

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

**Moving To Work Program
Annual Report for Fiscal Year 2017**

**Submitted to
U.S. Department of
Housing and Urban Development
September 19, 2017
Resubmitted: September 18, 2018**



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I. Introduction

This Annual Report describes the Moving to Work (MTW) Program activities and accomplishments of the Massachusetts Department of Housing and Community Development (DHCD) during Fiscal Year 2017, i.e. the period from July 1, 2016 through June 30, 2017.

MTW is a demonstration program authorized by Congress, through which participating agencies are provided flexibility to waive certain statutes and federal regulations in order to design and test approaches for providing housing assistance that address one or more of the following MTW statutory objectives:

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

DHCD has been a participant in the MTW Program since 1999. The original small-scale pilot MTW initiative undertaken by DHCD was expanded in 2008 to incorporate its entire statewide portfolio of tenant-based Housing Choice Vouchers, excluding certain special purpose voucher allocations for which DHCD may apply MTW flexibilities pursuant to the US Department of Housing and Urban Development's (HUD) published guidance.

DHCD's participation in MTW is subject to the terms and conditions of its 2008 Amended and Restated MTW Agreement with HUD. The required form and content of the Annual Report are defined by HUD in HUD Form 50900 "Elements for the Annual MTW Plan and Annual MTW Report." For purposes of this document and the required submission to HUD, an "MTW activity" is defined as any activity that requires MTW flexibility to waive statutory or regulatory requirements. As required, the Annual Report focuses primarily on describing the outcomes of existing approved and implemented MTW activities.

Overview

During FY 2017, DHCD undertook a range of MTW related and other activities in the Housing Choice Voucher Program summarized as follows:

- DHCD provided rental assistance to a total of 19,747 eligible senior, disabled and other family households through its existing network of RAAs.
- All remaining participants in the Family Economic Stability Program (FESP) administered in Worcester County by RCAP Solutions, Inc. (RCAP) graduated in FY 2017 and the program no longer accepts new applicants. Metropolitan Boston Housing Partnership (MBHP) neared its participation goal of 50 participants, and anticipates reaching this goal at the beginning of FY 2018.

- DHCD added fifteen (15) new project-based developments to its inventory in FY 2017, representing 113 units. Thirteen (13) of these developments were new construction as DHCD continues to improve the rental options and quantity of affordable units across its jurisdiction.
- Nine (9) payment standard exceptions were received and approved by DHCD in FY 2017. Payment standard exceptions are granted as reasonable accommodations for HCV households with disabled household members.
- Berkshire Housing Development Corporation (BHDC) continued its pilot of the Owner Incentive Fund, and was able to provide incentives to six (6) individual landlords representing six (6) total units. In the next fiscal year, DHCD will continue to look for ways to further expand this activity.
- DHCD began accepting referrals from Massachusetts Department of Children and Families (DCF) for participants unable to obtain a FUP voucher but who meet all other Youth Transition to Success Program (YTTSP) eligibility requirements. DHCD received six (6) new DCF referrals in FY 2017. Four (4) YTTSP participants graduated in FY 2017. DHCD looks forward to the further expansion of this program.
- Use of the MTW simplified Utility Allowance (UA) schedule and allowances continued, and DHCD conducted an impact analysis to determine the financial impact to HAP as a result of adding an “other electricity” utility allowance. DHCD plans to implement the flat electricity allowance for households which are responsible for other electricity beginning January 1, 2018.
- DHCD’s Family Self-Sufficiency (FSS) program participation continued to grow with two hundred and sixty-five more families added in FY 2017. Also in FY 2017, another 107 participants graduated from the FSS program, and seventeen (17) FSS graduates received a \$5,000 homeownership incentive payment. DHCD continued to review supportive service needs and resources in an effort to ensure that the supportive services are adequate and responsive to the needs of the participants in each of DHCD’s jurisdictions.

Long Term Plan

The following is a summary of DHCD’s long-term plan for the MTW program as described in its MTW Annual Plans since inception of the program. With the recent extension of the MTW term through 2028, DHCD will continue to review and refine as needed its long-term MTW plans and strategies:

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

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

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

- All MTW activities must relate to one or more of the three MTW statutory objectives, i.e. reducing cost and/or promoting administrative efficiency, increasing housing choice, and supporting families in achieving economic self-sufficiency.
- MTW flexibility will be utilized to promote tighter linkages and synergy between the HCV program and other related Commonwealth programs and policy goals such as preventing or reducing homelessness; supporting self-sufficiency and economic independence initiatives; supporting project-based affordable housing for extremely low income households; supporting those who have one or more disabilities; and stabilizing neighborhoods.
- By identifying and addressing administrative efficiency opportunities, MTW flexibility will be used wherever feasible to increase the number of extremely and very low-income households served and the overall quality of leased housing units.
- New MTW program initiatives will respond to differences among regional and local housing markets.

DHCD is committed to continuing to provide opportunities for broad-based input both from its regional administering agencies and other stakeholders to inform the design of DHCD's MTW initiatives.

In light of ongoing federal funding constraints and potential future reductions, DHCD will continue to actively explore and analyze options to utilize MTW programmatic flexibility in order to minimize negative impacts on rental assistance program participants.

II. General Housing Authority Operating Information

a. Housing Stock Information

New Housing Choice Vouchers that were Project-Based During the Fiscal Year

Property Name	Anticipated Number of New Vouchers to be Project-Based*	Actual Number of New Vouchers that were Project-Based	Description of Project
Residences at Stony Brook Phase II	8	8	Family. New construction. Seven townhouse style buildings.
Tenny Place Phase I	8	8	Family. New construction. Two new buildings.
Stable Path Residences	5	0**	Family. New construction. Ten buildings, 2 and 3 BR townhouses.
Washington Street SRO	6	0	Preference for disabled individuals. Rehab of SRO facility. Three story building.
Oxford Ping On	4	4	Disabled. New construction of rental housing in multi-story building.
Bridgeview Center	8	8	Units reserved for disabled. New construction. Mixed use single building.
189 Broadway Street	8	8	Elderly (55 and older). New construction. Four stories w/ elevator.
181 Washington Street	8	8	Family development. New construction. Four story mixed use building.
Montello Welcome Home	8	8	Supportive housing-homeless preference. New construction. 20 unit building of 1 and 2 BR units.
Island Creek North	8	8	Elderly (55 and older). New construction. One four story building.
Shoe Shop Place	5	5	Family. Adaptive reuse of an old mill to family housing.
Village @ Lincoln Park Senior	3	0**	Senior. New construction on site of an old amusement park.
Cranberry Manor/Carpenters Glen	8	0**	Family housing. Refinance and capital needs improvements of existing housing.
Island Creek Village	0	8	94 unit, new construction 55+ development. All units are low income. PBVs serve 50% AMI families.
Duck Mill, Lawrence	0	8	Family. Adaptive reuse of historic mill – 73 units. PBVs serve 30% AMI families.
75 Armory Ave	0	8	Family. New construction of 100% affordable 39 unit development. PBVs serve 30% AMI families.
RTH Riverway – 82 Fenwood Road, Boston	0	8	New construction of 10 story building with units reserved for disabled.
Riverview Homes	0	8	New construction of units reserved for disabled, 120 total units.
Congress Street Residents	0	8	Family. New construction – 8 units.

