



homeforward

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YEAR 18

Moving to Work

ANNUAL REPORT

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YEAR 18

FY2017 Moving to Work ANNUAL REPORT

April 1, 2016 – March 31, 2017

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Introduction

Moving to Work (MTW) is a demonstration program that offers public housing authorities (PHAs) the opportunity to design and test innovative, locally designed housing and self-sufficiency strategies for low income families by allowing exemptions from existing public housing and tenant-based Housing Choice Voucher rules. The program also permits PHAs to combine operating, capital, and tenant-based assistance funds into a single agency-wide funding source, as approved by the U.S. Department of Housing and Urban Development (HUD). The purposes of the MTW program are to give PHAs and HUD the flexibility to design and test various approaches for providing and administering housing assistance that accomplish three primary goals:

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

Home Forward has been designated an MTW agency since 1998. In 2016, we signed a new agreement with HUD that will ensure our participation in the program until 2028, providing a long horizon to implement, test, and assess new initiatives and approaches to our work in support of the MTW program's goals.

Our Fiscal Year 2017 Moving to Work Report details how Home Forward has used this Moving to Work flexibility to achieve these goals, and allowing us to respond quickly and specifically to the needs of our community.

Overview of the Agency's Long-Term MTW Goals and Objectives

Home Forward's mission is to assure that the people of the community are sheltered. Home Forward continues to promote, operate, and develop affordable housing that engenders stability, self-sufficiency, self-respect and pride in its residents and represents a long-term community asset.

Our Moving to Work designation, permitting regulatory flexibility, is the foundation to providing efficient and collaborative means to successfully house people of our community.

Home Forward recently adopted a new strategic plan to guide our work through 2020. The development of the strategic plan included input from staff, the board of directors, our Resident Advisory Committee, and community partners. Our strategic plan works towards our mission while our MTW status helps us meet these long-term goals.

One Portfolio: Our real estate is stable for generations to come and meets the needs of the people and the neighborhoods it serves.

One Resource: There are deeper connections and continuity between the types of housing assistance we provide that allow us to meet the evolving needs of the people we serve.

One Agency: We build our skills and work together in ways that help us constantly evolve and improve our ability to serve our community.

One Community: The people we serve, our partners and the public see us as open, supportive and responsive to their needs, even when our resources are constrained.

One System: We leverage our role as the largest provider of affordable housing in Oregon to improve collaboration and efficacy between systems impacting people in poverty.

While Home Forward works towards housing our community with MTW flexibility, we also strive to hold ourselves accountable to our community, partners, and funders. Our goals reflect the significance and importance of serving our community, currently and for generations to come.

Overview of the Agency's MTW Goals and Objectives for the Year

Of the thirteen ongoing activities included in Home Forward's 2017 MTW Report, eleven have been implemented and are achieving their goals, and two have not been implemented.

Home Forward's ongoing MTW activities continue to increase housing choice in our challenging rental market. During the past fiscal year, Home Forward received HUD approval to further expand our Housing Choice Voucher payment standard activity (Activity 13: Broaden range of approved payment standards) up to 160% of HUD's established Fair Market Rents to ensure voucher holders have the opportunity to reside in all of the neighborhoods we serve. The vacancy rate in the Portland metro region is up around 3.7% after hovering between 1-2% for a number of years while private market rents increase, on average, by 10.5%^[1]. The ability to increase our payment standards allows voucher holders more choice to live anywhere in Multnomah County, including high opportunity neighborhoods. The number of families in FY2017 living in high opportunity neighborhoods increased by over 1,100 households from FY2016.

Based in part on Home Forward's MTW status and the flexibility it provides, A Home For Everyone, a regional coalition of jurisdictional and community partners that we are a part of, received certification from the U.S. Interagency Council on Homelessness' of meeting the White House Mayors Challenge to End Veterans Homelessness^[2]. We were the first west coast community to receive this certification.

To help voucher holders find homes during our community's declared housing crisis, we committed funds through our Moving To Work single-fund flexibility that was matched by the City of Portland to help new voucher holders with housing search expenses. The Voucher Success Fund's two pilot programs, the Security & Success Loan and Housing Search Advocates, have decreased to average lease-up rate from 77 to 52 days and have increased lease up for participants to over 90%, compared to around 78% for general voucher holders.

Using single-fund flexibility, Home Forward continues to partner with a local non-profit, Metropolitan Public Defenders, to provide legal consulting to participants and residents. The Record Relief and Expungement program helps reduce barriers for communities that have traditionally been disproportionately affected by the criminal justice system. To date, 758 participants, residents, and people on our waitlists have benefitted from this innovative program. This Home Forward pilot project is now being replicated locally and recognized nationally.

^[1] Spring 2017 The Apartment Report published by MultiFamily NW, The Association Promoting Quality Rental Housing, reporting period Spring 2016-Spring 2017

^[2] The challenge asks communities to get to "functional zero" which means veterans experiencing homelessness are housed within 90 days of identification, no veterans are searching for housing in a 90-day period, and that the number of veterans entering housing exceeds the number becoming homeless.

The new Tenant-Based Voucher Set Aside Policies were not implemented in FY2017 because we are not currently distributing vouchers due to market pressures and prorated federal funding. Once Home Forward's Housing Choice Voucher program stabilizes and we resume allocating vouchers, we will implement these set aside policies.

Our Alternative Initial Housing Assistance Payment (HAP) Policy was never implemented. The policy was designed to attract new landlords to the program by making the lease up process easier but once we began vetting the activity for implementation, it became clear that it would be too administratively burdensome and confusing for participants and landlords to administer. This activity is now considered closed.

Overview of Home Forward's MTW Activities

01 Rent Reform	31
Home Forward has implemented large scale reform of our rent calculation.	
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Home Forward has aligned its self-sufficiency programs into one consolidated, locally tailored program.	
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Home Forward has created a local blended subsidy program, blending Section 8 and public housing funds to subsidize units.	
06 Alternate inspection requirements for partner-based programs.....	48
Home Forward uses alternate inspection standards for programs where we contract our resources to be administered by partners.	
07 Landlord self-certification of minor repairs	49
In cases where we deem it appropriate, Home Forward may accept an owner’s certification that repairs have been made.	
08 Inspection and rent reasonableness at Home Forward-owned properties	51
Home Forward sets rent reasonableness and inspects the unit when a voucher holder selects a unit we own.	
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Home Forward has implemented measures to improve landlord acceptance of Section 8 vouchers in the community.	
10 Local Project-Based Voucher program	57
Home Forward has created a local project-based voucher program that is tailored to meet the needs of our community.	
11 Align utility allowance adjustment process.....	64
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12 Alternative Initial Housing Assistance Payment policy (Closed)	73
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Home Forward has designed a program that offers time limited rent assistance to help families access and/or retain stable housing.	
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Home Forward sets aside vouchers with limited preferences which are aligned with supportive services for increased success.	

Overview of Non-MTW Activities

Home Forward's goals and objectives for FY2017 also included a number of activities that do not require MTW flexibility, but are key to continuing to be innovative in the ways we serve our community.

Regional Efforts

Home Forward worked closely with our three neighboring housing authorities, as well as with the three local Workforce Investment Boards. The goal was to identify and pursue strategies that are regional in nature and increase residents' abilities to view the Portland Metro area as a single region with respect to housing, jobs, and education. We have several activities under this umbrella:

- **Sharing jurisdiction with Clackamas County** – In July 2012, Home Forward and the Housing Authority of Clackamas County (HACC) began testing the impact of sharing jurisdictions. Sharing jurisdictions has allowed families with vouchers from either housing authority the flexibility to use their voucher within Multnomah or Clackamas County without going through the portability process. While this effort did not require MTW authority, Home Forward pursued this activity with the hope of increasing administrative efficiency by reducing workload related to portability, as well as increasing housing choice for families. Effective July 31, 2015, 144 Home Forward families were living in Clackamas County with 56% of those living in low-poverty areas and 126 Housing Authority of Clackamas County participants had taken advantage of the shared jurisdiction and moved to Multnomah County. In October 2015, HUD determined the agreement was making HACC out of compliance with HUD regulations due to HACC not being an MTW agency; therefore, Home Forward's payments standards were outside HACC's allowable range and a higher threshold of gross income was used to determine affordability for the family share. Home Forward worked with HACC to dissolve the Memo of Understanding (MOU), which previously allowed participants to lease up in each other's jurisdiction without accessing portability. Beginning April 2016, Home Forward and HACC exchanged approximately 10 files each month and the household had to recertify their income and family composition, sign new leases, and have their unit inspected. The Housing Authority of each family's residing jurisdiction then absorbed the household. Home Forward households that choose to remain in Clackamas County are going through the portability process and vice versa. We anticipate this to be complete by June 2017. Home Forward and Clackamas County will continue to implement part of the MOU to allow inspectors to inspect units in each other's jurisdictions.
- **Mobility Counseling and Transportation Toolkit** – In 2013, Home Forward was awarded a grant from Metro, a regional governmental planning agency, to work collaboratively with the three metro-area housing authorities to develop tools to provide mobility counseling to Housing Choice Voucher participants. The goal is to help reduce participants' combined

housing and transportation costs and assist them in identifying housing locations with affordable transit options to further Fair Housing goals. Since April 2014, each housing authority introduced the transportation toolkit to participants as a part of transfer briefings or attend the initial program orientation.

- Expanding employment and training for housing authority residents – Home Forward, in partnership with the three other local housing authorities and the three local Workforce Investment Boards in our region, received a \$5.5 million, multi-year Workforce Innovation Fund grant from the Department of Labor in 2012 to provide training and employment opportunities to housing authority residents. This grant built upon a model that Home Forward and Worksystems, Inc. had been operating for several years. Home Forward received \$1.1 million to fund case management staff to support 270 residents as they accessed training and employment opportunities through the local WorkSource system in high demand occupations. Funds were also available to provide employment supports (such as assistance with transportation and childcare) for participating families. This grant funded project ended in April 2016.

We will continue to consider ways to partner and collaborate with our regional housing authorities and other community providers to maximize resources and efficiency in programs to help our residents and participants increase opportunity in housing, jobs, and education.

Saint Francis Park Apartments

Home Forward entered into a development agreement with a local non-profit, Catholic Charities, and a local parish in order to build affordable housing on land currently owned by the parish. Home Forward is serving as project developer and Catholic Charities will be the owner and operator upon completion. 106 units, affordable to households below 60% MFI, will be made available in this highly desirable neighborhood located in inner southeast Portland, close to jobs, transportation and neighborhood amenities. Programming by Catholic Charities will also ensure services for approximately 25 of the households, including supports for women and children who have experienced homelessness and/or domestic violence. The land has been purchased and the local development subsidy has been secured. Construction is still underway; units are expected to begin leasing in FY2018.

Framework Apartments

Home Forward is collaborating in a partnership that will develop an innovative, 12-story urban building highlighting five floors of workforce rental housing (60 units) for households at 80% MFI and below. The building will also include ground-floor retail and offices and will be located in Portland's downtown "Pearl District" – one of Portland's most desirable (and expensive) mixed-use neighborhoods. The building is designed as a wood framed building constructed primarily of an innovative structural system plus a wood product termed Cross Laminated Timber. It is supported by a \$1.5 million award from the U.S. Department of Agriculture's (USDA) Tall Wood Building Prize Competition. It represents an urban-rural connection that promotes use of domestically sourced and engineered wood products,

thereby increasing demand from domestic rural lumber mills and boosting their local economies. Construction began in October 2016 with the opening date scheduled for December 2017.

A Home for Everyone

A Home for Everyone is a community-wide effort to better assist people experiencing homelessness in Multnomah County. Established through a charter adopted by Home Forward, Multnomah County and the cities of Portland and Gresham, A Home for Everyone is led by an executive committee comprised of jurisdictional and funding partners and supported by a coordinating board comprised of a diverse set of community, non-profit and government stakeholders. By charter, Home Forward has a seat on the Home for Everyone Executive Committee. Through our participation in A Home for Everyone, Home Forward works to strategically align our resources with the community's larger efforts to address homelessness, and our commitment to A Home for Everyone is articulated in the One System section of our adopted Strategic Plan.

In 2014, the Home for Everyone Coordinating Board developed staged action plans related to community efforts to address homelessness. This included an actionable plan to functionally end veteran homelessness, an assessment of housing needs and gaps for people experiencing homelessness, and a plan to reduce the gap by 50% by July 2017.

In response to action plans developed by a Home for Everyone, Home Forward committed to new targeting of Housing Choice Vouchers in two areas: 1) a limited preference for up to fifty vouchers for veteran families that are ineligible for Veterans Affairs Supportive Housing vouchers; and 2) a limited preference for up to 200 vouchers for families assisted through Multnomah County's Homeless Family System of Care. These preferences were fully utilized in FY 2017.

A Home for Every Veteran

In January 2015, the Executive Committee of a Home for Everyone adopted a plan (A Home for Every Veteran) that aimed to achieve the goal of functionally ending veteran homelessness. This plan was rooted in a belief that local initiative coupled with a meaningful increase in federal supports for affordable housing can result in a system that has the capacity to ensure that when veterans in our community experience homelessness it is rare, brief and one-time. On December 9th, 2016, the United States Interagency Council on Homelessness (USICH) together with the US Department of Housing and Urban Development and the Department of Veteran Affairs confirmed the City of Portland and Multnomah County were the first community on the west coast to meet the USICH criteria and benchmarks for functionally ending Veteran homelessness. While this certification does not mean there are no Veterans experiencing homelessness in our community, it does mean that we have a system with 1) the capacity to quickly identify and engage Veterans experiencing homelessness; 2) the ability to ensure that every newly discovered veteran living on the streets is offered immediate access to shelter and crisis services, while permanent stable housing and appropriate supports are being secured; and 3) the ongoing capacity to place Veterans into permanent housing at a faster pace than new Veterans are becoming homeless in our community.

Home Forward, across departments, committed to working with our jurisdictional and community partners to achieve the goal of A Home for Every Veteran:

- Increased supply and utilization of Veterans Affairs Supportive Housing Vouchers (VASH): Home Forward started with 70 VASH vouchers in 2009. This number has steadily increased over the last eight years. With the addition this year of 60 additional tenant-based VASH and 6 project-based VASH, we now have 591 authorized VASH vouchers, including 6 project-based VASH. Our average utilization for the year for VASH is 86%. Our utilization of VASH started the year at 91%, but dropped with the addition of VASH vouchers in June. As of March 2017, the utilization rate is back up to 90% as we work to lease-up the recently added vouchers. Our ability to aggressively utilize VASH vouchers in the face of increasingly challenging market conditions is the result of significant effort, investment and coordination amongst our jurisdictional and community partners. Home Forward continues to provide security deposit assistance, and Multnomah County funds additional flexible placement and retention assistance which can be used for any costs related to removing barriers related to lease-up, such as application fees, utility and housing debt, and transportation costs associated with housing search.
- Access to Units in our Affordable Housing Portfolio for Veterans with Tenant-Based Subsidies: The bulk of new housing resources in our community for Veterans have been in the form of tenant-based subsidies that require Veterans to find units where they can utilize the assistance. In response to A Home for Every Veteran, Home Forward committed to provide priority access to 50 units within our affordable housing portfolio, as they became vacant, for veterans with VASH vouchers or other veteran assistance, such as Supportive Services for Veteran Families. We surpassed our initial commitment, opening nearly 100 units to Veterans through this effort.
- Prioritized Access to Low-Barrier Permanent Supportive Housing: Home Forward created prioritized access for five units at the Apartments at Bud Clark Commons. These units provide a necessary resource for highly vulnerable Veterans experiencing homelessness who would be unlikely to find success in less supported housing environments.
- Permanent Housing Assistance for Veterans ineligible for VASH: Home Forward implemented a limited preference for our Housing Choice Voucher program for veteran households ineligible for VA health care. This preference for fifty households is matched with resources from the City of Portland to provide supportive services for the assisted Veterans.
- Increased Project-Based VASH: Home Forward awarded Project-based VASH vouchers to three new developments (48 total units). These Project-Based VASH will use vouchers from our current allocation of 585, but the projects will create additional low-barrier units for Veterans. These units will begin coming online in FY 2018. Additionally, Home Forward successfully competed for six new Project-Based VASH for an existing Catholic Charities property. Two of these units are on-line, and the remainder are anticipated to lease up in calendar year 2017 (as turnover at the property makes units available.)

Public Housing Strategy

Home Forward operates nearly 2,100 apartment homes as public housing, a specific subset of affordable housing that receives federal operating subsidy and capital funding. The buildings, and the deep rent subsidies they provide, are an important resource for Home Forward and the people we serve. Unfortunately, given waning federal support, mounting capital needs, and growing demand for affordable housing, the public housing program itself severely limits our ability to reinvest in these homes and meet the preservation challenges each apartment community faces. The reality is that the ongoing viability of this community resource is in jeopardy. It is in the best interests of our residents, and the properties they call home, for Home Forward to pursue a transition from public housing subsidy to a type of Section 8 rent assistance for all of Home Forward's public housing communities. Section 8 provides more stable operating funding and allows Home Forward to use a conventional real estate model that leverages equity and debt to make vital and significant capital improvements. The process to convert public housing properties to Section 8 began with our **85 Stories** effort to preserve our ten high-rise public housing communities. The ten high-rises provide 1,232 housing units, which account for almost half of Home Forward's total public housing supply. They serve some of our most vulnerable community members: seniors and persons with disabilities. The buildings are well located and worthy of preservation. In May 2012, the critical needs in these ten high-rise buildings totaled \$80 million in capital improvements. If these properties were to continue to provide safe, decent and affordable homes, work needed to begin soon and to continue at an accelerated pace. Several important policies continue to guide us as we undertake this complex and challenging initiative. We have developed these policies because of our work over the last 15 years, starting with our first HOPE VI redevelopment, to preserve this vital community resource.

Policy Guidelines for Subsidy Conversion

- 1) Continue to serve very low-income populations in these communities
- 2) Maintain ownership or control of the properties
- 3) Improve the physical and financial condition of the properties
- 4) Partner to optimize public and private resources on behalf of the properties and our residents

Home Forward has formulated a financing strategy for the improvements, grouping the work into multiple phases with the most critical needs addressed first.

Phase 1: HUD approved our proposal to change the operating subsidy at four of the buildings from public housing to project-based Section 8 funding. This subsidy change occurred in September 2013 and transfer to the LIHTC partnership (and the accompanying affordable housing lease up) was completed during FY2015. Construction completed in FY2016 at each of the first four properties: Northwest Tower & Annex, Gallagher Plaza, Hollywood East, and Sellwood Center.

On-going Phases: We are continuing our plans to make the change for the rest of our public housing portfolio. Home Forward is proposing two options to convert the public housing properties to Section 8 rent assistance: HUD's Section 18 demolition and disposition process or the Rental Assistance Demonstration (RAD), which could transition properties to project-based vouchers. Home Forward submitted RAD applications for six properties (285 units) in May 2015 and received approval for RAD conversion in September 2015. An additional application for 31 properties (1,008 units) was submitted in July 2015 and HUD-issued CHAPs (Commitments to Enter into a Housing Assistance Payment) were received in August and October 2016.

Although the six remaining high-rise properties originally received RAD approval, Home Forward plans to include these properties with another three properties to submit Section 18 disposition proposals. The total unit count for the nine Section 18 properties equals 802 units. As of March 31, 2017, HUD and Home Forward remain in negotiations regarding the Section 18 disposition applications and anticipate resolution during summer 2017.

Two of the six properties that received RAD approval in September 2015 are Bud Clark Commons (130 units) and Madrona Place (45 units). We propose to project-base 100% of the units at these properties since the units serve Qualifying Families. Bud Clark Commons provides permanent supportive housing for highly vulnerable, formerly homeless individuals, as screened by four medical clinics using a vulnerability index tool. Services include advocacy and case management; medical, mental health and substance abuse treatment; and vocational, employment, money management and life skills training. Madrona Place is a family property with many Spanish-speaking households that include a large number of children as well as many single parent households. Home Forward provides a .5 FTE Resident and Community Service Coordinator with services focused on housing stability, increasing economic opportunity, and creating a sense of community for the entire family.

PIC Development No.	Development Name	ACC Units	Conversion Strategy
OR002000058	Humboldt Gardens	100	RAD ¹
OR002000060	Rockwood Station	25	RAD ²
OR002000061	The Jeffrey	20	RAD ²
OR002000062	Martha Washington	25	RAD ²
OR002000063	Bud Clark Commons	130	RAD ²
OR002000064	Madrona Place	45	RAD ²
OR002000066	Stephens Creek Crossing North	64	RAD ¹
OR002000065	Stephens Creek Crossing South	45	RAD ¹
OR002000108	Peaceful Villa	70	Section 18 ³
OR002000111	Dekum Court	39	Section 18 ³
OR002000113	Tamarack	118	Section 18 ³
OR002000114	Dahlke Manor	114	Section 18 ³
OR002000115	Holgate House	80	Section 18 ³
OR002000117	Schrunk Riverview Tower	118	Section 18 ³
OR002000118	Williams Plaza	101	Section 18 ³
OR002000121	Fir Acres	32	RAD ¹
OR002000122	Townhouse Terrace	32	RAD ¹
OR002000123	Stark Manor	30	RAD ¹
OR002000124	Lexington Court	20	RAD ¹
OR002000125	Eastwood Court	32	RAD ¹
OR002000126	Carlton Court	24	RAD ¹
OR002000131	Slavin Court	24	RAD ¹
OR002000132	Demar Downs	18	RAD ¹

PIC Development No.	Development Name	ACC Units	Conversion Strategy
OR002000138	Eliot Square	30	RAD ¹
OR002000139	Medallion Apartments	89	Section 18 ³
OR002000140	Ruth Haefner Apartments	73	Section 18 ³
OR002000142	Celilo Square	28	RAD ¹
OR002000151	Tillicum South	12	RAD ¹
OR002000152	Harold Lee Village	10	RAD ¹
OR002000153	Floresta	20	RAD ¹
OR002000203	Maple Mallory	48	RAD ¹
OR002000232	Bel Park	10	RAD ¹
OR002000236	Winchell Court	10	RAD ¹
OR002000237	Powellhurst	34	RAD ¹
OR002000251	Tillicum North	18	RAD ¹
OR002000252	Hunters Run	10	RAD ¹
OR002000305	Haven Ltd Partnership (NC)	29	RAD ¹
OR002000310	Cecelia Ltd Partnership (NC)	72	RAD ¹
OR002000315	Trouton Ltd Partnership (NC)	125	RAD ¹
OR002000320	Fairview Oaks & Woods	40	RAD ²
OR002000325	Woolsey Ltd Partnership (NC)	70	RAD ¹
OR002000332	Camelia Court	14	RAD ¹
OR002000336	Cora Park	10	RAD ¹
OR002000337	Alderwood	20	RAD ¹
OR002000436	Chateau Apartments	10	RAD ¹
OR002000705	Scattered East A	7	RAD ¹

¹Home Forward submitted an application for 31 properties (1,008) units in July 2015. CHAPs were issued in summer and fall of 2016.

²Six properties (285 units) received approval for RAD in September 2015. Home Forward anticipates these properties will close in FY2018.

³Properties with Section 18 listed under Conversion Strategy also had applications submitted for RAD (Rental Assistance Demonstration).

General Housing Authority Operating Information

Housing Stock Information

MTW Public Housing Units

Public housing units at beginning FY2017	2,101*
Public housing units added	0
Public housing units removed	<u>0</u>
Public housing units at end of FY2017	2,101
Cumulative Change	0

*Includes 11 non-dwelling units counted on ACC (7 for community use and 4 for offices)

Units added in FY2017

Development	Units	Description
	0	
<u>Total units added in FY2017</u>	0	No units added in FY2017

Units removed in FY2017

Development	Units	Description
	0	
<u>Total units removed in FY2017</u>	0	No units removed in FY2017

MTW Housing Choice Vouchers (HCV) Units

MTW HCV at beginning FY2017	8,418
Add/Remove	<u>0</u>

MTW HCV at end of FY2017

8,418
0 (0% change)

Cumulative Change

Housing Choice Vouchers – total project-based in FY2017

Project-based units at beginning of FY2017	2,001
Project-based units added (see following pages)	84
Project-based units removed	<u>0</u>
Project-based units projected at end of FY2017	2,085

Non-MTW Housing Choice Vouchers units authorized

Voucher Type	Units Authorized
SRO/MODS	512
Veterans Affairs Supportive Housing (VASH)	591 ¹
Family Unification Program	100
Opt-Out vouchers	-

¹ Includes 6 project-based vouchers

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
Station 162	17	17	Seniors, people with disabilities and people experiencing extremely low-incomes.
Allen Fremont Plaza*	30	30	1 bedroom units for seniors and people with disabilities.
Carolyn Gardens*	12	8	3 and 4 bedroom units for families experiencing low-incomes.
McCuller Crossing*	19	9	2 bedroom units for families experiencing low-incomes.
Otesha Place*	10	10	Studio, 1 and 2 bedroom units for families experiencing low-incomes.
Mayfield Court*	9	9	1 bedroom units for seniors and people with disabilities.
Springwater Commons*	9	9	3,4, and 5 bedroom units for large families experiencing low incomes.
Urban Plaza	23	0	Studios and 1 bedroom units for seniors and people with disabilities.
McCoy Village*	10	0	2,3, and 4 bedroom units for families experiencing low-incomes
Rockwood Station	25	0	In September 2015, HUD approved Home Forward's Rental Assistance Demonstration (RAD) application for these six properties. We are working with HUD to finalize conversion from public housing units to project-based vouchers.
The Jeffrey	20	0	
Martha Washington	25	0	
Bud Clark Commons	130	0	
Madrona Place	45	0	

Fairview	40	0
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*These buildings were not anticipated to project-base at time of FY2017 Plan.

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 Fiscal Year *
325	92	2,326	2,268

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
2,038	1,983

* From the Plan FY2017

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

During FY2017 Home Forward had no changes to our public housing units. As described previously in the non-MTW section, over the next several fiscal years, Home Forward will convert all of our public housing units to project-based assistance under RAD. Six properties have received approval for RAD conversion and are in the closing process. Home Forward expects these six properties to convert during FY2018.

Home Forward had unforeseen events to several project-based units.

Hotel Alder: A fire in January 2017 caused substantial damage at this property. All 35 project-based units at this site will remain offline while repairs are completed. Displaced residents are being provided temporary housing by the property owner.

Urban Plaza: Owner actions have delayed lease up of 23 project-based units at this property. We expect these units to be leased in FY2018.

McCoy Village: Owner actions have delayed lease up of 10 project-based units at this property. We expect these units to be leased in FY2018.

In the face of rapidly rising rents and decreasing housing affordability in Multnomah County, Home Forward committed to ensure that those we serve have access to all areas of our community. To aid these efforts, we dedicated up to 500 Housing Choice Vouchers over the next several years to be used as project-based vouchers in developments that provide homes for families earning less than 30% of the area median income. As one of the first steps in the multi-year strategy, Home Forward has project-based 200 vouchers in FY2017.

Examples of the types of other changes can include but are not limited to units that are held off-line due to the relocation of residents, units that are off-line due to substantial rehabilitation and potential plans for acquiring units.

General Description of Actual Capital Fund Expenditures During the Plan Year

FY2017 Actual Capital Fund Program Capital Expenditures							
Community	Activity	Scattered Sites	Capital Fund	Moving to Work Funds	Percentage of Capital Fund	Total Expended	Percentage of Total expended
Tamarack	Mold Remediation	-	(390)	-	0.01%	(390)	0.01%
Tamarack	Emergency Sewer Repairs	-	(46,437)	-	1.57%	(46,437)	1.57%
Holgate House	Emergency Plumbing Repairs	-	(252,791)	-	8.53%	(252,791)	8.53%
Williams Plaza	Emergency Water Line Repairs	-	(9,333)	-	0.31%	(9,333)	0.31%
Fir Acres	Security Camera Installation	-	(10,854)	-	0.37%	(10,854)	0.37%
Slavin Court	Emergency Repairs	-	(45,647)	-	1.54%	(45,647)	1.54%
Eliot Square	Exterior Brick Repair/Replacement	-	(66,573)	-	2.25%	(66,573)	2.25%
Medallion	Concrete Restoration	-	(24,771)	-	0.84%	(24,771)	0.84%
Harold Lee	Comprehensive Rehabilitation	-	(962,205)	-	32.45%	(962,205)	32.45%
Floresta	Roof Replacement	-	(215,736)	-	7.28%	(215,736)	7.28%
Maple Mallory	Exterior Brick Repair/Replacement	-	(192,302)	-	6.49%	(192,302)	6.49%
Maple Mallory	Door Entry System	-	(30,858)	-	1.04%	(30,858)	1.04%
Trouton	Debt Service Payments OR002D001B	-	(349,505)	-	11.79%	(349,505)	11.79%
PHA Wide	15% Operating Overhead	-	(550,698)	-	18.57%	(550,698)	18.57%
Various	RAD 1 Conversion Costs	-	(147,609)	-	4.98%	(147,609)	4.98%
Various	RAD 2 Conversion Costs	-	(945)	-	0.03%	(945)	0.03%
Various	PH Portfolio Abatement	-	(31,469)	-	1.06%	(31,469)	1.06%
Various	PH Portfolio Fleet Vehicle	-	(26,908)	-	0.91%	(26,908)	0.91%
Total Capital Expenditures Budget		-	(2,965,031)	-	100%	(2,965,031)	100.00%

In addition to Home Forward's rent assistance and public housing programs, our agency operates over 4,000 units of affordable housing. This portfolio includes properties acquired and built using diverse public and private funding sources, including low-income housing tax credits (LIHTC), tax-exempt bonds, private mortgage financing, grants, federal and state funds. By virtue of such funding sources, our affordable housing units are set aside to serve thousands of low-income families in our community.

