiar is the working group with MTW context?

- It varies; some members are very familiar with the agreement, but some may be new to the group or office and therefore are not.

Where is the line on how much MTW agencies have to send over in order to meet the requirements? For instance, what is the responsibility to address the comments resulting from plan and report submission?

- Reports do not carry the burden of "approval" by HUD, only acknowledgement of receipt. However, comments and guidance that result from the review process are meant to increase understanding, therefore it is mutually beneficial for the housing agency to address those comments in order to engage in a dialogue with the MTW coordinator for feedback on comments. HUD intends to improve the comment filtering process.

Which areas are presenting the most problems on the plans and reports?

- There are lots of labeling and value (naming issues, verbiage) in this section. There is confusion on the timeframes. For instance, what does "significant capital expenditures" mean? Does this mean capital fund from OCI (Office of Capital Improvements) or MTW funds being expended? It means any capital budget portion of the MTW budget.

STRATEGIC PLANNING AND MTW

This session was facilitated by Marianne Nazzaro, MTW Coordinator, with presentations by Susan Benner and Maria Razo, Housing Authority of the County of San Bernardino (HACSB); and Bob Boyd, Minneapolis Public Housing Authority (MPHA).

Housing Authority of County of San Bernardino (HACSB)

Prior to the HACSB's designation as an MTW agency in 2008, the HACSB had developed a comprehensive 30-year strategic plan. As it worked to develop a long-term MTW vision and activities for each MTW plan year, the HACSB worked to incorporate its strategic plan with its MTW goals and objectives.

The HACSB defined "strategic planning" as the longest term planning that one does. It describes the broad commitments of the organization and the actions that will be taken to accomplish those commitments – independent of the availability or deployment of resources.

The HACSB described undertaking a strategic planning process, intended to result in the participants' creating and agreed on establishing a uniform vision, mission and values statement for the agency. Furthermore, the HACSB developed a set of strategic goals that describe the accomplishments of the vision and mission in measurable language. To achieve these strategic goals, the housing agency articulated tactical one-year goals (milestones). The HACSB then established a structure of support for the implementation of the plan establishing that will be accountable for the one-year goals that emerge from the planning process and what other structures are needed to ensure the plan is successfully implemented.

- Through this formal planning process, the HACSB:
    - Finalized Strategies, Sub-strategies, Milestones, Mission, Vision, Core Values, Goal Values
    - Established strategy coaches & champions
    - Recruited staff to lead strategy teams
    - Branded effort as "Plan Forward"

In turn, the HACSB incorporated strategic activities into their Annual MTW Plan. For example, they adopted as a strategy: changing clients' mindset from entitlement to empowerment, and ensuring that each client is committed to, and is implementing a feasible and inspiring plan for economic independence or life improvement. Linked to this strategy were specific milestones to be achieved, including:

- Establishing a pilot work requirement program
- Establishing local policies for portability

- Eliminating earned income disregard
- Increasing minimum rent

Similarly, they adopted a strategy to ensure excellent/efficient stewardship of resources and programs.

This included a sub-strategy to strategically plan and manage agency performance and operational efficiency, with performance measures and tracking mechanisms for all MTW activities. This also included a sub-strategy to create a uniform local assessment system that promoted collaboration with other MTW agencies. It also supported the development of a position to collaborate and implement the approved local assessment. Furthermore, the sub-strategy encouraged the exploration of automation for the local assessment system.

The HACSB then committed to measure and report on achievements of milestones on a quarterly basis to an ongoing Strategic Planning Team. All agency staff was encouraged to participate as members of strategy groups, which meet throughout the year. The HACSB learned several important lessons from this process, including:

- Integrating its Annual MTW Plan into their “Plan Forward” strategy was an important aspect.
- Aligning its strategic plan with fiscal year facilitated tactical planning for implementation.
- Maintaining employee buy-in was critical in advancing the plan.
- Streamlining the annual planning process helped minimize difficulty of maintaining involvement and energy toward the effort.
- Aligning strategic planning teams with staff subject matter expertise was important to efficacy of process.
- Providing structure for developing departmental and individual performance goals and objectives aligned with strategic plan and MTW activities enabled strength in continuity.
- Revising and refining targeted milestones annually keeps the process and product relevant and fresh.
- Constant focus on communication throughout their system was essential.
- Cross-system teams were used for continuous learning and improvement and to keep energy replenished.

Minneapolis Public Housing Authority (MPHA)

The MPHA is just starting its strategic planning process. It is undertaking a 360 degree scan of the landscape – tenants, officials, staff, and community. It sees this as an opportunity to ask all partners and stakeholders, "How are you doing?" and it feels that this review needs to precede clarification of vision and mission for the agency.

In the MPHA's approach, the planning process will emerge from community and stakeholder feedback. Its planning process is invested in engaging key stakeholders as meaningful planning partners. It also believes that its plan needs to be invested in monitoring progress.

Its planning process is based on a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis. Assessment of the political environment is also critical in their model, recognizing that political support and funding streams are crucial.

Recognition of the need to nurture buy-in to the vision, mission, and plan underlies successful planning effort. As such, residents, advocates, service providers, and political officials all were invited to participate as full and active contributors in their process.

Comments, Questions and Answers:

Comment: In some ways, strategic planning for MTW sites may be even harder than planning for other housing authorities, in that HUD rules no longer constrain choices in the same way. This is experienced as both a blessing and a curse. For example, the ability to project-base vouchers creates new targeting opportunities, but pushes existing wait-listed applicants further down the list.

Comment: the HACSB went through long-term planning exercise, and then asked itself how it could best get to those goals. Its strategic plan encompasses MTW planning, rather than other way around.

Comment: One community described its process as being conscious of HUD's emerging strategic plan, and discussed importance of linking MTW and agency planning to HUD's strategic plan going forward.

Comment: One community described its efforts at strategic planning as being especially focused on financial planning.

How do agencies engage residents in the strategic planning process?

- The HACSB described identification and inclusion of a limited number of resident representatives in their process, with expectation that all emerging ideas would be brought back to residents for input before any move to implement. The MPHA actively engaged residents as fully as possible in helping to create and/or review plans before planning and acting. It described its commitment to "take it to the residents first," and to using whatever means it could (often times sharing food as an incentive) to assure residents' voices were actively engaged in the planning process. In its case, residents elect/select their own representatives to all housing agency committees. Discussants from other communities in the audience shared similar strategies for reinforcing resident participation.

Comment: The idea was expressed of using strategic planning to move from "reactive" to "proactive" planning – identifying four primary guiding themes - focus on employees and their status, resident self-sufficiency and economic empowerment, financial resources of the agency, and community partnerships and perceptions.

How do agencies ensure continuity of strategic planning into the "next" administration, both at the local and federal level? What attributes of plans and/or priorities tend to survive from one administration to the next?

- Presenters indicated that continuity was likely to be dependent on the following attributes: a) ability to frame and phrase language in way that plans will continue, or having the ability to package same program in different guise to address different political vocabularies; b) relying on an analytical approach that recognizes shared investments of key stakeholders, regardless of administration; and c) recognizing that line staff have lives that continue from one administration to the next, and that continuity of vision and commitment is carried forward by long-term staff.

BRAINSTORMING DEVELOPMENT OF PD&R RENT REFORM DEMONSTRATION

This session was facilitated by Justin Fazzari, MTW Coordinator, with Marina Myhre and Jennifer Stoloff from HUD Office of Policy Development and Research (PD&R), Program Evaluation Division.

The purpose of this session was for HUD to explain its proposed rent reform demonstration research protocol and to get feedback from MTW participants. HUD is considering using MTW sites for its research, so participants were asked to provide feedback about ways that the research could be carried out in their respective programs.

Goals of the Research

The research will focus on the effects of rent reform initiatives on public housing and Housing Choice Voucher (HCV) residents. HUD would like to include only families since the elderly and people with disabilities are exempt from rent reform initiatives. However, since the elderly and people with disabilities are such a large percentage of some agencies' resident population, HUD may make it optional for them to participate in the rent reform study.

HUD is not going to test administrative rent reforms; while they may be helpful to housing authorities, they would not have a major impact on residents. For example, HUD will not look at the difference between setting rents at 25% vs. 30% of income because the impact will not be large enough to gain significant results.

Protocol Issues

The experimental design will include control groups and randomized assignments of designation to the families on the waiting list. It may be as simple as assigning designations to every other person on the waiting list. However, a more complicated methodology might be developed. For example, perhaps 25% of the families could get the intervention. For the Move to Opportunity study, families in housing authority sites could ask to be in a lottery to be chosen to be in the program, and then those families could be randomly assigned. HUD might decide to work with a contractor to develop a methodology for the study.

Ideally, the study will include a large number of families in many different agencies. HUD is not sure what sample size might be used, but it may include several hundred families at each site studied over a period of time.

Families will not have to participate and there must be informed consent. The researchers will track many qualitative and quantitative factors in the resident's life over time, such as employment status and income. This would be done through a survey method. HUD would like to be able to maintain contact with families over the course of the entire study.

It is possible that HUD may compare treatment against treatment, instead of treatment against control. They may also consider a development-based intervention program similar to the Jobs Plus model.

Although the length of observation period has not yet been determined, HUD will want to track families for at least 3-4 years after leaving housing assistance. HUD wants the tracking period to be as long as possible with no less than a 2 year study period, with 10 years being ideal.

Use of MTW Sites

The advantage of HUD using MTW sites is that they include larger projects with high enough turnover to create a good sample. These agencies are also already contemplating rent reforms. HUD would be interested in studying areas where MTW agencies have already implemented rent reforms. It might be possible to tweak some of the rent reforms already established and include them in the study.

HUD would cover most of the costs related to the project, such as the evaluation work. The contractor who is administering the study on site cannot be the enrollment coordinator or any other staff for the project. Therefore, there could be payment to hold the agency harmless on the cost implications of having the experiment take place. However, if MTW agencies were already planning to do a rent reform activity, there really should be no change in the cost to the agency since HUD will pay for the experiment's costs.

Timeframe

The tentative timeline is:

1. Procurement of contractor by January 1, 2011

2. 3-4 months to write protocols, survey instruments, recruit sites, etc.

3. Paperwork Reduction Act approval process

4. Month 6-7 start contacting sites

Comments, Questions and Answers:

One agency is considering a comprehensive rent reform for all its residents, and it is interested in doing a study. It wanted to know if it could be matched with another housing authority that is similar; the other agency would be the control.

- HUD replied that this represents a quasi-experiment and is not ideal. The same agency representative responded that it would have the burden to have two types of rent structures in their jurisdiction - 2 administrative structures, two types of training, etc. It was planning on the efficiency of applying the reforms to all their residents, and therefore participating in the study seemed burdensome.

Could HUD use current MTW data to find out the impact of rent reforms?

- HUD responded that MTW evaluations are qualitative, not quantitative. These evaluations do not have quantitative information on the impact of rent reforms on residents.

What if the experiment shows significant changes for the treatment group? What will happen to the families in the control? Are we actively harming families?

- HUD responded that it is no more harmful than what we are already doing.

Could two similar MTW sites be matched - one as the control and one with the rent reform?

- HUD replied that this represents a quasi-experiment and is not ideal. HUD wants the control and treatment groups to be from the same sample, and move through time together so that the economic, cultural, and natural impacts affect everyone similarly. Sampling theory teaches that if you randomly divide a group and impose treatment on some of them, then the outcome can be more accurately attributed to the treatment.

It was suggested that in the State of Massachusetts a centralized list may work for comparing housing authorities.

- HUD responded that if everyone was on the same lists – the state and the local lists -- then it could randomly be selected for one or the other housing authority in the study.

What about the economy's impacts on the outcomes of families?

- HUD would prefer to test in a good economy than a bad economy. The researchers will need to take into account local economy in how they tell the story about the data.

Will HUD put out the research scope of work for this study for comment by housing authorities?

- HUD is not sure at this time.

Comment: A participant noted that if the study is not started soon, then many MTW sites will already have made their rent reform changes, and not be interested in or appropriate for the study.

Will they be able to get foundations to pick up funding afterwards?

- HUD has a new office of philanthropic community. There is interest on how to sustain HOPE VI. This administration is interested in connecting to the philanthropic community, but it is a new idea. HUD is not optimistic, but could explore the possibility.

Will there be incentives for the housing authorities? If there is an incentive such as rents, then it would really help the housing authorities to participate.

- HUD responded that the rent incentive piece has to come from the HUD public housing budget. The actual research is in the research budget for PD&R.

What rent reforms would be studied?

- There is a list of MTW rent reforms in a matrix in the Conference packet. MTW agencies are asked to advise the MTW Office of updated information.

Next Steps

HUD will come to MTW agencies in the next 6-12 months to ask for help defining treatments. Any sites that are eager to be part of the experiment should contact the presenters now to talk through ideas. HUD will provide guidance about best way to participate. However, HUD does not suggest that MTW sites slow down or stop their current plans for the sake of the study.

HUD suggests that MTW sites begin getting input about the study from the community as a whole. MTW sites need to talk to the advocacy community to see if there would be local opposition. Community outreach may be part of the researchers' responsibility, but it would still be good for the communities to lay a foundation.

HUD will have to adjust its study to what is in the field at the time this study is conducted. The study is Congressionally-mandated to inform policy decisions.

FINANCIAL REPORTING AND THE SINGLE-FUND BUDGET

This session was facilitated by Ivan Pour, MTW Program Director, with a presentation by Steve Bolden and Ben Greenberg, REAC (Real Estate Assessment Center), HUD.

Mr. Pour opened the session by distributing a handout to attendees titled "Special Instructions for Preparing Financial Data Schedules (FDS) for Moving to Work Agencies." He stated that most of the accounting staff at the MTW agencies has seen this document, which can be accessed through a link on the FDS website. The document contains instructions to MTW agencies for how to report in FDS.

With flexibilities provided by MTW and the need for additional reporting, HUD needed to figure out what was required to accommodate those flexibilities and meet the reporting requirements set forth in the MTW Agreements. HUD had previously determined that the MTW agencies needed to report into FDS, and set out to look at modifications that would allow MTW agencies to report into that system. The MTW Office worked with the HUD Office of Budget and the Office of Management and Budget (OMB) to set up a Catalog of Federal Domestic Assistance (CFDA) Number (#14.881) to allow agencies to be audited against a single program (MTW), representing the agency's combined public housing and Section 8 funds. In addition, OMB Circular A-133 compliance supplement will be issued this summer. All accounting and auditing will be done using the CFDA number.

Accordingly, MTW agencies will need to track revenue when it comes into the agency and identify the respective program: operating subsidy, Housing Choice Voucher (HCV), or Capital Funds. It will then make transfers from those program columns to the MTW program, or projects if public housing. Feedback about the reporting protocol from the several agencies present indicated that the FDS instructions are pretty straightforward. The only concerns revolved around the timing of the reports. This session focused on answering questions or concerns in designing systems to report into FDS.