*New refers to tenant-based vouchers that are being project-based for the first time. The count should only include agreements in which a HAP agreement will be in place by the end of the year.

**Units came on line in a prior fiscal year but were not previously included in the report.

Anticipated Total Number of New Vouchers to be Project-Based	Actual Total Number of New Vouchers that were Project-Based	Anticipated Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year	Anticipated Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Year
87	113	3,148	2,991
		Actual Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year*	Actual Total Number of Project-Based Vouchers Leased up or Issued to a Potential Tenant at the End of the Fiscal Year
		3,188*	3,077

*Of the 3,188 PB vouchers committed at the end of FY 2017, 546 were Expiring Use and 825 were RAD.

Other Changes to the Housing Stock that Occurred During the Fiscal Year

This section is required by HUD. DHCD does not own or manage any federally funded public housing.

General Description of Actual Capital Fund Expenditures During the Plan Year

This section is required by HUD. DHCD does not own or manage federally funded public housing nor does it receive public housing capital funds from HUD.

Overview of Other Housing Units Owned and/or Managed By PHA at Fiscal Year End

Housing Program	Total Units	Overview of the Program
N/A	0	N/A
N/A	0	N/A
N/A	0	N/A
Total Other Housing Owned or Managed	0	
If Other, please describe		N/A

B. Leasing Information

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

Housing Program:	Number of Households Served	
	Planned	Actual
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Property-Based Assistance Programs	0	0
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs	62	50*
Port-In Vouchers (not absorbed)	N/A	361
Total Projected and Actual Households Served	62	411

Housing Program:

Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Property Based Assistance Programs
 Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs
 Port-In Vouchers (not absorbed)

Unit Months Occupied/Leased

Planned	Actual
0	0
744	600*
N/A	4,332
744	4,932

Total Projected and Annual Units Months Occupied/Leased

*The Local Non-Traditional FES program was discontinued at one of the regional administering agencies resulting in lower than anticipated leasing. Going forward, program participation statistics will reflect up to fifty, at the one RAA which will continue administering the local non-traditional program

	Average Number of Households Served Per Month	Total Number of Households Served During the Year
Households Served through Local Non-Traditional Services Only	0	0

Reporting Compliance with Statutory MTW Requirements: 75% of Families Assisted is Very Low-Income

Fiscal Year:	2014 *	2015*	2016*	2017*
Total Number of Local, Non-Traditional MTW Households Assisted	72	77	90	72
Number of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income	61	63	85	64
Percentage of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income	85%	82%	94%	89%

*Reflects data at the close of each FY for FES and YTTSP.

Reporting Compliance with Statutory MTW Requirements: Maintain Comparable Mix

Baseline for the Mix of Family Sizes Served

Family Size:	Occupied Number of Public Housing units by Household Size when PHA entered MTW	Utilized Number of Section 8 Vouchers by Household Size when PHA Entered MTW	Non-MTW Adjustments to the Distribution of Household Sizes	Baseline Number of Household Sizes to be Maintained	Baseline Percentages of Family Sizes to be Maintained
1 Person	0	6170	0	6170	31%
2 People	0	4694	0	4694	24%
3 People	0	4323	0	4323	22%
4 People	0	2673	0	2673	14%
5 People	0	1223	0	1223	6%
6+ People	0	664	0	664	3%
Totals	0	19747	0	19747	100%

Explanation for Baseline Adjustments to the Distribution of Household sizes Utilized	N/A
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Mix of Family Sizes Served*

	1 Person	2 People	3 People	4 People	5 People	6+ People	Totals*
Baseline Percentages of Household Sizes to be Maintained	31%	24%	22%	14%	6%	3%	100%
Number of Households Served by Family Size this Fiscal Year	9,126	5,659	4,299	2,586	1,143	687	23,500
Percentages of Households Served by Household Size this Fiscal Year	39%	24%	18%	11%	5%	3%	100%
Percentage Change	+8%	0%	-4%	-3%	-1%	0%	

**Family size information for 27 households was not available*

Justification and Explanation for Family Size Variations over 5% from the Baseline Percentages	DHCD entered into contract for 8 additional PBV developments that assist special populations, i.e. homeless, elderly and disabled, where the contracts consisted largely of 1 BR units.
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Description of any Issues Related to Leasing of Public Housing, Housing Choice Vouchers and/or Local, Non-Traditional Units and Solutions at Fiscal Year End

Housing Program	Description of Leasing Issues and Solutions
N/A	N/A
N/A	N/A
N/A	N/A

Number of Households Transitioned to Self-Sufficiency by Fiscal Year End

Activity Name/#	Number of Households Transitioned to Self-Sufficiency	Agency Definition of Self-Sufficiency
Family Self-Sufficiency/2012-5	107	Graduation from FSS Program
Family Economic Stability (FES) Program/2000-1	20	Graduation from the FES Program
Biennial Recertifications/2011-4	110	Households that received zero HAP in the month prior to EOP
Youth Transition To Success Program (YTTSP)/2011-5	4	Graduation from YTTSP

Households Duplicated Across Activities/Definitions	0
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Annual Total Number of Households Transitioned to Self-Sufficiency	241
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C. Wait List Information

Wait List Information at Fiscal Year End

Housing Program(s)*	Wait List Type**	Number of Households on Wait List	Wait List Open, Partially Open or Closed***	Was the Wait List Opened During the Fiscal Year
Federal MTW Housing Choice Voucher Program, Federal Non-MTW Housing Choice Voucher Units	Other	111,087	Open	Yes
Tenant-Based Local Non-Traditional MTW Housing Assistance Program	Other	89	Open	Yes

Rows for additional waiting lists may be added, if needed.