Overview of Other Housing Owned and/or Managed by the PHA at Fiscal Year End		
Housing Program *	Total Units	Overview of the Program
Tax-Credit	1,544	Properties developed with Low-Income Housing Tax Credits
State Funded	629	Properties developed with Oregon Housing Tax Credits and Oregon TRUST funding
Locally Funded	1,761	Properties developed with assistance from local funding sources, such as Portland Housing Bureau
Non-MTW HUD Funded	281	Properties operated using HUD Section 236 funding
Total Other Housing Owned and/or Managed	4,215	

* **Select Housing Program from:** Tax-Credit, State Funded, Locally Funded, Market-Rate, Non-MTW HUD Funded, Managing Developments for other non-MTW Public Housing Authorities, or Other.

If Other, please describe:

Leasing Information

Total number of MTW public housing units leased in FY2017: 2,090 units

Home Forward continues to have an occupancy rate of 98% in its public housing units.

Description of issues: There have been no issues maintaining our budgeted occupancy of 97% percent and we continue to average between 98-99% occupancy for our public housing units each month.

Total number of MTW HCV units leased in FY2017:

8,418 units authorized (average of the total number of units authorized throughout FY2017)

7,959 units leased

94.5% utilization

Total number of non-MTW HCV units leased in FY2017:

Voucher	Units Authorized (total at year end)	Units Leased (average)	Utilization (average)
SRO/MODS	512	506	98.8%
Veteran Affairs Supportive Housing	591	506	85.6%
Family Unification Program Vouchers	100	97	97.0%

Description of issues:

The lower utilization level for VASH is a result of the authorization of 66 additional VASH in FY2017. We ended FY2017 with a 90% utilization rate for VASH, and we are actively working with the Veteran's Administration and community partners to lease-up these additional vouchers.

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

Program-based Assistance and Port-In Vouchers		Number of Households Served ¹	
		Planned	Actual
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Property-Based Assistance Programs ²		4	4
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs ²		215	218
Port-In Vouchers (not absorbed)		N/A	639
Total Projected and Actual Households Served		219	861
		Unit Months Occupied/Leased ⁴	
		Planned	Actual
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Property-Based Assistance Programs ³		51	53
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs ³		2,579	2,618
Port-In Vouchers (not absorbed)		N/A	5,002
Total Projected and Annual Unit Months Occupied/Leased		2,630	7,673
<div style="border: 1px solid black; height: 40px; margin-top: 10px;"></div> <p>¹ Calculated by dividing the planned/actual number of unit months occupied/leased by 12. ² In instances when a Local, Non-Traditional program provides a certain subsidy level but does not specify a number of units/Households Served, the PHA should estimate the number of Households served. ³ In instances when a local, non-traditional program provides a certain subsidy level but does not specify a number of units/Households Served, the PHA should estimate the number of households served. ⁴ Unit Months Occupied/Leased is the total number of months the housing PHA has occupied/leased units, according to unit category during the year.</p>			
Households Served through Local Non-Traditional Services Only Average number of households served per month: 0 Total number of households served during this year: 0			

Statutory Requirement Reporting: At least 75% of families assisted are very low-income

	Public Housing	MTW HCV	Total
Total households assisted	2,328	9,949	12,227
Households below 50% of Area Median Income (AMI)	2,281	9,661	11,942
Percentage of households below 50% of AMI	98.0%	97.1%	97.7%

(Data as of March 31, 2017)

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

HUD will verify compliance with the statutory objective of “assuring that at least 75 percent of the families assisted by the Agency are very low-income families” is being achieved by examining public housing and Housing Choice Voucher family characteristics as submitted into the PIC or its successor system utilizing current resident data at the end of the agency's fiscal year. The PHA will provide information on local, non-traditional families provided with housing assistance at the end of the PHA fiscal year, not reported in PIC or its successor system, in the following format:

Fiscal Year:	2014	2015	2016	2017	2018
Total Number of Local, Non-Traditional MTW Households Assisted	665	418	473	389	-
Number of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income	665	418	473	389	-
Percentage of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income	100%	100%	100%	100%	-

Statutory Requirement Reporting: Maintain comparable mix of families served

Reporting Compliance with Statutory MTW Requirements: Maintain Comparable Mix

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

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	1,411	1,964	-	3,375	42.4%
2 Person	410	1,296	-	1,705	21.4%
3 Person	342	925	-	1,267	15.9%
4 Person	232	608	-	840	10.5%
5 Person	136	292	-	428	5.4%
6+ Person	97	254	-	352	4.4%
Totals	2,628	5,339	0	7,967	100.0%

Explanation for Baseline Adjustments to the Distribution of Household Sizes Utilized

No baseline adjustments

Mix of Family Sizes Served

	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	Totals
Baseline Percentages of Household Sizes to be Maintained**	42.4%	21.4%	15.9%	10.5%	5.4%	4.4%	100.0%
Number of Households Served by Family Size this Fiscal Year***	7,540	2,230	1,391	1,013	588	657	13,419
Percentages of Households Served by Household Size this Fiscal Year****	56.2%	16.6%	10.4%	7.5%	4.4%	4.9%	100.0%
Percentage Change	32.5%	-22.4%	-34.6%	-28.6%	-18.5%	25.3%	-

Justification and Explanation for Family Size Variations of Over 5% from the Baseline Percentages

A number of factors have created slight changes to the mixes of family sizes we serve. We increased our project-based vouchers, primarily in partnership with community agencies serving highly vulnerable people. We are converting public housing to project-based vouchers, in an effort to preserve housing for our vulnerable seniors and people with disabilities. These actions have resulted in a change in demographics and increase on one-person households served. The increase in households with six or more members is likely due to refugee families who began immigrating to Portland around 2001. The increases in these two family size types (1 person and 6 or more people) account for decreased in the rest of the family sizes.

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

** The numbers in this row will be the same numbers in the chart above listed under the column "Baseline percentages of family sizes to be maintained."

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

**** The "Percentages of families served by family size this fiscal year" will reflect adjustments to the mix of families served that are directly due to decisions the PHA has made. HUD expects that in the course of the demonstration, PHAs will make decisions that may alter the number of families served.

Description of any Issues Related to Leasing of Public Housing, Housing Choice Vouchers or Local, Non-Traditional Units and Solutions at Fiscal Year End

Housing Program	Description of Leasing Issues and Solutions
Public Housing	<p>Due to the shortage of subsidized units throughout the county, we continue to have long waiting lists and subsequently have no issues leasing units. We consistently maintain a 98% occupancy rate.</p>
MTW Housing Choice Voucher	<p>Several years of a tight rental market have made it difficult for voucher holders to find affordable housing. To support voucher holders in their search, we have been offering deposit assistance to participants that complete a tenant education class taught by a community organization.</p> <p>With the current rental market's low vacancy rates, participants continue to face barriers in utilizing their voucher; 78.1% of voucher holders were able to successfully utilize their voucher. Of those successfully able to utilize their voucher, 71.1% were able to do so in the initial 120 days provided by Home Forward. In late 2016, HUD adopted new Fair Market Rents that allowed Home Forward to increase payment standards for an eighth time in six years in an attempt to increase leasing success. Additionally Home Forward continued two pilot programs to help participants pay for Security Deposits; one program is a tenant education class, which provided a one-time payment toward a security deposit, and the other is a loan program available to households making more than 30% AMI.</p> <p>Home Forward contracts with social service agencies who have an expertise in housing placement. The goal is to provide housing search and placement assistance for households who would otherwise have lost their voucher and to shorten the housing search time by overcoming potential barriers to lease up. Limited financial assistance is available for application fees or security deposit assistance.</p>
Local, Non-Traditional Units	<p>There were no issues utilizing funds in our Local, Non-Traditional Programs. Due to escalating rent increases outpacing income gains, we are seeing households need longer periods of assistance in order to stabilize resulting in fewer unduplicated households being served.</p>

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

Activity Name/#	Number of Households Transitioned *	Agency Definition of Self Sufficiency
01 Rent Reform	592	Household has earned or permanent income that results in area median income (AMI) above 50% and/or has voluntarily exited housing assistance
02 GOALS	27	
Households Duplicated Across Activities/Definitions	27	* The number provided here should match the outcome reported where metric SS #8 is used.
ANNUAL TOTAL NUMBER OF HOUSEHOLDS TRANSITIONED TO SELF SUFFICIENCY	592	

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
MTW Public Housing	Site-Based	7,085	Partially Open	Yes
MTW Housing Choice Voucher	Community-Wide	3,026	Partially Open	Yes
MTW Housing Choice Voucher	Site-Based	11,353	Partially Open	Yes
Tenant-Based Local, Non-Traditional MTW Program	Other	0	Partially Open	Yes
Project-Based Local, Non-Traditional MTW Program	Site-Based	0	Partially Open	Yes

* *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.

MTW Public Housing: Our MTW Public Housing waiting lists are currently closed except for households needing an ADA accessible unit or applicants who have a documented terminal illness with a life expectancy of less than 12 months. Several waiting lists also include a preference for referrals made by community partners. Another list includes a preference for people experiencing homelessness and a score on the Vulnerability Assessment Tool. In June 2016, we had a 4-day waitlist opening that included 14 properties/bedroom sizes. During the waitlist opening, we received 22,744 applications. Based on our current method of capping lists at the total number of applicants we can serve in 3 years, we added 1,740 of the 22,744 applications to those waitlists.

MTW Housing Choice Voucher – Community-Wide: Our MTW Housing Choice Voucher tenant-based waiting list is community-wide, and is closed except for applicants to the Family Unification Program and those who have a documented terminal illness with a life expectancy of less than 12 months. Home Forward opened the MTW Housing Choice Voucher tenant-based waiting list to the public in 2016 for the first time since 2012; over five days more than 16,000 households applied to be placed on the waiting list. 3,000 households were chosen for the waiting list through the lottery process.

MTW Housing Choice Voucher – Site-Based: Our MTW Housing Choice Voucher project-based voucher waiting lists are site-based and are partially open. There are 64 lists in the community, maintained by each building with its own preferences. Some of these lists are currently open, some are closed, and some are closed except to applicants needing an ADA accessible unit or who have a documented terminal illness with a life expectancy of less than 12 months.

If Local, Non-Traditional Program, please describe:

Tenant-Based Local, Non-Traditional MTW Program: Our Program Based Assistance program contracts funds to 18 partner agencies, which then manage the participant selection process, sometimes in partnership with Home Forward. This is further described in Activity 14.

Project-Based Local, Non-Traditional MTW Program: Home Forward's New Doors program is program-based assistance for former foster youth who are working or are in school. Rent assistance is contracted to a local non-profit that specializes in working with homeless youth. Because this program houses only five people, the waiting list opens only when a vacancy is projected, and remains open for two weeks.

If Other Wait List Type, please describe:

Our Tenant Based Local Non-Traditional program is our Program-Based Assistance program (described in detail in Activity 14) which contracts funds to partner agencies, who then manage the participant selection process, sometimes in partnership with Home Forward. The agencies use a total of four different methods for participant selection, but all programs target families who are homeless or at risk of homelessness. Some agencies use their rental assistance from Home Forward for more than one program

and thus use more than one selection process within their agency in order to best target the resources to eligible households – these agencies are represented twice in the numbers below:

- 2 agencies utilize waitlists – One agency keeps a waiting list for families with children at Alder School, a waiting list for households engaged in employment training, and a third waiting list for the Housing Stabilization Program. The second agency (MCDD) keeps a waiting list for their clients who are already receiving other services at their agency.
- Roughly 8 agencies offer rent assistance on a first-come-first-served basis to applicants who are already receiving services within their agencies. When funds become available, the next eligible household to inquire receives the resources.
- Roughly 10 agencies make funds available on a first-come-first-served basis to any eligible households that apply, regardless of whether they are currently receiving services within the agency.

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.

In FY2017, we removed the public housing waitlist limit for applicants. Previously, applicants were limited to applying for three waiting lists. We made this change prior to our wait list opening in June 2016. Now applicants can apply to as many lists as they want when waiting lists are open. This change is still new and in the future we will closely monitor the impact this change has on our ability to manage our waiting lists.

During FY2017 Home Forward made changes to the organization structure of the MTW Housing Choice Voucher tenant based waiting list. The employment, education, and training (EET) preference and preference for seniors and people with disabilities were eliminated. Staff found these preferences to be confusing to applicants and an administrative burden that delayed voucher issuance. Additionally, preferences for a limited number of set aside vouchers for families exiting homelessness, VASH ineligible veterans exiting homelessness, and seniors facing displacement concluded. If capacity allows, we may continue these partnerships in the future utilizing Activity 15- Tenant-Based Voucher Set Aside Policies.

Currently the MTW Housing Choice Voucher tenant based waiting list offers two preferences for new applicants (except Family Unification Program vouchers) 1) for households with a terminally ill family member and 2) a residency preference for households living, working, hired to work, or receiving education or training in Multnomah County, Oregon.

Proposed MTW Activities

All proposed activities that are granted approval by HUD are reported on in Section IV as "Approved Activities."

Approved MTW Activities

Implemented Activities

01 RENT REFORM

Approved FY2012, Implemented FY2012, Amended FY2014 & FY2015

In FY2012, Home Forward implemented a large-scale reform of rent calculation methods, applicable to all MTW public housing and Housing Choice voucher households, as well as VASH voucher holders. The simplified method distinguishes between the populations of seniors / people with disabilities and “work-focused” households. The fundamental premise is that deductions are eliminated from the subsidy calculation and the total tenant payment is determined using a percentage of gross income.

In early 2013, the federal government imposed sequestration: across-the-board reductions in federal funding. In response to these funding cuts, Home Forward amended the activity in FY2014 to increase the percentage of income used to calculate rent. The amended percentages are reflected below.

For **seniors and people with disabilities**, rent is calculated based on 28.5% of gross income. All deductions are eliminated and this group will have triennial income re-certifications. We define those aged 55 and older as “senior”, and households fall into this population category if the head, co-head or spouse listed on the lease is 55 or older, or is disabled under the current HUD definition used by Home Forward. This group has a \$0 minimum rent and utility reimbursements are allowed.

All households that do not fall into the population category above are considered **work-focused households**. All deductions are eliminated and this group will have biennial income re-certifications. The percentages of income used to calculate the tenant portion of rent are as follows:

MTW authorization:

Attachment C, Section B(3) –
Definition of Elderly Family

Attachment C, Section D(3)(b) –
Eligibility of Participants

Attachment D, Section B(2) – Rent
Structure and Rent Reform

Statutory objective:

Reduce cost and achieve greater
cost effectiveness in Federal
expenditures

Give incentives to families with
children where the head of household
is working, is seeking work, or is
preparing for work by participating in
job training, educational programs, or
programs that assist people to obtain
employment and become
economically self-sufficient

- **Years 1 and 2:** rent is based on 29.5% of gross income, with no minimum rent. Utility reimbursements are allowed.
- **Years 3 and 4:** rent is based on 29.5% of gross income or \$100 minimum rent, whichever is greater. Utility allowances will be factored in the assistance, but utility reimbursements are not allowed.
- **Years 5 and 6, and biennially thereafter:** rent is based on 31% of gross income or \$200 minimum rent, whichever is greater. Utility allowances will be factored in the assistance, but utility reimbursements are not allowed.

The following policies apply to all households:

- Zero-income households meet with their public housing site manager or Housing Choice voucher case manager every six months, so that staff can provide referrals to community service providers and check on progress towards obtaining an income source
- The proration of subsidy for mixed-families is simplified so that a flat \$100 monthly reduction in assistance is applied to the household, regardless of the number of ineligible members.
- The ceiling rent for public housing is now automatically set to match Housing Choice voucher payment standards. There will be no flat-rent option.
- Home Forward has created a separate “release of information” form to supplement the HUD Form 9886, in order to obtain a release of information that covers the appropriate biennial or triennial review cycle.
- For Housing Choice voucher households where the gross rent of the unit exceeds the applicable payment standard, Home Forward will approve the tenancy at initial occupancy so long as the household share does not exceed 50 percent of the household’s gross income. (FY2017 Modification)
- When a Housing Choice voucher household is approved to move and the identified unit has a gross rent that exceeds the payment standard, Home Forward will use the existing income verification on file to test for affordability. Home Forward will not require a re-examination to verify income for this purpose, unless the family requests it.
- When a Housing Choice voucher household reports a change in family size, if the household has resided in their unit for at least 12 months, Home Forward will require an interim review. Any changes to voucher size, payment standard and subsidy calculation will be effective 120 days after the interim review. (FY2015 Modification)
- The earned income disallowance is eliminated.
- All Family Self-Sufficiency (FSS) participants are included in the rent reform calculation.
- Home Forward will use actual past income to determine annual income for participant families. (FY2015 Modification)

- All income sources used to determine a household's public housing rent or Housing Choice voucher assistance will be the same as currently defined by HUD, with the following exceptions:
 - The value of any asset or the value of any income derived from that asset will not be used in the rent calculation, except when the asset makes regular payments (quarterly or more often) to the resident or participant. However, the value of assets or the value of any income derived from assets will be used to determine initial eligibility. Home Forward will allow households to self-certify assets with a net value of \$5,000 or less. (FY2015 Modification)
 - All earned income of full-time students age 18 and over will be excluded from the rent calculation, unless they are the head, co-head or spouse of the household.
 - Student financial assistance will be considered only for the purpose of determining eligibility. Student financial assistance will not be used to determine annual income for rent and subsidy calculation.
 - All adoption assistance payments will be excluded from the rent calculation.
 - Households will have the option to not report income that is not used in the rent calculation, such as foster care payments. However, Home Forward will accept income reporting of such sources for use in determining affordability of a unit. Home Forward permits families to rent units where the family share is up to 50% of their gross income.
- Households may apply for a hardship review if their total monthly shelter costs exceed 50% of the total monthly income used to determine their rent subsidy. Housing Choice voucher participants who choose to rent housing where the total shelter costs exceed 50% of total monthly income at the time of initial lease-up in that unit will not generally qualify for hardship review; however, all households have the right to request a hardship and exceptions may be made. The committee will have a menu of remedies to reduce a qualifying household's burden.

Rent reform has been fully implemented. At this time, all MTW public housing and Housing Choice voucher households, as well as VASH voucher holders, are on the rent reform calculation. The earliest group of work-focused households transitioned to the third level of rent payment beginning in FY2017, and are now subject to the \$200 minimum rent payment. Home Forward continues to monitor hardship requests, household and agency financial impacts and staff feedback to prepare for any changes that may need to be made to the activity.

Activity Metrics:

Metric	Baseline	Benchmark	Outcome	Benchmark achieved
Agency cost savings (Standard Metric: CE#1)				
Total cost of task	FY2011: \$140,228	FY2017: \$105,000	FY2017: \$92,960	Benchmark achieved
Staff time savings (Standard Metric: CE#2)				
Total time to complete the task	FY2011: 5,340 hours	FY2017: 4,000 hours	3,540 hours	Benchmark achieved
Decrease in error rate of task execution (Standard Metric: CE#3)				
Average error rate in completing task	FY2015: 7.5%	FY 2017: 7.5% or less	FY2017: 10.2%	Benchmark not achieved
Increase in tenant share of rent (Standard Metric: CE#5)				
Total annual tenant share of rent	FY2012: \$25,342,942	FY2017: \$29,872,993	FY2017: \$33,817,053	Benchmark achieved
Increase in household income (Standard Metric: SS#1)				
Average earned income of households	FY2011: \$3,324	FY2017: \$3,390	FY2017: \$4,079	Benchmark achieved
Increase in positive outcomes in employment status (Standard Metric: SS#3) Note: Because Home Forward has implemented biennial and triennial review schedules, the number of households who report an increase in earned income each year is reduced.				
Number of heads of households who: 6) Other (defined as having an increase in earned income)	FY2011: 866 heads of households	FY2017: 500 heads of households	FY2017: 808 Heads of Households	Benchmark achieved
Percent of work-focused households who: 6) Other (defined as having an increase in earned income)	FY2011: 16% of work-focused households	FY2017: 16% of work-focused households	FY2017: 18%	Benchmark achieved

Households Removed from Temporary Assistance for Needy Families (TANF) (Standard Metric: SS#4)				
Number of households receiving TANF assistance	FY2012: 1,859 households receiving TANF (17.7%)	FY2017: 1,850 households receiving TANF (17.5%)	FY2017: 1,839 households receiving TANF (16.5%)	Benchmark achieved
Reducing the per unit subsidy costs for participating households (Standard Metric: SS#6)				
Average amount of subsidy per household	FY2012: \$524 per household	FY2017: Less than \$525 per household	FY2017: \$619	Benchmark not achieved
Households transitioned to self-sufficiency (Standard Metric: SS#8)				
Number of households transitioned to self-sufficiency	FY2014: 521 households	FY2017: 500 households	FY2017: 592 households	Benchmark achieved
Displacement prevention (Standard Metric: HC#4) Note: This is a standard reporting metric used by HUD to measure impacts across agencies on a national level. Home Forward does not believe this metric is an accurate measure of this activity, but we have included it at HUD's request.				
Number of households at or below 80% AMI that would lose assistance or need to move	FY2011: 233 households	FY2017: 0 households	FY2017: 0 households	Benchmark achieved 0 households are required to move due to choosing a unit where their share of rent is above 40%
Increase in resident mobility (Standard Metric: HC#5)				
Number of households able to move to a better unit and/or neighborhood of opportunity (defined as low poverty census tracts where poverty is below 16%)	FY2013: 3,092 (28.4%) households lived in better neighborhoods	FY2017: 3,000 households (approximately 32%)	FY2017: 3,101 households	Benchmark achieved

Maintain stability for seniors and people with disabilities				
Shelter burden (rent ¹ + utility allowance divided by gross income) for seniors and people with disabilities	Before implementation, shelter burden was 27%	FY2017: Shelter burden will remain below 29%	FY2017: 28.41%	Benchmark achieved Seniors and people with disabilities will maintain stability, with a shelter burden below 29%
Increased contribution to rent				
Total tenant payment (rent ¹ + utility allowance) for work-focused households	Before implementation: Housing Choice Voucher average - \$267 Public housing average - \$249	FY2017: Housing Choice voucher average - \$307 Public housing average - \$286	FY2017: Housing Choice voucher average - \$381 Public housing average - \$369	Benchmark achieved
Increased income in work-focused households				
Average income for work-focused households, as percentage of Median Family Income (MFI)	Before implementation, average income for work-focused households was 16.4% MFI	FY2017: 18% MFI	FY2017: 19% MFI	Benchmark achieved
Hardship requests				
<p>At the time of implementation, Home Forward offered a "phase-in" hardship for households who had high medical or childcare costs or had a large number of dependents. On an annual basis, those households have the opportunity to apply for an extension to the phase-in hardship, which if approved, reduces their rent portion in proportion to the amount of expenses or the number of dependents. In FY2017, 26 households requested an extension of the phase-in hardship, and 23 of these were approved. The annual cost to the agency of the phase-in hardship is approximately \$13,600.</p> <p>Households may apply for a hardship review if their total monthly shelter burden costs exceeds 50% of the total monthly income used to determine their rent subsidy. In FY2017, 164 households applied for a hardship review and 162 requests were granted. The annual cost to the agency of these hardship adjustments is approximately \$32,654.</p>				

¹ For purposes of these metrics, Housing Choice Voucher rents are calculated with gross rent capped at payment standard.

Home Forward's YARDI database continues to serve as the source for household income and total tenant rent payment information. The baseline data for hours required to conduct rent calculation and income reviews was collected through staff interviews and workflow analysis. This process will be repeated in subsequent years to determine progress towards benchmarks and goals.

MTW Flexibility:

Home Forward has used our MTW flexibility to structure our rent reform calculation with a number of aspects that differ from the standard calculation (described above). This includes eliminating deductions, changing the percentage of income used to calculate rent, simplifying the calculation and moving to triennial reviews save significant staff time. Additionally, Home Forward has exercised its authority to amend the definition of an elderly family to age 55. This supports the statutory objective of creating incentives for self-sufficiency by ensuring that households defined as work-focused can be reasonably expected to increase employment and earnings over time.

If benchmarks were not achieved or if the activity was determined ineffective, provide a narrative explaining the challenges, and if possible, identify potential new strategies that might be more effective:

The Portland metro area has an average increase of 10.5% in rents and a vacancy rate average of 3.7% during this past fiscal year. In an effort to keep pace with the rental housing market and to ensure our voucher holders are able to find housing throughout our community, Home Forward raised payment standards in April 2016 and October 2016. This has raised the average subsidy for our households, and is necessary to continue to provide stable housing in this market. Additionally, Home Forward has an increase in participants living in areas of opportunity; over 3,000 households in FY2017, an increase from a little over 1,850 households in FY2016. At this time we are not considering a change of strategy, but will continue to maintain our payment standard structure to reflect the market as much as possible.

The benchmark for error rates wasn't met in FY2016. In this fiscal year, Home Forward did a focused audit of a few tenured staff that had repeated audit concerns. These audits are included in the error rate and contributes to not meeting the benchmark. Most of these staff are no longer with Home Forward, and those remaining with audits not meeting expectations have a training plan in place to improve staff knowledge and ensure correct application of procedures.

Changes to Metrics:

Data collection methodology has changed for Standard Metric CE#3, Decrease in Error Rate in Task Execution. Error rate calculations included audits of new staff during their first six months. New staff audits occur frequently as a training tool to ensure comprehension of correct rent calculations. As staff become tenured, frequency of audits decrease but continue. We changed the methodology to no longer include new staff audits; our focus is on tenured staff who have been trained previous to their audit(s) rather than include audits of new staff who are on a training plan.

02 GOALS – HOME FORWARD’S FAMILY SELF-SUFFICIENCY PROGRAM

Approved FY2014, Implemented FY2014

In our FY2014 Plan, Home Forward proposed an activity to align existing self-sufficiency programs into one consolidated program, which we refer to as the GOALS (Greater Opportunities to Advance, Learn and Succeed) program. This program is tailored to meet the needs of our community and be efficient for staff to administer. GOALS program requirements are the same regardless of funding source, program or property, with a few minor exceptions for site-based programs.

The key elements of the GOALS program are as follows:

- The rent reform calculation (Activity 01) is used for all GOALS participants.
- Participants who are engaged in a designated program intended to increase the family’s economic independence (such as an employment or training program) will receive a preference on the GOALS waiting list. 100% of the GOALS slots may be filled with participants utilizing this preference.
- Home Forward will allow the GOALS contract to be in the name of any adult member of the household.
- The traditional escrow account used in HUD Family Self-Sufficiency (FSS) programs has been replaced with a managed savings account. Any rent paid by a participant household above \$350 (known as the “strike point”) will be placed into the managed savings account. The monthly amount placed into a family’s managed savings account is limited to the difference between the strike point and the family’s ceiling rent (for public housing families) or voucher payment standard (for Section 8 families).
- The length of time on the program will be five years, with the opportunity to extend for an additional two years. Eligibility for the two year extension follows current policy and HUD guidelines.
- Participants graduate and have access to the funds in their managed savings account when they have completed their training plan and fulfilled the obligations identified in their contract.
- Families who leave the program prior to graduation will forfeit any money accrued in their managed savings account.
- At properties where participation in GOALS was mandatory, the property will continue to utilize a site-based preference on the GOALS waitlist to encourage participation in the family self-sufficiency program at these sites.

MTW authorization:

Attachment C, Section E – Family Self Sufficiency Programs

Attachment C, Section B(1) – Single Fund Budget with Full Flexibility

Statutory objective:

Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient

- When funding is available, a safety net of \$1,500 (either in lump sum or \$250/month for six months) will be provided through MTW flexible funds for public housing families graduating from the site-based programs who move to non-subsidized units. The same safety net will be provided for Section 8 participants who give up their voucher prior to reaching zero assistance. Due to sequestration funding cuts, this safety net has not yet been announced or made available to families.
- When a public housing resident reaches ceiling rent, or a housing assistance payment for a voucher participant drops to zero, deposition into the family's managed savings account will cease. Families can continue to participate in the program for an additional six months, but no savings will accrue during this time. If the family is still at ceiling rent or zero assistance after six months, they will graduate from the program. If the family's income decreases to a level that housing assistance is reinstated during that six month period, they may begin to earn escrow again, and continue participation in the program as long as the contract determines they are still eligible.
- Staff implementing the GOALS program will be funded by a combination of HUD-funded FSS Coordinator money, grant funding and agency budgeting. FSS Coordinator funds will be used only for FSS Coordinator salaries, as directed by the respective NOFAs (Notice of Funding Availability).

Activity Metrics:

Metric	Baseline	Benchmark	Outcome	Benchmark Achieved
Agency cost savings (Standard Metric: CE#1) Note: This is a standard reporting metric used by HUD to measure impacts across agencies on a national level. Home Forward does not save costs through this activity, but we have included it at HUD's request.				
Total cost of task	FY2013: \$186,400	FY2017: \$294,000 ¹	FY2017: \$190,507	Benchmark achieved
Staff time savings (Standard Metric: CE#2) Note: This is a standard reporting metric used by HUD to measure impacts across agencies on a national level. Home Forward does not save staff time through this activity, but we have included it at HUD's request.				
Total time to complete task	FY2013: 6,240 hours	FY2017: 8,320 hours	FY2017: 6,240 hours	Benchmark achieved
Decrease in error rate of task execution (Standard Metric: CE#3)				
Average error rate in completing task	FY2015: 2%	FY2017: 2%	FY2017: 2%	Benchmark achieved

¹Home Forward uses our MTW flexibility to include coordinators at our site-based programs in our overall GOALS FSS program. This is shown here as an increase in staffing costs and hours, since we're now able to include these costs under the combined program.

