

Housing Authority of Baltimore City

A Moving To Work Agency The MTW Annual Plan for Fiscal Year 2017

**30-Day Notice & Comment Period:
February 26th, 2016 through March 28th, 2016**

**Public Meeting:
March 22nd, 2016
201 N. Aisquith Street
Baltimore, MD. 21202
6:00pm - 8:00 pm**

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I. Introduction and Overview

Pursuant to Section 239 of title II, Division L of the 2016 Consolidated Appropriations Act (P.L. 114-113) the Housing Authority of Baltimore City's (HABC's) current MTW Agreement with the US Department of Housing and Urban Development (HUD) was modified and extended through June 30, 2028. HABC has been a full participant in the MTW program since 2005 and entered into its first ten-year Moving to Work Agreement (MTW Agreement) effective on December 24, 2008.

MTW is a national demonstration program authorized by Congress which gives HABC the flexibility to waive certain statutes and HUD regulations pertaining to the Public Housing and Housing Choice Voucher (HCV) programs. The MTW statutory objectives include the following:

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

The MTW activities undertaken and/or planned by HABC are all designed to promote one or more of the statutory objectives.

This document is the MTW Annual Plan for Fiscal Year 2017, which is the period from July 1, 2016 to June 30, 2017. HABC is required to prepare this Annual Plan in conformance with the specifications of HUD Form 50900 "Elements for the Annual MTW Plan and Annual MTW Report". For purposes of this document and the required submission to HUD, an "MTW activity" is defined as any activity that requires MTW flexibility to waive statutory or regulatory requirements.

In order to provide the public and HUD with a more detailed view of HABC's overall plans and strategies, this Annual Plan includes discussions of both MTW activities and other activities which do not specifically require MTW authority to implement. It also references and details proposed changes to both the HCV Administrative Plan and the Public Housing ACOP (Admissions & Continued Occupancy Policies).

Overview of FY 2017 Objectives and Activities

As of the Annual Plan's submission to HUD, (April 15, 2016), HUD has not announced final calendar year 2017 funding for critical programs administered by HABC including the Public Housing Operating Fund and Housing Choice Voucher Program. Thus, the programs and initiatives described herein may need to be modified based on final funding decisions.

A. Short-Term Goals and Objectives

HABC's goals for the current and future years of the MTW Demonstration include supporting neighborhood revitalization, reducing administrative costs and promoting resident economic self-sufficiency. During Fiscal Year 2017, HABC intends to work towards these overarching goals by undertaking a broad range of housing, capital improvement, resident services and development activities as described in this Plan. Major non-MTW initiatives and objectives for the year ahead include:

- Public Housing Occupancy – HABC projects that it will achieve a 97% adjusted occupancy rate in its public housing developments.
- Leased Housing Lease Ups – HABC projects that it will have a total of 17,904 units under lease including Thompson and all other programs.
- HABC received a letter from HUD dated November 19, 2013 approving the inclusion of project-based vouchers and other affordable housing development options for HABC's development methods. We are currently obligating the Replacement Housing Factor Funds for grant years 2010 through 2014 for approximately \$17.7 million. Our projects include the new construction of scattered site handicap accessible units, the redevelopment of O'Donnell Heights; Phase I-B, Planning Fees for Perkins Homes and the Rental Assistance Demonstration Program (RAD) and RAD related construction work at McCulloh Homes and Somerset Court Extension. HABC anticipates spending approximately \$7.0 million in FY2017-on-these-projects.

Additionally, HABC is requesting authority to accumulate the 2015, 2016 and 2017 Replacement Housing Factor (RHF) Funds for approximately \$5.1 million. These funds will be used in accordance with redevelopment methods that comply with the new Capital Fund rules involving the development of new affordable housing and the RAD Program.

- Portfolio Planning –HABC will continue its ongoing portfolio assessment including assessing capital needs, developing a capital spending plan and strategy, and identifying a framework for future development activity. As a result of our preliminary findings in HABC's portfolio wide asset review, we have updated the Asset Management table (Appendix B) to identify sites where redevelopment, conversion, homeownership, management improvements and other activities may take place in the future; however, it is subject to periodic change based on priorities and available resources. Both traditional and non-traditional sources of funding will be assessed (we continue to analyze our Choice Neighborhood Program options) including identifying ways in which MTW flexibility can be used to leverage and support reinvestment in HABC developments.
- In July 2013, the U.S. Department of Housing and Urban Development (HUD) released a revised version of the Rental Assistance Demonstration Program. The Program allows public housing subsidy to be replaced with Section 8 subsidy which can be combined with other resources such as Low Income Housing Tax Credits to raise needed capital for the renovation of public housing units. As such, the RAD program will bring over \$320 million in the next 4 years of new investment to the Housing Authority of Baltimore City (HABC). The majority

of the renovation work will be focused on HABC's mixed population buildings throughout the city that serve the elderly and the non-elderly disabled.

On December 24, 2013, HUD approved HABC's request for a portfolio award under RAD to cover 22 public housing developments (the "**RAD Projects**"), which will allow for the rehabilitation of the developments and the continued operation as affordable housing. HABC plans to convert 4,023 mixed-population units to RAD. Fifty-nine (59) mixed-population units will remain in HABC's inventory.

In order to maximize the capital for rehabilitation of the RAD Projects, tax exempt bonds and Low Income Housing Tax Credit (LIHTC) funds will be a portion of the construction financing. To utilize LIHTC, each of the RAD Projects must be conveyed to owner entities comprised of the selected developers and subsidiaries of HABC as the general partners and the low income housing tax credit investor limited partners.

On May 28, 2014, HABC created the Baltimore Affordable Housing Development, (BAHD) as a subsidiary to facilitate development activities, including the development projects approved by HUD for RAD, or other affordable housing development activities in Baltimore City. BAHD applied for and was awarded tax-exempt status under 501(c)(3) of the Internal Revenue Code.

As part of the transactions, HABC intends for BAHD to be the entity that conveys to the above-described owner entities a leasehold interest in the land through a long-term ground lease and a fee simple interest in the improvements on the land. In addition to the long term ground lease with BAHD, the RAD Projects will be subject to a recorded RAD Use Agreement which will ensure the long term affordability of the RAD Projects.

In addition, HABC will be party to certain agreements governing the administration of the centralized waiting list to ensure that the RAD Projects are operated in accordance with the requirements of RAD and HABC.

There will be 7,005 public housing units remaining after the RAD conversions are completed. Of the 7,005 remaining public housing units:

- 343 UFAS compliant units (270 in the conventional family developments, 31 scattered site units and 42 new construction units) have been certified;
- An additional 23 near-UFAS compliant units (created pursuant to the Bailey Consent Decree) have been certified;
- Pursuant to the Bailey Consent Decree, HABC has created 53 long term affordable ("LTA") new construction UFAS units; and
- An additional 43 new construction UFAS units are either under construction or in the pipeline (2 of these 43 units will be public housing units and the remaining 41 units will be LTA units).

Pursuant to the Bailey Consent Decree, the LTA units "are the equivalent of public housing ...if the households residing in them receive any and all rights, privileges, and benefits that are provided to HABC's public housing residents or applicants. The parties negotiated the

LTA Criteria for the LTA units to provide households living in the LTA units the same rights, privileges and benefits that are equivalent to those available to public housing residents. The LTA units must be occupied from HABC's reasonable accommodation transfer waiting list, which consists of HABC residents who have been approved for a reasonable accommodation transfer, and by applicants on HABC's applicant waiting list.

Thus, HABC will have a total of 439 UFAS units and 23 near-UFAS units for a total of 462 units, which is 7% of the remaining public housing units.

Phase II properties are expected to convert under RAD during the second quarter of FY 2017 when HABC plans to move forward with additional RAD projects at the following public housing sites:

- Monument East
- Ellerslie Apartments
- Somerset Court Extension
- Govans Manor
- Rosemont Tower
- Van Story Branch (West Twenty)
- Hillside
- Broadway Court
- Heritage Crossing
- Terraces Senior Building
- Townes at the Terraces
- Arbor Oaks

To maximize the RAD Program HABC will sell the properties to qualified affordable housing developers. By statute the new owners are required to maintain the units for the same population and all current residents will have the choice to return to the same property upon completion of significant renovations, or remain in HABC's conventional public housing program. All future residents will come from the HABC waiting list.

- Resident Services – HABC plans to serve over 6,000 households through a wide array of self-sufficiency, personal development and supportive service program offerings including a Targeted Unemployment Initiative which assists unemployed residents to obtain jobs through a comprehensive program of supportive services.

Capital Planning – HABC will continue its program of capital improvements and development activities. Major highlights include window and roof replacements; site work involving erosion control and sidewalk replacements; vacancy renovations, painting, and kitchen and bathroom upgrades at HABC family and scattered sites. HABC will also implement a new EPC Program designed to provide energy savings throughout HABC's communities.

Development activities involve the completion of approximately forty-three units that, pursuant to the Bailey Consent Decree, will meet the Uniform Federal Accessibility Standards ("UFAS") and, where applicable, the Americans with Disabilities Act Standards for Accessible Design, as amended by the 2010 ADA Standards. Development activities also involve the acquisition/or development of

110 affordable housing units. HFA was selected as the developer to acquire and rehab the 110 scattered sites which will serve as replacements for the Hollander Ridge and O'Donnell Heights demolished units. HABC has requested that HUD allow the Hollander Ridge replacement units to be included in its award for scattered sites units under RAD.

HABC projects MTW and Non-MTW capital expenditures of approximately \$51.3 million in the coming year. HABC has combined all current and prior year Capital funds, including RHF funds, into the MTW Block Grant.

- Risk-Based Inspections –HABC implemented Risk Based Inspections October 1, 2014. In FY2016, (from 7/1/2015-6/31/2016) a total of 2,765 units have qualified by consistently meeting HQS annual inspection standards, and will be inspected in FY2017. HABC will continue to inspect every two years those units that consistently maintain HQS inspection standards and pass the annual inspection on the first attempt. HABC will expand this initiative by continuing to analyze data and trends in annual inspections to determine the best implementation methods for additional Risk Based Inspection activities.
- Multi-Year Recertifications (HCVP) – Under MTW, HCV households will continue to be recertified every two years; however, HABC transitioned elderly and/or disabled families on fixed incomes to a three year recertification schedule. Pending HUD approval all PHAs will be afforded flexibility to recertify all fixed income families on a three year cycle. If granted, HABC will no longer consider this an MTW activity. All other families will remain on a two-year cycle except for the Non-MTW voucher families noted.
- Under MTW, HABC implemented Biennial and Triennial recertification cycles in FY2015 for the public housing program. Families whose only income sources are defined as fixed were put on a three year cycle. Families with any income sources other than fixed were put on a Biennial cycle. The adoption of this activity will substantially reduce the administrative efforts to administer the public housing program. Enrich the lives of the resident of public housing by reducing the burden of completing repetitive documentation / Verification.
- Project Based Vouchers – An estimated 213 additional housing units will be leased under HABC's PBV program.

In FY 2017, HABC will continue to work closely with the Mayor's Office and other stakeholders to implement the Journey Home, Baltimore's Ten Year Plan to End Homelessness. HABC will continue to play a major role in the planning and implementation of this comprehensive, multi-disciplinary long-term initiative. Though most of the initiatives implemented do not require HABC to use its MTW Authority, virtually all of HABC's program activities help to support the goals of preventing and reducing homelessness in the City by providing quality, affordable housing to extremely low income families who would be at risk of homelessness without HABC's resources. HABC's commitment to the Mayor's initiative includes the following targeted initiatives:

- Housing First Homeless Initiative – This initiative does not require MTW Authority as HABC provides up to 850 Housing Choice Vouchers to eligible chronically homeless households referred by the Mayor's Office of Homeless Services (MOHS) Homeless Services Program. Participants use their vouchers to find affordable permanent housing, while receiving

supportive services from MOHS and other agencies. 200 of these vouchers have been set-aside for a rolling RFP for project-based units dedicated to the homeless population.

- Re-Entry Program – This program links permanent housing with supportive services to assist up to 250 chronically homeless individuals and families with an ex-offender household member. Referrals are made to HABC by the Mayor’s Office of Criminal Justice and Homeless services. MTW Authority is not required for this initiative. 50 of these vouchers have been set-aside for chronically homeless ex-offenders.
- Eviction Prevention – In Failure to Pay (“FTP”) court cases HABC has implemented an eviction prevention program prior to the family’s right to redeem the property is foreclosed upon. This program assists existing HABC residents with meeting their lease responsibilities and avoiding eviction action. This initiative continues to have a significant impact in preventing homelessness by reducing the number of HABC families evicted for lease violations or non-payment. As State law provides for the Right to Foreclose Redemption of HABC property, no MTW Authority is needed.

As part of the agency’s eviction prevention program, HABC selected Global Express a rent payment processing service that offers tenants several options to pay their rent without having to purchase a money order. Tenants are able to go to several participating local vendor agents that are in the Global payment network. The agent network is the cornerstone that allows in-person payments to be made efficiently and timely. Residents may pay in cash, whereupon a receipt is provided and their rent credited as of the date paid. Global also offers Mobile Payments: the ability to pay anywhere and at any time including online.

- Memorandum of Understanding (“MOU”) – In Breach of Lease (“BOL”) court actions HABC may enter into an MOU with the family found to be in non-compliance with the HABC Dwelling Lease. The MOU will set forth the conditions under which the family will cure the non-compliance and remain in the unit. No MTW Authority is required for this activity.
- The Thompson Settlement Agreement - In 1995 a class action entitled *Thompson v. HUD*, No. MJG 95-309, was filed in U.S. District Court for the District of Maryland against the Housing Authority of Baltimore City (HABC), the City of Baltimore and the U.S. Department of Housing and Urban Development (HUD). The plaintiffs alleged that African-American residents of and applicants for public housing and Section 8 vouchers had been discriminated against based upon their race. Certain parts of the case were settled by the parties through a Partial Consent Decree approved by the District Court in June 1996.