* *Select Housing Program:* Federal MTW Public Housing Units; Federal MTW Housing Choice Voucher Program; Federal non-MTW Housing Choice Voucher Units; Tenant-Based Local, Non-Traditional MTW Housing Assistance Program; Project-Based Local, Non-Traditional MTW Housing Assistance Program; and Combined Tenant-Based and Project-Based Local, Non-Traditional MTW Housing Assistance Program.

** *Select Wait List Types:* Community-Wide, Site-Based, Merged (Combined Public Housing or Voucher Wait List), Program Specific (Limited by HUD or Local PHA Rules to Certain Categories of Households which are Described in the Rules for Program Participation), None (If the Program is a New Wait List, Not an Existing Wait List), or Other (Please Provide a Brief Description of this Wait List Type).

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

N/A
N/A
N/A

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

Family Economic Stability Program – see activity description in Section IV – Approved Activities
N/A
N/A

If Other Wait List Type, please describe:

DHCD combines site-based and centrally managed wait list features. All of DHCD's Section 8 programs (including MTW and Non-MTW vouchers) use a regional, centrally managed wait list with the exception of certain Project-Based developments. There are 78 Project-Based developments that have owner-managed site-based waiting lists. The remaining Project-Based developments have centrally managed waitlists maintained by DHCD and each regional administering agency.
As was described in previous Annual Plans, DHCD continues to process requests for new PB development owners to operate site-based waiting lists. The revised policy will allow project owners to maintain site-based waiting lists with DHCD approval. DHCD has begun the process of establishing site based waiting lists for its newer PBV developments. As the process continues, some or all PBV waiting lists may be closed during the transition period. DHCD will issue public notices of waiting list openings and closings.
The Tenant-Based Local Non-Traditional MTW Housing Assistance Program is the Family Economic Stability Program. The waitlist for this program is managed by the Metropolitan Boston Housing Partnership. Applicants must meet certain requirements such as working at least part-time or participating in a full-time job training program.

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

DHCD has not made any changes to the organizational structure of the wait list or policy changes regarding the wait list.

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

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

A. Implemented Activities

Activity 2000-1: Family Economic Stability Program (FESP)

Description

FESP tests an assistance model which provides a fixed annual stipend to eligible families, regardless of future income or family composition changes. Within certain guidelines, participants exercise considerable decision-making in the utilization of the funds. Case management and program coordination is provided by designated MTW Advisors at each participating agency. Participants may select any housing unit which they deem affordable and appropriate for their needs and which pass a Housing Quality Standards inspection.

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

- Receive, or have received in the past 12 months, public assistance: TAFDC, EA, SNAP; and
- Are committed to maintaining employment and agree to provide information to assess the effectiveness of the program; and
- In the Boston component only, families who are working at least part-time, who are imminently employed, or who are enrolled in a full-time job training program.

To date, two RRAs have implemented FES programs: RCAP solutions in Worcester, MA and Metropolitan Boston Housing Partnership (MBHP) in Boston, MA. All RCAP participants have graduated from the FES program and RCAP will no longer enroll participants in the FES program. MBHP is the only RAA with participants currently enrolled. MBHP's goal is to maintain enrollment of 50 households in their FES program. The FES program currently has a waitlist of 89 households.

Approval and Implementation

- Approved FY 2000
- Implemented FY 2001

Hardship

Not applicable.

Impact

A total of twenty (20) participants graduated from FESP in FY 17 – seventeen (17) from RCAP and three (3) from MBHP. At the close of the fiscal year, FESP had forty-one (41) participants, and two (2) in the pipeline. All remaining RCAP participants graduated from the FES program in FY 17.

Ten (10) new participants leased up in the program, and as a result, the average amount of escrow accumulated and number of participants in education/job training are lower for this fiscal year, and the unemployment rate is higher. An increase in earned income, however, speaks to the success of the seventeen (17) FES graduates in this fiscal year.

Program participants have completed nursing, pharmacy technician, and other professional license and certificate programs. Families enrolled have seen a growth in earned income, and are focused on meeting their stated goals in addition to setting new goals for homeownership and self-sufficiency.

CE #4: Increase in Resources Leveraged				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increase).	\$0.00	\$0.00*	\$0.00	N/A
<i>* This metric has been required by HUD. DHCD does not leverage funds in connection with this activity and does not consider this metric applicable to 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).	\$18,937	\$24,827	\$28,013	Yes
SS #2: Increase in Household Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of escrow of households affected by this policy in dollars (increase).	\$0.00	\$2,703	\$1,868	No
Average amount of savings of households affected by this policy in dollars (increase).	\$0.00	\$957	\$1,112	Yes
SS #3: Increase in Positive Outcomes in Employment Status				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Unemployed	1 participant	4 participants	12 participants*	No
	1% of participants	7 % of participants	17% or participants	
Other - Employed	85 participants	42 participants	55 participants*	Yes
	99% of participants	82% of participants	82% of participants	
Other - Education/Job Training	0 participants	9 participants	11 participants	No
	0% of participants	17% of participants	16% or participants	
<i>*Calculated using 67 workable households. There were 69 total households enrolled in the program during the fiscal year.</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).	4 households in FY 2015	4 households	3 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).	0 households	51 households	69 households	Yes
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).	\$450 in FY 2015	\$420	\$860	No. Seventeen RCAP graduates received HAP of \$250 each, and MBHP participants received an average of \$1,112.
SS #7: Increase in Agency Rental Revenue*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
PHA rental revenue in dollars (increase).	\$473 in FY 2015	\$550	\$579	Yes
*DHCD does not have any rental revenue and has been instructed by HUD to report on Average Tenant Rent to Owner.				
SS #8: Households Transitioned to Self Sufficiency*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase).	0 households	1 household	20 households	Yes
*Self-sufficiency is defined as graduation from the FES program.				
HC #5: Increase in Resident Mobility				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0 households	5 households	4 households	No
HC #6: Increase in Homeownership Opportunities				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households that purchased a home as a result of the activity (increase).	0 households	0 households	0 households	Yes
*This metric has been required by HUD .DHCD maintains this HUD standard metric is not a relevant measure of the impact of this activity as homeownership is not a goal or stated objective.				