Increase in resources leveraged (Standard Metric: CE#4)				
Amount of funds leveraged	FY2013: \$0	FY2017: \$294,000	FY2017: \$190,507	Benchmark not achieved
Increase in household income (Standard Metric: SS#1)				
Average earned income of households	FY2013: \$9,277	FY2017: \$9,740	FY2017: \$12,472	Benchmark achieved
Increase in household savings (Standard Metric: SS#2)				
Average amount of escrow of households	FY2013: \$1,292	FY2017: \$1,357	FY2017: \$2,295	Benchmark achieved
Increase in positive outcomes in employment status (Standard Metric: SS#3) ²				
Number of heads of households: 1) Employed full-time 2) Employed part-time ³ 3) Enrolled in an educational program 4) Enrolled in a job-training program 5) Unemployed 6) Other (defined as having completed an education or job training program)	FY2013: 1) 283 2) N/A 3) 113 4) 69 5) 291 6) 38	FY2017: 1) 185 2) 150 3) 125 4) 75 5) 265 6) 40	FY2017: 1) 187 2) 120 3) 129 4) 81 5) 155 6) 54	Benchmark not achieved
Percentage of work-able households: 1) Employed full-time 2) Employed part-time ³ 3) Enrolled in an educational program 4) Enrolled in a job-training program 5) Unemployed 6) Other (defined as having completed an education or job training program)	FY2013: 1) 53% 2) N/A 3) 20% 4) 12% 5) 52% 6) 6%	FY2017: 1) 31% 2) 25% 3) 20% 4) 15% 5) 44% 6) 8%	FY2017: 1) 40% 2) 27% 3) 28% 4) 18% 5) 33% 6) 12%	Benchmark achieved

²Households may be counted in more than one category in the employment statuses shown above. For example, a household may be considered unemployed while enrolled in an educational program.

³Home Forward did not track full-time vs part-time employment in FY2013. For the purposes of the baseline metrics, all employed households were counted as employed full-time. Part-time employment is tracked going forward.

Households removed from TANF (Standard Metric: SS#4)				
Number of households receiving TANF assistance	FY2013: 126 households	FY2017: 120 households	FY2017: 61 households	Benchmark achieved
Households assisted by services that increase self-sufficiency (Standard Metric: SS#5)				
Number of households enrolled in GOALS	FY2013: 564 households	FY2017: 600 households	FY2017: 462 households	Benchmark not achieved
Reducing per unit subsidy costs for participating households (Standard Metric: SS#6)				
Average amount of subsidy per household	FY2013: \$490.65 per household	FY2017: \$490 per household	FY2017:\$571	Benchmark not achieved
Increase in tenant share of rent (Standard Metric: SS#7)				
Tenant share of rent	FY2013: \$986,971	FY2017: \$1,100,000	FY2017:1,926,589	Benchmark achieved
Households transitioned to self-sufficiency (Standard Metric: SS#8)				
Number of households transitioned to self-sufficiency	FY2014: 30 households	FY2017: 30 households	FY2017: 27 households	Benchmark not achieved

ADDITIONAL METRICS:

Metric	Baseline	Benchmark	Outcome	Benchmark Achieved
Increase in average income for exiting participants				
Increase in average participant earned income between enrollment and exit	Average earned income at time of GOALS enrollment for all current GOALS participants = \$8,745	Average earned income for all participants exiting (for any reason) in FY2017 - \$10,550 Average earned income for all participants successfully graduating in FY2017 - \$27,000	Average earned income for all participants exiting (for any reason) in FY2017 - \$19,441 Average earned income for all participants exiting successfully graduating in FY2017 - \$37,023	Benchmark achieved

Increase in average savings for exiting participants				
Increase in average participant managed savings account balance at exit from GOALS	Average managed savings account balance at entry to GOALS = \$0	Average managed savings balance disbursed to <u>all</u> participants exiting (for any reason) in FY2017 - \$3,000 Average managed savings balance disbursed to <u>graduating</u> participants in FY2017 - \$6,500	Average managed savings balance disbursed to <u>all</u> participants exiting (for any reason) in FY2017 - \$4,688 Average managed savings balance disbursed to <u>graduating</u> participants in FY2017 - \$9,015	Benchmark achieved
Increase in positive outcomes for exiting participants				
Percentage of households: 1) Employed full-time 2) Employed part-time 3) Enrolled in educational program 4) Enrolled in job training program 5) Unemployed 6) Other (defined as having completed an educational or job training program)	For 81 households exited in FY2013: 1) 50% 2) N/A ³ 3) 9% 4) 2% 5) 50% 6) 14%	For FY2017 exiting households: 1) 35% 2) 30% 3) 10% 4) 2% 5) 35% 6) 14%	For FY2017 exiting households: 1) 36% 2) 31% 3) 29% 4) 16% 5) 33% 6) 18%	Benchmark achieved
Exiting participants removed from TANF				
Percent of households giving up TANF at exit	FY2013: 24% of households who had TANF during participation had given up TANF at exit	FY2017: 30% of households ⁴	FY2017: 47% of households	Benchmark achieved

⁴Households are required to give up TANF benefits in order to graduate. The percentage of households is pulled down due to families exiting the program without graduating.

MTW Flexibility:

Home Forward has used MTW flexibility to create an economic opportunity program that is tailored to serve our community. Aspects that use MTW flexibility are described above, and include use of a strike point escrow system, use of the rent reform calculation for participants, and modifications to the graduation process.

If benchmarks were not achieved or if the activity was determined ineffective, provide a narrative explaining the challenges, and if possible, identify potential new strategies that might be more effective:

Several staff on the GOALS team had extensive leaves during FY2017, along with increases in voucher payment standards. As a result, a few benchmarks in our GOALS activity were not achieved. The majority of these instances are only slight shortfalls and an explanation for each is provided below. We did not meet amount of funds leveraged due to a restructuring of work assignments of GOALS staff; one GOALS position was reclassified into a Resident Community Services Coordinator position to better serve the needs of the residents at GOALS site-based properties.

While the benchmark for number of heads of households with part-time employment was not achieved, overall the benchmarks were met for Increase in Positive Outcomes in Employment Status for heads of households. A large number of households were enrolled in education or job-training programs and there has been a significant decrease in the number of unemployed households.

The benchmark for number of households enrolled in GOALS is 600 per year. As of March 31, 2017, 462 households were enrolled in GOALS. Additionally, the benchmark for GOALS households achieving self-sufficiency (defined as a household that has earned or permanent income that results in area median income (AMI) above 50% and/or has voluntarily exited housing assistance) is 30 per year. We had 27 households in this past fiscal year achieve self-sufficiency. During this past fiscal year, there were several transitions of GOALS coordinators leaving the department and time spent training staff new to the GOALS team. These transitions impacted the number of households that could be enrolled and served. The GOALS team is fully staffed at the end of FY2017 and we anticipate meeting both these benchmarks in the following fiscal year.

There was an increase this past fiscal year in the average subsidy per GOALS households. As described in Activity 01 Rent Reform, Home Forward raised voucher payment standards throughout our community in an attempt to keep pace with increasing rental market rates and to ensure neighborhood choice for voucher holders. Increasing payment standards resulted in increased average subsidy.

Changes to Metrics:

No changes have been made to benchmarks, metrics or data collection methodology.

03 LOCAL BLENDED SUBSIDY

Approved FY2012, Implemented FY2012

Home Forward has created a local blended subsidy (LBS) program to improve the financial viability of adding “banked” public housing units back into the portfolio. Public housing operating subsidy alone is often insufficient to support bringing these units back to properties. The LBS program uses a blend of MTW Section 8 and public housing operating funds to subsidize units reserved for families earning 80 percent or below of area median income. These units may be new construction, rehabilitated, or existing housing.

The LBS program combines tenant paid rent, Section 8 funds, and public housing funds, resulting in a total per unit rent amount. Rents are set by an internal process to determine the amount of subsidy that will meet property needs, and are subject to completion of rent reasonableness tests. Home Forward uses the payment standard as the maximum rent for LBS units, or up to 125% of Fair Market Rents in the case of service-enriched units. This leveraging of resources allows for a more adequate revenue stream and increases the number of households that can be served.

Home Forward has utilized the LBS program for 284 units at three properties. This includes 130 units at Bud Clark Commons, 45 units at Madrona Place, and 109 units at Stephens Creek Crossing. As part of our Public Housing Conversion Strategy, Bud Clark Commons and Madrona Place received RAD (Rental Assistance Demonstration) approval in September 2015. One of the first steps in the RAD conversion process is the Commitment to enter into a Housing Assistance Payment (CHAP), which was completed in October 2015 for these two properties. Stephens Creek Crossing was also included in the July 2015 RAD application and will convert only after HUD has confirmed a feasible conversion plan for Home Forward’s entire public housing portfolio.

MTW authorization:

Attachment C, Section B(1) – Single Fund Budget with Full Flexibility

Attachment C, Section C(2) – Local Preferences and Admission and Continued Occupancy Policies and Procedures

Attachment D, Section B(3) – Local Unit Based Subsidy Program

Statutory objective:

Increase housing choice for low-income families

Activity Metrics:

Metric	Baseline	Benchmark	Outcome	Benchmark Achieved
Additional units of housing made available (Standard Metric: HC#1)				
Number of new housing units made available for households at or below 80% AMI	Before implementation, 0 units made available	FY2017: 239 units made available	FY2017: 239 units	Benchmark achieved
Units of housing preserved (Standard Metric: HC#2)				
Number of housing units preserved for households at or below 80% AMI	Before implementation, 0 units preserved	FY2017: 45 units preserved	FY2017: 45 units	Benchmark achieved
Increase in resident mobility (Standard Metric: HC#5)				
Number of households living in better neighborhoods (defined as low poverty census tracts where poverty is below 16%)	Before implementation, 0 households	FY2017: 109 households	FY2017: 109 households	Benchmark achieved
Increase in resources leveraged (Standard Metric: CE#4)				
Amount of funds leveraged	Before implementation, \$0	\$11,145,307 in leveraged debt, equity and increased services	FY2017: \$11,145,307	Benchmark achieved

MTW Flexibility:

This activity uses single fund budget flexibility and authorization to develop a local unit-based subsidy program in order to create the administrative and funding structure for LBS. This increases housing choice for low-income families by allowing Home Forward to add financially viable, subsidized units back into its portfolio. LBS has allowed Home Forward to leverage debt, equity and increased services at these three properties. Additionally, the ability to create local preferences, and admission and continued occupancy policies and procedures allows Home Forward to manage the units to provide similar protections as public housing and also adapt the rules for efficiency and local needs. This supports the objective to increase efficiencies in Federal expenditures.

Home Forward understands and is committed to our obligation to continue to serve substantially the same number of families as if we had not participated in the MTW demonstration. We are aware of the pressure our LBS activity may place on the agency to continue to meet our baseline households served, and we carefully consider this information before moving forward with implementation strategies.

We are continuing to explore and develop alternative options for local rent assistance programs that will serve a significant need in our community, and will also support our ability to meet our baseline households served once LBS is fully implemented.

Changes to Metrics:

No changes have been made to benchmarks, metrics or data collection methodology.

06 ALTERNATE INSPECTION REQUIREMENTS FOR PARTNER-BASED PROGRAMS

Approved FY2012, Implemented FY2012

Home Forward aligns our housing resources with the services of jurisdictional and community partners in order to maximize impact and effectiveness. In an effort to reduce costs and increase efficiencies, Home Forward uses alternate inspection standards for programs where we contract out resources to be administered by partners. Rather than requiring full Housing Quality Standards (HQS) inspections, Home Forward requires that these units meet the habitability standards, unit inspection requirements, and lead-based paint visual assessment requirements required by the US Department of Housing and Urban Development's Homelessness Prevention and Rapid Re-Housing Program. Staff from jurisdictional and community providers are able to arrange for and conduct required inspections themselves, in conjunction with other required visits to the assisted units.

MTW authorization:

Attachment C, Section D(5) – Ability to Certify Housing Quality Standards

Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

Activity Metrics:

Metric	Baseline	Benchmark	Outcome	Benchmark Achieved
Agency cost savings (Standard Metric: CE#1)				
Total cost of task	Before implementation, \$35,500	\$0	FY2017: \$0	Benchmark achieved
Staff time savings (Standard Metric: CE#2)				
Total time to complete the task	Before implementation, 500 hours	0 hours	FY2017: 0 hours	Benchmark achieved
Decrease in error rate of task execution (Standard Metric: CE#3)				
Average error rate in completing a task	FY2014: 4%	FY2017: Less than 5%	FY2017: 0%	Benchmark achieved

MTW Flexibility:

Home Forward uses MTW authority to allow alternative inspection requirements for units assisted with rent assistance that we have contracted to community partners. These alternate inspection requirements ensure housing standards while increasing efficiency and cost effectiveness.

Changes to Metrics:

No changes have been made to benchmarks, metrics or data collection methodology.

07 LANDLORD SELF-CERTIFICATION OF MINOR REPAIRS

Approved FY2013, Implemented FY2013

In many cases, units may fail an initial or annual inspection due to minor items, such as cracked socket plates or closet doors that are off track. Requiring a Home Forward inspector to make a trip back to a unit to verify such minor repairs is inefficient and costly. Home Forward has implemented a policy that in cases where there are no more than four minor deficiencies, we may accept an owner's certification that required repairs were made. This allowance is made at Home Forward's discretion, and in cases where all deficiencies are minor items as determined by an approved list maintained by Home Forward.

MTW authorization:

Attachment C, Section D(5) – Ability to Certify Housing Quality Standards

Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

In FY2017 inspectors continued to use the option for landlords to self-certify minor repairs rather than completing a reinspection. The option continued to be used at the inspector's discretion. Out of 1,493 reinspections, 98 were completed with a landlord self-certification for minor repairs.

Activity Metrics:

Metric	Baseline	Benchmark	Outcome	Benchmark achieved
Agency cost savings (Standard Metric: CE#1)				
Total cost of task	Before implementation, \$140,092	FY2017: \$120,000	FY2017: \$92,725	Benchmark achieved
Staff time savings (Standard Metric: CE#2)				
Total time to complete the task	FY2012: 1,326 hours	FY2017: 2,000 hours	FY2017: 896 hours	Benchmark achieved
Decrease in error rate of task execution (Standard Metric: CE#3)				
Average error rate in completing a task	FY2015: 0%	FY2017: Less than 5%	FY2017: 0%	Benchmark achieved

MTW Flexibility:

This activity uses alternate criteria – in the form of an owner’s written certification – to verify the correction of deficiencies in a unit that failed its initial or annual Housing Quality Standards inspection as a result of four or fewer minor (as defined by Home Forward) deficiencies. This policy increases efficiencies, and saves the agency the cost of these re-inspections.

Changes to Metrics

No changes have been made to benchmarks, metrics or data collection methodology.

08 INSPECTIONS AND RENT REASONABLENESS AT HOME FORWARD-OWNED PROPERTIES

Approved FY2013, Implemented FY2013

Home Forward owns over 4,000 units of affordable housing in Multnomah County. Many of these units have project-based Section 8 vouchers attached, and additional units are rented to families that are utilizing tenant-based Section 8 vouchers. In cases where a voucher holder is renting a unit we own, Home Forward utilizes our own staff to perform inspections and determine rent reasonableness.

In cases where Home Forward both owns and manages the unit, we hire a third party to conduct quality control inspections and rent reasonableness testing at a sample of these units. This ensures standards are being met while mitigating any conflict of interest.

MTW authorization:

Attachment C, Section D(5) – Ability to Certify Housing Quality Standards

Attachment C, Section D(2)(c) – Rent Policies and Term Limits

Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

Activity Metrics:

Metric	Baseline	Benchmark	Outcome	Benchmark Achieved
Agency cost savings (Standard Metric: CE#1)				
Total cost of task	Prior to implementation, \$17,750	FY2017: \$0	FY2017: \$0	Benchmark achieved
Staff time savings (Standard Metric: CE#2)				
Total time to complete the task	Prior to implementation, 370 hours	FY2017: 0	FY2017: 0 hours	Benchmark achieved
Decrease in error rate of task execution (Standard Metric: CE#3)				
Average error rate in completing a task	FY2015: 0%	FY2017: Less than 5%	FY2017: 11.1%	Benchmark not achieved

MTW Flexibility:

Home Forward uses MTW authority to set rent reasonableness and inspect units we own, in place of contracting with a third party to do so. This results in cost savings for the agency.

If benchmarks were not achieved or if the activity was determined ineffective, provide a narrative explaining the challenges, and if possible, identify potential new strategies that might be more effective.

Several factors can contribute to a higher average error rate in completing a task – third party quality control inspections are done around 60 days following the original inspection. In this time span, there can be damages caused by tenants and/or unknown circumstances occurring that can result in a failed quality control inspection, which are unrelated to the original inspection. There can also be errors that are due to inspection error from the original inspection itself. The inspection team is considering ideas on how to improve quality control procedures while balancing the process for residents too; currently these inspections are timed out for 60 days so as not overwhelm residents with multiple inspections in a very short time frame.

Changes to Metrics

No changes have been made to benchmarks, metrics or data collection methodology.

09 MEASURES TO IMPROVE THE RATE OF VOUCHER HOLDERS WHO SUCCESSFULLY LEASE-UP

Approved FY2010, Implemented FY2010

Since 2010, Home Forward has implemented a variety of measures to improve landlord acceptance of Housing Choice Vouchers in our community and the ability of voucher holders to successfully lease up. Based on much of Home Forward's work, the Oregon State Legislature passed HB2639 in July 2014. The legislation prohibits landlords from discriminating against renters who have vouchers and offers landlords access to a state-managed Landlord Guarantee Fund for financial damages when a voucher holder vacates a unit.

Home Forward has two additional initiatives focused on improving landlord participation and the leasing success of voucher holders:

- We provide vacancy loss payment to owners through the end of the month after the move-out month when vacancies are unforeseen or unexpected (such as a death or unannounced vacate) and the owners have not received proper notice of the intent to vacate. In FY2017, \$22,209 in vacancy loss payments were provided for 43 units. The average payment was \$517.
- The Landlord Incentive Payment targets new landlords. Home Forward makes a one-time payment of \$200 to new landlords, defined as those who have not worked in partnership with us for the past two years. In FY2017, 240 new landlords received incentive payments, totaling \$48,000.

In the last few years, leasing success rates have fallen as a result of an extremely tight rental market, rapidly rising rents and an overall lack of affordable units. Even with the above measures in place and the new legislation preventing discrimination against voucher holders, leasing success rates have fallen below our 2009 baseline. In an attempt to keep pace with the market and ensure neighborhood choice for voucher holders, Home Forward most recently increased payment standards in October 2016 – the second increase this fiscal year.

MTW authorization:

Attachment C, Section B(1) –
Single Fund Budget with Full Flexibility

Attachment C, Section D(1)(d) –
Operational Policies and Procedures

Attachment C, Section D(3)(b) –
Eligibility of Participants

Attachment D, Section D(1) –
Establishment of a Local Section 8 /
Housing Choice Voucher Program

Statutory objective:

Increase housing choice for low-income
families

We have implemented a variety of policy changes (which do not require MTW flexibility) to make the voucher program more appealing to landlords. These include:

- Allowing flexible lease terms based on an individual landlord's standard practice (including month-to-month)
- Accepting electronic Requests for Tenancy Approval from landlords to speed the process
- Posting tools for landlords on our website so landlords can assess whether their unit is likely to pass rent reasonable and affordability tests

Finally, we are working to provide more support for voucher holders themselves. Our participant orientation places an increased focus on housing search, tenant rights and responsibilities, and opportunity neighborhoods, in hopes of helping voucher holders be better prepared for their housing search.

Activity Metrics:

Metric	Baseline	Benchmark	Outcome	Benchmark Achieved
Households assisted by services that increase housing choice (Standard Metric: HC#7)				
Number of households receiving services aimed at increasing housing choice	Before implementation, 0 households	FY2017: 180 households	FY2017: 240	Benchmark achieved
Improve voucher success rate				
Issued voucher success rate	FY2009: 74%	FY2017: 85%	FY2017: 78.1%	Benchmark not achieved
Decrease in lease-up time				
Average number of days for a voucher holder to lease up	Before implementation, 51 days	FY2017: 50 days	FY2017: 77 days	Benchmark not achieved

MTW Flexibility:

Home Forward has made changes to operational policies and procedures and funds these activities through our single-fund budget flexibility. This activity works to increase landlord participation in the program, and therefore, increase housing choice for low-income households.

If benchmarks were not achieved or if the activity was determined ineffective, provide a narrative explaining the challenges, and if possible, identify potential new strategies that might be more effective.

During FY2017 the rental market remained extremely competitive. According to The Apartment Report, Spring 2017 edition¹, the current vacancy rate in our jurisdiction is around 3.7% with an annualized 10.5% increase to rents in the Portland metro area from Spring 2016.

In an effort to improve the lease-up rate and give participants as much choice as possible in the rental market, the payment standards were increased again in October 2016 after a previous payment standard increase in April 2016. Home Forward continues to issue vouchers with an initial 120 days to search, in recognition of the competitive market and the length of time it is taking to lease up. The lease up rate improved over FY2017, the first time since August 2014 (for reference, FY2016 lease up rate was 71%).

In addition, Home Forward in partnership with the Portland Housing Bureau, created a Voucher Success Fund that provides various forms of assistance. The Voucher Success Fund includes two components:

- Funding for a low-barrier, low-interest security deposit loan program. This program allows participants to apply for loans up to \$1,200 at a low-interest rate of 5% with a 24-month repayment period. The program is administered by a non-profit lender and gives participants an opportunity to build credit and participate in financial education classes.
- Housing barrier and housing search assistance provided through contracted social service agencies focused on helping people to address their barriers and secure stable housing.

The length of time for lease up among the general Housing Choice voucher population remained 77 days. This is above the benchmark set at 50 days, but given the challenges of the Portland rental market, the stabilizing of lease up rates is encouraging. It suggests that

¹ Spring 2017 The Apartment Report published by MultiFamily NW, The Association Promoting Quality Rental Housing

our efforts and strategies are successful. For example, households who participated in one of Voucher Success initiatives were able to lease up on average of 52 days.

Changes to Metrics

No changes have been made to benchmarks, metrics or data collection methodology.

10 LOCAL PROJECT-BASED VOUCHER PROGRAM

Approved FY2012, Implemented FY2012, Amended FY2015

Home Forward has created a project-based voucher (PBV) program tailored to meet the needs of the local community. We currently administer over 2,000 PBVs in the community via 79 separate contracts. The program continues to represent our focus on coordinating with jurisdictional partners and enhancing the supply of permanent supportive housing for households with barriers to housing.

In FY2015, Home Forward changed the operating subsidy at four of our high-rise buildings from public housing to project-based Section 8 funding, as part of our preservation strategy to renovate ten buildings. These four buildings accounted for 654 units, and serve seniors and persons with disabilities. The MTW flexibility to place project-based vouchers at these buildings, as well as through service providers and jurisdictional partners, has ensured that affordable housing remains available to some of the most vulnerable households in our community.

The objective of the project-based voucher program is to provide housing certainty for low-income, high-barrier households who would be unlikely to succeed with a tenant-based voucher. With that in mind, we are focusing project-based vouchers on buildings with on-site services, ideally in opportunity areas, offering tenants affordable rents and access to community resources. Some of the original project-based voucher contracts expired in the past few years, and Home Forward has made it our policy to offer renewals only to owners who have agreed to set waiting list preferences for one or more vulnerable populations, and to make services available to those households. This will result in all project-based voucher buildings offering affordable housing with services to those most in need as contracts are renewed.

MTW authorization:

Attachment C, Section D(7) –
Establishment of an Agency MTW
Section 8 Project-Based Program

Attachment C, Section D(4) – Waiting List
Policies

Attachment C, Section D(2) – Rent
Policies and Term Limits

Attachment C, Section D(1)(e) –
Operational Policies and Procedures

Statutory objective:

Increase housing choice for low-income
families

Reduce cost and achieve greater cost
effectiveness in Federal expenditures

Activity Metrics:

Metric	Baseline	Benchmark	Outcome	Benchmark achieved
Additional units of housing made available (Standard Metric: HC#1)				
Number of new housing units made available for households at or below 80% AMI	FY2011: 1,100 units	FY2017: 1,370 units made available	FY2017: 1,393 units made available	Benchmark achieved
Units of housing preserved (Standard Metric: HC#2)				
Number of units preserved for households at or below 80% AMI that would otherwise not be available	Prior to implementation: 0 units	FY2017: 654 units preserved	FY2017: 654 units preserved	Benchmark achieved
Decrease in wait list time (Standard Metric: HC#3) Note: Because Home Forward does not have a pre-implementation baseline for this metric, we are not able to show the historical impact of this activity				
Average applicant time on wait list in months	FY2014: 15 months	FY2017: 15 months	FY2017: 25.5 months	Benchmark not achieved
Displacement prevention (Standard metric: HC#4) Note: Because Home Forward does not have a pre-implementation baseline for this metric, we are not able to show the historical impact of this activity				
Number of households at or below 80% AMI that would lose assistance or need to move	FY2015: 904	FY2017: 900	FY2017: 900	Benchmark achieved
Increase in Resident Mobility (Standard Metric: HC#5)				
Number of households able to move to a better unit and/or neighborhood of opportunity (defined as low poverty census tracts)	FY2011: 93 households	FY2017: 400 households	FY2017: 339 households	Benchmark not achieved

where poverty is below 16%)				
Agency Cost Savings (Standard Metric: CE#1)				
Total cost of task in dollars	Prior to implementation: \$30,720	FY2017: \$5,025	FY2017: \$14,748	Benchmark not achieved
Staff time savings (Standard Metric: CE#2)				
Total time to complete the task	Prior to implementation, 917 hours	FY2017: 150 hours	FY2017: 420 hours	Benchmark not achieved
Decrease in error rate of task execution (Standard Metric: CE#3)				
Average error rate in completing task	FY2015: 2%	FY2017: Less than 5%	FY2017: 13.5%	Benchmark not achieved
Increase in tenant share of rent (Standard Metric: CE#5) Note: Because Home Forward does not have a pre-implementation baseline for this metric, we are not able to show the historical impact of this activity				
Total annual tenant share of rent	FY2014: \$3,570,859	FY2017: \$3,500,000	FY2017:\$4,828,151	Benchmark achieved

MTW Flexibility:

The PBV program increases housing choice and affirmatively furthers fair housing by preserving existing affordable housing and focusing on the needs of populations that tend to be less successful in the tenant-based program, including participants with disabilities, extremely low incomes, or backgrounds that may create high barriers to housing. Most of the PBV buildings offer services for specific populations, which help households not only to obtain suitable housing, but also to access additional services that give the household stability in the community. Below is a list of the ways Home Forward utilizes MTW authority for the local PBV program:

- Home Forward exceeds the traditional 25% limit of PBVs in a single building, and allows project-based vouchers to be awarded to more than 25% of units in a given complex.

- Home Forward has modified waitlist policies to allow each PBV building to maintain its own site-based waiting list with its own preferences. It would not be practical or cost effective for Home Forward to manage so many separate PBV waiting lists with separate preferences. Multiple waitlists also ensure that there are almost always open waitlists at any point in time.
- Home Forward does not provide a preference on the tenant-based waiting list for PBV residents, and requires PBV residents to apply for and remain on the tenant-based waitlist in order to transfer to a tenant-based voucher unit.
- Home Forward modifies screening and eligibility requirements to differ from the traditional criteria at certain PBV properties which offer supportive services, therefore increasing housing choice for participants who might otherwise be ineligible for Section 8 housing. Home Forward determines an applicant's eligibility for a specific PBV property based on the capacity of the service provider who owns or contracts to manage the property.
- Home Forward has modified owner proposal selection procedures for PBV units in order to increase Permanent Supportive Housing in our community by awarding PBV units via a local competitive process in collaboration with the City of Portland and Multnomah County. This local process includes issuing a Notice of Funding Availability and accepting proposals from housing developers and owners across the County. This effort ensures that PBVs are aligned with capital and services funding made available from our jurisdictional partners.
- The local competitive process may be waived and PBVs may be awarded based on a formal approval and resolution process by Home Forward's Board of Commissioners when the property is owned directly or indirectly by Home Forward, subject to HUD's requirements regarding subsidy layering. The owned units would not be subject to any required assessments for voluntary conversion.
- Home Forward has adopted the local city and county site selection standards for PBV units in order to ensure alignment with jurisdictional partners in regards to site selection for low-income housing aimed at ending homelessness. Site selection standards are designed to deconcentrate poverty and expand housing and economic opportunities in census tracts with poverty concentrations of 20% or less.
- Home Forward has modified subsidy standards regarding under- and over-housing in order to ensure full utilization of PBV units. Subsidy standards are the same for PBVs as those used for tenant-based vouchers, but exceptions are granted when there are no appropriately sized households on the waiting list to fill a vacant unit.
- Home Forward has modified lease terms, renewal options, and termination policies to limit owners' ability to terminate tenancy without cause, maximizing housing choice for the families in those units. After the initial term, PBV leases convert to a month-to-month agreement unless owners and tenants agree to a longer term, and owners may not refuse to renew leases without cause. Owners of PBV units may not terminate tenancy without cause, except as follows:

- The owner of a PBV unit may terminate tenancy for a family if Home Forward terminates the family's assistance for any reason in order to ensure that another low-income applicant can be served. However, instead of terminating tenancy, the owner may request Home Forward's approval to amend the PBV contract to remove a unit occupied by a zero subsidy family or amend the PBV contract to substitute a different unit with the same number of bedrooms in the same building.
- Home Forward modified the way contract rents are determined for PBV units by limiting PBV contract rents to a maximum of the payment standard less any applicable tenant paid utility allowance, ensuring that PBV units are affordable even to zero-income households.
- Home Forward adapted the timing of applying payment standard adjustments for PBV participants. Any increase in payment standards to the PBV units is applied on the next anniversary date of the PBV Housing Assistance Payments Contract, following the effective date of the increase. Any decrease in payment standards to the unit is applied beginning on the second anniversary date of the PBV Housing Assistance Payments Contract following the effective date of the decrease. Home Forward also applies any changes to the utility allowance at the same time as the payment standard adjustments.
- Home Forward uses an alternate rent setting policy that allows the Rent Assistance Director, with Board approval, to set exception payment standards that are greater than 110% (up to a maximum of 160%) of Fair Market Rents for service-enriched buildings entering into new project-based voucher contracts, without requesting HUD approval. The payment standard granted applies to any unit under the project-based voucher contract serving a highly vulnerable population with intensive services. Data is required of the owner to verify the value of the services being provided, and this cost will not be included when conducting rent reasonableness tests.
- Home Forward allows Home Forward staff to conduct inspections, set rents and determine rent reasonableness for Home Forward-owned units that utilize PBVs. When Home Forward both owns and manages the unit, it hires a third party to conduct quality control testing of inspections and rent reasonableness determinations for a sample of these units. This activity is also described under Activity 08: Inspection and Rent Reasonableness at Home Forward-Owned Units.
- Home Forward has eliminated the cap limiting project-basing to up to 20% of the amount of budget authority allocated to the agency by HUD in the voucher program.

