

**HOUSING AUTHORITY OF BALTIMORE
CITY**

**Moving To Work Program
Annual Plan for Fiscal Year 2012
Volume 1**

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I. Introduction and Overview

The Housing Authority of Baltimore City (HABC) entered into a ten-year Moving To Work Agreement (MTW Agreement) with the US Department of Housing and Urban Development (HUD) effective as of December 24, 2008. Through a previous agreement between HUD and HABC, HABC has been a full participant in the MTW program since 2005.

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

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

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

This document is the MTW Annual Plan for Fiscal Year 2012, which is the period from July 1, 2011 to June 30, 2012. HABC is required to prepare this Annual Plan in conformance with the specifications of HUD Form 50900 “Elements for the Annual MTW Plan and Annual MTW Report”. For purposes of this document and the required submission to HUD, an “MTW activity” is defined as any activity that requires MTW flexibility to waive statutory or regulatory requirements.

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

HABC made the Fiscal Year 2012 MTW Annual Plan available for public review and comment, along with the proposed revised Administrative Plan and ACOP. Copies of these documents were available at HABC’s main offices, the Enoch Pratt Free Library and on the website at www.baltimorehousing.org beginning February 26, 2011. A public hearing was held on March 28, 2011 at 201 N. Aisquith Street, Baltimore MD 21202. HABC reviewed and considered all comments that were received no later than March 28, 2011.

Overview of FY 2012 Objectives and Activities

As of the publication date of this Annual Plan, Congress has not finalized calendar year 2011 funding for critical programs administered by HABC including the Public Housing Operating Fund, Public Housing Capital Fund and Housing Choice Voucher Program. Published reports indicate the potential for significant cutbacks to HABC and Public Housing Authorities nationwide.

Thus, the programs and initiatives described herein may need to be modified based on final funding decisions.

HABC's goals for the current and future years of the MTW Demonstration include supporting neighborhood revitalization, reducing administrative costs and promoting resident economic self-sufficiency. During Fiscal Year 2012, HABC intends to work towards these overarching goals by undertaking a broad range of housing, capital improvement, resident services and development activities as described in this Plan. Major initiatives and objectives for the year ahead include:

- Public Housing Occupancy – HABC projects that it will achieve a 98% adjusted occupancy rate in its public housing developments.
- Leased Housing Lease Ups – HABC projects that it will have a total of 14,637 units under lease including Thompson and all other programs.
- Capital Planning – HABC will continue its aggressive program of capital improvements and development activities, including the completion of many projects funded under the American Recovery and Reinvestment Act (ARRA). HABC projects hard cost capital expenditures of approximately \$75.3 million in the coming year.
- Development Activities - HABC, in conjunction with the City of Baltimore will continue its ten year plan to develop approximately 3,080 housing units, including approximately 1066 low-income rental units to replace severely distressed units in its current inventory. Many of the units will be developed using the mixed finance development method, and all units will be developed to create economically diverse, stable neighborhoods. MTW single fund flexibility is a key ingredient of HABC's development program.
- Portfolio Planning –HABC will complete an ongoing portfolio assessment including assessing capital needs, developing a capital spending plan and strategy, and identifying a framework for future development activity. In tandem, both traditional and non-traditional sources of funding will be assessed including identifying ways in which MTW flexibility can be used to leverage and support reinvestment in HABC developments.
- Resident Services – HABC plans to serve over 5,000 households through a wide array of self sufficiency, personal development and supportive service program offerings including a Targeted Unemployment Initiative which assists unemployed residents to obtain jobs through a comprehensive program of supportive services.

Other FY 2012 objectives which utilize HABC's MTW flexibility and which promote one or more of the MTW statutory objectives will include:

- Rent Policy – To encourage employment and career progression, HABC proposes to implement a new rent policy for all public housing residents which builds off the recent successes of the Gilmore Homes Demonstration. The newly expanded program effectively replaces the Earned Income Disregard program (except for current participants) with a combination of rent caps, incentives and savings contributions.

- Gilmor Demonstration – HABC will continue the Gilmor pilot which incorporates modified rent policies, work and savings incentives and enhanced self-sufficiency services.
- Risk-Based Inspections – HABC will complete implementation planning for a risk-based inspection program of leased Housing Choice Voucher units.
- Two-Year Recertifications – Under MTW, HCV households will continue to be recertified every two years. In FY 2012, two-year recertifications for public housing households will continue to be phased in.
- Family Self Sufficiency – HABC will continue to implement FSS activities that provide supportive services and family savings for both public housing and HCV residents.
- Project Based Vouchers – An estimated 229 additional housing units will be leased under HABC’s PBV program.
- HCV Program Administration – Using MTW flexibility, several changes designed to streamline program administration and expand housing choice will be phased into the HCV Administrative Plan and the Special Administrative Plan for the Thompson Partial Consent Decree.
- Homeownership – Ongoing efforts to promote homeownership for public housing residents and other low-income households will continue through HABC’s Homeownership Plan.

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

II. General Operating Information

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

A. Housing Stock Information

1. Public Housing Inventory

All HABC public housing units are included in the MTW Block Grant. As of March 31, 2011, HABC’s existing public housing inventory includes 11,936 units, of which 10,614 are available for occupancy. A total of 10,475 households currently reside in public housing – an adjusted occupancy rate of 98.6%. Table 1 provides details on HABC’s existing MTW public housing inventory and leasing as of March 2011. Because of the MTW Agreement requirement to submit the Annual Plan 75 days prior to the end of the fiscal year, the numbers provided as of March 2011 serve as a proxy for its anticipated inventory at the beginning of the year.

**Table 1:
Public Housing Inventory and Occupancy March 2011**

BR Size	Total Units	Available for Occupancy*	Occupied as of March 31, 2011	Adjusted Occupancy Rate as of March 31, 2011**
OBR	1,333	1,219	1,202	98.6%
1BR	3,928	3,566	3,542	99.3%
2BR	3,589	3,254	3,221	98.9%
3BR	2,165	1,889	1,881	99.5%
4BR	668	546	504	92.3%
5BR	214	119	107	89.9%
6BR	39	21	18	85.7%
TOTAL	11,936	10,614	10,475	98.6%

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

** Adjusted occupancy rate reflects the percentage of units that are available for occupancy that are actually occupied.

*** The majority of the four bedrooms are long-term vacant units located at Mt. Winans. HABC is reviewing options for addressing these units. As for HABC’s 6-bedroom units, occupancy rates are low because there is a lack of demand for units this large. In FY 2012, HABC will continue to focus on transferring residents who are under-housed in an effort to increase the occupancy rate amongst these larger bedroom units.

During Fiscal Year 2012, HABC anticipates changes to its existing public housing inventory as a result of acquisition/development of units in the mixed finance portfolio and the demolition or

disposition of obsolete units. Table 2 identifies 53 public housing (ACC) units projected to be added to the public housing inventory in FY 2012. Note that the ACC units reported under Thompson last year have been acquired, and HABC's obligation under this provision of the Partial Consent Decree is completed (80 units in total). Additional information on these new units is found in the Capital Plan section in below.

**Table 2:
Projected New Public Housing Units for FY 2012
MD002000121 – Barclay***

Structure Type	1 BR	2 BR	3 BR	4 BR	5 BR	Total
Detached						
Semi-Detached						
Row House				2	2	
Walk-Up	10	5	5			
Elevator	29**					
Sub-Total	39	5	5	2	2	53

**The bedroom size distribution is an estimate*

***Four one-bedroom units will be retrofitted to UFAS; two one-bedroom units will be modified for the hearing and sight impaired.*

HABC projects that a total of 924 non-viable and obsolete units will be dispositioned from the public housing inventory during FY 2012 as described in Table 3.

**Table 3:
Projected Demolition/Disposition of Public Housing Units for FY 2012**

Project Name	Projected Units	Reason for Demo or Dispo	Status as of March 31, 2011
Barclay (Demolition/Disposition)	32	Distressed obsolete housing. Entire block of public housing and non-public housing will be demolished for new development site.	Disposition approval received April 7, 2008. Demolition Application to be submitted to HUD in FY 2011.
Somerset (Vacant Land Disposition)	257	Distressed obsolete housing.	Disposition Application to be submitted to HUD FY 2011.
O'Donnell Heights	596	Distressed obsolete housing.	Disposition Application to be submitted to HUD FY 2011.
Coppin Redevelopment	2	Distressed obsolete housing	Disposition Application to be submitted to HUD FY 2011.
Scattered Sites	37	Distressed/obsolete housing	Disposition approval received October 8, 2009.
TOTAL	924		

As previously reported in the FY 2011 Plan, the disposition of the Barclay Redevelopment (63 units), Poppleton Redevelopment (4 units), and Scattered Sites projects (includes 126 vacant lots which were occupied by 143 vacant units and 508 vacant and/or obsolete/distressed units) have all been approved by HUD. The sixty-three (63) units under Barclay have been dispositioned to the developer while the four (4) units under Poppleton have been conveyed to the Mayor and City Council of Baltimore (MCCB). The majority of the Scattered Sites units (614) will be conveyed to MCCB in FY 2011 while the remainder (37 units) will be dispositioned in FY 2012. The

disposition application for the units at Claremont Homes (152), demolished January 8, 2010, is currently on hold.

2. Section 8/Housing Choice Voucher Program Inventory

As of March 2011, HABC's existing Section 8 Housing Choice Voucher leased housing inventory includes 13,350 MTW units (11,634 regular program units; 1,716 Thompson units) and 1,176 non-MTW units. By the end of the current fiscal year, these figures are projected to increase to total 13,515 (11,770 regular program units; 1,745 Thompson units) and 1,198 respectively. Table 4 shows leasing levels as of March 2011 and projected leasing levels as of June 30, 2011. For MTW vouchers, from July 2010 to March 2011, including Thompson voucher activity, there was a net decrease of 202 HCV leased households when compared to units leased at the end of FY 2010 (HABC leased 368 less units under the regular program and leased 166 more units under Thompson).

Under its ACC, HABC is authorized to issue 17,467 MTW vouchers (not including Thompson). Available HUD funding, however, limits the number of households for which assistance could be made available to no more than approximately 11,500. The requirement for additional project-based units under the Bailey Consent Decree will require a decrease in tenant-based voucher holders or an increase in funding or both.

**Table 4:
Housing Choice Voucher Program Inventory and FY 2011 Projected Leasing**

	Actual Leased as of 3/31/11	Projected Leased as of 6/30/11
MTW Tenant Based Vouchers (Non Consent Decree)	9,729	9,710
MTW Project Based Vouchers (Non Consent Decree)	969	1,056
MTW Tenant Based Vouchers - Bailey*	782	850
MTW Project Based Vouchers - Bailey	154	154
<i>Sub-Total</i>	<i>11,634</i>	<i>11,770</i>
MTW Tenant Based Vouchers - Thompson	1,600	1,600
MTW Project Based Vouchers - Thompson	116	145
<i>Sub-Total</i>	<i>1,716</i>	<i>1,745</i>
TOTAL MTW VOUCHERS	13,350	13,5915
Non-MTW Section 8 Moderate Rehab	342	350
Non-MTW Section 8 New Construction/Substantial Rehab	767	767
Non-MTW VASH Vouchers	67	81
<i>Sub-Total</i>	<i>1,176</i>	<i>1,198</i>
TOTAL ALL	14,526	14,713

*The count of MTW Tenant Based Vouchers-Bailey does not include 36 Non-Elderly Disabled (NED) households who have ported to other jurisdictions and who continue to receive Housing Choice Voucher Program assistance. This brings the total number of Non Elderly Disabled households receiving assistance under the tenant-based program as of 3/31/11 to 808. HABC is committed to provide assistance to 850 Non-Elderly Disabled households. Since the number of

NEDs households fluctuates over time, HABC has set as its goal to provide 10,200 unit-months of assistance within each twelve-month period (850 households times 12 months of assistance). For the period of April 1, 2010 through March 31, 2011, 10,314 months of assistance have been provided. HABC has exceeded its goal by 114 unit-months.

