

Louisville Metro Housing Authority

Moving to Work Annual Report

Fiscal Year 2020

July 1, 2019 – June 30, 2020

**Submitted to the
U.S. Department of Housing and Urban Development
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I. Introduction

The Louisville Metro Housing Authority is a nonprofit agency responsible for the development and management of federally assisted housing in the Louisville Metro area, which includes Jefferson County. A nine-member Board of Commissioners, appointed by the Metro Mayor, serves as the agency's policymaking body. In Fiscal Year 2020, LMHA administered rental assistance for approximately 12,270 families through its Public Housing, Housing Choice Voucher and related programs.

A. Moving to Work (MTW) Demonstration Program Overview

In 1999, LMHA, then the Housing Authority of Louisville, became one of a small group of public housing agencies designated to participate in the Moving to Work (MTW) Demonstration Program. MTW is a demonstration program authorized by Congress, through which participating Public Housing Authorities are provided flexibility to waive certain statutes and federal regulations in order to design and test, unique and locally-driven approaches for providing housing assistance. These approaches must address one or more of the following MTW statutory objectives:

1. Reduce cost and achieve greater cost effectiveness in Federal expenditures;
2. Provide 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.

MTW designation also permits LMHA to combine public housing operating and capital funds, along with Housing Choice Voucher rental assistance funds, into a single agency-wide MTW Block Grant, and to use these funds flexibly for all authorized purposes.

The terms and conditions of LMHA's participation in the MTW Program are defined in the MTW Agreement between LMHA and the US Department of Housing and Urban Development (HUD). The current MTW Agreement extends through 2028.

At the close of each Fiscal Year, LMHA is required to submit an MTW Annual Report in a format defined by HUD. This Annual Report summarizes LMHA's MTW activities and initiatives for Fiscal Year 2020, i.e. the period from July 1, 2019 through June 30, 2020. For purposes of the Annual Report, an "MTW activity" is defined as any activity that requires MTW flexibility to waive statutory or regulatory requirements. As required, the Annual Report focuses primarily on describing the outcomes of existing approved and implemented MTW activities.

B. Long Term MTW Goals and Objectives

LMHA believes that MTW designation provides an important set of tools that can be utilized to support the agency's mission, which is to provide quality, affordable housing for those in need, to assist residents in their efforts to achieve financial independence, and to work with the community to strengthen neighborhoods.

At the inception of LMHA's designation as an MTW agency, LMHA carefully evaluated its own goals and objectives, comparing them to those of the MTW demonstration. The outcome of this process was the

development of an original listing of six (6) long-term goals for LMHA's participation in the MTW program. Subsequently, LMHA added a seventh goal, which focuses on serving a growing number of populations with specific needs that often go unmet by existing housing and support service infrastructure. The following are LMHA's locally-determined long-term goals:

- Increase the share of residents moving toward self-sufficiency;
- Achieve a greater income mix at LMHA properties;
- Expand the spatial dispersal of assisted housing;
- Improve the quality of the assisted housing stock;
- Reduce and/or reallocate administrative, operational and/or maintenance costs;
- Enhance the Housing Authority's capacity to plan and deliver effective programs; and
- Develop programs and housing stock targeted to populations with special needs, especially those families not adequately served elsewhere in the community.

C. MTW Short Term Goals and Objectives

The mission of the Louisville Metro Housing Authority (LMHA) is to provide quality, affordable housing for those in need, to assist residents in their efforts to achieve financial independence, and to work with the community to strengthen neighborhoods. During FY 2020, LMHA undertook a range of MTW related and other activities in the Housing Choice Voucher and Public Housing programs, which are summarized below. A complete list of LMHA's MTW activities is shown on the table *Moving to Work (MTW) Activity Matrix*.

The onset of the COVID-19 pandemic created enormous challenges for LMHA during the last months of the fiscal year, requiring the agency to undertake dramatic and unprecedented modifications to agency policies and procedures in order to promote the health and safety of residents, staff and the general public. To support these efforts, LMHA implemented a series of program changes and short-term regulatory waivers as allowed by HUD and authorized under the federal CARES Act. For example, LMHA waived the requirement for participants to provide third party verification during regular and interim reexaminations. While LMHA made substantial progress towards its planned FY 2020 goals and objectives, COVID-19 impacted many areas of agency operations such as leasing activity, rent collections, inspections and other areas that were directly affected by the statewide mandatory closing and/or social distancing requirements.

- ***Housing Choice Vouchers:*** In FY 2020, LMHA provided rental assistance and related services to 9,065 MTW households through the HCV program including LMHA's Local Non-Traditional MTW Voucher programs. An additional 356 households were served through the VASH program.
- ***Public Housing:*** In FY 2020, LMHA served 3,205 public housing households. Additionally, LMHA continued its preservation and redevelopment efforts across the public housing portfolio.

- **Rent Policies:** LMHA consolidated rent simplification activities. The new activity includes previously approved rent simplification policies, such as a standard medication deduction. Additionally, LMHA incorporated several new rent simplification policies in FY 2020, including:
 - A revised asset policy;
 - Exclusion of full-time student income;
 - Exclusion of adoption assistance payment; and,
 - A revised method of payment standard application.

All rent simplification policies streamline the rent calculation process and incentivize household members to pursue job training or education programs or obtain employment.

- **Streamlined Flat Rent:** In FY 2020, LMHA implemented a new Streamlined Flat Rent policy. The revised policy allows LMHA to update flat rents every 5 years, except during years where the average Fair Market Rent (FMR) increases more than 5%. The new process has reduced the amount of time staff spend annually on flat rent updates for public housing families.
- **Local Forms:** LMHA developed several local versions of HUD required forms to streamline processing. In FY 2020, LMHA implemented a local version of the FSS Contract of Participation and Individual Training and Service Plan to reflect changes implemented as a result of the FSS Program Enhancements activity. Additionally, LMHA revised the Project Based HAP contract to account for the flexibilities provided under the Local PBV Program activity.
- **FSS Program Enhancements:** LMHA implemented enhancements to its Family Self-Sufficiency (FSS) Program in FY 2020. Enhancements have better assisted participants in attaining self-sufficiency goals and streamlined processes for administering staff.
- **Gap Financing Program:** LMHA completed implementation planning for the Gap Financing Program, which assists in the development and preservation of affordable housing. By providing developers awarded Project Based Vouchers (PBVs), gap financing in the form of loans and capital grants, LMHA will make development deals more feasible.
- **Housing Options for Beecher Relocates:** In FY 2020, LMHA completed relocation of families at Beecher Terrace. Of the families that relocated with a voucher in FY 2020, 90 families used the flexibility of the two-bedroom payment standard provided under this MTW activity. Given the significant number of families requiring one-bedroom units and the limited number of one-bedroom units available in Louisville, LMHA continued to offer owner incentives for leasing new one-bedroom units program-wide, which resulted in 461 owners receiving this incentive in FY 2020.
- **Off-Site, Mixed Income Replacement Housing:** Under this MTW activity, Louisville Metro Housing Authority Development Corporation (LMHADC), LMHA's non-profit entity, acquired Newbridge Place, an existing 27-unit property to provide off-site replacement housing for Beecher Terrace. LMHA offered a conditional commitment to project-base these units in an effort to provide additional replacement housing for Beecher Terrace.
- **Enhancements to Local Project-Based Voucher (PBV) Program:** To streamline and incentivize affordable housing development and preservation and meet public housing replacement requirements for LMHA's Choice Neighborhood Initiative (CNI) grant, LMHA created enhancements to its Local Project-Based Voucher Program. LMHA has issued revised PBV Request for Proposals (RFP), which included flexibilities and incentives to create and preserve affordable housing. The inclusion of these

new flexibilities resulted in increased developer interest. To date, LMHA offered conditional commitments to 11 PBV projects, representing 727 units. Additionally, LMHA received approval in FY 2020 to use alternate site and neighborhood selection standards provided in the Agency's MTW Agreement. LMHA plans to use this flexibility for PBV units; however, only those that are not being developed as off-site replacement units in conjunction with the Choice Neighborhoods Initiative (CNI) grant.

- ***Special Referral Programs:*** Through its MTW Special Referral Programs, LMHA partners with local, non-profit social services organizations to provide housing support to vulnerable populations whose needs are not adequately met elsewhere in the community. In FY 2020, over 600 Housing Choice Vouchers were made available to assist these families in making strides toward self-sufficiency and increasing their housing choices. Additionally, LMHA added a new voucher allocation to the Special Referral Program. LMHA now partners with Volunteers of America Mid-States to provide up to 50 vouchers to women recovering from substance abuse disorders and who are pregnant and/or parenting.
- ***Self-Sufficiency Programs:*** LMHA has implemented local Homeownership, Special Referral and the Family Self-Sufficiency programs to assist and support participants in achieving economic self-sufficiency. These initiatives leverage MTW Block Grant funding to secure additional public and private support.
- ***Homeownership:*** LMHA continued to administer its Homeownership Program in FY 2020. Through this program, twenty-three (23) households purchased homes in FY 2020, including 9 one bedroom eligible households who utilized the two-bedroom payment standard. The increased subsidy for one-bedroom eligible households along with the increased maximum subsidy in areas of opportunity continued to help voucher holders achieve homeownership and resulted in increases to the number of households purchasing units in areas of opportunity.
- ***Elderly/Disabled Housing:*** LMHA continued to use MTW flexibility in FY 2020 to maximize leasing at elderly/disabled developments. Efforts include changing the definition of elderly from 62 to 55 and above and providing lease-up incentives, which increased the occupancy rate to 95% in FY 2020.
- ***Streamlined Recertification Process:*** In FY 2020, LMHA continued to complete biennial recertifications for elderly and disabled households whose only source of income was Social Security or SSI. Additionally, LMHA completed planning for the implementation of biennial recertifications to all HCV and PH households.
- ***Owner Rent Increase Limit:*** LMHA continued to place a 2% cap on annual contract rent increases. LMHA conducted reasonable rent determinations on a sample of units to ensure that rents are reasonable while maintaining the administrative efficiencies gained through this activity. In FY 2020, LMHA found that all contract rent increases reviewed in LMHA's quality control sample resulted in rents that were reasonable.
- ***HUD Rent Reform Demonstration:*** FY 2020 was the fifth of six years of the HUD Rent Reform Demonstration. The Study sets forth alternative rent calculation and recertification strategies that have been implemented at several public housing authorities across the country to fully test the policies nationally. In FY 2020, as a result of households leaving the program, the Alternate Rent Group had 517 households and the Control Group had 603 households. The study is scheduled to end in 2021.

- ***Public Housing Development:*** As part of its goal to transform aging portions of LMHA’s physical housing stock while providing replacement units, LMHA developed and implemented revised development and acquisition policies. These policies expedite the process for LMHA to develop and/or acquire affordable housing. In FY 2020, LMHA extended the scope of this activity to include acquisition of sites and/or units for Beecher Terrace replacement, PBV development and/or preservation, as well as public housing mixed income sites.
- ***Units for Underserved Populations:*** In its efforts to provide units to underserved populations, LMHA continued to provide:
 - Fully accessible units to individuals with disabilities in partnership with Frazier Rehab Institute. The program provides transitional housing for up to six months per family. Frazier Rehab sub-lessees are also referred to area service providers to assist them in obtaining stable housing when they leave the program.
 - Temporary housing for low-income YouthBuild Louisville (YBL) participants who are experiencing homelessness. Up to three, 2-bedroom units are available for YBL participants who may stay in the unit if they are active in the YBL Program. LMHA provides a public housing preference to these individuals upon graduation from YBL.
 - Temporary housing for parents while they work to obtain a degree through LMHA’s partnership with Family Scholar House. The program provides housing to families in which the head of household is enrolled in a degree-granted program at an accredited post-secondary institution.

Along with its MTW implementation activities, LMHA implemented other initiatives in FY 2020 that do not specifically require MTW authority or Block Grant flexibility to administer. Highlights of LMHA’s non-MTW activities include:

- ***Development and Redevelopment Activities***
 - ***Russell Choice Neighborhood Transformation:*** LMHA continued the redevelopment efforts in the Russell neighborhood in FY 2020:
 - Phase II demolition was completed, and remediation began on Phase III, with demolition expected to commence in FY 2021.
 - Other neighborhood investments were completed in FY 2020, including the railroad overpass murals, construction of artistic bus stops, and Opportunity Corner, a vacant lot transformation project.
 - Environmental work for several Critical Community Improvement projects was also completed in FY 2020, and work commenced on the construction of Molo’s Village The Village @ West Jefferson commercial/retail building, the stabilization of Quinn Chapel and the finish of leasehold spaces at Louisville Central Community Centers’ Business Plaza.
 - ***Friary:*** LMHA continues to partner in the redevelopment of the 24 units at the Friary, acquiring 18 of the 29 units at the site. Renovations are expected to be complete in early FY 2021. Once

renovation work has been completed, LMHA will utilize 18 of the renovated units for public housing.

- *Sheppard Square HOPE VI Revitalization:* LMHA is still pursuing the outstanding homeownership units and anticipates Habitat for Humanity will develop at least five of the homeownership lots. Groundbreaking on the first homeownership unit is expected to begin in FY 2021. Additionally, the final construction contract for 760 S. Hancock Street remains on hold due to litigation with the contractor. Currently, the building is fully occupied.
- ***Grants and Grant Opportunities*** – In FY 2020, LMHA continued to administer existing grants, which include the FSS Coordinator and ROSS grants and Choice Neighborhoods Implementation and Action Grants. Additionally, LMHA was awarded a Choice Neighborhoods Supplemental grant of \$4 million, which will continue through September 2025, and will be used to complete the final phases of on-site housing development. LMHA also continued to administer an American Cancer Society SmokeFree Public Housing grant of \$10,000 in FY 2020 which supported the tobacco cessation initiative for public housing residents; the grant term ended March 2020. While not a grant program, LMHA’s ConnectHomeUSA initiative term ended prior to FY 2020; however, LMHA may pursue additional technical assistance and peer support opportunities through ConnectHome, as well as grant opportunities through other organizations in FY 2021.
- ***Prudent Fiscal Management and Internal Controls*** – LMHA continued to implement a comprehensive program of internal audit, compliance reviews and fiscal management.

Moving to Work (MTW) Activity Matrix

Activity No.	MTW Activity
<i>Implemented Activities</i>	
2020-1	Rent Simplification <ul style="list-style-type: none"> • Financial Aid Disregard in Calculation of TTP; approved 2015 • Elimination of the Earned Income Disregard; approved 2012 • Standard Medical Deduction; approved 2008 • Earned Income Disregard for Elderly Families; approved 2008 • Asset Policy; approved 2020 • Exclusion of Adoption Assistance Payments; approved 2020 • Exclusion of Full-time Student Income; approved 2020 • Application of Payment Standards; approved 2020
2020-2	Streamlined Flat Rent
2020-3	Local Forms
2020-4	FSS Program Enhancements
2020-5	Gap Financing
2019-1	Enhancements to Local Project-Based Voucher (PBV) Program
2018-1	Beecher Terrace Choice Neighborhood Initiative (CNI) Revitalization – Broader Use of Funds to Support the Development of Off-Site, Mixed-Income Replacement Housing
2018-2	Increasing Housing Options for Relocating Beecher Terrace Families
2015-1	HCV Program - HUD/MDRC Rent Reform Demonstration
2014-2	HCV Program - Rent Increase Limit
2014-1	Public Housing - Sublease Programs <ul style="list-style-type: none"> • Frazier Rehab Institute; approved FY 2013 • YouthBuild Louisville; approved 2011 • Family Scholar House; approved 2011
2011-1	HCV Child-Care Deductions Policy
2009-1	Streamlined Development and Acquisition <ul style="list-style-type: none"> • Simplification of the Public Housing Development Submittal; approved 2009 • Acquisition of Mixed-Income Sites for Public Housing; approved 2011
2008-1	Occupancy at Elderly Developments <ul style="list-style-type: none"> • Local Definition of Elderly; approved 2008 • Lease-up Incentives for New Residents at Dosker Manor; approved 2010
2007-1	Streamlined Recertification Process
2006-1	HCV Homeownership Program <ul style="list-style-type: none"> • Amount and Distribution of HCV Homeownership Assistance; approved 2006 • Exception Payment Standards; approved 2009 • Flexibility in Third-Party Verification; approved in 2009

Activity No.	MTW Activity
<i>Implemented Activities (continued)</i>	
2005-1	MTW Special Referral Program <ul style="list-style-type: none"> • 100K Homes Initiative; approved 2012 • Center for Women and Families; approved 2005 • Centerstone; approved 2015 • Choices, Inc.; approved 2014 • ChooseWell Communities; approved 2016 • Coalition for the Homeless; approved 2012 • Day Spring; approved 2009 • Family & Children's Place; approved 2017 • Family Scholar House; approved 2008 • House of Ruth; approved 2018 • Kentucky Housing Corporation; approved 2016 • St. Vincent DePaul; approved 2018 • Wellspring; approved 2012 • Office of Resilience and Community Services - Shelter Works; approved 2019 • Home of the Innocents; approved 2019 • Volunteers of America Mid-states; approved 2020
<i>Not yet implemented</i>	
2011-2	Public Housing - Locally Defined Guidelines for Development, Maintenance, & Modernization
<i>On Hold</i>	
2010-1	Public Housing - Sublease Agreement with Catholic Charities
<i>Closed Out</i>	
45-2016	MTW Special Referral Program – Coalition for the Homeless “Move Up” Initiative
33-2012	Public Housing - Rents Set at 30% of Adjusted Income
24-2010	Public Housing - Increased Flat Rents for New Scattered Sites
21-2010	Public Housing - Occupancy Criteria Changes for New Scattered Sites - Mandatory Case Management
16-2009	Public Housing - Streamlined Demolition and Disposition Application Process for MTW Agencies
9-2007	Public Housing - Term Limits and Employment/Educational Work Requirements for New Scattered Sites (Revised 2014, 2016)
5-2007	HCV Program - Spatial Deconstruction of HCV Assisted Units
2-1999	MTW Inspections Protocol

II. General Housing Authority Operating Information

D. Housing Stock Information

LMHA serves eligible low-income households through its two (2) primary housing programs: Public Housing and the Housing Choice Voucher (HCV) programs. LMHA's public housing inventory includes units for families, seniors, and persons with disabilities. These affordable apartments are located throughout the Louisville Metro area. Through its Housing Choice Voucher (HCV) Program, LMHA provides rental assistance to families, seniors, and persons with disabilities. The HCV Program also provides support to first time homebuyers.

i. Actual New Project Based Vouchers

In FY 2020, LMHA did not have any project-based vouchers under AHAP or HAP.

Table 1: Actual New Project Based Vouchers

Property Name	Number of Vouchers Newly Project-Based		Status at End of Plan Year**	RAD?	Description of Project
	Planned*	Actual			
N/A	0	0	N/A	N/A	N/A
	0	0	Planned/ Actual Total Vouchers Newly Project Based		

* Figures and text in the "Planned" column should match the corresponding Annual MTW Plan.