If benchmarks were not achieved or if the activity was determined ineffective, provide a narrative explaining the challenges, and if possible, identify potential new strategies that might be more effective:

Several benchmarks were not met. Applicants had an increased wait time on PBV waitlists due to several factors. Individual buildings maintain their own waitlists. Home Forward recommends that building staff purge their waitlists at least every six months, however practices can vary per building. Over the coming year, Home Forward PBV staff will work with buildings to increase the number of times they update and purge their waitlists to remove applicants no longer interested in PBV assistance. Additionally, a very tight housing market this past year has meant fewer vacancies and a limited number of affordable housing units available. More PBV tenants are choosing to remain in their assisted units, which has led to fewer unit turnovers. Home Forward will also re-evaluate adjusting the wait time on future MTW Plans if trends indicate ongoing longer wait times on PBV waitlists.

Our audit time increased due to our increased audit functions of the overall program in making sure new staff are trained, have the technical skills needed while we continue to focus on serving those most in need, and new PBV buildings being added. Our program currently has 79 project based voucher contracts and we audit and review every building wait list for compliance with our policies. Over FY2017, 10 PBV building site audits were completed, and bi-annual audits of all building waitlists resulted in increased time and costs. Home Forward anticipates time and costs dedicated to auditing will maintain at current reporting levels and will adjust future Moving to Work Plan benchmarks.

Home Forward created a standard format of waitlist management for all PBV building staff, who are third party providers, that along with frequent staff turnover at some of the PBV buildings, means additional time to train third party provider staff and increased error rates, along with continued trainings over time due to staff changes. Additionally, Home Forward's internal PBV team underwent several staff changes during the fiscal year. Our PBV team is currently fully staffed; allowing internal staff to provide necessary trainings and auditing to ensure compliance is met. We do not anticipate changing our benchmark for error rate; we will continue working closely with third party providers for training needs.

The decrease in resident mobility to low-poverty census tracts is a reflection of the overall affordability trends that have impacted the Portland metro area for the past several years. The decrease in resident mobility to low-poverty census tracts is a reflection of the overall affordability trends that have impacted the Portland metro area for the past several years. Since the baseline year of FY2013 to FY2017, Multnomah County low-poverty census tracts increased from 98 to 102. 13 census tracts went from being categorized as high-poverty to low-poverty, while 13 went from low-poverty to high-poverty. While low-poverty census tracts increased, this coupled with an average 10% increase in rents and the low vacancy rate of an average 4% in the Portland metro area, has contributed to decreasing housing choice and resident mobility to access low-poverty census tract neighborhoods in FY2017. At this time we are not considering a change of strategy, but will continue to maintain our payment standard structure to reflect the market as much as possible.

Changes to Metrics

Data collection methodology has changed for Standard Metric CE#3, Decrease in Error Rate in Task Execution. Error rate calculations included audits of new staff during their first six months. New staff audits occur frequently as a training tool to ensure comprehension of correct rent calculations. As staff become tenured, frequency of audits decrease but continue. We changed the methodology to no longer include new staff audits; our focus is on tenured staff who have been trained before their audit(s) rather than include audits of new staff who are on a training plan.

11 ALIGN UTILITY ALLOWANCE ADJUSTMENT PROCEDURES

Approved FY2011, Implemented FY2011

In our FY2011 MTW Plan, Home Forward received approval to align the public housing process for calculating and implementing utility allowance adjustments with that of Section 8. Previously, the public housing utility allowance process required Home Forward to conduct engineering surveys to determine energy consumption, which was cumbersome and costly. Additionally, public housing protocol required that a re-certification be completed for each resident when there were adjustments to the utility allowance.

Aligning the utility allowance adjustment process with that of Section 8 allows public housing to adopt the methodology of using HUD's standard calculation, which is based on the type of utility and type of building. As in the Section 8 program, public housing staff will review the utility allowance adjustments annually, with the adjustment going into effect at the resident's next regular review.

MTW authorization:

Attachment C, Section C(11) – Rent Policies and Term Limits

Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures.

Activity Metrics:

Metric	Baseline	Benchmark	Outcome	Benchmark Achieved
Agency cost savings (Standard Metric: CE#1)				
Total cost of task	Before implementation, \$8,000 per year	FY2017: \$0	FY2017: \$0	Benchmark achieved
Staff time savings (Standard Metric: CE#2)				
Total time to complete task	Before implementation, approximately 393 hours	FY2017: 0 hours	FY2017: 0 hours	Benchmark achieved

MTW Flexibility:

The standard public housing utility allowance process requires engineering surveys to determine energy consumption, and that a re-certification be completed for each resident when there is a utility allowance adjustment. Our MTW flexibility allows us to align the public housing process with that of Section 8, resulting in agency cost and staff time savings.

Changes to Metrics:

No changes have been made to benchmarks, metrics or data collection methodology.

13 BROADEN RANGE OF APPROVED PAYMENT STANDARDS

Approved FY2015, Implemented FY2015, Amended FY2017

Regulations require that payment standards are set between 90% and 110% of Fair Market Rents, as defined by HUD for the geographic area in which the housing authority is operating. Multnomah County is a large geographic area with rents that differ throughout several submarkets. When rental market conditions tighten, it is not uncommon for 110% of Fair Market Rent to fall short of what is needed to rent a quality unit in large, and often higher opportunity, areas of Multnomah County. In addition, payment standards that are too high in particular neighborhoods can create concentrations of poverty.

MTW authorization:

Attachment C, Section D(2)(a) – Rent Policies and Term Limits

Statutory objective:

Increase housing choice for low-income families

We will always need to balance the opportunity created with higher payment standards with the increased per family costs associated with higher payment standards. Higher payment standards can put limits on our ability to respond to the overwhelming need in our community, but given the nature of the rental market in Multnomah County, the flexibility to set payment standards up to 160% of FMR may be necessary to create reasonable choice for participant families, particularly in lower-poverty, higher-opportunity areas. Home Forward received HUD approval to amend our activity in FY2017 to set payment standards between 80%-160% of Fair Market Rents (FMR) without prior HUD approval; an increase in previous MTW flexibility of FMR range of 80%-120%.

Home Forward participants are on biennial and triennial recertification schedules, per Activity 01 Rent Reform. Because of this, there is sometimes a delay of several months or even years before the increased payment standard is applied to a participant's rent calculation. In the meantime, those participants may be experiencing a larger shelter burden as their landlords increase rent without the accompanying increase in payment standards. To address this delay, we also modified this activity in FY 2017 to allow us to apply updated payment standards at a participant's interim review.

In order to ensure that payment standards are sufficient to allow Housing Choice Voucher participants reasonable choice in neighborhoods, Home Forward will use MTW authority to broaden its "base range" for payment standards to between 80% and 160% of the Fair Market Rents without prior HUD approval. Home Forward has also been authorized to approve Exception Payment Standards up to 160% of Fair Market Rents in low poverty areas or as a reasonable accommodation for a family that includes a person with disabilities.

Home Forward uses the following parameters to establish payment standards:

- Payment standards are broken down by nine separate neighborhoods as defined by ZIP codes. Each of these neighborhood payment standards is broken down by bedroom size.
- Payment standards are set at the market rate.
- Because data shows that market rents are significantly different for three-bedroom apartments and for single-family three-bedroom duplexes or homes, Home Forward has established separate payment standards for the two.
- Because data shows that market rents are significantly different for three-bedroom apartments and for single-family three-bedroom duplexes or homes, Home Forward has established separate payment standards for the two.

Activity Metrics:

Metric	Baseline	Benchmark	Outcome	Benchmark Achieved
Increase in resident mobility (Standard Metric: HC#5)				
Number of households living in better neighborhoods (defined as low poverty census tracts where poverty is below 16%)	FY2013: 1,896 (30%) households lived in better neighborhoods	FY2017: 1,926 (30%) households	FY2017: 2,355 households (31%)	Benchmark achieved
Agency cost savings (Standard Metric: CE#1) Note: This is a standard reporting metric used by HUD to measure impacts across agencies on a national level. Home Forward does not save costs through this activity, but we have included it at HUD's request.				
Total cost of task	FY2014: \$58,082,840	FY2017: \$60,032,099	FY2017: \$60,468,797	Benchmark not achieved
Average Housing Assistance Payment expense				
Average annual HAP expense by household	FY2014: \$6,690	FY2017: \$7,150	FY2017: \$7,710	Benchmark not achieved

Data will be collected from YARDI, Home Forward's database, which tracks the census tract and Payment Standard used for each household.

MTW Flexibility:

Home Forward used our MTW authority to expand the range for which Home Forward may set payment standards across the various submarkets of Multnomah County to between 80% and 160% of HUD-established Fair Market Rents, and to establish exception payment standards up to 160% of Fair Market Rents, without HUD approval. This ensures that payment standards are sufficient to allow all families, including those that need a reasonable accommodation, to choose to rent units in all nine of the defined areas in Multnomah County (so long as Housing Choice Voucher funding is sufficient to permit this). During FY2017, 26 exception payment standards were approved. Home Forward may also choose to reduce payment standards in areas with lower market rents.

If benchmarks were not achieved or if the activity was determined ineffective, provide a narrative explaining the challenges, and if possible, identify potential new strategies that might be more effective:

The metric of total cost was not met, due to payment standard increases in April 2016 and October 2016, which is reflected in the metric of total Housing Assistance Payments spent. Increasing the payments standards has been necessary to allow participants flexibility in the current rental market in Multnomah County. At this time we are not considering a change of strategy, but will continue to maintain our payment standard structure to reflect the market as much as possible. According to the Apartment Report¹, there are indications that housing supply has increased enough that rent increases may slow down and possibly stabilize.

During FY2017, more households moved/are living in higher opportunity neighborhoods, as compared to 1,227 households during FY2016. We attribute this increase in part due to higher payment standards, allowing Housing Choice voucher participants the ability to compete in the rental market to live in higher opportunity neighborhoods. Home Forward did not raise payment standards beyond 118% during FY2016; given the funding environment and the increased cost of higher payment standards, we chose to focus on other strategies for improving lease-up rates.

¹Spring 2017 The Apartment Report published by MultiFamily NW, The Association Promoting Quality Rental Housing

14 PROGRAM BASED ASSISTANCE

Approved FY2015, Implemented FY2015

The need for rental assistance in Multnomah County far outstrips the supply. When Home Forward opened the Housing Choice Voucher waiting list in fall 2016, over 16,000 households applied for 3,000 waiting list slots.

In an attempt to increase the number of households served over a given period of time, Home Forward has designed Program Based Assistance. This local, non-traditional rent assistance program merges two past single-fund MTW activities: Short Term Rent Assistance and Agency Based Assistance. This program offers time-limited rent assistance, paired with services, to help families access and/or retain stable housing. While the Housing Choice Voucher and public housing programs provide permanent subsidies in order to ensure long-term affordability for low-income families, the focus of Program Based Assistance is helping families achieve stability. These households will likely remain rent-burdened, but with services available to help families address other challenges in their lives, many will be able to avoid homelessness and remain permanently housed.

To administer Program Based Assistance, Home Forward sets aside a pool of flexible rent assistance funds, that are administered by the Rent Assistance Department but do not operate like traditional vouchers. The funds serve targeted populations, in partnership with one or more local service providers who ensure that the families have access to the supportive services or resources they need to be stable and successful. Funds may be contracted to partner agencies to administer or may be administered by Home Forward on behalf of partner agencies. In both cases, partner agencies are responsible for identifying participating families and determining the amount and duration of the rental assistance, with some guidance from Home Forward.

Target populations for Program Based Assistance are families for whom: 1) success on the Section 8 Housing Choice Voucher program would be unlikely; 2) the delay in accessing rent assistance due to the Section 8 waitlist would most likely have devastating results (recidivism, relapse, death, homelessness, etc.); or 3) the need for rental subsidy is short term while the client is receiving the support needed to stabilize in permanent housing. Examples of target populations include families who are homeless or at risk of homelessness, families with children attending Alder Elementary School (which has one of the highest mobility rates in the County and was adopted by the I Have a Dream Foundation in order to improve outcomes), former foster youth as part of the New Doors program, survivors of domestic violence, and families with an adult who has recently been released from prison.

MTW authorization:

Attachment C, Section B(1) – Single Fund Budget with Full Flexibility

Attachment D – Use of MTW Funds

Statutory objective:

Increase housing choice for low-income families

Program Based Assistance partners work with Home Forward to set program policies that are specific to the target population they are serving. Home Forward ensures that policies are clear, equitably managed, and in compliance with Fair Housing laws. All programs have common elements which include:

Uses of Funds: Rental Assistance funds may be used for rent assistance, rent arrears with a current landlord, move-in fees and deposits, utility assistance and arrears, motel vouchers if housing is identified but not immediately available, and documented debt to a past landlord (other than a public housing authority).

Eligibility: Eligibility for Program Based Assistance is as low barrier as possible in order to provide housing access for hard-to-serve households. The only limitations on eligibility are: 1) the household must include at least one person who is a U.S. citizen, U.S. national, or noncitizen with eligible immigration status; 2) the household may not include any member who is subject to lifetime registration as a sex offender or has been convicted of production/manufacture of methamphetamine on premises of federally assisted housing; 3) no one in the household may owe Home Forward money; and 4) annual gross income cannot exceed 50% of area median income.

Subsidy Determination Method: Each partner is required to write clear policies and procedures for how subsidy amount and duration will be determined. These policies must be applied to all participants in that partner's program.

Service Requirements: Home Forward makes these funds available to target populations in partnership with one or more partners who are experts in providing the supports families may need to remain stably housed and move towards a stable, permanent housing situation. Therefore, partner agencies are required to make services available to all families accessing Program Based Assistance. Partner agencies will also have the discretion to discontinue rental assistance to households who violate their program policies or fail to engage in services after repeated attempts at engagement.

Program Based Assistance is a local, non-traditional rental subsidy program. Home Forward will comply with PIH Notice 2011-45 when administering this activity.

Activity Metrics:

Metric	Baseline	Benchmark	Outcome	Benchmark Achieved
Additional Units of Housing Made Available (Standard Metric: HC#1)				
Number of new housing units made available for households at or below 80% AMI	Before implementation, 0 units	FY2017: 5 units	FY2017: 5 units	Benchmark achieved
Increase in Resident Mobility (Standard Metric: HC #5)				
Number of households able to move to a better unit and/or neighborhood of opportunity	Before implementation, 0 households	FY2017: 110 unduplicated households	FY2017: 84 unduplicated households	Benchmark not achieved
Households Assisted by Services that Increase Housing Choice (Standard Metric: HC #7)				
Number of households receiving services aimed to increase housing choice	Before implementation, 0 households	FY2017: 400 households	FY2017: 374 unduplicated households	Benchmark not achieved

Home Forward will track this information through a combination of our YARDI database system, reporting by partner agencies, and the community's Homeless Management Information System (HMIS) software.

MTW Flexibility:

Home Forward uses MTW flexibility to blend program funds into a single budget used to fund Program Based Assistance. This allows Home Forward to administer a form of non-traditional rent assistance that can target households in crisis and help them reach or maintain housing stability.

If benchmarks were not achieved or if the activity was determined ineffective, provide a narrative explaining the challenges, and if possible, identify potential new strategies that might be more effective:

Home Forward's Program Based Assistance provides households with short and medium-term housing assistance with the goal of assisting households to achieve housing stability. Rents in our market continue to escalate at a pace much faster than incomes are rising for assisted households. As a result, assisted households are receiving longer periods of assistance on average in order to achieve housing stability, and this resulted in fewer unduplicated households receiving assistance.

Not Yet Implemented Activities

15 TENANT-BASED VOUCHER SET ASIDE POLICIES

Approved FY2017, Not Yet Implemented FY2017

Home Forward has not yet implemented this activity. During this past fiscal year we focused on opening the waitlists for our Housing Choice Vouchers and fully utilizing the existing set-asides, administered through the Housing Choice Voucher waitlist. Vouchers available under the existing set-asides have all been issued. Escalating costs and funding uncertainty in the Housing Choice Voucher program led us delay continuing those set asides under this activity or initiating new partnerships and MOUs. We anticipate implementing this activity in the future.

Home Forward operates or participates in a number of programs that have been designed to align housing with supportive services in order to ensure success for participating families. These include local non-traditional rent assistance programs, our local project based voucher programs, and the Veterans Affairs Supportive Housing (VASH) program. In all cases, jurisdictional or community partners provide supports for families who access the housing, with target populations including families exiting homelessness, former foster youth, seniors, and people with disabilities.

Home Forward has found that leveraging our housing resources with services from partners often results in better housing stability and success for families with barriers to succeeding with a voucher alone. In addition to the above programs, we have also established a series of limited preferences for tenant-based vouchers. Through these limited preferences, specific community partners refer target populations to Home Forward for housing as they provide services. We currently have two set aside programs under this umbrella:

- Home Forward sets aside up to 200 vouchers for families currently served by Multnomah County's Homeless Family System of Care.
- We also set aside up to 50 vouchers for families that include a veteran experiencing homelessness, who are ineligible for HUD-VASH vouchers. These families are referred by and received services from Transition Projects, Inc.

HUD regulations for tenant-based vouchers require a housing authority to select all participants from a waiting list. In order to adhere to regulations, current families served by the two set aside programs are chosen and referred to Home Forward by the community partner, added to the tenant based voucher waiting list, then immediately pulled from the waiting list to be served with the vouchers that are dedicated to the program. This process is inefficient, time-consuming and cumbersome.

MTW authorization:

Attachment C, Section D(4) –
Waiting List Policies

Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

Home Forward will model the referral and selection procedures after the existing VASH program. As with VASH, Home Forward will accept referrals from the specified partners and award those households the dedicated vouchers. Written documentation of the referral will be maintained in the tenant file by Home Forward, but Home Forward will not add these households to the waiting list to be immediately selected. This flexibility will increase efficiency and may reduce the number of days a family has to wait between referral and issuance of the voucher.

For each limited preference program, Home Forward will execute a Memorandum of Understanding with the partner specifying:

- Number of vouchers set aside for the preference;
- Eligibility criteria for the preference;
- Criteria for determining how families will be selected and referred to Home Forward by the partner(s);
- Type and duration of services the partner(s) will make available to the household; and
- Understanding that all referrals must be in writing and include a certification from the partner(s) that the family was selected and referred to Home Forward in accordance with the criteria outlined in the Memorandum of Understanding.

Home Forward will audit partner agencies to ensure that they adhere to selection criteria specified in the Memorandum of Understanding.

Impact on Statutory Objective(s)

Since households are referred for set aside vouchers by community partners, it is inefficient and duplicative for Home Forward to maintain a waiting list of the families that partners have selected, only to immediately pull those families off the list. Accepting referrals from the partners of the set aside program, who have selected families based on the criteria outlined in the Memorandum of Understanding, will create efficiencies.

Activity Metrics:

Metric	Baseline	Benchmark	Final Projected Outcome
Agency cost savings (Standard Metric: CE#1)			
Total cost of task	FY2016: \$875	FY2017: \$0	Not yet implemented
Staff time savings (Standard Metric: CE#2)			
Total time to complete the task	FY2016: 29.5 hours	FY2017: 0 hours	Not yet implemented
Decrease in wait list time (Standard Metric: HC#3) Note: This is a standard reporting metric used by HUD to measure impacts across agencies on a national level. Because households are immediately pulled from the waiting list, this will have no impact on this metric; but we have included it at HUD's request.			
Average applicant time on wait list in months	FY2016: 0 months	FY2017: 0 months	Not yet implemented

Closed Out Activities

12 ALTERNATIVE INITIAL HOUSING ASSISTANCE PAYMENT POLICY

Approved FY2015, Closed Out FY2017

Reason for Close Out:

Home Forward made a decision to close the not yet implemented Alternative Initial Housing Assistance Payment policy activity. Home Forward formed a workgroup to create procedures and documents to discuss a pilot of the Alternative Initial Housing Assistance Payment policy. The workgroup consisted of staff knowledgeable in Housing Quality Standards inspections and compliance, and those responsible for supervising the staff who would be administering the program.

The workgroup met with an attorney to discuss potential issues and impediments to implementing the process. One potential issue discussed was how to legally require landlords to relinquish their right to collect a lease break fee in the event they enter into a lease agreement with a tenant who wants to dissolve the lease because the unit did not pass HQS inspection or if the Request for Tenancy Approval is denied. The work group also discussed the complexities of having staff learn and administer two different Housing Assistance Payment policies. Lastly, staff struggled to come up with ways to effectively educate tenants and landlords eligible to participate in the pilot process. These reasons resulted in the decision to close the Alternative Initial Housing Assistance Payment Policy activity.

Final Outcome and Lessons Learned:

The intent of the Alternative Initial Housing Assistance Payment policy was to improve landlord relationships and increase the lease up process time. However, the workgroup was concerned that this policy may be an administrative burden and may cause unintentional delays. Landlords have not reported concerns about Home Forward's inspection time; Home Forward is generally able to schedule and conduct initial inspections shortly after receiving the Request for Tenancy Approval.

Home Forward has started to implement other processes to increase housing choice for low income families. We have partner with Innovative Changes to establish a security success fund to offer low interest loans to help families above 30% AMI pay for moving costs. We partnered with agencies to create a Housing Search Advocate program to assist families with housing search and help pay for the costs associated with moving. The Housing Search Advocates also work directly with landlords to educate and assist landlord to navigate Home Forward's processes such as reviewing the Request for Tenancy Approval and Inspection to expedite the process for participants and landlords.

Activity Metrics:

Metric	Baseline	Benchmark	Final Projected Outcome	Benchmark Achieved
Increase in resident mobility (Standard Metric: HC#5)				
Number of households living in better neighborhoods (defined as low poverty census tracts where poverty is below 18.5%)	FY2013: 1,896 (30%) households lived in better neighborhoods	FY2017: 2,000 households	At least 2,000 households (32%)	Never Implemented

Additional Metrics:

Improve voucher success rate				
Issued voucher success rate	FY2013: 81.5%	FY2017: 85%	85%	Never Implemented
Decrease in lease-up time				
Average number of days for an MTW voucher holder to lease up	FY2013: 51.6 days	FY2017: less than 50 days	Less than 50 days	Never Implemented

Activities Closed in Previous Years

Name of Activity	Year Approved	Year Implemented	Year Closed Out	Reason for Close Out
Alternate Rent Calculation for Public Housing Units at Rockwood Station, Martha Washington, and Jeffrey	FY2011	FY2011	FY2012	This activity was discontinued on April 1, 2012 when our current Rent Reform activity was implemented and the units at those buildings shifted to the Rent Reform calculation.
Limits for Zero-Subsidy Participants	FY2010	FY2010	FY2012	This activity was discontinued on April 1, 2012 with the implementation of Rent Reform.
Limiting Portability in Higher Cost Areas	FY2013	Never implemented	--	Home Forward determined that the administrative costs to manage this activity would offset the proposed savings.
04 Bud Clark Commons	FY2010	FY2010	FY2014	Home Forward has determined that operations at Bud Clark Commons do not utilize MTW flexibility.
05 Biennial Inspections	FY2008	FY2008	FY2015	The FY2014 Appropriations Act allows all housing authorities to conduct inspections on a biennial basis. This activity no longer requires MTW flexibility.

Sources and Uses of Funding

Sources and Uses of MTW Funds

Actual Sources and Uses of MTW Funding for the Fiscal Year

Home Forward submits its unaudited and audited information in the prescribed FDS format through the Financial Assessment System - PHA (FASPHA), or its successor system.

Describe the Activities that Used Only MTW Single Fund Flexibility

Replacement Housing Factor Funds /Demolition or Disposition Transitional Funding

Home Forward's efforts to reposition its public housing portfolio can result in a formal disposition approval from HUD and then the sale of the asset. In these instances, Replacement Housing Factor (RHF) or Demolition or Disposition Transitional Funding (DDTF) funds are received by Home Forward as part of the Capital Fund Formula and used to create a new public housing unit. Home Forward utilized MTW authority to use these RHF or DDTF funds within its single fund flexibility to create new public housing units in a mixed-finance project. In doing so, these funds provide a portion of the total development capital needed for a particular project. Given the development cash flow needs of any particular mixed-finance project, Home Forward may also use the RHF or DDTF funds to repay construction financing. This would be done without formally pledging the future RHF or DDTF funds to the lender as collateral.

In September 2013, Home Forward proceeded with the disposition of four high-rise properties as part of our High Rise Preservation Initiative. The properties are Hollywood East, Sellwood Center, Northwest Tower and Gallagher Plaza, consisting of 654 public housing units. Home Forward anticipated receiving RHF or DDTF funds for these units, and may utilize its MTW authority to determine the future use of these funds based upon the amount of the award and timing in which funds are received. As of FY 2017, Home Forward received two (2) years of DDTF funds in the Capital Fund Program Grant and anticipates receiving three more years of DDTF funds for these public housing units. Home Forward may utilize its MTW authority to determine the future use of these funds based upon the amount of the award and timing in which funds are received. To date, none of the DDTF funds have been expended.

MTW Initiative Funds

Home Forward has created MTW Initiative Funds, comprised of MTW reserve funds in their entirety. This is a funding source to support initiatives that will advance the goals and objectives of MTW and Home Forward's Strategic Operations Plan, as well as provide sufficient operating reserves for prudent financial management. Some of these initiatives are aspects of our MTW Activities, described earlier in this Plan.

Listed below are initiatives that only use single-fund flexibility:

- Aligned Partner Network/Housing Works: Aligned Partner Network is a partnership between Home Forward, Worksystems, Inc., the Multnomah County Anti-Poverty system, and the State Department of Human Services. Each system leverages its resources by delivering core services and utilizing the other systems to provide wrap-around supports. With access to stable housing, the appropriate level of case management, and priority access to workforce services, we believe that a significant number of households will be able to develop the skills they need to gain employment within two years. Home Forward contributes rent assistance, in the form of PBA, which is contracted to agencies in the Anti-Poverty system who use it to help stabilize families who are engaged in training or employment programming.

In 2012, our local Workforce Investment Board (WIB) received a 3-year, \$5.5 million Workforce Innovation Fund grant in partnership with Home Forward and the other local housing authorities and WIBs in the Portland Metro area to pilot a program called Housing Works. This demonstration grant expanded on an existing partnership between Home Forward and the local WIB. Over the last three years, Home Forward received \$1.1 million to work with our Workforce Investment Board to serve 270 Home Forward residents with intensive training and employment services. As part of this grant, Home Forward contributed to the cost of a staff position that is shared between the WIB and Home Forward. This "liaison" provides technical assistance to Home Forward staff as they support clients in navigating the WorkSource system and helps build the partnership between the two organizations.

The Housing Works program ended on April 30, 2016, one month past the fiscal year end for this report. The program offered unified, seamless service delivery to participant where training and employment services were delivered using a coaching approach tailored to the needs of individual participants. Service components included access to coaching; career and resource planning; ongoing access to career pathways; trainings linked to high-growth industries; job preparation; job-attachment services; and employment retention services.

The program served 314 individuals, of whom 145 earned industry-recognized credential; 62 completed internships; 70 obtained employment that were not employed prior to entering the program; 48% of participants remained employed for at least 9 months. All participants had access to support service funds, which provided financial support to participants to

reduce and/or remove identified barriers to successful job training completion, job search and retention. The Housing Works team created and strengthened partnerships with local community colleges, the local WorkSource system, and other local job-training providers in the region. This regional alliance, also involving three other local housing authorities, created new opportunities and will continue to collaborate in meaningful ways that benefit the organizations and our mutual participants.

The final program evaluation by Public Policy Associates, Inc. will be published in May of 2017.

*Aligned Partner Network is Worksystems, Inc. new name for what was previously called Action for Prosperity

- Families Forward: Families Forward is the umbrella name for our initiatives designed to help youth attain education success in order to alleviate or exit poverty, and to help adults make economic progress, with the ultimate goal of exiting poverty for those who are able. This initiative ties to our strategic plan under One System: We leverage our role as the largest provider of affordable housing in Oregon to improve collaboration and efficacy between systems impacting people in poverty.
 - For adults, the current priority is to create a single framework for all of the agency's Economic Opportunity efforts, integrating the following four strategies: collecting information about families through an Employment and Training Interest Inventory; aligning existing self-sufficiency programs into a single program called GOALS, with site-based and non-site based components; facilitating the hiring of low-income (Section 3) residents and participants by Home Forward and contractors; and integrating Housing Works/Aligned Partner Network (mentioned above) into Economic Opportunity work. Ultimately, the goals for this initiative include increases in resident/participant earned income, increases in residents'/participants' contribution to rent, and residents/participants reaching a living wage if they exit housing subsidy.
 - Education Initiatives: Last year Home Forward deepened connections with systems partners focused on early education and chronic absence. After utilizing data sharing agreements with the six school districts in the county to obtain and analyze school attendance data, we learned that Home Forward students are struggling with chronic school absence significantly more than the general population of students in Multnomah County. Home Forward continues to work with a cross sector group of partners (county human services, school districts, DHS, non-profits) to amplify the community-wide attendance campaign and develop universal and site-based strategies for improving attendance.

Focus groups were conducted summer of 2016 across the county to get the insights of parents and caregivers on the challenges they face raising young children to be ready for kindergarten and getting kids to school every day, along with their ideas for what would help (from Home Forward and our partners). This input guides how we

engage our partners in the work and how we adapt as a system to better support parents and their children to thrive. As a result, we are piloting alignment with our community schools system (called Schools Uniting Neighborhoods), with a specific focus on attendance and early childhood (Pre-school – 3rd grade), and the county library system, with a specific focus on early literacy.