In November 2012, the District Court approved a final Settlement Agreement. The *Thompson* Settlement Agreement makes available up to 2,600 additional Housing Choice Vouchers from 2012 through 2018 (“*Thompson* Remedial Vouchers”), in addition to the 1,788 Housing Choice Vouchers already utilized under the *Thompson* Partial Consent Decree (“*Thompson* PCD-Leased Vouchers”). The Settlement Agreement also provides for the continuation of the *Thompson* Homeownership Voucher Program. The Baltimore Regional Housing Program administers the vouchers for the *Thompson* Remedial and Partial Consent Decree vouchers. As such, the use of TW Authority is often used to promote the three (3) statutory objectives.

All *Thompson* Remedial, PCD-Leased, and Homeownership Vouchers must be used in Communities of Opportunity throughout the Baltimore metropolitan housing market as identified in the *Thompson* Settlement Agreement.

The Thompson Consent Decree included a provision that prohibited HABC from using public housing capital and operating funds to create public housing units in impacted areas in Baltimore City. The settlement of the Consent Decree has removed this prohibition and HABC is no longer prohibited from creating public housing units in these areas.

Required information on the programs under Thompson, ongoing and newly proposed MTW activities is incorporated into the remaining chapters of the Annual Plan.

- The Bailey Consent Decree - The plaintiffs in the *Bailey* case are persons with disabilities who are current or former residents of or applicants for HABC's housing programs. To date, 713 of the required 756 UFAS units have been created and certified under the Bailey Consent Decree. An additional 43 UFAS units must be created.

In order to complete its obligations under *Bailey*, The Housing Authority of Baltimore City has identified a number of projects that create units that exceed the housing production requirements. For instance HABC has completed 16 UFAS compliant homes as new construction in the Scattered Sites inventory for persons with mobility impairments. The units will be located throughout various neighborhoods within Baltimore City.

Information on HABC's obligations under Bailey is incorporated into the remaining chapters of the Annual Plan.

B. Long-Term Goals and Objectives

In its initial request for MTW designation, HABC expressed the intention to implement a number of initiatives in both the HCV and public housing programs to support neighborhood revitalization, reduce administrative costs and promote resident economic self-sufficiency.

HABC is committed to creating new affordable housing opportunities for City residents at a wide range of incomes. Within its financial constraints, HABC plans to replace lost public housing units through the production of new homes for existing public housing residents and others with incomes that would qualify for public housing. In its redevelopment efforts, HABC will strive to create vibrant, mixed-income neighborhoods that will benefit both local residents and the wider community.

By making funds available to the public housing program utilizing MTW authority and an aggressive strategy for vacancy renovations/modernizations, HABC has been able to preserve approximately 800 public housing units between June 2006 and December 2015. In addition, as HABC nears completion of major renovation efforts to bring long-term vacant and uninhabitable units back on line, resources shifted back to the Housing Choice Voucher program which has resulted in serving 2,746 more households during the same period (Excludes Substantial Rehab, New Construction, VASH and Thompson Tenant and Project Based Vouchers).

Commencing in late 2010, HABC began to conduct a portfolio wide asset review. The results of this process, which is continuing into FY 17, will provide a roadmap and framework for future investments and development activities. As part of this process, HABC is exploring ways in which MTW flexibility can help to support the agency's ability to leverage both traditional and non-traditional sources of funding.

Other proposed long-term MTW initiatives include:

- Reducing the frequency of recertifications as a way to lower administrative costs, promote household savings, and minimize the burden imposed by this process on resident households. As noted in the Plan, HABC has implemented this initiative for Housing Choice Voucher participants and Public Housing Residents. Over the term of the MTW Agreement, HABC will also implement other MTW initiatives designed to simplify program administration and reduce costs;
- Implementing modified Project Based leasing programs to support City-sponsored targeted neighborhood revitalization. HABC has begun to implement an ambitious Project Based Voucher program that incorporates MTW flexibility and expands housing choice for program participants, as described herein. Utilization of Project Based resources is a key component of HABC's neighborhood reinvestment, new housing production, and Bailey Consent Decree production initiatives;
- Pursuant to MTW authority, HABC modified its Long-Term Affordable (LTA) Program to promote the long term affordability of units. Under this initiative, HABC entered into LTA Project Based contracts with developers/owners for some or all units to be developed on distressed former public housing sites, in rehabilitated or existing units in tax credit developments and through other development methods. LTA contracts are for a minimum forty (40) year term. The LTA Units shall be managed and operated primarily in accordance with the HUD regulations governing public housing units (*e.g.*, 24 CFR Parts 5, 960, 966, and the like) (the "Public Housing Regulations"), even though the LTA-PB Units will be subsidized with project based voucher funds.

HABC will also implement other MTW initiatives designed to simplify program administration and reduce costs;

- Streamlining income, deduction and rent calculation policies and procedures. Retrofitting vacant public housing units to allow accessibility by persons with disabilities;
- Replacing or renovating several public housing sites that have substantial unmet capital needs. Utilization of MTW funding, RAD and development flexibility is an essential component of these efforts;
- Establishing flexible homeownership initiatives that combine vouchers, soft second mortgages and family economic self-sufficiency components.
- Using MTW flexibility to fund housing subsidy for homeless families entering into an employment program.

HABC will continue to pursue this long term vision – and identify new ways to utilize MTW flexibility in support of the MTW statutory objectives - over the ten-year term of the new MTW Agreement.

II. General Housing Authority Operating Information

This section of the Annual Plan provides required information on HABC's current inventory, projected leasing activities and waiting lists for both the Public Housing and HCV programs. It includes details on planned changes to the housing stock as a result of new development, and demolition and disposition efforts. Additional data regarding the general operation of HABC's programs can be found in Appendix J. Planned significant capital expenditures are also summarized in this section.

A. Public Housing Inventory

Current Leasing - All HABC public housing units are included in the MTW Block Grant. As of December 31, 2015, 9,744 units are under an Annual Contributions Contract (ACC) with the Department of Housing and Urban Development, 8920^[1] of which are available for occupancy. As a total of 8499 households currently reside in public housing – HABC's adjusted occupancy rate was 95.3%^[2]. Because of the MTW Agreement requirement to submit the Annual Plan 75 days prior to the end of the fiscal year, the numbers provided as of December 2015 will assist HABC in determining its anticipated inventory at the beginning of the year.

Projected leasing - HABC's projected adjusted occupancy rate for MTW public housing inventory and leasing as of June 30, 2017 will be 97%. The total number of MTW public housing units to be leased as of June 30, 2017 is 7,005 (the decrease in leased units is due to the RAD conversion of eleven or more mixed-population sites). HABC will also invest approximately 4 million dollars to address 220-320 vacancies that in most cases need capital related work to re-occupy. In addition the operations department is restructuring its labor force to create efficiencies related to unit prep.

Demolition/Disposition of Public Housing Units – During Fiscal Year 2017, HABC will continue its asset review of the Scattered Sites inventory. The results of this process will provide a roadmap and framework for future demolition and/or disposition of obsolete units. HABC anticipates that investments and development activities will result in the demolition and/or disposition of an additional 160 Scattered Sites units in FY2017-18.

HABC's participation in the RAD program will result in the conversion of 2,082 Public Housing units to Section 8. The charts below provide information on anticipated changes to the current inventory in Fiscal Year 2017. The matrix entitled "Planned New Public Housing Units to be Added During the Fiscal Year", identifies 53 public housing (ACC) units projected to be added to the public housing inventory in FY 2017

Fifty (50) of the 53 ACC public housing units will be acquired for the Revised Hollander Ridge Revitalization Plan pending HUD approval. To date, HABC has not yet requested a project number for these units. Pursuant to Section 504 of the Rehabilitation Act of 1983 and HUD's implementing

^[1]Available for occupancy figures exclude units that are vacant and exempt consistent with 24 CFR 901.5. These exempt units include units: a) undergoing or identified to undergo renovation and/or vacated due to consent decree mandated alterations; b) undergoing or identified to undergo modernization; c) approved for deprogramming (disposition or demolition); d) approved for non-dwelling purposes; e) lost due to reconfiguration

^[2] Adjusted occupancy rate reflects the percentage of units that are available for occupancy that are actually occupied.

regulations, at least five-percent (5%) of the units acquired under the Hollander Ridge Revitalization Plan will be 504 compliant and HABC will require the developer to make 2% of the Hollander Ridge units hearing/vision compliant. Once the units have been acquired and an assessment completed, HABC will determine which units will be modified to comply with UFAS.

HABC projects that a total of 2,248 RAD and non-viable, obsolete units will undergo disposition and/or demolition from the public housing inventory during FY 2017.

Property Disposition

In FY 2017, HABC intends to seek HUD's approval to dispose of a portion of land in McCulloh Homes and two Resident Services Building at Pleasant View Gardens:

1. **Land Near McCulloh Homes:** FY 2015 HABC entered into a Lease Agreement with Red Leaf – Pennsylvania Ave LLC (“RL”), the Landlord of a local supermarket called Save A Lot (“SAL”), which is located adjacent to McCulloh Homes. HABC is leasing to RL approximately 2,000 square feet of exterior space (the “Space”) at fair market rent. The Space is located on Hoffman Street right behind the SAL supermarket. Without this Space, which is not being used by HABC, SAL would have had an operation/safety problem in opening its new supermarket, which serves the residents of McCulloh Homes. The Space leased is directly opposite SAL's delivery pad and the Space is necessary for SAL's vehicles to make deliveries. The Lease Agreements allows RL to use and improve the Space, at its sole cost and expense, for a Term of 6 years with the intention of RL to purchase the Space at Fair Market Value. It is HABC's intention to seek HUD's approval to sell the Space to RL.
2. **Resident Services Buildings at Pleasant View Gardens:** The Living Classroom Foundation (“LCF”) now occupies the Youth Development Center at Pleasant View Gardens (“PVG”). In FY 2015 HABC entered into a Letter of Intent with LCF to amend their Lease for a longer term. The Lease Amendment was executed on 11/12/2015. The Lease amendment will also give LCF the right to purchase both the Youth Development Center and Day Care Center (collectively the “Centers”), however, LFC must continue to provide youth development activities and early childhood services (“Resident Services”) to HABC's residents (a majority of their clients). The Lease Amendment's long term provision allows LCF to obtain grants to better serve HABC's residents and, as a benefit to HABC, to also take on full financial and operating responsibility of the Centers. Without the long term lease and option to buy, LCF would not be able to secure the kind of long term multi-million dollar grants (“Grants”) to improve the Centers and to provide the types of Resident Services programs that would benefit HABC's residents. The Centers will be sold at a below market value because the Resident Services programs provided to their low income families are done at a financial loss and can only be achieved by obtaining Grants. Therefore, the value of the buildings does not have any market value with the current types of Resident Services activities that are provided in the Centers. Since HABC wants to continue with these Resident Services programs, any sale will have to be below a market sale. Another benefit to HABC to sell the Centers to LCF is: (i) for HABC to eliminate the cost to run the Centers, which are run at a financial loss (expenses exceed revenue); (ii) and because HABC will lose its subsidy for the Centers once the Rental Assistance Demonstration (“RAD”) program for PVG closes. In FY 2017, HABC will seek HUD's approval to sell both Centers to LCF.

Planned New Public Housing Units to be Added During the Fiscal Year

AMP Name and Number	Bedroom Size							Total Units	Population Type*	# of UFAS Units	
										Fully Accessible	Adaptable
	0	1	2	3	4	5	6 +				
MD002/TBD Scattered Sites – UFAS	0	0	0	1	2	0	0	3	Disabled Families	2	0
MD002/TBD Hollander Ridge Replacement Units	0	13	13	17	7	0	0	50	Disabled Families	3	0

Total Public Housing Units to be Added

53

Other Population Type:

N/A

Planned Public Housing Units to be Removed During the Fiscal Year

PIC Dev. # / AMP and PIC Dev. Name	Number of Units to be Removed	Explanation for Removal
MD002/0201 Scattered Sites -	160	Obsolete and non-viable scattered sites units
MD002/009 O'Donnell Heights	6	O'Donnell Heights lots will be sold to a developer to build for-sale housing
MD002000046 - Chase	189	RAD Conversion
MD002000042 - Somerset	60	RAD Conversion
MD002000053 - Ellerslie	117	RAD Conversion
MD002000047 - Govans	191	RAD Conversion
MD002000043 - Monument East	170	RAD Conversion
MD002000070 - Rosemont	203	RAD Conversion
MD002000041 - Van Story	357	RAD Conversion
MD002000111 - Heritage	75	RAD Conversion
MD002000203 - Scattered Sites	406	RAD Conversion
MD002000101 - Arbor Oaks	62	RAD Conversion
MD002000107 - Senior Townes	49	RAD Conversion
MD002000106 - Townes at the Terrace	203	RAD Conversion

Total Number of Units to be Removed

2,248

B. Section 8/Housing Choice Voucher Inventory

As of December 31, 2015, HABC’s existing Section 8 Housing Choice Voucher leased housing inventory includes 17,224 MTW units (12,940 regular program units; 3,092 Thompson units) and 1,192 non-MTW units. By the end of the current fiscal year, these figures are projected to increase to 17,904; 13,500 total regular program units; 3,092 Thompson units and 1,312 non-MTW units respectively. Table 1 shows leasing levels as of December 31, 2015 and projected leasing levels as of June 30, 2017. For MTW vouchers, from December 2014 to December 2015, including Thompson voucher activity, there was a net increase of 1,146 HCV leased households (HABC leased 718 more units under the regular program and leased 428 more units under Thompson).

Under its ACC, HABC’s has been able to provide over 13,000 households with assistance. As of December 2015, HABC has contract authority under its ACC to issue 19,171 MTW vouchers (including VASH / excluding Thompson); however, available HUD funding does not support this level of leasing for MTW vouchers. It is important to note that neither the HABC nor any other HCV administering agency is funded based on 100% of the ACC funding levels. The FY2005 Consolidated Appropriations Act changed the method and formula for allocation of HAP funds. The number of ACC authorized vouchers reflects the maximum number of families which may be assisted if adequate funds are provided by HUD.