Activity 2010-1: PBV Site Based Waiting Lists

Description

Under this initiative, DHCD authorizes owner/managers of PBV developments to be responsible for all PBV waiting list intake and management functions for their development. Applicants contact the owner/manager of a specific development in order to file an application and applicant files and the waiting list itself are maintained at the development site. Owner/managers are responsible for contacting and screening applicants who come to the top of the waiting list, collecting all needed information from the applicant, and then forwarding the applicant to the RAA for eligibility determination and processing.

Approval and Implementation

- Approved FY 2010
- Implemented FY 2013

Hardship

Not applicable.

Impact

Currently, there are a total of 78 owner managed site based waiting lists. Fifteen (15) of these 78 came online in FY17, representing 113 units. All new PBV developments will utilize SBWLs unless they request to opt-out.

<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$5,142	\$4,514	\$5,874	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).	283 hours	248 hours	286 hours	Yes

Activity 2010-2: Payment Standard Exceptions

Description

Under this MTW initiative, DHCD is authorized to approve any documented and reasonable exception to payment standards as a reasonable accommodation for HCV households with disabled household members without HUD approval.

This policy is utilized without regard to the percentage increase requested over the payment standard; however, DHCD may later implement a cap on these exception payment standards for consistency with budgetary limitations. DHCD will not impose a limit on the number of exception payment standards; however, DHCD reserves the right to limit the number of payment standard exceptions when and if budgetary issues arise.

Approval and Implementation

- Approved 2010
- Implemented FY 2010

Hardship

Not applicable.

Impact

In FY17, DHCD received and approved nine (9) payment standard exceptions. The metrics below only include requests that were granted as a reasonable accommodation. DHCD received more requests than anticipated and there was an increase in staff wage this fiscal year, and thus DHCD was unable to meet agency cost and staff time savings benchmarks. However, an increase in exceptions resulted in DHCD assisting more households in moving to a better unit and/or neighborhood of opportunity.

<i>HC #5: Increase in Resident Mobility</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0 households	6 households	9 households	Yes
<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$82	\$82	\$139	No. DHCD received more requests than anticipated and there was an increase in staff wages in the FY 17.
<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).	4.5 hours	4.5 hours	6.75 hours	No

Activity 2010-3: Owner Incentive Fund

Description

An Owner Incentive Fund pilot initiative was established in January 2010 to promote upgrades to the housing stock in areas of the state with a large percentage of older, deteriorated housing stock. DHCD's goals for this activity are:

- Leasing higher quality units including incentivizing owners to upgrade existing housing at least one grade level, i.e. from a "C" to a "B" grade, or from a "B" to an "A" grade;
- Increasing the number of units that are accessible to persons with disabilities
- Expanding the number of units leased in currently underserved neighborhoods; and
- Encouraging new owner participation.

The program has been piloted by the Berkshire Housing Development Corporation (BHDC) since inception. Participating owners are eligible for a flat fee financial incentive payable over the first year of the HAP contract, provided that their unit is compliant with HQS at all times during this initial term. At the end of the first year under HAP contract, owners are eligible for an additional one-time payment under certain conditions.

Approval and Implementation

- Approved FY 2010
- Implemented FY 2010

Hardship

Not applicable.

Impact

In FY 2017, DHCD provided incentives to six (6) individual landlords, five (5) of which were new to the program in FY 2017. Together, these landlords upgraded six (6) units. Four (4) of the six (6) units were upgrades from "C" to "B" and the remaining two (2) units were brought onto the program as "A" grade units. While anticipated landlord interest in this program did not meet expectations, DHCD was able to assist five new landlords in upgrading their units. DHCD will continue to look for ways to expand this activity.

<i>HC #5: Increase in Resident Mobility</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0 households	20 households	6 households	No

Activity 2010-4: Development of Local Forms

Description

Under this initiative, DHCD will develop local versions of forms, as needed, to streamline processing, utilize “plain language”, address MTW policies and address local housing market features. New forms are rolled out to RAA contractors as they are completed.

Approval and Implementation

- Approved FY 2010
- Implemented FY 2013

Hardship

Not applicable.

Impact

To date, DHCD has developed local versions of the PBV HAP and AHAP forms to incorporate relevant MTW provisions. The revised forms have been implemented at all new expiring use projects. Higher staff wages and a greater number of HAP contracts executed than anticipated precluded DHCD from meeting benchmarks in FY 2017. DHCD will continue to look for new ways to streamline processing and enable greater staff efficiency while maintaining required data elements and transparency.

<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$400	\$59	\$77	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).	22 hours	3.25 hours	3.75 hours	No

Activity 2011-4: Biennial Recertification Process

Description

Under this initiative, the following recertification policies apply:

- Allow biennial recertifications for all MTW households;
- Limit the number of voluntary interim recertifications that a MTW family may complete between regular biennial recertifications to two (2). Required interim recertifications do not count against the limit. Elderly and disabled households, as well as households who live in an Expiring Use project on the conversion date and select a PBV, are exempt from this provision and are able to complete an interim recertification at any time;
- Any household that believes they would benefit by an annual recertification may request an annual income recertification. If a household has requested and is approved for an annual recertification frequency, DHCD will allow one voluntary interim recertification between annual recertifications.

Approval and Implementation

- Approved FY 2011
- Implemented FY 2012
- Modified FY 2012

Hardship

DHCD allows households whose loss of income is greater than 30% and beyond the household's control to request an exemption from the limit on interims. In FY 2017, one household requested an exemption and this exemption was approved.

Impact

Staff hourly wages increased by over \$1 from the prior fiscal year, and thus DHCD did not meet agency cost savings goals. However, DHCD still benefited from overall cost and time savings for processing biennial recertifications.

<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$922,037	\$419,848	\$464,969	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).	50,745 hours	23,018 hours	22,637 hours	Yes

<i>*Accounts for time savings from Biennial Recertifications and Rent Simplification.</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).	\$19,058	\$22,428	\$23,836	Yes
<i>*DHCD modified this baseline in FY 2016 based on revised calculation methods applied to FY 2012 figures.</i>				
SS #3: Increase in Positive Outcomes in Employment Status				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
(6) Other - Employed	5,019 households in FY 2011	5,489 households*	3,957 households	No**
	54% of work-able households	61% of work-able households*	40% of work-able households	No**
<i>*Number and Percentage reflected all households instead of just work-able households. **Outcome reflects workable households' universe only and as such, comparing the benchmark to the outcome is not representative of the change. Going forward, benchmarks will reflect only the number of workable households with employment.</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).	2,920 households in FY 2011	2,218 households	2,150 households	Yes
SS #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	Baseline*	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase).	0 households	57 households	110 households	Yes
<i>*This data was not previously tracked.</i>				

Activity 2011-5: Youth Transition to Success Program (YTTSP)

Description

DHCD has designed and implemented a time-limited program to provide continued support to and build upon the successes of youth currently participating in its Family Unification - Aging Out of Foster Care Program that are facing the current 18 month expiration date. This initiative will provide a shallow short-term and time-limited subsidy (up to five year term total including the FUP AOP term), supportive services funds for education, training and employment related expenses, an escrow account and case management. In FY 2017, DHCD also began accepting referrals from DCF for participants unable to obtain a FUP voucher but who meet all other YTTSP eligibility requirements.