**Select "Status at the End of the Plan Year" from: Committed, Leased/Issued.

Describe differences between the Planned and Actual Number of Vouchers Newly Project-Based:

HUD requires that the table of Actual New Project Based Vouchers be limited to those under AHAP or HAP during the fiscal year. While no project-based vouchers were under AHAP or HAP during the fiscal year, LMHA continued to actively solicit bids for PBV proposals. To date, LMHA has offered conditional commitments for 11 projects, which are listed in the table below.

Conditional PBV Commitments

Property Name	Number of Vouchers	Description of Project
Market Street Apartments	8	Existing - Family Housing
Newbridge Place	27	Existing – Family Housing
Opportunity East	8	Existing – Family Housing
Roosevelt Apartments	43	Existing – Seniors/Family Housing
1405 West Broadway Senior Apartments	77	New construction/adaptive reuse – Seniors Housing
Crossings at Mill Creek	103	New construction – Family Housing
Gray & Clay	151	New construction – Family Housing
New Vision III	12	Substantial rehab – Family Housing
Prospect Family Apartments	100	New construction – Family Housing
Donerail Apartments	164	New construction – Family Housing

Property Name	Number of Vouchers	Description of Project
Zion Manor Senior Housing	34	New construction – Seniors Housing
	727	

ii. Actual Existing Project Based Vouchers

LMHA did not have any PBV projects in its portfolio prior to FY 2020 and, as a result, there are no properties included in Table 2.

Table 2: Actual Existing Project Based Vouchers

Property Name	Number of Project-Based Vouchers		Status at End of Plan Year **	RAD?	Description of Project
	Planned*	Actual			
N/A	0	0	N/A	N/A	N/A
	0	0	Planned/Actual Total Existing Project-Based Vouchers		

* Figures and text in the “Planned” column should match the corresponding Annual MTW Plan.

**Select “Status at the End of the Plan Year” from: Committed, Leased/Issued.

Describe differences between the Planned and Actual Existing Number of Vouchers Project-Based:

N/A

iii. Actual Other Changes to MTW Housing Stock in the Plan Year

Table 3: Actual Other Changes to MTW Housing Stock in the Plan Year

Site	Description from Annual Plan	Status as of June 30, 2020
N/A	N/A	N/A

iv. General Description of All Actual Capital Expenditures during the Plan Year

Table 4 provides a general description of actual capital expenditures in FY 2020.

Table 4: Actual Capital Expenditures FY 2020

Site Name	Description	Amount
Beecher Terrace - 002	ARCHITECTURAL/ENGINEERING	\$ 25,485.00
	BEECHER PHASE II	\$ 2,720,102.32
	DEMOLITION	\$ 20,571.74
	EVICTON PREVENTION	\$ 4,877.24
	HALO COMMUNITY POLICING	\$ 71,250.00
	HOPE VI A/E SERVICES	\$ 109,252.00
	HOPE VI CONSULTANT COSTS	\$ 52,360.28
	HOPE VI HUD LEGAL	\$ 85,838.66
	HOPE VI PLANNING	\$ 1,980.94
	HOPE VI REAL ESTATE LEGAL	\$ 92,838.75
	RELOCATION COSTS-MOVING	\$ 36,269.67
	RESIDENT SERVICES	\$ 970.00
	SITE IMPROVEMENTS	\$ 29,914.30
	SUNDRY PLANNING	\$ 13,424.99
	TREE TRIMMING	\$ 2,100.00
Parkway Place - 003	DWELLING EQPT-EXPENSED	\$ 70,897.51
	EVICTON PREVENTION	\$ 18,352.27
	HALO COMMUNITY POLICING	\$ 71,250.00
	PARKING LOT REPAIR	\$ 150,693.35
	ROOFS	\$ 12,059.74
	SECURITY	\$ 4,673.00
	TREE TRIMMING	\$ 6,650.00
Sheppard Square -004	BLOCK B PLANNING	\$ 617.50
	HOPE VI CONSULTANT COSTS	\$ 40,182.04
	HOPE VI HUD LEGAL	\$ 385.00
	HOPE VI HUD LEGAL	\$ 18,166.42
	LMHA CONSTRUCT INSPECTOR	\$ 1,056.07
	LMHA CONSTRUCT INSPECTOR	\$ 115,491.72
Dosker Manor - 012	CONCRETE & BRICK	\$ 13,828.91
	DEMOLITION	\$ 119.20
	DWELLING EQPT-EXPENSED	\$ 50,694.07
	ELEVATOR UPGRADES	\$ 678,719.80
	EVICTON PREVENTION	\$ 36,627.42
	HOT WATER	\$ 1,170,892.93
	HVAC INSTALLATION	\$ 435,352.55

Site Name	Description	Amount
	RELOCATION COSTS-MOVING	\$ 1,710.00
	RESIDENT SERVICES	\$ 37,647.50
	ROOFS	\$ 68.45
	SECURITY SERVICES	\$ 714,096.96
	TREE TRIMMING	\$ 1,200.00
St. Catherine - 013	DWELLING EQPT-EXPENSED	\$ 13,471.28
	EVICTON PREVENTION	\$ 6,188.12
	HVAC INSTALLATION	\$ 2,482.19
	RESIDENT SERVICES	\$ 7,050.00
	SECURITY	\$ 120,500.89
Avenue Plaza -014	DWELLING EQPT-EXPENSED	\$ 16,406.31
	ELEVATOR UPGRADES	\$ 65,572.20
	EVICTON PREVENTION	\$ 12,973.83
	GENERAL RENOVATIONS	\$ 327,658.10
	HVAC INSTALLATION	\$ 2,572.19
	INTERIOR PAINT	\$ 6,690.00
	PARKING LOT REPAIR	\$ 2,190.14
	PORCH	\$ 131,144.40
	RELOCATION COSTS-MOVING	\$ 2,115.00
	RESIDENT SERVICES	\$ 6,855.00
	SECURITY SERVICES	\$ 156,108.14
Old Scattered Sites - 017	DWELLING EQPT-EXPENSED	\$ 7,831.38
	EVICTON PREVENTION	\$ 5,513.38
	HVAC INSTALLATION	\$ 30.76
	PARKING LOT REPAIR	\$ 109,132.68
	PORCH	\$ 170.94
	RELOCATION COSTS-MOVING	\$ 3,465.00
	RESIDENT SERVICES	\$ 1,985.00
	ROOFS	\$ 5,561.00
	TREE TRIMMING	\$ 15,000.00
Loures and Bishop Lane - 018	DWELLING EQPT-EXPENSED	\$ 12,922.95
	EVICTON PREVENTION	\$ 1,696.43
	HEATING SYSTEMS	\$ 10,804.54
	KITCHEN RENOVATIONS	\$ 29,640.73
	PARKING LOT REPAIR	\$ 1,932.90
	RESIDENT SERVICES	\$ 8,920.00
	ROOFS	\$ 7,553.11
	SECURITY SERVICES	\$ 180,498.20
	TREE TRIMMING	\$ 3,500.00
	WINDOWS	\$ 101.49
New Scattered Sites - 034	ARCHITECTURAL/ENGINEERING	\$ 462,248.92
	DEMOLITION	\$ 2,075.85

Site Name	Description	Amount
	DWELLING EQPT-EXPENSED	\$ 26,869.83
	EVICTION PREVENTION	\$ 7,286.93
	HOPE VI HUD LEGAL	\$ 462.00
	LEAD BASE PAINT	\$ 146,044.34
	PARKING LOT REPAIR	\$ 113,282.93
	RELOCATION COSTS-MOVING	\$ 2,836.99
	ROOFS	\$ 14,965.00
	SECURITY	\$ 12,000.00
	TREE TRIMMING	\$ 11,700.00
Sheppard Rental B - 057	DWELLING EQPT-EXPENSED	\$ 3,206.04
Sheppard HCI Repl - 061	EVICTION PREVENTION	\$ 1,484.38
	METRO VACANT LOTS	\$ 226.52
	RELOCATION COSTS-MOVING	\$ 1,215.00
	RESIDENT SERVICES	\$ 1,000.00
	SECURITY SERVICES	\$ 2,540.83
	SITE IMPROVEMENTS	\$ 3,159.86
	TREE TRIMMING	\$ 16,711.46
	UTILITY DIST SYSTEMS	\$ 446,985.50
Administrative Cost	ADMIN FEE TRANSFER TO GEN FUND	\$ 1,171,375.00
Total		\$ 10,652,583.96

E. Leasing Information

i. Actual Number of Households Served

LMHA provided housing assistance to approximately 12,270 households in FY 2020 through the Public Housing and HCV programs, excluding non-MTW vouchers, as shown on Table 5 below.

Table 5: Actual Number of Households Served

Number of Households Served through:	Number of Unit Months Occupied/Leased*		Number of Households Served**	
	Planned	Actual	Planned***	Actual
MTW Public Housing Units Leased	43,680	38,457	3,640	3,205
MTW HCV Units Utilized	111,204	108,555	9,267	9,046
Local, Non-Traditional: Tenant-Based	N/A	N/A	N/A	N/A
Local, Non-Traditional: Property-Based	96	228	8	19
Local, Non-Traditional: Homeownership	N/A	N/A	N/A	N/A
Planned/Actual Totals	154,980	147,240	12,915	12,270

*“Planned Number of Unit Months Occupied/Leased” is the total number of months the MTW PHA planned to have leased/occupied in each category throughout the full Plan Year (as shown in the Annual MTW Plan).

**“Planned Number of Households to be Served” is calculated by dividing the “Planned Number of Unit Months” by the number of months in the plan year.

*** LMHA utilized the HUD required methodology to populate Planned Number of Households Served by Local, Non-Traditional Activities. However, given that the lease term for the two units in the Frazier sub-lease program is six months, LMHA served two households per unit during the fiscal year.

Describe any differences between the planned and actual households served:

The number of PH households served was 435 less than the number planned as a result of a several different factors. In FY 2020, LMHA completed relocation of Public Housing families required for the Choice Neighborhood Initiative Redevelopment of Beecher Terrace. Public Housing units at other developments were held vacant in order to support this relocation as Beecher Terrace families had the option to relocate to another Public Housing unit. Families were also offered a Housing Choice Voucher to relocate, which reduced the number of actual Public Housing households served. In addition to the units held vacant for the Beecher Terrace relocation, 49 public housing units were held vacant for capital repairs and 13 units were held vacant because LMHA planned to or was in the process of disposing them.

The number of HCV households served was 221 less than the number planned. This was due in part to the low inventory of one-bedroom units in the Louisville Metro area, which presented challenges for voucher-holders to search for and lease one-bedroom units. LMHA’s efforts to address these challenges are described in below in the *Discussion of Any Actual Issues/Solutions Related to Leasing* section.

Tables 6 and 7 below, include the number of households served in the plan year by LMHA’s local, non-traditional programs.

Table 6: Local, Non-Traditional Housing Programs

Local, Non-Traditional Category	MTW Activity Name/Number	Number of Unit Months Occupied/Leased		Number of Households to be Served	
		Planned	Actual	Planned	Actual*
Tenant-Based	N/A	N/A	N/A	N/A	N/A
Property-Based	Activity #2014-1, Public Housing Sublease Programs	48	228	4	19
Property-Based	Activity #2018-1, Beecher Terrace Choice Neighborhood Initiative (CNI) Revitalization - Broader Use of Funds to Support Development of Off-Site, Mixed-Income Replacement Housing	48	0	4	0
Homeownership	N/A	N/A	N/A	N/A	N/A
Planned/Actual Totals		96	226	8	19

*Actual number of households served reflects the HUD required calculation; however, the lease term is six months for the units on the Frazier sub-lease program.

Table 7: Local, Non-Traditional Service Programs

LMHA does not have any local non-traditional service only programs.

Households Receiving Local, Non-Traditional Services Only	Average Number of Households Per Month	Total Number of Households in the Plan Year
N/A	N/A	N/A

ii. Discussion of Any Actual Issues/Solutions Related to Leasing

Housing Program	Description of Actual Leasing Issues and Solutions
MTW Public Housing	In an effort to turnover units more quickly and efficiently, LMHA recently created a department within Public Housing dedicated to vacancy preparation, in order to reduce the time to prepare a unit for move-in.
MTW Housing Choice Voucher	LMHA implemented a voucher tracking tool in October 2019 which collects and summarizes information, including the reason why the voucher-holder did not lease-up if they were unsuccessful in doing so. LMHA uses this information to better identify and resolve obstacles experienced by vouchers holders during the housing search and leasing process. Additionally, LMHA utilized flexibilities provided in HUD PIH 2020-05 to extend voucher terms beyond the initial 120 day-term in light of the challenges to searching for housing presented by the pandemic.
Local, Non-Traditional	LMHA continued to pursue opportunities to provide off-site replacement housing using the flexibility approved under the <i>Beecher CNI Revitalization – Broader Use of Funds</i> activity. LMHADC has acquired Newbridge Place, a 27-unit apartment complex, using this flexibility. At the end of FY 2020, however, a HAP has not yet been entered into and leasing had not yet begun. As a result, no households were served under this activity in FY 2020.

F. Waiting List Information

i. Actual Waiting List Information

LMHA administers its waiting lists in accordance with the HCV Administrative Plan and Public Housing Admissions and Continued Occupancy Policy (ACOP) as applicable. LMHA operates its waiting lists in a nondiscriminatory manner that seeks to avoid unintended discriminatory effects. LMHA affirmatively markets its sites in a variety of venues and periodicals to ensure that the public is aware of the availability of LMHA housing. LMHA treats all applicants in a non-discriminatory manner. LMHA also monitors its waiting lists to determine if there are significant changes in the percentage of protected classes and, if there were, would determine whether its affirmative marketing methods should be modified. Table 8 provides information on LMHA's waiting lists in the format required by HUD.

Table 8: Waiting List Information at Plan Year End

Waiting List Name	Description	Number of Households on Waiting List	Waiting List Open, Partially Open or Closed	Was the Waiting List Opened During the Plan Year?
Federal MTW Housing Choice Voucher Program	Community Wide	6,734	Open	N/A
Federal MTW Public Housing Units	Community Wide	3,143	Open	N/A
Federal Public Housing Units*	Site-Based	3,534	Open	N/A
Project Based Local Non-Traditional MTW Housing Assistance	Program Specific	26	Open	N/A

*Includes the site-based waiting lists at the following privately managed sites: Liberty Green, Wilart Arms, Sheppard Square, and Park DuValle.

Describe any duplication of applicants across waiting lists

As LMHA maintains separate HCV and Public Housing wait lists, applicants may apply and be on both waitlists.

ii. Actual Changes to Waiting Lists in the Plan Year

Waiting List Name	Description of Actual Changes to Waiting List
Federal MTW Housing Choice Voucher Program	During FY 2020, LMHA conducted regular outreach to HCV applicants, sending invitations to a large number of applicants to attend orientation and screening. Those applicants who failed to respond to the invitation were later purged from the waiting list. As a result, LMHA reduced the number of applicants on their waiting list from 9,689 in FY 2019 to 6,734 in FY 2020.

G. Information on Statutory Objectives and Requirements

Under the MTW Agreement between LMHA and HUD, LMHA is required to meet certain statutory objectives and other requirements, and to report on them in the MTW Annual Report. The tables below provide the required information.

i. 75% of Families Assisted Are Very Low Income

Table 9: Local Non-Traditional Households and Income Levels

Income Level	Number of Local, Non-Traditional Households Admitted in the Plan Year
80% - 50% Area Median Income	0
49% - 30% Area Median Income	1
Below 30% Area Median Income	14
Total Local, Non-Traditional Households Admitted	15

ii. Maintain Comparable Mix

Table 10 provides a breakdown of LMHA households by family size when LMHA became an MTW agency.

Table 10: Baseline Mix of Family Sizes Served (upon entry to MTW)*

Family Size	Occupied Public Housing Units	Utilized HCVs	Non-MTW Adjustments	Baseline Mix Number	Baseline Mix Percentage
1 Person	2496	54	0	2550	55%
2 Person	555	33	0	588	12%
3 Person	689	32	0	721	16%
4 Person	436	22	0	458	10%
5 Person	158	20	0	178	4%
6+ Person	137	14	0	151	3%
Total	4471	175	0	4646	100%

*“Occupied Number of Public Housing units by Household size when PHA Entered MTW” and “Utilized Number of Section 8 Vouchers by Household Size when PHA Entered MTW” come from the Housing Authority of Louisville’s (HAL) MTW application, which was prepared in 1997. The application reported household size data in the following categories: 1-2 people, 3-4 people, and 5+ people. For purposes of this report, the historic data was prorated, in order to conform with the categories above, based on the characteristics of the 2014 population of households served. In 2003, HAL merged with the Housing Authority of Jefferson County (HAJC) to form LMHA. Though the original agencies’ public housing and Section 8 programs were merged that year, demographic information (by household size) is not available for families who were then served by HAJC and is not represented above.

Please describe the justification for any “Non-MTW Adjustments” given above

N/A

Table 11: Mix of Family Sizes Served (in Plan Year)

Mix of Family Sizes Served (in Plan Year)				
Family Size	Baseline Mix Percentage*	Number of Households Served in Plan Year**	Percentage of Households Served in Plan Year^	Percentage Change from Baseline Year to Current Plan Year
1 Person	55%	5,669	45%	-10%
2 Person	12%	2,222	18%	6%
3 Person	16%	2,018	16%	0%
4 Person	10%	1,397	11%	1%
5 Person	4%	740	6%	2%
6+ Person	3%	500	4%	1%
Total	100%	12,546	100%	

* The “Baseline Mix Percentage” figures given in the “Mix of Family Sizes Served (in Plan Year)” table should match those in the column of the same name in the “Baseline Mix of Family Sizes Served (upon entry to MTW)” table.

**The variance in households served shown in Tables 5 and 11 is due to the methodology used to populate each table. Table 5 represents the total number of unit months leased divided by 12, and therefore is an average of total households served; Table 11 represents all households that have been served through the fiscal year.

^ The percentages in this column should be calculated by dividing the number in the prior column for each family size by the “Total” number of households served in the Plan Year. These percentages will reflect adjustment to the mix of families served that are due to the decisions of the MTW PHA. Justification of percentages in the current Plan Year that vary by more than 5% from the Baseline Year must be provided below.

Describe the justification for any variances of more than 5% between the Plan Year and Baseline Year

The reduction in one-person families served is due in part to the limited number of one-bedroom units available in Louisville, creating challenges for voucher-holders to locate and lease one-bedroom units. To address this challenge, LMHA continued to implement incentives to owners to participate in the HCV Program. LMHA also continued to provide one-bedroom families relocating from Beecher Terrace with the flexibility to rent two-bedroom units.

The percentage of two-person families increased slightly from 5% in both FY 2019 in FY 2018. This is due in part to changing demographics that resulted from turnover in the HCV and PH program.

iii. Number of Households Transitioned to Self-Sufficiency in the Plan Year

HUD requires information on households transitioned to self-sufficiency for any MTW activities that report on HUD's standard metric SS #8. Table 12 below provides the HUD-required information.