Most of the attendees in the session were the Chief Financial Officer of a housing authority or a member of the MTW agency's accounting department. Of the group, only one agency has submitted its information into the FDS to date, although others indicating intended submission into the FDS by the end of June.

<u>Comments, Questions and Answers:</u>

This is the agency's first year implementing MTW agency-wide. The public housing is divided in individual Asset Management Plans (AMP), but what happens to the ability to pay the asset management fee if the project does not cash flow properly? Will it create an error?

- The excess cash requirement is eliminated because of fungibility. Therefore, it is a non-issue whether it is a positive or negative number.

This is the agency's first year reporting into the FDS. Where can we find the Excel spreadsheet?

- The Excel tool no longer exists as of Sept 14, 2009, since reporting is now automated. Agencies should create their submission in the program itself and everything will come together in an electronic format in the system. The first Release of Financial Assessment for Public Housing Agencies (FASS-PHA) software had several problems, and the second Release issued April 24, 2010 provided a stop gap measure until the system was fully automated.

What is best tool for a large housing agency reporting in FASS?

- The agency could use the Excel spreadsheet as part of its working papers, but it is basically only a tool to help allocate information appropriately. Agencies cannot use the Excel tool to report to REAC, but can use it to prepare their information. The information will still need to be input into the automated system. Using the Excel tool would result in duplicate work.

Can an agency upload into an Excel schema?

- An agency would have to have the accounting system to be able to submit to REAC. There is information on the website on how to do the schema, but the agency has to make an upfront investment to their system so it matches the REAC system.

If an agency is converting to new software, would HUD recommend that it mirrors the FDS?

- An agency could do that, but if it has other reporting requirements, this will need to be taken into consideration. An agency representative stated that its agency did this in 2001, and when it had to add accounts, it had to make some tweaks. Overall it works and the data entry goes quickly for 40 AMPs.

What are the difficulties MTW agencies have encountered; what advice is there for other agencies?

- One attendee noted that during her experience with REAC in the last month, she had to have one computer working on trying to enter information into REAC and another computer on which she did her real work because the REAC system kept on crashing. Another attendee had hired a consultant in the beginning who had worked with the FDS previously. This helped to reduce the number of errors and exceptions coming back to the agency. It was noted that the first FDS Release had a number of problems. HUD kept a list of items to be fixed in current Release; therefore, things should be improved from first Release, including a reduction in the number of Structured Query Language (SQL) errors. The REAC office tried to test the system extensively, but it was a significant change for REAC to move from project numbers to AMPs. Additionally, the system moved from Cold Fusion to Java, which meant that the office had to start from the beginning and recode everything. It is anticipated that agencies will find the system much improved with the second Release.

The presenters asked how many attendees would be doing the coding for the first time on June 30?

- A few hands were raised. These agencies were split among those who have submitted in the old format and now have the new format, and those who have not submitted previously. An attendee asked if there was any guidance from presenters on working with the FDS for the first time. It was suggested that the agencies doing this for the first time work with a financial analyst at REAC. Agencies should also read all of the information and have a good understanding of how to submit before contacting the analyst. Agencies could also contact Mr. Bolden or Mr. Greenberg. The external user manual contains lots of screen shots. If an agency gets stuck, it should call the analyst.

Is the manual for MTW and non-MTW the same?

- The manual is the same; however, there is a difference in the treatment of the funds in the three columns. Agency representatives stated that they communicated with the REAC analysts via email and found them to be very helpful when doing their submission.

Did any of the March 30 agencies have any issues?

- An agency representative tried to submit its information into the FDS, but it was sent back. The agency requested an extension beyond the May 31 deadline. The individual suggested that agencies double the amount of time planned to submit the information the first time around and also for getting used to the system.

Will agencies have to report on MTW reserves?

- The MTW Office is working with REAC on developing follow-up to this guidance where a few additional lines may be needed for MTW agencies. If an agency has funds committed for particular activities, this needs to be accounted for in the FDS. This would address the appearance of MTW agencies stockpiling funds, when in fact the funds are committed for another purpose.

In March 2010, a notice was issued regarding Housing Assistance Payment (HAP) reserves post-2004. While this notice was not applicable to MTW agencies, what is the impact to MTW agencies implemented after 2004? What happens to those pre-2004 reserves if the housing authority is now an MTW agency? Do they have to be reported separately?

- It may make more sense for those funds to stay with the original program so that it is clear where the funds came from and the use of those funds. Clarification will be sought from the program office.

How will the new Family Unification Program (FUP) vouchers be handled in the system?

- There will be a column in the FDS under Section 8 that will have only FUP vouchers, and new column for MTW HCV revenue, which would reflect the rest of the funds. FUP funding is not fungible because it resides outside of the MTW program and has its own CFDA number. The same is true of Veterans Affairs Supportive Housing (VASH) vouchers. While agencies can apply their administrative flexibilities to these vouchers, the funds have to be kept separate because they are funded through a separate appropriation.

Can we request to move FUP to regular MTW vouchers after a period of time?

- This is not currently possible with the new FUP vouchers, but it could change since it is an appropriations issue. Right now, Congress wants to see the use of those funds to ensure that they are being used for the purposes intended. Therefore, the accounting needs to remain separated.

For the VASH and FUP vouchers, HAP comes in a separate increment, but the administrative fees are calculated with the regular vouchers. Under MTW, agencies are reporting under separate CFDA numbers for VASH and FUP HAP, but what about the administrative fees?

- The administrative fees for VASH and FUP would need to be calculated separately based upon the utilization for each program. Therefore, agencies will have to report in the same manner as they do with HAP for those programs. Agencies should look at what their agreement says about how administrative fees are to be calculated. Agencies receive a base amount with an inflation adjustment each year, and it should be separated by FUP, VASH, and general.

Does FUP go in column A or column B?

- It should be reported in column B.

Are there accounting guidelines out there for MTW agencies?

- Accounting guidelines are on the FDS website.

If an agency has an activity specifically for MTW, where should they charge the hiring of new staff for MTW?

- If an agency is following the Central Office Cost Center (COCC) model, the COCC could charge an MTW fee. The agency should maintain a separate book for the MTW program to track the dollars.

A fiscal year end is June 30 and the reporting is due August 15. How are FUP and VASH program administrative fees reported, since that information may not be available until after August 15?

- The agency should provide their best estimate since it is an unaudited submission. When the audit is done, the numbers can be corrected at that time. In the comments section, the agency should include a statement about this information being the best available at the time.

In closing the session, Mr. Pour asked agencies to talk with their financial analyst since many questions are not too different from what non-MTW agencies confront. If the financial analyst cannot answer the question, they will move the question up the ladder as needed.

USING SOFTWARE TO TRACK MTW ACTIVITIES: DATA COLLECTION AND EVALUATION TECHNIQUES

This session was facilitated by Ron Atkielski, Cloudburst Consulting Group, with presentations by Steve Vigeant, Massachusetts Department of Housing and Community Development (MADHCD); and Alison Bell and Suket Dayal, Housing Authority of the County of San Bernardino (HACSB).

Massachusetts Department of Housing and Community Development (MADHCD)

There are two activities for MTW data collection:

- Biennial Re-Examination: The Biennial Re-Examination is an initiative designed to promote administrative efficiency and focuses households on fixed incomes.

- Biennial Housing Quality Standards (HQS): The Biennial HQS is an initiative to put the HQS re-certifications on a fixing tracking schedule.

By tracking the re-examination cycle, MTW agencies can manage the process more efficiently by printing reports of who is in the off-year cycle; exclude those household/units from the regular re-exam process; and perform actions and print letters for off-year cycle tenants. Programs will continue to collect HUD-50058 data elements, even though not all are required. Additionally, data collection can be expanded to include information to produce other meaningful tasks from the data (create "tickler" lists, mail merges to send out letters, etc) to ease follow up, etc. The MADHCD uses a system called Tracker.

Data collection and the calculation audit pose two primary questions: "How do you make sure the new calculation types are performed correctly and according to the MTW Administration Plan?" and "How do you show statistically that an MTW program is successful and is meeting its program goals?" The MADHCD made changes to its data system to collect and store data on the HUD 50058 that is not uploaded to the Public and Indian Housing Information Center (PIC) but is stored whenever a HUD-50058 calculation is performed. It uses the HUD-50058 calculation to store data used to track progress even when no HUD-50058 is sent to PIC. By adding worksheets to the HUD-50058 it has the ability to put all statistical information in one location; auditors can look in one place when auditing a file. Additionally, by storing all new data in the HUD-50058 history files, it can perform data mining at any time to get statistics for management purposes. Information derived from this process includes:

- The number of annual re-examinations not performed under the Biennial program;

- The number of annual HQS inspections not performed under the Biennial program;

- List of tenants whose income changed over time.

Collecting data with an electronic system also provides ready information for goal tracking. Through goal tracking, agencies can create evaluation benchmarks and evaluate clients on an ongoing basis. Each benchmark is given a weight or number, which is averaged across total points, and then evaluated across years (or whatever the frequency the agency agrees on). This gives MTW agencies the ability to evaluate the success of their programs as well as client outcomes. However, goals must be set (benchmarked) so that comparisons can be made. By tracking a tenant's progress, programs can quantify how many tenants are succeeding in the program. These benchmarks can be stored for reporting for any period of time. Some goals that the MADHCD tracks are credit repair, education, family planning, financial management, and health services.

Housing Authority of the County of San Bernardino (HACSB)

The HACSB serves the largest geographical county in the Continental U.S. It administers 7,748 MTW vouchers and 270 non-MTW vouchers; 1,661 Public Housing units; 1,497 non-HUD affordable housing units; approximately 140 staff (3 Housing Choice Voucher (HCV) offices, 6 Public Housing Offices, and 7 Asset Management Programs (AMP). It received its MTW designation in March 2008. Program components include:

- Single Fund Budget with Full Flexibility
- Strategic Investment Policies
- Alternate Assessment Programs
- Biennial Recertifications (Elderly/Disabled with no other adult members, no earned income)
- Local Verification Policies
- Elimination of Assets
- Controlled Program Moves (HCV Only)
- Local Policies for Portability
- Elimination of Earned Income Disallowance
- Minimum Rent ($125)
- Local Project-Based Voucher Program
- Local Payment Standards
- Local Inspection Standards
- Local Asset Management Program

- Pilot Work Requirement
- Operating Subsidy for Vista del Sol

A strategy for data collection for the HACSB is to collaboratively work with staff to develop MTW activities, including conducting brainstorming sessions with all staff and affected staff. Through the brainstorming sessions, measurements for each activity are proposed and reviewed. The agency analyzes the impact of each proposed activity and once the final components of each are identified, the team develops baselines, benchmarks, metrics and outcomes and determines the tracking methods. Tracking methods include:

- Time Study
- VisualHOMES (HACSB's line-of-business software) reports/queries
- Financial Reports from Dynamics Great Plains (GP)
- Off-line tracking systems

The HACSB measures most activities on a quarterly basis; however, its time study is conducted twice per year. It developed measurements that are useful for day-to-day operations and that could be tracked on an ongoing basis since continual measurement allows identification of implementation challenges and opportunities for ongoing training. For example, it discovered that some front-line staff was still verifying large assets if self-reported by family. Training materials can be updated quickly to clarify any items of confusion.

The HACSB highlighted its time study as an example. The time study is included as part of MTW measurements. Programs are required to show time savings through biennial recertification, elimination of assets, elimination of Earned Income Disallowance (EID), and controlled program moves. It initially attempted to have staff track their time for a two week period. It had limited success with this approach and it created some level of confusion among staff about purpose of the study (some staff felt the HACSB was capturing time to evaluate performance and/or eliminate positions).

Therefore, the HACSB restructured the time study and conducted oral interviews. It identified key front-line staff familiar with processes across all areas of HCVs and public housing and from all offices. During the interview, a detailed explanation of the purpose of time study was provided, including a review of the portion of the MTW Plan where baselines are outlined. Additionally, warm-up questions were asked to get front-line staff comfortable with interviewer.

Each interviewer asked the following questions in an initial and a second time study:

- What is the maximum, minimum and average amount of time it takes you to complete the process?
- What impacts how long it takes to complete a process?
- What part of the process takes the longest? The shortest?

- During second time study: Have you noticed any time savings?

The HACSB then compiled data from each interview and reviewed the data to determine the level of accuracy and consistency, to identify any possible outliers. It discovered that the data was remarkably consistent -- but not identical. Therefore the HACSB felt it had obtained a range of information and was confident the information was accurate.

The HACSB also utilizes data from other systems. It works closely with all parts of the agency to determine the best source for information, to document where the baseline data originated, to gather the data on a quarterly basis updated information, and then to pull queries from the HUD-50058 data and other data from VisualHOMES as well as financial information from regular Board monthly reports. Some data is tracked "off-line" as there was no functionality in the software to do so, especially data on hardship requests.

The HACSB learned several lessons from this effort:

- ***Make VERY good friends with IT database team!*** Including IT while developing baselines and benchmarks ensures data is available, accurate and consistent. It helps to have IT understand the business processes, as it helps them think through the best source of data for measurements. It also ensures correct fields are being pulled from the database when doing reporting and analysis.

- ***Become very familiar with Rent Calculation!*** An Impact Analysis is required for any rent reform. Understanding housing agency policies and practices is critical to conducting accurate rent impact analysis.

- ***Communicate, communicate, communicate with staff!*** Communicate not only MTW changes in policies and procedures, but recognize that at first, MTW activities can create additional work burden until new policies have been learned effectively. It is important to have staff understand why policies were changed and when time savings should be achieved. The HACSB developed "Fact Sheets" for all activities that are helpful for participants, landlords, stakeholders *and* staff.

- ***It is OK to refine baselines and benchmarks.*** After implementation, the HACSB discovered a few of the measurements didn't fully reflect the activity, so they modified the measurement in the MTW Report with an explanation that it will use updates to manage day-to-day implementation.

- ***It is OK to learn implementation isn't going exactly according to plan.*** MTW changes are wide-ranging, but measurements help identify any missing points in implementation strategy. The HACSB encourages staff to speak up and respond quickly to feedback and to use measurements to confirm success/struggles with an MTW Activity.

The HACSB outlined a couple of additional best practices: verify day-to-day activities sooner rather than later, and make sure that staff is really involved. To ensure involvement, the first several meetings for staff were mandatory. The HACSB conducted activities around definitions, etc., and then asked what the staff learned.

The HACSB showcased an Excel spreadsheet it uses to track outcomes.

Comments, Questions and Answers:

Can you subtract items from the goal?

- Yes, averages can go down.

Does staff turnover and change impact averages?

- Staff turnover and changes mean that many staff does not understand the role and impact of MTW on the agency and other programs. Change is important to acknowledge.

Can the Tracker system addendum be added to any other PH software?