3. Neighborhood Development Activities and Expenditures

HABC in conjunction with the City of Baltimore proposes to develop approximately 3,000 housing units, including 1300 low-income rental units over a ten year period through 2019 to replace severely distressed units in its current inventory. These figures do not include all of the units to be redeveloped at O'Donnell Heights (only the 1st phase) or units at Somerset Homes, which are still in the planning and/or predevelopment stage. These projects are discussed below in the "Other Development Activities" section.

Many of the units will be developed using the mixed finance development method, and all units will be developed to assist in the creation of economically diverse, stable neighborhoods. The 1300 low-income rental units will use MTW Block Grant funds, Low Income Housing Tax Credits, or other available sources to finance their development. Approximately 528 affordable for-sale units will be developed using MTW and non-MTW sources including HOPE VI and private funding. The balance of the units will be developed with private funding. Combined, the mix will provide public housing and HCVP eligible households with expanded housing choices in stable, diverse neighborhoods, and will increase choices for non-elderly persons with disabilities and households that need UFAS compliant accessible features.

HABC's housing development accommodates four distinct strategies, which include MTW funds and proposed public and private leveraged funds as summarized in Table 6. Each of the four strategies (Neighborhood Reinvestment, New Housing Production, Thompson Partial Consent Decree Production, and Bailey Consent Decree Housing Production) is summarized below. As these projects are all in the development or pre-development stages, the final unit numbers and development approach may vary from those presented below.

Neighborhood Reinvestment

Under the Neighborhood Reinvestment Program, HABC works with private development partners and Baltimore neighborhoods to re-capitalize the distressed scattered site public housing stock in strengthening neighborhood markets, linking their redevelopment to a larger program of market-rate rental and for-sale production. The public housing component of these projects will result in a permanently affordable rental housing resource in improving neighborhoods, ensuring economic diversity. This program achieves the mixed-finance redevelopment of existing ACC (public housing) units. The narrative below describes FY 2012 goals and activities in this strategy area:

Barclay – HABC procured Telesis as its development partner in the redevelopment of the Barclay neighborhood. Telesis has produced a final concept plan for redevelopment and has received an award of Low Income Housing Tax Credits (LIHTC) and State rental funds for the first rental phase. This phase involves 72 total units including 53 public housing units. Twenty-nine of the public housing units will be in the comprehensively renovated Homewood House property. The remaining public housing units will be in HABC's scattered sites properties. Units will also be produced to provide housing opportunities for non-elderly persons with disabilities and other

households that need accessible unit features. Construction should begin in FY 2010, with completion scheduled for FY 2011.

New Housing Production Program

HABC's New Housing Production Program for mixed-income, mixed finance development involves the complete transformation of distressed sites. In FY 2012, HABC will continue to sponsor significant mixed-income residential development at several locations across the City, resulting in a variety of housing choices for low-income households in the city. These projects generally involve the use of Project Based Housing Choice Vouchers in order to make units affordable to all income ranges rather than ACC payments (public housing).

Uplands – The City acquired the 52-acre Uplands Apartments site from HUD in January 2004 through a foreclosure auction with the intent of developing a new mixed income neighborhood that offering a modern, urban rental and for-sale housing product. Baltimore City's Housing and Community Development agency (HCD) engaged a master planning firm for the site with the full engagement of the surrounding community. The Master Plan calls for the development of 1,146 new units, including affordable and market-rate for-sale units. The plan is urban with a variety of housing types designed around the principle of mixing incomes on the site. The development scale and product mix are strongly supported by a market analysis that revealed significant regional demand for an urban neighborhood housing product distinct from the suburbs. This project will include the City's acquisition of additional adjacent sites (13 properties known as "The Triangle" and a portion of the Westside skills center parking) as well as two large church properties. In July 2007, Uplands Visionaries was selected as the developer. Environmental remediation and demolition were completed in FY 2009. Mass grading and infrastructure began in November 2010 to be followed by the commencement of construction of the first buildings in the 1st Quarter of 2011.

The developer applied for and received a LIHTC allocation for the first rental phase of the project, consisting of 104 apartment homes in several buildings along the perimeter of the site. It is intended that 16 of these will be dedicated to non-elderly persons with a disability and 6 for UFAS.

HABC will provide 62 Project Based Vouchers for the returning residents, NEDS and UFAS units and possibly additional affordable for-sale units at the Uplands Apartment site. These affordable units will provide replacement housing for households displaced by the closing of the former FHA development on site and for non-elderly disabled residents. Development was delayed for several years due to a lawsuit filed by the former tenants. A Settlement Agreement has been reached and has received preliminary approval from the US District Court judge, which calls for 74% of the homes to be affordable to families at or below 115% AMI and 26% of the homes to be rented or sold at market rates.

Orchard Ridge (formerly Claremont/Freedom) – The Claremont/Freedom redevelopment, now known as Orchard Ridge, consists of 444 newly constructed mixed-income rental and for-sale units and a newly constructed 8,200 square foot community center. Of the total, 249 units are rental homes while the remaining 195 are for sale housing. Construction is complete on all three phases of the rental development. Phase I homeownership consists of 72 units of which 18 units are designated as market-rate for-sale and 54 units designated as affordable for-sale. To date 37 homes have settled with private owners. In an effort to attract buyers and complete this phase the remaining 35 units will be sold as affordable for-sale. Phase II homeownership consists of 123 lots

that are to be sold to private homebuilders. Project funding has been secured for all phases of the project. Units spread through the different phases of the project will benefit from Project Based HCV assistance. Including these units, a total of 214 units will be affordable to households with incomes up to 60% of the area median. Of the homeownership units, 54 will be sold to families with incomes ranging between 60% and 120% of the area median. No public housing capital funds will be used in this redevelopment.

Development of the homeownership units has lagged due to the national recession and the decline of the sales market. Efforts are underway to create additional affordability in the remaining homeownership units. These efforts are not likely to involve HABC resources.

Thompson Partial Consent Decree Production

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

Albemarle Square – The project consists of 10 affordable for-sale units, of which 6 units have been sold to private owners. Construction was completed in FY 2010. HABC has provided second mortgages and HCV vouchers, along with a portion of the construction loan, to subsidize the purchase price. The remaining 4 units will be converted to public housing of which 2 units are being reserved for lease-purchase. HABC has created a lease-purchase program specifically designed for Albemarle Square in an effort to provide homeownership opportunity to public housing tenants.

58 Unit Program – In FY 2007, HUD approved the acquisition of 58 units in non-impacted locations in the Baltimore area, including the surrounding counties. The units are being acquired and rehabilitated by Homes for America (HFA) and will be operated as public housing. HFA completed acquisition on all 58 units in FY 2011 and is finalizing rehabilitation for occupancy in the last quarter of FY 2011. The 58 Unit Program will be completed in FY 2011.

Sandtown-Winchester 22 Thompson Units – HABC was required to create 22 public housing units in Sandtown-Winchester. The parties to the Consent Decree have agreed that these units may be purchased in other areas of the City as well as Sandtown-Winchester. On October 29, 2009, HUD approved HABC's development proposal for the creation of the 22 units. HABC has acquired all 22 units and will finalize rehabilitation for occupancy in the first quarter of FY 2012. Funding for these units will include State Partnership Rental Housing Program funds.

Homeownership Demonstration Program – Metropolitan Baltimore Quadel (MBQ) is implementing the Thompson Homeownership Demonstration Program, which was created pursuant to the Partial Consent Decree. Funding for this program was carved out of the Lafayette HOPE VI Grant to create 168 homeownership opportunities, if feasible, in non-impacted Areas. To date, 39 families have purchased a home through this program. During FY 2012 HABC anticipates another 20 families will become homeowners through MBQ. In addition, MBQ is implementing a project based development program to create project based units in Non-impacted Areas. Subject to funding availability, MBQ is making pre-development funding and, if needed, subordinate secondary financing available to pre-qualified developers and property owners who develop housing units and agree to enter into long term project-based voucher contracts. MBQ anticipates creating 50 project based units during FY 2012 through this project based development program.

Bailey Consent Decree Housing Production

In order to meet its obligations under the Bailey Consent Decree, HABC may devote HCV funds available as part of the MTW Block Grant to the production of units that will benefit from Project Based HCV vouchers, ACC payments, or that otherwise meet the requirements of the Bailey Consent Decree. HABC is considering various options, including payments, loans or grants to cover costs of converting units to meet UFAS requirements and providing financial incentives to developers to reserve units for non-elderly disabled residents. Sources of funding for such payments, loans, grants and incentives could include City funds, HCV funds, and other discretionary funds available to HABC.

Incentives for NED and UFAS Units – Developers seeking support from HABC and Baltimore City for LIHTC must agree to set aside at least 15% of the LIHTC units for non-elderly persons with disabilities (NED) in order to obtain that support. Developers proposing new construction or rehabilitation and who receive certain federal capital funds must make at least 5% of the units UFAS compliant. In FY 2009 as an incentive to developers to create more than the units already required for non-elderly persons with disabilities and more than the required UFAS compliant units, HABC began offering, via a request for proposals (RFP), capital funds to developers who agree to create in excess of 15% of the LIHTC units for non-elderly persons for disabilities and/or in excess of the 5% of the units as UFAS compliant. The offer is also open to developers and apartment unit owners that will take Project Based HCVs and participate in either the NEDs or UFAS programs. In order to maximize the effectiveness of the RFP, HABC may expand upon the current offer in FY 2012 with additional funding, may amend the offer in other ways, or may cancel the offer entirely.

Section 811 Supportive Housing for Persons with Disabilities – HABC is currently offering to combine capital funds made available from HCV or public housing funds with Section 811 funds to create units for non-elderly persons with disabilities pursuant to the Bailey Consent Decree. The funds are being made available under HABC's RFP described above. HABC may amend this offer as circumstances change or may cancel it entirely.

Acquisition of Scattered Site Units – HABC is considering the acquisition of scattered site multifamily units, generally in row homes or other small buildings, subdivided into two or more units, for use as public housing or for rental under the Project Based HCV program. The program would acquire buildings with one or more one-bedroom apartments in order to meet the Bailey Consent Decree requirements. Buildings could also contain larger or smaller units that would either become part of HABC's public housing stock or its Project Based HCV portfolio. The acquisition and rehabilitation would be structured in a manner similar to the Sandtown-Winchester 22 unit project, with all units to be purchased within the City of Baltimore. Funding sources may include ARRA funds, Replacement Housing Factor Funds, State Partnership Rental Housing Program Funds, HAP funds converted to capital purposes, and other HABC and non-HABC sources.

Other Development Activities

HABC will also conduct a series of master planning efforts to develop long-term solutions for distressed properties including:

O'Donnell Heights – O'Donnell Heights was constructed in 1942 and included 900 public housing units. Of these, 596 have been demolished over the last several years and 304 remain on-line. The current plan for the 62-acre site envisions the demolition of the remaining housing units and the

creation of a mixed income residential community to include the replacement of public housing units on site. The development is to be completed in multiple phases over the next 10 years.