- Aging at Home Strategies: Home Forward continues to develop and implement initiatives to increase independence and community at our properties that serve seniors and people with disabilities. Priority strategies include:
 - Focus on maintaining (through RAD conversion), strengthening and expanding the Congregate Housing Service Program in partnership with Impact Northwest, Multnomah County Aging, Disability and Veteran's Services, and Oregon State Department of Human Services.
 - Participating in Housing with Services, a systems alignment approach to improving the health outcomes, reducing health care costs, and to promoting community inclusion and self-determination for seniors and people with disabilities living in subsidized housing, which includes Cedar Sinai Park, Care Oregon, Cascadia and other partners.
 - Partnering with housing and healthcare partners to create cross-sector training modules to establish safe and secure discharge planning and ease transition back into independent housing. This initiative also strengthens communication and collaboration between housing and healthcare agencies.
 - Working with community clinics and coordinated care organizations to conduct on-site outreach and navigation events to ensure seniors are connected to healthcare and maximize available benefits and resources.
 - Partnerships with local nursing programs to bring triage and assessment services to Home Forward properties. Community health nursing students develop and launch health programming tailored to specific population health issues and social determinants of health within them.
- Staff Trainings: To support Home Forward's Strategic Plan to strengthen our relationship with the people we serve, Home Forward developed new trainings for staff. Several trainings were offered during FY2017 that focused on safety in the workplace, managing stress, neurology based trainings on leadership and resiliency, service focused (including de-escalation, trauma-informed approach) and supervisor specific trainings.
- Neighbor-to-Neighbor Grant Program: Home Forward has created a pilot grant program for resident groups from our public or affordable housing communities. Resident groups submit applications for grant funds to improve their community livability, build resident leadership, and reinforce community values. Past resident-led projects have included

exercise classes, afterschool tutoring, social events, community gardens and the creation of a soccer field and youth sports team.

- Security Deposit Assistance: Home Forward uses single-fund flexibility to offer security deposit assistance to two populations in our community: participants leasing up with Veterans Affairs Supportive Housing (VASH) vouchers, and foster youth leasing up with Family Unification Program (FUP) vouchers. For homeless veterans, a lack of funds for security deposits is a serious barrier to successful use of VASH vouchers. Similarly, youth aging out of the foster care system often do not have the resources to pay for security deposits when trying to utilize FUP vouchers. Security deposit assistance is a key support to finding housing for veterans and youth leasing up in units requiring deposits. Home Forward's funds are to be used only when the service agencies working with these populations are not able to otherwise arrange for deposit assistance.

Tenant Education Class and Deposit Assistance: Since May 2016, Home Forward has contracted with the Community Alliance of Tenants (CAT) to teach a tenant education class to voucher holders. Class graduates have access to up to \$200 to help with a security deposit in their housing search. This partnership grew out of concern that in the current, competitive rental market, and with recent changes in Oregon landlord/tenant law, voucher holders needed more education about how to be successful applicants and tenants.

In FY 2017, 254 participants took the class and 360 graduates received the deposit assistance. There are more graduates than participants as there is overlap in participants from FY2016 who received deposit assistance in FY2017.

- Landlord Incentive Fund: Home Forward has implemented a landlord incentive program to attract new landlords to the Housing Choice Voucher (HCV) program and increase the number of units available to voucher holders. In the first year, Home Forward issued 460 payments of \$100 each, 35% of which went to landlords who were new to the HCV program. In FY2017, we focused the fund more specifically to landlords new to the program. Home Forward makes a one-time payment of \$200 to new landlords, defined as those who have not worked in partnership with us for the past two years. This past fiscal year 240 landlords received the fund. This aligns with Oregon State Housing Bill 2639, which prohibits discrimination against renters and recruits new landlords to the Housing Choice Voucher program.
- Inter-jurisdictional Transfer Program for Survivors of Domestic Violence: In collaboration with other MTW-authorized housing authorities and the local domestic violence service system, Home Forward has implemented an inter-jurisdictional transfer program to assist participants who are survivors of domestic violence. The program ensures continued access to stable and safe housing when deemed necessary that the household move to another jurisdiction to avoid violence that is likely to become lethal or near lethal. A local domestic violence service provider has assigned two full-time advocates to work on-site with Home Forward residents. The advocates can recommend residents to this transfer program and

provide advocacy and assistance with relocation to the new jurisdiction. Clients are connected with a local domestic violence agency in the new jurisdiction for support after their transfer. Home Forward allocates up to \$2,000 per household, for up to five households each year. In addition, Home Forward intends to absorb the vouchers of up to five families referred by partnering MTW agencies. To date, no funds have been utilized for this transfer program, but the program remains an option for households needing to transfer due to domestic violence.

- Voucher Success Fund: Home Forward successfully launched two pilot programs in an effort to increase utilization rates and decrease the number of days to lease up for Housing Choice Voucher (HCV) households. The Voucher Success Fund is jointly funded by the City of Portland and Home Forward MTW Initiative Funds.
 - Security and Success Loan: HCV households of 30% AMI or more are offered low-interest loans with affordable re-payment terms in order to assist with moving related costs, such as security deposits. Home Forward has partnered with Local Community Development Financial Institution; Innovative Changes is serve as the lender. The loan is also an opportunity for credit building and financial education.
 - Housing Search Advocates: Home Forward contracts with three Housing Search Advocates to provide housing search and placement assistance to HCV households. The Advocates are employed by two non-profits who specialize in housing, Transition Projects Inc. and Human Solutions. Along with case management supports, the Advocates can also provide a limited amount of financial assistance to help reduce barriers to housing such as security deposits, application fees, and transportation for the housing search.
- Record Relief & Criminal Expungement: Home Forward collaborates with Metropolitan Public Defender (MPD), a non-profit legal firm, to provide legal services to assist Home Forward residents, participants, and waitlist households with criminal record expungements along with consultation on any outstanding obligations to the court system. By reducing a barrier to housing and employment that is associated with a criminal background, Home Forward will help residents gain greater housing choice options in our community and ability for increased opportunity for work focused households to obtain employment. Home Forward also plans to see a decrease in administrative costs related to screening denials as an outcome of this project. Home Forward is using MTW Initiative Funds to support this program.
- Affordable Housing Opportunities: With incredibly low vacancy rates and a lack of affordable housing, Home Forward is dedicated to preserving and increasing the number of housing units in our community. Home Forward used MTW Initiative Funds to leverage additional funding for the preservation of existing affordable housing and development of new affordable housing. By using methods such as site acquisition, predevelopment loans, and gap financing, Home Forward is able to

invest in projects to expand the availability of housing that is affordable to families at different income levels in our community.

- Grant shortfalls: A large share of tenant/resident services are funded from grants and foundations. These funds augment local funds to provide supportive services and self-sufficiency services to residents. In order to optimize available services, any costs not eligible for state and local grants will be funded by single-fund flexibility.
- Emergency fund: In the event of an emergency that affects a public housing family's ability to live safely in their unit, Home Forward has created a fund to help the family temporarily find safe housing in a hotel.
- Landlord portal: Home Forward has completed the requirements for a Landlord e-Center or Housing Provider Portal which will allow landlords and participants to electronically communicate with Home Forward. Home Forward will deploy the first module in early June (FY2018), providing landlords the ability to view their current units as well as financial and rental histories. Our overall objective is to improve processes and reduce the time required to lease an apartment or home to a voucher holder.
- MTW Operating Reserve: The U.S. Department of Housing and Urban Development (HUD) is required to control disbursement of funds to Public Housing Authorities (PHAs) in such a way as to ensure that PHAs do not receive federal funds before funds are needed. Currently, any Home Forward excess subsidy reserves are held by HUD and are distributed upon request to cover eligible MTW expenditures. Should the Federal cash management requirements change, Home Forward will set aside funds each year, as determined by the Board of Commissioners, towards building an Operating Reserve sufficient to fund four months of Operating Expenses plus one month of Housing Assistance Payments.

Local Asset Management Plan

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

	No
Yes	

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

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

Has the PHA provided a LAMP in the appendix?

Yes	
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In the body of the Report, PHAs should provide a narrative updating the progress of implementing and operating the Local Asset Management Plan during the fiscal year.

Home Forward's Local Asset Management Plan has been implemented with two exceptions. Help Desk services are not billed as fees to programs but are allocated based on program FTE. Work by Home Forward Development staff for Public Housing Capital projects are charged directly to the project on a cost reimbursement basis rather than via a cost recovery fee.

Administrative

Reviews, Audits and Physical Inspections

Public Housing – The chart below lists the Public Housing properties that had REAC inspections in FY2017.

Property	Score
Dekum Court	83
Madrona Place	84
The Jeffrey	92

Annual Program/Financial A-133 Audit – Home Forward’s Board of Commissioners accepted and approved the independent audit findings for FY2016 in September 2016. There were no financial statement findings or questioned costs. Auditors identified two compliance findings, which have been remedied.

Agency-Directed Evaluations

As mentioned in the section on Single-Fund Flexibility Activities, Home Forward participated in Housing Works: A Regional Workforce-Housing Alliance, which was awarded a Workforce Innovation Fund grant in 2012 by the US Department of Labor. A full evaluation is a required element of the grant. Home Forward contributed Moving to Work Initiative Funds to the program in the form of staff time, as well as co-funding the cost of the liaison position from 2013-2016.

The partnership behind the program consisted of a consortium of workforce investment boards (WIBs) and public housing authorities across Multnomah, Washington, and Clackamas counties in Oregon, and Clark County in Washington. The lessons learned from various prior regional workforce development efforts have been applied in building the model for this program. The program brought to scale a pilot that Home Forward and Worksystems, Inc. tested several years ago with funds from the Paul G. Allen Family Foundation and expands the geographic span of activities, increasing the number of housing authority residents and industries served, and aligning the formula funding from the lead agencies.

The Housing Works program was designed to provide residents the opportunity to enhance their skills to gain and retain employment in high-demand industries and to increase their employment income. Participants accessed case management and supports across each stage of the program: career and resource planning; skill development and occupational skills training; job preparation and soft skills development; job attachment services; and employment retention services. This multi-faceted program was also crafted to create system

changes in the WIBs and housing authorities by aligning policies and encouraging the co-investment of resources. The approach to workforce development in this model was substantially altered to incorporate a role for housing authorities as case managers and coaches to assist participants in navigating the array of workforce services and supports. The essential components of this model that speak to systems change consist of growing organizational capacity to more fully align resources and policy; co-investment of resources; and unified service delivery that is seamless to participants.

The final program evaluation by Public Policy Associates, Inc. will be published in May of 2017.

Certification of Compliance with Statutory Requirements

Home Forward hereby certifies that it has met the three statutory requirements under the MTW Demonstration Program.

1) Home Forward ensures that at least 75% of families assisted are very low-income families.

As described on page 22 of the FY2017 MTW Report, 97.7% of the families served by Home Forward in FY2017 were below 50% of Area Median Income.

2) Home Forward continues to assist substantially the same total number of eligible low-income families under MTW, as would have been served absent the demonstration.

The factors that influence households served by Home Forward, including proration and rising expenses of HAP payments due to a competitive rental market, would exist regardless of Home Forward's status in the MTW demonstration.

3) Home Forward has maintained a comparable mix of families (by family size) as would have been served absent the demonstration.

As described on page 24 of the FY2017 MTW Report, Home Forward continues to serve a comparable mix of families by family size, as would have been served absent the demonstration. The factors that influence families served by family size, such as changes in population demographics, would exist regardless of Home Forward's status in the MTW demonstration.

Appendix

Local Asset Management Plan

Home Forward Asset Management Program

The First Amendment to the Amended and Restated Moving to Work (MTW) Agreement allows Home Forward to develop a local asset management program for its Public Housing Program. The following describes Home Forward's asset management program and identifies where differences exist from HUD's asset management guidance.

Home Forward's Local Asset Management Program

Home Forward has operated a property/project-based management, budgeting, accounting, and reporting system for the past five years. Our project-based management systems include:

- Annual budgets are developed by on-site property managers. These budgets are reviewed and further consolidated into portfolio level budgets managed by housing program managers
- Budgets at the property level are provided an allocation of public housing operating subsidy based on factors which differentiate subsidy based on building age, type, size, and relative poverty of the population of the various public housing properties.
- Weekly monitoring of occupancy by property, including notices, vacancies, and applicants, is published to the Public Housing management and Executive management.
- Monthly property-based financial reports comparing month-to date and year-to-date actual to budget performance for the current year are provided to site managers, portfolio managers, and the Director of Property Management. These reports are available to other management staff as needed to monitor specific properties.
 - Monthly reviews are held at the property level with Site Managers and their portfolio management.
 - Quarterly reviews of the Public Housing portfolio in its entirety are held at the division level with Property Management Director and Assistant Directors, as well as the Deputy Director and Chief Financial Officer. This review covers each property Net Operating Income and Cash Flow.
- Home Forward applies the same project/program based budgeting system and financial performance review to its Housing Choice Voucher program, local MTW programs, and non-federal programs and properties.

Home Forward's Cost Objectives

OMB Circular A-87 defines cost objective as follows: Cost objective means a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred. The Cost Objectives for Home Forward's asset management program are the organizational subdivisions:

- Public Housing properties - includes resident services and management staff directly supporting this program
- Rent Assistance programs - includes management staff directly supporting this program and Family Self Sufficiency staff (including those supporting Public Housing residents)
- Moving to Work - includes activities related to our MTW agreement and local programs
- Integrated Facilities Services – includes maintenance staff for specialized maintenance services including those supporting maintenance for Public Housing units
- Resident Services – Family Self Sufficiency staff including those supporting Public Housing residents
- Affordable Housing
- Development

Home Forward's Treatment of Certain Costs

Under OMB Circular A-87, there is no universal rule for classifying certain costs as either direct or indirect under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the Federal award or other final cost objective. Therefore, it is essential that each item of cost be treated consistently in like circumstances, either as a direct or an indirect cost. Consistent with OMB Circular A-87 cost principles, Home Forward has identified all of its direct costs and segregated all its costs into pools, as either a direct, direct allocated, or indirect allocated. We have further divided the indirect allocated pool to assign costs based on a relevant metric, as described in Attachment 1.

- Integrated Facilities Services: Integrated Facilities Services is the operating group for Home Forward's specialized maintenance services. IFS Maintenance performs services covering plumbing and electrical repairs, painting and pest control, as well as garbage and recycling. Although these maintenance functions are performed centrally, the decisions and control remains at the property level as it is the property manager and/or housing program manager who determines the level of service required from the CORE maintenance group. All services are provided on a fee for service basis.

- **Procurement:** Home Forward has adopted procurement policies that balance the need for expedient and on-site response through delegated authorization to site staff for purchases under \$5,000. Purchases greater than this limit require engaging central procurement. The Procurement staff is well trained in the special requirements of procuring goods and services for a federal program and provides necessary contract reporting requirements as well. Central procurement services are part of Home Forward's indirect overhead allocation.
- **Human Resources:** Along with the public housing program and its Section 8 voucher program, Home Forward has non-federal affordable properties, a development group, and locally funded rent assistance programs. Home Forward's Human Resources department serves the entire agency and certain human resource activities that HUD would consider a direct cost, such as recruitment and pre-employment drug testing and screening, are centralized and are part of Home Forward's indirect overhead allocation. Home Forward has determined that the cost of keeping extremely detailed records of HR activity for direct cost assignment exceeds the value received from such effort.
- **Information Technology:** Hardware and software costs will be directly charged to the appropriate cost objective when such costs are available and specific to that cost objective. When a reasonable measurement of such IT costs can be obtained, an allocation based on the number of users (computers, software applications, etc.) will be utilized to directly charge the cost objective.
- **Resident Services:** A large share of tenant/resident services are funded from grants and foundations and these funds augment local funds to provide supportive services and self-sufficiency services to residents. In order to optimize available services, any costs not eligible for state and local grants will be funded by Home Forward's public housing properties and housing choice voucher program.
- **Rent:** Home Forward charges rent to each cost objective based on the space they occupy in our central office building. Rent is based on estimated costs and adjusted for actual costs at year-end.

Home Forward's Treatment of Public Housing Operating Subsidy

Home Forward's flexibility to use MTW funding resources to support its low-income housing programs is central to our Asset Management Program. Home Forward will exercise our contractual authority to move our MTW funds and project cash flow among projects and programs as the Authority deems necessary to further our mission and preserve our low income housing assets and local programs.

Home Forward's Indirect Cost Allocations

Costs that can specifically and efficiently be identified to a cost objective are counted as direct costs to that objective. Costs that cannot be readily or efficiently identified as specifically benefiting a cost objective will be considered indirect and allocated. The *Home Forward Allocation Process – Process Flow Diagram* shown at the end of this policy is a graphic representation of Home Forward's allocation methodology. Home Forward has determined that some costs, defined as "direct costs" by HUD for asset management, require effort

disproportionate to the results achieved and have included those costs as part of the indirect cost pool allocated to cost objectives as overhead.

Home Forward Indirect Costs

OMB Circular A-87 defines indirect costs as those (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. Home Forward's indirect costs include, but are not limited to:

- Executive
- Policy & Planning
- Accounting & Finance
- Purchasing
- Human Resources, including job applicant screening, payroll, labor negotiations & organization wide training
- Information Technology: costs not specifically identified and charged as a direct expense to a cost objective

Differences – HUD Asset Management vs. Home Forward Local Asset Management Program

Home Forward is required to describe in the MTW Annual Plan differences between our asset management program and HUD's asset management program as described in HUD's Financial Management Guidebook. Below are several key differences:

- HUD's asset management system and fee for service is limited in focusing only on a fee for service at the Public Housing (PH) property level and voucher program. Home Forward has implemented an indirect allocation methodology that is much more comprehensive than HUD's asset management system which includes all of Home Forward's cost objectives listed above.
- Home Forward has defined the treatment of direct and indirect costs differently than HUD's asset management program. From the agency perspective, we view the program operations management as direct costs of the program.
- These differences include, but are not limited to:
 - HUD Indirect/Home Forward Direct:
 - Portfolio and program ("regional") management, including hiring, supervision and termination of frontline staff is considered a direct cost. These costs are pooled and then allocated to each property based on units, vouchers, or other relevant metrics. Work with auditors and audit preparation by HCV and PH staff is considered a direct expense. Executive management is considered an indirect cost.

- Storage of HCV and PH records and adherence to federal and/or state records retention requirements will be considered a direct cost of the program.
- Development and oversight of office furniture, equipment and vehicle replacement plans will be considered a direct cost of the program.
- Advertising (notification) costs specific to HCV, including applicants and landlords, will be considered a direct expense.
- HUD Direct/Home Forward Indirect:
 - Advertising for new hires will be considered indirect and allocated to the program and properties.
 - Staff recruiting and background checks, etc. will be considered indirect and allocated to the program and properties.
- Other:
 - Using MTW authority to improve efficiencies across programs, all staff associated with the Family Self Sufficiency program, regardless of serving public housing or housing choice voucher residents, will be considered a direct cost of the housing choice voucher program.
 - Preparation and submission of HCV and public housing program budgets, financial reports, etc. to HUD and others will be either direct or indirect, depending on the department from which the reports are prepared. If prepared by program staff, costs will be considered direct. If prepared by administrative department staff, costs will be considered indirect and allocated to the program and properties.
 - Investment and reporting on HCV proceeds will be either direct or indirect, depending on the department from which the reports are prepared. If prepared by program staff, costs will be considered direct. If prepared by administrative department staff, costs will be considered indirect and allocated to the program and properties.
- HUD's rules limit the transfer of cash flow between projects, programs, and business activities. Home Forward intends to fully use its MTW resources and flexibility to move project cash flow among projects as locally determined and use MTW funding flexibility to provide additional funding to public housing properties when appropriate and necessary to provide for and preserve our public housing assets.
- HUD's rules provide that maintenance staff be maintained at the property level. Home Forward's asset management program reflects a cost-effective balance of on-site and central maintenance services for repairs, unit turnover, landscaping, and asset preservation work.

- HUD's rules provide that purchasing is performed at the property level. Home Forward's asset management program reflects a cost-effective balance of on-site and central purchasing, depending on the total cost of procurement and complexity of applicable procurement laws and reporting requirements.
- HUD intends certain property management activities to be at the property level. Home Forward has centralized selected property management functions, including but not limited to denial hearings, occupancy management, transfers, reasonable accommodations, auditing, training, compliance, and some waitlist management, and will allocate these costs as a direct expense to the properties based on a relevant metric such as units.
- Home Forward employs its own development staff. Any work on Public Housing Capital projects will be subject to a cost recovery fee paid from the capital fund to cover costs of development staff engaged in such capital projects.

Balance sheet accounts

Most balance sheet accounts will be reported in compliance with HUD's Asset Management Requirements and some will deviate from HUD's requirements, as discussed below:

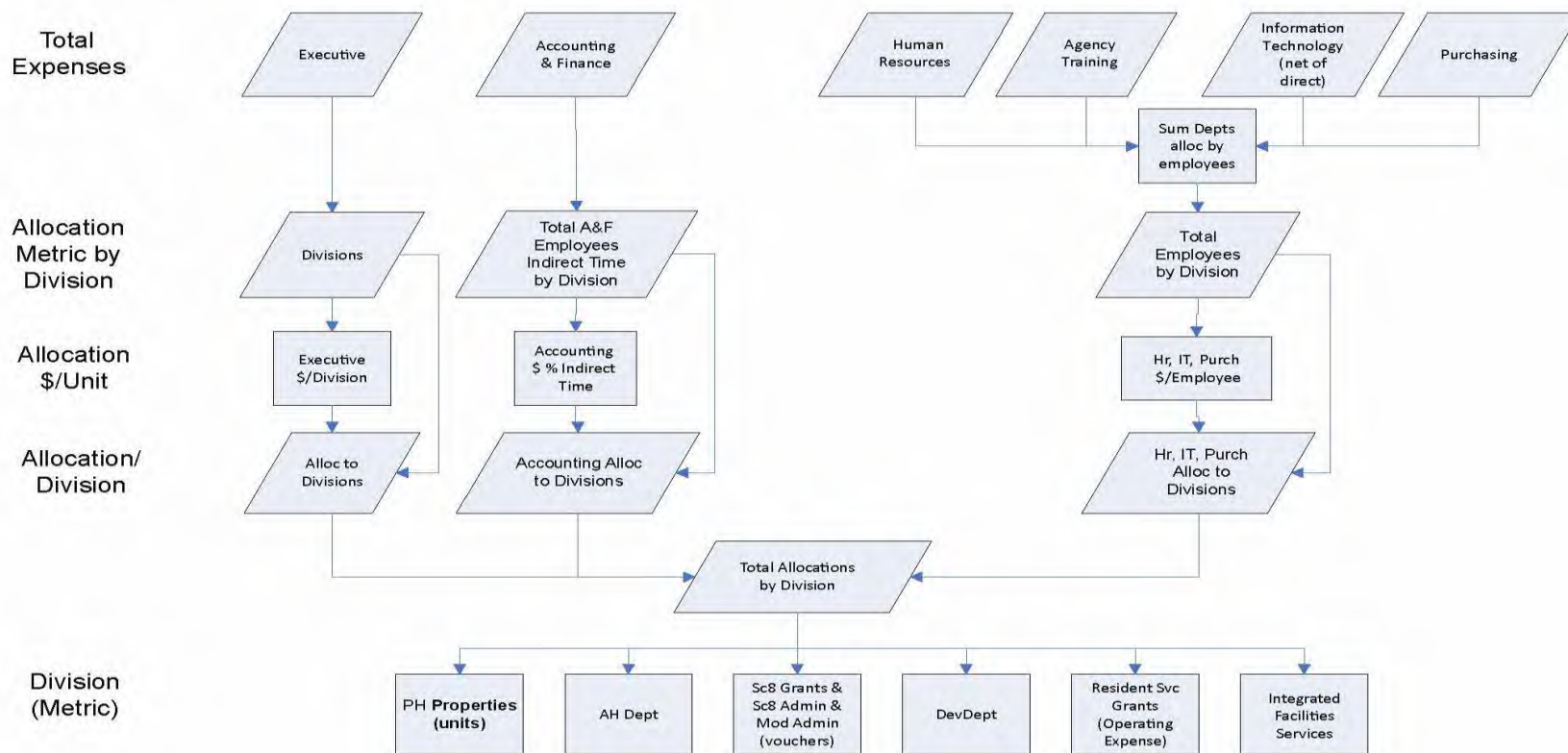
- Cash
- Restricted Cash
- Petty Cash
- Investments
- Selected Prepaid Expenses and Deferred Charges
- Selected Accrued Liabilities
- Payroll Liabilities
- Compensated Absences
- Other Post Employment Benefits (OPEB) Liability
- Pension Liability (GASB 68)
- Deferred Inflows of Resources – Pension (GASB 68)
- Deferred Outflows of Resources – Pension (GASB 68)
- Unrestricted and Restricted Net Assets

Home Forward's asset management program will maintain the above balance sheet accounts centrally. Maintaining these accounts centrally has proven to be the most cost effective and least labor intensive method ensuring efficient accounting operations and ultimately reducing costs charged to the programs. This deviates from HUD's asset management requirements as these accounts will not be reported at the AMP or program. Additionally, the centralization of cash and investments is in keeping with the single fund precept of our MTW authority. For those balance sheet accounts that are originated from expense entries, the related expenses will continue to be reported as an expense to the appropriate program, department and AMP-based income and expense statement through direct charges or allocations.

The agency is continually reviewing our asset management practices and will likely revise our approach over the coming years.

Home Forward Allocation Process

Process Flow Diagram



Amendment 1 to FY2017 MTW Plan

RAD AMENDMENT

In May 2015 Home Forward submitted six Rental Assistance Demonstration (RAD) applications for six properties¹, with a total of 285 public housing units. We received six initial Commitments to enter into a Housing Assistance Payment (CHAPs) in September 2015, with amended CHAPS issued in March 2016. As a result, Home Forward will be converting these public housing units to project-based vouchers.

Home Forward is amending its FY2017 MTW Plan because it was a successful applicant in RAD. As a result, Home Forward will be converting to project-based vouchers under the guidelines of PIH Notice 2012-32, REV-1 and any successor Notices. Upon conversion to project-based vouchers, Home Forward will adopt the resident rights, participation, waiting list and grievance procedures listed in Section 1.6 of PIH Notice 2012-32, REV-3²; and Joint Housing PIH Notice H-2014-09/PHI-2014-17. These resident rights, participation, waiting list and grievance procedures are appended to this attachment. Additionally, Home Forward certifies that it is currently compliant with all fair housing and civil rights requirements.

RAD was designed by HUD to assist in addressing the capital needs of public housing by providing Housing Authorities access to private sources of capital to repair and preserve its affordable housing assets. Please be aware that upon conversion, Home Forward's Capital Fund Budget will be reduced by the pro rata share of Public Housing Developments converted as part of the Demonstration, and that Home Forward may also borrow funds to address their capital needs. Project-based voucher subsidy is sized to replace the reduction in Capital Funds and operating subsidy lost from the RAD conversions. Home Forward currently has debt under the Capital Fund Financing Program and will be working with Wells Fargo to address outstanding debt issues, which may result in additional reductions of capital funds. Regardless of any funding changes that may occur as a result of conversion under RAD, Home Forward certifies that it will maintain its continued service level.

Below please find specific information related to the public housing developments selected for RAD.

¹ The Jeffrey, Rockwood Station, Martha Washington, Bud Clark Commons, Madrona Place, and Fairview Oaks and Woods

² Updated with PIH Notice 2012-32, REV-3 published by HUD on January 12, 2017.

Public Housing Developments selected for RAD

Development #1

Development Name	Rockwood Station										
PIC Development ID #	OR002000060										
Conversion Type	Project-based vouchers										
Total Current Units	25	Total Post-RAD Units	25								
Pre-RAD Unit Type	Family	Post-RAD Unit Type	Family								
Capital Fund Allocation	\$20,000.00										
Pre-Conversion Bedroom Type	25 Two-bedroom units	Post-Conversion Bedroom Type	15 Two-bedroom units 6 Three-bedroom units 4 Four bedroom units								
Transfer of Assistance	<p>Units to be transferred to Sequoia Square and Schiller Way subject to HUD approval, otherwise units will be converted in place with post-conversion bedroom type remaining as 25 two-bedroom units.</p> <p>No change in unit count (25) or the type of units (family). The bedroom distribution of units in the new buildings is as follows if transfer of assistance is approved:</p> <table><tr><td><u>Sequoia Square</u></td><td><u>Schiller Way</u></td></tr><tr><td>9 Two-bedroom units</td><td>6 Two-bedroom units</td></tr><tr><td>2 Three-bedroom units</td><td>4 Three-bedroom units</td></tr><tr><td>2 Four-bedroom units</td><td>2 Four-bedroom units</td></tr></table>			<u>Sequoia Square</u>	<u>Schiller Way</u>	9 Two-bedroom units	6 Two-bedroom units	2 Three-bedroom units	4 Three-bedroom units	2 Four-bedroom units	2 Four-bedroom units
<u>Sequoia Square</u>	<u>Schiller Way</u>										
9 Two-bedroom units	6 Two-bedroom units										
2 Three-bedroom units	4 Three-bedroom units										
2 Four-bedroom units	2 Four-bedroom units										
De Minimis Reduction	None										
Transfer of Waiting List	Upon conversion to RAD, applicants on Home Forward's public housing site-based waiting list for Rockwood Station will be moved onto a Home Forward project based voucher site-based waiting list for Rockwood Station. The applicants will retain their original date and time of application, and will be subject to the preferences available under the PBV site-based waiting list for Rockwood Station.										
Other Information	CHAP awarded										

Development #2

Development Name The Jeffrey
PIC Development ID # OR002000061
Conversion Type Project-based vouchers
Total Current Units 20
Pre-RAD Unit Type Family
Capital Fund Allocation \$20,000.00
Pre-Conversion Bedroom Type 20 Studio units

Total Post-RAD Units 20
Post-RAD Unit Type Family
Post-Conversion Bedroom Type 20 Studio Units

Transfer of Assistance None
De Minimis Reduction None
Unit Reconfiguration None

Transfer of Waiting List Upon conversion to RAD, applicants on Home Forward's public housing site-based waiting list for The Jeffrey will be moved onto a Home Forward project based voucher site-based waiting list for The Jeffrey. The applicants will retain their original date and time of application, and will be subject to the preferences available under the PBV site-based waiting list for The Jeffrey.