- No, it is a standalone product.

How does the PIC system get updated?

- The MADHCD responded that it sends HUD-50058s just like everyone else; it just obtains more data than required.

Comment: PIC has portability problems.

Has anyone purchased software for MTW?

- One person is considering an off-the-shelf (OTS) product. Some had to purchase a new module for MTW from their existing vendors.

QUESTIONS ON THE ENTERPRISE INCOME VERIFICATION SYSTEM

This session was facilitated by Emily Cadik, MTW Coordinator, with a presentation by Nicole Faison, HUD REAC (Real Estate Assessment Center).

The session began by reviewing the role and objective that the Enterprise Income Verification (EIV) System fulfills for public housing authorities. By making integrated income data available, it improves the efficiency and accuracy of income, and, consequently, rent determinations. Additionally, it eases the process of verifying tenant-reported income and ensures that the eligible families are receiving housing support.

The importance of EIV was augmented by Executive Order 13520, in which President Obama cited the importance of eliminating waste, fraud and abuse in federal and federally funded programs and eliminating the issuance of improper payments.

After introducing EIV, the discussion moved to examining some of the bugs, problem areas and future changes within the EIV system. The vast majority of changes that have been made to the system came at the request of the agencies. Thus, if agencies are having difficulty with the system, they should alert HUD or recommend a change and HUD will do its best to initiate a change or fix that will correct the problem.

One current bug is the repeated error messages that users experience if they are attempting to access the server during high use time periods. It is recommended that users first try clicking the “back” button and refreshing the page. Those who persistently receive this message should attempt to access the program during off peak hours. HUD may increase the maximum support for users to mitigate this problem; however, there has been no guarantee of such a change.

One large problem area that will be changed in the September 2010 Release will make it easier to follow up on new admissions. The program will add criteria to select specific HUD-50058 admissions. Additionally, the same filter will be added on the income discrepancy report to permit agencies to search all new admissions, interims, and other data sets. This provides the agencies with an improved option to search and filter the data as needed.

A final goal is expanding the EIV database to include additional information that will be valuable to agencies to better enable them to accomplish their missions. HUD has researched several databases and is currently hoping to incorporate one from the Department of Health and Human Services into the EIV system. However, as of now, none of these changes are confirmed.

For all of these problems and others, HUD will continue running weekly back checks and updates to correct these problems prior to the September Release.

Comments, Questions and Answers:

When searching past month in Housing Quality Standards (HQS) Inspections, the date automatically sets to January 1900 and the effective date ends up being 1/1/1900. Is there any easy fix for this?

- This is a new problem and hasn't been raised before. HUD will research this situation and work with the developers to fix this problem. If this occurs again, please take a screenshot of the problem and send it to Nicole Faison. With that in mind, whenever any problem is encountered, please take a screenshot of the error and forward that and the agency code to HUD. This enables HUD to attempt to recreate the error to better understand the process that led to that error.

Agency staff doesn't have time to continue to attempt to log in to the system when the server isn't working properly. Will submitting a screenshot of the error message suffice to put into the agency's file?

- Yes; however, when you take the screenshot make sure that both the date and the source code of the URL are viewable on the file. Many print screen functions enable you to add a time stamp to the top or bottom of the page.

Do agencies need to print a hard copy of the Enterprise Income Verification (EIV) report for their audit or can they simply download the document and keep them electronically?

- For annual audits, agencies need to run EIV, and the report can be kept in either paper or electronic format. In general, electronic retention of files is acceptable as long as agencies have the ability to safely store them and that they are accessible to auditors. On the topic of electronic documentation, keep in mind that HUD still does not have electronic signatures.

Do agencies need to use an income certification form?

- No, this form is optional. It is simply a mechanism for the family to agree or disagree with the income information being used by the agency. If the family disagrees, it must notate where and why they disagree with the report. Income discrepancies are calculated from the most recently submitted HUD-50058. Agencies should focus on where the family member is working now, current and past income and something that should have been reported that was not reported. Hypothetically, if EIV shows a job the agency was not aware of, either that income is true or false. If it is true, the file documentation will have current documentation to support this. If it is false, the reporting document is the statement and evidence from the tenant proving that they did not receive this income. The onus is on the tenant to provide this evidence if he/she disputes a claim or the agency must request information from a third party to validate the data. If an income discrepancy is found, the agency has two options - it can either terminate assistance to the family or enter into a repayment agreement with the family. There are no amnesty or forgiveness programs. Agencies are free to structure a repayment agreement as they see fit and implement whatever policy they believe will hold the family accountable. If a family has an income discrepancy and does not enter into a repayment agreement (for overpaid subsidy on behalf of the family) with the agency, this adverse information will be reported in EIV for a period of ten years and available to all agencies which may prevent the family from receiving future assistance. There has been a current bug in the repository system to enter this data, though it should now be fixed. Agencies can check to see if this bug has been fixed by entering two or three families, waiting a week and checking to make sure that they are still in the system. If the families are still there then the bug has been corrected.

Action Items

A template for a repayment agreement will be provided to MTW agencies. Please note this is not a mandated form, but it permits each agency to see what is needed and tweak the document for their respective agencies.

EIV FAQs and new guidance will be provided along with the September Release.

WELCOME – ASSISTANT SECRETARY HENRIQUEZ

Sandra Henriquez, Assistant Secretary of Public and Indian Housing, provided opening remarks on her thoughts about the MTW Demonstration and its future. Ms. Henriquez first thanked the MTW agencies for participating in the Conference and the Demonstration and hoped that they found the sessions and conversations helpful and energizing.

During her 13 years as the Executive Director of the Boston Housing Authority (BHA), Ms. Henriquez had heard about MTW and wanted the flexibilities it provided. While she was not interested in some of the other elements of the MTW program, she was intrigued by the flexibility posed by fungibility of money. Unfortunately, during her tenure at the BHA, the agency was not poised to enter the MTW Demonstration.

She saw the creative things the MTW agencies in close proximity to Boston – Cambridge, Massachusetts, and Keene – were doing, including setting alternative rent policies, streamlining HUD programs, block granting funds, developing programs to encourage self-sufficiency, and flat and tiered rent programs.

After seeing the benefits of the MTW Demonstration first hand, she wanted to provide all agencies with local non-traditional uses of funds authority so they could better serve their populations. However, the numbers suggest that MTW agencies are not using all of their funds and are not assisting as many families as when they entered the Demonstration – a problem that is a barrier to program expansion and permanency. Ms. Henriquez believes that MTW agencies are serving as many, if not more, families than when they entered the program, and that they are using all of their funds, but there is no empirical data to support this. Therefore, she needs the MTW agencies to help her understand what they are doing with their MTW flexibility, so that she can celebrate their accomplishments with them.

Relevant questions include: Where is the funding going? Why is the budget authority not being used? How many families are being assisting through traditional and local, non-traditional, local MTW uses of funds? How has the housing stock improved? How are families being encouraged to become employed and increase their self-sufficiency? Have families really moved forward? What are these families doing now that they were not doing before?

The answer, of course, is that MTW is helping more families, and is improving the housing stock. However, there is no empirical data to back it up these assertions. Ms. Henriquez needs help from the MTW agencies to demonstrate through quantifiable measures how housing opportunities have improved as a direct result of the agencies' participation in the MTW Demonstration. She requested that the MTW agencies work with future evaluators and HUD staff to tell the collective story.

Ms. Henriquez noted that Greg Byrne, PIH Lead on Preservation, Enhancement, and Transformation of Rental Assistance (PETRA), would discuss transforming rental assistance at the Conference the following day. This is a new approach that HUD is proposing to provide assistance and the need is greater now than ever. The capital backlog in the public housing program has been estimated from $20 billion to upwards of $70 billion. Now is the time to address the physical quality of the housing stock to better serve the people who rely on these programs. The goal is to bring all assisted housing programs into the general housing market. The subsidy to be provided would be similar to project-based vouchers and project-based Section 8, but there would be greater flexibility to use these funds to obtain collateral financing. Funding for the public housing program has been increased modestly to approximate the Section 8 program to allow agencies to do renovations needed to sustain the housing stock over time.

Ms. Henriquez observed that many MTW agencies have used their funding to leverage private financing in ways other public housing authorities could not. For example, some MTW agencies have gone above the 25% and 40% project-based restrictions; and others have transformed their entire portfolio into Section 8. HUD will look to those agencies that have made these changes to see what their experiences were, and Ms. Henriquez wants them to be at the forefront of the PETRA initiative.

HUD has recently completed a Strategic Plan that covers fiscal years 2010 - 2015. The development of the Strategic Plan involved a collaborative process with involvement and input from housing authority residents, staff, and other key stakeholders. The basis of the Strategic Plan is to create strong, stable, and inclusive communities and to provide quality housing for all. There are five goals:

1. Strengthen the nation's housing market to bolster the economy and protect consumers;

2. Meet the need for quality affordable rental homes;

3. Utilize housing as a platform for improving quality of life;

4. Build inclusive communities and sustainable communities free from discrimination; and

5. Transform the way HUD does business by eliminating silos and reaching across government.

Clear, attainable, and quantifiable outcomes are associated with each goal. HUD will serve as flexible and reliable problem solvers and be a source of innovation. HUD is looking to MTW agencies as key thought leaders in the housing industry on how to better serve families. The key is replicability of best practices based on data that can be taken to scale across the country.

Ms. Henriquez concluded her comments by thanking everyone for their participation and to enjoy the rest of their time at the Conference.

PROMOTING A GREATER UNDERSTANDING OF MTW IN THE COMMUNITY

This panel included presentations from Greg Russ, Cambridge Housing Authority (CHA); Connie Davis, King County Housing Authority (KCHA); Renee Glover, Atlanta Housing Authority (AHA); Curt Hiebert, Keene Housing Authority (KHA); and Fred Zawilinksi, Portage Metropolitan Housing Authority (PMHA); and Lourdes Castro-Ramirez, San Antonio Housing Authority (SAHA). The panel was facilitated by Stephen Holmquist, Reno & Cavanaugh.

This panel was developed at the request of the MTW agencies during the planning for Conference. Its intent is to explore the need to develop methods and strategies to support policy and funding efforts at the federal level by allowing housing authorities to "own" the program - explain it by "letting us tell our stories." These stories need to encompass both the substance of program development and operation but also the partnerships developed at the local level.

Cambridge Housing Authority (CHA)

Everyone can do activities that would be authorized in the Preservation, Enhancement, and Transformation of Rental Assistance (PETRA) Act of 2010, except housing authorities need to execute contracts that tailor the framework to the local market. As a promotional issue at the local level, MTW has the administrative "magic" to drive how HUD addresses system change.

The CHA produced its first Annual MTW Plan in 2000. The original plan was too wordy, but has been pared back to make it more accessible and readable. It is a 5-year understanding and incorporates income disregards, is focused on fungibility for acquisition, and created an assisted living facility that complements the nursing home next door (a specific requirement of the agreement). It used a small HOPE VI grant. Ten years later, the CHA is doing acquisition and development, capital improvements, and, in conjunction with American Recovery and Reinvestment Act (ARRA) and other funds, has capital plans for housing stock. Normally it would have to hunt for funding for planning since it is not available with conventional funding. However, MTW can pay for this so that housing authorities can explore and plan, providing opportunities to revamp housing policies and administrative services and reshaping funding if funding streams' integration opportunities are well thought out. The CHA has been able to add 300 units to its housing stock in a very expensive housing market. Through this process the CHA learned to:

- Be flexible. Make changes to get change.

- Rent simplification is important.
    - Increase employment opportunities.
    - Promote information about rent structure and how it simplifies the relationship between the CHA and the families (other information regarding outcomes is hard to quantify because there is no way to fund the statistical studies necessary).
    - Promote the CHA. The CHA developed a different relationship with the advocacy community in part through the community process. The CHA made changes based on their input.

- Provide a subsidy budget to the family. It can be richer in the first phases, then move towards shallow to promote self-sufficiency.
- Advocate for Housing Quality Standards (HQS) reform and energy efficiency.

- Frame the MTW report differently. Communities should have greater leverage and methods to tell the whole story.

- Recognize the self-promotional piece.

- Recognize the need for evaluations and studies.

King County Housing Authority (KCHA)

The KCHA focused on designing programs that meet the local need in King County. This approach required a change in thinking about how geographic concentrations of poverty require local and regional approaches to service availability and delivery; recognized that transportation is an issue; and recognized that suburban areas face greater disparity between affordable housing and employment opportunities.

The KCHA hasn't had to "promote" MTW. Geography is destiny; there are limited organized advocacy groups so there is no single focus for opposition. The KCHA has a significant political capital and community stakeholder buy in, generally because they haven't given the community reason to distrust them. It screens and will serve eviction notices, but have services in place to avoid it. King County doesn't seem to have a generational poverty problem, mostly because immigration and families seem to use public housing as a "leg up" to other types of housing.

The KCHA conducted incremental changes; it tackled administrative changes first. Then it allowed landlords to self certify for minor fail items, ensure that landlords always get paid on time, and effectively utilize resources by conducting inspections clustered by geography.

The KCHA also makes an effort to communicate to the community the results of their activities through a professionally designed report. It strategizes in advance for potential barriers and preemptively involves those stakeholders – and pre-determined "fallbacks" in case of push-back in order to give barriers a "win." This takes good analysis of what issues really are and what viable solutions might be, but is worth it. It has also learned from others and utilized what other MTW authorities have already done. As an example, it used the CHA's rental simplification as a foundation for its own rent policy.

Atlanta Housing Authority (AHA)

For the AHA, geography is very important; so is the organization of the advocacy base. Two things keep work viable: HOPE VI and MTW.

These programs enable the AHA to leverage intellectual, real estate, human development knowledge and to form partnerships that might not be available otherwise (private funders must balance risk). In order to meet the needs for affordable housing, housing authorities must be focused on how to create public and private partners. Neither has all of the pieces and skills needed. However, each partner needs to understand each other's purpose, needs, wants and desires.

Deregulation of the program has created a platform where true accountability can be achieved. To solve the "proving" problem with Congress, MTW needs innovation around the reporting. Voucher Management System (VMS) looks at traditional voucher outcomes, but MTW is much more flexible and current reporting doesn't reflect that. When a VMS report is generated, it looks like funds are being diverted because the report doesn't reflect the true activities and outcomes. However, there is a relationship between reporting, regulation and funding; therefore, MTW needs to help itself and change its reporting to better reflect the purpose and intent of MTW activities.

MTW needs to encourage and promote partnerships with the private sector; the private sector can promote proper environments to support family stability. It needs to continue to focus on developing sustainable communities and better family outcomes, such as ending concentrated poverty, leveraging resources, creating strategic interventions to break the cycle of poverty, invest in human development, minimize the number of evictions (like Pacific Northwest, the AHA has services in place to intervene, plus there is less instance of this because of the development environment), and leveraging all development opportunities across the city.