A Steering Committee, made up of members of the O'Donnell Heights Tenant Council, area residents and other stakeholders was created to assist in planning the future of O'Donnell Heights. Through a competitive Request for Qualifications process the team of Michaels Development Company and the Greater Baltimore AHC was selected as HABC's development partner for the redevelopment of O'Donnell Heights.

The draft master plan calls for the construction of 917 residential units. HABC hopes to complete the master plan by spring 2011. Concurrently, HABC's development partner plans to submit an application for the spring 2011 Maryland LIHTC funding round for the first phase of the development. The anticipated 143-unit first phase will include 136 rental and 7 homeownership units. Of the 136 rental units, HABC proposes making 50% (68 units) deeply affordable thru the issuance of project based vouchers.

HABC foresees a multi-phase, mixed-finance development, including a possible future HOPE VI Revitalization or Choice Neighborhoods grant program application. HABC also anticipates using HCV block grant funds for pre-development funding for the first, and perhaps other, phases of the development and may choose to accumulate Replacement Housing Factor Funds (RHFF) funds over a five year period to leverage as capital in a mixed finance transaction for the redevelopment of O'Donnell Heights or other public housing developments. Therefore under HABC's MTW designation, we will keep HUD informed of any decisions regarding the need to accumulate RHF funds.

Somerset – HABC has been working with the City of Baltimore's Planning Department, other agencies and organizations, as well as resident stakeholders to develop plans for redevelopment of a broad area of the Orleans to Fayette Street corridor (the "Old Town Mall" area), including the distressed Somerset Homes site and possibly using the development opportunity that exists in the vacant land holdings of HABC across Fayette Street. A final master plan was completed in FY 2010 and HABC commenced planning efforts for the redevelopment of Somerset in FY 2011. HABC has plans to submit a Request For Proposal for a Developer in FY2012. Additionally, the agency will continue to identify financial resources to leverage in the redevelopment of Somerset.

The site will be a mixed-income property. The Old Town Master Plan generally calls for more affordable housing units and HABC expects to replace the former Somerset units with a mix of public housing or Project Based HCVs as well as market rate units at the Somerset site and some of the units replaced offsite in the surrounding community.

Hollander Ridge HOPE VI Funding –Approximately \$18.5 million of HOPE VI funds that were originally designated for the redevelopment of the Hollander Ridge site are available for use in other locations. HABC intends to use these funds to acquire and rehabilitate properties that will be used for replacement housing for both former Hollander Ridge residents and former or current O'Donnell Heights residents. The properties are likely to be scattered-site units, although other property types may be included in the overall transaction. HABC intends to provide the funds to the Michaels Company/Greater Baltimore AHC, the developer for the redevelopment of the O'Donnell Heights site. It is possible that funds will be provided to other developers instead or that HABC may buy units directly using the funds. Plans for this acquisition project include

augmenting the Hollander Ridge funds with low income housing tax credits or other moneys to expand the scope of the project. HABC has had discussions with both the O'Donnell Heights Tenant Council and the ACLU regarding this plan.

Other Developments – HABC may use its public housing or Housing Choice Voucher resources for other developments throughout the City as opportunities arise.

Homeownership Programs

In addition to the Thompson Homeownership Demonstration Program and various homeownership activities planned or underway as part of HABC development efforts as discussed above, HABC will continue to implement two programs to encourage first-time homeownership by eligible low-income households:

MTW Homeownership Program – Using its MTW flexibility, HABC submitted a revised MTW Homeownership Plan, which was approved by HUD in 2009. While stricter guidelines imposed by lenders have reduced the number of public housing participants who are eligible to purchase a home, HABC will continue to expand its efforts to assist new homeowners. Under the revised Plan, HABC will identify and rehabilitate various vacant scattered sites properties for homeownership sale to eligible residents. During FY 2012, HABC projects that it will assist two (2) families in achieving homeownership under this Plan.

Housing Choice Voucher Homeownership Program - To date, 52 homes have been purchased by participants in the Housing Choice Voucher Homeownership Program (HCVHP). HABC's goal in FY 2012 is to assist an additional eight (8) families so that the projected total number of homes purchased under the HCVHP will be 60 by June 30, 2012. Continuing uncertainty regarding the housing market and availability of mortgages could significantly impact this goal.

**Table 5:
Housing Production**

Project Name	Rental					Homeownership			Grand Total	Total Project		Status	Estimated Completion	
	Affordable				Market	Total	Affordable	Market		Total	MTW			Non-MTW
	PH	LIHTC Only	PBS8	Mark et										
I. Neighborhood Reinvestment													Phased through 2020	
Barclay	53	-	91	61	205	22	85	107	312	\$ 7,597,130	\$ 85,000,000	Under Construction	2 nd Quarter 2011	
Total Planned	53		91	61	205	22	85	107	312	\$ 7,597,130	\$ 85,000,000			
II. New Housing Production														
Uplands (Phase 1 – Site A/B/Triangle/Westside Skills)	-	136	72	0	208	245	308	553	761	\$ -	\$ 233,719,361	MassGrading/Infrastructure Installation	Phased through 2019 (Phase 1-2013)	
EBDI (1st Phase)	-	150	200	100	450	142	608	750	1200	\$ -	\$ 170,000,000	Under Construction	Phased through 2015	
Freedom/Claremont (Orchard Ridge)	-				0	30		30	30	\$ 367,101 -	\$9,137,650	Habitat for Humanity will complete Phase I by building 30 affordable HO units.	2013	
O'Donnell Heights (Phase 1)		68	68		136		7	7	143	\$0	\$30,000,000	PredevelopmentCNI Application Submitted	2013/14	
Somerset Homes					TBD			TBD	TBD	TBD	TBD	Planning	2013	
Total Planned	-	354	340	100	794	417	923	1340	2134	\$ 367,101	\$442,857,011			
III. Thompson Production														
HFA 58 Units	58	-	-	-	58	-	-	-	58	\$ 19,403,933	\$ 102,320	Substantially Complete	2011	
Preston Street	10	-	-	-	10	30	-	30	40	\$ 1,683,880	\$ 8,899,447	Substantially Complete	2011	
*22 Thompson	22	-	-	-	22	-	-	-	22	\$ 4,775,975	\$ 1,650,000	Under Construction	2011	
Homeownership Demonstration Program	-	-	506	-	506	59	-	59	565	\$ -	\$ 18,648,000	Underway	Undetermined	
Total Planned	90	-	506	-	596	89	-	89	685	\$ 25,863,788	\$29,299,767			
Grand Total	143	354	937	161	1,595	528	1,008	1,536	3,131	\$33,827,999	\$557,156,778			

B. Leasing Information - Planned

1. Public Housing Projected Leasing

Table 6 provides details on HABC's projected MTW public housing inventory and leasing as of June 30, 2012. HABC projects an adjusted occupancy rate of 97.1% in FY 2012.

**Table 6:
Public Housing Inventory and Occupancy Projected as of June 30, 2012**

BR Size	Projected Total Units	Projected Available for Occupancy	Projected Occupied as of 6/30/ 2011	Projected Adjusted Occupancy Rate as of 6/30/ 2011
OBR	1,218	1,215	1,192	98.1%
1BR	3,654	3,605	3,501	97.1%
2BR	3,361	3,292	3,184	96.7%
3BR	2,062	1,889	1,834	97.1%
4BR	671	512	497	97.1%
5BR	185	119	115	96.6%
6BR	38	24	23	95.8%
TOTAL	11,189	10,656	10,346	97.1%

**The projected reduction in units reflects 614 Scattered Sites units that will be disposed of during FY 2011 and the 924 units planned for demolition/disposition in FY 2012.*

HABC is projecting a lower occupancy percentage for public housing primarily because of a decrease in allocations of funding to the housing operations division and the uncertainty of future appropriations. Higher than expected occupancy during the current fiscal year was due mainly to significantly fewer move-outs by residents, however HABC is anticipating the number of move-outs to increase to more normal levels as is consistent with the number of move-outs in the past few years.

2. Section 8/Housing Choice Voucher Program Projected Leasing

Table 7 provides a summary of HABC's Tenant-based and Project-based MTW Housing Choice Voucher programs including current leasing rates and projected leasing through June 30, 2012. Also included are non-MTW units under the VASH, Moderate Rehab, Substantial Rehab and New Construction programs.

**Table 7:
Housing Choice Voucher Program FY 2012 Projected Leasing**

	Projected Leased as of 6/30/11	Projected Leased as of 6/30/12
MTW Tenant Based Vouchers (Non Consent Decree)	9,710	9,423
MTW Project Based Vouchers (Non Consent Decree)	1,056	1,074
MTW Tenant Based Vouchers - Bailey	850	850
MTW Project Based Vouchers - Bailey	154	257
<i>Sub-Total</i>	<i>11,770</i>	<i>11,604</i>
MTW Tenant Based Vouchers - Thompson	1,600	1,600
MTW Project Based Vouchers - Thompson	145	221
<i>Sub-Total</i>	<i>1,745</i>	<i>1,821</i>
TOTAL MTW VOUCHERS	13,515	13,425
Non-MTW Section 8 Moderate Rehab	350	370
Non-MTW Section 8 New Construction/Substantial Rehab	767	767
Non-MTW VASH Vouchers	81	89
<i>Sub-Total</i>	<i>1,198</i>	<i>1,126</i>
TOTAL ALL	14,713	14,651

Under its ACC, HABC is authorized to issue 17,467 MTW vouchers (not including Thompson). Available HUD funding, however, limits the number of households for which assistance could be made available to no more than approximately 11,500. The requirement for additional project-based units under the Bailey Consent Decree will require a decrease in tenant-based voucher holders or an increase in funding or both.

In addition, the decrease in the projected number of units under HAP contract as of June 2012 is based on projected increases in per unit HAP and UAP costs (contract rent increases, utility allowance increases, etc.). Uncertainty concerning the level of available HAP funding to be provided to HABC for CY 2012 is an additional contributing factor in determining projected utilization.

In FY 2012, pending availability of funds, HABC anticipates adding a total of 229 new project-based units to its inventory:

- 19 W. Read St.(CHA) – 10 units dedicated to non-elderly persons with a disability
- Empire – 23 units dedicated to non-elderly persons with a disability
- 301 W. Madison St. (M on Madison) – 23 units dedicated to non-elderly persons with a disability
- 1125 N. Patterson Park Ave-(Dayspring) 18 units in a multi-family transitional housing facility
- 2301 N. Charles CHA – 7 units dedicated to non-elderly persons with a disability
- Blue Ocean – 40 units dedicated to non-elderly persons with a disability
- Cherrydale – 8 units dedicated to non-elderly persons with a disability

Additionally, 100 Thompson Consent Decree vouchers will be project-based in non-impacted neighborhoods in the Baltimore Metropolitan area pending Thompson funding availability.

As shown above, 111 of the 229 project-based units projected to be added to HABC's inventory in FY 2012 will be dedicated to non-elderly persons with a disability. These units are under contract as a result of an RFP issued by HABC to project-base additional units for non-elderly persons with a disability. Due to the response, HABC has withdrawn the RFP and is processing the applications received. As developers are approved they will be added to the list above.