The three-year YTTSP will provide participants with:

- A flat rental subsidy that steps down annually by 15%;
- A matched savings account; and
- An annual support budget of \$500 for expenses related to sustaining employment and meeting educational goals.

Approval and Implementation

- Approved FY 2011
- Implemented FY 2013

Hardship

Not applicable.

Impact

Since inception and through the end of FY 2017, 15 participants have graduated. Four (4) participants graduated in FY 2017 alone. During FY 2017, DHCD received six (6) new DCF referrals. There are currently two (2) YTTSP participants.

Please note that due to the small number of participants in YTTSP, one participant leaving or joining the program can have a dramatic influence on the data reported below. Average household income and employment status are two metrics that were influenced significantly. Since expanding the program in FY 2017 to allow referrals from DCF for participants unable to obtain a FUP voucher but who meet all other YTTSP eligibility requirements, DHCD has already seen an influx of new participants and would expect to see increases for both metrics in the next year.

<i>CE #4: Increase in Resources Leveraged</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increase).	\$0.00	\$218,750	\$267,200	Yes

<i>SS #1: Increase in Household Income</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase).	\$9,492 for current YTTSP participants at time of enrollment	\$10,069	\$5,064	No
<i>SS #2: Increase in Household Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of savings/escrow of households affected by this policy in dollars (increase).	\$0	\$1,549	\$1,641	Yes
<i>SS #3: Increase in Positive Outcomes in Employment Status</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Enrolled in an Educational Program	7 participants	25 participants	7 participants	Yes
	100% of participants	100 % of participants	100% of participants	
Unemployed	0 participants	4 participants	2 participants	No
	0% of participants	16 % of participants	29% of participants	
Other – Employed	7 participants	21 participants	5 participants	No
	100% of participants	84 % of participants	71% of participants	
<i>SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	0 households	4 Households	1 household	Yes
<i>SS #5: Households Assisted by Services that Increase Self Sufficiency</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self-sufficiency (increase).	0 households	25 households	7 households	Yes
<i>SS #8: Households Transitioned to Self Sufficiency</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase). Self-sufficiency is defined as graduation from the YTTS program.	0 households	3 households	4 households	Yes

Activity 2012-1: MTW Utility Allowances

Description

Under this initiative, DHCD established a simplified Utility Allowance (UA) schedule and eliminated Utility Allowance Payments under \$25. In FY 2014, DHCD designed a UA model that eliminated all utility allowances except for heat. However, in FY 2017, in response to concerns about rising electricity costs, DHCD developed a revision to the UA model to include a utility allowance for other electricity. This revised model will be effective as of January 1, 2018.

The “other electric” UA schedule will be the same across DHCD jurisdictions and will not vary by geographical area and/or building type. The utility allowance schedule will include the utility allowance for heat and other electricity by the smaller of the unit size or voucher size. Utility allowances for any other tenant paid utilities, other than heat and other electricity, will not be provided. For households at their next regular reexamination, DHCD will review and adjust the utility allowance for consistency with their approved accommodations and the new electricity UA schedule. DHCD will determine reasonable accommodations for utilities on a case by case basis.

Approval and Implementation

- UAP \$25 or less
 - Approved FY 2012
 - Implemented FY 2012
- Simplified UA Schedule – Heat only
 - Approved FY 2014
 - Implemented FY 2014
- Other Electricity
 - Approved FY 2016
 - Implemented FY 2017

Hardship

For households currently receiving a reasonable accommodation UA for other electricity, at their next regular reexamination, DHCD will review and adjust the utility allowance so that households will keep the higher of their current UA allowance or the new other electric UA. DHCD will determine reasonable accommodations for other utilities on a case by case basis. In FY 2017, DHCD received ten (10) reasonable accommodations for other utilities, and of these requests, approved eight (8).

Impact

In FY 2017, DHCD completed an impact analysis to determine the financial impact to HAP as a result of adding the other electricity utility allowance. It was found that this change will have no adverse impacts on tenants. The savings from this activity will allow DHCD to expand client services, and support many of the new activities that were proposed in DHCD’s FY 2018 MTW Plan. DHCD will begin implementation of the other utility allowance in FY 2018.

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

Total cost of task in dollars (decrease).	\$31,476,912	\$19,587,864	\$19,206,312	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).	2,256 hours	1,004 hours	893 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).	10%	4%	4%	Yes
<i>CE #5: Increase in Agency Rental Revenue*</i>				
Unit of Measurement	Baseline**	Benchmark	Outcome	Benchmark Achieved?
Average Tenant Rent Share (increase).	\$382	\$331	\$331	Yes
<i>*DHCD does not have any rental revenue and has been instructed by HUD to report on Average Tenant Rent to Owner.</i>				
<i>**FY 2014 figure.</i>				

Activity 2012-3: Project Based Voucher Discretionary Moves

Description

Beginning in FY 2012, DHCD modified its Project Based Voucher (PBV) program guidelines to establish reasonable limits on discretionary moves. Generally, PBV participant households in good standing are able to terminate the assisted lease and receive priority for an available tenant-based voucher only after the second year of occupancy.

DHCD established, for each RAA, an annual target number of vouchers available to PBV households who have requested a tenant-based voucher. The annual target number is equal to the total number of turnover vouchers from the prior year for each RAA multiplied by the percentage of PBV units managed by the RAA. If demand exceeds supply over the course of the year, those additional PBV participants who wish to move with a tenant based voucher will remain at the top of the waiting list until the following year. These PBV guidelines do not apply in certain circumstances, including those where households are over or under-housed or there are victims of domestic violence.

Approval and Implementation

- Approved FY 2012
- Implemented FY 2012

Hardship

Not applicable.