Table 12: Transition to Self-Sufficiency

MTW Activity Name/Number	Number of Households Transitioned to Self-Sufficiency*	MTW PHA Definition of Self Sufficiency
#2005-1: Special Referral MTW HCV Programs	45	Self-Sufficiency is defined as being employed and having earned income equal to or exceeding \$14,500.
#2014-1: Public Housing Sublease Programs	2	Self-Sufficiency is defined as a participant exiting the program for any other reason than termination of subsidy/participation.
#2015-1: HUD / MDRC Rent Reform Demonstration for HCV Households	Alt Rent Group: 237 Control Group: 155	Self-Sufficiency is defined as being employed and having earned income equal to or exceeding \$14,500.
#2020-1: Rent Simplification	PH: 188 HCV: 1,703	Self-Sufficiency is defined as being employed and having earned income equal to or exceeding \$14,500.
#2020-4: FSS Program Enhancements	PH: 7 HCV: 25	Self-sufficiency is defined as graduation from the FSS program.
	45	(Households Duplicated Across MTW Activities)
	2317	Total Households Transitioned to Self Sufficiency

**Figures should match the outcome reported where metric is used in Section IV of this Annual MTW report.*

III. Proposed MTW Activities

All proposed activities that have been granted approval by HUD are reported on in Section IV as “Approved Activities.”

IV. Approved MTW Activities

A. Implemented MTW Activities

In the FY 2020 MTW Plan, LMHA renumbered and combined approved activities where the authorizations were the same and where the activity features follow similar topics. The FY 2020 Report and all future reports and plans will follow the new numbering and combined activities.

Activity #2005-1: Special Referral MTW Housing Choice Voucher Programs

(Formerly Activity #44-2015 and all of the activities in Table 11)

Approval and Implementation

Approval: 2005

Implementation: Table 13 identifies the Plan Year each Special Referral sub-activity was approved, implemented and amended.

Description/Update of Activity

Through its MTW Special Referral Programs, LMHA partners with local, non-profit social services organizations to provide housing support to vulnerable populations whose needs are not adequately met elsewhere in the community. LMHA provides housing subsidy to HCV-eligible households, while the partnering agency provides social services support. The provision of services helps families make strides towards self-sufficiency, and the programs increase housing choices for low-income families who might otherwise have difficulty succeeding in the privately managed real estate market.

Families are referred to LMHA by the partner agencies, and program applicants receive an admissions preference for the authority's HCV Program. Households are required to meet basic HCV eligibility criteria, and the amount of housing assistance each family receives is determined according to traditional HCV Program rules as modified through LMHA's HUD-approved MTW initiatives.

The voucher recipients participating in some of the Agency's MTW Special Referral Programs are initially required to reside on-site and to meet the partner's program requirements. However, their voucher resumes full portability after they successfully graduate from the program. As a participant moves from the site, LMHA issues a voucher to the next eligible applicant. For other Special Referral Programs, the voucher is fully portable from the time of admission.

Many of the residential facilities operated by these Special Referral partners are newly constructed or renovated. As such, LMHA has used MTW authority to allow the certificate of occupancy to suffice for the initial move-in inspection in lieu of a traditional HUD Housing Quality Standards (HQS) inspection. This inspection alternative has saved the authority thousands of dollars since Louisville Scholar House first came online in 2008.

Additionally, LMHA may, without prior HUD approval, allocate up to 10 MTW Housing Choice Vouchers to an MTW Special Referral Program for service-enriched, affordable housing programs within the Agency's jurisdiction. Eligible programs will offer housing and supportive services targeted to families whose needs are not adequately served elsewhere in the community. Some allocations may be incremental additions to existing Special Referral Programs while others will be allocations to newly established programs.

Table 13 (LMHA Special Referral MTW Voucher Programs FY 2020), which follows the metrics table for this activity, identifies all special referral voucher programs LMHA administers as well as information regarding:

- The year the voucher allocation was proposed;
- The year the voucher allocation was implemented, and the number of vouchers allocated;
- A description of the program;

- If there is a streamlined admission; and,
- What type of inspection applies.

Impact

During FY 2020, LMHA continued to provide housing subsidy to families through partnerships with supportive services agencies. LMHA provided one (1) new allocation in FY 2020; an allocation of 50 vouchers to Volunteers of America Mid-States, which supports women recovering from substance abuse disorders and who are pregnant and/or parenting.

Actual Non-Significant Changes

In FY 2020, LMHA added a new voucher allocation to the Special Referral Program. LMHA partners with Volunteers of America Mid-States to provide up to 50 HCV vouchers for women recovering from substance abuse disorders and who are pregnant and/or parenting. Specifically, vouchers are allocated to women living at Volunteers of America Mid-States' Transitional Living for Woman program, located at 4303 West Broadway or at other scattered-site locations, who meet eligibility requirements in Louisville. Vouchers are fully portable upon approval of the clinical staff so that graduates who relocated from another community to Louisville for treatment may return to their hometowns or otherwise secure the housing moving forward that best meets their needs and supports their long-term recovery.

Changes to Metrics

The benchmarks for SS #3, SS #4, SS #5 and SS #8 were updated to reflect that an additional voucher was allocated to the Choices special referral program in FY 2019.

Actual Significant Changes

There were no significant changes to this activity in FY 2020.

Challenges in Achieving Benchmarks and Possible Strategies

LMHA experienced challenges in meeting benchmarks related to employment and subsidy, as the COVID-19 pandemic created challenges for participants to secure employment and reduce their subsidy. The pandemic also presented challenges to screening applicants for eligibility and, as such, the average applicant wait time increased.

Metrics

<i>CE #1: Agency Cost Savings*</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$0	\$0	\$0	Yes
<i>*Implementation of this activity does not modify any LMHA-completed tasks. Housing Authority staff determines applicant eligibility and performs all certifications.</i>				
<i>CE #2: Staff Time Savings*</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	0 hours	0 hours	0 hours	Yes
<i>*Implementation of this activity does not modify any LMHA-completed tasks. Housing Authority staff determines applicant eligibility and performs all certifications.</i>				
<i>CE #4: Increase in Resources Leveraged</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?

Amount of funds leveraged in dollars (increase)	\$0	\$0	\$0	Yes
SS #1: Increase in Household (HH) Income				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of HHs affected by this policy in dollars (increase).	FY 2016: \$4,108	\$4,108	\$11,926	Yes
SS #3: Increase in Positive Outcomes in Employment Status				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Employed Full- Time*	As of FY 2016: 90 (32% of 279 HHs)	300 (47% of 639 HHs)	143 (35% of 412 HHs)	No
Employed Part- Time*				
Enrolled in an Educational Program	As of FY 2018: 2 HHs have full-time adult students	2 HHs have full-time adult students	6 HHs have full-time students	Yes
Enrolled in Job Training Program	Not tracked	Not tracked		
Unemployed	As of FY 2016: 189 (68% of 279 HHs)	339 (53% of 639 HHs)	269 (65% of 412 HHs)**	No
Other	N/A	N/A	N/A	N/A
*LMHA does not track part-time vs. full-time employment. ** Though the number of households who were unemployed fell below the benchmark, the percentage of households who were unemployed did not meet the benchmark.				
SS #4: Households (HHs) Removed from Temporary Assistance for Needy Families (TANF)				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
# of HHs receiving TANF assistance (decrease).	FY 2016: 54 (19% of 279 HHs)	121 (19% of 639 HHs)	65 (16% of 412 HHs)	Yes
SS #5: Households (HHs) Assisted by Services that Increase Self-Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
# of HHs receiving services aimed to increase self-sufficiency (increase).	As of FY 2016*: 13 (5% of 279 HHs)	32 (5% of 639 HHs)	21 (5% of 412 HHs)	Yes
* LMHA tracks FSS participation for this metric. The special referral partner may offer additional self-sufficiency services.				
SS #6: Reducing Per Unit Subsidy Costs for Participating Households (HHs)				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of Section 8 &/or 9 subsidies per HH affected by this policy in dollars (decrease).	As of FY 2016: \$617	\$617	\$676	No
SS #7: Increase in Agency Rental Revenue*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
PHA rental revenue in dollars (increase).	As of FY 2019 \$267	\$272	\$168	No
*Rental revenue reflects TTP.				
SS #8: Households Transitioned to Self-Sufficiency*				

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase).	As of FY 2016: 32 (11% of 279 HHs)	70 (11% of 639 HHs)	45 (11% of 412 HHs)	Yes
<i>*Self-Sufficiency is defined as the ability of a non-disabled / non-elderly family to obtain suitable employment. "Employment" means the household is receiving earned income. "Suitable" is defined as annual gross earned income equal to or exceeding \$14,500 (the hourly minimum wage of \$7.25 multiplied by 2,000 hours).</i>				
HC #3: Decrease in Wait List Time				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average applicant time on wait list in months (decrease).	As of FY 2016: <1 month	<1 month	4 months	No

Table 13: LMHA Special Referral MTW Voucher Programs FY 2020

Organization	Site	FY Originally Proposed	FY Implemented and # of Vouchers	Description	Streamlined Admission	MTW Inspections
100K Homes Initiative	N/A	2012	2012; 50	Vouchers are allocated to the 100,000 Homes initiative of the Louisville Substance Abuse and Mental Health Services Administration (SAMHSA) Community Consortium. This activity increases housing choices and access to services for up to 50 of the most vulnerable homeless persons on the streets of Louisville Metro. Participants in this Housing First model program, who are identified and referred by the Louisville SAMHSA, must be chronically homeless.	No	No: Traditional inspection protocol.
Center for Women and Families	Villager	2005	2005; 22	Vouchers are allocated to the Center for Women and Families for long-term transitional housing on their downtown campus. Programs at the Center focus on the elimination of domestic violence, sexual violence, and economic hardship. Voucher utilization has remained 100%. This activity has increased housing choices and the cost effectiveness of federal funds.	Yes	Yes: For initial lease-up, C.O. was used. After initial move-in, with new occupant and once per year concurrently.
Centerstone	N/A	2015	2015; 50	Vouchers are allocated to Centerstone (formerly Seven Counties Services, Inc.). This activity increases housing choices and access to services for 50 families referred through Centerstone's Assertive Community Treatment (ACT) team. Assertive Community Treatment is an Evidenced Based Practice approved by the Substance Abuse and Mental Health Services Administration (SAMHSA) and designed to engage persons with a Severe Mental Illness (SMI) whose needs are not met by traditional outpatient services. Services are delivered in the context and environment where they are needed (i.e. the team goes to the person). The priority population is adults with a severe mental illness who are currently institutionalized at a personal care home or at risk of being institutionalized because of a lack of adequate community support. Lack of on-site support is one of the primary reasons this priority population has been unsuccessful in achieving sustained psychiatric stability in the past. Assertive Community Treatment fills this gap and assists the program participants in achieving and maintaining community integration. Those persons originally from Jefferson County, but placed in a personal care home in another region of the State, will be considered for return to the Louisville area.	No	No: Traditional inspection protocol.

Organization	Site	FY Originally Proposed	FY Implemented and # of Vouchers	Description	Streamlined Admission	MTW Inspections
Choices, Inc.	Choices owned units	2014	2014; 4 2016; 1 2019; 1	Vouchers are allocated to Choices, Inc. to provide permanent supportive housing for homeless families, including case management.	No	No: Traditional inspection protocol.
ChooseWell Communities	N/A	2016	2016; 10 2017; 60	Vouchers are allocated to ChooseWell Communities' Thrive Program, which assists families that include a pregnant or post-partum mother who has successfully completed residential and/or intensive outpatient treatment for addiction, combining housing support with wraparound social services assistance. In FY 2016, LMHA allocated up to 10 vouchers to this program; this was increased by 60 vouchers in FY 2017. Seventy (70) vouchers are allocated to referrals from ChooseWell Communities.	No	No: Traditional inspection protocol.
Coalition for the Homeless	N/A (Rapid Re-housing)	2012	2012; 10 2013; 10	Vouchers are allocated to Coalition for the Homeless for homeless families with children.	No	No: Traditional inspection protocol.
Day Spring	Day Spring units	2009	2012; 4	Vouchers are allocated to households with members who have a severe mental illness, as long as they initially reside at a Day Spring constructed unit, while they are participating in the program Day Spring, a faith-based charitable organization, which provides residential and supportive services to adults with developmental disabilities who want the opportunity to live independently in a supportive community setting. Under this initiative, not all of the residential units are subject to typical HUD HQS and rent reasonableness requirements.	Yes	No: Traditional inspection protocol.
Family & Children's Place	N/A	2017	2017; 10	Vouchers are allocated to Family & Children's Place for Olmsted-eligible families participating in the organization's Homeless Prevention Program, which serves families that include at least one individual who is leaving an institution and is also at risk of homelessness. This population includes individuals leaving prison after being paroled or serving out their sentence; individuals who have aged out of foster care; and individuals who have a high rate of hospitalization due to a severe mental illness. Participants receive case management.	No	No: Traditional inspection protocol.
Family Scholar House	Louisville	2008	2008; 56	LMHA allocates vouchers to a Special Referral Program with Family Scholar House for their Louisville Scholar House facility. These solo heads of households often face multiple barriers to furthering their education and obtaining employment that will provide their families with adequate income to become self-sufficient. Vouchers become portable upon graduation.	No	Yes: For initial lease-up, C.O. is used. After initial move-in, with new occupant and once per year concurrently.
	Downtown	2010	2011; 54	Vouchers are allocated to the Family Scholar House at the Downtown Scholar House. Vouchers become portable upon graduation.		
	Stoddard Johnston	2012	2012; 57	Vouchers are allocated to the Family Scholar House for their Stoddard Johnston Scholar House location. Vouchers become portable upon graduation.		

Organization	Site	FY Originally Proposed	FY Implemented and # of Vouchers	Description	Streamlined Admission	MTW Inspections
	Parkland	2013	2013; 53	Vouchers are allocated to the Family Scholar House at their Parkland Scholar House facility. Vouchers become portable upon graduation.		
	Riverport	2017	2017; 64	Vouchers are allocated to the Family Scholar House's Riverport Scholar House facility. Vouchers become portable upon graduation.		
House of Ruth	Glade House	2018	2018; 10	<p>LMHA will allocate vouchers to the House of Ruth to assist individuals who are homeless and HIV-positive, combining housing with wraparound social service support services, including:</p> <ol style="list-style-type: none"> 1. A safe, drug and alcohol-free community living environment; 2. Intensive case management; 3. Group and individual mental health counseling; 4. Intensive outpatient substance abuse treatment; 5. Life skills education; and, 6. Transportation assistance. <p>Special Referral Program participants will be required to live at the House of Ruth's Glade House, a single-room occupancy facility for up to two years, after which time vouchers become fully portable.</p>	No	Yes: Inspection with new occupant and once per year concurrently.
Kentucky Cabinet for Health & Family Services	N/A	2016	2016; 10	<p>Vouchers are allocated to the Kentucky Cabinet for Health and Family Services. These vouchers are available to low-income households where a family member meets one of the following criteria:</p> <ol style="list-style-type: none"> 1. Persons with serious mental illnesses exiting licensed personal care homes and state psychiatric hospitals 2. Persons with severe mental illness who are at risk of institutionalization 3. Persons with disabilities exiting nursing homes and intermediate care facilities for individuals with intellectual or other developmental disabilities 	No	No: Traditional inspection protocol.
St. Vincent DePaul	1015-A S. Preston St.	2018	2018; 10	LMHA will allocate vouchers to St. Vincent DePaul's Transitional Housing Program, which assists families with children, where the family is either homeless or at risk of becoming homeless, combining housing support with case management services. Participants will initially reside at 1015-A S Preston Street; however, vouchers remain fully portable. Inspections will be conducted with each new occupant and once per year concurrently	No	Yes: Inspection with new occupant and once per year concurrently.
Wellspring	Youngland Avenue	2012	2012; 5	LMHA will allocate vouchers to households with members with severe mental illness, as long as they reside at Wellspring's Youngland Ave. facility, while they are participating in the program. Wellspring is a charitable organization that addresses Louisville's need for supportive housing for adults with severe and persistent psychiatric illnesses. Referrals accepted for this initiative are considered to be Mainstream Program participants.	Yes	No: Traditional inspection protocol.

Organization	Site	FY Originally Proposed	FY Implemented and # of Vouchers	Description	Streamlined Admission	MTW Inspections
	Bashford Manor - Newburg	2012	2012; 8	LMHA will allocate vouchers to households with members with severe mental illness, as long as they initially reside at Wellspring's Bashford Manor / Newburg facility, while they are participating in the program. Referrals accepted for this initiative are considered to be Mainstream Program participants.	No	
	N/A	2016	2016; 10	Vouchers are allocated to Wellspring for families with members with severe mental illness who are exiting Wellspring's Ardery House facility for permanent housing. These vouchers are only issued to households that are not eligible for an Olmstead voucher. Wellspring continues to provide case management / peer specialist services to all clients utilizing these vouchers.	No	
Office of Resilience and Community Services – Shelter Works	N/A	2019	2019; 10	LMHA will allocate vouchers to individuals participating in the ShelterWorks program. The Office of Resilience and Community Services (RCS) started the ShelterWorks program, which connects individuals in shelters to intensive wrap around services, training and job connections. As housing is such a basic need, it is anticipated that providing the Housing Choice Vouchers will increase the rate of attainment of self-sufficiency for program participants.	No	Yes: Inspection with new occupant and once per year concurrently.
Home of the Innocents	Home of the Innocents	2019	2019; 10	LMHA will allocate vouchers to homeless youth ages 18-24 and their dependents who are referred by the Home of the Innocents. Home of the Innocents (<i>the Home</i>) is where Louisville's vulnerable children and youth find emotional, physical, and intellectual support that can transform their lives. The Home provides the community with a range of important residential, treatment and community-based programs.	No	Yes: Inspection with new occupant and once per year concurrently.
Volunteers of America Mid-States	Scattered Site Locations	2020	2020; 50	LMHA will allocate vouchers to women recovering from substance abuse disorders and who are pregnant and/or parenting. Specifically, vouchers will be allocated to women participating in the Volunteers of America Mid-States' Transitional Living for Woman program and who meet eligibility requirements in Louisville.	No	Yes: Inspection with new occupant and once per year concurrently.

Activity #2006-1: MTW Homeownership Program (Formerly Activities #3-2006, #13-2009, and #11-2009)

Approval and Implementation

- Amount and Distribution of HCV Homeownership Assistance
 - Approved FY 2006
 - Implemented FY 2006
- HCV Homeownership Program – Exception Payment Standards
 - Approved FY 2009
 - Implemented FY 2009
 - Amended in FY 2017
- Flexibility in Third-Party Verification for HCV Homeownership
 - Approved FY 2009
 - Implemented FY 2009

Description/Update of Activity

LMHA has developed and implemented several MTW policies aimed at expanding homeownership opportunities for low-income families. Using MTW flexibility, LMHA developed and implemented the following policies:

- ***Amount and Distribution of HCV Homeownership Assistance:*** Utilization of a two-bedroom payment standard for all one-bedroom eligible HCV Homeownership households.
- ***HCV Homeownership Program – Exception Payment Standards:*** Adjustment of payment standards for the HCV Homeownership Program to 120% of Fair Market Rent in high opportunity census tracts that LMHA has designated as exception payment standard areas.