C. Waiting List Information

HABC maintains its waiting list in conformance with the policies described in the Public Housing Admissions and Continued Occupancy Policy (ACOP) and the Housing Choice Voucher Program Administrative Plan. As of March 2011, there are a total of 32,085 applicants for HABC's programs including: 23,064 public housing-only applicants; 7,365 HCV-only applicants; and, 1,656 applicants on both the public housing and HCV waiting lists. Demographics on current waiting list households are included in Appendix H.

The HCV waiting list is currently closed, while the Public Housing waiting list remains open. In FY 2012, HABC intends to conduct an update of both the HCV and Public Housing waiting lists. It is expected that a significant number of households may not respond to the wait list, thus potentially reducing the overall number of waiting list applicants. HABC will reopen the HCV waiting list as necessary to ensure that there are adequate numbers of applicants for available vouchers over a twelve-month period.

Under the Bailey Consent Decree, HABC was required to offer 3 of every 4 one-bedroom units in the family developments to non-elderly individuals (or households) with a disability until it reached a goal established in the decree. This goal was reached in FY2011. These units are now being offered to applicants based on their preference and date of application.

Section 811. HABC may require that the Section 811 units be tenanted only by non-elderly persons with disabilities with active applications on HABC's HCVP waiting list. In these cases, property management of included units will request and receive referrals from HABC and will be required to offer tenancy to persons meeting site eligibility requirements in the order in which names appear on the referred list.

For the purposes of meeting its obligations under the Bailey Consent Decree these units will be counted toward the total number of required project-based units. An HABC-referred person who accepts an offer of tenancy at one of the included units will have his/her HCVP application placed in an inactive status for a minimum of one year from the date of occupancy of the unit. At the end of that period, the applicant may request reactivation of his/her application. HABC will then reactivate the application with its

original application date. While this change to our waiting list policy and procedures does not require any additional MTW flexibilities, it was included in Volume 2 of the FY 2011 Annual Plan (the HCV Administrative Plan), Chapter 20.

Public Housing – Local Preference for Admission of Voucher Participants

HABC's public housing program will establish a local preference to admit Housing Choice tenant-based voucher participants who qualify for a two bedroom or larger public housing unit. Public housing UFAS units will not be made available for leasing under this preference. All tenant-based voucher participants who qualify for two or more bedrooms and have leased their current unit for more than one (1) year will be eligible. A priority will be given to those tenant based voucher participants who are required to move: (a) due to Housing Quality Standards violations attributed to the landlord or (b) due to the landlord's decision not to renew the lease. This preference will be implemented under Category 1 of the HABC Admissions and Continued Occupancy Policy ("ACOP").

Families meeting the criteria for the preference will complete an application for public housing and will be screened for eligibility and suitability as an applicant in accordance with the ACOP. This preference will not take priority over a public housing resident household approved for a reasonable accommodation transfer.

Housing Choice Voucher Program – Changes in Local Preferences

Due to the urgent financial need to alleviate a funding shortfall in the Housing Choice Voucher Program, HABC has been forced to severely limit the number of new program participants only to those cases where HABC is required to provide subsidy assistance. Consequently, HABC has eliminated the following local preferences:

- A family displaced as a result of public action; and
- Intimidated crime victims and intimidated witnesses of crime referred by the Maryland States Attorney or Deputy Attorney, the United States Attorney's Office or other authorized persons within a law enforcement agency.

III. Non-MTW Related Information

This section of the Annual Plan provides information on HABC’s planned sources and uses of non-MTW HUD funds. As required by the MTW Agreement, information on HABC’s planned sources and uses for MTW, State and Local funds is included in Chapter VII. This financial plan is compiled based on current information and HUD’s anticipated funding level as of February 2011. It is subject to revision as conditions and/or assumptions change. This section also includes a summary of HABC’s planned non-MTW activities, i.e. activities that do not specifically require use of MTW Agreement authority in order to be implemented.

A. Planned Sources and Uses of Other HUD Funds Excluding HOPE VI

This category of Other HUD funds excluding HOPE VI are for the following funding sources:

- Other Section 8 Programs which include the Section 8 Veterans Affairs Supportive Housing (VASH), Moderate Rehabilitation, Substantial Rehabilitation and New Construction programs
- Resident Opportunity Self Sufficiency (ROSS)
- Service Coordinators Program (ROSS)
- Formula American Recovery and Reinvestment Act (ARRA)
- Competitive ARRA

Table 8 and the following notes provide information on planned sources of Other HUD funds.

Table 8:
FY 2012 Planned Sources of Other HUD Funds excluding HOPE VI

Sources	Total
Net Tenant Revenue	-
Tenant Revenue Other	-
Total Tenant Revenue	-
Housing assistance payments	8,340,930
Ongoing administrative fees earned	734,713
FSS Coordinator	264,000
HUD Operating Grants	1,002,919
Total Operating Grants	10,342,562
Capital Grants - Hard cost Only	10,481,892
Other Government Grants	316,681
Investment Income	3,493
Other Revenue	9,000
Total MTW Source	21,153,628

Notes to Sources:

1. Total Operating Grants includes the following funding:
 - Housing Assistance Payments (HAP) subsidies for Other Section 8 programs as described above.
 - Ongoing Administrative Fees Earned are calculated in accordance with the FY 2011 fee level for Other Section 8 programs.
 - Family Self Sufficiency subsidies through the Section 8 programs.
 - HUD Operating Grants include soft costs such as administrative and management improvements for capital activities of the ARRA grants.
2. Capital Grants – hard Cost funding is budgeted based on planned construction activities from ARRA grants as described in the capital improvement plan.
3. Other Government Grants include ROSS grant amounts planned for FY 2012 activities based on the previous awarded grants.
4. Investment Income is based on a short-term interest rate on estimated average daily cash balance for Other Section 8 programs.
5. Other Revenue is related to reimbursement of Audit costs from HUD for Other Section 8 programs.

Table 9 and the following notes provide information on planned uses of other HUD funds.

**Table 9:
FY 2012 Planned Uses of Other HUD Funds excluding HOPE VI**

Uses	Total
Administrative	1,585,141
Tenant Services	519,348
Utilities	-
Ordinary Maintenance & Operations	-
Protective Services	2,523
General Expenses	149,769
Total Operating Expenses	2,256,781
Extraordinary Maintenance	-
Casualty Loss	-
Housing Assistance Payments	8,340,930
Hard Costs	10,481,892
	-
Total MTW Uses	21,079,603

HABC’s projected total uses of Other HUD Funds are \$21,079,603 for the fiscal year ending June 30, 2012. Sources exceed the Uses of funding by 74,025 resulting in a small operating surplus from Other Section 8 program.

Notes to Uses:

1. Administrative expenses include salaries and benefits to administer Other Section 8 programs and soft costs expenses for administering ARRA grants. Also included in this expense category are office supplies, telephone, postage, and other computer materials and contracts.
2. Tenant Services include salaries and benefits of employees directly working for the ROSS grants and the Section 8 FSS program. It also includes other materials and services as required by the grant agreements.
3. General Expenses include applicable insurance premiums for workers compensation in the Other Section 8 programs and ROSS grants.
4. Housing Assistance Payments (HAPs) include rent subsidies paid to landlords and utility assistance paid to tenants of Other Section 8 programs.
5. Hard Costs include construction projects funded from ARRA grants, such as renovation of long-term vacant scattered sites and conventional units; upgrading of heating systems; replacement of electrical distribution systems; exterior wall repair and water proofing; utility pumps, piping, valves and controls; radiator repairs; and the creation of additional UFAS units.

B. Planned Sources and Uses of Other Non-MTW Funds

Additional Non-MTW funding sources include the following:

- Energy Performance Contract (EPC)
- HOPE VI
- Other business activities, which include Partnership Rental Housing Programs (PRHP) market rate units, HABC’s forced account (HABCo) and a resident services grant (Our House-Friends of the Family).

Table 10 and the following notes provide information on planned sources of these additional Non-MTW funds.

Table 10:
FY 2012 Planned Sources of Other Non-MTW Activities

Net Tenant Revenue	1,138,646
Tenant Revenue Other	-
Total Tenant Revenue	1,138,646
Actual independent public accountant audit costs	
HUD Operating Grants	558,741
Development Grant - Hard Cost	11,911,259
Other Government Grants	254,500
Investment Income	-
Other Revenue	35,460,352
Total Non-MTW Source	49,323,498

Notes to Sources:

1. Net Tenant Revenue is for PRHP market rate units managed by HABC’s privatized firms.
2. HUD Operating Grants include HOPE VI soft costs for administrative and management improvements for the Hollander Ridge and Affordable Home Initiative (AHI).
3. Development Grant – Hard Cost funding is budgeted based on planned HOPE VI development activities.
4. Other Government Grants include funding for the Resident Services Our House – Friends of the Family program.
5. Other Revenue is for the Energy Performance Contract (EPC), Hope VI, and HABC’s force-labor department, HABCco. EPC funding is the Build America Bond proceeds being financed over a 20-year municipal lease to provide for various facility improvements. Future re-payments of these debt services are generated by cost effective energy conservation measures that will reduce utility costs. HABCco provides construction development activities for the HOPE VI program.

Table 11 and the following notes provide information on planned uses of other Non-MTW funds.

**Table 11:
FY 2012 Planned Uses of Other Non-MTW Activities**

Uses	Total Non-MTW Activities
Administrative	3,060,478
Tenant Services	261,808
Utilities	131,144
Ordinary Maintenance & Operations	771,314
Protective Services	26,207
General Expenses	876,577
Total Operating Expenses	5,127,528
Extraordinary Maintenance	-
Casualty Loss	-
Housing Assistance Payments	-
Hard Costs	44,169,575
Total Non-MTW Activities	49,297,103

HABC’s projected total uses of Other HUD Funds are \$49,297,103 for the fiscal year ending June 30, 2012. Sources exceed the Uses of funding by 26,395 resulting in a small operating surplus from PRPH market rate units.

Notes to Uses:

1. Administrative expenses include salaries and benefits for HOPE VI, HABCo and the PRHP market rate units. Also included in this expense category are office supplies, telephone, postage, and other computer materials and contracts.
2. Tenant Services include salaries and benefits of the Our House program.
3. Utilities include expenses for water, electricity, and gas consumed by market rate units in the PRHP.
4. Ordinary Maintenance & Operations include salaries and benefits of maintenance workers, material and contracts for routine maintenance of PRHP units.
5. General Expenses include insurance premiums for general liability, properties and workers compensation applicable to HOPE VI, PRHP, HABCO and the Our House program.
6. Hard Costs include planned construction activities of the EPC program. HABC is in Phase I of a four phase EPC that involves energy conservation measures (ECM) and energy reduction capital improvements. These activities are for five selected developments - Gilmore, Cherry Hill, Latrobe, Westport and Brooklyn Homes. Planned work includes decentralization of heating system at Latrobe Homes, piping modernization projects at Cherry Hill Homes, and improvement of local controls, energy efficient lighting, water conservation and tenant metering at the five housing sites. Also included in Hard Costs are HOPE VI initiatives for replacement housing at Hollander Ridge and affordable homeownership through the AHI program.

1. Public Housing

HABC's Housing Operations Division has established five broad objectives for the Public Housing program, which are to:

- Maximize Occupancy
- Continuously Improve Customer Service
- Maximize Rent Collection
- Preserve Public Housing Physical Assets
- Provide a Safe Residential Environment for Residents and Neighbors

A brief discussion of FY 2012 plans and issues for each of these objectives follows:

Maximize Occupancy

HABC will achieve a 97.1% adjusted occupancy rate during FY 2012. Occupancy on June 30, 2012 is projected to equal or exceed 97.1%.