**Table 1:
Housing Choice Voucher Program Inventory and FY 2017 Projected Leasing**

	Actual Leased as of 12/31/15	Projected Leased as of 6/30/17
MTW Tenant Based Vouchers (Non Consent Decree)	10,384	10,835
MTW Project Based Vouchers (Non Consent Decree)	1,269	1,400
MTW Tenant Based Vouchers - Bailey*	890	850
MTW Project Based Vouchers – Bailey	397	415
<i>Sub-Total</i>	<i>12,940</i>	<i>13,500</i>
MTW Tenant Based Vouchers – Thompson	1,764	1,764
MTW Project Based Vouchers – Thompson	1,328	1,328
<i>Sub-Total</i>	<i>3,092</i>	<i>3,092</i>
TOTAL MTW VOUCHERS	16,032	16,592
Non-MTW Section 8 Moderate Rehab	255	290
Non-MTW Section 8 New Construction/Substantial Rehab	596	596
Non-MTW VASH Vouchers	341	426
<i>Sub-Total</i>	<i>1,192</i>	<i>1,312</i>
TOTAL ALL	17,224	17,904

The total number of Bailey vouchers for non- elderly disabled (NED) households receiving assistance under the tenant-based program as of December 31, 2015 is 890. HABC is obligated to provide assistance to 850 Non-Elderly Disabled households as under the Bailey Consent Decree.

HABC has also applied for and received special purpose vouchers in the following amounts: Family Unification Program Vouchers, 100; Non-Elderly Disabled Category II Vouchers, 40; Veterans Affairs Supportive Housing Vouchers, 426.

HABC will be working closely with its partners, providers, and property owners/managers to utilize the current wait list and to fill all vacancies in a timely manner.

New Housing Choice Vouchers to be Project-Based During the Fiscal Year

Property Name	Anticipated Number of New Vouchers to be Project-Based	Description of Project
4227 Frederick Avenue	9	This nine-unit building located in the Irvington neighborhood will be designated for non-elderly persons with disabilities (NEDS). All nine units will be one-bedroom units and will be counted toward the total number of required project-based units under the Bailey Consent Decree.
Mulberry at Park	11	This 68 unit building on the Westside of downtown Baltimore will have 20 project-based units. Eleven will be one-bedrooms units designated for NEDS and will be counted toward the total number of required project-based units under the Bailey Consent Decree; while the remaining 8 units will consist of 6 three-bedroom and 2 two- bedroom LTA-UFAS.
Bon Secours Gibbons	20	This 80 unit building in Morrell Park will have 20 based project-based vouchers. Twelve will be one-bedroom units for NEDS which will be counted toward the total number of required project-based units under the Bailey Consent Decree; while the remaining 8 units will consist of 4 three-bedroom and 4 two-bedroom LTA-UFAS units.
City Arts 2	15	This 60-unit building in Greenmount West will have 15 project-based units. Twelve will be one-bedrooms units designated for NEDS which will be counted toward the total number of required project-based units under the Bailey Consent Decree; while the remaining 3 units will be three-bedrooms designated as LTA-UFAS.
Barclay Rental	12	(57) units include forty five (45) family units and twelve (12) Section 8 project-based voucher units composed of nine (9) units set aside for persons who are defined by HUD as “chronically homeless” and three (3) long-term affordable Uniform Federally Accessible Standards (“UFAS”) units which will be counted toward the total number of required project-based units under the Bailey Consent Decree.
Orchard Ridge Rental V	16	This is new construction at the Orchard Ridge site in southeast Baltimore. Pennrose Properties, LLC will build 65 units. Sixteen of the units will be subsidized by PBV’s. Ten units will be one-bedrooms for non-elderly families with a disability, and 6 will be three-bedroom units for families that need the features of a UFAS unit. These 16 units will be counted toward the total number of required project-based units under the Bailey Consent Decree.
Falstaff	3	This is a 16 unit building. Chai Developers will develop three units; 2 of which are one-bedrooms for NEDs and 1 three-bedroom unit for a family that needs the features of a UFAS unit. These 3 units will be counted toward the total number of required project-based units under the Bailey Consent Decree.
20 E. Franklin Street	7	This is a 41-unit building in the Mt. Vernon neighborhood. Osprey Property Company will develop 7one-bedroom units for NEDs families which will be counted toward the total number of required project-based units under the Bailey Consent Decree.
1209 North Rose Street	8	This 23 unit building located in the Berea neighborhood will have 5 two bedroom and 3 three bedroom for the homeless
Episcopal Housing Corporation Permanent Supportive Housing	12	This project in the Upton neighborhood will have 12 one bedroom units for the homeless
Restoration Gardens II	32	This project in the Pen Lucy neighborhood will have 12 one bedroom and 10 two-bedroom units for the homeless
Joe DiMaggio	9	This project will have 4 three-bedroom and 5 four- bedroom units for the homeless
New Vision House of Hope	8	This project will have 8 units at various scattered sites for veterans

Poppleton Center\West	8	This 261 mixed-income development will be constructed in the Poppleton neighborhood.
O'Donnell Heights Phase IB	34	This is new construction at O'Donnell Heights renamed Key's Pointe, in southeast Baltimore. Joint Venture development partners, Michaels Development and Greater Baltimore AHC will build 68 residential rental units. Thirty-four of the units will be subsidized by PBVs. Thirty-four of the units will be made available to eligible current and former O'Donnell Heights residents ("Returning Residents"), four (4) of which are UFAS units and eleven of which will be one-bedrooms for non-elderly families with a disability. These 15 units will be counted toward the total number of required project-based units under the Bailey Consent Decree.

Anticipated Total
New Vouchers to be
Project-Based

194

Anticipated Total Number of
Project-Based Vouchers
Committed at the End of the
Fiscal Year

1,269

Anticipated Total Number of
Project-Based Vouchers Leased
Up or Issued to a Potential Tenant
at the End of the Fiscal Year

1400

Other Changes to the Housing Stock Anticipated During the Fiscal Year

Vacant units at twelve (12) mixed-population developments scheduled for RAD conversion in FY 2017 will be held off-line for the temporary relocation of existing residents. In addition, HABC anticipates that its adjusted occupancy rate will be 97% primarily because of the uncertainty in allocations of funding to the housing operations division, and future appropriations. HABC also anticipates the number of move-outs to increase due to the increase of applicants on the Thompson Housing Choice Voucher waiting list and a higher number of transfers to accommodate commitments under the Bailey Consent Decree.

General Description of All Planned Capital Fund Expenditures During the Plan Year

Electrical distribution and steam and gas line repairs, site work modifications including sidewalks, paving, and erosion control, roof and window replacements, vacancy renovations, kitchen and bathroom modifications, elevator repairs, , installation of energy conservation measures, storm water mitigation, installation of sump pumps, painting, handrail and door replacement, development of replacement housing, construction of 68 rental units at O'Donnell Heights, the Thompson Enhanced Leasing Assistance Program, completion of 43 new construction UFAS units, technical and non-technical salaries and benefits and associated capital operating costs, consultant fees, relocation, management improvements, resident anti-drug program, affordable homeownership, sub-metering maintenance and service, debt service and environmental related testing, improvements and training.

Planned Number of Households Served at the End of the Fiscal Year

MTW Households to be Served Through:

Federal MTW Public Housing Units to be Leased
Federal MTW Voucher (HCV) Units to be Utilized
Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Property-Based Assistance Programs
Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded Tenant-Based Assistance Programs
Total Households Projected to be Served

Planned Number of Households to be Served	Planned Number of Unit Months Occupied/Leased
6,903	82,830
*16,592	199,104
0	0
0	0
24,807	281,934

*Includes 238 MTW Bailey and HABC Long-Term Affordable Project-Based Voucher units.

Reporting Compliance with Statutory MTW Requirements

HABC is in compliance with all statutory MTW requirements.

Description of any Anticipated Issues Related to Leasing of Public Housing, Housing Choice Vouchers and/or Local, Non-Traditional Units and Possible Solutions

Housing Program	Description of Anticipated Leasing Issues and Possible Solutions
Public Housing	HABC anticipates that its adjusted occupancy rate will be 97% primarily because of the uncertainty in allocations of funding to the housing operations division, and future appropriations. In addition, HABC anticipates the number of units in HABC's inventory to decrease due to RAD, the increase of applicants on the Thompson Housing Choice Voucher waiting list and a higher number of transfers to accommodate commitments under the Bailey Consent Decree.
The Housing Choice Voucher Program	Under its ACC, HABC's HCVP-MTW funding limits the number of households for which assistance can be made available to no more than approximately 13,500 (this funding limitation does not affect Thompson-MTW, HUD-VASH, New Construction or Moderate Rehabilitation vouchers). Uncertainty concerning the level of available HAP funding to be provided to HABC for CY 2016 and 2017 is an additional contributing factor in determining projected utilization. HABC anticipates maintaining increased utilization, unless there is a drastic reduction in funding allocations.

C. Waiting List Information

HABC maintains its waiting list in conformance with the policies described in the Public Housing Admissions and Continued Occupancy Policy (ACOP) and the Housing Choice Voucher Program Administrative Plan. As of December 31, 2015, there are a total of 63,297 applicants for HABC's programs including: 30,183 public housing-only applicants; 27,842 HCV-only applicants (tenant *and* project-based); and, 5,272 applicants on both the public housing and HCV waiting lists.

The Housing Choice Voucher Waiting List

The HCV tenant-based and Project Based waiting lists are closed. HABC will reopen the HCV waiting list as necessary to ensure that there are adequate numbers of applicants for available vouchers over a twelve-month period.

The Public Housing Waiting List

The Public Housing waiting list remains open. By the end of FY 2016, HABC will have completed its purge of the Public Housing waiting list. It is expected that a significant number of households may not respond to HABC's correspondence, thus potentially reducing the overall number of waiting list applicants. In FY 2017 the waiting list will convert to a Location Preference Waiting List which will allow applicants to identify three sites where they would not accept an offer.

The Public Housing and Housing Choice Voucher Waiting List

When seeking housing assistance many families choose to apply for both the public housing and the HCV programs. The date and time of the application for one program does not necessarily share the date and time for the other; however to obtain a true and accurate count of the number of families on HABC's waiting lists, these families are counted separately from the public housing and HCV waiting lists.

Currently the HCV waiting list is closed while the public housing waiting list is open. At this time, families who want to apply for both public housing and the HCVP will only be allowed to apply for public housing.

The Thompson Waiting List

Pursuant to the *Thompson* Settlement Agreement, the waiting list for *Thompson* Vouchers is maintained separately from any other waiting list for housing assistance, including HABC’s waiting list. Application for, receipt of, or termination of a *Thompson* Voucher will not affect a family’s standing on any other waiting list. A copy of the waiting list procedures for the *Thompson*-related programs is described in the Special Administrative Plan as Appendix II in the HABC HCV Administrative Plan. As of December 30, 2015, there were 8,361 families on the waiting list for the counseling program, and 1,208 families were enrolled in that program.

Wait List Information Projected for the Beginning of the Fiscal Year

Housing Program(s)	Wait List Type	Number of Households on Wait List	Wait List Open, Partially Open or Closed	Are There Plans to Open the Wait List During the Fiscal Year
Federal MTW Housing Choice Voucher Units: Tenant-Based	Community Wide	23,763	Closed	No
Federal MTW Housing Choice Voucher Units: Project-Based	Site-Based	4,079	Closed	No.
Federal MTW Public Housing Units	Community Wide	30,183	Open	N/A
Federal MTW Public Housing & HCVP Units	Merged	5,272	The Public Housing waiting list is open but the HCVP waiting list is closed.	No. There are no plans to open the HCVP waiting list in FY 2017.
Thompson Voucher Units	Program Specific	8,361	Open	N/A

For Partially Open Wait Lists, provide a description of the populations for which the waiting list is open:

N/A

If Local, Non-Traditional Housing Program, please describe:

N/A

If Other Wait List Type, please describe:

N/A

If there are any changes to the organizational structure of the wait list or policy changes regarding the wait list, provide a narrative detailing these changes.

N/A

D. Housing Stock Information

In Fiscal Year 2017, HABC will implement a wide range of capital investments at existing public housing sites and continue its program of citywide housing development activities. HABC projects it will expend a total of approximately \$51.3 million on capital activities in the coming year.

HABC has provided an update to the Asset Management Table in Appendix B which describes the current status of each public housing site, outlines certain risk factors that will be monitored over the life of the MTW Demonstration, and describes possible outcomes of these risks. It is designed to serve as the conceptual basis for current and future years' planning. As a result of our preliminary findings in HABC's portfolio wide asset review, we have updated the Asset Management table to identify sites where redevelopment, conversion, homeownership, management improvements and other activities may take place in the future; however, it is subject to periodic change based on priorities and available resources. It is important to note, that HABC is participating in the Rental Assistance Demonstration (RAD) Program. The properties approved for RAD, Phase I and Phase II are identified in the Asset Management Table. The removal of these properties from HABC inventory will result in a decrease in HABC's Capital Subsidy of approximately \$4.7 million.

HABC notes that Housing Choice Voucher funds have been made available for capital activities to renovate long-term vacant units, to modify units for handicap accessibility and to improve physical conditions to ensure long term viability of existing inventory. Prior year allocations of Housing Choice Voucher funds are being utilized to complete planned activities in FY 17. Additional funds may also be made available in FY 17 for work items included in HABC's Long Term Capital Plan that contribute to the long term viability of our existing portfolio.

Additionally, other properties in HABC's portfolio which are not currently listed may, in the future, require MTW capital expenditures. HABC may elect to undertake these capital projects in FY 2017. It should be noted that some expenditures may take place in FY 2017 as a result of projects planned for and begun in FY 2015 and FY 2016, but completed and paid for in 2017.

HABC has let a number of contracts that were started in FY 2014 but will not be fully expended until FY 2016. These commitments are required in order to ensure that HABC meets its Consent Decree and MTW obligations and benchmarks.

Pursuant to the MTW Agreement, as mentioned above, HABC has combined all current and prior year Capital funds, including RHF funds, into the MTW Block Grant that will be carried out in accordance with all HUD regulations, including 24 CFR part 905, and other requirements applicable to the Capital Fund Program.