Exception census tracts are determined by analyzing 5-Year American Community Survey data published by the U.S. Census Bureau. When this activity was first implemented in FY 2009, an exception census tract was defined as one where the *Owner-Occupied Median Value* was greater than **100%** of the same value for the Metropolitan Statistical Area (MSA) as a whole. Post implementation of this activity, the clear majority of Homeownership Program participants (nearly 90%) were still purchasing houses in non-exception payment standard areas. To boost participants' buying power in areas of opportunity, in FY 2016, LMHA increased the number of exception census tracts by re-defining the criteria to encompass any census tract where the *Owner-Occupied Median Value* exceeded **80%** of the *Owner-Occupied Median Value* for the Louisville MSA as a whole.

- ***Flexibility in Third-Party Verification for HCV Homeownership:*** Once approved for the HCV Homeownership Program, families have eight months to execute and close on a proposed sales agreement. Under this policy, the income verification completed during the program application process is valid for eight months, i.e. staff no longer must re-verify income for families who take more than 60 days to close on a sale.

Impact

During FY 2020, twenty-three (23) households purchased a home through the HCV Homeownership Program, including nine (9) one-bedroom eligible households who utilized the two-bedroom payment standard. The average home sales price was \$131,470, with an average mortgage interest rate of 4.00%. Fourteen (14) households received HOME down payment assistance through the Louisville Metro Government, receiving a total of \$295,850 in down payment assistance.

Five (5) households in the HCV Homeownership Program purchased a home in an exception payment standard area during FY 2020.

Once approved for the HCV Homeownership Program, families have eight months to execute and close on a proposed sales agreement. Since the income verification completed during the program application process is now valid for eight months, staff no longer has to re-verify income for families who take more than 60 days to close on a sale. Thus, the cost of this task (re-verifying income after 60 days) has dropped from \$179 pre-implementation (FY 2008) to \$0. During FY 2020, seventeen (17) of the 23 households who purchased their home through the HCV Homeownership Program, closed on the sales agreement within eight months of the program application process.

Hardship

LMHA conducted an analysis and confirmed that the Exception Payment Standards do not unintentionally increase the rent burden of households purchasing homes in exception areas. In addition, the analysis confirmed that there is no disparate impact on the rent burden faced by protected classes of households by race, ethnicity, disability, age, or gender.

Actual Non-Significant Changes

While there are no non-significant changes in FY 2020, the activity represents a consolidation of the former three homeownership activities.

Changes to Metrics

No changes have been made to the metrics identified in the FY 2020 Annual Plan.

Actual Significant Changes

There were no significant changes to this activity in FY 2020.

Challenges in Achieving Benchmarks and Possible Strategies

LMHA was required to pause orientation for the HCV Homeownership Program in March 2020 due to COVID-19 stay-at-home orders in the City of Louisville. LMHA has looked to implement remote options to better serve homeownership participants, including conducting orientations virtually and hiring additional staff to support applicants and participants of the program.

Metrics

<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	As of FY 2008: \$179 (12 verifications x 0.5 hours x \$29.78/hour)	\$0	\$0	Yes
<i>CE #2: Staff Time Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	As of FY 2008: 6 hours (12 verifications x 0.5 hours)	0 hours	0 hours	Yes
<i>CE #3: Decrease in Error Rate of Task Execution</i>				

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average error rate in completing a task as a percentage (decrease)	As of FY 2008: Not tracked	N/A	N/A	N/A
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 because of the activity (increase).	0	4	23*	Yes
* Represents the total number of households who purchased a home in FY 2020 as a result of one or more of the flexibilities in this activity.				
HC #6: Increase in Homeownership Opportunities				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households that purchased a home because of the activity (increase).	0	4	23*	Yes
* Represents the total number of households who purchased a home in FY 2020 as a result of one or more of the flexibilities in this activity.				

Activity #2007-1: Streamlined Recertification Process (Formerly Activity #4-2007, Alternate Reexaminations)

Approval and Implementation

- Approved in FY 2007.
- Implemented in HCV Program in FY 2007 and implemented in Public Housing Program in FY 2008.
- Amended in FY 2012.

Description/Update of Activity

This activity allows LMHA to conduct a recertification of Housing Choice Voucher (HCV) and Public Housing (PH) households once every two years instead of annually. This will include households in the Project-Based Voucher (PBV) program.

Under this activity as originally implemented, biennial recertifications are completed for HCV households where the head, co-head or spouse is elderly or over age 55 and disabled and the only source of income for the household is Social Security (SS) or Disability (SSI). On the off years, HCV families are required to complete a mini-recertification packet, which they return to the agency by mail. In the Public Housing program, each year 50% of elderly/disabled families receive a full recertification of eligibility on the anniversary of their lease-up date.

Impact

With the exception of accepting documents up to 120 days, LMHA has not yet implemented the amended provisions of this activity.

In FY 2020, LMHA conducted regular recertifications for 8,223 households in the HCV and Public Housing Programs. As a result, \$233,780 was expended to complete regular recertifications in both programs.

LMHA also completed planning for the implementation of biennial recertifications for all Housing Choice Voucher (HCV) and Public Housing (PH) households and the elimination of the mini recertification process for HCV. LMHA will implement this process in early FY 2021 by scheduling one-half of households to complete recertifications on the odd years and the other half on the even years. Households who report zero income will be recertified annually.

Hardship

There were no hardships requests received.

Actual Non-Significant Changes

LMHA implemented the change approved by HUD in FY 2020 Plan that allows for streamlining the recertification process by accepting documents that are not more than 120 days old when submitted.

In FY 2020, the following changes were also approved by HUD but have not yet been implemented:

- Expand biennial recertifications to all Housing Choice Voucher (HCV) and Public Housing (PH) households and eliminate the mini recertification process for HCV.
- Recertify households whose only source of income is from SS, SSI and/or pension once every three years as well as PH households on flat rent.

Changes to Metrics

No changes have been made to the metrics identified in the FY 2020 Annual Plan.

Actual Significant Changes

There were no significant changes to this activity in FY 2020.

Challenges in Achieving Benchmarks and Possible Strategies

In the FY 2020 Plan, baselines and benchmarks were updated to reflect streamlined recertifications for all households. However, LMHA has not yet expanded biennial recertifications to all HCV and PH households or implemented triennial recertifications for fixed-income households. As a result, the number of annual recertifications was higher than anticipated in the FY 2020 Plan and LMHA did not meet the benchmarks for CE #1 and CE #2. Additionally, LMHA did not meet the benchmark for CE #5, as the COVID-19 pandemic created challenges for participants to maintain and/or secure employment and reduce their subsidy.

Metrics

CE #1: Agency Cost Savings*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	Total Cost of Task prior to implementation: \$304,888	Total Cost of Task prior to implementation: \$140,997	Total Cost of Task prior to implementation: \$233,780	No
	Number of Regular Recertifications PH: 2,672	Number of Regular Recertifications PH: 1,153	Number of Regular Recertifications PH: 1,484	
	HCV: 8,155	HCV: 3,854	HCV: 6,739	
	Time per recertification: 1 hour	Time per recertification: 1 hour	Time per recertification: 1 hour	
	Hourly rate: \$28.16	Hourly rate: \$28.16	Hourly rate: \$28.43	
<i>*Baseline reflects data prior to implementation of biennial and triennial recertifications. Though benchmark reflects the implementation of biennial and triennial recertifications, biennial recertification for all HCV and PH households and triennial recertification of fixed income households were not implemented in FY 2020.</i>				
CE #2: Staff Time Savings*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	Total time to complete the task prior implementation: 10,827 hours	Total time to complete the task prior implementation: 5,007 hours	Total time to complete the task prior to implementation: 8,223 hours	No
	Number of Regular Recertifications PH: 2,672	Number of Regular Recertifications PH: 1,153	Number of Regular Recertifications PH: 1,484	
	HCV: 8,155	HCV: 3,854	HCV: 6,739	

	Time per recertification: 1 hour	Time per recertification: 1 hour	Time per recertification: 1 hour	
*Baseline reflects data prior to implementation of biennial and triennial recertifications. Though benchmark reflects the implementation of biennial and triennial recertifications, biennial recertification for all HCV and PH households and triennial recertification of fixed income households were not implemented in FY 2020.				
CE #5: Increase in Agency Rental Revenue*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total household contributions towards housing assistance (increase).	PH: \$210 HCV: \$267	PH: \$214 HCV: \$272	PH: \$206 HCV: \$262	No
*Baseline reflects data prior to implementation of biennial and triennial recertifications. Though benchmark reflects the implementation of biennial and triennial recertifications, biennial recertification for all HCV and PH households and triennial recertification of fixed income households were not implemented in FY 2020. Agency rental revenue represents TTP for both PH and HCV.				

Activity #2008-1: Occupancy at Elderly Developments (Formerly Activities #10-2008 and #23-2010)

Approval and Implementation

- Local Definition of Elderly
 - Approved FY 2008
 - Implemented FY 2008
- Lease-Up Incentives for New Residents at Dosker Manor
 - Approved 2010
 - Implemented 2010

Description/Update of Activity

To increase occupancy rates at several of LMHA's elderly/disabled developments, LMHA, using MTW flexibility, developed and implemented leasing incentives and a revised definition of elderly. The following is a description of the MTW policies, which address this important leasing objective.

Local Definition of Elderly

Using MTW flexibility, LMHA has established the following local definition of elderly: any family whose head of household, co-head, or spouse is age 55 or above. Under existing HUD regulations, within the Public Housing Program, this definition is only used to determine eligibility for occupancy at the Housing Authority's elderly/disabled high-rise towers. In all other public housing contexts, "elderly" begins at age 62.

Lease-Up Incentives for New Residents at Dosker Manor

Additionally, LMHA provides lease-up incentives to new residents at Dosker Manor, an elderly/disabled high-rise located in downtown Louisville that was experiencing particularly low occupancy rates. New residents receive a waiver of the initial deposit and the first month is rent-free. The incentives have successfully increased occupancy rates Dosker Manor.

Impact

Occupancy rates have increased as a result of making non-disabled persons between ages 55 and 61 eligible for occupancy at elderly/disabled high-rise towers. This change has also increased the pool of one-bedroom and efficiency units available to these applicants. While these sites had an average occupancy rate of 90.8% when this activity was implemented in FY 2008, the occupancy rate at the close of FY 2020 was 95%. Higher occupancy rates improve operating revenues and maximize the cost effectiveness of federal funding.

The occupancy rate at Dosker Manor has improved significantly since the lease-up incentive was implemented. At the end of FY 2020, the occupancy rate was 94%.

Actual Non-Significant Changes

While there are no non-significant changes to the policies for FY 2020, the Activity represents a consolidation of former Activities #10-2008 and #23-2010.

Changes to Metrics

The baseline and benchmark for CE #5 have been updated from the FY 2020 Annual Plan to reflect average total tenant payment (TTP), as opposed to total TTP. LMHA feels that average TTP more accurately reflects increases in household income and household contributions.

Actual Significant Changes

There were no significant changes to this activity in FY 2020.

Challenges in Achieving Benchmarks and Possible Strategies

Though LMHA did not meet the benchmark for HC #5, the overall occupancy rate at the elderly/disabled high-rise towers continues to improve, increasing from 93% in FY 2019 to 95% in FY 2020.

Metrics

<i>CE #5: Increase in Agency Rental Revenue*</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Increase in agency rental revenue in dollars (increase)	\$132/month	\$136	\$215	Yes
<i>* Reflects total tenant payment.</i>				
<i>HC #4: Displacement Prevention</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households at or below 80% AMI that would lose assistance or need to move (decrease). If units reach a specific type of household, give that type in this box.	0	0	0	Yes
<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 because of the activity (increase).	0	105	84*	No
<i>* Reflects the number of households who moved into elderly/disabled developments as a result of the local definition of elderly.</i>				

Activity #2009-1: Streamlined Development and Acquisition (Formerly Activities #18-2009 and #26-2011)

Approval and Implementation

- Simplification of the Public Housing Development Submittal
 - Approved FY 2009
 - Implemented FY 2009
- Acquisition of Mixed-Income Sites for Public Housing
 - Approved FY 2011
 - Implemented FY 2011

Description/Update of Activity

LMHA has implemented several initiatives to streamline the development and acquisition processes. The initiatives result in cost savings to the Agency as well as expedited timelines associated with development and acquisition activities.

Simplification of the Public Housing Development Submittal

LMHA has simplified the proposal process for each acquired or developed public housing property. Twice yearly, LMHA submits a six-month report summarizing the Agency's acquisition and development activities to the HUD Louisville Field Office. The activity reduces the amount of time staff spends preparing development submittals and reduces the average length of time to close on a property.

Acquisition of Mixed-Income Sites for Public Housing

LMHA also used MTW flexibility to revise the acquisition process. The revised policy authorizes LMHA to acquire units for public housing or vacant land for developing public housing without prior HUD authorization if HUD does not respond to LMHA's request for authorization within 10 days of the submittal date. Acquired properties must meet all of HUD's other requirements, including site selection requirements.

Impact

LMHA has not utilized the flexibilities provided under this activity to date.

Actual Non-Significant Changes

In FY 2020, LMHA extended the scope of this activity to include acquisition of sites and/or units for PBV development and/or preservation as well as public housing mixed income sites. In addition to the extended scope of the acquisition policy, the activity represents a consolidation of former Activities #18-2009 and #26-2011.

Changes to Metrics

No changes have been made to the metrics identified in the FY 2020 Annual Plan.

Actual Significant Changes

There were no significant changes to this activity in FY 2020.

Challenges in Achieving Benchmarks and Possible Strategies

As there were no submittals under this activity in FY 2020, LMHA cannot report on challenges related to the metrics for this activity.

Metrics

<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	As of FY 2008: \$12,249 (9 submittals x 25 hours x \$54.44/hour)	\$930 (2 submittals x 7.5 hours x \$62.00/hour)	\$0 (0 submittals x 7.5 hours x \$62.00/hour)	Yes
<i>CE #2: Staff Time Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	As of FY 2008: 225 hours (9 submittals X 25 hours)	15 hours (2 submittals x 7.5 hours)	0 hours (0 submittals x 7.5 hours)	Yes
<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 because of the activity (increase)	0	10	0	No

Activity #2011-1: Housing Choice Voucher Childcare Deductions Policy (Formerly Activity #27-2011)

Approval and Implementation

Approved and implemented in FY 2011.

Description/Update of Activity

This activity allows for the deduction of verified ongoing childcare expenses from a working household's gross income when determining income eligibility. To qualify for the adjustment, the family must include a head of household, co-head, and/or spouse with a demonstrated work history for a period of 12 months or longer. While this activity was designed to increase housing choice for working families with children who may be struggling to make ends meet, LMHA has determined that it also achieves the HUD Standard metrics of "Reducing the per Unit Subsidy Costs" for participating households and "Increases Agency Rental Revenue." This policy remained in effect in FY 2020.

Impact

Two (2) households qualified to receive the childcare deduction when determining their income eligibility.

Actual Non-Significant Changes

There were no non-significant changes to this activity in FY 2020.

Changes to Metrics

No changes have been made to the metrics identified in the FY 2020 Annual Plan.

Actual Significant Changes

There were no significant changes to this activity in FY 2020.

Challenges in Achieving Benchmarks and Possible Strategies

LMHA experienced challenges in meeting benchmarks related to subsidy and tenant rent. The health and economic crisis that resulted from the COVID-19 pandemic created barriers for participants who sought to maintain and/or secure employment and reduce their subsidy.

Metrics

<i>SS #6: Reducing Per Unit Subsidy Costs for Participating Households</i>				
Unit of Measurement	Baseline	Benchmark	Outcome*	Benchmark Achieved?
Average amount of Section 8 subsidy per household affected by this policy in dollars (decrease).	As of FY 2010: No HHs affected by policy	\$542	\$623	No
<i>* Reflects average HAP for all HCV households.</i>				
<i>SS #7: Increase in Agency Rental Revenue</i>				
Unit of Measurement	Baseline	Benchmark	Outcome*	Benchmark Achieved?
Total household contributions towards housing assistance (increase)	As of FY 2019** \$267	\$272	\$262	No
<i>*Reflects average Total Tenant Payment for all HCV households.</i>				
<i>**2019 was the first year that a baseline for this metric was established.</i>				

Activity #2014-1: Public Housing Sublease Programs (Formerly Activities #37-2014 and #29-2015)

Approval and Implementation

- Accessible Units Sublease Agreement with Frazier Rehab Institute
 - Approved FY 2014
 - Implemented FY 2014
- Public Housing Sublease Agreement YouthBuild Louisville
 - Approved FY 2015
 - Implemented FY 2015
- Public Housing Sublease Agreement with Family Scholar House
 - Approved FY 2011
 - Implemented FY 2011

Description/Update of Activity

Using MTW flexibility, LMHA has developed and implemented sublease programs. The programs use public housing units for temporary housing for specific populations in need. Specifically, LMHA currently subleases units to the following organizations:

- ***Frazier Rehab Institute***
Fully accessible units are subleased as temporary housing for Spinal Cord Injury (SCI) out-patients of Frazier Rehab Institute. The units are transitional housing provided for up to six months per family. Frazier Rehab Institute is responsible for verifying that the family is eligible to live in the unit (e.g. a program participant, household income is at or below 80% AMI). Frazier Rehab leases the apartments from LMHA and pays the cost of all utilities. Rent to Frazier Rehab is set at \$225 per month (or roughly 30% of monthly SSI for one person) and Frazier Rehab has agreed to pass on no more than 100% of the rent plus utilities to the tenant (the sub lessee). Frazier Rehab uses a modified version of LMHA's public housing lease as its tenant sublease. Frazier Rehab also refers sub lessees to area service providers, including the Center for Accessible Living (Kentucky's first Independent Living Center), which can assist households with leaving the program.
- ***YouthBuild Louisville***
YouthBuild Louisville (YBL) subleases public housing units to provide temporary housing for low-income YBL participants who are experiencing homelessness. LMHA subleases up to three 2-bedroom apartments for the use of YBL participants (and their families) and facility space for the YBL program. Units are provided to YBL on an as needed basis. This activity uses public housing as an incentive for young people to enroll in the YBL job-training program, which increases their chances of becoming self-reliant.

For each month a unit is occupied by an YBL program participant, YBL pays LMHA \$60. YBL certifies that students are income eligible upon entry to the YBL program through the application process and follow-up verification through local and state subsidy programs. The participant and their household may continue to live in the unit if they are active in the YBL program. Upon graduation, the household may elect to receive preference for a public housing unit.

All participants residing in the subleased public housing units must meet basic Public Housing Program eligibility criteria (no outstanding rent balance with LMHA or other public housing

authority, criminal background check, age 18 or older). LMHA staff verifies that the YBL program participant is eligible for this MTW initiative.