The AHA is conducting a longitudinal study to assess the impacts of their efforts. So far it is showing great outcomes.

Keene Housing Authority (KHA)

The KHA concentrated on rent change and incentives for people to get stable income. It no longer has public housing. MTW has allowed them to sell the housing with a commercial bank supporting with conventional loans. Because of this sale, the equivalent of 15 years of capital has gone into the housing. The agency is no longer the "Hub" of the system, but an equal partner within the system.

The KHA stressed the need to find out what the community needs, rather than just chasing funding. The KHA now own the shelters, but the community action agencies run the homeless programs that are housed in them. MTW provides subsidies as long as the client stays within the CoC, but the main point is that there are lots and lots of collaboration and integration.

The KHA also created a food service training program using MTW that increased both the worker pool and job opportunities.

Portage Metropolitan Housing Authority (PMHA)

The PMHA designs rent and income policies to support self sufficiency. The thought is that self sufficiency will naturally lead to de-concentration.

Individual relationships are strong because of the small size of the geographic area.

The PMHA is involved with the local Continuum of Care (CoC) to identify opportunities for MTW as well as the PMHA. It is partnering on transportation and housing policies to help people have access to housing and services relative to income opportunities. The Resident Council is proactive (not reactive to complaints). Its method includes informal settings, but considers family situations during policy development. The PMHA also takes a role in supportive services. It also has the advantage that the field office has been heavily involved and interested in making the MTW programs work.

San Antonio Housing Authority (SAHA)

The SAHA was in the process of leaving MTW but reconsidered and has returned to the Demonstration. The SAHA MTW program focuses on getting families to economic stability. This requires involving the community in planning and transparency. This transparency has improved the agency's image in the community and led to new partnerships. For example, focusing on education to support economic stability has led to partnerships with schools.

The overall priorities of the SAHA are to improve the quality of life for clients, preserve and expand affordable housing and strengthen the SAHA's performance and service. Improving the quality of life for clients means strengthening relationships with its clients, gaining a clear understanding of the needs and desires of the communities they serve, and increasing the community partnerships needed to provide its clients access to a variety of supportive services. Additionally, any new MTW program would be developed with stakeholder input to test innovative community economic development strategies. The SAHA intends to expand employment and educational opportunities by increasing vendor and resident participation in Section 3. Investing in existing housing, partnering to reposition the SAHA's aging housing to create mixed-income communities, and expanding their inventory of housing are methods to preserving and expanding affordable housing. The SAHA intends to strengthen its performance and service by strengthening internal controls, administrative systems, and building staff capacity.

The SAHA reviewed its history with MTW noting accomplishments of developing community partnerships. These successes of MTW were not without challenges. The SAHA lacked stakeholder engagement and partnership program services decreased after the third year. This initial MTW program ended in late-2009. The SAHA and HUD signed restated MTW Agreement June 25, 2009.

To support the new initiative, the SAHA began a process to create community-wide MTW awareness. This awareness fostered community involvement and ownership, built strategic and operational resources, addressed MTW goals and objectives, provided recommendations and feedback to the SAHA, and built a comprehensive and achievable the SAHA MTW Plan.

The SAHA created an MTW Advisory Board consisting of representatives with a broad knowledge of employment and educational services, supportive services and poverty alleviation. The Board provides input and feedback to the SAHA MTW Plan, assists in the delivery of services and support, and assures a diversity of services and opportunities are represented.

The SAHA works with Resident Leaders who help to dispel myths, rumors, and concerns about MTW, provide community-level input and feedback to the SAHA MTW Plan, and provide representation of the participants of the MTW Demonstration. This process employs a very simple business model: Let your customer tell you what's feasible and what's not.

The SAHA has identified some keys to their future MTW successes:

- Everyone has input at all levels (Commissioners down to Residents)
- Transparency is key to battling misperceptions
- Listen to the customer/client/partners/employees
- Continue to build community support and outreach
- Implement efficiently tailored programs which address the three key MTW goals
- Implement MTW Plan upon HUD approval

NEW AND EXPANDING AGENCIES WORKSHOP

This session was facilitated by Emily Cadik, MTW Coordinator, with presentations by Jim Gurke, Alaska Housing Finance Corporation (AHFC) and Maria Razo, Housing Authority of the County of San Bernardino (HACSB).

The purpose of this session was for new and expanding agencies to meet one another and gain some insight from the more experienced MTW agencies. Two of the more recently-admitted agencies, San Bernardino and Alaska, shared their experiences transitioning to the MTW Demonstration. Participants had an opportunity to meet one another and discuss promising practices and lessons learned in the transition to MTW.

Alaska Housing Finance Corporation (AHFC)

The AHFC described the experience of the agency, which has only been with MTW for one year. It was advised to visit the Cambridge Housing Authority and the Massachusetts Department of Housing and Community Development. The AHFC was energized by the possibilities that it saw in the visits and could picture itself implementing these phenomenal changes.

It started by hiring a consulting company to help them with the transition. It decided initially to begin with easier to implement projects and the consulting company helped it to figure out different scenarios to consider based on financial projections. It did an analysis of impact of implementation of standard deductions.

- Scenario 1: Elderly/Disabled Deduction of $500. Medical deductions for elderly/disabled applied according to schedule;

- Scenario 2: No Elderly/Disabled Deduction. Medical Deductions for Elderly/Disabled applied according to schedule. TTP or Elderly/Disabled household income calculated using 28%, 29% and 30%;

- Scenario 3: Elderly/Disabled Deduction of $700. Medical deduction for Elderly/Disabled applied for expenses greater than 10% of gross income. $1000 Earned Income deduction; $500 dependent deduction. No childcare expense deduction or earned income disallowment.

The AHFC emphasized that the MTW contract is very important. It is a partnership with HUD and it is long term, so must be taken seriously. There is some room for negotiation and there are substantial differences in Attachment A among agencies.

The agency has one staff person in Homer, AK, who is responsible for all aspects of program administration. The AHFC is focused on being very clear about its policies so that the one person who is on her own knows what to do.

The AHFC took a lag year before start up with MTW to get ready. It launched the program at its annual staff training conference. It asked its staff for input and changes and tried to incorporate the advice. As a result, it only modified the plan a little bit in the second year.

What it did wrong: It started on ambitious rent change without consulting staff, and had to rebuild rapport with line staff.

What it did right: It had a global view of where the agency was headed.

Housing Authority of the County of San Bernardino (HACSB)

The HACSB shared its experiences as a new MTW agency and how it introduced agency staff, residents, landlords and the public to the Moving To Work designation and local program activities. Having started in March 2008 and now three years into its designation, it also shared lessons learned and how its educational/input efforts continue.

The new MTW program fit well into the agency's 30-year strategic plan. It, like the AHFC, decided to focus on projects that were easy to implement. It started with administrative efficiencies in the first year. The staff initially thought there was a "work" requirement and term limits; absent of info from the agency, the staff tried to figure it out on its own. The HACSB focused on communication efforts with staff, including "Lunch and Learn" sessions, open forums, and conference calls to improve understanding.

When the second year started, it found that staff in the field, such as maintenance workers, still did not have a clear understanding of MTW. It took its presentation to the agency sites and had two-hour mandatory trainings. It is willing to share the agenda and training packet that it gave to staff with other MTW agencies. The training first gave background on MTW and on its particular plan. Then it broke into small groups and had participants answer 3 questions:

- What does this activity mean to staff?
- What does it mean to the agency?
- What does it mean to customers?

They played HA-peordy (like Jeopardy) at the training. It was very competitive and there were candy prizes. People learned while having fun; in a survey afterwards, the activity received favorable comments.

It then focused on public stakeholders and customers. It has fact sheets on its website that give an overview of MTW and of each activity that is not self explanatory. For example, there is a fact sheet titled, "Moving to Work Bi-Annual Recertification." It also has maintenance workers keep the fact sheets in their trucks to give to customers who may have questions to ensure that the message is the same across the agency. It also includes these fact sheets in press packets.

It recommends developing quarterly reports to assess progress before the fiscal year ends in order to help with planning for the next year.

It assigned an "owner" to each activity. One staff person is completely responsible for the activity. He or she does not have to do all the work, but needs to be responsible for the implementation and carry it forward. That has been an effective management technique.

The MTW designation changed the way the staff thinks, especially those who do certifications. They always thought that they do what they do because it is a regulation. The MTW designation allows them to be creative, flexible, and propose changes. Some of the efficiencies and suggestions made are not even related to MTW, MTW just opened up the thought process. HACSB found it helpful to let staff know it is okay to make a recommendation. If an idea cannot be implemented, it explains why.

Comments, Questions and Answers:

Comment: The MADHCD used MTW to encourage people to go to work. It created a program that is stipend-based where the resident pays a flat rent and there are funds set aside for work related expenses. It has had some success, but need more time to study this. It regrets not keeping good data on the residents from Day 1, such as pre- and post-testing. Many residents had good outcomes, but it does not have quantitative data to show its results. It needs more than anecdotes to tell its story. For the next phase of the project, it will have a good information system.

Comment: One of the groups regretted that it did not pay enough attention to the MTW Agreement with HUD. It just assumed that if it was in the Agreement that HUD required it, and didn't realize there was flexibility. When it came time to renegotiate the Agreement to expand, there were lines in the Agreement that did not make sense for the Amendment. For example, it had linked its administration fee to 2008 FMRs instead of future FMRs. When negotiating the MTW contract, ask someone to review the Agreement critically. It hired a consultant who is skilled at MTW to help.

Comment: Florida has one of the highest foreclosure rates in the country, and Orlando has one of the highest in Florida. It looked at homeless needs that couldn't be addressed with traditional public housing regulations. It also wanted to house people from the Haitian earthquake, but couldn't do it. It found that the public and politicians think that MTW can be used to address a crisis, but it can only do what is in the annual plan.

Comment: The Tacoma Housing Authority wanted to utilize MTW to relieve administrative burdens. It wanted the flexibility to change regulations that were contributing to people being taken off of the program. For example, it wanted members of the military to be able to come back to public housing when their active duty ends.

ALTERNATIVES TO PHAS/SEMAP WORKSHOP

This session was facilitated by Andrew Lofton, Seattle Housing Authority (SHA).

The presenter began the session by explaining that neither Public Housing Assessment System (PHAS) nor Section Eight Management Assessment Program (SEMAP) work for MTW agencies. The purpose of this session was to lay out the SHA's perspective on why this is true, demonstrate why existing systems constrain MTW agencies, and discuss potential developments and changes to these programs that would better support MTW agencies. The ultimate goal of this discussion was to start the process of submitting a recommendation to HUD on how PHAS and SEMAP can be changed to support HUD success and achievement monitoring of MTW agencies. Due to time constraints, the discussion focused mainly on PHAS, however many of the changes that would work for PHAS could be incorporated into SEMAP.

The first concept examined was the fundamental incompatibility of PHAS with MTW agencies. The premise of MTW is to provide housing agencies flexibility to design and test innovative approaches for providing and administering housing assistance, and inherently to take risks. Currently, PHAS is attempting to use the same measurement tool used for over 3,300 non-MTW agencies operating traditional housing programs that follow traditional HUD regulations; regulations that MTW agencies may have waived in order to test a new approach. Moreover, the stated objectives of the MTW program are to use this flexibility to reduce cost and achieve greater cost effectiveness, provide incentives for self sufficiency, and increase housing choices. PHAS has no way to account for this experimentation. Additionally, PHAS is project-level focused (which discounts the fungibility for funding local programs and addressing local conditions), does not consider additional project goals, and does not recognize the achievements of multi-year projects due to limited point-in-time reporting requirements; the resulting scores do not adequately reflect the total operation of the housing authority.

A general concern is the lack of a standardized, meaningful, and realistic means of assessing MTW programs. Currently, the incentive or reward for high PHAS scores is being classified as a High Performing housing authority which results in the availability of a capital bonus, eligibility for some grants, and bonus points to a select group of grant applications. While important, given the various approaches by MTW agencies to address the statutory requirements, rethinking the incentives, particularly in the context of evaluating MTW agencies, may be required.

The SHA presented three possible solutions to rethinking PHAS and how it is applied to MTW agencies.

<u>Accreditation:</u> An independent, accrediting body comprised of industry-based members would conduct an overall assessment of the housing authority and its housing conditions, judging the authority in its entirety, not on a project to project basis. Full accreditation would occur every two or three years with the agency self-certification documents submitted annually. The pass/fail full accreditation process would be built on the agency's self-certification process, verified by a group of peers through a confirmatory site visit, and include follow up procedures to articulate areas of concern and how the programs can be improved.

Accreditation would consist of qualitative and quantitative measures linked to the audit that would make peer to peer review more balanced and accurately judge multi-year projects. Furthermore, it would recognize complex organizations, the complexity of the MTW activities, local conditions, and measure on the ability of the agency to meet both HUD goals and local goals while acknowledging diversity of successful approaches and encouraging replication of best practices to other agencies.

The biggest detriment to accreditation is the cost of creating and maintaining an accreditation board, which can be expensive and thus prohibitive.

A Rating Agency: A rating agency, such as Standard & Poor's, Moody's, or Fitch, would assess the overall financial health and management of each agency. To complete the rating, the agency would submit a portfolio of documentation to the rating agency, which would review the documentation and conduct a site visit to fully assess the agency. Like the accreditation board, the rating process would occur every two or three years with the possibility of smaller annual updates submitted by the agencies.

The burden of acquiring and maintaining a rating would fall upon the agency and would predominately focus on the agency's financial and management records. The rating agency would review financial ratios, assess the agency's financial management and procedures, and its capital adequacy, enabling the assessment of trends over multiple years. The various rating systems and standards designed specifically for agencies currently in use would be used as the basis for developing this rating process.

The cost to create and sustain a rating agency process is more expensive than PHAS, but is not as prohibitive as the accreditation board.

PHAS Modification: The final alternative is to modify PHAS to better fit the MTW model. The intent of the modifications would be to reassess the current scoring standard to more accurately reflect the state of the MTW agency. For instance, the Quick Ratio/Months Expendable Net Assets Ratio (MENAR), evaluation of vacancy rates, or economic self-sufficiency could be modified for agency-wide rather than project-specific assessment.

Modifying PHAS is the cheapest and easiest way to correct the problem.

After the presentation of the three proposals, session participants were invited to offer suggestions of other alternatives or areas which also need to be amended to better fit MTW agencies.

Comments, Questions, and Answers:

A concern was expressed that agencies lose points if they have surplus cash; an agency should be rewarded for managing its money well as opposed to being penalized. How can we best address this situation?

- The response was that a rating agency would most likely reward agencies for a surplus of cash, but HUD needs to address this issue and explain why a surplus of cash is considered a negative.

Comment: Another participant felt that while the accreditation system would be the most detailed and accurate approach, the time and cost of developing and maintaining the board would be too prohibitive. Consequently, they felt the rating agency would be a better, more appropriate fit.