Spending Plan				FY'17
Year of Funding Award	AMP No.	Development Name	Description of Work	Original MTW Planned Spending July 1, 2016 -- June 30, 2017
FFY 13, 14, 15	1	Latrobe Homes	Erosion Control, Maintenance Shop Relocation and Improvements, Elevator Improvements in Community Building, Replace Lighting with LED Fixtures, Gas Piping Survey and Mapping, Storm Water Mitigation	1,007,237
FFY 13, 14, 15	2	McCulloh Homes	Site Work, Window Replacement, Master Planning	575,000
FFY 13, 14, 15	3	Perkins Homes	Replace Lighting with LED Fixtures, Storm Water Mitigation	60,000
FFY 13, 14, 15	4	Poe Homes	Wireless Electrical Sub-metering System, Site Modifications, Pipe Survey and Mapping, Security Cameras	649,227
FFY 13, 14, 15	5	Douglass Homes	Site Modifications, Electrical Distribution Upgrades, Replace Kitchen Cabinets and Counters, Replace Bathroom Fixtures, Replace Interior Doors, Repair, Prep and Paint Interior Walls, Install Sump Pumps	4,601,380
FFY 13, 14, 15	6	Gilmor Homes	Site Modifications, Replace Exposed Rebar, Renovations to Management and Maintenance Offices, Install Fencing, Replace Lighting with LED Fixtures, Install Filtration System for Heating, Renovate Community Building, Storm Water Mitigation	1,475,000
FFY 13, 14, 15	9	O'Donnell Heights	Phase 1 B - 68 Rental Units - O'Donnell Heights	4,726,973
FFY 13, 14, 15	9	O'Donnell Hts.	Emergency Repairs, Gas Pipe Survey and Mapping	135,000
FFY 13, 14, 15	11	Cherry Hill	Electrical Infrastructure, Site Modifications, Roof Replacement (MD 2-12 and MD 2-17), Install Filtration System for Heating, Replace Lighting with LED Fixtures, Tree Trimming, Erosion and Drainage Analysis	3,857,240

Spending Plan				FY'17
Year of Funding Award	AMP No.	Development Name	Description of Work	Original MTW Planned Spending July 1, 2016 -- June 30, 2017
FFY 13, 14, 15	21	Brooklyn Homes	Site Modifications, Replace Lighting with LED Fixtures, Replace Kitchen Cabinets and Counters	465,000
FFY 13, 14, 15	22	Mt. Winans/Westport	Replace Lighting with LED Fixtures, Erosion Control, Waterproof Basements	342,350
FFY 13, 14, 15	31	Dukeland	Repair, Prep, and Paint Interior Walls, Replace Kitchen Cabinets and Counters, Replace Lighting with LED Fixtures	815,235
FFY 13, 14, 15	31	Rosemont	Repair, Prep, and Paint Interior Walls, Replace Kitchen Cabinets and Counters, Replace Lighting with LED Fixtures, Replace Exterior Doors, Replace Exterior Handrails, Replace Furnaces, Replace Gas Piping, A & E Services for Flooring	2,313,473
FFY 13, 14, 15	41	Van Story Branch (West Twenty)	Modernization (RAD)	1,000,000
FFY 13, 14, 15	42	Somerset Extension	Modernization (RAD)	2,277,420
FFY 13, 14, 15	45	Hollander Ridge	Redevelopment for Replacement Housing (potential RAD)	9,799,077
FFY 13, 14, 15	103	Midtown	Replace Steel Doors, Replace PAD Mounted Condenser and Gas Water Heater	117,873
FFY 13, 14, 15	108	Uptown Apartment	Replace Pad Mounted Condenser and Gas Water Heater	67,490
FFY 13, 14, 15	109	Stricker Street	Replace Windows	50,655
FFY 13, 14, 15	124	Bailey -New Construction UFAS Units - 3 Units	Bailey - New Construction (3 UFAS Units)	1,300,000

Spending Plan				FY'17
Year of Funding Award	AMP No.	Development Name	Description of Work	Original MTW Planned Spending July 1, 2016 -- June 30, 2017
FFY 13, 14, 15	200, 201, 202, 203 (including Albert Spencer)	Scattered Sites	Roof Replacement, Vacancy Renovation, Basement Waterproofing, Window Replacement, Painting, Replace Lighting with LED Fixtures, Physical Needs Assessments	1,812,483
FFY 13, 14, 15	799	AHI	Affordable Home Ownership (Baltimore Regional Housing Partnership)	2,977,975
FFY 13, 14, 15	Var	Douglass, Dukeland, Oswego, Mt. Winans, Spencer Gardens, Carey House, Scattered Sites	Install New Programmable/Fixed Set-Point Thermostats for Apartments and EMCS Upgrades (ECM)	46,509
FFY 13, 14, 15	AMPs	Authority-Wide	Kitchen Cabinets (Contingency)	212,151
FFY 13, 14, 15	AMPs	Authority-Wide	Bathroom Cabinets (Contingency)	250,000
FFY 13, 14, 15	AMPs	Authority-Wide	Submetering Maintenance and Service	30,000
FFY 13, 14, 15	AMPs	Authority-Wide	Kitchens, Baths, Windows, Electrical, Mechanical, Non-Dwelling Structures, Vacancy Renovation	150,000
FFY 13, 14, 15	AMPs	Authority-Wide	Install Low Flow Faucet Aerators in Tenant Apartments and Common Areas (ECM)	43,885
FFY 13, 14, 15	AMPs	Authority-Wide	Install Efficient Lighting in Tenant Apartments and Common Areas (ECM)	56,633
FFY 13, 14, 15	AMPs	Authority-Wide	Install Electric Sub meters for apartments (ECM)	51,787

Spending Plan				FY'17
Year of Funding Award	AMP No.	Development Name	Description of Work	Original MTW Planned Spending July 1, 2016 -- June 30, 2017
FFY 13, 14, 15	AMPs	Authority-Wide	Install Energy Star Refrigerators, Stoves and Water Heaters (ECM)	33,598
FFY 13, 14, 15	AMPs	Authority-Wide	Consulting Fees - Environmental, Utility and Env. Training	295,000
FFY 13, 14, 15	AMPs	AMP's	RAD Contingency	1,633,530
FFY 13, 14, 15	Central Office	Central Office	Technical Salaries	992,825
FFY 13, 14, 15	Central Office	Central Office	Benefits (Technical Salaries)	397,129
FFY 13, 14, 15	Central Office	Central Office	Audit	25,000
FFY 13, 14, 15	Central Office	Central Office	Non-Technical Salaries	1,698,199
FFY 13, 14, 15	Central Office	Central Office	Benefits (Non-Technical Salaries)	699,396
FFY 13, 14, 15	Central Office	Central Office	Resident Meetings and Training	9,000
FFY 13, 14, 15	Central Office	Central Office	Utility Consultant	110,381
FFY 13, 14, 15	Central Office	Central Office	Overhead	315,273
FFY 13, 14, 15	Central Office	Central Office	Operating Costs and Sundry - FY 731	207,410
FFY 13, 14, 15	Central Office	Central Office	Debt Service-1st phase epc	3,578,094
GRAND TOTAL				51,261,889

504 Accessibility Improvements

In FY 2017, HABC will continue to: (i) modify existing units and sites to meet UFAS regulations; (ii) modify units to meet reasonable accommodation and immediate need requests; and (iii) modify

common areas to meet UFAS regulations for providing public housing choices for low-income persons with disabilities.

To date 713 of 756 UFAS units have been created and certified under the Bailey Consent Decree. To meet HABC's obligations of 756 UFAS units under the Bailey Consent Decree, an additional 43 UFAS units must be created:

- 12 units are completed and are awaiting certification
- 20 UFAS units are under construction to be certified by end of 2016
- 3 units are under construction to be certified in 2017
- 6 units are in financing and are expected to be completed and certified in 2017
- 2 UFAS units will be created by building on property owned by HABC

Infrastructure and Extraordinary Maintenance

Major work scheduled for the last quarter of FY 2016 and being completed in FY 2017 includes: the replacement of roofs systems at various scattered sites; the upgrade of the electrical distribution system at Douglas Homes; The replacement of windows and/re caulking at various scattered sites; the feasibility study of window repairs and/or replacements at Gilmor; the replacement of sidewalks and erosion control at Latrobe, Cherry Hill, McCulloh, Douglas, Westport, Dukeland, Rosemont, Brooklyn, Spencer Gardens, Perkins, Poe, and Gilmor; the renovation of the community building at Gilmor and the renovation of long term vacant scattered site and family site units. Additionally, there will be an overhaul of the existing sub-metering system at Poe Homes and a review for useful life of camera equipment at Cherry Hill, Gilmor, Latrobe, McCulloh, and Perkins. Heating systems at Cherry Hill will be assessed for boiler room upgrades as needed and HABC also plans to retrofit unit convectors to prevent complete shut-off and system malfunction. A silt filtration system will be installed at various sites to include Cherry Hill, Gilmor, Latrobe to enhance system performance and efficiency. Other work scheduled for FY 2017 would be renovation bathrooms and kitchens at various family sites; basement water proofing at various scattered sites; the relocation of the maintenance offices at Latrobe; the installation of an elevator at the Rehab management building on Eager Street; the continued upgrade of the heating system at Gilmor; and gas piping projects and mapping at various locations.

HABC is committed to continuing work on the investigation and repair of drainage and erosion problems at various sites; and the continuation of HABC's environmental program that includes the continued testing for lead based paint and abatement of asbestos as required and removal of underground fuel oil tanks when required.

In FY 2017, HABC may: (i) continue to develop master plans which note physical areas of concern and a course of action to rectify them (landscaping, egress, hazards, etc.); and (ii) perform major renovations at various developments and a portion of the scattered site inventory to further reduce vacancies;

Energy Performance Contracting

HABC will continue Monitoring, Measurement and Verification efforts for the Phase I Energy Performance Contract (EPC) properties, (Latrobe, Cherry Hill, Gilmor, Westport and Brooklyn). An additional EPC Program is currently under review for the installation of conservation measures

(lighting, water conservation fixtures, utility metering and system upgrades) at selected properties. If the feasibility studies warrant an EPC, its installation should commence in 3rd quarter of FY 2017.

Partnerships

HABC has partnered with the Department of Housing and Community Development's Weatherization Assistance Program ("WEP") and the Parks & People Foundation ("P&P") through a Memorandum of Understanding ("MOU") which allows both WEP and P&P to perform energy and storm water management projects on HABC sites at no cost to HABC. Therefore, due to these MOU's HABC can work with both groups to secure grants that can be spent on HABC properties. Approximately 300 scattered site units will be weatherized late 2016 and early 2017. Agreements with Parks and People include work scheduled for Latrobe, Perkins and Gilmore to begin late 2016/early 2017.

E. Neighborhood Development Activities and Expenditures

HABC's housing development accommodates four distinct strategies, which include MTW funds and proposed public and private leveraged funds. Each of the four strategies (Neighborhood Reinvestment, New Housing Production, Thompson Project-Based Housing Program, and Bailey Consent Decree Housing Production) is summarized below. As these projects are all in various phases of the development process, the final unit numbers and development approach may vary from those presented below.

Neighborhood Reinvestment

Under the Neighborhood Reinvestment Program, HABC works with private development partners and Baltimore neighborhoods to re-capitalize the distressed scattered site public housing stock in strengthening neighborhood markets, linking their redevelopment to a larger program of market-rate rental and for-sale production. The public housing component of these projects will result in a permanently affordable rental housing resource in improving neighborhoods, ensuring economic diversity. This program achieves the mixed-finance redevelopment of existing ACC (public housing) units. The narrative below describes FY 2017 goals and activities in this strategy area:

Barclay-HABC procured Telesis as its development partner in the redevelopment of the Barclay neighborhood. Telesis completed a redevelopment plan calling for the new construction and rehabilitation of approximately 322 mixed-income housing units. The first two rental phases of 141 affordable units have been completed. The first affordable homeownership phase consisting of 35 rehabilitated units was completed in FY 2014 and sold to families making 120% of AMI.

The construction of Homeownership Phase 2 is projected to commence in 2016 with completion of the units in FY 2017. Plans for the site also include the construction of a small park surrounded by 30 homeownership units on the 300 block of E. 20th Street. Additionally, Rental Phase 3 has been awarded Low Income Tax Credits for the creation of 57 rental units, which will include nine 9 units reserved for Chronically Homeless Persons and three (3) Long Term Affordable units for persons needing the features of a unit compliant with Uniform Federally Accessible Standards ("UFAS").

New Housing Production Program

HABC's New Housing Production Program for mixed-income, mixed finance development involves the complete transformation of distressed sites. In FY 2017, HABC will continue to sponsor significant mixed-income residential development at several locations across the City, resulting in a variety of housing choices for low-income households in the city.

Uplands– The City of Baltimore acquired the 52-acre Uplands Apartments site from HUD in January 2004 through a foreclosure auction with the intent of developing a new mixed income neighborhood. Baltimore City's Housing and Community Development agency (HCD) completed a Master Plan that calls for the development of 1,146 new units, of which 611 mixed income units will be located on the 52-acre site. An additional 150 market rate units will be located on the Westside Skills Center parking lot and the "Triangle" parcels that were acquired and incorporated in the development parcel. .

The first homeownership phase is under construction and consists of approximately 178 units, of which 49 are sold, and 22 are under contract. The developer is preparing to take down 40 lots by the end of 4th quarter of 2016. In FY 17 it is projected that approximately 30 homeownership units will begin construction with an absorption rate of about 2 units per month.

Orchard Ridge (formerly Claremont/Freedom) –Habitat for Humanity of the Chesapeake will complete the construction of the 30 remaining affordable homeownership units in Phase I. Habitat has completed 25 of the 30 units in 2014 with the remaining 5 units to be completed in FY2017.

The developer has been awarded 9% Low Income Housing Tax Credits to construct 65 affordable rental units. The developer will close on the financing in January 2016 and commence construction in the third quarter of FY 2016 and complete construction in the third quarter of FY2017.