- **Scholar House**

LMHA maintains a partnership with the Family Scholar House to provide public housing to parents while they work to obtain a college degree. To be eligible for residency at the Downtown Scholar House, the head of household must have a high school diploma or GED and agree to enroll in a degree-granting program at an accredited post-secondary institution as a full-time student. Eligibility is limited to households including no more than one adult family member. Families interested in applying for or transferring to a Family Scholar House unit contact the Family Scholar House directly for additional eligibility and screening requirements. Family Scholar House public housing units provide temporary housing to families actively participating in the Scholar House's programming. Families must relinquish their unit when they graduate from or otherwise terminate their participation in the Scholar House's programming. Participants who successfully graduate from the program will receive a preference for admission to LMHA's Housing Choice Voucher Program as long as the participant was living in LMHA public housing (including PH/LIHTC housing) at the time of program completion.

Impact

In FY 2020, LMHA served 19 households through this activity; two (2) through its sublease agreement with Frazier Rehab Institute, six (6) through its sublease agreement with YouthBuild Louisville, and eleven (11) through its sublease agreement with Scholar House.

Hardship

Frazier Rehab has a hardship policy under which households may receive a temporary waiver from the rent charged to the sub lessee. In FY 2020 there were no requests for hardship among participants housed at Frazier Rehab.

Actual Non-Significant Changes

While there are no non-significant changes to this activity in FY 2020, the activity represents a consolidation of two former activities.

Changes to Metrics

The benchmarks for SS #3 have been updated to reflect the number of employed and unemployed households which is equal the total number of households receiving services.

Actual Significant Changes

There were no significant changes to this activity in FY 2020.

Challenges in Achieving Benchmarks and Possible Strategies

LMHA did not meet the benchmark for households transitioned to self-sufficiency due to the COVID-19 pandemic, which presented obstacles to moving out of the sub-lease programs.

Metrics

<i>CE #2: Staff Time Savings*</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	0 hours	N/A	N/A	N/A
<i>*There are no staff savings associated with this activity</i>				

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	N/A	\$6,200	Yes
<i>*Represents average earned income of employed participants. Clients in these programs are not expected to have an increase in income. Frazier clients have spinal injuries and are unable to work.</i>				
SS #3: Increase in Positive Outcomes in Employment Status				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Employed Full-Time	As of FY2014: 0	0	1	Yes
Employed Part-Time	As of FY2014: 0	1	4	Yes
Enrolled in an Educational Program	As of FY2014: 0	1	17	Yes
Enrolled in a Job Training Program	As of FY2014: 0	1	5	Yes
Unemployed	As of FY2014: 0	3	14	No
Other	N/A	N/A	N/A	N/A
SS #5: Households Assisted by Services that Increase Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self-sufficiency (increase).	As of FY 2014: 0	4	19	Yes
SS #8: Households Transitioned to Self Sufficiency*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase).	As of FY 2014: 0	4	2	No
<i>*Self-Sufficiency is defined as a participant exiting the program for any other reason than termination of subsidy/participation.</i>				
HC #1: Additional Units of Housing Made Available				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI because of the activity (increase).	As of FY 2013: 0	4	19	Yes
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 because of the activity (increase).	As of FY 2014: 0	4	19	Yes

Activity #2014-2: Housing Choice Voucher Program Rent Increase Limit (Formerly Activity #39-2014)

Approval and Implementation

Approved and implemented in FY 2014.

Description/Update of Activity

Under this MTW activity, LMHA places a 2% cap on annual contract rent increases for units where the tenant is already receiving Housing Choice Voucher (HCV) rental assistance. At contract renewal, LMHA limits the landlord's requested rent to whichever is least: 102% of the previous contract rent for the same tenant or the (exception) payment standard.

Under this activity, LMHA conducts reasonable rent (RR) determinations on a random sample of the units where rent increases were requested. LMHA uses the SEMAP sample size requirements to dictate the number of RR determinations to be completed and has established the universe as the number of units with requested rent increases. If the rent on more than 20% of sampled units, because of application of the policy, is not reasonable when compared with the RR determination, LMHA will conduct RR determinations on double the initially established sample size. LMHA monitors outcomes and may modify this policy to ensure rents are reasonable, i.e. revise sample size requirements.

Impact

LMHA conducted monthly QC reasonable rent determinations on a sample of units where a rent increase was requested. In FY 2020, LMHA found that all units included in the QC sample had approved rents which proved to be reasonable. To that end, LMHA was not required to expand the sample size and conduct additional reasonable rent determinations.

Actual Non-Significant Changes

There were no non-significant changes to this activity in FY 2020.

Changes to Metrics

No changes have been made to the metrics identified in the FY 2020 Annual Plan.

Actual Significant Changes

There were no significant changes to this activity in FY 2020.

Challenges in Achieving Benchmarks and Possible Strategies

The health and economic crisis caused by the COVID-19 pandemic has presented challenges for participants to maintain and/or secure employment and increase earned income, which in turn impacted subsidy and tenant rent. As a result, LMHA did not meet the benchmarks for SS #6 and SS #7.

Metrics

<i>SS #6: Reducing Per Unit Subsidy Costs for Participating Households</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of Section 8 subsidy per household affected by this policy in dollars (decrease).	As of FY 2014* \$526	\$542	\$618	No
<i>*FY 2014 is the earliest year for which data is available.</i>				
<i>SS #7: Increase in Agency Rental Revenue*</i>				

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
PHA rental revenue in dollars (increase).	As of FY 2019** 267	\$272	\$269	No
<i>*Total tenant payment.</i> <i>**2019 was the first year that a baseline for this metric was established.</i>				

Activity #2015-1: HCV Program - HUD/MDRC Rent Reform Demonstration (Formerly Activity #43-2015)

Approval and Implementation

Approved and implemented in FY 2015.

Description/Update of Activity

LMHA was selected to participate in a HUD-commissioned six-year study to evaluate an alternative HCV rent reform policy (the “Study”). MDRC, a nonprofit and nonpartisan education and social policy research organization, is conducting the Study on behalf of HUD. The Study sets forth alternative rent calculation and recertification strategies that have been implemented at several public housing authorities across the country, to fully test the policies nationally.

The goals of this alternative rent policy are to:

- Create a stronger financial incentive for tenants to work and advance toward self-sufficiency;
- Simplify the administration of the HCV Program;
- Reduce housing agency administrative burden and costs;
- Improve accuracy and compliance of program administration;
- Remain cost neutral or generate savings in HAP expenditures relative to expenditures under current rules; and,
- Improve transparency of the program requirements.

The Control Group vouchers are managed using the LMHA’s standard policies. The Alternate Rent Group rent policy includes the following features:

- A revised formula to calculate tenant share of rent and utilities at 28% of gross annual income
- A minimum rent payment from tenants to owners of \$50
- A revised method for determining gross annual income
- Elimination of deductions and allowances
- A disregard of income from assets valued below \$25,000
- A triennial recertification procedure
- A limited number of interim re-certifications per household per year
- A revised methodology for determining tenant rent to owner
- A simplified utility allowance schedule
- A hardship policy to protect tenants from excessive rent burden

Only vouchers administered under the MTW Program are eligible for the Study; however, households receiving a biennial certification are also excluded. The Study is focused on work-able populations and does not include elderly households, disabled households, or households headed by people older than 56 years of age (who will become seniors during this long-term study). Households utilizing the childcare expense deduction for purposes of determining adjusted annual income, as well as households participating in Family Self-Sufficiency and Homeownership programs, were not eligible for Study selection. In addition, households that contain a mix of members: 1) with an immigration status that is eligible for housing assistance, and 2) with an immigration status that is non-eligible for housing assistance, are not included in the Study. Finally, households receiving case management or supportive services through one of the Housing Authority’s MTW Special Referral Programs are also excluded from the Study.

Households selected for the Alternate Rent Group met with an LMHA Housing Specialist to review the Study and their specific calculation of Total Tenant Payment under both the traditional and Study policies. They then had a period of 30 days to consider whether to select to be excluded from the Study. Study enrollment was completed in December 2015. In FY 2020, as a result of households leaving the program, the Alternate Rent Group consisted of 517 households and the Control Group consisted of 603 households. The study is scheduled to end in FY 2021.

The Study offers appropriate hardship protections to prevent any Alternate Rent Group member from being unduly impacted including:

- If the household has a decrease in annual income, the household may request an interim re-certification or other remedies under the hardship process;
- If the limit on interim certification presents a hardship, the household can apply for a Hardship Exemption; and,
- Where minimum rent to owner exceeds 40% of the household current anticipated gross income, the household may request a hardship waiver.

Impact

Study enrollment was completed during FY 2016. In all, 767 families were enrolled in the Alternate Rent Group; 1,038 were enrolled in the Control Group; and 227 opted to be excluded from the study altogether.

As of the end of FY 2020, 62% of the original enrollees, including 517 of the Alternate Rent Group households and 603 Control Group families, were participants in the Housing Authority's HCV Program.

In FY 2020, 434 (84%) households in the Alternate Rent Group reported earned income at their most recent certification, compared with 252 (42%) households in the Control Group. In addition, at the end of the fiscal year, 237 Alternate Rent Group and 155 Control Group households were self-sufficient, i.e., receiving annual gross earned income equal to or exceeding \$14,500. It should be noted that the Alternate Rent Group had 69 households with earned income under \$5,000 where the Control Group only had 17 households with earned income under \$5,000. This disparity in earned income impacts the average earned income for the Alternate Rent Group and Control Group.

Hardship

Under this activity, LMHA conducts triennial income recertifications for the Alternate Rent Group rather than annual recertifications, with provisions for a limited number of interim recertifications and hardship remedies if income decreases. Additionally, the Study offers appropriate hardship protections to prevent any Alternate Rent Group member from being unduly impacted.

Fifty-eight (58) hardship requests were received during FY 2020; 37 requests were approved.

Actual Non-Significant Changes

There were no non-significant changes to this activity in FY 2020.

Changes to Metrics

The benchmark for SS #3 has been corrected to reflect the number and percentage of employed and unemployed households in the Alternate Rent Group and Control Group.

Actual Significant Changes

There were no significant changes to this activity in FY 2020.

Challenges in Achieving Benchmarks and Possible Strategies

LMHA did not meet benchmarks for CE #1 and CE #2 for the Alternate Rent Group as a result of processing a higher than anticipated volume of interim recertifications due to reductions in income. As FY 2020 was a non-triennial certification year, a higher number of households in the Alternate Rent Group requested interim recertifications than in FY 2019 due to the COVID-19 related reductions in income. Additionally, LMHA did not meet the benchmark for SS #6, as the COVID-19 pandemic created challenges for participants to maintain, secure and/or increase employment and reduce their subsidy.

Metrics

<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Cost Per Annual Certification Total cost of task in dollars (decrease).	As of FY2015: Alt Rent Group: \$54,920 (1 annual cert x 1,000 households x \$54.92/cert) Control Group: \$54,920 (1 annual cert x 1,000 households x \$54.92/cert) Per annual cert cost: \$54.92 (\$50.14 staff cost (2 hours x \$25.07/hour) + \$4.78 (mail + reproduction costs))	Alt Rent Group (Non-Triennial Cert Years): \$0 (0 certs x \$0 per cert) Alt Rent Group (Triennial Cert Years): \$35,438 (580 certs x \$61.10) Control Group (All Years): \$41,059 (672 certs x \$61.10) Cost per annual cert: \$61.10 (\$56.32 staff cost (2 hours x \$28.16/hour) + \$4.78 (mail + reproduction costs))	Alt Rent Group (Non-Triennial Cert Years): \$370 (6 certs x \$61.70) Control Group (All Years): \$29,246 (474 certs x \$61.70) Cost per annual cert: \$61.70 (\$56.86 staff cost (2 hours x \$28.43/hour) + \$4.84 (mail + reproduction costs))	Yes for Control Group No for Alt Rent Group
Cost per Full Interim Certification* Total cost of task in dollars (decrease).	As of FY2015: Alt Rent Group: \$75,220 (2 interim certs x 1,000 HHs \$37.61/cert) Control Group: \$75,220 (2 interim certs x 1,000 HHs \$37.61/cert) <u>Per interim cert cost:</u> \$37.61 (staff cost of \$25.07/hr. x 1.5 hrs.)	Alt Rent Group: \$12,250 (290 certs x \$42.24/cert) Control Group: \$56,771 (1,344 certs x \$42.24/cert) Per interim cert cost: \$42.24 (staff cost of \$28.16/hour x 1.5 hours)	Alt Rent Group: \$29,514 (692 certs x \$42.65/cert) Control Group: \$18,041 (423 certs x \$42.65/cert) Per interim cert cost: \$42.65 (staff cost of \$28.43/hour x 1.5 hours)	Yes for Control Group No for Alt Rent Group

Cost per Streamlined Interim Certification* Total cost of task in dollars (decrease).	As of FY2015: Alt Rent Group: \$75,220 (2 traditional interim certs per household x 1,000 households x \$37.61/cert) Per traditional interim cert cost: \$37.61 (staff cost of \$25.07/hour x 1.5 hours)	Alt Rent Group: \$16,333 (580 certs x \$28.16/cert) Per streamlined interim cert cost: \$28.16 (staff cost of \$28.16/hour x 1.0 hours)	Alt Rent Group: Not tracked	N/A
<i>* LMHA is not currently tracking traditional and streamlined interim certifications separately. All interim certifications have been reported as traditional interim certifications.</i>				
Cost of Rent Calculation* Total cost of task in dollars (decrease).	As of FY2015: Alt Rent Group: \$25,070 (1,000 households x \$25.07 per rent calculation) Control Group: \$25,070 (1,000 households x \$25.07 per rent calculation) Per rent calculation cost: \$25.07 (staff cost of \$25.07/hour x 1.0 hours)	Alt Rent Group (Non-Triennial Cert Year): \$0 (0 rent calculations x \$28.16 per cert) (Triennial Cert Years): \$16,333 (580 rent calculations x 1.0 staff hours x \$28.16/hour) Control Group (All Years): \$18,924 (672 rent calculations x 1.0 staff hours x \$28.16/hour)	Alt Rent Group (Non-Triennial Cert Year): \$171 (6 rent calculations x 1.0 staff hour x \$28.43/hour) Control Group (All Years): \$13,476 (474 rent calculations x 1.0 staff hour x \$28.43/hour)	Yes for Control Group No for Alt Rent Group
<i>*Includes regular recertifications; interim recertifications and hardship requests are excluded.</i>				
Cost to Determine Income from Assets* Total cost of task in dollars (decrease).	As of FY 2015: Alt Rent Group: \$13 (2 households (0.22% x 1,000 households) x \$6.27 per asset income determination) Control Group: \$13 (2	Alt Rent Group (Non-Triennial Cert Years): \$0 (0 household x \$28.16 per staff hour x 0.25 hours) Alt Rent Group (Triennial Cert Years): \$14 (2 households x \$28.16 per staff hour x 0.25 hours)	Alt Rent Group (Non-Triennial Cert Years): \$0 (0 household x \$28.43 per staff hour x 0.25 hours) Control Group (All Years): \$7 (1 household x \$28.43 per staff hour x 0.25 hours)	Yes

	households (0.22% x 1,000 HHs) x \$6.27 per asset income determination) Per asset income determination cost: \$6.27 (staff cost of \$25.07/hour x 0.25 hours)	Control Group (All Years): \$14 (2 households x \$28.16 per staff hour x 0.25 hours)		
<i>*Includes regular recertifications; interim recertifications and hardship requests are excluded.</i>				
CE #2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
<i>Time to Complete Annual Certification</i> Total time to complete the task in staff hours (decrease).	As of FY 2015: Alt Rent Group: 2,000 hours (1,000 households x 2.0 hours per annual cert) Control Group: 2,000 hours (1,000 households x 2.0 hours per annual cert)	Alt Rent Group (Non-Triennial Cert Years): 0 hours (0 certs x 2 hours/cert) Alt Rent Group (Triennial Cert Years): 1,160 hours (580 households x 2.0 hours/cert) Control Group (All Years): 1,344 hours (672 households x 2.0 hours/cert)	Alt Rent Group (Non-Triennial Cert Years): 12 hours (6 certs x 2 hours/cert) Control Group (All Years): 948 hours (474 households x 2.0 hours/cert)	Yes for Control Group No for Alt Rent Group
<i>Time to Determine Tenant Rent*</i> Total time to complete the task in staff hours (decrease).	As of FY 2015: Alt Rent Group: 1,000 hours (1,000 households x 1.0 hours per tenant rent determination) Control Group: 1,000 hours (1,000 households x 1.0 hours per	Alt Rent Group (Non-Triennial Cert Year): 0 (0 rent calculations x 1 hour/determination) (Triennial Cert Years): 580 hours (580 determinations x 1.0 hour/determination) Control Group (All Years): 672 hours	Alt Rent Group (Non-Triennial Cert Year): 6 hours (6 rent calculations x 1 hour/determination) Control Group (All Years): 474 hours (474 rent calculations x 1.0 hour/determination)	Yes for Control Group No for Alt Rent Group

	tenant rent determination)	(672 determinations x 1.0 hour/determination)		
<i>*Includes regular recertifications; interim recertifications and hardship requests are excluded.</i>				
Time to Determine Utility Allowance* Total time to complete the task in staff hours (decrease).	As of FY 2015: Alt Rent Group: 250 hours (1,000 households x 0.25 hours per UA determination) Control Group: 250 hours (1,000 households x 0.25 hours per UA determination)	Alt Rent Group (Non-Triennial Cert Year): 0 (0 rent calculations x 0.08 hour/determination) (Triennial Cert Years): 46 hours (580 determinations x 0.08 hours per determination) Control Group (All Years): 168 hours (672 determinations x 0.25 determination)	Alt Rent Group (Non-Triennial Cert Year): 0.5 hours (6 rent calculations x 0.08 hour/determination) Control Group (All Years): 115 hours (461 determinations x 0.25 determination)	Yes for Control Group No for Alt Rent Group
<i>*Includes regular recertifications; interim recertifications and hardship requests are excluded.</i>				
CE #3: Decrease in Error Rate of Task Execution				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average Error Rate in Determining TTP Average error rate in completing a task as a percentage (decrease).	As of FY2015: Not tracked	Not determined	8%*	Yes
Average Error Rate in Determining Utility Allowance Average error rate in completing a task as a percentage (decrease).	As of FY2015: Not tracked	Not determined	Not tracked	N/A
<i>* Represents error rate in calculating participant income.</i>				
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).	As of FY2016: \$7,195	Alt Rent Group: \$8,285 Control Group: \$6,335	Alt Rent Group: \$16,815 Control Group: \$19,899	Yes
SS #3: Increase in Positive Outcomes in Employment Status				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Employed Full-Time*	As of FY 2018:	Alt Rent Group: 464	Alt Rent Group: 434	Yes for Alt Rent Group