Other Information CHAP awarded

Development #3

Development Name Martha Washington
PIC Development ID # OR002000062
Conversion Type Project-based vouchers
Total Current Units 25
Pre-RAD Unit Type Family
Capital Fund Allocation \$20,000.00
Pre-Conversion Bedroom Type 25 Studio units

Total Post-RAD Units 25
Post-RAD Unit Type Family
Post-Conversion Bedroom Type 25 Studio units

Transfer of Assistance None
De Minimis Reduction None
Unit Reconfiguration None

Transfer of Waiting List	Upon conversion to RAD, applicants on Home Forward's public housing site-based waiting list for the Martha Washington will be moved onto a Home Forward project based voucher site-based waiting list for the Martha Washington. The applicants will retain their original date and time of application, and will be subject to the preferences available under the PBV site-based waiting list for the Martha Washington.
Other Information	CHAP awarded

Development #4

Development Name	Bud Clark Commons		
PIC Development ID #	OR002000063		
Conversion Type	Project-based vouchers		
Total Current Units	130	Total Post-RAD Units	130
Pre-RAD Unit Type	Formerly homeless	Post-RAD Unit Type	Formerly homeless
Capital Fund Allocation	\$20,000.00		
Pre-Conversion Bedroom Type	130 Studio units	Post-Conversion Bedroom Type	130 Studio units
Transfer of Assistance	None		
De Minimis Reduction	None		
Unit Reconfiguration	None		
Transfer of Waiting List	Upon conversion to RAD, applicants on Home Forward's public housing site-based waiting list for the Bud Clark Commons will be moved onto a Home Forward project based voucher site-based waiting list for the Bud Clark Commons. The applicants will retain their original date and time of application, and will be subject to the preferences available under the PBV site-based waiting list for the Bud Clark Commons.		
Other Information	CHAP awarded		

Development #5

Development Name	Madrona Place Apartments		
PIC Development ID #	OR002000064		
Conversion Type	Project-based vouchers		
Total Current Units	45	Total Post-RAD Units	45
Pre-RAD Unit Type	Family	Post-RAD Unit Type	Family
Capital Fund Allocation	\$20,000.00		

Pre-Conversion Bedroom Type	3 One-bedroom units 19 Two-bedroom units 23 Three-bedroom units	Post-Conversion Bedroom Type	3 One-bedroom units 19 Two-bedroom units 23 Three-bedroom units
Transfer of Assistance	None		
De Minimis Reduction	None		
Unit Reconfiguration	None		
Transfer of Waiting List	Upon conversion to RAD, applicants on Home Forward's public housing site-based waiting list for Madrona Place will be moved onto a Home Forward project based voucher site-based waiting list for Madrona Place. The applicants will retain their original date and time of application, and will be subject to the preferences available under the PBV site-based waiting list for Madrona Place.		
Other Information	CHAP awarded		

Development #6

Development Name Fairview Oaks & Woods
PIC Development ID # OR002000320
Conversion Type Project-based vouchers
Total Current Units 40
Pre-RAD Unit Type Family
Capital Fund Allocation \$20,000.00

Total Post-RAD Units 40
Post-RAD Unit Type Family

Pre-Conversion Bedroom Type	15 One-bedroom units 15 Two-bedroom units 10 Three-bedroom units	Post-Conversion Bedroom Type	15 One-bedroom units 15 Two-bedroom units 10 Three-bedroom units
Transfer of Assistance	None		
De Minimis Reduction	None		
Unit Reconfiguration	None		
Transfer of Waiting List	Upon conversion to RAD, applicants on Home Forward's public housing site-based waiting list for Fairview Oaks & Woods will be moved onto a Home Forward project based voucher site-based waiting list for Fairview Oaks & Woods. The applicants will retain their original date and time of application, and will be subject to the preferences available under the PBV site-based waiting list for Fairview Oaks & Woods.		
Other Information	CHAP awarded		

Changes in policies that govern eligibility, admission, selection, and occupancy of units at the project after conversion, including any waiting list preferences that will be adopted for the converted project:

Home Forward presented to the Board of Commissioners requested changes to the Section 8 Administrative Plan to accommodate the RAD transition. This request was approved by the Board of Commissioners on April 19, 2016. The changes include adopting guidelines for choice mobility. At the time of this writing, Home Forward is continuing to review RAD requirements and may submit additional changes to the Section 8 Administrative Plan and the Admissions and Continued Occupancy Policy (ACOP) for public housing. All policy changes adhere to RAD requirements listed below under Appendix A , that informs resident rights, participation, waiting list and grievance procedures.

Compliance agreements: Home Forward is currently compliant with all fair housing and civil rights requirements and is not under a Voluntary Compliance Agreement.

Site selection: This conversion complies with all applicable site selection and neighborhood reviews standards. All appropriate procedures have been followed.

Substantial Deviation Definition: As part of the Rental Assistance Demonstration (RAD), Home Forward is redefining the definition of a substantial deviation from the PHA Plan to exclude the following RAD specific items:

1. The decision to convert to either Project Based Rental Assistance or Project Based Voucher Assistance;
2. Changes to the Capital Fund Budget produced as a result of each approved RAD conversion, regardless of whether the proposed conversion will include use of additional Capital Funds;
3. Changes to the construction and rehabilitation plan for each approved RAD conversion; and
4. Changes to the financing structure for each approved RAD conversion.

Information regarding use of MTW Fungibility as defined in PIH Notice 2012-32, REV-2:

Impact on Capital Fund:

1. **Estimate the amount of the current Capital Fund grant that is associated with the proposed projects and the impact on the PHA's current Five-Year PHA Plan and Five-Year Capital Action Plan:** The current impact associated with the six CHAPS in this application is \$160,000. \$20,000 has been set aside for each CHAP and another \$40,000 set aside for Sequoia Square and

Schiller Way, the two properties that will receive units for transfer of assistance (upon approval from HUD) from Rockwood Station and Fairview Oaks & Woods.

2. **If the RAD conversion will impact an existing CFFP or EPC, or if it proposes to utilize RHF funds to facilitate conversion, the PHA should also indicate the estimated impact of those activities:** Home Forward has submitted 31 additional RAD applications that total 1,008 public housing units. These additional applications are on the RAD waitlist and if approved, will impact our formula Capital Fund Grant allocation by approximately 56% of our current public housing unit count. We will not utilize RHF funds to facilitate conversion.

Special Provisions Affecting MTW Agencies: MTW agencies will be able to apply activities impacting the PBV program that are approved in its MTW Plan to those properties as long as they do not conflict with RAD requirements. RAD requirements include statutory requirements or specifically identified special provisions affecting conversions to PBVs, or other conditions and requirements, as detailed in PIH Notice 2012-32 REV-1, including, but not limited to, RAD contract forms or Riders. With respect to any existing PBV regulations that are waived or modified below in Appendix A, except where explicitly noted below in Appendix A, MTW agencies may modify these or other requirements to the PBV program if the activity is approved in its MTW Plan. All other RAD Requirements listed below in Appendix A or elsewhere in PIH Notice 2012-32 REV-1 shall apply to MTW agencies.

PUBLIC COMMENT PROCESS

Initial resident meetings were held in May 2015 introducing the RAD (Rental Assistance Demonstration) project.

May 6-8 & 11-15, 2015	Resident Meetings at Rockwood Station, Madrona Place, the Martha Washington, Bud Clark Commons, Fairview Oaks, and the Jeffrey.
April 13, 2016	Draft Amendment posted on Home Forward's website for 30 days of public comment and input.
April 17 & 24, 2016	Public Notice published in the Oregonian announcing the public hearing to be held May 17, 2016.
May 17, 2016 meeting.	Public hearing on the draft FY2017 MTW Plan Amendment I held at May Board of Commissioners meeting.
June 8-22, 2016	Additional Resident Meetings at Bud Clark Commons, Madrona Place, the Martha Washington, Fairview Oaks, and the Jeffrey with the Rockwood to be scheduled upon notification if transfer of assistance is approved.
June 21, 2016	Board of Commissioners approval to submit the FY2016 MTW Plan Amendment I to HUD.

PUBLIC COMMENTS

No public comments were received at the public hearing, or through letter or email as advertised via public notice.

RESIDENT RIGHTS, PARTICIPATION, WAITING LIST AND GRIEVANCE PROCEDURES

Section 1.6.C and 1.6.D – Special Provisions Affecting Conversions to Project-Based Vouchers from PIH Notice 2012-32, REV-3

C. PBV Resident Rights and Participation.

1. **No Rescreening of Tenants upon Conversion.** Pursuant to the RAD Statute, at conversion, current households cannot be excluded from occupancy at the Covered Project based on any rescreening, income eligibility, or income targeting. With respect to occupancy in the Covered Project, current households in the Converting Project will be grandfathered for application of any eligibility criteria to conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion.¹ Post-conversion, the tenure of all residents of the Covered Project is protected pursuant to PBV requirements regarding continued occupancy unless explicitly modified in this Notice (e.g., rent phase-in provisions). For example, a unit with a household that was over-income at time of conversion would continue to be treated as an assisted unit. Thus, 24 CFR § 982.201, concerning eligibility and targeting of tenants for initial occupancy, will not apply for current households. Once the grandfathered household moves out, the unit must be leased to an eligible family. MTW agencies may not alter this requirement. Further, so as to facilitate the right to return to the assisted property, this provision shall apply to current public housing residents of the Converting Project that will reside in non-RAD PBV units or non-RAD PBRA units placed in a project that contain RAD PBV units or RAD PBRA units. Such families and such contract units will otherwise be subject to all requirements of the applicable program, specifically 24 CFR § 983 for non-RAD PBV units and the PBRA requirements governing the applicable contract for non-RAD PBRA units.²
2. **Right to Return.** See section 1.4.A.5(ii) and the RAD Fair Housing, Civil Rights, and Relocation Notice regarding a resident's right to return.
3. **Renewal of Lease.** Since publication of the PIH Notice 2012-32 Rev 1, the regulations under 24 CFR part 983 have been amended requiring Project Owners to renew all leases upon lease expiration, unless cause exists. MTW agencies may not alter this requirement.
4. **Phase-in of Tenant Rent Increases.** If a tenant's monthly rent increases by more than the greater of 10 percent or \$25 purely as a result of conversion, the rent increase will be phased in over 3 or 5 years. To implement this provision, HUD is specifying alternative requirements for section 3(a)(1) of the Act, as well as 24 CFR § 983.3 (definition of "total tenant payment" (TTP)) to the extent

¹ These protections (as well as all protections in this Notice for current households) also apply when a household is relocated to facilitate new construction or repairs following conversion and subsequently returns to the Covered Project.

² For non-RAD PBV households, applicable program requirements includes the requirement that any admission to the project must be initially eligible for a HAP payment at admission to the program, which means their TTP may not exceed the gross rent for the unit at that time.

necessary to allow for the phase-in of tenant rent increases. A PHA must create a policy setting the length of the phase-in period at three years, five years or a combination depending on circumstances. For example, a PHA may create a policy that uses a three year phase-in for smaller increases in rent and a five year phase-in for larger increases in rent. This policy must be in place at conversion and may not be modified after conversion.

The method described below explains the set percentage-based phase-in a Project Owner must follow according to the phase-in period established. For purposes of this section “Calculated PBV TTP” refers to the TTP calculated in accordance with regulations at 24 CFR §5.628 and the “most recently paid TTP” refers to the TTP recorded on line 9j of the family’s most recent HUD Form 50058. If a family in a project converting from Public Housing to PBV was paying a flat rent immediately prior to conversion, the PHA should use the flat rent amount to calculate the phase-in amount for Year 1, as illustrated below.

Three Year Phase-in:

- Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion – 33% of difference between most recently paid TTP or flat rent and the Calculated PBV TTP
- Year 2: Year 2 Annual Recertification (AR) and any Interim Recertification (IR) prior to Year 3 AR – 50% of difference between most recently paid TTP and the Calculated PBV TTP
- Year 3: Year 3 AR and all subsequent recertifications – Full Calculated PBV TTP ¹

Five Year Phase in:

- Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion – 20% of difference between most recently paid TTP or flat rent and the Calculated PBV TTP
- Year 2: Year 2 AR and any IR prior to Year 3 AR – 25% of difference between most recently paid TTP and the Calculated PBV TTP
- Year 3: Year 3 AR and any IR prior to Year 4 AR – 33% of difference between most recently paid TTP and the Calculated PBV TTP
- Year 4: Year 4 AR and any IR prior to Year 5 AR – 50% of difference between most recently paid TTP and the Calculated PBV TTP

¹ For example, where a resident’s most recently paid TTP is \$100, but the Calculated PBV TTP is \$200 and remains \$200 for the period of the resident’s occupancy, (i.e. no changes in income) the resident would continue to pay the same rent and utilities for which it was responsible prior to conversion. At the first recertification following conversion, the resident’s contribution would increase by 33% of \$100 to \$133. At the second AR, the resident’s contribution would increase by 50% of the \$66 differential to the standard TTP, increasing to \$166. At the third AR, the resident’s contribution would increase to \$200 and the resident would continue to pay the Calculated PBV TTP for the duration of their tenancy.

- Year 5 AR and all subsequent recertifications – Full Calculated PBV TTP

Please Note: In either the three year phase-in or the five-year phase-in, once the Calculated PBV TTP is equal to or less than the previous TTP, the phase-in ends and tenants will pay full TTP from that point forward. MTW agencies must also implement a three or five-year phase-in for impacted residents, but may alter the terms above as long as it establishes a written policy setting forth the alternative terms.

- 5. Family Self Sufficiency (FSS) and Resident Opportunities and Self Sufficiency Service Coordinator (ROSS-SC) programs.** Public Housing residents that are currently FSS participants will continue to be eligible for FSS once their housing is converted under RAD. The PHA may continue to use any FSS funds already awarded to serve those FSS participants who live in units converted by RAD. At the completion of the FSS grant, PHAs should follow the normal closeout procedures outlined in the grant agreement. If the PHA continues to run an FSS program that serves PH and/or HCV participants, the PHA will continue to be eligible (subject to NOFA requirements) to apply for FSS funding and may use that funding to serve PH, HCV and/or PBRA participants in its FSS program. Due to the program merger between PH FSS and HCV FSS that took place pursuant to the FY14 Appropriations Act (and was continued in the subsequent Appropriation Acts), no special provisions are required to continue serving FSS participants that live in public housing units converting to PBV under RAD.

However, PHAs should note that there are certain FSS requirements (e.g., escrow calculation and escrow forfeitures) that apply differently depending on whether the FSS participant is a participant under the HCV program or a public housing resident, and PHAs must follow such requirements accordingly. All PHAs will be required to administer the FSS program in accordance with FSS regulations at 24 CFR part 984, the participants' contracts of participation, and the alternative requirements established in the "Waivers and Alternative Requirements for the FSS Program" Federal Register notice, published on December 29, 2014, at 79 FR 78100.¹ Further, upon conversion to PBV, already escrowed funds for FSS participants shall be transferred into the HCV escrow account and be considered TBRA funds, thus reverting to the HAP account if forfeited by the FSS participant.

For information on FSS PIC reporting requirements for RAD conversions, see Notice PIH 2016-08 at <http://portal.hud.gov/hudportal/documents/huddoc?id=pih2016-08.pdf>.

¹ The funding streams for the PH FSS Program and the HCV FSS Program were first merged pursuant to the FY 2014 appropriations act. As a result, PHAs can serve both PH residents and HCV participants, including PBV participants, with FSS funding awarded under the FY 2014 FSS Notice of Funding Availability (FSS NOFA) and any other NOFA under which the combination of funds remains in the applicable appropriations act. For PHAs that had managed both programs separately and now have a merged program, a conversion to PBV should not impact their FSS participants.

Current ROSS-SC grantees will be able to finish out their current ROSS-SC grants once their housing is converted under RAD. However, once the property is converted, it will no longer be eligible to be counted towards the unit count for future ROSS-SC grants, nor will its residents be eligible to be served by future ROSS-SC grants, which, by statute, can only serve public housing residents. At the completion of the ROSS-SC grant, PHAs should follow the normal closeout procedures outlined in the grant agreement. Please note that ROSS-SC grantees may be a non-profit or local Resident Association and this consequence of a RAD conversion may impact those entities.

- 6. Resident Participation and Funding.** In accordance with Attachment 1B, residents of Covered Projects with assistance converted to PBV will have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment and be eligible for resident participation funding.
- 7. Resident Procedural Rights.** The following items must be incorporated into both the Section 8 Administrative Plan and the Project Owner's lease, which includes the required tenancy addendum, as appropriate. Evidence of such incorporation may be requested by HUD for purposes of monitoring the program.
 - i. Termination Notification.** HUD is incorporating additional termination notification requirements to comply with section 6 of the Act for public housing projects that convert assistance under RAD. In addition to the regulations at 24 CFR § 983.257 related to Project Owner termination of tenancy and eviction (which MTW agencies may not alter) the termination procedure for RAD conversions to PBV will require that PHAs provide adequate written notice of termination of the lease which shall be :
 - a. A reasonable period of time, but not to exceed 30 days:
 - i. If the health or safety of other tenants, Project Owner employees, or persons residing in the immediate vicinity of the premises is threatened; or
 - ii. In the event of any drug-related or violent criminal activity or any felony conviction;
 - b. Not less than 14 days in the case of nonpayment of rent; and
 - c. Not less than 30 days in any other case, except that if a State or local law provides for a shorter period of time, such shorter period shall apply.
 - ii. Grievance Process.** Pursuant to requirements in the RAD Statute, HUD is establishing additional resident procedural rights to comply with section 6 of the Act.

For issues related to tenancy and termination of assistance, PBV program rules require the Project Owner to provide an opportunity for an informal hearing, as outlined in 24 CFR § 982.555. RAD will specify alternative requirements for 24 CFR § 982.555(b) in part, which outlines when informal hearings are not required, to require that:

- a. In addition to reasons that require an opportunity for an informal hearing given in 24 CFR § 982.555(a)(1)(i)-(vi),¹ an opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to a Project Owner action in accordance with the individual's lease **or** the contract administrator in accordance with RAD PBV requirements that adversely affect the resident's rights, obligations, welfare, or status.
 - i. For any hearing required under 24 CFR § 982.555(a)(1)(i)-(vi), the contract administrator will perform the hearing, as is the current standard in the program. The hearing officer must be selected in accordance with 24 CFR § 982.555(e)(4)(i).
 - ii. For any additional hearings required under RAD, the Project Owner will perform the hearing.
- b. There is no right to an informal hearing for class grievances or to disputes between residents not involving the Project Owner or contract administrator.
- c. The Project Owner gives residents notice of their ability to request an informal hearing as outlined in 24 CFR § 982.555(c)(1) for informal hearings that will address circumstances that fall outside of the scope of 24 CFR § 982.555(a)(1)(i)-(vi).
- d. The Project Owner provides opportunity for an informal hearing before an eviction.

Current PBV program rules require that hearing procedures must be outlined in the PHA's Section 8 Administrative Plan.

- 8. Earned Income Disregard (EID).** Tenants who are employed and are currently receiving the EID exclusion at the time of conversion will continue to receive the EID after conversion, in accordance with regulations at 24 CFR § 5.617. Upon the expiration of the EID for such families, the rent adjustment shall not be subject to rent phase-in, as described in Section 1.6.C.4; instead, the rent will automatically rise to the appropriate rent level based upon tenant income at that time.

Under the Housing Choice Voucher program, the EID exclusion is limited only to persons with disabilities (24 CFR § 5.617(b)). In order to allow all tenants (including non-disabled persons) who are employed and currently receiving the EID at the time of conversion to continue to benefit from this exclusion in the PBV project, the provision in 24 CFR § 5.617(b) limiting EID to disabled persons is waived. The waiver, and resulting alternative requirement, apply only to tenants receiving the EID at the time of conversion. No other tenant (e.g., tenants that move into the property following conversion or tenants who at one time received the EID but are not receiving the EID exclusion at the time of conversion due to loss of employment) is covered by this waiver.

¹ § 982.555(a)(1)(iv) is not relevant to RAD as the tenant-based certificate program has been repealed.

9. Jobs Plus. Jobs Plus grantees awarded FY14 and future funds that convert the Jobs Plus target projects(s) under RAD will be able to finish out their Jobs Plus period of performance at that site unless significant relocation and/or change in building occupancy is planned. If either is planned at the Jobs Plus target project(s), HUD may allow for a modification of the Jobs Plus work plan or may, at the Secretary's discretion, choose to end the Jobs Plus program at that project.

10. When Total Tenant Payment Exceeds Gross Rent. Under normal PBV rules, the PHA may select an occupied unit to be included under the PBV HAP Contract only if the unit's occupants are eligible for housing assistance payments (24 CFR § 983.53(c)). Also, a PHA must remove a unit from the contract when no assistance has been paid for 180 days because the family's TTP has risen to a level that is equal to or greater than the contract rent, plus any utility allowance, for the unit (i.e., the Gross Rent)) (24 CFR § 983.258). Since the rent limitation under this Section of the Notice may result in a family's TTP equaling or exceeding the gross rent for the unit, for residents living in the Converting Project prior to conversion and who will return to the Covered Project after conversion, HUD is waiving both of these provisions and requiring that the unit for such families be placed on and/or remain under the HAP Contract when TTP equals or exceeds the Gross Rent. Further, HUD is establishing the alternative requirement that until such time that the family's TTP falls below the gross rent, the rent to the owner for the unit will equal the lesser of (a) the family's TTP, less the Utility Allowance, or (b) any applicable maximum rent under LIHTC regulations. When the family's TTP falls below the gross rent, normal PBV rules shall apply. As necessary to implement this alternative provision, HUD is waiving the provisions of Section 8(o)(13)(H) of the Act and the implementing regulations at 24 CFR § 983.301 as modified by Section 1.6.B.5 of this Notice.¹ In such cases, the resident is considered a participant under the program and all of the family obligations and protections under RAD and PBV apply to the resident. Likewise, all requirements with respect to the unit, such as compliance with the HQS requirements, apply as long as the unit is under HAP Contract. The PHA is required to process these individuals through the Form 50058 submodule in PIC.

Following conversion, 24 CFR § 983.53(d) applies, and any new families referred to the RAD PBV project must be initially eligible for a HAP payment at admission to the program, which means their TTP may not exceed the gross rent for the unit at that time. Further, a PHA must remove a unit from the contract when no assistance has been paid for 180 days. If units are removed from the HAP contract because a new admission's TTP comes to equal or exceed the gross rent for the unit and if the project is fully assisted, HUD is imposing an alternative requirement that the PHA must reinstate the unit after the family has vacated the property. If the project is partially assisted, the PHA may substitute a different unit for the unit on the HAP contract in accordance with 24 CFR §983.207 or, where "floating" units have been permitted, Section 1.6.B.10 of this Notice.

¹ For example, a public housing family residing in a property converting under RAD has a TTP of \$600. The property has an initial Contract Rent of \$500, with a \$50 Utility Allowance. Following conversion, the residents is still responsible for paying \$600 in tenant rent and utilities.

11. Under-Occupied Unit. If a family is in an under-occupied unit under 24 CFR § 983.260 at the time of conversion, the family may remain in this unit until an appropriate-sized unit becomes available in the Covered Project. When an appropriate sized unit becomes available in the Covered Project, the family living in the under-occupied unit must move to the appropriate-sized unit within a reasonable period of time, as determined by the administering Voucher Agency. In order to allow the family to remain in the under-occupied unit until an appropriate-sized unit becomes available in the Covered Project, 24 CFR § 983.260 is waived. MTW agencies may not modify this requirement.

D. PBV: Other Miscellaneous Provisions

- 1. Access to Records, Including Requests for Information Related to Evaluation of Demonstration.** PHAs and the Project Owner must cooperate with any reasonable HUD request for data to support program evaluation, including but not limited to project financial statements, operating data, Choice-Mobility utilization, and rehabilitation work. Please see Appendix IV for reporting units in Form HUD-50058.
- 2. Additional Monitoring Requirement.** The Owner must submit to the administering PHA and the PHA's Board must approve the operating budget for the Covered Project annually in accordance with HUD requirements.¹
- 3. Davis-Bacon Act and Section 3 of the Housing and Urban Development Act of 1968 (Section 3).** This section has been moved to 1.4.A.13 and 1.4.A.14.
- 4. Establishment of Waiting List.** 24 CFR § 983.251 sets out PBV program requirements related to establishing and maintaining a voucher-wide, PBV program-wide, or site-based waiting list from which residents for the Covered Project will be admitted. These provisions will apply unless the project is covered by a remedial order or agreement that specifies the type of waiting list and other waiting list policies. The PHA shall consider the best means to transition applicants from the current public housing waiting list, including:
 - i.** Transferring an existing site-based waiting list to a new site-based waiting list.
 - ii.** Transferring an existing site-based waiting list to a PBV program-wide or HCV program-wide waiting list.
 - iii.** Transferring an existing community-wide public housing waiting list to a PBV program-wide or HCV program-wide waiting list, an option particularly relevant for PHAs converting their entire portfolio under RAD.

¹ For PBV conversions that are not FHA-insured, a future HUD notice will describe project financial data that may be required to be submitted by a PBV owner for purposes of monitoring and evaluation, given that PBV projects do not submit annual financial statements to HUD/REAC.

- iv. Informing applicants on a community-wide public housing waiting list how to transfer their application to one or more newly created site-based waiting lists.

For any applicants on the public housing waiting list that are likely to be ineligible for admission to a Covered Project converting to PBV because the household's TTP is likely to exceed the RAD gross rent, the PHA shall consider transferring such household, consistent with program requirements for administration of waiting lists, to the PHA's remaining public housing waiting list(s) or to another voucher waiting list, in addition to transferring such household to the waiting list for the Covered Project.

To the extent any wait list relies on the date and time of application, the applicants shall have priority on the wait list(s) to which their application was transferred in accordance with the date and time of their application to the original waiting list.

If the PHA is transferring assistance to another neighborhood and, as a result of the transfer of the waiting list, the applicant would only be eligible for a unit in a location which is materially different from the location to which the applicant applied, the PHA must notify applicants on the wait-list of the transfer of assistance, and on how they can apply for residency at other sites.

If using a site-based waiting list, PHAs shall establish a waiting list in accordance with 24 CFR § 903.7(b)(2)(ii)-(iv) to ensure that applicants on the PHA's public housing community-wide waiting list have been offered placement on the Covered Project's initial waiting list. In all cases, PHAs have the discretion to determine the most appropriate means of informing applicants on the public housing community-wide waiting list given the number of applicants, PHA resources, and admissions requirements of the projects being converted under RAD. A PHA may consider contacting every applicant on the public housing waiting list via direct mailing; advertising the availability of housing to the population that is less likely to apply, both minority and non-minority groups, through various forms of media (e.g., radio stations, posters, newspapers) within the marketing area; informing local non-profit entities and advocacy groups (e.g., disability rights groups); and conducting other outreach as appropriate. Any activities to contact applicants on the public housing waiting list must be conducted in accordance with the requirements for effective communication with persons with disabilities at 24 CFR § 8.6 and with the obligation to provide meaningful access for persons with limited English proficiency (LEP).¹

A PHA must maintain any site-based waiting list in accordance with all applicable civil rights and fair housing laws and regulations.

¹ For more information on serving persons with LEP, please see HUD's Final guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons (72 FR 2732), published on January 22, 2007.

To implement this provision, HUD is specifying alternative requirements for 24 CFR § 983.251(c)(2). However, after the initial waiting list has been established, the PHA shall administer its waiting list for the Covered Project in accordance with 24 CFR § 983.251(c).

- 5. Mandatory Insurance Coverage.** The Covered Project shall maintain at all times commercially available property and liability insurance to protect the project from financial loss and, to the extent insurance proceeds permit, promptly restore, reconstruct, and/or repair any damaged or destroyed project property.
- 6. Agreement Waiver.** This section has been moved to 1.6.B.8.
- 7. Future Refinancing.** Project Owners must receive HUD approval for any refinancing or restructuring of secured debt during the HAP Contract term to ensure the financing is consistent with long-term preservation of the Covered Project. With respect to any financing contemplated at the time of conversion (including any permanent financing which is a conversion or take-out of construction financing), such consent may be evidenced through the RCC.
- 8. Administrative Fees for Public Housing Conversions During the Year of Conversion.** For the remainder of the Calendar Year in which the HAP Contract becomes effective (i.e., the “year of conversion”), RAD PBV projects will be funded with public housing funds. For example, if the project’s assistance converts effective July 1, 2015, the public housing ACC between the PHA and HUD will be amended to reflect the number of units under HAP Contract, but will be for zero dollars, and the RAD PBV HAP Contract will be funded with public housing money for July through December 2015. Since TBRA is not the source of funds, PHAs should not report leasing and expenses into VMS during this period, and PHAs will not receive section 8 administrative fee funding for converted units during this time.

PHAs operating HCV program typically receive administrative fees for units under a HAP Contract, consistent with recent appropriation act references to “section 8(q) of the [United States Housing Act of 1937] and related appropriations act provisions in effect immediately before the Quality Housing and Work Responsibility Act of 1998” and 24 CFR § 982.152(b). During the year of conversion mentioned in the preceding paragraph, these provisions are waived. PHAs will not receive Section 8 administrative fees for PBV RAD units during the year of conversion.

After the year of conversion, the Section 8 ACC will be amended to include Section 8 funding that corresponds to the units covered by the Section 8 ACC. At that time, the regular Section 8 administrative fee funding provisions will apply.

- 9. Choice-Mobility.** One of the key features of the PBV program is the mobility component, which provides that if the family has elected to terminate the assisted lease at any time after the first year of occupancy in accordance with program requirements, the PHA

must offer the family the opportunity for continued tenant-based rental assistance, in the form of either assistance under the voucher program or other comparable tenant-based rental assistance.

If as a result of participation in RAD a significant percentage of the PHA's HCV program becomes PBV assistance, it is possible for most or all of a PHA's turnover vouchers to be used to assist those RAD PBV families who wish to exercise mobility. While HUD is committed to ensuring mobility remains a cornerstone of RAD policy, HUD recognizes that it remains important for the PHA to still be able to use tenant-based vouchers to address the specific housing needs and priorities of the community. Therefore, HUD is establishing an alternative requirement for PHAs where, as a result of RAD, the total number of PBV units (including RAD PBV units) under HAP Contract administered by the PHA exceeds 20 percent of the PHA's authorized units under its HCV ACC with HUD.