O'Donnell Heights – O'Donnell Heights was constructed in 1942 and included 900 public housing units. Of these, 596 have been demolished and 304 remain on-line. The plan for the 62-acre site is for the demolition of the remaining housing units and the creation of a 925-unit mixed income residential community to include the replacement of public housing units on site. The redevelopment of O'Donnell Heights is to be completed in multiple phases. Through a competitive Request for Qualifications, the team of Michaels Development Company and AHC Greater Baltimore was selected by HABC as the developer for the O'Donnell Heights redevelopment.

Phase 1-B, consisting of 68 rental and 6 for-sale units is in the planning stage with closing expected at the end of the 1st quarter of FY2017. Phase I-B is part of a LIHTC application that was submitted to the Maryland Department of Housing and Community Development. HABC also plans to leverage banked Replacement Housing Factor Funds as part of a Mixed Finance proposal to HUD. HABC is providing 34 project based vouchers for returning residents, NEDS and UFAS units. The remaining 36 rental units are affordable to households earning less than 60% of the AMI.

Of the thirty-four "Long Term Affordable Project Based Units" or "LTA-PB Units" being created, 23 will be made available to eligible current and former O'Donnell Heights residents ("Returning Residents"), four (4) of which are UFAS units being offered to residents on the Reasonable Accommodation Transfer Waiting List who need the features of a UFAS unit. In order to allow Returning Residents to get priority for the four (4) UFAS units HABC created a preference on the Reasonable Accommodations Transfer Waiting List for the Returning Residents.

The LTA-PB Units shall be managed and operated primarily in accordance with HUD regulations governing public housing units (*e.g.*, 24 CFR Parts 5, 960, 966, and the like) (the "Public Housing

Regulations”), even though the LTA-PB Units will be subsidized with project based voucher funds. The LTA-PB Units shall remain affordable for a minimum of forty (40) years.

Thompson Partial Consent Decree Production

To meet the public housing unit production requirements of the *Thompson* Partial Consent Decree HABC is undertaking the following:

Project-Based Development Program - Under the *Thompson* Settlement Agreement, BRHP is continuing the project based development program that was started under the *Thompson* partial consent decree. BRHP is implementing a project based development program to create project based units in non-impacted areas. Subject to funding availability, BRHP is making pre-development funding and, if needed, subordinate secondary financing using the Urban Revitalization Demonstration Grant funds awarded for the Homeownership Demonstration Program (MD-06-URD-002-1294) available to pre-qualified developers and property owners who develop housing units and agree to enter into long term project-based voucher contracts. Under this initiative, BRHP’s goal is to create 60 new project-based units in communities of Opportunity in HABC’s 2017 Fiscal Year.

Bailey Consent Decree Housing Production

The Housing Authority of Baltimore City has identified a number of projects that would create units that would exceed the housing production requirements of Bailey Consent Decree and therefore will no longer offer developers incentives to produce the units.

New Construction Scattered Site Units –HABC has completed and certified 28 of the approximate 36 UFAS compliant homes for persons with mobility impairments in order to meet the requirements of the Bailey Consent Decree. The units are located throughout various neighborhoods within Baltimore City. To date HABC has awarded contracts to residential builders in three phases. Phase III development consist of 6 UFAS units and construction is expected to be completed in December 2015. Phase IV consists of 2 units which are currently being designed with a construction start date of March 2016.

Other Development Activities

HABC is considering development of a number of other sites. Activities on these sites in FY 2017 could include master planning, the issuance of RFPs or RFQs, the execution of Land Disposition or Master Development Agreements, the provision of MTW funds to developers, demolition, site clearance, and remediation, and other pre-development and development work.

Choice Neighborhoods Initiative – HABC is considering an application for a Choice Neighborhoods Initiative (CNI) implementation grant in FY 2017 for Perkins Homes. In FY 2016 the CNI Task Force held workshops to share the results of a needs assessment and will hold a charrette to discuss strategies and design concepts and workshops to review the Transformation Plan. The Transformation Plan will anticipate a plan (1) with Choice Neighborhoods funding and (2) without Choice Neighborhoods funding.

Rental Assistance Demonstration– HABC has applied to HUD under the Rental Assistance Demonstration (RAD) for the rehabilitation and conversion of twenty-four (24) public housing projects. The RAD program allows housing authorities to convert public housing funding associated with a development to housing choice voucher (HCV) funding and, at the same time, dispose of the property from the public housing inventory in order to use the funding for debt service payments.

Staff will be working with third-party developers on development plans, financing applications and in bringing 11 projects to successful closing by the end of calendar year 2015 or early calendar year 2016. The projects in the process of closing are: Hillside Park, Brentwood House, Hollins House, Primrose Place, Wyman House, Chase House, McCulloh Ext, Pleasant View Gardens, Pleasant View Gardens Senior Housing and Wyman House. The balance of HABCs RAD inventory will close in FY 2017.

HABC has a backlog of up to \$800 million of capital needs and an inadequate amount of capital funding. By converting a development to HCV funding and leveraging private debt and low income housing tax credits, it is possible to rehabilitate the building for the long term without displacing any of the existing residents. The HCV subsidy would replace the ACC contract subsidy. Tenants' rights would be largely the same and tenants would have the benefit of receiving a tenant-based housing choice voucher after two year of occupancy in good standing at the tenant's option.

Somerset Homes – HABC has worked with the City of Baltimore's Planning Department, community organizations, as well as, resident stakeholders to develop a Master Plan for the redevelopment of the Orleans to Fayette Street corridor (the "Old Town Mall" area). The redevelopment area is approximately 16 acres and includes the distressed Somerset Homes site along with an 8.3 acre parcel of City-owned land called the Oldtown Mall area that sits adjacent to the Somerset Homes site. A final master plan was completed in FY 2010 and HABC commenced planning efforts for the redevelopment of the Somerset site and the adjacent property in FY 2011.

The Old Town Mall Master Plan generally calls for mixed-use and mixed-income housing development and HABC expects to replace the former Somerset units with a mix of low income, affordable and market rate housing. It is the goal of this mixed-finance development to provide one-third of the units as public housing units in the residential mix along with some commercial and retail development over the total development site (Somerset Homes and Oldtown Mall).

In FY 2014, HABC issued a Joint Request For Proposals with the Baltimore Development Corporation (BDC), the entity in control of the adjacent 7.5 acres of City-owned property. BDC is the City of Baltimore's economic development arm. Several responses were received and a development team was issued a Right of Entry and an Exclusive Negotiating Privilege in FY 2015. A development plan is expected to be completed in the second quarter of 2017 following which HABC plans to submit a Disposition Application to HUD to dispose of the Somerset Homes site to the selected developer in FY 2017.

Hollander Ridge HOPE VI Funding –Approximately \$18.85 million of HOPE VI funds that were originally designated for the redevelopment of the Hollander Ridge site are available. HABC intends to use these funds to acquire and rehabilitate properties that will be replacement housing for both former Hollander Ridge residents and former or current O'Donnell Heights residents. The properties will be scattered-site units in areas of Baltimore City identified in the Thompson Settlement Agreement.

In satisfaction of the Thompson Settlement Agreement, HABC will also make available the equivalent of \$7,140,000 ("Replacement Funds"). The Replacement Funds may be used in conjunction with FY 1996 HOPE VI Funds originally awarded to HABC for Hollander Ridge ("HOPE VI Funds") to develop one or more scattered site projects totaling approximately 110

units. The Replacement Funds may be from any available source including, but not limited to, low income housing tax credits, the State Partnership Rental Housing Program, other State housing funds, low income housing bond funds, private debt or equity, public housing funds or MTW funds. However, the Replacement Funds may not be taken from the HOPE VI Funds.

HABC has had discussions with HUD to seek guidance on adding this project to the Rental Assistance Demonstration (RAD) Program. The plan would include acquiring the units as public housing and then converting to Section 8. HABC has submitted a concept plan using the RAD model and is awaiting HUD acceptance to move forward.

F. Leasing Information – Planned

Public Housing Projected Leasing

HABC's projected adjusted occupancy rate for MTW public housing inventory and leasing as of June 30, 2017 is 97.0%. The total number of MTW public housing units to be leased as of June 30, 2017 is 6,903 due to the RAD conversion of eleven or more mixed-population sites, the increase of applicants on the Thompson Housing Choice Voucher waiting list and a higher number of transfers to accommodate commitments under the Bailey Consent Decree.

Section 8/Housing Choice Voucher Program Projected Leasing

Table 2 provides a summary of HABC's Tenant-based and Project-based MTW Housing Choice Voucher programs including current leasing rates and projected leasing through June 30, 2017. Also included are non-MTW units under the VASH, Moderate Rehab, Substantial Rehab and New Construction programs, and HUD Opt-Outs for:

- Greenwillow Manor (88)
- Target City (50)
- Forrest Street (38)
- Bond Street (49)
- Boone Manor Apartments (36)

**Table 2:
Housing Choice Voucher Program FY 2017 Projected Leasing**

	Projected Leased as of 6/30/17	Projected Leased as of 6/30/18
MTW Tenant Based Vouchers (Non Consent Decree)	10,699	11,114
MTW Project Based Vouchers (Non Consent Decree)	1,400	1,450
MTW Tenant Based Vouchers – Bailey	850	850
MTW Project Based Vouchers – Bailey	415	450
<i>Family Unification Program (FUP)</i>	98	98
<i>Non-Elderly & Disabled, Category II (NEDs Cat II)</i>	38	38
<i>Sub-Total</i>	<i>13,500</i>	<i>14,000</i>
MTW Tenant Based Vouchers – Thompson	1,776	1,776
MTW Project Based Vouchers – Thompson	1,328	1,328
<i>Sub-Total</i>	<i>3,092</i>	<i>3,092</i>
TOTAL MTW VOUCHERS	16,592	17,092
Non-MTW Section 8 Moderate Rehab	290	270
Non-MTW Section 8 New Construction/Substantial Rehab	596	596
Non-MTW VASH Vouchers	426	426
<i>Sub-Total</i>	<i>1,312</i>	<i>1,292</i>
TOTAL ALL	17,904	18,384

Under its ACC, HABC’s expects to provide assistance for approximately 13,500 by the end of FY 2017. The requirement for additional project-based units under the Bailey Consent Decree may require a decrease in tenant-based voucher holders or an increase in funding or both.

Uncertainty concerning the level of available HAP funding to be provided to HABC for CY 2016 and 2017 is an additional contributing factor in determining projected utilization.

III. Proposed MTW Activities

This section of the MTW Annual Plan provides information on new MTW activities proposed for FY 2017.

Leased Housing

22. *Sponsor-Based, Project-Based Transitional Housing*

Description of MTW Activity: The Transitional Housing Program will be modified to allow HABC to partner with the Women's Housing Coalition and other organizations to provide transitional housing for up to twenty-four (24) homeless/hard-to-house families.

- All referred applications will be screened in accordance with HABC waiting list policies and eligibility criteria;
- HABC may create a special waiting list for the specific population.

HABC defines self-sufficiency as the ability to achieve economic independence, through employment that will allow individuals and/or families to become self-sufficient (not dependent on welfare assistance). Families will be able to achieve self-sufficiency through this program in the following areas:

- Obtaining a source of income;
- Participating in job training programs; and
- Securing permanent housing.

Voucher subsidies will be provided to the owner of the contract for all eligible participants. Program participants will be required to comply with all program rules and guidelines. Failure to comply will result in the termination of assistance and program participation.

Authorization Standard: As provided under the MTW Agreement, Attachment C, section B(4) HABC is authorized to waive certain provisions of 24 CFR §983.53 in order to develop and adopt new short-term transitional housing programs consistent with an eligible use of section 8 and 9 funds, with supportive services in one or more buildings in collaboration with local community-based organizations and government agencies. Participants in these programs will be eligible for transfer to Public Housing or Housing Choice Voucher Tenant-Based programs upon successful completion of the initial/mandated 12-24 months in the transitional housing programs.

Statutory Objective: To give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and to increase housing choices for low-income families.

Anticipated Impact: HABC anticipates that this activity will increase housing choices for families while creating incentives for families to obtain self-sufficiency through 12-24 months of extensive case management, budgeting and financial independency workshops, matched savings programs, and job readiness trainings.

Anticipated Timeline: This activity will be implemented 6-9 months after receiving approval from HUD.

CE #4: Increase in Resources Leveraged				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increase).	\$0	\$244,800 (voucher subsidy at \$850/mo for 24-months)		

*HABC will be providing voucher subsidy.

SS #1: Increase in Household Income				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase).	\$0	\$7,000/yr for SSI/SSDI benefits \$17,000/yr earned income		

*Employment is not a requirement for participation.

SS #3: Increase in Positive Outcomes in Employment Status				
<i>Report the Baseline, Benchmark and Outcome data for each type of employment status for those head(s) of households affected by the self-sufficiency activity.</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Report the following information separately for each category: (1) Employed Full- Time (2) Employed Part- Time (3) Enrolled in an Educational Program (4) Enrolled in Job Training Program (5) Unemployed (6) Other	(1) 0 Full-Time (2) 0 Part- Time (3) 0 Enrolled in an Educational Program (4) 0 Enrolled in Job Training Program (5) 0 Unempeyed (6) 0 Other	(1) 2 Full-Time (2) 1 Part- Time (3) 0 Enrolled in an Educational Program (4) 0 Enrolled in Job Training Program (5) 0 Unemployed (6) 21 Other		
	(1) 0% Full-Time (2) 0% Part- Time (3) 0% Enrolled in an Educational Program (4) 0% Enrolled in Job Training Program (5) 0% Unemployed (6) 0% Other	(1) 8% Full-Time (2) 4% Part- Time (3) 0% Enrolled in an Educational Program (4) 0% Enrolled in Job Training Program (5) 0% Unemployed (6) 88% Other		

*Employment is not a requirement for participation.

<i>SS #5: Households Assisted by Services that Increase Self Sufficiency</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self-sufficiency (increase).	0	24		
<i>SS #8: Households Transitioned to Self Sufficiency</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase). The PHA may create one or more definitions for "self-sufficiency" to use for this metric. Each time the PHA uses this metric, the "Outcome" number should also be provided in Section (II) Operating Information	0	24 total 10 participants within the first year. 14 participants by the end of the 2 nd year.		