	Alt Rent Group: 483 (80% of 604 households) Control Group: 316 (45% of 700 households)	(80% of 580 households) Control Group: 269 (40% of 672 households)	(84% of 517 households) Control Group: 252 (42% of 603 households)	No for Control Group
Employed Part-Time*	As of FY 2015: Not tracked	Not Tracked	Not Tracked	N/A
Enrolled in an Educational Program	As of FY 2018: Alt Rent Group: 72 households Control Group: 49 households	Alt Rent Group: 72 households Control Group: 49 households	Alt Rent Group: 30 households Control Group: 54 households	Yes for Control Group No for Alt Rent Group
Enrolled in a Job Training Program	As of FY 2015: Not tracked	Not Tracked	Not Tracked	N/A
Unemployed	As of FY 2015: Not tracked	Alt Rent Group: 116 (20% of 580 households) Control Group: 403 (60% of 672 households)	Alt Rent Group: 83 (16% of 517 households) Control Group: 351 (58% of 603 households)	Yes
Other	As of FY 2015: Not tracked	Not Tracked	0	Yes
*Full-time vs. part-time employment status is not tracked for either Alternate Rent Group or Control Group households. LMHA determines employment as earned income and includes all employment as full time employment.				
SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	As of FY 2016: 69 (4% of 1,637 households)	Alt Rent Group: 29 (5% of 580 households) Control Group: 27 (4% of 672 households)	Alt Rent Group: 20 (4% of 517 households) Control Group: 13 (2% of 603 households)	Yes
SS #5: Households Assisted by Services that Increase Self Sufficiency*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self-sufficiency (increase).	As of FY 2015: Alt Rent Group: 0	Alt Rent Group: 6 (1% of 580 households) Control Group: 13	Alt Rent Group: 13 (3% of 517 households)	Yes

	(0% of 1,000 households) Control Group: 0 (0% of 1,000 households)	(2% of 672 households)	Control Group: 39 (6% of 603 households)	
<i>*Reflects households enrolled in the Housing Authority's FSS Program.</i>				
SS #6: Reducing Per Unit Subsidy Costs for Participating Households*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of Section 8 subsidy per household affected by this policy in dollars (decrease).	As of FY 2015: \$634/month	Alt Rent Group: \$608/month Control Group: \$628/month	Alt Rent Group: \$626/month Control Group: \$693/month	No
<i>* Per unit subsidy equals average HAP to Owner.</i>				
SS #7: Increase in Agency Rental Revenue*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total household contributions towards housing assistance (increase).	This information was not previously tracked. As of FY 2019 Alt Rent Group: \$275 Control Group: \$267	Alt Rent Group: \$281 Control Group: \$272	Alt Rent Group: \$359 Control Group: \$287	Yes
<i>*Total tenant payment.</i>				
SS #8: Households Transitioned to Self Sufficiency*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase).	As of FY 2016: Alt Rent Group: 161 (22% of 722 households) Control Group: 188 (21% of 915 households)	Alt Rent Group: 128 (22% of 580 households) Control Group: 141 (21% of 672 households)	Alt Rent Group: 237 (46% of 517 households) Control Group: 155 (26% of 603 households)	Yes
<i>*Self-Sufficiency is defined as the ability of a non-disabled/non-elderly family to obtain suitable employment. "Employment" means the household is receiving earned income. "Suitable" is defined as annual gross earned income equal to or exceeding \$14,500 (the hourly minimum wage of \$7.25 multiplied by 2,000 hours).</i>				

***Activity #2018-1: Beecher Terrace Choice Neighborhood Initiative (CNI)
Revitalization – Broader Use of Funds to Support the Development of Off-Site,
Mixed-Income Replacement Housing
(Formerly Activity #49-2018)***

Approval and Implementation

Approved and implemented in FY 2018.

Description/Update of Activity

This activity allows LMHA to acquire unsubsidized units for development of mixed income housing. In some instances, such units will become PBV developments. As these units will not receive ongoing Section 9 operating subsidy, HUD approval of these acquisitions is not required. However, the units will still be targeted to households whose income does not exceed 80% of Area Median Income (AMI).

LMHA is currently using the flexibility under this activity to pursue opportunities to acquire properties where the Housing Authority can provide off-site replacement housing for its current CNI Grant, awarded for the redevelopment of Beecher Terrace, without relying on a third party developer or owner.

LMHA undertook the acquisition of such properties as a pilot project to determine whether this unique approach to the provision of mixed-income replacement housing developments to include PHA owned PBV acquisitions is indeed feasible. Now that the Agency has “proof of concept,” the Housing Authority plans to pursue additional acquisitions of this nature in furtherance of its CNI Transformation Plan commitments up to a maximum of 110 units.

Impact

During FY 2020, LMHA continued to pursue opportunities to provide off-site replacement for Beecher Terrace. In 2019, LMHA Development Corporation acquired Newbridge Place, a 27-unit apartment complex, using MTW Broader Use of Funds. In FY 2020, LMHA has offered a conditional commitment to project-base these units which will be used for Beecher Terrace replacement housing. The units are restricted to households with incomes below 80% of Area Median Income and do not receive direct, ongoing operating subsidy. As of the end of the fiscal year, a HAP had not yet been entered into for Newbridge Place.

Actual Non-Significant Changes

There were no non-significant changes to this activity in FY 2020.

Changes to Metrics

No changes have been made to the metrics identified in the FY 2020 Annual Plan.

Actual Significant Changes

There were no significant changes to this activity in FY 2020.

Challenges in Achieving Benchmarks and Possible Strategies

As leasing had not yet begun at Newbridge Place before the end of the fiscal year, LMHA cannot report on challenges in achieving benchmarks.

Metrics

<i>SS #6: Reducing Per Unit Subsidy Costs for Participating Households</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of Section 8 subsidy per household affected by this policy in dollars (decrease).	As of FY 2017: \$5,460	\$0	N/A	N/A
<i>SS #7: Increase in Agency Rental Revenue</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
PHA rental revenue in dollars (increase).	As of FY 2017: \$7,536 (\$1,884 per household X 4 households)	\$33,600 (\$8,400 per household X 4 households)	N/A	N/A
<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 because of the activity (increase).	As of 2017: 0	4	N/A	N/A
<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 because of the activity (increase).	As of FY 2017: 0	4	N/A	N/A
<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	As of FY2017: \$84 (4 households x 0.75 hours per verification x \$28.16 per staff hour)	\$84 (4 households x 0.75 hours per verification x \$28.16 per staff hour)	N/A	N/A

Activity #2018-2: Increasing Housing Options for Relocating Beecher Terrace Families
(Formerly Activity #50-2018)

Approval and Implementation

Approved and implemented in FY 2018.

Description/Update of Activity

Given the large proportion of Beecher households who must be relocated due to a Choice Neighborhood Initiative (CNI) redevelopment project who need one-bedroom units, LMHA developed an activity to increase the ability of the Housing Choice Voucher (HCV) Program to absorb additional one-bedroom-eligible households. Specifically, LMHA used MTW flexibility to provide the following two options:

- **Increased Payment Standard for One-Bedroom-Eligible Households** (Relocating Beecher Terrace Households Only): LMHA offers a two-bedroom payment standard to all one-bedroom-eligible households moving from the Beecher Terrace public housing development to an HCV unit in relocation phase II or III. Both the regular two-bedroom payment standard (set at 100% of Fair Market Rent (FMR)) and the increased two-bedroom payment standard offered to families leasing in high opportunity census tracts (set at 110% of FMR) are available to these households.

One-bedroom-eligible families are only permitted to use the two-bedroom payment standard to lease a two-bedroom unit. If a family chooses to lease a one-bedroom unit, they receive the one-bedroom payment standard. Although LMHA does not anticipate any relocating households will select a zero-bedroom unit, should they do so, they will receive the zero-bedroom payment standard.

- **HCV Owner Incentive Fee** (HCV Program-Wide): To encourage owner participation in the HCV Program and increase the inventory of one-bedroom units available to Beecher families relocating within the Louisville Metro area, LMHA pays a \$1,000 incentive fee to owners who lease a one-bedroom unit to a family entering LMHA's HCV Program (to include relocating Beecher families). For the purposes of this activity, a family will be "newly-admitted" and the unit eligible for an incentive fee if:
 - The family is signing a lease under the HCV Program for the first time;
 - The family is moving from one LMHA housing program to another (e.g., moving from the Public Housing Program to the HCV Program);
 - The family is using the portability provisions provided through the HCV Program to move with continued HCV assistance from another Public Housing Agency's jurisdiction to LMHA's jurisdiction; or,
 - The family has experienced an interruption of voucher assistance where the Public Housing Agency formerly assisting the family submitted an End of Participation action to HUD using form HUD-50058 or HUD-50058 MTW.

The incentive fee is paid in two installments of \$500 each, with the first installment paid during the first month of the Housing Assistance Payment (HAP) contract and the second installment paid following the first anniversary of the HAP contract's effective date. Should the HAP contract be terminated for any reason within the first year, the owner will not receive the second \$500 installment.

Impact

LMHA completed the final phase of relocation of Beecher Terrace families in FY 2020. Of the families relocating with a voucher, 90 utilized the flexibility to use the two-bedroom payment standard in FY 2020.

LMHA continued to offer the owner incentive program-wide. In FY 2020, 461 owners received the owner incentive. This incentive has been effective in marketing efforts to identify and attract owners with one-bedroom units.

Actual Non-Significant Changes

There were no non-significant changes to this activity in FY 2020.

Changes to Metrics

No changes have been made to the metrics identified in the FY 2020 Annual Plan.

Actual Significant Changes

There were no significant changes to this activity in FY 2020.

Challenges in Achieving Benchmarks and Possible Strategies

LMHA did not experience any challenges in achieving benchmarks during FY 2020.

Metrics

<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).	As of FY 2017: 84 months	84 months	66 months	Yes
<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 because of the activity (increase).	132	227	551	Yes
* Represents the number of one-bedroom Beecher Terrace households that leased-up using the two-bedroom payment standard and the number of HCV households who leased up as a result of the owner incentive.				

Activity #2019-1: Enhancements to Local Project-Based Voucher (PBV) Program
(Formerly Activities #51-2019 and #48-2018)

Approval and Implementation

- Local Project-Based Voucher (PBV) Program
 - Approved FY 2018
 - Implemented FY 2018
- Enhancements to Local Project-Based Voucher (PBV) Program
 - Approved FY 2019
 - Implemented FY 2019

Description/Update of Activity

LMHA revised project-based policies to help meet the requirements of LMHA's Beecher Terrace Choice Neighborhood Initiative (CNI) Implementation Grant. Policy revisions also provide additional housing choices for low-income households in high opportunity areas and incentivize developers to preserve or create affordable housing units and streamline the administration of PBVs.

Currently, PBV efforts focus on replacing Beecher Terrace units; however, LMHA plans to utilize flexibilities included in this Activity for the preservation and development of other affordable housing units in the future.

The following MTW flexibilities are included in LMHA's Enhancements to Local Project-Based Voucher (PBV) Program:

- PBV proposals may be selected based on any one of the following three methods:
 - The results of a previous competition (no MTW authority required);
 - Issuance of a Request for Proposals, which may be limited to a specific site or sites or to geographic areas that meet certain criteria (for example, non-impacted census tracts); or,
 - Selection of LMHA-owned properties without a competitive process or prior HUD approval.
- Up to 100% of units within any given project may be awarded PBV assistance. However, in furtherance of the Housing Authority's commitment to the development of mixed-income housing, at its sole discretion, LMHA may limit the percentage of units that may be project-based at any given project to some amount less than 100%.
- When LMHA has received owner notice that the rehabilitated or newly constructed housing is completed, the Housing Authority will inspect the units to determine if the housing has been completed in accordance with the Agreement to Enter a HAP Contract (AHAP), including compliance with Housing Quality standards (HQS), except that in lieu of LMHA inspection of the units, the owner may submit the Certificate of Occupancy issued by Louisville Metro Government as evidence of compliance.
- LMHA will not inspect units at new tenant turnover. LMHA will inspect all units within a specific building concurrently once per year. Should the owner add or substitute a unit covered under the HAP contract, LMHA will inspect the new or substitute unit before assisting that unit. LMHA will also conduct complaint inspections upon tenant request. LMHA may still choose to rely on an alternative inspection process at mixed-finance properties in lieu of an annual inspection. However, LMHA will ensure that all units are inspected at least once per year.

- For determining the order in which families on the Housing Authority’s PBV waiting list are referred by LMHA to the owner of a project-based elderly or elderly/disabled building, an “Elderly Family” will be defined as a family whose head (including co-head), spouse, or sole member is a person who is at least 55 years of age. It may include two or more persons who are at least 55 years of age living together, or one or more persons who are at least 55 years of age living with one or more Live-In Aides.
- The income eligibility limit for PBV units will be increased from 50% to 80% of Area Median Income (AMI) except in the case of PBV units that are subject to a lower income restriction due to limitations imposed by other 3rd-party funding sources (for example, units that also have low-income housing tax credits or funding awarded through the National Housing Trust Fund). In the case of funding sources that impose an income cap that falls between 50% and 80% of AMI, the maximum allowable income cap will be used. (For example, PBV units that also have low-income housing tax credits capped at 60% of AMI would have an income eligibility limit of 60% of AMI.)
- For PBV units that are also low-income housing tax credit (LIHTC) units, LMHA will utilize the LIHTC program’s Tenant Income Certification form to verify income and assets both for determining eligibility at admission and at recertification.

In addition to the provisions identified above, LMHA received approval in FY 2019 to further revise the PBV Program. LMHA continues to issue PBV RFPs, which will include the FY 2019 amendment policy changes, including:

- Revised local PBV payment standards that are equal to the greater of 110% of the Metropolitan Area Fair Market Rent (MAFMR) or 110% of the Small Area Fair Market Rent (SAFMR) schedules published annually by HUD.
- Local PBV Program Site-Specific Utility Allowances. LMHA allows PBV owners to calculate site-specific Utility Allowances in accordance with the provisions of Notice H 2015-04 or successor notices, subject to LMHA’s review and approval prior to implementation.
- Owner Managed Site Based Waiting Lists allow individual owners participating in the LMHA’s Enhancements to Local Project-Based Voucher (PBV) Program to maintain site-based waiting lists. LMHA will determine whether to allow owner-maintained, site-based waiting lists based on LMHA’s assessment of each individual owner’s management capacity. Owners will be required to adhere to fair housing, the Americans with Disabilities Act and other applicable federal guidelines including, but not limited to: providing public notification of waiting list opening and closings; providing community-wide notice of housing availability; providing reasonable accommodations; and, conducting the application process in compliance with LMHA’s Language Access Plan. Subject to LMHA approval, tenant selection preferences may be adopted for individual projects in accordance with LMHA’s Administrative Plan; however, post-revitalization, relocated Beecher Terrace households will continue to receive a lifetime admission preference for all units designated as Beecher Terrace replacement units. Owners will forward applications nearing the top of the waiting list to LMHA, and LMHA will continue to maintain responsibility for eligibility determination. LMHA believes that this alternative MTW policy will expand the range and number of potential Local Project Based Voucher Program units in opportunity neighborhoods.
- Waiver of Independent Entity Requirements for LMHA-Owned Units. This allows LMHA to directly perform the functions delegated to the independent entity for all LMHA-owned units, including the

following: review of selection process (24 CFR 983.51(e)); unit inspections, exercise of contractual remedies for violation of the HAP contract and the provision of inspection reports to the HUD Field Office (24 CFR 983.103(f)); and, determination of rent to owner, including initial rent (24 CFR 983.301(g) and 983.303(f)). Requiring approval from an independent entity increases costs and creates potential delays in the availability of critically needed replacement housing units, while adding no measurable value to the process. Under this MTW activity, LMHA will process rent determinations, inspections, contract renewal and other necessary program transactions on LMHA-owned units in accordance with the policies and procedures applicable to all other units that are part of LMHA's Local PBV Program. In the future, LMHA will provide HUD with documentation related to LMHA-owned units upon HUD's request. Also, LMHA's transactions will continue to be subject to audit as part of the annual independent audit process.

Impact

While no project-based vouchers were under AHAP or HAP during the fiscal year, LMHA continued to actively solicit bids for PBV proposals. To date, LMHA has offered conditional commitments for 11 projects, representing 727 units.

LMHA included the approved flexibilities of the local PBV program in RFPs issued during the FY 2020. Of those projects which received conditional commitments:

- One (1) project was selected without a competitive process or prior HUD approval because the property was LMHA-owned.
- Three (3) projects will use site-specific utility allowances.
- One (1) project will use the waiver of independent entity requirements.
- Five (5) projects received conditional commitments to project-base 100% of their units.

Actual Non-Significant Changes

As noted in the FY 2020 MTW Annual Plan, LMHA intends to utilize the PBV site selection flexibility provided in the MTW Agreement, Attachment C paragraph D.7.c., which allows for alternate site and neighborhood standards in lieu of those found at 24 CFR 983. Among other purposes, LMHA planned to utilize MTW flexibility to locate Choice Neighborhood PBV replacement units on HOPE VI and Choice Neighborhood sites and in adjacent census tracts. Subsequently, the HUD Choice Neighborhoods Office indicated that MTW PBV site selection flexibility cannot be used for replacement units funded with Beecher Terrace Choice Neighborhood Implementation grant funds. LMHA, therefore, will not use MTW flexibility for these units and will continue to abide by the requirements of the Choice Neighborhoods grant. In the future, LMHA plans to use MTW site selection flexibility for PBV units that are not being developed as off-site replacement units in conjunction with the Choice Neighborhoods grant.

While there were no other non-significant changes, the activity represents a consolidation of two former activities.

Changes to Metrics

No changes have been made to the metrics identified in the FY 2020 Annual Plan.

Actual Significant Changes

There were no significant changes to this activity in FY 2020.

Challenges in Achieving Benchmarks and Possible Strategies

No PBV contracts were under AHAP or HAP as of the end of the fiscal year; therefore, the outcomes for these metrics are not yet applicable.

Metrics

CE #1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome*	Benchmark Achieved?
Total cost of task in dollars (decrease).	0	Unit Inspections: \$1,234 using FY2017 staff cost (50 initial inspections for units where LMHA is inspector (as opposed to units where CO is used) x 0.6 hours per inspection x \$41.14 per staff hour) Income/Asset Verification: \$1,126 using FY2017 staff cost (0.4 hours per verification x 100 verifications x \$28.16 per staff hour) Total Savings: \$3,454.40 ((FY 2018 total verification + inspection cost for all PBV units) – (FY2017 total verification + inspection cost for 100 HCV units))	N/A	N/A
<i>*LMHA received approval for revised PBV policies prior to having any project-based units. Therefore, LMHA did not have costs associated with the activities this MTW PBV program affects. LMHA anticipates that the MTW PBV program will cost less to administer than the traditional PBV program; however, the metrics will not illustrate it.</i>				
CE #2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome*	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	0	Unit Inspections: 30 hours	N/A	N/A

		<p>(50 initial inspections for units where LMHA is inspector (as opposed to units where CO is used) x 0.6 hours per inspection))</p> <p>Income/Asset Verifications: 40 hours (0.4 hours per verification x 100 verifications)</p> <p>Total Savings: 100 hours ((FY 2018 total verification + inspection hours for all PBV units) – (FY2017 total verification + inspection hours for 100 HCV units))</p>		
<p><i>*LMHA received approval for revised PBV policies prior to having any project-based units. Therefore, LMHA did not have staff time associated with the activities that this MTW PBV program affects. LMHA anticipates that the MTW PBV program will take less staff time to administer than the traditional PBV program; however, the metrics will not illustrate it.</i></p>				
CE #4: Increase in Resources Leveraged				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increase).	As of FY 2017: \$0	\$19,048,700 (\$190,487 (TDC for a 2-BR walkup) x 100 units)	N/A	N/A
HC #1: Additional Units of Housing Made Available				
Unit of Measurement	Baseline	Benchmark	Outcome*	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI because of the activity (increase).	As of 2017: 0	100	N/A	N/A
<p><i>*LMHA did not begin leasing PBV units in FY 2020.</i></p>				
HC #3: Decrease in Wait List Time				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?