Improve Customer Service

HABC will continue to respond promptly and efficiently to work order requests. In FY 2012:

- 99% of emergency work orders will be abated within 24 hours
- More than 97% of routine work orders will be completed within 30 days
- The average number of days to respond to and complete a routine work order will be less than 7 days.

HABC is in the process of procuring an interactive voice response system to automate customer service surveys and other functions (e.g., to confirm scheduled appointments or scheduled maintenance work). Implementation during FY 2012 will greatly enhance our ability to get actionable feedback from our customers and to provide information to our residents in an efficient manner.

Maximize Rent Collections

In FY 2012, HABC will equal or exceed a rent collection rate of 97%. Recent success in obtaining high rent collection rates has resulted in big reductions in evictions for nonpayment of rent. HABC has implemented a number of initiatives to increase rent collection and will continue to explore additional initiatives, including:

- “Lockbox” for residents to mail their rent in pre-addressed stamped envelopes.
- Enhanced communication with residents, including pro-active rent conferences and regular written communication.
- Pre- and post-occupancy meetings stressing the need to pay rent and related costs as a matter of priority.
- Stricter lease enforcement with respect to rent payment, including an automated Failure to Pay application and implementation of Maryland’s “No Right of Redemption” statutes.
- HABC has implemented and will continue to expand the implementation of automatic debits from bank accounts of residents who choose this option.

Preservation of Viable Housing Assets

In addition to capital improvements detailed in this plan, HABC will achieve the following in FY 2012:

- 100% of all units will be inspected at least once.
- 100% of all systems inspections will be completed.

HABC has implemented a new preventive maintenance calendar that is used to ensure regular inspections of all systems, common areas, and grounds. In FY2012, HABC will develop automated means to create and monitor the completion of work items generated by the calendar. To improve customer service and the quality of annual inspections, HABC will outsource the inspections of all units, sites, and common areas.

Safety and Security

HABC has implemented a variety of initiatives and means to increase resident safety. The Lease Enforcement Unit, Security Cameras (including CCTV), and the Building Monitor Program for high-rise buildings represents key investments and commitments to resident safety:

Lease Enforcement Unit - The Lease Enforcement Unit (LEU) was established in January 2005 as a part of the Office of Legal Affairs (OLA). The LEU staff consists of a Chief and investigators, who are sworn police officers and a senior administrative assistant. The LEU works in partnership with the Baltimore City Police Department (BPD) and other law enforcement agencies to investigate lease violations resulting from criminal activity in public housing and HCV units. The LEU investigates such information, and in consultation with Housing Operations, initiates lease enforcement actions, including evictions, against those residents who fail to comply with their lease. Additionally, the LEU receives allegations concerning non-criminal lease violations in both public housing and HCV, such as unauthorized occupancy and subleasing, and initiates appropriate action. Further, the LEU investigators are subpoenaed regularly to testify as HABC representatives for Baltimore City prosecutors in cases involving criminal activity on HABC property.

LEU receives weekly crime statistics from BPD, known as Project Rankings, categorized by crime type and public housing developments. In reviewing the weekly crime statistics LEU has noticed an increase in criminal reports involving domestic violence. In light of this increase LEU will be providing educational workshops and information to residents concerning domestic abuse, which is expected to continue in FY 2012.

In FY 2012, LEU will continue to conduct building checks at HABC's mixed population developments, consisting of vertical patrols and interaction with residents to establish better relationships with the police department and LEU. Further, during FY 2012 LEU will continue to conduct crime prevention awareness meetings at housing developments to inform residents of ways to avoid becoming a crime victim. LEU has established a TIPLINE for residents to report non-emergency incidents such as: illegal occupancy, nuisance activity, and unsecured vacant units.

LEU continues work in partnership with Housing Operations staff, residents, and BPD to identify and implement strategies designed to improve security in public housing.

Camera Monitoring Systems - HABC in collaboration with the BPD has implemented a CCTV system. The CCTV system is a series of permanently mounted cameras that monitor the exterior of some of HABC's family developments. HABC has installed 167 fixed exterior security cameras at six family housing sites (Latrobe, Gilmor, Perkins, McCulloh, PVG and Cherry Hill.). The cameras are monitored by the BCPD as well as some Senior HABC staff who are able to view the family sites from their desktops. HABC has also installed 239 interior security cameras within nineteen (19) of its mid-and high-rise mixed population buildings

The CCTV system has been effective, resulting in the reduction of crime in the family developments—especially drug-related crimes—as well as increasing success in prosecutions and lease enforcement. Because the CCTV system has an expandable infrastructure, HABC is pursuing the addition of CCTV equipment at other family developments as new funding sources are identified.

HABC has also installed fourteen (14) PODSS at various developments. PODSS are “flashing blue light”, mobile-mounted exterior cameras that are easily relocated as needed. Strategic deployment of these camera units has been successful at interrupting and reducing criminal activity in targeted areas.

These efforts have been complemented by revised building rules and procedures affecting visitors to the buildings to achieve greater effectiveness in controlling access to the buildings and to discourage any behavior and activity that pose a threat to residents and visitors. Refinement of these procedures may continue as needed.

Building Monitor Program - All mixed-population high rises are staffed with a building monitor, whose primary responsibility is to control access into and out of the buildings. This is a 24-hour, 7 days-a-week operation. In addition to being strategically located to ensure that only residents and authorized staff and visitors are allowed to enter the buildings, staff in this program monitors the security cameras installed in and around their buildings. All residents are required to show their HABC-issued photo IDs when they enter their buildings. Visitors are required to leave their IDs with the monitor and retrieve them upon departure.

2. Housing Choice Voucher Program

HABC’s Leased Housing Division has established four objectives for the Leased Housing programs, which are to:

- Maximize Occupancy
- Expand Housing Choice
- Improve the quality of leased housing units
- Efficiently allocate subsidy resources

A brief discussion of FY 2012 plans for each of these objectives follows:

Maximize Occupancy

As detailed in Chapter II, HABC projects that occupancy of MTW leased housing units will decrease by 62 households in FY 2012 relative to the projected June 2011 leasing levels (158 fewer MTW households under the regular program and 76 more MTW households under Thompson). The number of households assisted is directly related to available federal funding levels. Given the uncertainty of funding available for FY 2012, the number of households assisted may vary from current projections.

Expand Housing Choice

In FY 2012, HABC will continue initiatives to increase housing choice by program participants including:

- Increasing the number of Project Based Vouchers (PBV) committed and/or in use by 229 units relative to the June 2011 projected PBV levels.
- Utilizing HUD-published 50th percentile rents to establish payment standards
- Encouraging voucher holders to find units outside areas of poverty or minority concentration, and to avail themselves of mobility counseling programs

Improve the Quality of Leased Housing Units

HABC will continue its policy of completing pre-contract HQS inspections on 100% of new units; of conducting annual HQS inspections on 100% of leased units, as well as performing pre-contract HQS inspections on 100% of proposed units. HABC will transition to a risk-based inspection model as defined in prior MTW Annual Plans. (See Chapter VI discussion.)

Efficiently Allocated Limited Subsidy Resources

HABC will continue to conduct a careful analysis of all proposed rents at initial occupancy, upon receipt of a rent increase request and throughout the term of the HAP agreement. HABC may suspend rent increase adjustments or take other rent-related actions if funds required to pay for those increases or current rent amounts are not available. HABC will make every effort to minimize the effects of such actions. Actions may include, but are not limited to, freeze on rent increases, roll-back of rent increases previously awarded, and roll-back of all rents.

HCVP Administrative Plan

The HCVP Administrative Plan describes the policies used by HABC in the administration of its HCV Tenant Based and Project Based programs, including MTW-authorized and all other policies. The Administrative Plan describes HABC's HCV policies, except for those adopted pursuant to the Special Administrative Plan for the Thompson Partial Consent Decree (see below). The MTW authorizations in the HCV Administrative Plan may also be utilized if elected in the Thompson Special Administrative Plan discussed below. Appendix E provides a summary of proposed changes to the HCV Administrative Plan for Fiscal Year 2012. Those that require MTW authority are summarized in Chapter VI. Proposed changes for FY 2012 are summarized below. Many of these changes are related to HABC's desire to continue to assist as many households as possible in the face of potentially severe limitations in available federal funding.

HABC has modified its policies to delete two local preferences: for families displaced as a result of public action; and for intimidated crime victims and intimidated witnesses of crime. New participants will be limited to only those cases where HABC is required to provide subsidy assistance.

All accounts where the participant pays one or more utility costs will be adjusted during the second quarter of CY 2011 using the CY 2011 Utility Tables. Tenant rent shares and housing assistance payments will be adjusted to reflect changes resulting from these recertifications. This action is necessary to lower monthly HAP costs.

HABC has implemented an indefinite freeze in rent increases to participating landlords. This action is necessary to lower monthly HAP costs and will end when and if funds become available.

It is hoped that these and other cost-saving measures will prevent other, more undesirable measures from being required, including the need to withdraw voucher assistance to families in good standing due to a shortage of available funds.

Thompson Partial Consent Decree Administrative Plan

Pursuant to the Thompson Partial Consent Decree, Metropolitan Baltimore Quadel (MBQ) administers the Special Housing Choice Voucher Mobility Program. Policies for this program are described in a Special Administrative Plan. Proposed changes to the Special Administrative Plan are summarized in Appendix F.

3. Resident Services

Meeting the self-sufficiency and supportive service needs of residents is an ongoing and important goal for the Housing Authority of Baltimore City (HABC). HABC's Office of Resident Services (ORS) continues to coordinate these services, generating additional funding to fill critical gaps and refocusing strategies toward partnership and service coordination.

Greater emphasis has been placed on implementing creative strategies that encourage self-sufficiency. The rent reform initiative started at Gilmore Homes which provides rent incentives to encourage and support work was fully implemented with assistance from ORS staff, providing job preparation, placement and retention services to residents. Last year that development realized an increase in rental income of \$125,000 for residents obtaining employment. In addition, the Targeted Unemployment initiative was designed and implementation started. This initiative focuses on targeting the more than 4,000 residents in public housing who are unemployed as a way of increasing self-sufficiency and improving the fiscal operations of the agency.

For FY 2012, again using MTW flexibility HABC proposes to expand the rent reform initiative to all developments. ORS will support Housing Operations to find creative ways to meet the employment service needs of these families.

In addition to these self-sufficiency initiatives, ORS will continue its mission to bring needed services and resources to residents to address issues in family living and promote family stabilization. The successful award of several HUD ROSS service coordinator grants has allowed the department to expand its on-site support service staff by eleven (11) individuals filling a critical gap in service delivery. And, as always HABC will

continue and expand its many partnerships and collaborations which help bring needed resources and services to address family needs on the developments.

Existing programs and special initiatives will continue as resources allow. These programs include job training, special employment initiatives, youth and elderly. Our Career Advancement Solutions (CAS) program which is a partnership with the Baltimore City Department of Social Services to service our residents on Temporary Assistance for Needy Families (TANF) is scheduled to end this year. Hopefully, these program activities will be renewed. Other programs include Our House and Child Daycare services and Boys and Girls Clubs. The services of one of the Child Day Care Centers have been contracted out to a private vendor with incentives offered to continue to provide needed services to our residents.