How much will the rating system cost each agency?

- It is estimated that each agency would spend approximately $25,000 each time it was rated.

Next Steps:

Time prohibited more questions and the group moved to discussion of next steps in proposing modifications to the system. A decision was made to form a taskforce to further develop these proposals. It was recommended that a survey be developed to collect suggestions from all MTW agencies on the proposal development, providing the taskforce information and ideas from which several recommendations could be developed for MTW agencies to respond to, and to inform a more formal recommendation to HUD. The SHA was asked to lead the taskforce.

It was decided that the taskforce or other workgroup would convene. One possible tool for moving forward would be monthly conference calls in which a representative from each MTW agency could participate. In addition to these calls, a meeting can be convened at national industry conferences, such as the NAHRO conference.

ESTABLISHING ALTERNATE RENT POLICIES THAT ENCOURAGE EMPLOYMENT AND SELF-SUFFICIENCY

This panel session was facilitated by Victoria Main, HUD Jacksonville Field Office Director, with presentations by Barbara Huppee, Lawrence-Douglas County Housing Authority (LDCHA); Jennifer Anderson, Housing Authority of the County of San Mateo (HACSM); Michael Buonocore, Housing Authority of Portland (HAP); Seanna Collins, Lincoln Housing Authority (LHA); Jim Gurke, Alaska Housing Finance Corporation (AHFC); and Nora McArdle, HUD Office of Policy, Programs and Legislative Initiatives.

Each panelist presented its agency's alternative rent policy, which are designed to encourage employment and self-sufficiency. Information was also provided on a recent HUD Office of Policy, Planning and Legislative Initiatives (OPPLI) Rent Study.

Lawrence-Douglas County Housing Authority (LDCHA)

The LDCHA entered the MTW Demonstration in March 1999 and implemented its MTW rent policy in July of the same year. This was prior to HUD's implementation of the Quality Housing and Work Responsibility Act of 1998 (QHWRA).

The LDCHA believes that the HUD rent policy rewards unemployment and dishonesty, distorts the value of a rental unit, and is administratively burdensome and that employable families should be required to pay a meaningful rent. A rent structure was therefore developed that is affordable, values the unit, rewards work, and is tied to economic norms. A schedule has been established for each bedroom size specifying a minimum rent, maximum rent, and payment standard. Rents are fixed for one year and include features that reward work. Employable adults must work at least 15-20 hours per week. Noncompliance results in a family paying the contract rent amount for their unit. A hardship policy has been established for those who lose employment. The presenter also noted the importance of involving residents, local government, and social service agencies in the initial rent reform planning process.

Housing Authority of the County of San Mateo (HACSM)

The presenter noted that her agency is pursuing several rent policy strategies and acknowledged that information presented in previous conferences by the Keene and Cambridge Housing Authorities' rent policy experiences were very helpful. The key features of the HACSM's rent policy are the tiered subsidy tables, tying the HACSM's subsidy (Housing Assistance Payment) amounts to family annual adjusted income ranges and eligible bedroom sizes. There is a "hard" $50 minimum rent. The maximum subsidy amounts are established based on the local housing market. Since implementation on March 1, 2010, the tiered subsidy tables have already significantly reduced the time needed to lease a unit and have improved resident, staff and landlord understanding of the rent system. Participants are informed of the maximum amount the HACSM will contribute to their housing costs (rent and utilities) at the time of voucher issuance, giving them the key piece of information they need to find an appropriate rental unit for their family.

With this knowledge, families have an incentive to “shop smart” and to seek affordable and energy efficient units. As income tiers are established at $3,000 intervals, families have room to increase their incomes and savings without immediately impacting their rent amounts. In addition to the HACSM's MTW-Family Self-Sufficiency (FSS) program and project-based participants who are converting to this system upon recertification, all new and relocating families must also utilize this policy. As of June 2010, there are 154 families currently covered by this policy.

Housing Authority of Portland (HAP)

The HAP is still in the conceptual stage of developing a rent reform policy designed to encourage self-sufficiency. The agency is seeking feedback at the 2010 MTW Conference and will finalize the policy within the next few months. The HAP has already implemented several rent reform activities, including biennial recertifications designed to save staff time. Care is being taken to develop a policy that changes resident rents. The State of Oregon does not have a general assistance program so it is possible that families can have zero income. The agency had a bad experience several years ago when they increased the minimum rent amounts. A consultant has therefore been used to assess the impacts of rent policy options on residents. The HAP discovered that public housing and Housing Choice Voucher (HCV) families are similar, but these program’s rent systems are different. The HAP would like to standardize a rent system for both programs.

Utilizing a handout, the presenter noted that separate policies are being developed for working families and for seniors and persons with disabilities. The proposed model requires that employable households initially pay 27% of their gross income for rent (with no minimum rent). In the third year, the percentage increases to 29% and a minimum rent of $100 is established. In the fifth year, the percentage increases to 31% and a minimum rent increases to $200. Utility allowances are simplified, all deductions eliminated, and there are no interim income reviews that allow families to keep increases in their income between the first and third and the third and fifth years. Senior and/or disabled households will only pay 27% of their gross income for rent (with no minimum rent), will have triennial income reviews, will be allowed no deductions, and will also use simplified utility allowances. All of these percentages and amounts are tentative.

Lincoln Housing Authority (LHA)

Lincoln, NE is a university town, has a large refugee center, and is the state capital. The LHA’s residents speak over 53 languages. All public housing and HCV families are in the agency’s MTW program except for specialized voucher programs, Veterans Affairs Supportive Housing (VASH) and Mainstream. Utilizing a handout, the presenter noted that the LHA has three alternate rent policies that encourage employment and/or self-sufficiency.

- Alternate #1, implemented in 1999, established a minimum earned income amount to be applied in the rent calculation for all households with adults who are not working and earning a minimum amount of income. The Minimum Earned Income (MEI) is imputed income during the rent calculations and is based on the number adults in the household who are required to work. If one adult is required to work then this income is based on

25 hours of work per week at the federal minimum wage for all non-exempted adults between 18 and 62 years of age. If two or more adults are required to work then this income is based on 40 hours of work per week at the federal minimum wage for all non-exempted adults between 18 and 62 years of age. This policy established a flexible work requirement that leaves the participants with the decision making on how their household can best fulfill this requirement by obtaining income to pay their portion of rent, working with self sufficiency programs or work on education to become self-sufficient. The LHA partnered with the State's Welfare to Work program called Employment First and promoted cooperation with its self sufficiency programs and mirrored the MEI exemptions with the Employment First program exemptions. It expanded on the MEI exemptions beyond the State of Nebraska's program which eliminated some advocacy groups concerns.

Currently, 80% of the non-elderly or non-disabled voucher households are either working or participating in some type of self sufficiency program and 31% of the families have MEI income imputed in their rent calculations. There is some overlapping in these statistics because a resident may be working but not earning enough earned income so he or she may also have some MEI income applied in his or her rent calculation.

- Alternate #2, also implemented in 1999, established an MTW interim re-examination policy. Income increases will only affect rents at annual re-examinations. If employment ends because the participant quits or is fired without good cause then the participant is not eligible for a decreased rent adjustment for 90 days. The idea of the policy is based on how the real world operates, you must find another job or source of income to pay your rent if you choose to quit your job or cause your job to terminate. So if the participant finds a job to replace the old job within 90 days a rent adjustment may still not be necessary unless the income is lower than the original job. This policy has reduced the number of participants who quit jobs before new admission or annual reviews. Exemptions for this policy are the same as MEI's policy exemption.

- Alternate #3, implemented in 2008, established a requirement that all non-disabled or elderly households pay at least $25 minimum rent to their landlord or to the LHA for their unit. This policy was recommended by the agency's resident and landlord advisory groups based on developing some personal responsibility on the part of the tenant to their unit and landlord. It also was encouraged to be implemented to reduce fraud on vacating units without notification to the public housing agency. If the landlord is required to collect $25 per month from the tenant, the landlord would more likely be aware if the tenant moved out, if they are no longer receiving rent from the tenant. 85% of the tenants who were responsible for the minimum rent during fiscal year 2009-2010 had an increase in their household income and none of the participants were terminated from the program due to non-payment of rent.

Alaska Housing Finance Corporation (AHFC)

The AHFC is a recent entrant into the MTW Demonstration and has not yet developed an MTW rent policy. There are unique challenges in developing and administering a rent policy in the

State of Alaska. Alaska has a total population 450,000, with 260,000 living in Anchorage. The remainder of the population is spread out over 1,300 communities throughout the state. In many areas there is only seasonal employment, while in other areas, the native population lives in a subsistence situation. Public housing and HCVs are distributed in both urban and isolated communities. In addition, approximately 50% of the AHFC's households are elderly.

The AHFC is very concerned about unintended consequences of an MTW rent policy and needs to confirm their definition of "self-sufficiency." The AHFC has a small FSS program which is only located in Anchorage. There have been a large number of FSS graduates who have achieved full time employment, yet their incomes are so low they must remain in the HCV program. The specific rent policy issues under consideration include the following:

- Consolidating utility allowances. There are many areas with multiple utility providers in Alaska. A simplified utility allowance schedule will provide clearer shopping instructions to voucher holders.

- Establishing a firm minimum rent inclusive of the utility allowance. The AHFC would pay utility companies directly and families would reimburse the AHFC when they exceed their baseline usage. Because of climate extremes, utility costs are very high in the winter which has historically resulted in some evictions. On occasion, the AHFC has already had to act as a family's agent with its utility company.

- Discontinue interim examinations to encourage employment.

- Extend the allowable period for a zero Housing Assistance Payment amount to 1-year to provide a safety net.

The AHFC is reviewing several policy issues related to the development of a rent policy. For example, as there are a large number of families on the agency's waiting lists, should the AHFC reduce the subsidy provided to each family so that more households can be served? Should an HCV family receive an initial subsidy based on 30% of the family's income and then have this subsidy decrease over time? Should the AHFC consider adopting separate rent policies to reflect the different circumstances throughout Alaska?

HUD Rent Study

HUD has recently completed a two-year rent study, involving site visits to 25 housing authorities. Seven of these agencies (Cambridge, Tulare, Keene, Pittsburgh, Charlotte, Chicago and Vancouver Housing Authorities) are participants in the MTW Demonstration. This study included interviews with new residents, waiting list applicants and housing authority staff. The goal of the study is to provide guidance to policy makers considering alternatives to HUD's current rent systems. As many believe that the current HUD rent system discourages work, rent policies at the Pittsburgh, Charlotte and Chicago Housing Authorities, which focus on promoting self-sufficiency, were of particular interest.

HUD found that of the households who had reported earnings in the past week, many had reported being out of work over the last year, indicating that there was at least some job cycling. Many housing authority staff wanted to reduce administrative burden and incentivize work, and offered recommendations, but there was no clear consensus on what the best rent-setting method to do that would be.

Many strategies are being pursued by MTW agencies have been identified by non-MTW agencies as actions that could result in a better rent system:

- More flexibility to set payment standards and rent levels to encourage household employment.
- Developing a rent structure that will enable an agency to serve additional families.
- Considering the adoption of a flat rent system.
- Developing an alternative to the Earned Income Disregard policy.

ENCOURAGING RESIDENT INVOLVEMENT IN THE MTW PROCESS

This session was facilitated by Laurel Davis, MTW Coordinator, with presentations by Bob Boyd, Minneapolis Public Housing Authority (MPHA); Isaac Carreon, San Antonio Housing Authority (SAHA); Linda Staley, Philadelphia Housing Authority (PHA); and Rebecca Kaufman, Delaware State Housing Authority (DSHA).

Minneapolis Public Housing Authority (MPHA)

The presentation began with the ideal that geography impacts MTW. With respect to resident involvement, it is also an issue because of who the residents are. Agencies should take a close look at their resident populations and then develop a process that works for the specific characteristics of its residents.

The MPHA's portfolio includes 41 high-rise buildings; of these, 11 are designated as senior buildings and 7 buildings offer assisted living and supportive services. The assisted living was funded by the state and county. The MPHA has a total of 5,895 public housing units: 4,958 of which are in high-rise units, 753 in scattered site units, and 184 in family units.

The MPHA has thirty-seven high-rise resident councils, one scattered site council, one family organization, and one city-wide representative council. The MPHA has focused on the formation of independent resident councils. To support the councils, all of the laundry rooms in the high-rise buildings are operated by resident organizations that are registered 501(c)3 organizations. The laundry rooms generate almost $200,000 per year for the resident organizations. Resident participation funds also go to the resident councils as well as vending machine revenue. The MPHA has made sure that the resident councils are adequately funded so they can organize and speak for themselves.

Demographically, the elderly (62 and older) comprise 27% (2,356) of the total resident population; near elderly (50-61), 20% (1,770); adults (18-49), 30% (2,651); and youths (under 18), 23% (2,043). In general, the seniors are the most involved in resident council activities followed by families. With respect to the head of household, the population is pretty equally split between female and male (3,100 versus 2,757). Racially, blacks make up 69% of the households, followed by whites (21%), Asian (8%), and then American Indian (2%). The MPHA has a significant Somali population, and the American Indian population, while small, is very vocal. In the family developments, the MPHA also has significant Hmong and other Southeast Asian populations. In total, over fifty-eight different countries are represented by the MPHA residents, with the top three countries being represented aside from the United States being Somalia, Ethiopia, and Korea.

In the MPHA's mission statement, the agency has deliberated calling it "their home" not housing stock. The agency feels that fostering the ideology of a home promotes the desire for it to be safe and secure. The MPHA residents have been and continue to be very active in the City. An example of resident impact is when the City was targeting a 90% cut in social services funding. The MPHA residents went to a City Council meeting to rally for protection of the social services funding, which ultimately only ended up being cut by 3%.

The MPHA wants residents to be involved because it is their home, their life, their children, and/or their retirement. The MPHA has fostered a culture of expectation that residents should be involved and it is their duty to be involved, and the agency has worked collaboratively with the residents to make that happen.

Because of the many different cultures that live in the MPHA's homes, there was an issue with language interpretation. The resident councils bought their own United Nations type headphones to provide translation services so that residents could participate. Agencies need to ask these cultural questions if they want to foster resident participation.

The MPHA fosters a culture of listening within the agency. Too often, agencies only interact with their residents to present and help them understand new information, and listening is secondary. The MPHA tries to foster an environment of listening by staff and leaders, and see itself as a partner with residents to figure out what approach should be used and how that approach will affect the neighborhood, friends, and the larger community. The MPHA and the residents work together on how the message is presented, obtain feedback, and then move to action. The MPHA continually heard from the low-income housing coalition that MTW was the road to everything bad. However, the MPHA had to hear the residents' fears first hand, and then work with them to create guiding principles for the program. These included no time limits, and at setting aside at least 10% of the MTW funding to be used to promote self-sufficiency.