Average applicant time on wait list in months (decrease).	As of FY 2017: 65 months	63 months	N/A	N/A
<i>HC #4: Displacement Prevention</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households at or below 80% AMI that would lose assistance or need to move (decrease). If units reach a specific type of household, give that type in this box.	As of FY 2017: 23 households moved (no assistance lost)	130 households moved (no assistance lost)	N/A	N/A
<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 because of the activity (increase).	As of FY 2017: 0	100	N/A	N/A

Activity #2020-1: Rent Simplification

Approval and Implementation

Approved and implemented in FY 2020.

Description/Update of Activity

This activity applies to Housing Choice Voucher (HCV) and Public Housing (PH) residents. In the FY 2020, LMHA re-proposed this activity to include several new rent simplification policies. LMHA had previously received approval and implemented the rent simplification policies outlined below.

- Financial Aid Disregard in Calculation of Total Tenant Payment (TTP) – HCV Program
(Formerly Activity #40-2014, approved FY 2015 and implemented FY 2016)

When calculating an HCV participant's Total Tenant Payment (which is based on their annual income), LMHA disregards financial aid exceeding amounts received for tuition and fees for all adult full-time students.

- Elimination of the Mandatory Earned Income Disregard
(Formerly Activity #32-2012, approved FY 2012; implemented in the HCV Program FY 2012; and implemented in the Public Housing Program FY 2014)

LMHA eliminated the HUD Mandatory Earned Income Disregard from the calculation of total tenant payment for families who are in the Public Housing and HCV programs.

- Standard Medical Deduction
(Formerly Activity #8-2008, approved and implemented FY 2008)

LMHA offers a \$1,600 standard medical deduction to eligible disabled and elderly HCV and Public Housing families. The standard medical deduction is flexible in that if the families' health care costs exceed the \$1,600 exemption, the family can choose to have their expenses itemized.

- Earned Income Disregard for Elderly Families
(Formerly Activity #6-2008, approved and implemented FY 2008)

LMHA provides a \$7,500 earned income disregard to elderly families whose only other source of income is their Social Security entitlement. Under the re-proposed rent simplification activity, in addition to applicable HCV/Project Based Voucher (PBV) families, LMHA extended this income disregard to elderly public housing families who have earned income and whose only other source of income is their Social Security entitlement.

Under the re-proposed rent simplification activity LMHA used MTW flexibility to implement the changes outlined below. All the changes below, except for the payment standard policy, are applied to both Public Housing and HCV, including PBV families.

- Asset Policy

LMHA revised requirements for the verification and calculation of asset income. Verifying and calculating assets consumes a substantial amount of staff time while the resulting income is generally not significant enough to greatly impact rent. Under existing HUD regulations, self-certification of

assets and income is permitted for assets valued up to \$5,000. Specifically, LMHA will make the following revisions to the existing asset policy:

- Self-certification of assets valued up to \$50,000. When the market/face value of assets is at or below \$50,000, LMHA accepts a self-certification of asset value and income.
 - When the market/face value of a family's assets is over \$50,000, regulatory HUD verification requirements will be required.
 - Exclusion of income from assets where the asset value is at or below \$50,000.
 - For assets with market/face value more than \$50,000, LMHA will calculate asset income by taking the market/face value and multiplying that value by the established passbook savings rate.
- Exclusion of Full-Time Student Income

Using its MTW flexibility, LMHA excludes all full-time student earned income. This income exclusion applies to full-time students other than the head of household, co-head and spouse. Where income is fully excluded, LMHA does not verify the income; however, qualification for the income exclusion is verified.

- Exclusion of Adoption Assistance Payments

LMHA excludes all adoption assistance payments. Where income is fully excluded, LMHA does not verify the income; however, qualification for the income exclusion is verified.

- Application of Payment Standards

Using its MTW flexibility, LMHA applies the payment standard in effect on the effective date of the regular recertification, regardless of any fluctuation in the payment standard from year to year. During an interim recertification, LMHA applies the payment standard used at the last regular recertification; however, LMHA applies the current payment standard for elderly/disabled households on triennial recertification cycles who have interim recertifications related to increases in contract rents. Where the payment standard in effect at the time of the applicable interim recertification reflects a decrease when compared to the payment standard applied at the last regular recertification, LMHA does not update the payment standard at the interim recertification and will wait until the next regular recertification to update the payment standard.

Impact

LMHA implemented the changes approved in FY 2020 and realized considerable time savings as a result of changes which streamline rent calculation. LMHA anticipates further time and cost savings in FY 2021 when biennial recertifications will be implemented for all PH and HCV households.

Hardship

Hardship applies to the portion of the rent simplification activity related to the application of payment standards. Where LMHA applies the payment standard in effect at the regular recertification regardless of fluctuations from one recertification to the next, LMHA allows participants to request a hardship when and if the application of this policy results in a rent increase of more than \$100. However, the payment standards did not decrease during FY 2020 and, as such, there was no negative impact on tenant rent.

Actual Non-Significant Changes

There were no non-significant changes to this activity in FY 2020.

Changes to Metrics

The baselines and benchmarks for CE #1 and CE #2 have been updated to reflect the staff time savings resulting from the changes set forth in this activity. The baseline was updated to reflect that the time to complete a recertification was 1.5 hours prior to the implementation of these changes. The benchmark was updated to reflect that implementation of these changes reduced the time to complete a recertification to 1 hour. In addition, the total number of regular recertifications was updated to reflect changes approved under the Streamlined Recertification activity.

Actual Significant Changes

There were no significant changes to this activity in FY 2020.

Challenges in Achieving Benchmarks and Possible Strategies

LMHA experienced challenges in meeting benchmarks related to employment and subsidy, as the COVID-19 pandemic created challenges for participants to maintain and/or secure employment and reduce their subsidy. Additionally, LMHA has not yet implemented biennial recertifications for all HCV and households and triennial recertifications for fixed-income households. As a result, the number of regular recertifications was higher than anticipated and LMHA was not able to meet the benchmarks for CE #1 and CE #2. Additionally, LMHA did not meet the benchmark for SS #4, as the COVID-19 pandemic created challenges for participants to maintain employment and reduce the need for public assistance.

Metrics

<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease)	Total Cost of Task: \$457,332 Hourly Rate: \$28.16 Number of hours per recertification: 1.5 Total number of regular recertifications: 10,827	Total Cost of Task: \$140,997 Hourly Rate: \$28.16 Number of hours per recertification: 1 Total number of regular recertifications: 5,007	Total Cost of Task: \$233,780 Hourly Rate: \$28.43 Number of hours per recertification: 1 Total number of regular recertifications: 8,223	No
<i>CE #2: Staff Time Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours - decrease	Total time to complete task: 16,241 hours Number of hours per recertification: 1.5	Total time to complete task: 5,007 hours Number of hours per recertification: 1	Total time to complete task: 8,223 hours Number of hours per recertification: 1	No

	Total number of regular recertifications: 10,827	Total number of regular recertifications: 5,007	Total number of regular recertifications: 8,223	
CE #3: Decrease in Error Rate of Task Execution				
Unit of Measurement	Baseline	Benchmark	Outcome*	Benchmark Achieved?
Average error rate in completing a task as a percentage – decrease)	Not Tracked	5%	8%	No
<i>* Represents error rate in calculating participant income.</i>				
CE #5: Increase in Agency Rental Revenue*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total household contributions towards housing assistance (increase)	PH: \$562,364 HCV: \$2,181,057	PH: \$573,611 HCV: \$2,224,678	PH: \$411,783 HCV: \$2,760,544	PH: No HCV: Yes
<i>*Total monthly TTP used for PH and HCV.</i>				
CE #6: Reducing Per Unit Subsidy Costs for Participating Households*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of Section 8 and/or 9 subsidy (or local, non-traditional subsidy) per household affected by this policy in dollars (decrease)	\$592	\$580	\$623	No
<i>*Average Total HAP</i>				
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).	PH: \$19,340 HCV: \$17,635	PH: \$19,727 HCV: \$17,988	PH: \$21,361 HCV: \$17,957	PH: Yes HCV: No
<i>*Average earned income for those with earned income.</i>				
SS #3: Increase in Positive Outcomes in Employment Status*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Employed Full- or Part-Time	PH: No. Employed: 531 % Employed: 20% HCV: No. Employed: 2,457 % Employed: 30%	PH: No. Employed: 542 %: Employed: 20% HCV: No. Employed: 2,506 %: Employed: 31%	PH: No. Employed: 318 %: Employed: 16% HCV: No. Employed: 2,996 %: Employed: 28%	No
Enrolled in an Educational Program*	Not tracked	Not tracked	Not tracked	N/A

Enrolled in a Job Training Program*	Not tracked	Not tracked	Not tracked	N/A
Unemployed	PH: No. Unemployed: 2,141 % Unemployed: 80% HCV: No. Unemployed: 5,698 % Unemployed: 70%	PH: No. Unemployed: 2,098 % Unemployed: 80% HCV: No. Unemployed: 5,584 % Unemployed: 69%	PH: No. Unemployed: 1,683 % Unemployed: 84% HCV: No. Unemployed: 7,549 % Unemployed: 72%	No
*LMHA does not track education and job training participation for participants who are not enrolled in FSS.				
SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease)	PH: 69 HCV: 413	PH: 68 HCV: 405	PH: 43 HCV: 448	Yes for PH No for HCV
SS #5: Households Assisted by Services that Increase Self Sufficiency*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self-sufficiency (increase).	N/A	N/A	N/A	N/A
*There are no services associated with this activity.				
SS #8: Households Transitioned to Self Sufficiency*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase).	PH: 302 HCV: 1,364	PH: 308 HCV: 1,391	PH: 188 HCV: 1,703	PH: No HCV: Yes
*Self-Sufficiency is defined as being employed and having earned income equal to or exceeding \$14,500.				

Activity #2020-2: Streamlined Flat Rent

Approval and Implementation

Approved and implemented in FY 2020.

Description/Update of Activity

This activity applies to Public Housing (PH) residents. In FY 2020, LMHA revised the policy under which flat rents are updated as well as the policy for completing flat rent updates for families on flat rent. Under existing HUD regulations, flat rents must be set at no less than 80% of the applicable Fair Market Rent (FMR). FMRs must be reviewed annually and flat rents revised as needed; however, if the FMR goes down, flat rents do not have to be adjusted. Additionally, HUD requires that flat rent updates be completed annually for families on flat rent. The annual review of flat rents, public notice process and flat rent update transactions carry an onerous administrative burden. Often, errors result from incorrect application of updated flat rents.

LMHA updates flat rents every five (5) years from the date of the last change. However, if the average FMR for all bedroom sizes increases more than 5% in any given year, LMHA will update the flat rent schedule and complete flat rent updates for families on their respective anniversary dates. In the absence of changes to the flat rent schedule, LMHA does not complete flat rent update transactions for families paying flat rent. Finally, where a flat rent family has a full recertification due, LMHA applies the flat rent from the schedule in effect at the time of the full recertification.

Impact

In FY 2020, LMHA changed the frequency of flat rent updates to once every five years. As the average increase in FMR was not more than 5% between FY 2019 and FY 2020, the existing flat rent schedules remain unchanged and LMHA did not conduct any flat rent updates for families on flat rent.

Hardship

This activity poses no hardship on families, as families on flat rent can still request a change to income-based rent at regular recertification and/ or upon hardship.

Actual Non-Significant Changes

There were no non-significant changes to this activity in FY 2020.

Changes to Metrics

No changes have been made to the metrics identified in the FY 2020 Annual Plan.

Actual Significant Changes

There were no significant changes to this activity in FY 2020.

Challenges in Achieving Benchmarks and Possible Strategies

LMHA did not experience any challenges in achieving benchmarks during FY 2020.

Metrics

<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	Total Cost: \$4,844	Total Cost Year 1 assumes no	Total Cost: \$0	Yes

	<p>Average hourly rate: \$28.16</p> <p>Time spent to complete a flat rent update: 1 hour</p> <p>Number of households on flat rent: 172</p>	<p>updates needed: \$0</p> <p>Average hourly rate: \$28.16</p> <p>Time spent to complete a flat rent update: 0 hour</p> <p>Number of households on flat rent: 172</p>	<p>Average hourly rate: \$28.43</p> <p>Time spent to complete a flat rent update: 0 hour</p> <p>Number of households on flat rent: 111</p>	
CE #2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	<p>Total Time to complete flat rent updates: 172 hours</p> <p>Time spent on each flat rent update: 1 hour</p> <p>Number of households on flat rent: 172</p>	<p>Total Time Year 1 assumes no updates needed: 0 hours</p> <p>Time spent on each flat rent update: 0 hour</p> <p>Number of households on flat rent: 172</p>	<p>Total Time to Complete: 0 hours</p> <p>Time spent to complete a flat rent update: 0 hour</p> <p>Number of households on flat rent: 111</p>	Yes
CE #3: Decrease in Error Rate of Task Execution				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average error rate in completing a task as a percentage (decrease).	Not currently tracked	5%	Not tracked	N/A
CE #5: Increase in Agency Rental Revenue*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total household contributions towards housing assistance (increase).	Avg. tenant rent for households on flat rent \$615	\$615	\$642	Yes
*LMHA does not anticipate that this activity will result in an increase in agency rental revenue. The savings for this activity are generated through the administrative efficiency.				

Activity #2020-3: Local Forms

Approval and Implementation

Approved and implemented in FY 2020.

Description/Update of Activity

This activity applies to Housing Choice Voucher (HCV) and Public Housing (PH) residents. Under this initiative, LMHA develops local versions of forms, as needed, to streamline processing, utilize “plain language,” address MTW policies and address local housing market features.

In FY 2020, LMHA completed development of the following local forms:

- LMHA developed and implemented a local version of the FSS Contract of Participation and Individual Training and Service Plan to reflect the program enhancements undertaken under Activity #2020-4.
- LMHA created a Local Authorization for Release of Information/Privacy Act Notice (which replaces form HUD-9886). The form extends the expiration date to 36 months to accommodate families on biennial and triennial recertification cycles.
- Finally, LMHA created a Local Project Based Voucher Housing Assistance Payment (PBV HAP) contract, to account for flexibilities provided under LMHA’s Local PBV Program (Activity # 2019-1). The PBV Tenancy Addendum and Statement of Family Responsibility has also been updated to also reflect these policies. LMHA anticipates that these forms will be implemented in FY 2021, when those PBVs that have been offered conditional commitments are expected to come under HAP.

Impact

LMHA implemented the local version of the FSS Contract of Participation in FY 2020. LMHA has not yet implemented the Local Authorization for Release of Information, the Local PBV HAP, and the PBV Tenancy Addendum; however, LMHA anticipates the PBV forms will be implemented in FY 2021, when those PBVs that have been offered conditional commitments are expected to come under HAP.

Actual Non-Significant Changes

There were no non-significant changes to this activity in FY 2020.

Changes to Metrics

No changes have been made to the metrics identified in the FY 2020 Annual Plan.

Actual Significant Changes

There were no significant changes to this activity in FY 2020.

Challenges in Achieving Benchmarks and Possible Strategies

No PBV contracts were under AHAP or HAP as of the end of the fiscal year; therefore, the outcomes for these metrics are not yet applicable.

Metrics

<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome*	Benchmark Achieved?

Total cost of task in dollars (decrease).	<p>Total cost prior to implementation: \$93,322</p> <p>Contracts executed in FY 2019: 1,657</p> <p>Time to prepare contracts prior to implementation: 2 hours</p> <p>Average hourly wage: \$28.16</p>	<p>Total cost after implementation: \$46,661</p> <p>Expected Contracts executed in FY 2020: 1,657</p> <p>Time to prepare contracts after implementation: 1 hour</p> <p>Average hourly wage: \$28.16</p>	N/A	N/A
* LMHA did not execute any HAP agreements for PBVs in FY 2020.				
CE #2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome*	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	<p>Total staff time required prior to implementation: 3,314 hours</p> <p>Contracts executed in FY 2019: 1,657</p> <p>Time to prepare HAP contract prior to implementation: 2 hours</p>	<p>Total staff time required after implementation: 1,657 hours</p> <p>Expected contracts executed in FY 2020: 1,657</p> <p>Time to prepare contract after implementation: 1 hour</p>	N/A	N/A
* LMHA did not execute any HAP agreements for PBVs in FY 2020.				

Activity #2020-4: FSS Program Enhancements

Approval and Implementation

Approved and implemented in FY 2020.

Description/Update of Activity

This activity applies to Housing Choice Voucher (HCV) and Public Housing (PH) FSS Program participants. LMHA utilizes MTW flexibility to strengthen and enhance the Family Self-Sufficiency (FSS) Program by improving the retention rate and by increasing participants' long-term economic capacity by providing incentives to encourage participants to complete education and training programs before entering the workforce. LMHA also uses MTW funds to provide support services aimed at empowering families to build savings and financial capabilities as a pathway out of poverty. Enhancements to LMHA's FSS Program include:

- Modification of the requirement that an FSS applicant must have an interim or annual recertification within 120 days prior to FSS enrollment. LMHA will use the last completed certification prior to the effective date of the Contract of Participation (COP).
- Opportunity to obtain escrow funds for clients who would otherwise be ineligible for the escrow component of the FSS due to their level of income. LMHA will modify the escrow calculation methodology by calculating FSS credits using the same method for all participants regardless of income level. The method used for very low-income households will apply to all participants.
- Placement of an absolute cap on the amount of escrow regardless of prior FSS participation. The cap, which may be periodically reviewed and updated at LMHA's discretion, will initially be set at \$16,000 per household. Generally, incentive payments count toward the \$16,000 escrow cap.
- Establishment of goal-specific incentive payments when a family attains an established goal. LMHA reserves the right to disburse incentive payments upon final escrow disbursement or at the time of goal completion. Incentives may include, but are not limited to:
 - \$50 for attendance at three FSS meetings within the first four months of enrollment in FSS;
 - \$100 for attending 12 consecutive months of case management meetings;
 - \$150 for completion of a GED or receipt of a high school diploma;
 - \$250 for an Associates Degrees (one-time limit per person); and,
 - \$500 for completion of a bachelor's or master's degree (one-time limit per person).
- Establishment of an incentive payment for FSS graduates who purchase a home within 2 years of completion of the FSS Program. The incentive payment amount, which may be periodically reviewed and updated at LMHA's discretion, will be set at \$2,000 per household. To qualify for the homebuyer purchase bonus, the FSS homebuyer must complete an approved Homebuyer Education course. The \$2,000 bonus may be used for a down payment or for post-purchase expenses. LMHA may allow this bonus to be in addition to the \$16K escrow cap.
- Allow existing FSS participants, at the time of implementation of the local MTW FSS Program, the right to opt-in to the local MTW FSS Program. Existing participants would sign a new FSS COP, which reflects the original enrollment and completion dates, income and earned income, but which includes the MTW FSS Program features and requirements. MTW escrow calculations and incentives would apply as of the effective date of the new COP.