**Table 12:
Residents Served in Self-Sufficiency Programs FY 2012**

Service Program Area	Projected # Residents Served
Family Self-Sufficiency	450
Job Training Services	100
Employment Services	300
Resident Training and Technical Assistance	75
Total	925

**Table 13:
Residents Served in Support Service Programs FY 2012**

Service/Program Area	Projected # Residents Served
Crisis Intervention/Service Coordination	2500
Child Daycare Program	65
Our House Family Support Center	200
Pre and Post Occupancy	750
Building Communities Initiative	200
Mega Resource Center	500
Totals	4215

Pre and Post Occupancy

Pre and Post Occupancy provides needed support to management staff by assisting new and existing public housing residents understanding the responsibilities of their lease, complying with the community service requirement, becoming self-reliant in the upkeep and maintenance of their units and being informed on the resources and programs that exist within their communities and Baltimore City. In FY 2012, ORS proposes to serve 750 residents through this training initiative.

Building Communities Initiative

The Building Communities Initiative was designed to address the growing challenge of the social integration of seniors and residents with disabilities in our mixed population sites with the intent of fostering positive and healthy interactions. The core component of

the program is community boards consisting of both populations designed to intervene and negotiate conflict between the two groups as well as to develop programs and activities that promote safe and friendly environments. To date twelve boards are in place. With the addition of the service coordinator staff, most mixed population sites now have their own on-site coordinator. These staff will be working in partnership with management and the community on strategies and resources to help address the problems at these sites. The goal for FY 2012 is to establish two additional boards. Staff continues to coordinate partnerships with major mental health agencies to help address some of the issues with the mixed population sites.

The second component of this initiative is the Adopt-A-Resident Program (ARP). ARP is designed to provide companionship and personal care assistance to the seniors and residents with disabilities. Volunteers are recruited to assist residents in the common areas of the buildings (community rooms and lounges). The program was also expanded to include educational and informational workshops, as well as social and recreational activities. In FY 2012, the goal will be to serve an additional 200 residents and to recruit an additional 25 residents as volunteers.

Youth Services

This year the focus for youth services will continue to be the operation of the Boys and Girls Clubs through our partnership with the Boys and Girls Club of Metropolitan Baltimore. Efforts continue to locate resources to expand the club to an additional site. There are currently three clubs in operation: Brooklyn Homes, O'Donnell Heights, and Westport/Mt. Winans.

Last year a collaborative partnership with an educational company and the Baltimore School System was proposed to develop alternative learning labs for drop-outs at selected public housing sites. That proposal was not funded by the school system. A proposal was funded last year with the Mayor's Office of Employment Development (MOED) to providing job and literacy training to 100 youth, ages 16-21. That program will continue through FY 2012.

Rising Star Scholarship Program

The Rising Star Scholarship Program – a partnership between Resident Services, Inc. and the Resident Advisory Board will again provide scholarships to graduating seniors who plan to attend college. The program is funded through sponsors and solicitations from foundations and the private sector. Five \$1,000 scholarships were provided in FY 2011. RSI will solicit additional funding to provide another five scholarships in FY 2012.

Resource Development

Resident Services, Inc. – HABC's non-profit- continues to bring in resources to expand and important services to residents of public housing. In FY 2011, through combined efforts and partnerships, HABC received an additional \$4.8 million in resources. Several HUD grants were awarded for service coordinators, job training dollars were received from the City and foundation support for a new health initiative. The goal for ORS in FY 2012 will be to secure an additional \$1 million in resources and expand partnerships for

on-site services. During this critical economic times, ORS will continue to use the flexibility of its non-profit to maximize its resource development activities to help achieve this goal.

Self-Sufficiency and Supportive Service Programs

Self-Sufficiency and supportive services are the cornerstones of the HABC ORS mission. Opportunities are provided through a service coordination and delivery system that includes partnerships with local agencies, non-profits organizations and employers. In addition to the Family Self-Sufficiency Program, this year ORS will use the PACE Program to provide self-sufficiency support to the rent reform initiative. Other service that will continue include the Our House Family Support Center, literacy training, computer training and crisis intervention.

Training and Technical Assistance for Resident Organizations

Public housing resident organizations are important partners to housing authorities in the development of programs and policies that serve residents in the communities. To support their ongoing development, training and technical assistance is provided to resident organizations (the HABC Resident Advisory Board and HABC Resident/Tenant Councils) to build their capacity to function as professional community-based organizations and to assist them with resource development activities. Last year ORS assistance nine resident councils in receiving over \$1.2 million in grant funding. These councils are now operating programs with technical assistance support from ORS that promote self-sufficiency and help improve the overall quality of life for residents in their communities. HABC will continue to explore ways to foster the development of highly functioning and capable resident organizations that not only self-sufficiency, but able to assist residents within their communities become self-sufficiency through programs and services.

4. Information Technology

In support of the MTW Annual Plan initiatives, HABC's Information Technology Department will undertake and/or complete the following initiatives in FY 2012:

HABC will solicit proposals for a turnkey Document Management System capable of handling current and future housing application needs. The system must be flexible and scalable and have the capacity for future growth and meet all current specifications and requirements.

HABC will issue an RFP for a vendor to replace the current Housing Management Enterprise System (HMES). An HMES is a complete suite of software that will offer an integrated solution to our Agency's day-to-day management. It allows you to maximize your ability to manage Housing Choice Vouchers, conventional Low-Rent Public Housing, Project-Based leased housing, and many special state and locally subsidized programs. The following is a sample list of integrated housing management modules:

- Waiting Lists

- Housing Choice Voucher Program
- Rent Reasonableness
- Affordable Housing (50059, TRACS)
- Public Housing & Property Management
- Work Orders
- Utility Billing
- Handheld Inspections

HABC will be looking for superior functionality and forward-thinking technology to help streamline daily business processes, improve productivity and promote cost efficiency in all operations.

HABC will procure and implement a Interactive Voice Response system (IVR) to accomplish the following tasks:

- Allow HABC to interact with our Waitlist clients to verify identifiable information such as name, address and phone number.
- Allow HABC to conduct surveys, and polls to collect certain information about our customer service to our residents.

HABC will evaluate the feasibility of installing a Kiosk for the Applications Department. This is to explore the effectiveness of our clients using a Kiosk to self-serve their Waitlist applications.

IV. Long-Term MTW Plan

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

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

By making funds available to the public housing program utilizing MTW authority and an aggressive strategy for vacancy renovations/modernizations, HABC has been able to increase the number of households housed in public housing by 927 households between June 2006 and March 2011. In addition, as HABC nears completion of major renovation efforts to bring long-term vacant and uninhabitable units back on line, resources have shifted back to the Housing Choice Voucher program which has resulted in serving 2,156 more households during the same period (Excludes Substantial Rehab, New Construction, VASH and Thompson Tenant and Project Based Vouchers).

Commencing in late 2010, HABC began to conduct a portfolio wide asset review. The results of this process, slated to conclude in the first half of 2011, will provide a roadmap and framework for future investments and development activities. As part of this process, HABC is exploring ways in which MTW flexibility can help to support the agency's ability to leverage both traditional and non-traditional sources of funding.

Other proposed long-term MTW initiatives include:

- Reducing the frequency of recertifications as a way to lower administrative costs, promote household savings, and minimize the burden imposed by this process on resident households. As noted in the Plan, HABC has implemented this initiative for Housing Choice Voucher participants, and intends to begin its implementation for Public Housing residents. Over the term of the MTW Agreement, HABC will also implement other MTW initiatives designed to simplify program administration and reduce costs;
- Implementing modified Project Based leasing programs to support City-sponsored targeted neighborhood revitalization. HABC has begun to implement an ambitious Project Based Voucher program that incorporates MTW flexibility and expands housing choice for program participants, as described herein. Utilization of Project Based resources is a key component of HABC's neighborhood

- reinvestment, new housing production, Thompson Partial Consent Decree and Bailey Consent Decree production initiatives;
- Developing 1066 low-income rental units over the next ten years, as part of the City of Baltimore's plans to develop an overall total of 3,080 new housing units. MTW funds will be combined with Low Income Housing Tax Credits and other financial resources in support of this goal. Specific development plans are discussed in the Annual Plan.
 - Streamlining income, deduction and rent calculation policies and procedures. For instance HABC is considering performing a full reexamination only every 36 months with expedited recertifications in the interim years.
 - Retrofitting vacant public housing units to allow accessibility by persons with disabilities;
 - Replacing or renovating several public housing sites that have substantial unmet capital needs. Utilization of MTW funding and development flexibility is an essential component of these efforts;
 - Expanding resident access to employment, training and other supportive service programs. The Gilmor Homes demonstration will be expanded by combining rent reform initiatives with family savings tools and targeted employment, training and other supportive services for residents. HABC views the Gilmor Homes pilot as an opportunity to test out the efficacy of such policies in anticipation of implementing more broadly applicable MTW rent initiatives over the longer term. HABC intends to implement these initiatives in FY 2012; and,
 - Establishing flexible homeownership initiatives that combine vouchers, soft second mortgages and family economic self-sufficiency components. As an example, HABC's Homeownership Plan uses MTW flexibility to promote first time home buying opportunities for public housing residents.

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

V. Proposed MTW Activities

This section of the MTW Annual Plan provides information on new MTW activities proposed for FY 2012.

Public Housing MTW Activities

New Public Housing MTW Activity: Agency Wide Rent Reform. As summarized in Table 15, HABC proposes to implement a significant new MTW Activity in the Public Housing program. HABC will implement an agency wide rent policy modeled on the previously approved MTW program adopted for Gilmor Homes. The policy is designed to (a) ensure affordable rent (no more than 30% of adjusted income); (b) encourage getting a job; (c) encourage keeping the job and/or getting a better paying job; and, (d) encourage savings. All features of the current rent policy will be maintained with the exceptions of those changes listed below:

- **No employed resident will pay more than 30% of adjusted income.** Unless a resident with employment as a primary source of income chooses to pay the flat rent currently in effect, no resident will pay more than 30% of their adjusted income for rent or a minimum rent (if and when implemented). This provision is consistent with HABC's existing policy.
- **Application to all residents.** The policy will apply to all residents. For those who do not become employed or are already employed, all provisions of the existing policy will apply, with the exceptions stipulated below regarding the Earned Income Disregard. The incentives in the policy will also apply to residents who are elderly or disabled, even if they are on fixed incomes. In other words, if an elderly person becomes employed, the same benefits created by the policy will apply. More than 20% of households with employment incomes are either elderly households or households with a head or spouse who has a disability.
- **Rent Cap 1.** During the first 24 months following an annual rent recertification at which income from employment is reported for the first time, rent will be the lower of 30% of adjusted income or \$275 (the equivalent rent at a minimum wage job minus \$75). **Employment, Job Retention and Wage Progression Incentive:** Any household with at least one full-time minimum wage job will pay less than 30% of adjusted income for rent. The household will be free to earn as much money as it can for 24 months without the "fear" of a rent increase. This rent cap will be reviewed annually to determine if it needs to be adjusted. However, once a resident's rent is set at a rent cap, it will not change until the rent cap expires.
- **Rent Cap 2.** During the year following the expiration of Rent Cap 1, rent will be the lower of 30% of adjusted income or \$450 (equivalent of a rent based on a \$9 per hour full-time job). **Job Retention and Wage Progression Incentive:** A household under Rent Cap 1 will know that their rent will not exceed 30% or \$450 after 24 months of

employment. Regardless of the number of household members employed or their income, residents will be assured of a reasonable rent or rent increase and will not give up employment just to avoid a high rent. This rent cap will be reviewed annually to determine if it needs to be adjusted. However, once a resident's rent is set at a rent cap, it will not change until the rent cap expires.