Impact

DHCD will close out this activity in FY 2018, as DHCD received approval in the FY 2018 MTW Plan for an Enhanced Local Project-Based Voucher Program. This program includes a provision stating that DHCD will waive the option allowing PBV participant families to move with a tenant-based voucher after one year of assistance in a project-based unit, with certain exceptions. These exceptions include personal safety and VAWA.

In FY 2017, fifty five (55) PBV households received a TBV. The current number of PBV households on the waiting list for a TBV is two hundred and nineteen (219).

<i>CE #1: Agency Cost Savings*</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$1,799	\$4,925	\$3,389	Yes
<i>*DHCD maintains that the above metric required by HUD does not accurately represent the impact of this initiative as the number of TBV issued to PBV tenants fluctuates each year depending on request and number of all HCV's issued.</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).	99 hours	270 hours	165 hours	Yes
*DHCD maintains that the above metric required by HUD does not accurately represent the impact of this initiative as the number of TBV issued to PBV tenants fluctuates each year depending on request and number of all HCV's issued.				

Activity 2012-4: Expiring Use Preservation Initiative

Description

This initiative was designed to preserve the long-term affordability of expiring use properties. DHCD will make use of the resources provided by HUD in the form of Enhanced and Tenant Protection Vouchers to continue the affordability of the units in these projects by converting eligible units immediately to Project-Based Units with a 15 year affordability period.

Since its approval, this initiative has been modified so that MTW flexibilities may extend to units converted to PBV under RAD. Additionally, DHCD modified the income eligibility requirements for tenants who occupy units at the time of a RAD conversion to the PBV program.

Approval and Implementation

- Approved FY 2012
- Implemented FY 2013

Hardship

Not applicable.

Impact

In FY 2017, DHCD did not add any additional developments to its expiring use or RAD inventory. The determination on award of RAD and expiring use contracts is a HUD determination; and as such, DHCD does not control the ebb and flow of units in this activity. DHCD remains optimistic that HUD will continue to consider DHCD for future administration of RAD and expiring use contracts. At the close of FY 2016, DHCD had 9 expiring use contracts with a total of 546 units under HAP contract. Additionally, DHCD has completed 8 Rental Assistance Demonstration (RAD) conversion projects and currently provides a subsidy for 825 units under this program.

<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).	0 housing units	1,371 housing units	1,371 housing units	Yes
*Previously DHCD has included only Expiring Use units when setting benchmarks and determining outcomes for this metric. This figure includes all RAD and Expiring Use units and DHCD will continue to use this methodology going forward.				

Activity 2012-5: Family Self Sufficiency Program Enhancements

Description

DHCD uses MTW funds to enhance the existing Family Self-Sufficiency (FSS) Program. These new features will encourage participation and successful completion of the program. Features include, but are not limited to:

- Providing escrow funds for clients who would otherwise be ineligible for the escrow component of the FSS due to their level of earned income at the time they join the program; and
- Establishing goal-specific incentive payments to be awarded when a family attains an established goal (i.e., completion of a GED, successful completion of a semester of college courses, etc.).
- Establishing a \$5,000 incentive payment for FSS graduates that choose to withdraw from the HCV program within 2 years of completion of the FSS program and who apply and are approved for homeownership.

In November of 2013, DHCD also began providing “gap” funding to address financial barriers to employment, and increase long-term economic capacity by providing participants with incentives to complete education and training programs before entering the workforce.

In January 2014, DHCD implemented the revisions to the enhanced FSS program including:

- Placement of an absolute cap on the amount of escrow regardless of prior FSS participation at any of DHCD’s RAAs statewide. The cap, which may be periodically reviewed and updated at DHCD’s discretion, will be set at \$25,000 per household; and
- Modification to the requirement that an FSS applicant must have an interim or annual recertification within 120 days prior to FSS enrollment;

To encourage the goal of homeownership for applicable households in the FSS program, DHCD obtained approval to modify its current FSS program to allow certain households to define a path to homeownership by utilizing individualized homeownership education, financial coaching and a modified savings/escrow component. DHCD has not implemented this enhancement as of FY 2017.

Approval and Implementation

- Approved FY 2012
- Implemented FY 2013

Hardship

Not applicable.

Impact

In FY 2017, 265 families joined the FSS program, more than in the prior year. Additionally in FY 2017, there were 107 FSS graduates. The high number of new participants resulted in a lower average escrow and higher average Section 8 subsidy for participants. DHCD continued to review supportive service needs and

resources in an effort to ensure that the supportive services are adequate and responsive to the needs of the participants in each of DHCD’s jurisdictions.

Also in FY 2017, DHCD provided seventeen (17) FSS graduates with a \$5,000 homeownership incentive payment. Homeownership has become a primary goal for many FSS participants, and FSS “gap” funds have proven critical in enabling participants facing financial hardship to maintain employment and educational enrollment on their path towards homeownership and self-sufficiency.

In FY 2018, DHCD will implement local versions of the FSS Contract of Participation (COP) and Individual Training and Services Plan (ITSP).

<i>SS #1: Increase in Household Income</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase).	\$20,554	\$23,450	\$27,023	Yes
<i>SS #2: Increase in Household Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of escrow of households affected by this policy in dollars (increase).	\$0.00	\$4,062	\$3,827	No
<i>SS #3: Increase in Positive Outcomes in Employment Status</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Unemployed	501 participants	358 participants	294 participants	Yes
	57% of participants	40% of participants	30% participants	
Other - Employed	372 participants	538 participants	685 participants	Yes
	43% of participants	60% of participants	70% participants	
<i>SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	162 households	125 households	70 households	Yes
<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).	\$931 in FY 2014	\$901	\$938	No
<i>SS #7: Increase in Agency Rental Revenue</i>				

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average Tenant Rent Share (increase).	\$388*	\$434	\$464	Yes
<i>*Established in FY 2014.</i>				
<i>SS #8: Households Transitioned to Self Sufficiency</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase).	0 households	107 households	107 households	Yes

Activity 2013-1: Rent Reasonableness

Description

In FY 2013, DHCD eliminated the requirement to re-determine the reasonable rent if there is a 5% decrease in the published Fair Market Rent (FMR) in effect 60 days before the contract anniversary date as compared to the FMR in effect 1 year before the contract anniversary. DHCD will continue to complete a reasonable rent determination when a unit is placed under HAP contract for the first time, when an owner requests a contract rent adjustment, and at any other time DHCD deems it necessary.

Approval and Implementation

- Approved FY 2013
- Implemented FY 2013

Hardship

Not applicable.