LMHA has also developed and implemented local versions of the FSS Contract of Participation and Individual Training and Service Plan to reflect the features of its local FSS Program.

Impact

Changes and enhancements to the FSS Program were implemented in October 2019. Fifty-nine (59) new participants have enrolled since implementation. Fifteen (15) participants, who would otherwise be ineligible due to their income, were able to take advantage of the flexibility to obtain escrow funds. Twelve (12) participants received an incentive payment for reaching the goal of attending three FSS meetings in the first four (4) months of their enrollment. LMHA anticipates that participants will receive goal-specific incentive payments related to education and long-term participation in FY 2021, as they may require more time to reach these goals.

Two (2) notable success stories in FY 2020 illustrate the impact of the program on its participants:

- An HCV participant and mother of one joined FSS with considerable debt and was considering bankruptcy, but still had the dream that one day she would no longer need housing assistance. With her hard work and the encouragement from the FSS Program, she paid off her credit card debt and paid cash for a car using her tax refund. When she graduated from FSS and received her escrow, she was able to pay down other debt. This past spring, she purchased her own home and no longer receives any housing assistance. This frontline, health clinic employee is always promoting FSS and shares that, without FSS, she would not have had the confidence needed to achieve her dreams.
- A disabled public housing resident enrolled in FSS in 2018 with a desire to work but facing the unknown of how working might affect her SSI and healthcare. With encouragement from FSS staff, she enrolled her daughter in Head Start and started looking for work. Employed at a local manufacturing facility, she makes a living wage and receives health insurance from her employer, no longer needing SSI. Her progress is just beginning as she has her sights set on better things for herself and her family. She is participating in online coaching with KentuckianaWorks, the local Workforce Investment Board, while looking for an even better job. This participant is well on her way to graduating from the FSS Program.

Actual Non-Significant Changes

There were no non-significant changes to this activity in FY 2020.

Changes to Metrics

No changes have been made to the metrics identified in the FY 2020 Annual Plan.

Actual Significant Changes

There were no significant changes to this activity in FY 2020.

Challenges in Achieving Benchmarks and Possible Strategies

Enrollment and overall participation were lower than expected due to obstacles presented by the COVID-19 pandemic. Beginning in mid-March, COVID-19 stay-at-home orders in the City of Louisville forced LMHA to pause face-to-face meetings and interaction typically required for enrollment and continued participation. The economic impact of the pandemic also created challenges to achieving other benchmarks, especially those related to income and employment.

To address these new obstacles, LMHA began using more flexible methods for connecting with participants, which include using phone and video conferencing to enroll new participants and to support and engage existing participants.

Metrics

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).	PH: \$17,346 HCV: \$19,429	PH: \$17,693 HCV: \$19,818	PH: \$16,640 HCV: \$22,580	PH: No HCV: Yes
<i>*Average earned income is calculated for non-elderly and non-disabled households with earned income.</i>				
SS #2: Increase in Household Savings*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of savings/escrow of households affected by this policy (increase).	PH: \$2,452 HCV: \$2,873	PH: \$2,501 HCV: \$2,930	PH: \$4,670 HCV: \$3,336	Yes
<i>*Average amount of savings/escrow for households with savings/escrow.</i>				
SS #3: Increase in Positive Outcomes in Employment Status				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Employed full-time or part-time*	PH: No. Employed: 51 % Employed: 63% HCV: No. Employed: 87 % Employed: 67%	PH: No. Employed: 53 % Employed: 65% HCV: No. Employed: 89 %: Employed: 68%	PH: No. Employed: 24 % Employed: 50% HCV: Employed: 172 households % Employed: 60%	No
Unemployed*	PH: No. Unemployed: 30 % Unemployed: 37% HCV: No. Unemployed: 43 % Unemployed: 33%	PH: No. Unemployed: 28 %: Unemployed: 35% HCV: No. Employed: 41 %: Employed: 32%	PH: No. Unemployed: 24 % Unemployed: 50% HCV: No. Unemployed: 116 households % Unemployed: 40%	No
Enrolled in Education	PH: 4 HCV: 14	PH: 5 HCV: 15	PH: 2 HCV: 14	No
Enrolled in Job Training	PH: 1 HCV: 1	PH: 2 HCV: 2	PH: 1 HCV: 2	No
<i>* Excludes elderly and disabled households</i>				

SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	PH: 0 HCV: 6	PH: 0 HCV: 6	PH: 0 HCV: 12	No
SS #5: Households Assisted by Services that Increase Self-Sufficiency*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self-sufficiency (increase).	330	330	PH: 49 HCV: 336	Yes
<i>*Includes graduates as well as families who received services and who did not successfully complete the FSS program.</i>				
SS #6: Reducing Per Unit Subsidy Cost for Participating Households				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of Section 8 and/or 9 subsidy (or local non-traditional subsidy) per household affected by this policy in dollars (decrease).	\$574	\$586	\$620	No
SS #7: Increase in Agency Rental Revenue*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total household contributions towards housing assistance (increase).	PH: \$21,301 HCV: \$48,531	PH: \$21,727 HCV: \$49,502	PH: \$12,439 HCV: \$126,015	Yes
<i>*LMHA uses TTP as the household contribution toward housing assistance.</i>				
SS #8: Households Transitioned to Self-Sufficiency *				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase).	PH: 15 HCV: 31	PH: 16 HCV: 33	PH: 7 HCV: 25	No
<i>*LMHA defines self-sufficiency as graduation from the FSS program.</i>				

Activity #2020-5: Gap Financing

Approval and Implementation

Approved FY 2020, Implementation Planned FY 2021.

Description/Update of Activity

LMHA utilizes MTW flexibility to develop and implement a Gap Financing Program (GFP) for developers using PBVs to create or preserve affordable housing. The GFP provides LMHA the flexibility to grant capital awards and/or loans to developers who have been awarded PBVs and need additional project funding for development or preservation of affordable housing purposes. Applicants are required to demonstrate experience in affordable housing development and meet other LMHA eligibility requirements, including but not limited to demonstrating proof of sufficient collateral to cover a default in the loan, demonstrating an acceptable payment history of previous financing, and meeting minimum credit score requirements as defined in LMHA's underwriting criteria. All awarded developers must pay prevailing wages and meet minority/women/disadvantaged business enterprises (M/W/DBE), where applicable.

LMHA plans to initially use the flexibility to accelerate the development of replacement units for its Russell Neighborhood Choice Neighborhood Initiative (CNI) project. The GFP will also make it more financially feasible for developers, awarded PBVs, to develop and/or preserve affordable housing.

The GFP is offered in the form of loans with maximum interest rates not to exceed 3%, amortization periods not to exceed 40 years and loans not to exceed \$1M per project, subject to all required approvals. LMHA will not loan more than \$5M per year.

Impact

In FY 2020, LMHA completed implementation planning for the Gap Financing Program. LMHA plans to begin using this financing tool in FY 2021 to support a pipeline of ongoing redevelopment efforts using PBV assistance in both existing housing and new construction settings.

Actual Non-Significant Changes

There were no non-significant changes to this activity in FY 2020.

Changes to Metrics

No changes have been made to the metrics identified in the FY 2020 Annual Plan.

Actual Significant Changes

There were no significant changes to this activity in FY 2020.

Challenges in Achieving Benchmarks and Possible Strategies

LMHA has not yet implemented the Gap Financing Program; therefore, the outcomes for these metrics are not yet applicable.

Metrics

<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 because of the activity (increase)	PBV: 100	PBV: 100	N/A	N/A
<i>HC #2: Units of Housing Preserved</i>				

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase). If units reach a specific type of household, give that type in the box	PBV: 100	PBV: 100	N/A	N/A
HC #3: Decrease in Wait List Time				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average applicant time on the wait list in months (decrease)	6 mos.	6 mos.	N/A	N/A
HC #4: Displacement Prevention				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households at or below 80% AMI that would lose assistance or need to move (decrease). If units reach a specific type of household, give that type in this box.	0	0	N/A	N/A
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 because of the activity (increase).	PBV: 200	PBV: 200	N/A	N/A

B. MTW Activities Not Yet Implemented

Activity #2011-2: Locally Defined Guidelines for Development, Maintenance and Modernization of Public Housing

(Formerly Activity #28-2011)

Description/Update of Activity

Under this activity, using MTW authority, LMHA will explore creating locally defined guidelines for the re/development, maintenance, and modernization of public housing. LMHA may develop reasonable and modest design guidelines, unit size guidelines, and unit amenity guidelines for new and ongoing public housing development activities. The goal of the activity is to implement strategies for developing sustainable housing, preserving affordable housing, and developing low-income housing in low-concentration, non-impacted areas of the Agency's jurisdiction. Strategies may include rehabilitation and new construction standards that reduce energy consumption, including Energy Star criteria, and that increase the supply of accessible housing in the community.

Status

This activity was proposed and approved in FY 2011. It has not yet been implemented; however, LMHA will continue to explore how the flexibility may be used in the future.

C. MTW Activities on Hold

Activity #2010-1: Public Housing Sublease Agreement with Catholic Charities

(Formerly Activity #25-2010)

Description/Update of Activity

Proposed and approved in the FY 2010 Plan, this activity has been tabled. HUD OGC investigated the use of public housing as emergency housing for victims of human trafficking and found that it was not feasible under MTW to permit families who could not produce valid identification to live in public housing communities.

Status

While this activity was not implemented in FY 2020, LMHA continued to explore how the flexibility may be used in the future.

D. Closed-Out MTW Activities

Listed below is a summary of previously approved MTW activities that LMHA has completed, discontinued, or determined do not require MTW authority to implement:

Activity	Plan Year	Close Out Year	Reason for Close Out
Spatial Deconstruction of HCV Assisted Units (Activity #5-2007)	FY 2007	FY 2009	The activity was to limit the concentration of Housing Choice Voucher assisted units in complexes of one hundred or more units to 25% (excluding both elderly/disabled and special referral program sites). This activity was closed at FYE 2009 because of its potential to limit voucher holders' universe of housing choices.
Public Housing - Term Limits and Employment/Education Requirements for New Scattered Sites (Activity #9-2007)	FY 2007	FY 2016 FY 2017	This activity revised the occupancy criteria for detached, single family, scattered site units to include 5-year residency term limits and employment/education requirements for admission and ongoing occupancy. In 2014, LMHA implemented an admissions preference for qualified three-bedroom eligible families; however, the new preference did not lead to substantial improvement in occupancy levels. Due to continued low occupancy rates at these sites, the activity was revised in FY 2016 to remove the 5-year residency term limit and in FY 2017, LMHA stopped enforcing the employment/education requirements associated with these units and closed out this activity, allowing LMHA to increase occupancy rates.
Explore HUD's Streamlined Demolition and Disposition Application Process for MTW Agencies (Activity #16-2009)	FY 2009	FY 2014	This activity was never implemented. HUD investigated the possibility of streamlined demolition/disposition activities for MTW agencies but found that it was not feasible under MTW. Out of concern for residents' rights and the public process, HUD decided that MTW agencies must follow the established procedures for demolition and disposition of property.
Occupancy Criteria Changes for New Scattered Sites – Mandatory Case Management	FY 2010	FY 2016	This activity revised the occupancy criteria for detached, single-family scattered site units to include mandatory participation in a case management program and movement toward self-sufficiency. Residents moving into one of these units could choose between General Case Management and

Activity	Plan Year	Close Out Year	Reason for Close Out
(Activity #21-2010)			the Family Self-Sufficiency (FSS) Program. Due to low occupancy rates at these sites, this activity was closed out in early FY 2016.
Increased Flat Rents (Activity #24-2010)	FY 2010	FY 2011	LMHA proposed flat rents for the Agency's scattered sites be raised and adjusted based on the square footage, location, age and amenities at the property as rent comparables for the site were completed. LMHA decided not to implement this activity, and flat rents have since been raised across all of the agency's public housing units to meet HUD's recent requirement that PHAs set flat rents to at least 80% of FMR.
Rents Set at 30% of Adjusted Income – Public Housing Program (Activity #33-2012)	FY 2012	FY 2014	LMHA proposed that families receiving rental assistance under the Public Housing program would pay either 30% of their monthly adjusted income for rent, or the minimum rent established by the LMHA, whichever was higher. Upon further consideration, because the Housing Authority's housing stock includes tax credit units, LMHA considered amending the activity to include "ceiling rents" that would vary by bedroom size and that would be set in accordance with the annual tax-credit ceiling rents, as published by the Kentucky Housing Corporation (KHC). KHC is the tax credit allocating agency for the Commonwealth of Kentucky. However, this significant change was never submitted to HUD. Rather, in 2014, LMHA raised flat rents to conform to new HUD regulations mandating that PHAs set flat rents to at least 80% of FMR.
MTW Special Referral Program – Coalition for the Homeless "Move Up" Initiative (Activity #45-2016)	FY 2016	FY 2018	The "Move Up" Special Referral Program allocated up to 100 vouchers to formerly homeless families, allowing them to transition from homeless services vouchers to HCV vouchers, thus freeing up additional homeless services vouchers to serve currently homeless families. However, upon further review of this activity, the Housing Authority, with MTW Office concurrence, has determined that this partnership can be continued without MTW authority through the provision of a "limited admission preference" to the agency's HCV Program.
MTW Unit Inspection Protocol (Activity #2-1999)	FY 1999	FY 2018	The activity allowed the agency to waive initial occupancy unit inspections of facilities that participate in HUD's Section 8 Moderate Rehabilitation Program and that are managed by organizations with which the Agency has had a long-term and outstanding relationship. Instead, LMHA conducted inspections once per year concurrently. These properties include the Chestnut Street YMCA SRO; St. Vincent de Paul SRO; and Willow Place. However, there are no longer any new Mod-Rehab units coming online and as such, MTW flexibility is no longer needed to allow the certificate of occupancy to suffice for initial move-ins in lieu of a traditional HQS inspection.

V. Sources and Uses of Funds

A. Actual Sources and Uses of MTW Funds for Fiscal Year 2020

i. Actual Sources of MTW Funds in the Plan Year

LMHA will submit all required FY 2020 unaudited and audited information in the prescribed Financial Data Schedule (FDS) format through the Financial Assessment System – PHA (FASPHA), or its successor system within the required time frame including any extensions issued under the CARES Act.

ii. Actual Uses of MTW Funds in the Plan Year

LMHA will submit all required FY 2020 unaudited and audited information in the prescribed Financial Data Schedule (FDS) format through the Financial Assessment System – PHA (FASPHA), or its successor system within the required time frame including any extensions issued under the CARES Act.

iii. Describe Actual Use of MTW Single Fund Flexibility

Under the MTW Program, LMHA is authorized to establish an MTW Block Grant budget. Activities that utilize Block Grant single fund flexibility are summarized below:

- LMHA utilized approximately \$4,421,279 in surplus funds for transfer from the Section 8 Voucher Program to the Public Housing Program. This occurred to fund the anticipated operating fund subsidy shortfall of \$1,300,000 in the Public Housing Program for calendar year 2019 and 2020, and the continued ability to operate AMPs at a high level and maintain a balanced operating budget. The HUD approved project expense levels (PEL) at some AMPs do not adequately provide for operational services at the level deemed necessary by LMHA.
- LMHA utilized approximately \$2,434,571 in surplus funds for transfer from the Section 8 Voucher Program to the Central Office Cost Center. COCC revenues have declined in recent years with the reduction in public housing units associated with LMHA's participation in multiple HOPE VI Programs and the CHOICE Program. Although the current fee structure funds basic property management functions that would occur at a traditional PHA, it is not sufficient to pay for all of the costs associated with MTW activities and the complex tasks and personnel necessary to put together development and financing packages for mixed-finance (HOPE VI) and CHOICE projects.
- Although LMHA has traditionally made transfers to the public housing program from both the CFP program and Section 8 program in past years, the budget year's transfer is made entirely from the Section 8 program. However, LMHA wishes to retain the authority and flexibility to transfer CFP funds as necessary under current MTW regulations.

Although LMHA utilizes the funding fungibility available in the MTW Program, LMHA adheres to statutes and regulations relative to HUD's asset management program. All budgeting and reporting within the public housing program are done on an individual site basis, and LMHA utilizes a "fee for service" methodology that charges sites only for the services they receive.

B. Local Asset Management Plan

i. Did the MTW PHA allocate costs within statute in the Plan Year?	Yes
ii. Did the MTW PHA implement a local asset management plan (LAMP) in the Plan Year?	No
iii. Did the MTW PHA provide a LAMP in the appendix?	No
iv. If the MTW PHA has provided a LAMP in the appendix, provide a brief update on implementation of the LAMP. Please provide any actual changes, or state that the MTW PHA did not make any changes in the Plan Year.	N/A

VI. Administrative

A. Reviews, Audits and Inspections

During FY 2019, the HUD OIG opened an investigation concerning a former LMHA employee. HUD sent a “Formal Demand Letter” to LMHA in July 2019, requesting documentation related to the investigation. LMHA has responded to the letter, providing the requested documentation, and is awaiting further action from the HUD OIG.

Additionally, HUD performed twenty (20) REAC inspections at LMHA public housing sites in FY 2020. LMHA has begun and will continue to address deficiencies identified in REAC inspections.

B. Evaluations

Not applicable. LMHA is not currently directing any evaluations of its MTW Program.

C. Certification of MTW Statutory Requirements

LMHA certifies that, in FY 2020, it continued to meet the three statutory objectives of the MTW program. Appendix A includes the certification required by HUD.

D. MTW Energy Performance Contract (EPC) Flexibility Data

Not Applicable.

Appendix A: Certification of MTW Statutory Compliance

Appendix A: MTW Certification

The Louisville Metro Housing Authority (LMHA) hereby certifies that between the period of July 1, 2019 and June 30, 2020, LMHA met the following three statutory requirements of:

1. Assuring that at least 75% of the families assisted by LMHA are very low-income;
2. Continuing to assist substantially the same total number of eligible low-income families as would have been served had the amounts not been combined; and
3. Maintaining a comparable mix of families (by family size) served as would have been served had the amounts not been used under the demonstration.

Louisville Metro Housing Authority

KY001
PHA Number/HA Code

I hereby certify that all the information stated herein is true and accurate:

Lisa Osanka
Name of Authorized Official

Executive Director
Title


Signature

09/23/20
Date