- **Replaces the Earned Income Disregard.** The rent incentives in this policy replace the Earned Income Disregard. Residents who have taken advantage of the EID will not be eligible for the two rent caps but will be eligible for the savings account discussed below. Their rent will be 30% of their adjusted income, unless they choose a flat rent.
- **Eligibility of Already Employed Residents.** If a resident has had the full benefit of the Earned Income Disregard, they will not be eligible for the two rent caps. However, they will be allowed to complete the 24 months of disregard under the EID. Other employed residents will be eligible for the rent caps if their rent at the time of the adoption of the policy is below one of the caps. Their rent will be capped at the cap that is immediately above their rent prior to their next annual recertification. For example, if a household's rent is \$300 and their 30% of their adjusted income is \$600 at their next recertification, their rent will be capped at Rent Cap 2 (\$450) for 24 months.
- **Rent After Rent Cap 2.** After the expiration of Rent Cap 2, rent will be set at 30% of adjusted income or the site's Flat Rent, whichever is lower.
- **Savings Account.** After Rent Cap 2 expires, HABC will deposit the difference between the Rent Cap 2 amount and the resident's rent or \$100, whichever is lower, into an interest-bearing account. Such deposits will be made for three years after the expiration of Rent Cap 2. Residents will be able to request up to 50% of the deposits made during a year at the time of their annual recertification. When a resident moves out of public housing, HABC will issue them a check in the amount of their remaining savings less any amounts owed to HABC.
- **Hardship Policy.** Since this policy does not mandate that a resident's rent be above 30% of adjusted income, there is no need for changes to the existing hardship policy. The hardship policy is described in Section 6 of Volume 3 of the MTW FY2012 submission. The policy will apply when and if HABC implements a minimum rent.
- **Impact Analysis.** HABC expects that more residents will become employed as a result of this activity. An increase in the percentage of employed households of 1% per year is estimated. Currently, only 20% of residents have employment as a source of income. 2. HABC also expects that more residents will retain employment as a source of income than those who lose employment as a source of income. During FY2011, 422 households become unemployed while 361 different households became employed. 3. HABC expects average annual household incomes to increase due to increased employment rates. Also, HABC also expects incomes of employed households to increase annually. 4. HABC also expects that rent revenue will increase

due to expected increases in employed residents. All indicators will be tracked against the baseline as well as a comparison from year to year.

- **Transition Period.** The policy will not result in higher rents than the current policy. Therefore, there is not need for a transition for residents to get used to a higher rent. The new policy will be phased in at residents' annual recertifications within three months after HUD approves HABC's MTW Plan.
- **Board Adoption and Public Hearing.** This policy was adopted by HABC's Board of Commissioners as part of the FY12 MTW Annual Plan Board Resolution attached as Appendix A in the Plan. The public hearing for the Annual Plan also served as the Public Hearing for the Rent Policy. The policy was presented to residents as well as the Resident Advisory Board at several meetings prior to the Public Hearing.

For this newly proposed MTW Activity, HABC has identified in Table 17: baseline information; benchmarks to be achieved; data to be collected and measured; and, proposed outcomes. Internal reports will be generated on a periodic basis as required to assess performance against proposed targets. Quarterly internal reviews will be conducted with program staff and management to review and evaluate results and, if necessary, to modify proposed strategies to improve results. Annual evaluation results will be reported as appropriate in the MTW Annual Report.

Leased Housing MTW Activities

As summarized in Table 17, HABC proposes to implement several new MTW Activities within the Special Mobility HCVP. Another MTW Activity is also proposed for the Housing Choice Voucher Program .

Utility Allowance Calculation Based on Voucher Size. The utility allowance used to calculate gross rent will be based on the lesser of the bedroom size as authorized on the family's voucher or the actual size of the unit in which the family lives.

- **Transition Period.** Upon HUD's approval of this MTW Annual Plan all participants will be encouraged to obtain appropriately sized units.
- **Impact Analysis.** This rent policy will promote the statutory objective of efficiently allocating subsidy resources by lowering Housing Assistance Payment costs in a time of severe financial uncertainty and budgetary constraints. A decrease in the monthly utility allowance will occur when families move to an appropriate size unit. HABC will measure the HAP savings and estimate the number of households who may be assisted or continue assistance with those savings.

As of 7/1/11, 2282 families are living in units larger than that approved for their family size (the number of bedrooms authorized by their voucher). This is

approximately 19% of all households receiving assistance. The following table lists the number of families over-housed by bedroom size.

**Table 14:
HCV Families Over-housed by Bedroom Size**

# of Bedrooms exceeding Voucher Size	# of Overhoused Families
1	1988
2	273
3	20
4	1

HABC’s analysis of the extra utility costs associated with families in units larger than authorized by their voucher size is \$91,357 per month (\$1,096,284 per year), or an average of \$40 per overhoused household per month (based on the utility allowance rates in effect at the time of this analysis). This is the equivalent of providing assistance to 107 additional families.

- **Hardship Policy.** The following hardship policy will apply to the Utility Allowance Calculation policy: For families living in units larger than their voucher size, the change in the UAP will become effective 90 days after notification of such change by HABC. This will afford those families the ability to apply for and receive a voucher to move and to relocate to an appropriate sized unit.
- **Board Adoption and Public Hearing.** This policy was adopted by HABC’s Board of Commissioners as part of the FY12 MTW Annual Plan Board Resolution attached as Appendix A in the Plan. The public hearing for the Annual Plan also served as the Public Hearing for the Rent Policy. The policy was presented to residents as well as the Resident Advisory Board at several meetings prior to the Public Hearing.

HABC will use HAP information to track progress in this area. Each year the information will be analyzed to determine if the new rent policy, has the desired impact, needs to be modified or if the program should be terminated.

Special Mobility HCVP Asset Proceeds Exclusion. Under this proposed MTW Activity, proceeds from interest payments, dividends and other assets under \$50,000 have been excluded from the definition of income for participants in the Special Mobility Housing Choice Voucher Program.

- **Impact Analysis.** Administrative data shows that 83.2% of all leased families in the Special Mobility Housing Choice Voucher Program have no income from assets and that only 24 clients (1.4% of the caseload) have asset income in excess

of \$25 per year (see Tables 15 & 16 below). The annual HAP savings that are realized as a result of the inclusion of assets is \$1,647.00 (see Table 17) or 0.007% of total HAP paid during HABC fiscal year 2011 (\$1,647/\$24,906,478). The labor, supply and postage costs associated with the collection, verification and calculation of asset income is approximately \$27,384.70 per year (see Tables 18 & 19). There is a \$16.63 administrative cost for every dollar that is saved in HAP by including assets.

Counting income from assets at \$50,000 and over for residents will reduce the time it takes to verify income and reduce the burden and cost to residents whose institutions charge them a fee for asset verifications. This rent simplification measure will increase efficiency without having any negative impact on increasing residents' rent.

- **Transition Period.** Upon HUD approval, HABC will implement this initiative at recertification.
- **Hardship Policy.** The removal of an income source will not increase the Total Tenant Payment or tenant rent.
- **Board Adoption and Public Hearing.** This policy was adopted by HABC's Board of Commissioners as part of the FY12 MTW Annual Plan Board Resolution attached as Appendix A in the Plan. The public hearing for the Annual Plan also served as the Public Hearing for the Rent Policy. The policy was presented to residents as well as the Resident Advisory Board at several meetings prior to the Public Hearing.

**Table 15:
Special Mobility HCV Asset Proceeds Calculations**

Value of Assets	Families	Percent of Families Leased
No Assets	720	42.4%
Assets Under 500	570	33.5%
Assets 500 to 1000	179	10.5%
Assets 1000 to 4999	178	10.5%
Assets over 5000	53	3.1%
Total Families Leased	1700	100.0%

**Table 16:
Special Mobility HCV Asset Proceeds Calculations by Income**

Income From Assets	Families	Percent of Leased Families
No Assets Income	1415	83.2%
Assets Income \$1 to \$25	261	15.4%
Assets Income Over \$25	24	1.4%

**Table 17:
Special Mobility HCV Asset Proceeds Annual Savings**

Impact on HAP	Average Per Household TTP Increase from Assets	Monthly	Annual
No Assets Income	\$0		
Assets Income \$1 to \$25	\$0.25	\$65.25	\$783.00
Assets Income Over \$25	\$3.00	\$72.00	\$864.00
Total HAP Savings		\$137.25	\$1,647.00

**Table 18:
Special Mobility HCV Asset Proceeds Administrative Savings (Labor)**

Asset Category	Average Minutes of Staff Time Spent	Average Cost per verification	Annual Cost
Assets Under 500	44	\$25.94	\$14,785.80
Assets 500 to 1000	44	\$25.94	\$4,643.26
Assets 1000 to 4999	44	\$25.94	\$4,617.32
Assets over 5000	44	\$25.94	\$1,374.82
Total Cost			\$25,421.20

**Table 19:
Special Mobility HCV Asset Proceeds Administrative Savings (Materials)**

Materials	Cost Per Unit	Units Used Per action	Cost Per Action	Cost Per Year
Paper	\$0.01	4	\$0.04	\$61.88
Copier	\$0.02	4	\$0.09	\$155.72
Postage	\$0.44	2	\$0.88	\$1,496.00
Envelopes	\$0.07	2	\$0.15	\$249.90
Total				\$1,963.50

Special Mobility HCVP Standard Deduction Rent Policy. Under this proposed initiative, a program-wide rent policy instituting a flat deduction amount will be implemented for all families. This policy was designed to: (a) maintain affordable rents, (b) be HAP neutral, (c) encourage employment, (d) encourage retention of employment, (e) allow for additional consideration for elderly and disabled families, and (f) create administrative efficiencies. The policy also promotes HABC and MBQ’s goal of economic self sufficiency for members of the Special Mobility Housing Choice Voucher Program.

There is no minimum level of earned income that must be achieved before the standard deduction is applied. There will be a standard deduction for working families, disabled families and non-disabled families without wages. The deductions are:

- \$6,000 for households with wages
- \$2,000 for households without wages
- \$400 for any elderly or disabled family (to be combined with either of the above deductions)

- **Transition Period.** At the time of recertification, interim or transfer, HABC’s contractor, MBQ, will implement a program-wide rent policy instituting a flat deduction amount for all families. This policy was designed (a) to be HAP neutral, (b) encourage employment, (c) encourage retention of employment, (d) and still allow for additional consideration for elderly and disabled families. It also promotes HABC and MBQ’s goal of economic self sufficiency for members of the Special Mobility Housing Choice Voucher Program as families who have been away from the work force may consider at employment to reap the benefit of the higher standard deduction.

- **Impact Analysis.** All residents who have wages listed as an income source will receive a higher level of deductions. This is to encourage residents to obtain and keep employment. This deduction level can be obtained as soon as the resident reports to MBQ that he or she is now receiving wages. In addition to the \$2,000 or \$6,000 deductions, families classified as elderly or disabled will receive an additional \$400 deduction. The additional deduction is further consideration to prevent a hardship for these families. The standard deduction policy was carefully analyzed to assure that there were no disparate impacts on any one particular subset of the program (see Tables 20-22).