The alternative mobility policy provides that an eligible voucher agency would not be required to provide more than three-quarters of its turnover vouchers in any single year to the residents of Covered Projects. While a voucher agency is not required to establish a voucher inventory turnover cap, if such a cap is implemented, the voucher agency must create and maintain a waiting list in the order in which the requests from eligible households were received. In order to adopt this provision, this alternative mobility policy must be included in an eligible PHA's administrative plan.

To effectuate this provision, HUD is providing an alternative requirement to Section 8(o)(13)(E) of the Act and 24 CFR § 983.261(c). Please note that this alternative requirement does not apply to PBVs entered into outside of the context of RAD. MTW agencies may not alter this requirement.

10. Reserve for Replacement. The Project Owner shall establish and maintain a replacement reserve in an interest-bearing account to aid in funding extraordinary maintenance and repair and replacement of capital items in accordance with applicable regulations. The reserve must be built up to and maintained at a level determined by HUD to be sufficient to meet projected requirements. For FHA transactions, Replacement Reserves shall be maintained in accordance with the FHA Regulatory Agreement. For all other transactions, Replacement Reserves shall be maintained in a bank account or similar instrument, as approved by HUD, where funds will be held by the Project Owner or mortgagee and may be drawn from the reserve account and used subject to HUD guidelines.

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RELOCATION REQUIREMENT UNDER THE RENTAL ASSISTANCE DEMONSTRATION (RAD) PROGRAM,
PUBLIC HOUSING IN THE FIRST COMPONENT NOTICE H 2014-09/PIH 2014-17



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

Special Attention of:

Public Housing Agencies
Public Housing Hub Office Directors
Public Housing Program Center Directors
Regional Directors
Field Office Directors
RAD Transaction Managers

Notice H 2014-09
PIH 2014-17

Issued: July 14, 2014

This notice remains in effect until amended,
superseded, or rescinded.

Cross Reference: PIH Notice 2012-32 (HA)
REV 1

**Subject: Relocation Requirements under the Rental Assistance Demonstration (RAD) Program,
Public Housing in the First Component**

1. Purpose

This Notice provides public housing agencies (PHAs)¹ and their partners with information and resources on applicable program and relocation assistance requirements when planning for or implementing resident moves as a result of a **Rental Assistance Demonstration (RAD)** conversion² under the first component of the demonstration.³ This Notice provides guidance on RAD relocation requirements and requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (URA), as they relate to the public housing conversion process under the first component.⁴

¹ This Notice always uses the term "PHA" to refer to the owner of the project prior to and after the RAD conversion, even though, in some cases, the owner of the converted RAD project may be another public entity, a non-profit organization, or other owner (e.g., low-income housing tax credit owner). In addition, this Notice uses "PHA" to refer to the "displacing agency," a URA term that means the agency or person that carries out a program or project, which will cause a resident to become a displaced person. Projects vary and, for any specific task described in this Notice, may require substituting in a reference to a party that is more appropriate for a specific project.

² The content of this Notice should not be relied upon in carrying out any other activities funded under any other HUD program, except where specifically directed by HUD.

³ The “first component” of RAD allows public housing and Moderate Rehabilitation properties to convert assistance; the “second component” refers to conversion of Rent Supplement, Rental Assistance Payment, and Moderate Rehabilitation properties upon contract expiration or termination.

⁴ Relocation concerns and URA requirements apply to both components of RAD. This notice provides guidance only as to the first component.

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Relocation assistance provided pursuant to public housing and RAD requirements is broader than URA relocation assistance requirements. Not all specific situations requiring relocation under RAD may trigger URA assistance requirements. In addition, whereas all qualifying residents⁵ of a converting public housing project are eligible for relocation assistance under RAD, some residents or household members may not meet the statutory and regulatory requirements for eligibility under URA. This Notice supersedes PIH Notice 2012-32 (HA), REV-1, with respect to relocation matters. This Notice also specifically addresses when relocation may begin (see Section 9 below). As necessary, the Department will issue additional guidance on relocation issues and requirements as they relate to RAD.

2. Background

RAD allows public housing properties to convert assistance to long-term project-based Section 8 contracts. In many cases, a RAD project may require relocation of residents when properties undergo repairs, are demolished and rebuilt, or when the assistance is transferred to another site. PIH Notice 2012-32 REV-1 (see also FR Notice 5630-N-05, 78 FR 39759-39763 (July 2, 2013)) details RAD program requirements.

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (URA) is a federal law that establishes minimum standards for federally-funded programs and projects that include the acquisition of real property (real estate) and/or displace persons from their homes, businesses, or farms as a result of acquisition, rehabilitation, or demolition of real property.⁶ The URA will apply to acquisitions of real property and relocation of persons from real property that occurs as a direct result of acquisition, rehabilitation, or demolition for a project that involves conversion of assistance to Project-Based Voucher (PBV) or Project-Based Rental Assistance (PBRA) programs under RAD.

Additionally, all relocation conducted as part of a RAD conversion and all relocation assistance provided under URA must be consistent with applicable fair housing and civil rights laws, including, but not limited to, the Fair Housing Act, Title VI of the Civil Rights Act of 1964, and Section 504 of the Rehabilitation Act of 1973.

Because each RAD proposal varies in its scope, this Notice may not address each PHA's specific circumstances. RAD PHAs and participants should carefully review the regulations, notices, and guidance material referenced in this Notice. Any questions related to the applicability of these requirements should be referred to the RAD Transaction Managers (TM) or may be emailed to rad@hud.gov.

3. Applicable Legal Authorities

⁵ The term "resident" as used in this Notice refers to eligible resident families of public housing residing in a property applying for participation in RAD or a property that undergoes a conversion of assistance through RAD.

⁶ HUD Handbook 1378 (Tenant Assistance, Relocation, and Real Property Acquisition), available at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/library/relocation/policyandguidance/handbook1378.

- RAD: Consolidated and Further Continuing Appropriations Act of 2012 (Public Law 112-55, approved November 18, 2011), with the implementing PIH Notice 2012-32, REV-1
- URA statute and implementing regulations: 49 CFR part 24
- FHEO: Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Fair Housing Act
- Section 104(d) of the Housing and Community Development Act of 1974, statute and implementing regulations (if CDBG and/or HOME funds are used): 24 CFR part 42, subpart C

4. Relocation Planning

If there is a possibility that residents will be relocated as a result of acquisition, demolition, or rehabilitation for a project converting under RAD, PHAs must undertake a planning process in conformance with URA in order to minimize the adverse impact of relocation (49 CFR 24.205(a)).

While a written Relocation Plan is not a requirement under RAD or URA, the Department strongly encourages PHAs to prepare a written Relocation Plan, both to establish their relocation process and to communicate this process consistently and effectively to all relevant stakeholders. Appendix 1 contains recommended elements of a Relocation Plan.

The following presents a general sequencing of relocation planning activities within the RAD milestones:

Stage	Activities
1. Prior to submission of RAD application	<ul style="list-style-type: none"> • Determine potential need for relocation • Meet with residents to discuss plans, communicate right to return, and solicit feedback • Provide <i>General Information Notice</i> (GIN) to residents • Survey residents to prepare Relocation Plan and relocation process cost estimate
2. After receipt of the Commitment to Enter into a HAP Contract (CHAP) Award	<ul style="list-style-type: none"> • Prepare Significant Amendment to PHA Plan • Assess and refine need for relocation • Develop a Relocation Plan (See Appendix 1 for recommended content) • Identify relocation housing options
3. Preparing Financing Plan (due to RAD Transaction Manager no later than 180 days following	<ul style="list-style-type: none"> • Budget for relocation expenses • Submit FHEO Accessibility & Relocation checklist (PHAs may submit Relocation Plan along with checklist)

Stage	Activities
CHAP award)	
4. Receipt of RAD Conversion Commitment (RCC)	<ul style="list-style-type: none"> • The date of issuance of the HUD RCC marks the date of “Initiation of Negotiations” (ION), as defined in the URA (49 CFR 24.2(a)(15)) • Provide residents with appropriate notice informing them if they will be relocated and any associated relocation assistance • Meet with residents to describe approved conversion plans and discuss required relocation
5. Closing/RAD conversion	<ul style="list-style-type: none"> • Generally, resident relocation should not begin until after the date of closing/conversion of assistance under RAD • PHAs must adhere to notification requirements (described in Paragraph 8 of this Notice): generally, a minimum of 30 days for residents to be temporarily relocated for up to a year, and 90 days for permanent relocation • PHAs seeking to move residents prior to closing must receive prior approval from HUD as described in Paragraph 9 of this Notice

5. Resident Right to Return

RAD program rules prohibit the permanent involuntary relocation of residents as a result of conversion. Residents that are temporarily relocated retain the right to return to the project once it has been completed and is in decent, safe, and sanitary conditions.⁷ The period during which residents may need to be temporarily relocated is determined by the period of rehabilitation or construction, which will be specific to each project.

If proposed plans for a project would preclude a resident from returning to the RAD project, the resident must be given an opportunity to comment and/or object to such plans. If the resident objects to such plans, the PHA must alter the project plans to accommodate the resident in the converted project. If a resident agrees to such plans, the PHA must secure informed, written consent from the resident to receive permanent relocation assistance and payments consistent with URA and acknowledge that acceptance of such assistance terminates the resident’s right to return to the project. In obtaining this consent, PHAs must inform residents of their right to return, potential relocation, and temporary and permanent housing options at least 30 days before residents must make a decision. The PHA cannot employ any tactics to pressure residents into

⁷ Where the transfer of assistance to a new site is approved, residents of the converting project will have the right to reside in an assisted unit at the new site once rehabilitation or new construction is complete.

relinquishing their right to return or accepting permanent relocation assistance and payments.⁸
A PHA may not terminate a resident's lease if it fails to obtain this consent.

PHAs must keep documentation of such information provided to residents and such consent by residents. While HUD does not require PHAs to submit documentation of obtaining this consent, PHAs and participants must properly brief residents on their housing and relocation options and must keep auditable written records of such consultation and decisions. HUD may request this documentation during a review of the FHEO Relocation and Accessibility Checklist or if relocation concerns arise.

Examples of project plans that may preclude a resident from returning to the converted RAD project include, but are not limited to:

- Changes in bedroom distribution (i.e. when larger units will be replaced with smaller units such that current residents would become under-housed or when smaller units will be replaced with larger units such that current residents would become over-housed);
- Where a PHA is reducing the number of assisted units at a property by a de minimis amount⁹, but those units are occupied by assisted residents; or
- The reconfiguration of efficiency apartments, or the repurposing of dwelling units in order to facilitate social service delivery.

In all scenarios where residents voluntarily accept permanent relocation to accommodate project plans, these residents are eligible for permanent relocation assistance and payments under URA. If a resident accepts permanent relocation assistance, the resident surrenders his or her right to return to the completed project.

6. Relocation Assistance

Under RAD, relocation assistance may vary depending on the length of time relocation is required.¹⁰

a. In instances when the PHA anticipates that a resident will be relocated for more than a year, the PHA must offer the resident the choice of:

- Permanent relocation assistance and payments at URA levels; or
- Temporary relocation assistance, including temporary housing, while the resident retains his or her right to return and reimbursement for all reasonable out-of-pocket expenses associated with the temporary relocation.

⁸ Persons with disabilities returning to the RAD project may not be turned away or placed on a waiting list due to a lack of accessible units. Their accessibility needs must be accommodated.

⁹ A reduction in total number of assisted units at RAD project of 5% or less. (Section 1.5.B of PIH 2012-32 REV-1)

¹⁰ Some residents may not qualify for relocation assistance under URA. A nonexclusive listing of persons who do not qualify as displaced persons under URA is at 49 CFR 24.2(a)(9)(ii). See also, Paragraph 1-4(J) of HUD Handbook 1378.

The PHA must give the resident no less than 30 days to decide between permanent and temporary relocation assistance. If the resident elects to permanently relocate with assistance at URA levels, the PHA must inform the resident that his or her acceptance of permanent relocation assistance terminates the resident's right to return to the completed RAD project.

- b. In instances when a resident elects temporary relocation assistance and reoccupies a unit in the completed project within one year, the resident need not be offered permanent relocation assistance pursuant to URA.

Great care must be exercised to ensure that residents are treated fairly and equitably. If a resident is required to relocate temporarily in connection with the project, his or her temporarily occupied housing must be decent, safe, and sanitary and the resident must be reimbursed for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation. These expenses include, but are not limited to, moving expenses and increased housing costs during the temporary relocation.

- c. In the event that a resident elects to receive temporary relocation assistance and the temporary relocation exceeds one year, the resident becomes eligible for all permanent relocation assistance and payments under URA. (This assistance would be in addition to any assistance the person has already received for temporary relocation, and may not be reduced by the amount of any temporary relocation assistance.) In such event, the PHA shall give the resident the opportunity to choose to remain temporarily relocated for an agreed-to period (based on new information about when they can return to the completed RAD unit), or choose to permanently relocate with URA assistance.

PHAs may not propose or request that a displaced person waive rights or entitlements to relocation assistance under the URA. If the resident elects to permanently relocate with URA assistance, the PHA must inform the person that the person's acceptance of URA relocation assistance to permanently relocate will terminate the person's right to return to the completed RAD project. Conversely, unless and until the resident elects to be permanently relocated, the resident may remain temporarily relocated with a right to return to the completed project.

7. Initiation of Negotiations (ION) Date

Eligibility for URA relocation assistance is generally effective on the date of initiation of negotiations (ION) (49 CFR 24.2(a)(15)). For RAD projects, the ION date is the date of the issuance of the RAD Conversion Commitment (RCC).

8. Resident Notification

When a project converting under RAD will include relocation of residents, notice must be provided to those resident households. For each notice listed below, one notice shall be given to each resident household. The purpose of these notifications is to ensure that residents are

meetings with residents about RAD and in subsequent communications with residents related to relocation, the PHA should inform residents that if they choose to move after receiving a written GIN, but prior to receiving a RAD Notice of Relocation, they may jeopardize their eligibility for relocation assistance. However, PHAs should note that a resident move undertaken as a direct result of the project may still require relocation assistance and the resident may be eligible to receive permanent relocation assistance under the URA even though the PHA has not yet issued notices.

a. *General Information Notice* (49 CFR 24.203(a) & Handbook 1378, Paragraph 2-3(B))

As soon as feasible in the planning process, the PHA must provide each resident with a written GIN (see sample in Appendix 2) to provide a general description of the project, the activities planned, and the relocation assistance that may become available. URA regulations state that the GIN should be provided *as soon as feasible*. Under RAD, PHAs must provide GINs during the initial RAD resident meetings, before submitting a RAD application. GINs must do at least the following:

- Inform the resident that he or she may be displaced for the project and generally describe the relocation payment(s) for which the resident may be eligible, the basic conditions of eligibility, and the procedures for obtaining the payment(s);
- Inform the resident that he or she will be given reasonable relocation advisory services, including referrals to replacement properties, help in filing payment claims, and other necessary assistance to help the resident successfully relocate;
- Inform the resident that, if he or she qualifies for relocation assistance as a displaced person under the URA, he or she will not be required to move without at least 90 days advance written notice, and inform any person to be displaced from a dwelling that he or she cannot be required to move permanently unless at least one comparable replacement dwelling has been made available;
- Inform the resident that any person who is an alien not lawfully present in the United States is ineligible for relocation advisory services and relocation payments, unless such ineligibility would result in exceptional and extremely unusual hardship to a qualifying spouse, parent, or child (see 49 CFR 24.208(h) for additional information); and
- Describe the resident's right to appeal the PHA's determination as to a person's eligibility for URA assistance.

b. *RAD Notice of Relocation*

If a resident will be relocated to facilitate the RAD conversion, the PHA shall provide notice of such relocation (RAD Notice of Relocation). The PHA shall issue this notice upon the PHA's receipt of the RCC from HUD, which is the ION date.

If residents will not be relocated, notice of relocation is not required, but the PHA should

notify them that they are not being relocated.¹¹

The RAD Notice of Relocation must conform to the following requirements:

- The notice must state the anticipated duration of the resident's relocation.
- PHAs must provide this notice a minimum of 30 days prior to relocation to residents who will be temporarily relocated.¹² Longer notice may be appropriate for persons who will be relocated for an extended period of time (over 6 months), or if necessary due to personal needs or circumstances.
- Residents whose temporary relocation is anticipated to exceed one year must be informed that they will have no less than 30 days to elect temporary or permanent relocation as described in Section 6 of this Notice. When timing is critical for project completion, the 30-day decision period can run concurrently with the 30-day notice period for temporary relocation and with the 90-day period for permanent relocation if the PHA makes available comparable replacement dwellings consistent with 24.204(a).
- Residents who will be permanently relocated must receive written notice a minimum of 90 days prior to relocation. This 90-day time period may only begin once the PHA has made available at least one comparable replacement dwelling consistent with 49 CFR 24.204(a).¹³
- The notice must describe the available relocation assistance, the estimated amount of assistance based on the individual circumstances and needs, and the procedures for obtaining the assistance. The notice must be specific to the resident and his or her situation so that the resident will have a clear understanding of the type and amount of payments and/or other assistance the resident household may be entitled to claim.
- The notice must explain the reasonable terms and conditions under which the resident may continue to lease and occupy a unit in the completed project.
- The notice must state that the PHA will reimburse the resident for all reasonable out-of-pocket expenses incurred in connection with any temporary move. These expenses include, but are not limited to, moving expenses and increased housing costs (rent, utilities, etc.).

c. Notice of Intent to Acquire (49 CFR 24.203(d))

¹¹ HUD policy generally requires a "notice of non-displacement" in certain instances; the RAD program does not require this notice. Although the scope of this notice is limited to guidance for projects requiring relocation, PHAs should note, however, that there may be notification requirements for projects that do not involve relocation. The RAD conversion will terminate the resident's public housing lease and commence a PBV or PBRA lease, even when there is no relocation required. In such instances, state law may impose certain notification requirements. In addition, public housing regulations generally require 30 days' notice prior to lease termination. PHAs are encouraged to review public housing requirements set forth in 24 CFR parts 5 and 966.

¹² HUD may approve shorter notice periods based on an urgent need due to danger, health, or safety issues or if the person will be temporarily relocated for only a short period.

¹³ PHAs should note that URA regulations also require, where possible, that three or more comparable replacement dwellings be made available before a resident is required to move from his or her unit.

For RAD projects involving acquisition, residents may be provided with a notice of intent to acquire ("*Notice of Intent to Acquire*") prior to the ION date with HUD's prior approval. Once the Notice of Intent to Acquire is provided, a resident's eligibility for relocation assistance and payments is established. Therefore, the RAD Notice of Relocation must be provided in conjunction with or after the Notice of Intent to Acquire. A RAD Notice of Relocation would not otherwise be sent prior to the ION date.

Since residents who accept permanent relocation must receive 90 days advanced written notice prior to being required to move, providing residents the Notice of Intent to Acquire and RAD Notice of Relocation prior to the ION date may be necessary to provide sufficient notice of relocation to a resident in instances where there may not be 90 days between the issuance of the RCC (ION date) and the anticipated closing date. This allows the PHA to issue the notice earlier so that relocation may begin upon closing. This allows program participants to conduct orderly relocation upon closing, minimize adverse impacts on displaced persons, and to expedite project advancement and completion.¹⁴

- d. *URA Notice of Relocation Eligibility – for residents whose temporary relocation exceeds one year* (49 CFR 24.203(b) & Handbook 1378, Paragraph 2-3(C))

After a resident has been temporarily relocated for one year, the PHA must provide a notice of relocation eligibility in accordance with URA requirements ("*Notice of Relocation Eligibility*"). This notice is not required if the resident has already accepted permanent relocation assistance.

The Notice of Relocation Eligibility must conform to URA requirements as set forth in 49 CFR Part 24, to HUD Handbook 1378 and to the following requirements:

- The PHA must provide updated information as to when it is anticipated that the resident will be able to return to the completed project.
- The resident may choose to remain temporarily relocated based upon such updated information or may choose to accept permanent URA relocation assistance in lieu of exercising the right to return.
- If the resident chooses to accept permanent URA relocation assistance and such assistance requires that the resident move, the URA requires such resident to receive 90 days advance written notice of the earliest date they will be required to move (i.e., 90-Day Notice, 49 CFR 24.203(c)). The PHA should be mindful that the 90-day time period may only begin once the PHA has made available at least one "comparable replacement dwellings" as set forth in 49 CFR 24.204(a).

9. Initiation of Relocation

¹⁴ PHAs and program participants should note that, in most instances, it will be most appropriate for the acquiring entity to send this notice.

Unless otherwise approved by HUD, relocation may not begin until the date of closing of the RAD transaction and recordation of the RAD Use Agreement. PHAs must provide residents being temporarily relocated at least 30 days advance written notice of the required move. PHAs must give residents being permanently relocated at least 90 days advance written notice of the required move. This means PHAs are advised to plan carefully to account for this 30-day or 90-day notice period to ensure the closing is not delayed.

However, HUD is aware that, in rare cases, some project plans necessitate relocation prior to closing. With prior HUD approval, for projects involving acquisition, PHAs may relocate residents prior to the closing date subject to public housing requirements (see 24 CFR part 5 and 24 CFR 966). PHAs must contact their assigned RAD transaction manager (TM) to discuss plans as early as possible in the process to ensure compliance with all RAD and URA requirements.

If relocation prior to closing is desired, PHAs should submit to the TM the following information, as early as possible in the process:

- A written request for relocation prior to closing. The request must include justification of why the early relocation is necessary for the viability of the RAD transaction. Justification may include the presence of outside financing, such as Low Income Housing Tax Credit (LIHTC) awards, if the PHA can show that early relocation is necessary to meet critical LIHTC deadlines.
- FHEO Accessibility and Relocation Checklist.
- Evidence of intent to comply with public housing requirements, as applicable. Generally, public housing regulations require public housing residents to receive 30 days' notice prior to relocation and that such notice either be published in the PHA's admissions and continued occupancy policies (ACOP) or published elsewhere at least 30 days prior to receipt of such notice (24 CFR parts 5 and 966).

When seeking to relocate residents prior to closing, submission of this request as early as possible is preferred, prior to the 180-day Financing Plan milestone if possible (with Financing Plan submission following the request).

HUD reserves the right to request additional follow-up information, including a Relocation Plan and related budget, prior to approving such requests. PHAs must receive written HUD approval before beginning relocation of residents prior to closing.

Early planning and submission of the Financing Plan and FHEO checklist to HUD will ensure the PHA has built in the 30- or 90-day notice period prior to initiating relocation.

10. Fair Housing and Civil Rights Requirements

PHAs must comply with all applicable fair housing and civil rights laws, including, but not limited to, the Fair Housing Act, Title VI of the Civil Rights Act of 1964, and Section 504 of the Rehabilitation Act of 1973, when conducting relocation planning and providing relocation assistance. Further, communication must be provided in a manner that is effective for persons

with disabilities (24 CFR 8.6) and for person who are Limited English Proficient (see 72 FR 2732). This section discusses some of the PHA's obligations under these laws and regulations. However, the applicability of civil rights laws is not limited to the activities discussed in this section. PHAs conducting relocation activities should familiarize themselves with applicable civil rights statutes, regulations, and guidance, including but not limited to, those listed at the end of this section.

- **Effective Communication for Persons with Disabilities:** Communications and materials must be provided in a manner that is effective for persons with hearing, visual, and other communication-related disabilities consistent with Section 504 of the Rehabilitation Act of 1973 (24 CFR 8.6), and as applicable, the Americans with Disabilities Act; and for persons who are limited English proficient (*see* 72 Fed Reg 2732). This includes ensuring that training materials are in appropriate alternative formats as needed, e.g., Braille, audio, large type, assistive listening devices, and sign language interpreters.
- **Accessible Meeting Facilities for Persons with Disabilities:** When holding public meetings, PHAs must give priority to methods that provide physical access to individuals with disabilities, i.e., holding the meetings, workshops, and briefings or any other type of meeting in an accessible location, in accordance with the regulations implementing Section 504 of the Rehabilitation Act of 1973 and Titles II and III of the Americans with Disabilities Act of 1990, as applicable. All programs and activities must be held in accessible locations unless doing so would result in an undue financial and administrative burden, in which case the PHA must take any action that would not result in such an alteration or such burden but would nevertheless ensure that individuals with disabilities receive the benefits and services of the program or activity, e.g., briefings at an alternate accessible, in-home briefing. Individuals with disabilities must receive services in the most integrated setting appropriate to their needs. The most integrated setting appropriate to the needs of qualified individuals with disabilities is a setting that enables individuals with disabilities to interact with nondisabled person to the fullest extent possible (28 CFR part 35, appendix B).
- **Meaningful Access for Persons with Limited English Proficiency (LEP):** PHAs must provide meaningful access to programs and activities for persons who have a limited ability to read, speak, or understand English. Any person with LEP who will be temporarily relocated or permanently displaced must have meaningful access to any public meetings regarding the project. In addition, any information provided to residents including, but not limited to, any notices required under the URA, should be provided in the appropriate language to persons with LEP. Generally, PHAs will be responsible for providing oral interpreters at meetings, including ensuring their competence, and covering any associated translation and interpretation costs.
- **URA requires that PHAs provide persons who are unable to read or understand the notices, such as persons with disabilities or persons with LEP, with appropriate translation and counseling to ensure that they understand their rights and responsibilities and the assistance available to them (49 CFR 24.5).** URA also requires that each notice indicate the name and telephone number of a person to contact with questions or for other needed help (49 CFR 24.5). This notice should include the number for the telecommunication device for the deaf (TDD) or other appropriate communication device, if applicable (24 CFR 8.6(a)(2)).

- **Comparable Housing for Persons with Disabilities:** PHAs should identify the accessibility need of residents to be relocated by consulting existing information (e.g., tenant characteristics forms, including identification of the need for accessible unit features; records of approved reasonable accommodations, and records of the presence of accessible unit features). For guidance on providing relocation assistance to persons with disabilities, see Exhibit 3-1 in HUD Handbook 1378.
- **Advisory Services:** PHAs should determine the advisory services that will be necessary to ensure a successful relocation program consistent with 49 CFR 24.205(c). Such advisory services may include housing counseling that should be facilitated to ensure that residents affected by the project understand their rights and responsibilities and the assistance available to them (49 CFR 24.205(c)). Advisory counseling must also inform residents of their fair housing rights and be carried out in a manner that satisfies the requirements of Title VI of the Civil Rights Act of 1964, the Fair Housing Act, and Executive Order 11063 (49 CFR 24.205(c)(1)). In addition, PHAs should inform residents that if they believe they have experienced unlawful discrimination, they may contact HUD at 1-800669-9777 (Voice) or 1-800-927-9275 (TDD) or at <http://www.hud.gov>.

Fair Housing References:

- Section 504 of the Rehabilitation Act of 1973
- Regulations: 24 CFR part 8
- Fair Housing Act Regulations: 24 CFR part 100
- Title VI of the Civil Rights Act of 1964
- Regulations: 24 CFR part 1
- Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons (LEP Guidance) (72 FR 2732)
- Exhibit 3-1 Compliance with Section 504 of the Rehabilitation Act in HUD Handbook 1378 (Tenant Assistance Relocation and Real Property Acquisition)

11. Other Requirements

a. Public Housing Program Compliance

PHAs should note that public housing resident provisions related to occupancy and termination, including grievances and related hearings, will remain in effect until the execution of the new PBV or PBRA Housing Assistance Payment (HAP) contract.

b. Evictions for Cause

If the PHA determines that a resident was evicted in accordance with applicable state and local law for serious or repeated violation of material terms of the lease, and the eviction was not undertaken for the purpose of evading the obligation to make available URA payments and other assistance, the resident is not entitled to relocation payments and assistance under the URA (49 CFR 24.206).

Jemine A. Bryon
General Deputy Assistant Secretary
for Public and Indian Housing

Carol J. Galante, Assistant Secretary for
Housing-Federal Housing Commissioner

APPENDICES

Appendix 1

Recommended Relocation Plan Contents

Appendix 2

Sample RAD General Information Notice (GIN)

Appendix 3

Sample RAD Notice of Relocation (for relocation anticipated for a year or less)

Appendix 4

Sample RAD Notice of Relocation (for relocation anticipated for more than a year)

Appendix 5

Sample Notice of Eligibility for URA Relocation Assistance (for residents who have been temporarily relocated for more than a year)

Appendix 1: RECOMMENDED RELOCATION PLAN CONTENTS

While written Relocation Plans are not required under RAD or URA, the Department strongly encourages PHAs to document their relocation planning process and procedures in a written Relocation Plan. The following provides suggested content for Relocation Plans.

I. Project Summary

The Relocation Plan should provide a general description of and purpose for the project (e.g., year built, location, number of units, configuration, occupancy information, and funding sources).

The basic components of a plan include:

- A general description of the project and the site, including acquisition, demolition, rehabilitation, and construction activities and funding sources;
- A detailed discussion of the specific steps to be taken to minimize the adverse impacts of relocation, including when transferring the assistance to a new site;
- Information on occupancy (including the number of residents, residential owner-occupants and non-residential occupants, if any, to be permanently or temporarily relocated);
- Information on relocation needs and costs (including the number of residents who plan to relocate with Section 8 assistance);
- General moving assistance information;
- Temporary move assistance (including information on the duration of temporary moves);
- Permanent move assistance; and
- Appeals process.

II. Resident Return and Re-occupancy Policies

For residents that will be temporarily relocated, the plan should include the criteria that will be used to determine the priority for residents to re-occupy units at the project after rehabilitation, demolition, and/or construction is completed. For example, if units will come online in stages, the plan should outline how the PHA will determine when each resident will return to the project. PHAs should ensure that any written return or re-occupancy policy is compliant with related RAD requirements, such as the right-to-return policy and the “no re-screening upon conversion” policy, as described in the RAD Notice.