The presenter noted that agencies embarking upon a resident involvement process need to make sure that residents have an opportunity to make an impact. For example, the residents reviewed the applicant and screening guidelines, which included criminal history. One resident said that they did not see hate crimes on the list. In the end, it was put on the list of what the MPHA looked at and how long it had to be since the crime before the individual could be housed.   The residents themselves determined it should be three years since the hate crime occurred.

In closing, the MPHA recommends that agencies make sure that the agenda is reflective of the residents' agenda. When that is the case, advocates do not interfere because it is the residents' agenda, too.

<u>San Antonio Housing Authority (SAHA)</u>

The SAHA's goal when developing the Annual MTW Plan was to solicit resident and stakeholder participation in the process, which included various organizations around San Antonio, resident leaders, and the SAHA staff. It was important for community stakeholders to be involved because they touch the residents' lives in one way or another. The advisory board and the SAHA staff were critical in engaging the residents.

In addition to resident involvement, community involvement was critical in identifying the local needs of San Antonio area. The SAHA visited other MTW agencies, and learned a lot from Seattle, King County, and San Bernardino, but some aspects of those programs did not apply to San Antonio. The SAHA had a three-tiered purpose for their community involvement agenda. They wanted to be transparent; optimize the expertise from organizations and residents, especially with respect to needs and self-sufficiency activities; and include everyone in the process.

The first thing the SAHA did was create an MTW working group. This included key operational staff since they have the face-to-face contact with residents and know first-hand the needs of the population. This helped the SAHA get early buy-in into the MTW process. One of the tasks was to engage staff in the agency process and plan. The SAHA staff learned a lot about MTW early on, and the agency held "lunch and learns" like San Bernardino that provided background information on MTW and gave staff the opportunity to provide valuable feedback.

Second, the SAHA created an MTW advisory board, which included key organizations in the community such as experts in education, job training, and employment; a board commissioner; resident leaders; and advocacy groups. Advocacy groups (League of United Latin American Citizens (LULAC) and Legal Aid) in San Antonio are very involved in all processes, and it is vital to include them in any program implementation.

Third, the SAHA identified the community stakeholders and held several formal and informal stakeholder meetings with involvement from grassroots organizations, residents, and resident councils.

Fourth, during October, November, and December of 2009, the SAHA held monthly resident leader meetings in addition to the quarterly resident council training meetings that were already being conducted. These meetings gave resident leaders the opportunity to get engaged in the planning process and the opportunity to give feedback on what kind of activities they wanted to see. The resident leader meetings provided some good ideas, such as the resident ambassador program to help engage other residents who are not involved with self-sufficiency activities.

Finally, the SAHA operational staff is involved and informed about initiatives that are coming out. Program staff met with the IT department to help create the tools needed to be able to measure the success of the SAHA's MTW program. Because they are involved with the program day-to-day, operational staff are a good source for innovative operational efficiencies, and assessing the feasibility of various initiatives.

In summary, the SAHA's MTW success include having input from everyone at all levels and having residents be the ambassadors of the SAHA; listening to the client – this is how it is done in the business world, so let the client dictate what they want to see in the Annual MTW Plan; and building community support, which enhanced the partnerships that were already in place. The SAHA had a number of subcommittees on various self-sufficiency activities including childcare, education, job training/employment, and case management.

<u>Philadelphia Housing Authority (PHA)</u>

The PHA had a series of meetings when preparing the MTW application and the Annual MTW Plan. As the fourth largest housing authority in the country, they had to hold meetings over a large geographical area when developing the MTW application. The PHA wanted residents to think about what they wanted to do differently, and what would they change. This took months to hammer out. Residents said that they wanted a decent place to live, kitchen cabinets that matched, parking, and the ability to get a job somewhere other than Burger King. The PHA staff talked about the technology that they wanted. The PHA wrote down what residents wanted on a "wish list" and then tasked residents with deciding how things should be taken care of, what would they do, and how would they be held accountable.

The PHA agreed that it would have community supportive services. The PHA staff started to change the way that they spoke to residents to develop a more cohesive and collaborative atmosphere. The residents were the PHA's customers. Residents would be become economically self-sufficient. These small changes in words changed how people thought. It is important for an agency to look its dialogue, demeanor, and treatment of residents if it does not have high levels of resident participation.

The PHA conducts an annual resident leadership conference that is led by residents. There is an annual Empowerment Conference held in August where residents from other places are invited to attend. Additionally, there is a monthly resident meeting and dinner at the PHA that the Board Commissioner, Executive Director, and executive staff attend. Residents receive a copy of the board packet prior to attending the meeting, so that they are prepared to ask questions, can set the tone, and feel a part of the process. The PHA also conducts a resident survey.

MTW also allowed the PHA to do a Community Partners program, where the PHA hires an agency to come in and provide a service such as training on medical billing or pharmacy technology. The PHA holds a meeting with residents, and discusses with them what the cost is per client to do the program. By including residents in this decision making process, the programs have been very successful. Additionally, beyond providing the training, the Community Partners program also provides employment opportunities and support to make sure that the graduates get the jobs that they were supposed to and are being paid what they should be. This has been particularly successful with the Section 3 program at the PHA. The PHA started to leverage their training dollars with their contractors by making sure that they were hiring residents who were trained, skilled and certified.

In conclusion, the PHA advised that agencies need to listen to the people who they served and work with, i.e. the residents of housing authority. Agencies need to change the mindset of how they speak to people. The PHA has over 35 resident councils, one resident advisory board, and tenant supportive services, and the residents pay themselves through employment and educational opportunities made available to them.

Delaware State Housing Authority (DSHA)

The presenter discussed the strike and enforcement policy of the DSHA's MTW program, and provided some information about the savings program. At the DSHA, geography and demographics have a big impact on the program. The DSHA only operates public housing and Housing Choice Vouchers (HCV) units in the two rural counties out of the three total counties in the State of Delaware.

The DSHA has a resident services staff that provides programs to residents, but have found over the years that getting residents to be involved is very difficult. The public housing sites are small and rural with most having only 50 to 55 units, and the largest one having over 100 units. It is difficult to get the resident population to the same place at same time, especially since there is no public transportation and only limited bus routes.

In 1999, the DSHA established a voluntary Family Self-Sufficiency (FSS) program with a target of 100 families, which took a very long time to fill. With MTW, the DSHA decided to make it mandatory for all except elderly and/or disabled households. Participants receive quarterly case management through case managers assigned to each site and the DSHA provides a computer lab and GED classes. However, there comes a point where residents will not stay employed or in school.

The DSHA's MTW program was initially designed in concert with the state welfare reform program, which asked the DSHA to have the same components for compliance. Initially, the DSHA said that they would go strike for strike with welfare, but ended up removing it because the agency felt it was unfair and not the direction in which it wanted to move.

An overview of the MTW strike program operations was provided. Residents could receive a strike for being unemployed, being terminated for cause from work, not having their children attending school, and not participating in a financial literacy course, for example. The DSHA did have intervention programs in place to help residents to resolve the situation before a strike was issued. To date, fewer than 4% of the participating households have received a third strike. If the third strike is upheld after a hearing process, the family loses its subsidy, and is eventually evicted for nonpayment of rent. The DSHA has a very large waiting list with over 7,000 families. Therefore, if a family is evicted because it received three strikes, the DSHA sees it as an opportunity to give another family the chance to participate and receive housing and services.

The hearings are handled internally by someone outside of case management, and this model has been successful over the last 10 years. The DSHA has considered bringing in an outside party to hear third strikes, and is still thinking about doing this.

The DSHA feels strongly about having a savings account program as a part of its MTW program. Funds from the savings account are distributed upon successful completion of program, and residents can use the funds for whatever they choose. The DSHA is considering guidelines on distribution in its new MTW plan so the savings goes towards helping the family be successful. Participants do have the option of borrowing from their savings account during their participation in MTW if the purpose is to help them be successful, such as education, car repairs, and school uniforms; however, participants may not use their savings to pay bills. The average disbursement is almost $4,600, and a person has to move into market-rate housing to collect the funds.

Comments, Questions, and Answers:

An attendee asked for more information about the MPHA's interpretation services

- At the MPHA, the resident organization provides interpreters and headphones to the resident groups. If the MPHA is conducting the meeting, they hire a professional service to provide translation services. If there are multiple translation needs, then the MPHA seat the participants by language spoken and have a translator work with each small group.

How does your agency deal with residents who do not want to play by the MTW rules or do not want to be involved?

- At the SAHA, residents are very engaged and the SAHA will go out and knock on everyone's door. If the SAHA does not hear from the resident at the monthly resident meeting, they will call them.

- At the MPHA, all committees are elected by other residents and there is quite a bit of competition for those committees. Sometimes residents represent their own individual interests. Therefore, the MPHA committed that for its draft MTW Plan, the agency would take every single comment given by a resident or advocate and respond to the individual in writing.

- At the PHA, the agency did have a seven year time limit, which brought many of the residents out of the woodwork, but the PHA ended up postponing the implementation of the time limit due to economic conditions. In Philadelphia, residents are very vocal and will protest everything. To encourage resident involvement, the PHA started to host meetings at each site, brought sandwiches, knocked on resident doors and invited them to come and bring other residents to their site. The PHA tried different things to perk their interests. Perseverance, changing the venue, picking them up and bringing them to the main location, varying the time of day (mostly evening), and holding block parties or community days were some of the different things the PHA has utilized to get more residents to attend and be a part of the process.

Does the PHA provide transportation only for resident leaders or did it provide that services for all residents?

- The PHA responded that for the monthly pre-board meeting, resident leaders need to call the PHA and request transportation. If it is a community meeting, the PHA will provide transportation for senior and disabled residents.

Comment: A session participant stated that his/her agency had not signed the MTW Agreement yet. In its MTW proposal, the agency felt that within 5 years, it could move people through the program and put term limits in place, enabling the ability to serve more residents. However, it sounds like other agencies have moved away from term limits, and he/she wanted to know why.

Comment: The PHA knew it would be a challenge, and the residents agreed to the seven year time limit, because after seven years was up, then they would fight the time limit. However, the implementation of the time limits ended up being put on hold because of the changes in the economy and the loss of jobs. The PHA was ready to install term limits and had prepared the residents for this event. The average hourly wage for the PHA residents was $12 an hour, while minimum wage was $7.50. The PHA started to tier its clients when it came to enforcement. For those with no income, the PHA would be the most forceful with on time limits. For the second tier, which included households already in the welfare system, the PHA would be more flexible. The PHA planned to start with Section 8 first and then move onto public housing. If an agency chooses to implement time limits, the PHA recommends that residents not all be grouped together, but instead consider starting each resident with where they are currently. It is the PHA's intent that when the economy improves, it will put the time limits back in place.

Comment: The MPHA looked at the time limit issue differently. The residents included guidelines stating that there would be no time limits. The MPHA cycles through 20% of its family population each year. Therefore, within 5 to 10 years, their children will graduate and leave home, so they will have to change units. As a result, the MPHA does not have large numbers of generational public housing residents.

Comment: The SAHA stated that an agency really needs to assess its community and its residents. What works in one place will not necessarily work somewhere else. For example, at one MTW agency, a public meeting was held and no one attended. This was because Legal Aid supported time limits and moving residents out of the HCV and public housing programs. This was not the case in San Antonio. At the stakeholder meetings, 30 organizations are represented in addition to residents. For the SAHA, time limits were not a good initiative to start with, but the agency does eventually see time limits being adopted.

Comment: The DSHA does have a five-year time limit with a one-year extension if the household in on a track to homeownership. Housing advocacy groups are concerned about a household's inability to earn enough to pay the fair market rent, and the DSHA would not implement a policy that could cause a household to become homeless. Therefore, the DSHA implemented a safety net, which states that if a household does not lose its subsidy due to non-compliance, the family can go back to its pre-MTW status. The DSHA is now becoming concerned that all it will have are safety net units and no MTW units. As a result, the DSHA may end up with a hardship policy where the household just becomes non-MTW family. An interesting shift on the time limit issue was noted. Eleven years ago when the MTW program started, the advocates were adamant about no time limits or restrictions; this how the DSHA ended up establishing the safety net. This year, the advocates are saying that maybe the DSHA should consider something like time limits given the size of the waiting list and the backlog of the need for housing. Additionally, the advocates also recognized the importance of having appropriate programs and supportive services in place to give families every opportunity to be successful; however, there will always be families that will not have capacity to move on.

Comment: A session participant stated that he/she did have time limits, but stopped this activity when the agency was on the cusp of evicting residents. Time limits were a very powerful motivational tool for some residents and some people were very successful in moving out. On the other hand, 40% to 50% of residents did very little and appeared to be paralyzed at the concept of time limits. Ultimately, the agency did not want to make anyone homeless. The agency does not know that if residents knew there was a safety net ahead of time, whether they would have been just as motivated to move out.

Comment: A representative from the San Bernardino Housing Authority also recommended the Housing Authority of Tulare County as having best practices on utilizing time limits.

Does the DSHA count 20 hours of employment towards its safety net?

- The DSHA does require employment of at least 25 hours per week (this was recently increased from 20), but households do forfeit their savings if they enter the safety net. One resident at a public meeting stated that she was in favor of time limits because she wanted to give her children a chance, but wanted the DSHA to think about holding the savings in escrow versus losing them altogether.

A representative from the San Diego Housing Commission noted that it has zero resident involvement and are struggling to identify those who want to participate. The agency does have a resident advisory board (RAB), but it has disposed of its public housing. Therefore, it only has HCVs plus 33 units of public housing. Where do you start?

- The commission only had one person from the RAB show up at its first meeting.

Comment: The SAHA stated that resident councils were very important in organizing these types of meetings. Without them, it would be a little tougher, but it could still be done. If the housing agency needs to send out 14,000 letters, that is what it needs to do. It was suggested that the agency take a grassroots approach by knocking on doors and telling residents about the meeting. The SAHA did exactly that at a low turnout development last month and ended up with good attendance. Additionally, if there was a way of creating a resident council, the agency should do that as well.

Comment: The MPHA stated that there are constantly notices about City meetings, but most people do not attend. If it impacts them directly, there is more interest. If the agency can frame the meeting dialogue to make it personal by saying how it will impact residency and why resident might have a stake, this will enhance the chance of participation. The MPHA has 5,000 Housing Choice Vouchers and they do not send meeting notices to all of them. Instead, the MPHA selects at random 250-300 residents and sends them a survey asking them what is important to them. These concerns are then put on the agenda.

The PHA put free announcements on the public radio stations. Additionally, the agency may need to do a little shock value, provide refreshments, and/or ask “what will happen to you in 2010?” Agencies want to do enough to peak resident interest. If one thing does not work, try something else. The PHA did not have any dedicated staff to facilitate resident involvement; everyone multi-tasked.