<i>HC #1: Additional Units of Housing Made Available</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). If units reach a specific type of household, give that type in this box.	0	24		
<i>HC #3: Decrease in Wait List Time</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average applicant time on wait list in months (decrease).	Up to 5-years	2-5 months		

*Applicants will be referred by the Sponsor-Based Agency.

HC #5: Increase in Resident Mobility				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0	10*		

*It is expected that 18-months after implementation, approximately 10 households will move with Tenant-Based vouchers to neighborhoods of opportunity.

Data Source: HABC will use data collected from its software systems to determine the number of households receiving services to increase self-sufficiency; the number transitioned to self-sufficiency; and the number of new housing units made available for households at or below 80% AMI as a result of the activity (increase).

Thompson Leased Housing Program

23. Security Deposit Assistance

Description of MTW Activity: As authorized in Section IV.B.5 of the *Thompson Settlement Agreement*, BRHP will use HAP funds for payment to landlords to cover a security deposit for Baltimore Housing Mobility Program participants leasing in a census tract designated “opportunity” by BRHP. Subject to funding availability, BRHP will offer each participant this Security Deposit Assistance on a one-time basis, and only if that participant has repaid the entire balance of any previously grant-funded Security Deposit Assistance Loan, and is otherwise in good standing with BRHP. The Security Deposit Assistance will not exceed the equivalent of one-month’s rent and BRHP will require a participant contribution towards the security deposit of between \$200 and \$500 dollars, which will be adjusted seasonally to encourage leasing in summer months.

Authorization Standard: Attachment C, sections B(1)(b); B(2); D(2)(a).

Statutory Objective: This activity will increase housing choices for low-income families.

Anticipated Impact: BRHP anticipates that this activity will increase housing choice for program participants by removing a significant barrier to accessing quality housing in low-poverty, high-opportunity areas.

Anticipated Timeline: BRHP will implement this activity upon HUD’s approval of HABC’s FY2017 Annual Plan.

Metrics:

<i>HC #7: Households Assisted by Services that Increase Housing Choice</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase housing choice (increase).	300	325		
<i>HC #5: Increase in Resident Mobility</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	300	325		

Data Source: BRHP tracks security deposit grants through a Microsoft SharePoint site and manages disbursements through our financial management system, Quickbooks.

IV. Ongoing MTW Activities

A. Implemented Activities

Public Housing

1. *Public Housing Multi-Year Recertifications*

Description/Update of MTW Activity: Multi-Year Recertifications (2006): HABC is responsible for reexamination and verification of household income, household composition and other eligibility data. Under the original HUD approved activity, HABC indicated that it will conduct a reexamination of household income and composition for all households one time every twenty-four (24) months.

Proposed Changes: In FY 2016, HABC transitioned all public housing households to either a two-year or three-year recertification schedule. The three-year recertification schedule was implemented for households whose source of income was solely from a fixed source. Two-year recertifications were implemented for all other public housing households. No additional MTW waivers are required for the three-year recertification schedule modification. Households may request an interim recertification if needed pursuant to HABC's current policy.

Approval and Implementation: Approved in 2006 and implemented in 2011. Placed on hold FY 2014; reactivated in FY 2016.

Changes to metrics, baselines, and benchmarks: None

Impact Analysis: There is no negative impact for any tenant placed on a two or three-year cycle for rent calculation; however HABC believes that a multi-year recertification cycle will achieve greater cost effectiveness in Federal expenditures by reducing the amount of money, at least by half, the agency spends on this activity and also the amount of time staff spends to complete the activity.

Hardship Policy: Our current policy allows residents to request an interim change at any point during the recertification cycle for loss of income and HABC has no plans to change the policy.

Description of Annual Reevaluation of Rent reform Activity: HABC will reevaluate this activity on an annual basis and report its findings in the MTW Annual Report. The reevaluation will include the cost savings realized by the agency and time saved by HABC staff.

Transition Period: HABC is implementing changes to the frequency of reexaminations. A letter will be mailed to all households informing them of the changes including:

- The family's new re-exam frequency;

- Date of the last and next regular re-exam; and
- A Regular and Interim Re-exam Fact Sheet.

Board Adoption and Public Hearing: This policy was adopted by HABC’s Board of Commissioners as part of the FY17 MTW Annual Plan. The Board Resolution is attached as Appendix A in the Plan. The public hearing for the Annual Plan held on Tuesday March 22, 2016 also served as the Public Hearing for the Multi-Year Recertifications Policy. The policy was presented to public housing and Housing Choice Voucher residents as well as the Resident Advisory Board at several meetings prior to the Public Hearing.

3. *Asset Self-Certification*

Description/Update of MTW Activity: To streamline operations, HABC will allow residents to self-certify income from assets with total asset values per household of less than \$5,000.

Proposed Changes: None

Approval and Implementation: 2011

Changes to metrics, baselines, and benchmarks: None

Leased Housing

4. *Risk Based Inspections*

Description/Update of MTW Activity: HABC has implemented a Risk-Based inspection process in order to ensure that the highest housing quality standards are maintained and that HABC resources are utilized in an efficient and effective manner. Units, which have consistently met annual inspection standards, will be inspected every two (2) years. Units, which do not have such a track record, will be inspected annually. An HCVP Inspections supervisor has been assigned to evaluate each failed inspection report with five or less violations to determine if those violations qualify as non-health/safety related. HABC uses the professional judgment of HCVP Inspection Managers and relies on HQS guidelines to determine when a property’s condition poses a threat to the health and safety of HCVP participants. Cosmetic defects, minor defects, and normal wear and tear violations may be considered as non-health/safety related violations during the evaluation.

In the case of such items being deemed in a failed condition the landlord/owner will be notified of and directed to correct the defect within 30 calendar days of its discovery. The landlord must, within that 30 calendar day period, certify to this office in writing that the defect has been remedied. Certification must include the tenant’s signature verifying that the violation has been corrected. HABC reserves the right to set and modify the inspection schedule for each unit. Special inspections may be scheduled at any time at HABC’s discretion.

NOTE: Some minor cosmetic defects may be cause for health/safety violations (exposing walls, outlets, etc.) eliminating the possibility for owners to self-certify. In FY2017, HABC will continue to inform landlords about the benefits of participating in the self-certification program.

HABC conducted a pilot program in CY 2013 on Project-Based sites and implemented this initiative for the entire inventory in CY 2014. HABC began a campaign in FY 2015 informing landlords program-wide about the benefits of biennial inspections for units that consistently meet annual inspection standards.

Proposed Changes: None

Approval and Implementation: 2006 - Implementation activities began in FY 2014

Changes to metrics, baselines, and benchmarks: None

5. HCV Multi-Year Recertifications

Description/Update of MTW Activity: Two-Year Recertifications (2006): HABC is responsible for reexamination and verification of household income, household composition and other eligibility data. The HABC will conduct a reexamination of household income and composition for all households one time every twenty-four (24) months. The 24-month reexamination policy does not apply to:

- Residents living in Mod Rehab and Mod Rehab SRO units
- Residents with other vouchers that do not qualify based on HUD funding restrictions.
- Residents with Homeownership vouchers
- Residents with HUD Awarded Special vouchers (Veterans Affairs Supportive Housing (VASH)).

Three-Year Recertifications (2013): HABC transitioned elderly and/or disabled families on fixed incomes to a three year recertification schedule. All other families remain on a two-year cycle except for the Non-MTW voucher families noted above.

Proposed Changes: None

Approval and Implementation: 2006 – Two year recertifications were implemented in 2007 and three year recertifications were implemented in 2013

Changes to metrics, baselines, and benchmarks: None

6. Limits on Project Based Vouchers and Increased Project Based Units in a Project or Building

Description/Update of MTW Activity: HABC reserves the right to allocate up to 30% of its Tenant Based HCV funding for Project Based Vouchers. The HCV Administrative Plan was also modified to allow HABC to enter into Project-Based Voucher HAP contracts for greater than 25% of the units in a project/development regardless of the family or household type that will occupy the units provided that the household is eligible.

Units subsidized with project-based vouchers under this MTW initiative are placed under a HAP contract upon turnover.

Currently, due to limitations in funding, HABC allocates 13% of its Tenant Based HCV funds to Project Based Vouchers, but anticipates increasing this allocation by waiving the per-building and per-project cap on future projects.

Proposed Changes: None

Approval and Implementation: The right to allocate up to 30% of HABC's HCV funds to Project Based Vouchers was approved in FY 2006. The per-building and per-project cap waiver was approved in FY 2010.

Changes to metrics, baselines, and benchmarks: None

8 *Unit Sizes*

Description/Update of MTW Activity: The HCV Administrative Plan was modified to require participating families to select a unit size consistent with and not greater than the unit size listed on their voucher. Exceptions to this rule may be granted at the discretion of HABC where the voucher holder can demonstrate that a good faith and exhaustive effort has been made to find an appropriately sized unit or based on a reasonable accommodation request. This requirement has been modified to include current participants living in units where the unit size exceeds the voucher size.

At recertification, HABC will review with current participants the household composition and may require the family to move to the correct unit size. If the family chooses not to move, the payment standard will be adjusted to reflect the appropriate unit size.

There may be a potential delay of outcomes, due to the simultaneous implementation of the three-year recertification cycle with this MTW activity.

Proposed Changes: None

Approval and Implementation: 2010

Changes to metrics, baselines, and benchmarks: None

9. *The Bailey Long –Term Affordable Project-Based Voucher Contract*

Description/Update of MTW Activity: As part of its Moving To Work (“MTW”) program, the Housing Authority of Baltimore City (“HABC”) established an initiative in 2010, referred to as the Long Term Affordable Project Based (“LTA”) Program, to create long term affordable units for persons with disabilities in compliance with the Bailey Consent Decree.

The LTA program combines features of the Project Based Voucher program – such as the ability of owners to obtain long-term financing from banks and other private equity sources – with the resident protections and long-term affordability features of the Public Housing program.

LTA units are subsidized through LTA Project Based contracts with minimum forty (40) year terms entered into between HABC and eligible property owners. LTA property owners are required to adopt the LTA Admissions & Continued Occupancy Criteria (“LTA Criteria”). Residents of LTA units will have rights and protections as set forth in the LTA Criteria and will enter into a lease with the project owner that is developed by HABC for the LTA units (the “LTA Lease”), which incorporates the regulatory requirements for a public housing lease and grievance procedures. LTA Project Based units are occupied by families on the public housing waiting list.

HABC will create a Housing Assistance Payment (HAP) contract to: increase the term of the contract to 40 years, consistent with the long term affordability period; and set forth what public housing rights, privileges and benefits must be afforded the NED residents in LTA units.

Proposed Changes: None

Approval and Implementation: 2010

Changes to metrics, baselines, and benchmarks: Under HUD’s revised MTW reporting requirements, HABC is required to revise its MTW benchmarks, baseline, and metrics for consistency with the recently established HUD Standard Metrics. The table below provides the revised information for this MTW activity. HABC will report on outcomes in the MTW Annual Report.

10. *The HABC Long –Term Affordable Project-Based Voucher Contract*

Description/Update of MTW Activity: In FY 2014, HABC established the Long Term Affordable Project Based Program (“LTA-PB Program”). Under this Program, HABC created long term affordable project based units (“Long Term Affordable Project Based Units” or “LTA-PB Units”) in addition to the long term affordable units created for persons with disabilities pursuant to the Bailey Consent Decree which HUD previously approved under HABC’s MTW Agreement.

The LTA-PB Units shall be managed and operated primarily in accordance with the HUD regulations governing public housing units (*e.g.*, 24 CFR Parts 5, 960, 966, and the like)

(the “Public Housing Regulations”), even though the LTA-PB Units will be subsidized with project based voucher funds. The LTA-PB Units shall remain affordable for a minimum of forty (40) years. The LTA-PB Program will provide to applicants for, and residents of, the LTA-PB Units most of the rights, privileges, and benefits that are provided under the public housing regulations. LTA Project Based units are occupied by families on the public housing waiting list.

LTA-PB property owners will be required to adopt the criteria for leasing and continued occupancy of the LTA-PB Units (“LTA Criteria”). HABC will require developers/owners of certain redeveloped public housing sites and/or certain project-based voucher sites to comply with the LTA Criteria.

Proposed Changes: None

Approval and Implementation: 2014

Changes to metrics, baselines, and benchmarks: None

11. *Energy Conservation Utility Allowance*

Description of MTW Activity: HABC provides utility allowances for households responsible for payment of utilities for water, electricity, gas, other heating, cooking fuels and sewage services. In an effort to reinforce energy conservation activities and reduce the cost of water/sewage utility allowances, HABC will encourage the completion of a water audit and use of low-flow toilets by HCV tenants and landlords/owners. HABC will conduct outreach to HCV landlords and tenants, where the household is responsible for payment of the water/sewer utility, to notify them of a locally funded opportunity to have a water audit conducted in their unit. Water audits will be conducted by the Department of Housing and Community Development, flow restrictors will be installed in the sink, the shower and water hook-up valves. Tenants will be provided with water conservation measures free of charge. Landlords/owners are required to repair any leaks identified during the water audit before the conservation efforts will be implemented.

Using its MTW authority, those HCV households that have participated in the water audit and had the flow restrictive devices installed will be eligible to have low-flow toilets purchased and installed, free of charge, by HABC. HABC will establish a conservation water/sewer utility allowance (UA) for households who take part in and complete the water audit. HABC will apply the conservation water/sewer UA to the household at their first regular recertification after the conservation activities have been completed. Participation in the audit is not mandatory, however owners and tenants are incentivized to complete the audit to receive new toilets and reduce their water/sewer bills. Cost savings for this MTW initiative will be fully realized upon full reimbursement of the capital expenditure and upon adjustment of applicable UAs.