Impact

DHCD did not anticipate that FMRs would decrease significantly in any of its jurisdictions during the year. However, a review of the changes in the FMRs between FY 2016 and FY 2017 revealed that one FMR area within DHCD's jurisdiction had decreases in the FMR that were greater than 5%. In the affected FMR area, all unit sizes were affected. Though FMRs have changed, a study of rents shows that they have not been significantly impacted. Less than 5% of households in DHCD's jurisdiction were affected by this decrease. DHCD continues to monitor the rents in these areas to ensure that they are reasonable.

<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$364,345	\$0.00	\$58,662	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).	20,052 hours	0 hours	2,856 hours	Yes

Activity 2013-2: PBV Rent Reasonableness

Description

In FY 2013, DHCD modified the requirement for conducting rent reasonableness for re-determined rents under the Project Based Voucher (PBV) program. Under the new policy, re-determined rents to owners of PBV units, *except for certain tax credit units as defined in 983.501(c)*, shall not exceed the lowest of the reasonable rent or the rent requested by owner. DHCD also eliminated the requirement at 983.303(b) to re-determine the reasonable rents for PBV units whenever there is a five percent or greater decrease in the published FMR in effect sixty days before the contract anniversary as compared with the FMR in effect one year before the contract anniversary.

Approval and Implementation

- Approved FY 2013
- Implemented FY 2013

Hardship

Not applicable.

Impact

DHCD did not anticipate that FMRs would decrease significantly in any of its jurisdictions during the year. However, a review of the changes in the FMRs between FY 2016 and FY 2017 revealed that one FMR area within DHCD's jurisdiction had decreases in the FMR that were greater than 5%. In the affected FMR area, all unit sizes were affected. Though FMRs have changed, a study of rents shows that they have not been significantly impacted. Less than 5% of households in DHCD's jurisdiction were affected by this decrease. DHCD continues to monitor the rents in these areas to ensure that they are reasonable.

<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$34,014	\$0.00	\$10,167	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).	1,872 hours	0 hours	495 hours	Yes

Activity 2015-1: Rent Simplification (Changes to Activity 2012-2)

Description

In FY 2012 HUD approved DHCD's Rent Simplification activity. In FY 2016, DHCD received HUD approval on changes to the Rent Simplification activity, however, DHCD has not implemented any of the changes as of FY 2017. The components of rent simplification which are currently in effect are as follows:

- Minimum Rent of \$50
- Exclusion of all Full-Time Student Income
- Streamlined Earned Income Disregard
- Streamlined Asset Verification and Calculation

DHCD planned in FY 2017 to phase-in implementation of the SAFMR/payment standards policy; however DHCD has determined that implementation of SAFMRs requires further analysis and may not bring about the movement of families to high opportunity areas. As such, DHCD will not implement SAFMRs.

Approval and Implementation

- Approved FY 2012
- Implemented FY 2012
- Modified FY 2016

Hardship

Not applicable.

Impact

One RAA under DHCD's jurisdiction experienced high turnover during the FY, and brought on a number of new staff persons. Independent of this agency, the rent error rate was consistent with prior reports.

<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline*	Benchmark**	Outcome**	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$922,037	\$419,848	\$464,969	Yes
<i>*Baseline represents the metrics used when this activity was initially proposed.</i>				
<i>**Accounts for cost savings from Biennial Recertifications and Rent Simplification.</i>				
<i>CE #2: Staff Time Savings</i>				
Unit of Measurement	Baseline*	Benchmark**	Outcome**	Benchmark Achieved?
Total amount of staff time dedicated to the task prior to	50,745 hours	23,018 hours	22,637 hours	Yes

implementation of the activity (in hours).				
<i>*Baseline represents the metrics used when this activity was initially proposed.</i>				
<i>*Accounts for cost savings from Biennial Recertifications and Rent Simplification.</i>				
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)	21%*	19%	25%	No
<i>*Average error rate for income and rent errors.</i>				
CE #5: Increase in Agency Rental Revenue				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Increase in agency rental revenue in dollars (increase)	\$382	\$331*	\$331	Yes
<i>*This benchmark reflects the average tenant rent to owner upon implementation of rent simplification. This benchmark does not reflect the addition of the other electricity utility allowance. DHCD does not have any rental revenue and has been instructed by HUD to report on average tenant rent to owner.</i>				
HC #5: Increase in Resident Mobility				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0	50	1,307	Yes
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).	\$19,058	\$22,428	\$23,836	Yes
<i>*HUD is requiring the use of this metric; however, DHCD does not believe it is applicable in this context of this MTW activity. DHCD will establish a benchmark of maintaining this level going forward.</i>				
<i>**Represents work-able households.</i>				
SS #3: Increase in Positive Outcomes in Employment Status*				
Unit of Measurement	Baseline**	Benchmark**	Outcome**	Benchmark Achieved?
(5) Unemployed	3,850 households	3,562 households	3,843 households	No
	43% of households	39% of households	38% of households	
(6) Other - Employed	5,164 households	5,489 households	6,311 households	Yes
	57% of households	61% of households	62% of households	

<i>*HUD is requiring the use of this metric; however, DHCD does not believe it is applicable in this context of this MTW activity. DHCD will establish a benchmark of maintaining this level going forward.</i>				
<i>**Represents work-able 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).	2,316 Households	2,218 Households	2,150 households	Yes
<i>*HUD is requiring the use of this metric; however, DHCD does not believe it is applicable in this context of this MTW activity.</i>				
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).	913 Households	915 Households	979 Households	Yes
<i>*HUD is requiring the use of this metric; however, DHCD does not believe it is applicable in this context of this MTW activity.</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).	\$870	\$900	\$900	Yes
<i>*HUD is requiring the use of this metric; however, DHCD does not believe it is applicable in this context of this MTW activity.</i>				
SS #7: Increase in Agency Rental Revenue*				
Unit of Measurement	Baseline**	Benchmark	Outcome	Benchmark Achieved?
PHA rental revenue in dollars (increase).	\$382	\$331	\$331	Yes
<i>*DHCD does not have any rental revenue and has been instructed by HUD to report on average tenant rent to owner.</i>				
<i>**Baseline represents average tenant rent to owner at the time this metric was initially required.</i>				
SS #8: Households Transitioned to Self Sufficiency*				
Unit of Measurement	Baseline**	Benchmark**	Outcome**	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase).	57	57	110	Yes
<i>*DHCD has indicated that DHCD does not believe the Self-Sufficiency metrics are applicable to this activity. However, HUD has required their use.</i>				
<i>**Represents households who were Epode at zero HAP.</i>				

B. Not Yet Implemented Activities

Activity 2011-1: Value Vouchers

Description

DHCD plans to implement a new “MTW value voucher” targeted to the homeless and those with disabilities. This initiative will provide a lower cost subsidy than a conventional voucher. Participants will be offered units in privately assisted housing developments where the rental costs are lower (generally by 25% or more) than current HUD published FMRs but still not affordable to very-low and extremely low-income households. These would generally be units in LIHTC, 236, and certain state funded developments, for example, where rents are generally set at or below 60% of AMI.