SMALL GROUP DISCUSSIONS

During the afternoon of the first day, small group discussion sessions were held to give MTW agency staff the ability to network with their counterparts of a similar discipline.

USING PROJECT-BASING TO PRESERVE PUBLIC HOUSING UNITS AND OTHER AFFORDABLE HOUSING

This session was facilitated by Laurel Davis, MTW Coordinator, with a panel consisting of Eric Johnson, Oakland Housing Authority (OHA); Vanessa Cooper, Housing Authority of the County of Santa Clara/City of San Jose (HACSC); William Lowell, Housing Authority of the County of San Mateo (HACSM); Jennifer Kelly, San Diego Housing Commission (SDHC); Greg Byrne, PIH Lead on PETRA; and Ivan Pour, MTW Program Director.

Oakland Housing Authority (OHA)

The OHA is moving some of its public housing units to project-based Section 8 units. Thus far, the OHA has disposed of 1,564 scattered site public housing units and is replacing the units with project-based Section 8 vouchers. Its goal is to use MTW flexibilities to create a system that is much more humane for their residents. As the Assistant Secretary stated, “We want residents to go to sleep one night in public housing and wake up the next morning in Section 8.” The OHA began this process last October and will complete this transition this November.

Most of these apartments are 3- or 4-bedroom units in scattered site developments, averaging 6 units in size. The process involved assigning project-based vouchers to the former OHA public housing units without a formal competitive process. The OHA consolidated these new project-based units geographically into six groups and executed Housing Assistance Payment (HAP) agreements with each of these groups. Each group has its own waiting list.

Relocation and counseling services are provided with MTW funds. The first step is a group meeting with ten to fifteen families. At this meeting all households meet individually with a Section 8 counselor. Families are provided with a voucher for their existing unit, but the 12 month stay requirement is waived. Relocation services are also extended for a 24 month period. The OHA wants to allow its residents more time than the standard 90-day window to choose to either stay or relocate. The OHA established lower payment standards for some units to allow families in oversized units to remain in these apartments. These policies are designed to provide these families with maximum choice.

The OHA is implementing the aforementioned initiatives for a variety of reasons. First, it wants to minimize the disruption to their residents’ lives. Second, it wants to be able to use the cash flow from these properties to provide services and service-enriched housing for families in need. The OHA hopes to partner with local government and service agencies, but its funding is dwindling. Cash flow from these units can, therefore, help to address this situation.

Housing Authority of the County of Santa Clara/City of San Jose (HACSC)

The HACSC currently has a Section 8 Rental Assistance Program with over 17,000 vouchers and over 55,000 individuals on the waiting list. The HACSC had 550 public housing units. Disposition of these units has been approved by HUD. The HACSC also provides property management services for non-federal units and community services.

For its public housing disposition, the HACSC first transfers ownership of these units to a nonprofit entity. The HACSC then provides project-based vouchers for these units that increase revenue to the development while keeping tenant payments the same. This enables the HACSC to utilize private equity and debt and allows the HACSC to generate significant upfront capital for rehabilitation costs.

The Rincon Gardens project is a 200-unit senior housing property that was built in 1981. The property suffered from extension water intrusion and outdated interiors and was in need of extensive rehabilitation. A critical concern was timing as construction projects always face potential delays and the tax credit process sets a clear deadline for completion.

Rehabilitating a project of this size proved to be very challenging for the HACSC – made more so by the decision to keep residents in the property during the construction work. There were severaother issues the agency faced:

- Communication was a major challenge. The HACSC had to translate all resident communications into six different languages. Effective coordination and communication with the local HUD office, investor/lenders, city government (code and building and housing departments), internal communication between development, property management and voucher staff also had to be maintained.

- To adequately address resident eligibility issues, a double process was required to ensure that tenants were qualified for tax credits and that they were also eligible for Section 8 participation. Changes in lease/violation/rights provisions that were necessitated by the transition to a tax credit system needed to be explained to the tenants.

- Providing assistance for those tenants who chose to use a tenant based voucher was an important agency responsibility. Administrative issues included ensuring that the requirements of the public and private entities were followed, tracking expenditures, monitoring timelines, and maintaining compliance with a variety of laws, rules and regulations.

- The HACSC staff had to learn project-based assistance and tax credit rules and regulations.

The project was very successful, as 200 units were rehabilitated and important community spaces were created. Through the completion of this effort, the HACSC learned valuable lessons, including the importance of planning. Many of these lessons will be very useful as the HACSC continues with the disposition and transition to project-based vouchers of nine additional public housing properties.

Housing Authority of the County of San Mateo (HACSM)

The HACSM FY 2011 MTW Annual Plan presented the agency's intention to project-base vouchers in 100% of their public housing units. A disposition application for these public housing units was submitted to HUD to enable this transition. There will be 180 project-based vouchers in these units. Because of MTW, assignment of these vouchers will not need to go through a competitive process.

In order to successfully implement this change the HACSM benefited from the Oakland Housing Authority's (OHA) experience. The HACSM hoped to address the challenges the OHA encountered by using three MTW tactics. First, to deal with over-housed families, the HACSM will accept lower HAP amounts for current residents living in the former public housing developments. Next, for existing over-income households, the HACSM will establish and charge a flat rent or a market rate policy. A 12 month timeline has been established to allow these families to transition to this higher rent amount. Finally, the HACSM will allow existing families to receive a voucher and move immediately, by waiving the 12-month minimum stay requirement.

These strategies will allow the HACSM to preserve affordable housing and serve more households as they continue to make the transition to project-based vouchers. The HACSM will change the current time limit to allow residents more time to move. The HACSM is still finalizing the details, but the goal is to increase the time limit from one year to two years. Families who move will be enrolled in the agency's Family Self-Sufficiency (FSS) program.

Finally, the HACSM is committed to doing research to better understand the impacts of its program. Per Attachment B, the HACSM is conducting research and requesting feedback from its residents in order to analyze how much mobility families actually have and the positive impacts on people who exercise their mobility. This research will better help to tell the MTW story.

<u>San Diego Housing Commission (SDHC)</u>

The SDHC currently has 13,340 MTW vouchers under lease, 106 project-based vouchers under lease, 105 public housing units, and roughly 500 non-MTW vouchers.

The SDHC has proposed as part of its FY 2011 Annual MTW Plan to authorize project-based vouchers in their properties. Using project-based vouchers in these units will allow the agency to charge lower rent amounts in the non-assisted units in these buildings making those rents more affordable for residents. By using project-based vouchers the SDHC hopes to preserve the number of affordable non-assisted units in San Diego, use this as a model for their current and future properties, and help these developments to remain solvent.

A current project, the Hotel Sandford was purchased from a private owner who had dedicated the property to serve low-income persons by changing below market rents. Since the property did not receive any subsidy, it became financially non-viable. The SDHC's aim was to buy the property and preserve it as low income housing. By placing project-based vouchers in 30 of the 130 units (at market rents), the SDHC could continue to rent the non-project-based voucher units to low-income eligible individuals (at a below-market rent). The SDHC's goal was to keep all of the current residents in place.

The SDHC has used MTW to authorize project-based vouchers in its properties without competition. The SDHC has found that MTW enables the agency to allocate its funds more easily, along with project-based vouchers, to pursue their own development projects. This flexibility has allowed the SDHC to purchase and preserve floundering affordable housing developments. These tactics allow the property to remain viable and affordable.

However, the "Big Question" still remains: How else can the agency use MTW and project-basing vouchers to preserve affordable housing?

Greg Byrne, PIH Lead on Preservation, Enhancement, Transformation of Rental Assistance (PETRA)

HUD's current goal is to simplify PETRA. The program will address Annual Contributions Contract (ACC) and Declaration of Trust agreements and will allow for twenty years of long-term Section 8 Program HAP. Properties must remain affordable for 30 years. The two main reasons for creating PETRA are the current extensive backlog of public housing capital needs and a commitment by Secretary Donovan to consolidate the process of providing housing subsidies. There are thirteen HUD programs that provide housing subsidies. Many criticize HUD for having multiple programs that appear to do roughly the same thing.

Mr. Byrne cited the HACSC's project as an example of how PETRA can help agencies transform their properties. The HACSC's rehabilitation effort cost $230,000 per unit. HUD does not have the funding to address all of the units that need this level of work nationally. The new and simplified process enabled by PETRA would allow public housing agencies to leverage funding to address these capital problems. If a development is non-viable, PETRA would enable an agency to replace such developments with an asset that better fits the agency's and community's needs.

Comments, Questions and Answers:

Does this type of a transition to project-based vouchers make sense/work everywhere? Does it make sense for every area?

- The OHA responded that the use of project-based vouchers does not work everywhere in California. Fair market rents are very high in certain areas. In other areas the public housing options work well and there isn't a need for project-based vouchers. By using project-based vouchers you can place tenant based vouchers in neighborhoods of choice. The goal is to put units in low-poverty neighborhoods.

- The HACSM responded that relying purely on tenant based housing will be limiting in many areas. Some agencies prefer to have bricks and mortar units. It is good to have a variety of options in an agency's "bag of tricks."

What is the difference in the housing authority perspective for managing project-based vouchers versus traditional vouchers?

- The OHA responded that for project-based vouchers the agency acts as a property management company. The OHA uses a nonprofit entity to help with asset management. Housing authorities must have an asset management unit to examine its entire portfolio. The PHAs need to ensure that properties have a positive cash flow because there needs to be funding in order to pay the bills every month.

- HACSC responded that there is a change in what housing authorities have to do: asset management, tax credit advisers, relationship with HUD, etc. There is also a change for residents because they are now meeting with different people as these are now tax credit units.

- The HACSM added that MTW agencies cannot blame HUD anymore since MTW agencies do not have to follow all of the traditional rules of public housing.

Are there Section 3 requirements?

- The OHA responded that Section 3 requirements are involved because federal funding is used.

There are 12,000 people on our waiting list. How do we explain to households on the waiting list that they are going to have to wait for a much longer time while this process is ongoing?

- Project-basing units should not be a quick way for someone to get a tenant-based voucher. The OHA responded that managing the process is daunting. It is very difficult to manage a list for project-based vouchers and traditional vouchers. There is a waitlist. The OHA does not want project-based vouchers to be used as a short-cut towards obtaining tenant-based vouchers. Legal advocates have not brought up this issue yet, but it anticipates that it could come up. The agency will have a separate voucher transfer waiting list and will still take applicants for the traditional tenant-based voucher waiting list.

- Greg Byrne added that mobility is important for the Section 8 program. If residents in project-based units become eligible for a tenant-based voucher after 2-years, 36,000 additional vouchers will be needed per year.

Is it easier to manage project-based vouchers than it was public housing?

- The HACSM responded that it doesn’t seem easier to them; there is still an unlimited waiting list.

- The OHA responded that it used to have a community-based waiting list. In this manner, people can be offered units that are far away from where they currently live. Currently, it has a site-specific waiting list and that cuts down on the rejection of units (and rehabilitation efforts make the units very desirable). The acceptance rate has jumped from 25% to 78%, which makes administration much easier.

There are many small housing authorities that do not currently have a Section 8 program. They would want to include mobility, but they currently do not have a program. How could they implement project-based vouchers?

- Greg Byrne responded that they have meetings with industry groups on this topic. HUD is looking at addressing this issue.

For California public housing authorities, how many additional dollars did you get for each unit? What are the rent-reasonableness and fair market rent (FMR) provisions in PETRA? What is rent reasonableness under PETRA?

- The HACSM responded that its average tenant rent is $550. Total revenue received for a public housing unit is $750. Market rate rents for a unit would be $1,000-1,100.

- Greg Byrne added that there are provisions for exception rents and there is lots of room in the legislation for those situations. Additionally, Secretary Donovan strongly believes in a market model and would prefer that the market dictate what is considered reasonable. Under PETRA, rents could go above 110% of FMR with HUD approval.

There have been sanctions against board members. They could be held personally liable. Is there something specific HUD was speaking to?

- Greg Byrne responded that this issue is under review and participants should expect to hear some clarification in the near future.

Does each California agency maintain a site-specific waiting list or does the property management company maintain the list?

- The OHA responded that it controls the wait list and send the names to the sites. It is a form of quality control. So far it has received 94,000 applications for 13 site-specific properties that opened last summer. California law requires a community-wide waiting list for public housing. Project-based properties can use site-based waiting lists.

- The HACSC responded that it does extensive training and hires an independent third party to control the waiting list as well as employing a lottery system.

- The SDHC uses a hybrid of the two; the HACSM maintains the waiting list. In California, waiting lists are very long so there is no difficulty in leasing a unit.

What is HUD doing to manage the housing crisis for these voucher properties?

- Greg Byrne responded that the current crisis doesn't exist in the HUD portfolio. The underwriting in HUD properties was much stricter. There is a great demand for affordable housing and, from a market perspective, these properties should be affordable.

- The OHA added that market rates rise and fall, so it needs to be watched. Both leasing units and the level at which the units are leased become very important.

CONFERENCE FEEDBACK: QUESTIONS/COMMENTS

During this panel, senior staff from HUD Office of Public and Indian Housing answered outstanding questions from conference participants. The panelists included Dominique Blom, Deputy Assistant Secretary of Public Housing Investments; Greg Byrne, PIH Lead on Preservation, Enhancement, and Transformation of Rental Assistance PETRA; D.J. Lavoy, Acting Deputy Assistant Secretary of the Office of Field Operations; Merrie Nichols-Dixon, Acting Deputy Assistant Secretary of Policy, Programs and Legislative Initiatives; Milan Ozdinec, Deputy Assistant Secretary of Public Housing and Voucher Programs; Ivan Pour, MTW Program Director; and David Vargas, Acting Deputy Assistant Secretary of HUD Real Estate Assessment Center (REAC). The panel was facilitated by Marianne Nazzaro, MTW Coordinator.

Several questions were raised about how to include families served using local non-traditional uses of funds in PIC; how to reconcile data in PIC and VMS; and better support for PIC issues.

David Vargas: Approximately six weeks ago, the General Deputy Assistant Secretary requested that HUD take a look at the data pull together in light of the high priority goals for 2010 and 2011, including how many families were being assisted with public housing and Housing Choice Voucher (HCV) funds. The Voucher Management System (VMS) provides data on the number of units leased; the information in this system seems to be accurate. The Public and Indian Housing Information Center (PIC) 50058 – MTW module provides information on households served through public housing. HUD tried to determine a baseline for the numbers of families housed in both the public housing and HCV programs.

MTW agencies are able to use their MTW funds to house families, not only through the traditional public housing and HCV programs, but also through local, non-traditional approaches. Since the HUD data systems are not necessarily designed to collect information on the number of families served through the non-traditional activities under MTW, it was difficult for HUD to determine the baseline number of families being served at MTW agencies. HUD REAC and the MTW Office have discussed several options on how to capture this information, including having a special code in the MTW 50058, or by adding another field to VMS for non-traditional households. HUD will work with the MTW agencies to determine the best way to collect this information. Once the most effective way has been determined, HUD will start collecting the information.