Baltimore City Tariff uses the latest approved tariff, including the Bay Restoration Fee to calculate the dollar amount of the unit price for water and sewer costs per unit size and corresponding average number of tenants for each unit. HABC contracted TA Engineering, Inc. that based the utility/water consumption on the findings of the American

Water Works Association (AWWA) Research Foundation: “Residential End Uses of Water.” These resources determined the average consumption per household and multiplied it by the City’s tariff rate to get the dollar amount per 100 cubic feet (CCF). The average allowance for Baltimore City in 2013 was \$9.40/CCF. This increased by \$1.21 over 2012, when it was \$8.19/CCF. According to TA Engineering, Inc. there will be a probable reduction of 25-40% to the Utility Allowance (UA) through these water conservation efforts. A new contract will be established to revise UA tables based on HUD Form 52667 that will be prepared in FY2016, and will include a separate line item specifically for the energy conservation allowances.

Proposed Changes: None

Approval and Implementation: Planning, policy and procedure development took place in the first part of FY 2015; however, final implementation has been delayed due to the lack of funding resources from Housing’s Community Development and Planning Department. To date, implementation is planned to take place by the end of FY 2016.

Changes to metrics, baselines, and benchmarks: None

Thompson Leased Housing Program

14. *Exception Payment Standards*

Description/Update of MTW Activity: Payment Standards for the Thompson mobility program will be set between 90 and 135 percent of the HUD published Fair Market Rent. The payment standard will be set using a consistent methodology that compares the ration of area median rent to the actual rent of the census tract. Implementation of exception payment standards is subject to funding availability.

Proposed Changes: As authorized by Section IV.G.2 of the *Thompson* Settlement Agreement, and Section D(2)(a) of the MTW Agreement, BRHP will change its Payment Standards for the Baltimore Housing Mobility Program *from 90 up to 130 percent to 90 up to 135 percent of the HUD published FMR.*

Approval and Implementation: 2007

Changes to metrics, baselines, and benchmarks: Although BRHP will change its Payment Standards for the Baltimore Housing Mobility Program from 90 up to 130 percent of the HUD published FMR to 90 up to 135 percent of the HUD published FMR; this will not result in changes to the metrics or baseline; however changes have been made to the benchmarks.

15. *Thompson Biennial Recertifications*

Description/Update of MTW Activity: Pursuant to HABC's MTW authority, families participating in the Baltimore Housing Mobility Program must have their household composition and income re-determined at least once every 25 months.

Proposed Changes: None

Approval and Implementation: Approved in FY 2006 Plan and Implemented in 2007

Changes to metrics, baselines, and benchmarks: The Baseline below is based on 1,246 participants and an average specialist salary of \$25.00 per hour. The revised Benchmark is based on 3,151 participants and an average specialist salary of \$25.25.

16. *Thompson Risk Based Inspections*

Description/Update of MTW Activity: Pursuant to HABC's MTW authority, units in the Baltimore Housing Mobility Program will have their units re-inspected at least once every 25 months. Owners and families are allowed to self-certify that non-emergency items identified as "fail" during an HQS inspection have been repaired. Only units located in the allowable (non-impacted) areas are eligible for this option. The fail items must be minor and determined to be non-emergency to be eligible for self-certification. The self-certification process will require the owner and tenant family to certify that the repairs have been made. A random sample of units that have been approved under the self-certification option will receive a quality control inspection.

Proposed Changes: None

Approval and Implementation: 2010

Changes to metrics, baselines, and benchmarks: None

17. *HAP Contract Modifications – Thompson Floating Units*

Description/Update of MTW Activity: The Special Administrative Plan was modified to reflect previously approved activities that have not yet been implemented related to the Project Based Voucher program. This initiative allows floating units instead of identifying specific units in the HAP contract in the Project Based Voucher program.

Proposed Changes: None

Approval and Implementation: Approved in 2009 and implemented in 2010.

Changes to metrics, baselines, and benchmarks: None

18. *Asset Income for Thompson Participants*

Description/Update of MTW Activity: HABC excludes all income from assets when the cash value of the asset is less than \$50,000. This initiative will reduce the time it takes to

verify income. This rent simplification measure will increase efficiency without having any negative impact on increasing residents' rent.

Proposed Changes: None

Approval and Implementation: 2012

Changes to metrics, baselines, and benchmarks: None

19. *Adjusted Income for Thompson Participants*

Description/Update of MTW Activity: Pursuant to HABC's MTW authority, the gross annual income of participants in the Baltimore Housing Mobility Program shall be reduced using a standard deduction. There will be a standard deduction for working families, disabled families and non-disabled families without wages. The deductions are:

- \$3,200 for households with wages
- \$1,200 for households without wages
- \$400 for any elderly or disabled family (to be combined with either of the above deductions)

Proposed Changes: None

Approval and Implementation: 2012

Changes to metrics, baselines, and benchmarks: None

20. *Exclude Income from Full-Time Students and Adopted Household Members*

Description/Update of MTW Activity: The goal of this activity is to exclude all income from full time students and adoptive income sources because the program has adopted flat deductions, and most of the income from these sources is statutorily excluded, upon full implementation, zero (0) families will have any income, for the purposes of calculating the tenant rent, attributable to full time students and/or adoptive income.

As of January 15, 2015, there were 0 clients with adoptive income and 37 clients with full time student status that also had wages. The wages for seventeen (17) of the full time students was fully excluded. The remaining 20 clients will have the un-excluded portion (\$480) of their wages excluded at the time of their next biennial reexamination.

Proposed Changes: None

Approval and Implementation: 2014

Changes to metrics, baselines, and benchmarks: None

B. Not Yet Implemented

1C. *Project Based Voucher Amendments to the HAP Contract (Leased Housing)*

Description/Update of MTW Activity: HUD regulations at 24 CFR 983.206 (b) provide that “a HAP contract may be amended during the three-year period immediately following the execution date of the HAP contract to add additional PBV contract units in the same building. An amendment to the HAP contract is subject to all PBV requirements (e.g., rents are reasonable), except that a new PBV request for proposals is not required. Using its MTW authority, HABC plans to waive this three-year restriction, which will allow HABC to amend the HAP contract at any time during the initial fifteen year term of the HAP contract and during any renewal term of the HAP contract. Under this proposal, HABC may exercise this option for all PBV units, including, but not limited to the Bailey LTA and PBV units and the non-Bailey LTA PB units.

Approved: FY 2015 Annual Plan

Update on Implementation: HABC anticipates that implementation of this activity will occur in FY 2017.

C. Activities on Hold

1H. *Family Self Sufficiency (Public Housing)*

Description of MTW Activity: HABC established a combined Public Housing and HCV Family Self Sufficiency program. Program requirements varied from the existing regulatory framework in the following ways:

- 1) Elimination of mandated thresholds for number of participants in the HCVP program and expansion of the program to include public housing residents;
- 2) Enhanced program design to target the populations in need;
- 3) A focused on outcomes that included homeownership and unsubsidized economic independence;
- 4) Modification of the maximum contract period from five (5) to four (4) years; and
- 5) Revised procedures/regulations regarding the release of the escrow funds.

Approved: FY 2006 Annual Plan

Placed on Hold: FY 2014

Status Update: The FSS program that required MTW authority was placed on hold in FY 2014. HABC has reverted back to the traditional FSS program and does not need MTW authority to implement. HABC may choose to reactivate this activity in the future, but at this time has no definitive plans for reactivation.

2H. *MTW Homeownership Program – (Public Housing)*

Description MTW Activity: Using its MTW flexibility, HABC submitted a revised Section 32 Homeownership Plan, which was approved by HUD in 2009. Under the Plan, HABC will identify and rehabilitate various vacant scattered sites properties for homeownership sale to eligible residents.

Proposed Changes: Stricter guidelines imposed by lenders have reduced the number of public housing participants who are eligible to purchase a home, In addition, many public housing residents experience barriers when trying to purchase a home such as a poor credit history, lack of job history and retention and wariness in leaving the public housing rental program.

Approval: FY 2009 Annual Plan

Placed on Hold: FY 2014

Status Update: This activity was placed on hold in FY 2014 as HABC works to revise the program policies. HABC may choose to reactivate this activity in the future, but at this time has no definitive plans for reactivation.

3H. *Section 811 Supportive Housing (Leased Housing)*

Description of MTW Activity: HABC proposed combining MTW funds with 811 funds to create units for non-elderly persons with disabilities pursuant to the Bailey Consent Decree. HABC intends to make these funds available through a competitive process and will require developers to demonstrate through specified documentation that the project has a gap that cannot otherwise be addressed.

Approved: FY 2009 Annual Plan

Placed on Hold: FY 2014

Status Update: This activity was placed on hold in FY 2014 due to a lack of interest from developers. HABC may choose to reactivate this activity in the future, but at this time has no definitive plans for reactivation.

4H. *Project-Based Voucher Award Process (Leased Housing)*

Description/Update of MTW Activity: HABC will establish a rolling selection process based on threshold criteria established by HABC

Approved: FY 2014 Annual Plan

Placed on Hold: FY 2015

Status Update: This MTW activity was intended to facilitate the increase of units in HABC's project-based voucher inventory in order to comply with the Authority's obligations under the Bailey Consent Decree ("the Decree"). Since HABC was able to

acquire most of the units it needs under the Decree, this activity has been placed on hold but HABC may choose to reactivate it in the future.

5H. *Direct Homeownership Program (Thompson Vouchers)*

Description MTW Activity: The direct purchase second mortgage program is for applicants with incomes of no less than \$18,000 per year. Participants in this initiative do not receive a Section 8 homeownership voucher. A soft second mortgage of HOME VI funds is available through this program.

Approved: FY 2012 Annual Plan

Placed on Hold: FY 2014

Status Update: This activity was placed on hold in FY 2014 due to lack of participants.

D. Closed Out Activities

1C. *Adoption of New Investment Policies for HABC (Fiscal Operations)*

In FY 2013, HABC proposed adopting new investment policies thereby increasing investment revenue and decreasing the federal expenditures necessary to carry out the federal program. For example, if the investment revenue is increased by \$100,000 due to a more favorable investment rate of return, this increased revenue can be used to offset the OPEB liability. HABC decided not to implement this activity due to the terms of a General Depository Agreement with the State.

2C. *Payment Standards at the 50th Percentile (Leased Housing)*

This activity was approved in FY 2009. HUD has adjusted the area Fair Market Rent (FMR) to the 50th percentile for HABC; therefore MTW authority is no longer required and this activity was closed out in FY 2011.

3C. *TDC Limits (Public Housing)*

In FY 2009 HABC established a local Total Development Cost policy to acquire the 58 scattered site units under the Thompson Consent Decree. This activity was approved by HUD via a letter dated March 12, 2009. In January 2012 the last the scattered site unit was acquired and this activity has been closed out.

4C. *Utility Allowances for Families Living in Larger Units than Voucher Size (Leased Housing)*

This MTW activity was implemented in FY2012. Under the 2014 Appropriations Act the rule on utility allowances changed to require that PHAs match the utility allowance payment to the actual unit size and not the voucher size. Based upon the 2014 Appropriations Act language HABC no longer needs to designate this activity as MTW. In addition this MTW activity was approved in the FY 2010 Annual Plan, but has been incorporated into the FY 2015 unit size proposal.

5C. *Utility Allowances for Families Living in Larger Units than Voucher Size (Thompson Vouchers)*

This MTW activity was approved in the FY 2014 Annual Plan, but has been incorporated into the FY 2015 unit size proposal.

6C. *Project-Based or Transitional Housing (Leased Housing)*

This MTW activity was approved in the FY 2007-2008 Annual Plan. In 2014 The Collington House facility lost its eligibility to retain project-based vouchers and this program was closed out.

7C. *Encouraging Leasing in Higher Opportunity Neighborhoods (Thompson Vouchers)*

This MTW activity was planned for implementation in FY 2015 however upon further consideration BRHP will not implement this activity and it was closed out in DFY2016.

8C. *Gilmor Self Sufficiency Initiative (Public Housing)*

Description MTW Activity: This activity simplified the rent policy for staff and residents; and encouraged employment, job retention, and wage progression. It also increased choices for HABC's clients by providing residents with an additional rent policy option; and applicants with a demonstration site with enhanced self-sufficiency services and a rent policy versus other available public housing sites.

Status Update: A shortage of funds to provide employment counseling forced the closure of this program in FY2015.

9C. *Rent Policy(Public Housing)*

Description of MTW Activity: HABC received HUD approval in FY 2012 to implement agency-wide the rent policy adopted for Gilmor Homes; however, due to lack of funding and the on-going revisions of the Gilmor Homes rent policies, this activity has been placed on hold in FY 2014.

Status Update: This activity was identical to the Gilmor Homes Demonstration Program and was implemented at the remainder of HABC's inventory however a shortage of funds to provide employment counseling forced the closure of this program in FY2015.

10C. *Journey Home (Leased Housing)*

Description/Update of MTW Activity: HABC will exercise its MTW fund flexibility in order to use MTW Block Grant Funds as housing subsidy for participants in the Journey Home Program.

Status Update: The Journey Home Program was closed in FY2016. There are no active participants whose housing assistance is funded by HABC.

11C. *The Front Door Program (Leased Housing)*

Description/Update of MTW Activity: HABC partnered with the Mayor's Office of Human Services/Homeless Services Program, Sarah's Hope (a shelter for the homeless); and St. Vincent De Paul to provide MTW Block Grant funds to the Front Door Program that will

rapidly house 36 homeless families for up to one year using two distinct strategies. HABC will monitor each family's continuous occupancy for two-years after lease up.

Status Update: The contract ended December 31, 2014, six months into HABC's FY2015. The contract has not been renewed, and the activity has been put on hold for further evaluation.

12C. *Rent Increase Determinations (Leased Housing)*

Description/Update of MTW Activity: This activity will increase cost effectiveness in Federal expenditures by keeping program spending within budgetary limits. Suspending rent increase adjustments will keep HCV program spending within budgetary limits. Exceeding available funding will force HABC to withdraw assistance from a number of families causing a hardship for those families and property owners.

Status Update: This MTW activity is intended to keep spending within budgetary limits. As such it was closed out in FY2016.