This activity was approved by HUD in 2011; however, DHCD has not utilized this flexibility to date and has not established a firm implementation timetable.

Activity 2011-2: Your Choice Program (Formerly Opportunity Neighborhoods)

Description

DHCD plans to establish the “Your Choice” Program in one or more selected neighborhoods in different regions throughout the Commonwealth. The purpose of DHCD’s “Your Choice” MTW initiative is to provide significant supports and encouragement to existing voucher participants and/or new voucher holders who wish to move to areas with empirically-documented improved educational systems, job opportunities, social services and other opportunities in the expectation that over time their need for housing and other subsidies will abate or diminish.

Existing participants and/or voucher holders moving into these areas will be provided with case management support both before and after the move through the participating regional administering agencies. Other incentives may be provided based on family needs and budget availability such as transportation assistance, child care referrals, training stipends, etc. Families will be encouraged or required to develop a family plan to access opportunities in their new neighborhoods with a special focus on positive outcome educational programs for children and available jobs for adults.

This activity was approved in 2011. In FY 2017, DHCD formed plans to allocate 50 vouchers to families who have an existing connection to an opportunity neighborhood through work or education and who want to move to an opportunity neighborhood. DHCD will accept referrals from qualified educational and work force development programs, and participants will be eligible for earned income disregard. As noted in the FY 2018 Plan, DHCD will identify a third party provider to assist in the development and coordination of the finalized program design and implementation will begin in FY 2018.

C. Activities on Hold

Not applicable.

D. Closed Out Activities

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

Activity	Plan Year	Close Out Year	Reason for Close Out
Biennial Inspections	2011	FY 2015	DHCD closed out this activity as an MTW initiative due to the 2014 Appropriations Act which allows DHCD to transition to a biennial inspection schedule without MTW authority.

V. Sources and Uses of Funding

A. Describe the Activities that Used Only MTW Single Fund Flexibility

DHCD did not use MTW Block Grant single fund flexibility in FY 2017.

B. Local Asset Management Plan

Has the PHA allocated costs within statute during the plan year?

Yes
No
No

Has the PHA implemented a local asset management plan (LAMP)?

Has the PHA provided a LAMP in the appendix?

VI. Administrative Requirements

1. General description of any HUD reviews, audits or physical inspection issues that require the agency to take action to address the issue.

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The HUD Quality Assurance Division (QAD) conducted a review of DHCD's MTW program in April, 2017 that focused on DHCD's cash reserves. While DHCD awaits the formal report from HUD, DHCD has already retained training services from Nan McKay in order to address some of the initial concerns relayed by the auditors while they were onsite. This includes the revision of DHCD's cash management policies and, specifically, documentation of the payments made to the Regional Administering Agencies (sub-recipients).

While not a HUD audit, the FY16 Statewide Single Audit conducted by KPMG included the MTW Program and identified a finding related to DHCD's designation of its Regional Administering Agencies as "contractors" in their executed sub-contracts. DHCD is addressing this finding in FY17/18 by communicating to the agencies that they are considered sub-recipients, and including the designated Federal CFDA numbers and applicable Federal compliance requirements that must be followed as sub-recipients. DHCD will continue to monitor the agencies to verify their compliance with the Federal and State requirements and issue reports with any findings/recommendations identified during the monitoring.

Additionally, the most recent Single Audit conducted by Marcum on DHCD's Section 8 Programs included a financial reporting findings. In order to resolve the findings, DHCD is implementing procedures to ensure proper cutoff of disbursements so that cash transactions are posted in the accounting system during the period in which the disbursements were made. Also, DHCD is implementing procedures to better track cash activity and make sure the Interfund transactions are recorded correctly in the accounting system.

2. PHAs shall submit their unaudited and audited information in the prescribed FDS format the FASPHA system

DHCD is currently in the process of submitting the FY 15-FY 16 audited statements to HUD. DHCD has been in communication with the HUD Regional Office regarding the timeline on fully submitting the late audits. DHCD's original submission of the unaudited FDS was sent to HUD on September 15, 2017.

B. Results of latest Agency-directed evaluations of the demonstration, as applicable.

Not applicable.

C. Certification that agency has met the three MTW statutory requirements.

DHCD certifies that, in FY 2017, it continued to meet the three statutory objectives of the MTW program. Appendix B includes the certification required by HUD.

Appendix A: Listing of Regional Administering Agencies

Berkshire Housing Development Corp.

One Fenn Street
Pittsfield, MA 01201
413.499.4887

Community Teamwork, Inc.

155 Merrimack Street
Lowell, MA 01852
978.459.0551

Housing Assistance Corp

460 West Main Street
Hyannis, MA 02601
508.771.5400

Housing Solutions for Southeastern Mass. (formerly South Shore Housing Development Corp.)

169 Summer Street
Kingston, MA 02364
781.422.4200

Lynn Housing Authority & Neighborhood Development

10 Church Street
Lynn, MA 01902
781.592.1966

Metropolitan Boston Housing Partnership

125 Lincoln Street
Boston, MA 02111
617.859.0400

RCAP Solutions

12 E. Worcester Street
Worcester, MA 01604
978.630.6600

South Middlesex Opportunity Council

7 Bishop Street
Framingham, MA 01702
508.620.2336

Way Finders

322 Main Street
Springfield, MA 01105
413.233.1500

Appendix B: MTW Report Certification

The Massachusetts Department of Housing and Community Development ("DHCD") hereby certifies that between the period of July 1, 2016 and June 30, 2017, DHCD met the following three statutory requirements of:

1. Assuring that at least 75% of the families assisted by DHCD 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.

MA Department of Housing & Community Development

MA901

PHA Number/HA Code

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

Chrystal Kornegay

Name of Authorized Official

Undersecretary

Title

Chrystal Kornegay
Signature

9/19/17
Date