III. Summary of Moving Costs

The plan should include a summary of moving costs, identified by move types, including the following:

Temporary Moves

- Number of and cost amount for two-way moves (i.e., a move to another unit and then a return move) within the same building/complex.
- Number of and cost amount for two-way moves to a unit not in the same building/complex, carried out by the PHA.
- Number of and cost amount for two-way moves to a unit not in the same building/complex not carried out by the PHA.

Permanent Moves

- Number of and cost amount for one-time moves into another unit in the same building/complex.¹⁵
- Number of and cost amount for one permanent move to a unit not within the same building/complex, carried out by the PHA.

PHAs should note that if a residential move is carried out by the PHA at no cost to the resident, this per-household estimate must include the required dislocation allowance (currently \$100). The URA Fixed Residential Moving Cost Schedule lists the most current dislocation allowance: http://www.fhwa.dot.gov/real_estate/practitioners/uniform_act/relocation/moving_cost_schedule.cfm
- Number of and cost amount for one permanent move to a unit not within the same building/complex that is not carried out by the PHA.

IV. Temporary Relocation Assistance

The PHA will assist residents who are required to move temporarily. At the Initiation of Negotiations (ION), the PHA will send a RAD Notice of Relocation to residents who will be relocated. Appendices 3 and 4 of this Notice contain sample RAD Notices of Relocation to be provided to residents that will be temporarily relocated.

The plan should detail the temporary relocation assistance the PHA will provide for residents (Paragraph 2-7 of HUD Handbook 1378). This assistance includes:

- Temporary Housing - The PHA will provide temporary housing that is decent, safe, and sanitary on a nondiscriminatory basis for residents who are relocated temporarily. The PHA will also pay for reasonable increased housing costs that the resident incurs in connection with the temporary relocation.

NOTE: If a resident's relocation exceeds one year, the PHA must then issue a *Notice of Relocation Eligibility* (49 CFR 24.203(b)) to the resident and offer the resident permanent

¹⁵ A resident who moved to another unit in the same building/complex may be considered a displaced person under URA if the resident moves from the building/complex permanently and was not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move within the same building/complex and/or if other conditions of the move within the building/complex were not reasonable.

relocation assistance and payments at URA levels. The PHA must provide this notice to affected residents as soon as the temporary relocation exceeds one year.

- **Packing and Moving Assistance** - Since most residents prefer to pack their own personal possessions and items of value, they should be provided packing instructions, boxes, markers, and tape for the move. If assistance in packing is needed, the PHA should provide the resident with information on how to request this assistance. The PHA is responsible for covering all reasonable moving expenses incurred in connection with temporarily relocating a resident. The PHA may reimburse the resident's out-of-pocket moving expenses and/or directly carry out the move.
- **Payment for Temporary Relocation Moving Expenses** - The plan should also indicate how the PHA intends to provide or reimburse for moving services and expenses. The PHA can choose to do one or more of the following:
 - Undertake the moves itself, using force account labor or a moving company;
 - Use PHA's contractor or moving company;
 - Carry out moves with employees of the PHA;
 - Reimburse residents for all actual and reasonable moving costs.

NOTE: The PHA will not make fixed payments since such payments may not be representative of actual reasonable costs incurred. However, in order for a resident to be sure of full reimbursement, the resident should submit a moving cost estimate to the PHA for approval prior to the move unless the PHA is directly carrying out the move and the resident will not incur any reasonable out-of-pocket moving expenses. Failure to do so may result in the resident not being fully reimbursed.

- **Utility Costs** - The PHA is responsible for covering the expenses relating to disconnection and reconnection of necessary utilities. If the resident has telephone, cable service or Internet access, the PHA is responsible for covering the expenses involved in transferring existing service. The PHA may also pay utility deposits, if required at the temporary relocation housing (HUD Handbook 1378, paragraph 2-7(A)(3)). If a resident is temporarily relocating from a public housing unit to a non-public housing unit, the resident must be reimbursed for reasonable increases in utility costs even if the PHA utility allowance is lower than the actual costs to the resident.

V. Permanent Relocation Assistance

Based on the local housing resources available, the PHA should identify the replacement housing options that will be available to meet the housing needs of residents to be permanently relocated. Replacement housing options for residents that meet the definition of a "displaced person" (49 CFR 24.2(a)(9)) under the URA include, but are not limited to:

- Other Public Housing;
- Section 8 Project-Based Voucher unit;
- Section 8 Housing Choice Voucher unit;
- Homeownership housing;

- Private-market rental housing (affordable, non-subsidized).¹⁶

The plan should describe each type of replacement housing projected to be available, including:

1. Number of units, by bedroom size, expected to be available, and discussion of whether available units will meet dwelling requirements of relocated residents;
2. General area or location of unit(s);
3. Criteria for receiving relocation assistance; and
4. Any other information that might benefit residents in their consideration of housing choices.

The plan should include a description of the permanent relocation assistance the PHA will provide to residents. This assistance includes:

- Availability of Comparable Replacement Housing – Under URA, no displaced resident will be required to move unless at least one comparable replacement dwelling (49 CFR 24.2(a)(6)) is made available at least 90 days before the required move (49 CFR 24.203(c)). Comparable replacement dwellings must contain the accessibility features needed by displaced persons with disabilities (49 CFR 24.2(a)(8)(vii); 49 CFR part 24, Appendix A, §24.2(a)(8)(vii)). If the comparable replacement dwelling is not subsidized housing, the PHA should contact the RAD staff for advice on replacement housing payment requirements.
- Referral to Housing Not Located in an Area of Minority Concentration - Whenever possible, minority persons shall be given reasonable opportunities to relocate to decent, safe, and sanitary replacement dwellings that are within their financial means and not located in areas of minority concentration (49 CFR 24.205(c)(2)(ii)(D)). However, this policy does not require a PHA to provide a person a larger payment than is necessary to enable a person to relocate to a comparable replacement dwelling unit.
- Permanent Relocation Moving Expenses from Public Housing to Public Housing - The PHA may choose one of the following options for covering the expenses involved in moving public housing residents that are relocated into other public housing:
 - Undertake the move itself, using force account labor or a moving company. Residents should incur no moving costs under this option, but if such expenses are incurred, the PHA is responsible for reimbursing the resident for any such actual and reasonable expenses. In such case, the resident is also entitled to a dislocation allowance (currently \$100). The URA Fixed Residential Moving Cost Schedule lists the current dislocation allowance and is available at:
[http://www.fhwa.dot.gov/real estate/practitioners/uniform act/relocation/moving co st schedule.cfm](http://www.fhwa.dot.gov/real%20estate/practitioners/uniform%20act/relocation/moving%20cost%20schedule.cfm)

¹⁶ Every effort should be made to find another subsidized unit as replacement housing for a resident relocating from subsidized housing so that the resident will continue receiving the housing subsidy as long as it is needed.

NOTE: Residents who prefer to pack their own personal possessions and items of value may be provided packing instructions, boxes, markers, and tape for their move. If a resident needs assistance in packing, they should contact the PHA. It is the responsibility of the PHA to pack and move all of their belongings and household goods, if so desired.

- Allow the resident to elect one of the following choices:
 - 1) The PHA will reimburse the resident for the cost of all actual reasonable and necessary moving and related expenses (49 CFR 24.301), such as:
 - Transportation of the resident and personal property. This may include reimbursement at the current mileage rate for personally owned vehicles that need to be moved. Transportation costs for a distance beyond 50 miles are not eligible, unless the PHA determines that relocation beyond 50 miles is justified.
 - Packing, crating, uncrating, and unpacking of personal property.
 - Storage of personal property for a period not to exceed 12 months, unless the PHA determines that a longer period is necessary.
 - Disconnecting, dismantling, removing, reassembling, and reinstalling relocated household appliances and other personal property.
 - Insurance for the replacement value of the property in connection with the move and necessary storage.
 - The replacement value of property lost, stolen, or damaged in the process of moving (not through the fault or negligence of the displaced person, his or her agent, or employee) where insurance covering such loss, theft, or damage is not reasonably available.
 - 2) The PHA will pay directly to the resident the applicable and current fixed moving cost payment according to the URA Fixed Residential Moving Cost Schedule (49 CFR 24.302), available at:
http://www.fhwa.dot.gov/real_estate/practitioners/uniform_act/relocation/moving_cost_schedule.cfm
- Permanent Relocation Moving Expenses for All Other Moves – Under URA, residents who are permanently displaced, except for those residents displaced from public housing and moving to other public housing, are entitled to the assistance described in the brochure *Relocation Assistance To Residents Displaced From Their Homes*, available in English at http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_16280.doc and in Spanish at http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_16281.doc. Residents may choose moving assistance from one of the following two options.
 - 1) The PHA will reimburse the resident for the cost of all actual reasonable moving and related expenses (49 CFR 24.301).
 - 2) The PHA will pay directly to the resident the applicable and current fixed moving cost payment according to the URA Fixed Residential Moving Cost Schedule (49

CFR 24.302), available at:

[http://www.fhwa.dot.gov/real estate/practitioners/uniform act/relocation/moving cost schedule.cfm](http://www.fhwa.dot.gov/real%20estate/practitioners/uniform%20act/relocation/moving%20cost%20schedule.cfm).

- Replacement Housing Payment - In addition to covering moving expenses, displaced residents may be entitled to a replacement housing payment (RHP). This payment is intended to cover the increase, if any, in monthly housing costs for a 42-month period.

When calculating the RHP, the PHA must consider the comparable replacement housing unit offered to the resident. Since the PHA is not required to pay an RHP amount that exceeds the amount of RHP calculated for the offered comparable replacement dwelling, residents are cautioned to work closely with the PHA prior to their move.

- Accessible Housing for Persons with Disabilities - Under the URA, persons with disabilities who will be permanently displaced must be relocated to a replacement dwelling that contains the accessibility features they need (49 CFR 24.2(a)(8)(vii); 49 CFR Appendix A, 24.2(a)(8)(vii)). A person with disabilities who has been relocated must be offered a comparable replacement dwelling unit that contains accessible features comparable to the housing from which the tenant has been displaced or relocated. This is so even if the tenant has paid for the acquisition and/or installation of accessible features in the housing from which he or she has been relocated; in such instances, the recipient must ensure that the replacement housing contains comparable accessible features or provide relocation assistance to the tenant in an amount that covers the cost of acquiring and/or installing comparable accessible features. Under the URA, an agency may use project funds to remove architectural barriers for displaced owners and tenants with disabilities or take other last resort housing measures if comparable replacement dwelling units are not available within the monetary limits prescribed under the URA regulations (49 CFR 24.404(c)(vii); HUD Handbook 1378, Paragraph 3-8).

VI. Relocation Budget

Based on the results of the planning process, the PHA should create a relocation budget that includes the following six components:

- 1) The cost of administering the plan and providing assistance and counseling.
- 2) Reasonable moving expenses for a person with disabilities, which may include the cost of moving assistive equipment that is the personal property of the residents, the furnishings and personal belonging of a live-in aide, and/or other reasonable accommodations (HUD Handbook 1378, Paragraph 3-2).
- 3) The cost of the physical move of the residents' belongings. (It is suggested that the move costs be broken down by average cost per move type multiplied by the number of moves.)
NOTE: This physical move cost total should be based on the move scenarios anticipated

or projected by the resident survey.

- 4) The cost estimated to pay for projected increases in monthly housing costs for temporary relocation.
- 5) The cost estimated to pay for the replacement housing payment (RHP) (42-month period for URA or 60-month period if section 104(d) applies).
- 6) Contingency costs estimated for carrying out the relocation process necessary to complete the proposed project. (The PHA should state where these costs are indicated in the application, or attach any other information required by HUD, to support these costs.)

VII. Appeal Process

If a resident disagrees with the PHA's decision as to the resident's eligibility to receive relocation assistance, the amount of a relocation payment, or the adequacy of a comparable replacement dwelling offered to a resident, the resident may file a written appeal to the PHA. The Relocation Plan should describe the specific appeal procedures to be followed consistent with 49 CFR 24.10 (and 24 CFR 42.390 if section 104(d) is involved). At a minimum, the resident will have 60 days to file an appeal with the PHA after receiving written notification of a claim or ineligibility determination.

VIII. Certification

The plan should contain a certification of compliance with the URA and, if applicable, section 104(d).

Technical Assistance

The PHA should direct questions on this Notice's relocation assistance requirements to their RAD Transaction Manager or email rad@hud.gov.

Appendix 2: SAMPLE RAD GENERAL INFORMATION NOTICE (GIN)

PHA LETTERHEAD

RENTAL ASSISTANCE DEMONSTRATION (RAD) GENERAL INFORMATION NOTICE (GIN)

[Date]

Dear [Resident Name],

The property you currently occupy is being proposed for participation in the Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD) program. At this time, we expect that [the proposed acquisition, rehabilitation or demolition, may require you to be relocated (temporarily or permanently) from your unit]. We will provide further details to you as plans develop. **This notice does not mean that you need to leave the property at this time. This is not a notice of eligibility for relocation assistance.** The remainder of this letter only applies to situations where you will need to be relocated from your unit.

This notice serves to inform you of your potential rights under the RAD program and a federal law known as the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA). If the proposed RAD project receives HUD approval and if you are displaced permanently as a result, you may become eligible for relocation assistance and payments under the URA, including:

- 1) Relocation advisory services that include referrals to replacement properties, help in filing payment claims and other necessary assistance to help you successfully relocate;
- 2) At least 90 days' advance written notice of the date you will be required to move;
- 3) Payment for moving expenses; and
- 4) Payments to enable you to rent a similar replacement home.

NOTE: Aliens not lawfully present in the United States are not eligible for URA relocation assistance, unless such ineligibility would result in exceptional and extremely unusual hardship to a qualifying spouse, parent, or child as defined at 49 CFR 24.208(h). All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an immigrant lawfully present in the United States.

As a resident of a property participating in RAD, you have the right to return to the project after the project is complete. You will be able to lease and occupy a unit in the converted project when rehabilitation is complete.

If you are permanently displaced from your home, you will not be required to move until you are given at least 90-day advance written notice of any required move and at least one comparable replacement dwelling has been made available to you. If you are temporarily relocated and your temporary relocation lasts more than one year, you will be contacted and offered permanent relocation assistance as a displaced person under the URA. This assistance would be in addition

to any assistance you may receive in connection with temporary relocation and will not be reduced by the amount of any temporary relocation assistance you have already received.

If you are required to relocate from the property in the future, you will be informed in writing. [PHA] will inform you of what assistance and payments you are eligible for if you will be relocated because of RAD and how you will receive these payments. If you become a displaced person, you will be provided reasonable assistance necessary to complete and file any required claim to receive a relocation payment. If you feel that your eligibility for assistance is not properly considered, you will also have the right to appeal a determination on your eligibility for relocation assistance.

You should continue to pay your rent and meet any other requirements specified in your lease. If you fail to do so, [PHA] may have cause for your eviction. If you choose to move, or if you are evicted, prior to receiving a formal notice of relocation eligibility, you may become ineligible to receive relocation assistance. It is very important for you to contact us before making any moving plans.

You will be contacted soon so that we can provide you with more information about the proposed project. If the project is approved, we will make every effort to accommodate your needs. In the meantime, if you have any questions about our plans, please contact:
[Name, Title, Address, Phone, Email Address]. This letter is important to you and should be retained.

Sincerely,

[Name]

[Title]

NOTES:

1. Files must indicate how this notice was delivered (e.g., personally served or certified mail, return receipt requested) and the date of delivery. (49 CFR 24.5 and Paragraph 2-3(J) of Handbook 1378)
2. This is a sample GIN. PHAs should revise it to reflect project-specific circumstances.
3. PHAs may provide residents with HUD brochure "Relocation Assistance To Residents Displaced From Their Homes" available at:
<http://www.hud.gov/offices/cpd/library/relocation/publications/1042.pdf>.

Appendix 3: SAMPLE RAD NOTICE OF RELOCATION (For relocation anticipated for a year or less)

***THIS IS A GUIDE FORM.
REVISE TO REFLECT THE PROJECT-SPECIFIC CIRCUMSTANCES.***

PHA Letterhead

(date)

Dear *[Resident Name]*,

The property you currently occupy is participating in the Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD) program. On *[date]*, the *[Public Housing Authority]* (PHA) notified you of proposed plans to *[acquire/ rehabilitate/demolish]* the property you currently occupy at *[address]*. On *[date]*, HUD issued the RAD Conversion Commitment (RCC) and committed federal financial assistance to the project. *[In instances where a Notice of Intent to Acquire is applicable and this notice is being sent before the RCC is issued, in lieu of the previous sentence noting the RCC issuance date, insert: [Name of entity acquiring the property] (Displacing Agency) intends to acquire the property you currently occupy. This is a Notice of Intent to Acquire.]*

In order for PHA to complete the project, you will need to be relocated for *[anticipated duration of relocation]*. Upon completion of the project, you will be able to lease and occupy your present unit or another decent, safe and sanitary unit in the completed project under reasonable terms and conditions. You are eligible for relocation payments and assistance.

However, **you do not need to move now.** This notice informs you that a decent, safe, and sanitary dwelling unit, listed below, has been made available to you and you will be required to move by *[insert date at least 30 days after the date of this notice]*.

If your temporary relocation exceeds one year and you qualify as a "displaced person" under the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), you may be eligible for further relocation assistance and payments under URA.

NOTE: Aliens not lawfully present in the United States are not eligible for URA relocation assistance, unless such ineligibility would result in exceptional and extremely unusual hardship to a qualifying spouse, parent, or child as defined at 49 CFR 24.208(h). All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.

The relocation assistance to which you are entitled includes:

☐ Payment for Moving Expenses. You are entitled to be reimbursed for all reasonable out-of-pocket expenses incurred in connection with any temporary

move. *[PHA should list the form of payment for moving expenses selected in accordance with Appendix 1, Section 4 of this Notice.]*

☐ The location of your temporary replacement unit is *[address]*. This temporary housing has been determined to be decent, safe and sanitary.

☐ *List appropriate relocation advisory services and any other services and assistance provided.]*

If you disagree with this determination, you may file a written appeal to the PHA in accordance with 49 CFR 24.10.

If you have any questions about this notice and your eligibility for relocation assistance and payments, please contact *[Name, Title, Address, Phone, Email Address]* before you make any moving plans. He/she will assist you with your move to a temporary unit and help ensure that you preserve your eligibility for any relocation payments to which you may be entitled.

Remember, do not move or commit to the purchase or lease of a replacement home before we have a chance to further discuss your eligibility for relocation assistance. This letter is important to you and should be retained.

Sincerely,

Print name:

Title:

NOTE: The case file must indicate the manner in which this notice was delivered (e.g., personally served or certified mail, return receipt requested) and the date of delivery. (See 49 CFR 24.5 and Paragraph 2-3(J) of Handbook 1378.)

Appendix 4: SAMPLE RAD NOTICE OF RELOCATION (For relocation anticipated for more than a year)

*THIS IS A GUIDE FORM.
REVISE TO REFLECT THE PROJECT-SPECIFIC CIRCUMSTANCES.*

PHA Letterhead

(date)

Dear *[Resident Name]*,

The property you currently occupy is participating in the Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD) program. On *[date]*, the *[Public Housing Authority]* (PHA), notified you of proposed plans to *[acquire/ rehabilitate/demolish]* the property you currently occupy at *[address]*. On *[date]*, HUD issued the RAD Conversion Commitment (RCC) and committed federal financial assistance to the project. *[In instances where a Notice of Intent to Acquire is applicable and this notice is being sent before the RCC is issued, in lieu of the previous sentence noting the RCC issuance date, insert: [Name of entity acquiring the property] (Displacing Agency) intends to acquire the property you currently occupy. This is a Notice of Intent to Acquire.]*

In order for PHA to complete the project, you will need to be relocated for *[anticipated duration of relocation]*. Upon completion of the project, you will be able to lease and occupy your present unit or another decent, safe and sanitary unit in the completed project under reasonable terms and conditions. You are eligible for relocation assistance and payments. Because we expect your relocation to exceed one year, you have the choice to either:

- Receive temporary relocation assistance and return to a unit in the RAD project once it is complete; or
- Receive permanent relocation assistance and payments consistent with the URA instead of returning to the completed RAD project.

You must inform us of your choice within 30 days.

However, **you do not need to move now.** If you choose temporary relocation assistance, you will not be required to move sooner than 30 days after you receive notice that a temporary unit is available for you. If you choose permanent relocation assistance, you will not be required to move sooner than 90 days after you receive written notice that at least one comparable replacement unit is available to you in accordance with 49 CFR 24.204(a). *[Note to PHA: These time periods may start running as of the date of this Notice if the notice of relocation includes such information on the temporary and/or comparable replacement dwelling options, as applicable. In such circumstance, add applicable sentences to adequately notify the resident. For example: This notice informs you that a temporary unit, listed below, has been made available to you and, if you choose this option, you will be required to move by [date no sooner than 30 days after notice]. This notice informs you*

that a comparable unit, listed below, has been made available to you and, if you choose this option, you will be required to move by *[date no sooner than 90 days after notice]*.

If you choose temporary relocation, your relocation exceeds one year and you qualify as a “displaced person” under the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), you may become eligible for further relocation assistance and payments under URA.

NOTE: Aliens not lawfully present in the United States are not eligible for URA relocation assistance, unless such ineligibility would result in exceptional and extremely unusual hardship to a qualifying spouse, parent, or child as defined at 49 CFR 24.208(h). All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.

If you choose to receive temporary relocation assistance, this assistance will include:

- Payment for Moving Expenses. You are entitled to be reimbursed for all reasonable out-of-pocket expenses incurred in connection with any temporary move. *[PHA should list the form of payment for moving expenses selected in accordance with Appendix 1, Section 4 of this Notice.]*
- The location of your temporary replacement unit is *[address]*. This temporary housing has been determined to be decent, safe and sanitary.
- *[List appropriate relocation advisory services and any other services and assistance provided.]*

If you elect to receive permanent relocation assistance, this assistance will include:

- Relocation Advisory Services. You are entitled to receive current and continuing information on available comparable replacement units and other assistance to help you find another home and prepare to move.
- Payment for Moving Expenses. *[PHA should list the form of payment for moving expenses selected in accordance with Appendix 1, Section 5 of this Notice.]*
- Replacement Housing Payment. You may be eligible for a replacement housing payment to rent or buy a replacement home. The payment is based on several factors including: (1) the monthly rent and cost of utility services for a comparable replacement unit, (2) the monthly rent and cost of utility services for your present unit, and (3) 30% of your average monthly gross household income. This payment is calculated on the difference between the old and new housing costs for a one-month period and multiplied by 42.
- *[PHA: list here any permanent relocation assistance offered, such as a Housing Choice Voucher.]*

- ☐ Listed below are three comparable replacement units that you may wish to consider for your replacement home. If you would like, we can arrange transportation for you to inspect these and other replacement units.

	Address	Rent & Utility Costs	Contact Info
1.			
2.			
3.			

We believe that the unit located at [address] is most representative of your original unit in the converting RAD project. The monthly rent and the estimated average monthly cost of utilities for this unit is [\$ amount] and it will be used to calculate your maximum replacement housing payment. Please contact us immediately if you believe this unit is not comparable to your original unit. We can explain our basis for selecting this unit as most representative of your original unit and discuss your concerns.

Based on the information you have provided about your income and the rent and utilities you now pay, you may be eligible for a maximum replacement housing payment of approximately [\$ (42 x monthly amount)], if you rent the unit identified above as the most comparable to your current home or rent another unit of equal cost.

Replacement housing payments are not adjusted to reflect future rent increases or changes in income. This is the maximum amount that you would be eligible to receive. If you rent a decent, safe and sanitary home where the monthly rent and average estimated utility costs are less than the comparable unit, your replacement housing payment will be based on the actual cost of that unit. All replacement housing payments must be paid in installments. Your payment will be paid in [#] installments.

You may choose to purchase (rather than rent) a decent, safe and sanitary replacement home. If you do, you would be eligible for a down-payment assistance payment which is equal to your maximum replacement housing payment, [\$amount.] *[PHAs should note that, at the agency's discretion, a down-payment assistance payment that is less than \$5,250 may be increased to any amount not to exceed \$5,250. (See 49 CFR 24.402(c)(1)).]* Let us know if you are interested in purchasing a replacement home and we will help you locate such housing.

Please note that all replacement housing must be inspected in order to ensure it is decent, safe and sanitary before any replacement housing payments are made.

If you have any questions about this notice and your eligibility for relocation assistance and payments, please contact [Name, Title, Address, Phone, Email Address] before you make any moving plans. He/she will assist you with your move to a new home and help ensure that you preserve your eligibility for all relocation payments to which you may be entitled.

Remember, do not move or commit to the purchase or lease of a replacement home before we have a chance to further discuss your eligibility for relocation assistance. This letter is important to you and should be retained.

Sincerely,

Print name:

Title:

Enclosure/s

NOTE: The case file must indicate the manner in which this notice was delivered (e.g., personally served or certified mail, return receipt requested) and the date of delivery. (See 49 CFR 24.5 and Paragraph 2-3(J) of Handbook 1378.)

Appendix 5: SAMPLE NOTICE OF ELIGIBILITY FOR URA RELOCATION ASSISTANCE (For residents who have been temporarily relocated for more than a year)

***THIS IS A GUIDE FORM.
IT SHOULD BE REVISED TO REFLECT THE CIRCUMSTANCES.***

PHA Letterhead

(date)

Dear [*Resident*]:

The property you formerly occupied at [*address*] is participating in the Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD) program. You have been temporarily relocated from that property since [*date*]. Your temporary relocation has exceeded one year.

It has been determined that you qualify as a "displaced person" according to the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA). You are eligible for relocation assistance and payments under the URA.

You may choose to remain temporarily relocated and return to a unit in the RAD project once it is completed. It is currently estimated that you may return to the RAD project by [*date*]. If you choose to remain temporarily relocated, you will stay at your current location until the RAD project is completed.

Alternatively, you may choose permanent relocation assistance and payments for which you are eligible, as listed below. If you choose permanent relocation assistance, you give up your right to return to the completed RAD project. However, **you do not need to move now.** If you choose permanent relocation assistance instead of exercising your right to return to the completed RAD project, you will not be required to move sooner than 90 days from the date that at least one comparable replacement unit has been made available to you. [*Alternatively: You will not be required to move sooner than 90 days from the date of this notice, which informs you of a comparable replacement unit that has been made available for you.*]

This is your Notice of Eligibility for relocation assistance.

The effective date of your eligibility is [*insert date that relocation exceeds one year.*]

NOTE: Aliens not lawfully present in the United States are not eligible for URA relocation assistance, unless such ineligibility would result in exceptional and extremely unusual hardship to a qualifying spouse, parent, or child as defined at 49 CFR 24.208(h). All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.

Enclosed is a brochure entitled, "Relocation Assistance to Tenants Displaced From Their Homes." Please read the brochure carefully. It explains your rights and provides additional information on eligibility for relocation payments and what you must do in order to receive these payments.

The relocation assistance to which you are entitled includes:

- Relocation Advisory Services. You are entitled to receive current and continuing information on available comparable replacement units and other assistance to help you find another home and prepare to move.
- Payment for Moving Expenses. *[PHA should list the form of payment for moving expenses selected in accordance with Appendix 1, Section 5 of this Notice.]* This is in addition to any amounts received to reimburse for any reasonable out-of-pocket expenses incurred in connection with the temporary move.
- Replacement Housing Payment. You may be eligible for a replacement housing payment to rent or buy a replacement home. The payment is based on several factors including: (1) the monthly rent and cost of utility services for a comparable replacement unit, (2) the monthly rent and cost of utility services for your present home, and (3) for low-income persons, 30 percent of your average monthly gross household income. This payment is calculated on the difference between the old and new housing costs for a one-month period and multiplied by 42.
- *[PHA list here any other relocation assistance offered the resident, such as Housing Choice Voucher.]*

Listed below are three comparable replacement units that you may wish to consider for your replacement home. If you would like, we can arrange transportation for you to inspect these and other replacement units.

	Address	Rent & Utility Costs	Contact Info
1.			
2.			
3.			

We believe that the unit located at *[address]* is most representative of the original unit you occupied in the converting RAD project. The monthly rent and the estimated average monthly cost of utilities for this unit is *[\$amount]* and it will be used to calculate your maximum replacement housing payment. Please contact us immediately if you believe this unit is not comparable to your original unit. We can explain our basis for selecting this unit as most representative of your original unit and discuss your concerns.

Based on the information you have provided about your income and the rent and utilities you now pay, you may be eligible for a maximum replacement housing payment of approximately \$ *[42 x \$Amount]*, if you rent the unit identified above as the most comparable to your current home or rent another unit of equal cost.

Replacement housing payments are not adjusted to reflect future rent increases or changes in income. This is the maximum amount that you would be eligible to receive. If you rent a decent, safe and sanitary home where the monthly rent and average estimated utility costs are less than the comparable unit, your replacement housing payment will be based on the actual cost of that unit. All

replacement housing payments must be paid in installments. Your payment will be paid in [#] installments.

Should you choose to purchase (rather than rent) a decent, safe and sanitary replacement home, you would be eligible for a downpayment assistance payment which is equal to your maximum replacement housing payment, [\$ amount] *[PHAs should note that, at the agency's discretion, a downpayment assistance payment that is less than \$5,250 may be increased to any amount not to exceed \$5,250. (See 49 CFR 24.402(c)(1)).]* Let us know if you are interested in purchasing a replacement home and we will help you locate such housing.

Please note that all replacement housing must be inspected in order to ensure it is decent, safe, and sanitary before any replacement housing payments are made.

If you have any questions about this notice and your eligibility for relocation assistance and payments, please contact [Name, Title, Address, Phone, Email Address] before you make any moving plans. He/she will assist you with your move to a new home and help ensure that you preserve your eligibility for any applicable relocation payments.

Remember, do not move or commit to the purchase or lease of a replacement home before we have a chance to further discuss your eligibility for relocation assistance. This letter is important to you and should be retained.

Sincerely,

Print Name:
Title:

Enclosure/s

NOTE: The case file must indicate the manner in which this notice was delivered (e.g., personally served or certified mail, return receipt requested) and the date of delivery. (See 49 CFR 24.5 and Paragraph 2-3(J) of Handbook 1378.)