13C. *Limit on Interim Recertifications (Leased Housing)*

Description/Update of MTW Activity: Currently HABC conducts regular recertifications on a biennial basis for all households with some exceptions, i.e. households with homeownership vouchers. HABC conducts regular recertifications every three (3) years for elderly and/or disabled households on fixed incomes. HABC existing policy on interim reexamination is such that households may report decreases in income/increases in unreimbursed expenses at any time (voluntary interim recertification) and HABC will, upon verification of the change, process an interim rent reduction. Conversely, households are required to report certain changes in household composition and increases in income (required interim recertifications). In such cases, HABC will process an interim rent increase three months from the date of the change or on the effective date of the recertification, whichever comes earlier.

Status Update: This activity was placed on hold in FY 2014 due to comments received from the public and closed out in FY2016.

V. MTW Sources and Uses of Funding

This section of the Annual Plan describes HABC's planned sources and uses of MTW Block Grant. Planned sources and uses for other HUD, other federal, State and Local funds and other Non-MTW funds are described in a separate attachment. This financial plan is compiled based on current information and HUD's anticipated funding level as of February 2016. It is subject to revision as conditions and/or assumptions change.

A. Planned Sources and Uses of MTW Funds

HABC's Moving-to-Work (MTW) Block Grant includes three major funding sources:

- Low Income Public Housing (LIPH)
- Section 8 Housing Choice Voucher (HCV)
- Capital Fund Program (CFP) / Demolition or Disposition Transitional Funding (DDT), formerly known as the Replacement Housing Factor Fund (RHFF)

On December 24, 2013, HABC received HUD approval of a Portfolio Award under the Resident Assistance Demonstration (RAD) program covering 24 public housing sites for a total of more than 4,000 units. This Portfolio Award is HUD's commitment to reserve conversion authority for the identified units in the portfolio. The purpose of the award is to begin the conversion of public housing to a form of project-based assistance under Section 8 of the Housing Act of 1937. Approximately \$350 million capital improvement funds would be infused to renovate these housing sites.

As of February 2016, seven sites (Allendale, BE Mason, Bel Park, Brentwood, Hollins House, Lakeview Towers, Primrose and Wyman House) totaling 1,514 units have successfully been converted to RAD. The FY 2017 MTW Plan as described below includes the assumption that conversion to RAD for the remaining approved units will be completed by December 2016.

(V) Sources and Uses of Funds

MTW PLAN

V.1.Plan.Sources and Uses of MTW Funds

A. MTW Plan: Sources and Uses of MTW Funds

Estimated Sources of MTW Funding for the Coming Fiscal Year

PHAs shall provide the estimated sources and amounts of MTW funding by FDS line item.

Sources		
FDS Line Item	FDS Line Item Name	Dollar Amount
70500 (70300+70400)	Total Tenant Revenue	\$ 23,588,464
70600	HUD PHA Operating Grants	\$ 268,103,759
70610	Capital Grants	\$ 26,535,408
70700 (70710+70720+70730+70740+70750)	Total Fee Revenue	\$ 0
71100+72000	Interest Income	\$ 125,225
71600	Gain or Loss on Sale of Capital Assets	\$ 0
71200+71300+71310+71400+71500	Other Income	\$ 3,070,676
70000	Total Revenue	\$ 321,423,532

Notes to Sources:

1. Tenant Revenue is planned at a 97% occupancy rate, except for the RAD sites in which vacant units are planned to get ready for renovation. Total Tenant Revenue also includes estimated income billable from various tenant transactions such as warrant, court and maintenance costs anticipated during FY 2017.
2. HABC's Total Operating Grants of \$268,103,759 from HUD include the following funding estimates:
 - Section 8 HCV Housing Assistance Payments (HAP) subsidies in the amount of \$132,140,013 for Regular HABC Vouchers, the Thompson Partial Consent Decree and Remedial Vouchers totaling \$56,603,740 was provided by Baltimore Regional Housing Partnership (BRHP) based on the estimated leasing level.
 - Ongoing Administrative Fee Earned in the amount of \$11,899,807 (\$9,744,749 for Regular HABC Vouchers, \$2,155,058 for Partial Consent Decree and Remedial Vouchers) is calculated based on an estimated proration at 80%.
 - Public Housing Subsidies of \$66,376,146 is budgeted based on an estimated 86% funding proration for the fiscal year ending June 30, 2017.
 - Capital Fund soft costs in the amount of \$1,084,053 are estimated for administering the planned capital improvement and operating activities.
3. Capital Grants Hard Costs funding of \$30,323,204 is based on planned capital improvement and construction activities as described in the Capital Improvement Plan.
4. HABC does not report Fee Revenue as HABC has adopted a Local Asset Management Plan since FY 2010.
5. Until RAD transactions are completed, a gain or loss for disposal of capital assets is not estimated for the FY17 budget although HABC plans to convert all 24 public housing sites to RAD by December 2016.
6. Other Income is related to vending machines, excess utilities, and lease income from the public housing program. It also includes Fraud Recovery for the recovery of funds from the Section 8 HCV program.

Estimated Uses of MTW Funding for the Coming Fiscal Year

PHAs shall provide the estimated uses and amounts of MTW spending by FDS line item.

Uses		
FDS Line Item	FDS Line Item Name	Dollar Amount
91000 (91100+91200+91400+91500+91600+91700+91800+91900)	Total Operating - Administrative	\$ 33,881,212
91300+91310+92000	Management Fee Expense	\$ 2,424,051
91810	Allocated Overhead	\$ (608,060)
92500 (92100+92200+92300+92400)	Total Tenant Services	\$ 1,948,770
93000 (93100+93600+93200+93300+93400+93800)	Total Utilities	\$ 20,610,120
93500+93700	Labor	\$ 0
94000 (94100+94200+94300+94500)	Total Ordinary Maintenance	\$ 29,969,436
95000 (95100+95200+95300+95500)	Total Protective Services	\$ 992,841
96100 (96110+96120+96130+96140)	Total insurance Premiums	\$ 2,437,377
96000 (96200+96210+96300+96400+96500+96600+96800)	Total Other General Expenses	\$ 10,020,772
96700 (96710+96720+96730)	Total Interest Expense and Amortization Cost	\$ 3,542,884
97100+97200	Total Extraordinary Maintenance	\$ 631,954
97300+97350	Housing Assistance Payments + HAP Portability-In	\$188,743,753
97400	Depreciation Expense	\$ 31,000,000
97500+97600+97700+97800	All Other Expenses	\$ 287,819
90000	Total Expenses	\$325,882,929

HABC’s projected total MTW Uses of Funds are as follows:

Total Expenses	\$325,882,929
Less: Depreciation Expense	(31,000,000)
Capital Hard Cost	\$30,323,204
MTW Uses of Funds	\$325,206,133

Uses of Fund exceed Sources of Fund by \$3,782,601, which will be funded by MTW reserves for capital improvement activities as discussed in detail under the capital improvement plan. Capital Hard Costs in FY 2017 include electrical distribution upgrades and major renovations for Douglass Homes, Phase 1B for 68 rental units at O’Donnell Heights, roof replacement and installation of filtration system for heating at Cherry Hill, gas pipe replacement and units renovation at Rosemont, new construction of the Uniform Federal Accessibility Standards units for the Bailey consent decree, site modifications and other major renovation at various sites.

Notes to Expense:

1. Administrative expenses include salaries and benefits for administrative and CFP/DDT programs staff. Also included are salaries and benefits for Housing Management staff at the Asset Management Project (AMP) levels as well as program staffs for the Section 8 HCV program. In addition, this category also includes operating expenses such as office rent, telephone, computer materials and contracts, postage and supplies for all programs.
2. Management Fees expense includes fees for HABC’s Privately Managed Sites by outside management firms.
3. Allocated Overhead is calculated based on HUD’s approved Local Asset Management Program since FY 2010. The proposed updated cost allocation calculations for FY 2017 are included in Appendix C.
4. Tenant Services includes salaries, benefits, materials and supplies used to support tenant councils and the Resident Advisory Board, and to provide direct services to residents of public housing.
5. Utilities include expenses for water, electricity, gas, steam and fuel consumed by HABC’s AMPs. HABC continues to exercise prudent procurement actions to achieve favorable utility rates. Utility consumptions are adjusted based on addition or demolition activities planned for the fiscal year. In addition, applicable utility savings as a result of the Energy Performance Contract (EPC) has also been factored into the projected utility costs.
6. Ordinary Maintenance includes salaries and benefits of maintenance workers and crews assigned to public housing units. It also includes maintenance materials and maintenance contracts used for ordinary maintenance operations. This category also includes outside contract costs to privatized firms, which manage some of HABC’s public housing and affordable housing units.
7. Protective Services includes salaries, benefits and other related costs of building monitors assigned to public housing developments and outside security contracts for the developments.
8. Insurance Premiums are budgeted for properties, general liability, worker’s compensation, automobiles, commercial crime, EDP data and media, boiler and machinery for the MTW activities.

9. Other General Expenses include compensated absences, collection losses for uncollected rent and Payment in Lieu of Taxes (PILOT).
10. Interest Expense is budgeted for interest associated with the EPC Debt Service.
11. Extraordinary Maintenance is planned for unforeseen break down of heating systems, boilers, chillers, etc. This line also includes Casualty Loss which are estimated for unforeseen repairs and losses at public housing units that are not covered by insurance carriers.
12. Housing Assistance Payments (HAPs) include rent subsidies paid to landlords and utility assistance paid to tenants under the Section 8 HCV program. Section 8 HCV HAP expenditures are budgeted in the amount of \$188,743,753 (\$132,140,013 for Regular HABC Vouchers, \$32,433,943 for Partial Consent Decree Vouchers and 24,169,797 for Remedial Vouchers). The Plaintiffs of the Thompson Consent Decree have created a non-profit corporation, Baltimore Regional Housing Partnership (BRHP) to serve as Administrator beginning January 2014 and therefore, the HAP amount for Thompson consent decree and remedial vouchers in FY 2017 is reported as a pass-through from HABC to BRHP.
13. Depreciation Expense is estimated for the costs of tangible fixed assets allocated over their useful lives. Depreciation expense is based on HABC's fixed asset records and depreciation methods.

B. Single Fund Flexibility

The MTW Agreement allows HABC to combine public housing operating and capital funds including DDT provided under Section 9, and HCV's tenant-based voucher program funds provided under Section 8 of the 1937 Act into a single, authority-wide block grant funding source. HABC uses this combined funding source to carry out MTW program activities in support of MTW statutory objectives to achieve greater costs effectiveness and to increase housing choices for low-income families.

The following activities will take place in FY 2017 using single fund flexibility concept:

- Due to inadequate funding for capital activities, HABC plans to use the prior year's MTW block grant reserve to supplement various capital improvements as detailed in the FY 2017 Capital Spending Plan using single fund flexibility concept.
- HABC continues to use the prior year's MTW block grant reserve fund for renovation and development of UFAS units to meet the 504 accessibility requirements using single fund flexibility concept.

V.2.Plan.Local Asset Management Plan

B. MTW Plan: Local Asset Management Plan

Is the PHA allocating costs within statute?

or

 No

Is the PHA implementing a local asset management plan (LAMP)?

 Yes

or

If the PHA is implementing a LAMP, it shall be described in an appendix every year beginning with the year it is proposed and approved. The narrative shall explain the deviations from existing HUD requirements and should be updated if any changes are made to the LAMP.

Has the PHA provided a LAMP in the appendix?

 Yes

or

HUD has approved HABC's Local Asset Management Program as part of the Annual Plan submission since FY 2010. The proposed updated cost allocation calculations for FY 2017 are included in Appendix C. The indirect cost rate for 2017 will be 14.57% for MTW and 13.72% for non-MTW.

VI. Administrative

Pursuant to Attachment B Section VI of HABC's MTW Agreement with the Department of Housing and Urban Development (HUD) the Fiscal Year 2017 MTW Annual Plan was made available for public review and comment for thirty (30) days beginning February 26, 2016, and ending on March 28, 2016. Copies of the FY 2017 Annual Plan were available at HABC's main offices, the Enoch Pratt Free Library and on the website at www.baltimorehousing.org. A public hearing was held on March 22, 2016 at 201 N. Aisquith Street, Baltimore MD 21202. Seventy-one (71) people attended the public meeting, and HABC reviewed and considered all comments that were received (See Appendix O). Signed copies of the Board Resolution signifying approval of the FY 2017 Annual Plan and the Certifications of Compliance with Regulations signifying the adoption of same are included as Appendix A.

HABC will continue to monitor and evaluate MTW activities during FY 2017. At this point, HABC does not intend to use external evaluators for new or ongoing MTW initiatives. Internal reports will be generated on a periodic basis to assess performance against proposed targets. Quarterly internal reviews are conducted with program staff and management to review and evaluate results and, if necessary, to modify proposed strategies to improve results. Annual evaluation results will be reported as appropriate by HABC in the MTW Annual Report.

This section of the Plan also provides a list of appendixes including materials required by HUD pursuant to the MTW Agreement and other information provided by HABC to inform HUD and the public of its MTW activities. The following is a list of appendixes:

Appendix A: Board Resolution and Certification of Compliance

Appendix B: Asset Management Table

Appendix C: FY 2016 Proposed Cost Allocation Methodology & Local Asset Management Plan

Appendix D: Certifications : HUD-50071 – Certification of Payments to Influence Federal Transactions

- SF-424 – Application for Federal Assistance
- HUD-52723 – Operating Fund Calculation of Operating Subsidy
- SF-LLL – Disclosure of Lobbying Activities

Appendix E: Summary of Proposed Changes to the Thompson Special Admin Plan

Appendix F: Summary of Proposed Changes to the HCV Administrative Plan

Appendix G: Matrix of ACOP, Lease and Grievance Changes

Appendix H: The Annual Statement/Performance and Evaluation Report

Appendix I: Private Management Portfolio

Appendix J: General Housing Information and MTW Sources & Uses

Appendix K: Office of Resident Services

Appendix L: Information Technology

Appendix M: Non-MTW Information

Appendix N: Amendments to the Annual Plan

Appendix O: Review of Comments Received and Subsequent Changes

Appendix P: The Public Process