Dominique Blom: Data collection needs to be done in a way that makes sense. HUD will work with the MTW agencies to finalize the approach. Part of the HUD Strategic Plan is the goal to serve 207,000 additional families. HUD will need to rely upon MTW agencies to serve more families through the public housing and HCV programs, as well as through their non-traditional programs. HUD will be working with the Field Offices to determine what the baseline is now, the number of unoccupied units or information as to why units are unoccupied, HCV utilization rates, and how the funding is used. The focus will be on increasing the number of occupied units occupied and leased units.

Can the MTW agencies be at the table when HUD revises Attachment B (Form 50900)? What is HUD looking for in the plans and reports and can agencies provide suggestions? How can you include MTW agencies in the process? Can you provide a summary of Attachment B issues?

Ivan Pour: HUD wants to include MTW agencies as part of the discussion. The MTW Office staff has been talking for a number of weeks about possible modifications to Attachment B, specifically around data issues raised by David Vargas and Dominique Blom. But ultimately, a decision on Attachment B cannot be made without the agencies' input. The MTW Office will make an effort to include MTW agencies in the discussion. When HUD made the first revisions to Attachment B, they conducted outreach via teleconferences, and will probably do the same this time.

During the Attachment B discussion we were told to contact our MTW Coordinator if we have questions. But we've also been told that we should work with our Field Office. Which is it? Where are the lines?

Ivan Pour: There is written protocol on this issue. We are currently working on a desk guide that will cover these questions - the roles of the MTW Office versus the Field Office - and how best to coordinate when there are areas of overlap. MTW agencies should call their MTW coordinator when a question arises regarding the Annual MTW Plans. There are many other general issues that you may need to talk to HUD about - the Field Office is the more appropriate first contact.

D.J. Lavoy: One of the many priorities at HUD is to improve communication among the various parties that are sitting at this table right now. The Field Office directors are attending this MTW Conference as a part of that relationship building. A protocol is already in place, and the Field Offices will work in close relationship with the MTW Office. The Field Office will work on the day-to-day interactions with the MTW agencies. Currently, there are many conversations about how we can work together to get more families into the available units. The hope is that we will be in a better place next year because everyone will be working together.

Ivan Pour: The MTW Office shares the Annual MTW Plans and Reports with the Field Offices and the MTW Working Group, which consists of representatives from all of the divisions in PIH, for review and comment. MTW agencies should contact the MTW Office if they have questions regarding what to include in their Annual MTW Plans and Reports, and all other questions should be directed to the Field Office first. If there are problems with PIC, the MTW Office will work to make sure that the PIC coaches in the Field Offices are up-to-date on the MTW module so that they can answer your questions.

Will MTW programs be allowed in the PETRA program? HUD held meetings and PD&R is working with a research institution to determine project-based households relocated with an exit voucher feature.

Greg Byrne: Research on mobility within the project-based voucher program is on-going, and it will be shared with the industry as soon as it is completed.

Dominique Blom: If anyone has suggestions on how MTW and PETRA should work together, then please let HUD know.

When will the findings from the site visits that were conducted as part of the Rent Reform Study be made available to be made public?

Merrie Nichols-Dixon: Those results will be made available within the next week or so, but they are currently still under review. The results will be shared within HUD first, and then posted on the HUD website.

HUD often encourages housing authorities to model the private sector and identify partners such as developers and financial institutions. However, many financing strategies require banked finances to secure the deal and HUD only allows funding to be released on a specific draw request with invoices. Is there a way HUD can allow commitment of and access to funds outside of the draw process?

Dominique Blom: The requirements of the Department of Treasury and the Office of Management and Budget state that housing authorities can only draw funds if there is an invoice to be paid. There is a three-day Treasury rule, and agencies can only draw funds when there is an invoice that needs to be paid. Does the rule apply to other sources of funding as well? The government wants to earn the interest on the funds and not the agency. Ultimately, it is unlikely that there will be additional flexibility for MTW agencies or elsewhere to draw down lump sums of funds to use as security for financing. There are a few exceptions, such as the HOPE VI Endowment Trust.

Can an MTW agency request a change in the due date for the submission of the Annual MTW Plans and Reports?

Ivan Pour: Per the MTW Agreement, MTW agencies are contractually obligated to submit their plans 75 days prior to the start of their fiscal year. If the Annual MTW Plan is submitted on time, the Plan is approved within 75 days if there is no feedback from HUD. HUD has occasionally allowed agencies to extend the due date, such as when the agency's governing body was unable to have a meeting to approve the plan by the due date. However, if the submission date is extended, then, per the MTW Agreement, the 75 day automatic approval no longer applies.

When will HUD voucher awards be announced?

Milan Ozdinec: HUD is legally not able to share this information. All of the vouchers issued in 2009 and 2010 are critical to achieve the goal of serving 207,000 more families by 2011. For agencies that are doing demolition and require tenant protection vouchers, HUD needs to get those out as soon as possible.

When will the NOFA be published?

Merrie Nichols-Dixon: In regards to the NOFA we can't say when it is going to be released. They are going through the internal workings at HUD. The hope is to get the NOFA out earlier than later.

If I change the re-examination schedule, isn't this considered rent reform? For example, conducting re-examination for families every two years means the families will benefit from the higher FMR for two years unless they move, which costs money to move.

Ivan Pour: This question is asked all of the time, and the answer is yes. The MTW Office has drafted guidance on this previously. Under rent reform, the agency is trying to focus on the affects of rent issues versus the affect of occupancy policies. Agencies should read through the guidance that is on the HUD website to understand what HUD is looking for.

Marianne Nazzaro: Rent reform training was conducted last year and included what HUD defined as rent reform. Information from that training is posted on HUD's MTW website under training materials/conferences.

Given the push to transform public housing to project-based housing, will Resident Opportunities and Self-Sufficiency (ROSS) funds be opened up to serve more than just the public housing families?

Greg Byrne: Ultimately, HUD wants to combine both the ROSS and Family Self-Sufficiency (FSS) program and make it one multi-family self-sufficiency program. This may take many years to do, but it is the long-term goal.

Under asset management, HUD encourages housing authorities to insure that each public housing site pays its expenses from the rents and project expense level. An unintended consequence is that Section 3 livable wages are higher than wages the housing authority staff can earn and stay within the Project Expense Levels (PEL). Will HUD take this into consideration when funding operating costs/expenses under asset management?

David Vargas: It varies. The issue is being addressed in areas where housing agencies have entered into specific union agreements. You can appeal your PEL levels if you feel they are inappropriate based on local conditions. If the request is related to union agreements and other items under the housing authority's control, then the answer will be no. But if there is a specific condition to your area and the PEL was developed many years ago, then HUD will consider this.

We are required to pay a livable wage to residents under Section 3. Under asset management, we cannot afford to pay that same wage, especially for maintenance staff.

David Vargas: It depends on how the agency defines a livable wage. David Vargas is available to discuss this further with any agency with questions in a separate conversation.

There is a provision in the Section Eight Voucher Reform Act (SEVRA) about separating utilities from rent. Will HUD provide MTW agencies with the rent and utility components split apart in their respective Fair Market Rents (FMR) areas?

Milan Ozdinec: There are a number of provisions in SEVRA that can be reconsidered. For MTW, HUD will be looking at FMRs more generally in metropolitan areas, and whether or not HUD is providing FMRs that are effective for the agency. Should HUD be doing it by zip code instead? The administration would like to focus on the short-term, and would be interested in hearing MTW agencies' thoughts on the topic prior to the passage of SEVRA.

How is HUD ensuring that the MTW activities comply with fair housing law? Are the draft Plans reviewed by the Office of Fair Housing and Equal Opportunities (FHEO)?

Ivan Pour: The MTW and Field Offices review the Annual MTW Plans to see if there are any fair housing issues and will raise anything with the agency that may need to be addressed. To the extent that FHEO will review plans in the future, the MTW Office has spoken with them and will let the agencies know of any changes going forth.

Can we change the name of MTW - it is a misnomer?

Dominique Blom: The statute says "Moving to Work," but there is no reason we can't call ourselves something else. If you have an idea please let HUD know.

Would HUD be open to having a conference call with ALL the software companies that work with MTW agencies, and pay them to collaborate on one software for reporting? They would still be able to contract with their MTW agencies and can compete for new agreements.

David Vargas: HUD is open to any good ideas.

Milan Ozdinec: HUD has embarked on a process for re-engineering the voucher program. The administrative functionality of the HCV program has grown over the years. We currently have a 20th century system to support a 21st century endeavor. HCV accounts for over $19 billion per year with 2,400 agencies, and HUD uses a flat Excel spreadsheet to collect data on the program. There are between 1,200 and 1,500 variables that we need to track. The system is inefficient for both housing authorities and HUD to be able to forecast the next year's priorities and budget. HUD is currently working on its budget for 2012, and it is very difficult using the current tools. Congress set aside $100 million for transformation initiatives, and developing the next generation Voucher Management System (VMS) is a high priority. HUD is currently seeking vendors to do the process re-engineering, and will involve the Field Offices and both MTW and non-MTW agencies. This will take several years, but the goal is a web-based system for HUD and the agencies. You will have a vendor asking you for your feedback and what you would like to see in the next generation VMS. To date, HUD has already added four fields to the VMS, including cash on hand, number of vouchers issued but not under Housing Assistance Program (HAP), and utility allowances. In the Fall of 2010, there will be a second release that will take the flat VMS and add tabs that will allow agencies to go back within the same calendar year to amend their entries. The road map for re-engineering will be replicated on the public housing side. HUD hopes to have a systems solution in place in the next four to five years.

David Vargas: With respect to timing, we are moving very fast on this. We hope to have a contractor this summer, and 12 months after that we hope to go out to the housing authorities and

Field Offices for feedback. This should let HUD understand how we do business and see what needs to be changed. Many of these lessons are coming from MTW; we need to know how we can better manage the rental assistance program. All current data systems are on the table; HUD is looking for an enterprise solution for the way we will do business over the next 20 years. We will address the HCV program first, and then go through the other programs.

Logging into the Financial Data Schedule (FDS) was very challenging. How will HUD improve access?

David Vargas: The issues with Financial Assessment Subsystem (FASS) resulted in a perfect storm. Over the last 12 months, HUD has attempted to code a new FASS 3 that will come out later this year. HUD recently implemented Windows 7, and changed its platform from Cold Fusion to Java and Oracle. As a result of insufficient testing, the deadlines for submissions have been extended twice. We are working on the system right now. We are putting in fixes for the September release and some fixes were already made in the April release. HUD appreciates the agencies patience with this; HUD is committed to making it right.

In addition to funding the research and evaluation of rent interventions, is it possible for MTW participant households to receive rent supplements so that there will be substantially similar housing agency rent interventions for proper cross-site evaluation? In other words, could there be funds made available for rental revenue loss?

Ivan Pour: Is there another source of funds available for the program? The funding you have is what you will get from HUD. If you have other funds coming in, HUD will take a look at it as a part of the agency's program.

One housing authority was told that it could retain dollars that resulted from the rent structure, while another housing authority was told that any increase in operating expenses cannot be used to provide additional resident services. Will HUD consider this approach?

Ivan Pour: We have to talk to the specific agency to see what the issue is.

How will the HUD 2010-1015 Strategic Framework Goal 3 be funded?

Ivan Pour: Very carefully.

Milan Ozdinec: Very carefully. Goals 2 and 3 may be combined. The core of the work of HUD Headquarters and the Field Offices over the next 15 months will be serving more households, with a focus on families and veterans, specifically. This is the high priority goal. If you look at the Strategic Plan there are sub-goals under the two goals, which have an overlapping effect on the main goal. One sub-goal is to serve more homeless families and reduce homelessness by 2012. However, they are more difficult to serve and are more expensive to house. Therefore, if we focus on the homeless, there are fewer HAP dollars to serve other families. There are other competing goals, but until 2011, the goal is to serve more families. The Field Offices will go to each agency and talk about utilization rates. HUD knows that the MTW agencies are using their HAP funding for other things, but how can MTW help HUD meet its goal of serving more families? To the extent that MTW agencies have room to serve more families, and to the extent that they can and are willing to do so, it would be greatly appreciated by HUD.

D.J. Lavoy: What we see now is different than what we have seen in the past. During the last six months, HUD has made management changes in the Field Offices and put them into six networks versus the ten traditional regions. The Field Offices have a finite amount of resources, and HUD is working smarter in order to get better results. There are three main goals. First, under American Recovery and Reinvestment Act (ARRA), the Field Office will focus on making sure that agencies meet all of the obligation and expenditure deadlines. Second, under public housing, the Field Office will work in partnership with housing authorities to occupy vacant units. Finally, under HCV, the Field Office will be given a set of tools to use with their agencies to get to a normalization of usage. Agencies will project their anticipated leasing levels for the next two years and report how they intent to maintain that number with the highest usage and appropriate Net Restricted Asset (NRA) level, i.e. optimization level, and get the dollars where they were intended to go. It is a very simple tool and HUD has already seen tremendous successes thus far in their Pilot Program in Region 4 located in the state of Mississippi. In this region, there were 1,800 unutilized vouchers that are now being used after the tool was employed.

Merrie Nichols-Dixon: In addition to housing more individuals, HUD is looking to partner with other agencies (such as the Departments of Health and Human Services and Agriculture and the Environmental Protection Agency) that provide other resources to help our clients be successful in their homes.

What is the administration's vision for MTW? Where is the Demonstration headed over the next 10-15 years?

Dominique Blom: As stated by the Assistant Secretary yesterday, ideally every housing authority could be an MTW agency. The Secretary has also indicated that every housing authority should have flexibility with the goal of serving more families. How can we better serve the families we already have? This is the intent behind PETRA. There is a serious deficit in the funding for public housing, and the only way to seriously change this is through PETRA over the next four years. We need to work together to have PETRA work so that we can put public housing on a strong platform for the next decade to come. Some agencies have already made the transition and they are the privileged ones. We need to figure out how all agencies can do this. With respect to MTW, every MTW agency has an agreement that goes through the agency's 2018 fiscal year. We want to see great things between now and then. If we start telling our story, better demonstrate our results, and show how MTW can provide better housing for all agencies, then there is the possibility of the long-term continuation of MTW for this group.

There has been a lot of discussion about needing to tell the MTW story better and that HUD has no empirical data to prove it has worked. At the same time, MTW agencies report in multiple ways - Annual MTW Reports/Plans, VMS, PIC, etc. Please expand on what else (other data) HUD needs to be able to tell the MTW story?

Dominique Blom: HUD has the stories and the data, but we now need to figure out how to work together to create that story and centralize the data so that the information on successes achieved can be shared nationally. We need to figure out how to collect all of the data, synthesize the results, and tell the collective story.