Table 20: Impact Analysis for Standard Deductions (Income)

	All Participants		Elderly Families		Disabled Families	
	Before	After	Before	After	Before	After
Number of Households	1469	1469	29	29	341	341
Average Gross Annual Income	14,927.	14,927.	12,724	12,724	14,905	14,905
	12,937	12,32100	11,889.00			

Average Adjusted Annual Income				9,773.00	13,390.00	11,612.00
Number Employed	674	674	4	4	79	79
Average Wages	19,340	19,340	178.00	178.00	3,554.00	3,554.00
	All Participants		Elderly Families		Disabled Families	
	Before	After	Before	After	Before	After
Average TCA	3,000.00	3,000.00	1,610.00	1,610.00	2,988.00	2,988.00
Average SSI	6,427.00	6,427.00	4,777.00	4,777.00	6,203.00	6,203.00
Average Social Security	6,013.00	6,013.00	8,803.00	8,803.00	6,498.00	6,498.00
Average Excluded Income (Food Stamps, Foster Care payments, etc)	3,828.00	3,828.00	9,044.00	9,044.00	4,950.00	4,950.00
Average Asset Amount	676.00	-	484.00	-	401.00	-
Average Asset Income	3.00	-	5.00	-	2.00	-
Average TTP	310.00	308.00	288.00	245.00	321.00	291.00
Average TTP/Gross Income	25%	25%	27%	23%	26%	23%
Average TTP/Adjusted Income	29%	30%	29%	30%	29%	30%
Average Monthly HAP	1,110.00	1,111.00	884.00	902.00	1,098.00	1,128.00

Table 21: Impact Analysis for Standard Deductions (Race)

	Race							
	Caucasian		African-America		Asian		Other	
	Before	After	Before	After	Before	After	Before	After
Number of Households	9	9	1456	1456	1	1	3	3
Average Gross Annual Income	17,249	17,249	14,922	14,922	6,168	6,168	13,342	13,342
Average Adjusted Annual Income	15,582	13,693	12,928	12,148	5,208	4,168	9,168	10,008
Number Employed	3	3	670	670	0	0	1	1
Average Wages	6,475	6,475	8,883	8,883	-	-	14,530	14,530
Average TCA	3,879	3,879	3,814	3,814	14,184	14,184	6,724	6,724
Average SSI	7,987	7,987	6,624	6,624	-	-	4,285	4,285
Average Social Security	6,689	6,689	6,010	6,010	-	-	1,932	1,932

Average Excluded Income (Food Stamps, Foster Care payments, etc)	3,485	3,485	2,198	2,198	-	-	-	-
Average Asset Amount	99.00	-	680.00	-	-	-	234	234
Average Asset Income	-	-	3.00	-	-	-	-	-
Average TTP	300	342	310	306	151.	104.	294.	278.
	Caucasian		African-America		Asian		Other	
	Before	After	Before	After	Before	After	Before	After
Average TTP/Gross Income	21%	24%	25%	25%	29%	20%	26%	25%
Average TTP/Adjusted Income	23%	30%	29%	30%	35%	30%	38%	33%
Average HAP	884.00	850	1,110	1,112	1,250	1,287	1,797	1,801

Table 22: Impact Analysis for Standard Deductions (Ethnicity)

	Ethnicity			
	Hispanic		Non-Hispanic	
	Before	After	Before	After
Number of Households	1	1	1468	1468
Average Gross Annual Income	22,409.00	22,409.00	14,922.00	14,922.00
Average Adjusted Annual Income	21,929.00	18,409.00	12,931.00	12,192.00
Number Employed	1	1	673	673
Average Wages	22,409.00	22,409.00	8,864.00	8,864.00
Average TCA	-	-	3,830.00	3,830.00
Average SSI	-	-	6,465.00	6,465.00
Average Social Security	3,144.00	3,144.00	6,009.00	6,009.00
Average Excluded Income (Food Stamps, Foster Care payments, etc)	-	-	2,201.00	2,201.00
Average Asset Amount	885.00	-	676.00	-
Average Asset Income	-	-	3.00	-
Average TTP	548.00	507.00	310.00	307.00
Average TTP/Gross Income	29%	27%	25%	25%
Average TTP/Adjusted Income	30%	33%	29%	30%
Average HAP	668.00	683.00	1,110.00	1,111.00

- Hardship Policy.** Families who experience an increase in their Total Tenant Payment as a result of the standard deduction policy will be permitted to choose the lower of the traditional expense calculation method or the standard deduction method until their next bi-annual reexamination. Implementation of the standard deduction will occur at the time of the client's next bi-annual recertification,

interim change, or family move.

- **Board Adoption and Public Hearing.** This policy was adopted by HABC’s Board of Commissioners as part of the FY12 MTW Annual Plan Board Resolution attached as Appendix A in the Plan. The public hearing for the Annual Plan also served as the Public Hearing for the Rent Policy. The policy was presented to residents as well as the Resident Advisory Board at several meetings prior to the Public Hearing.

The expenses that were considered in the development of the Standard Deduction Policy included all of the mandatory expenses currently required by HUD that can be found 24 CFR 5.611 (a). The standard deductions are also in line with the Maryland Table of Average Expenses/Deductions, especially in areas of childcare (see Tables 23 & 24).

**Table 23: Special Mobility HCVP Standard Deduction Rent Policy
Metric Calculations (Labor)**

Expenses	Average Minutes of Staff Time Spent	Average Cost per verification	Annual Cost
Medical Expenses	42	19.58	\$1,879.68
Childcare for School	21	11.54	\$230.80
Childcare for Work	21	11.54	\$4,304.42
Total			\$6,414.90

**Table 24: Special Mobility HCVP Standard Deduction Rent Policy
Metric Calculations (Materials)**

Materials	Cost Per Unit	Units Used Per action	Cost Per Action	Cost Per Year
Paper	\$0.01	4	\$0.04	\$17.80
Copier	\$0.02	4	\$0.09	\$44.79
Postage	\$0.44	2	\$0.88	\$430.32
Envelopes	\$0.07	2	\$0.15	\$71.88
Total				\$564.80

The proposed standard deductions were calculated using actual program expense data for all leased participants. The average deductions for employed families were considerably higher than those of families who were unemployed. The expenses for the elderly and

disabled were only slightly higher than those of the non-elderly or non-disabled program participants.

The policy reduces the documentation from third party sources for items which are deductions. This reduces the reporting burden on the participant, as well as removing the deduction fluctuations in the resident's income. The policy reduces the administrative burden on MBQ because the process becomes more streamlined since the need for third party verification of deductions and expenses is removed.

HABC and MBQ will review the deduction amounts yearly to establish that the deductions are not creating a hardship for assisted families annually and adjust the standard deductions upward or downward to assure that clients continue to pay an average of 25% of their gross annual income toward rent and utilities. MBQ will also review the deduction levels yearly to ensure that the levels are in keeping with the average expenses for families.

Special Mobility Definition of Continued Assistance. There are two (2) homeownership options for eligible members to the Special Mobility Program. The first option is called the "Direct Homeownership Program" and provides second mortgage assistance to first time homebuyers who were current or former residents of HABC public housing at the time of the home purchase. In addition to a second mortgage, participants in the Direct Homeownership Program receive pre and post purchase counseling. The second homeownership option is the Section 8 Homeownership option. In addition to the services offered to participants of the Direct Homeownership Program, the Section 8 Homeownership Program offers a monthly mortgage assistance payment funded by the HCV program.

The definition of Continued Assistance will be expanded to include participants in the Direct Homeownership Program in order to provide a safety net to those who may become income eligible for the HCV program and to avoid possible foreclosure.

For these proposed new MTW Activities, Table 25 includes baseline information, benchmarks to be achieved, data to be collected and measured, proposed outcomes and other required information.

**Table 25:
Proposed MTW Activities for Public Housing**

Activity	Statutory Objective	Projected Impact	Baseline and Benchmarks	Data Collection Process	MTW Authorization	Hardship Policy
<p>Rent Policy: HABC will implement a rent policy designed to (a) ensure affordable rent (no more than 30% of adjusted income); (b) assist residents in obtaining employment, (c) give residents incentive to retain employment, (d) encourage residents to obtain job skills that maximize their earning potential and encourage savings.</p>	<p>This activity will help achieve the statutory objective of providing economic self-sufficiency incentives to families by establishing rent policies designed to encourage savings and by providing intensive supportive services to assist residents in removing obstacles to employment.</p>	<p>This MTW activity will simplify rent policy for staff and residents; encourage employment, job retention, and wage progression. 1. HABC expects that more residents will become employed as a result of this activity. An increase in the percentage of employed households of 1% per year is estimated. Currently, only 20% of residents have employment as a source of income. 2. HABC expects that more residents will retain employment as a source of income than those who lose employment as a source of income. During FY2011, 422 households become unemployed while 361 different households became employed. 3. HABC expects average annual household incomes to increase due to increased employment rates. Also, HABC also expects incomes of employed households to increase annually. 4. HABC also expects that rent revenue will increase due to expected increases in employed residents. All indicators will be tracked against the baseline as well as a comparison from year to year.</p>	<p>HABC will measure this activity by assessing changes to average household income, average rent, and number/percent of households with at least one full-time employed household member. The current baseline and the projected 3 year benchmarks are shown below:</p> <p>Current baseline: Average household income of \$11,171; average rent of \$240; and, percent of households with an employed household member is 19%.</p> <p>Proposed benchmarks (by March 2012): Average household income of \$11,648; average rent of \$240; and, 22% percent of households with an employed household member.</p>	<p>HABC will measure this activity through analysis of data collected from residents on an annual basis through rent recertifications.</p>	<p>MTW Agreement Attachment C, paragraph C.2; MTW Agreement Attachment C, paragraph C.5; MTW Agreement Attachment C, paragraph C.11.</p>	<p>Under the policy, no resident will be required to pay more than 30% of their adjusted income. The hardship policy and criteria are described in Section 6 of Volume 3 of the MTW FY2012 submission. The policy will apply when and if HABC implements a minimum rent..</p>

**Table 25:
Proposed MTW Activities for Leased Housing**

Activity	Statutory Objective	Projected Impact	Baseline and Benchmarks	Data Collection Process	MTW Authorization	Hardship Policy
<p>HABC proposes to implement changes in utility allowances used to calculate gross rents. The utility table used will be the lesser of the actual unit size or the voucher unit size. This change will apply to the tenant-based voucher program and HCVP Homeownership program.</p>	<p>This will promote the statutory objective of efficiently allocating subsidy resources by lowering Housing Assistance Payment costs in a time of severe financial uncertainty and budgetary constraints and will encourage participants to rent appropriately sized units. This is one of many initiatives to attempt to preclude withdrawing assistance from current participants in good standing.</p>	<p>This will lower monthly HAP and encourage participants to rent appropriately sized units.</p>	<p>HABC will measure savings in HAP related to implementation of this initiative and estimate the number of households who may be assisted or continue to receive assistance with those savings. Baseline: The difference in costs to HABC between a unit-based utility allowance and a voucher-based utility allowance is calculated as \$91,357 per month (\$1,096,284 per year). Benchmark: By the end of FY 2012 it is HABC's goal to decrease its monthly expenditures by the amount it would otherwise be expending if the previous policy remained in place. For FY 2012, assuming that no change in the utility allowance schedules, and that initiation of this policy will be in effect for 6 months, HAP/UAP savings are estimated to be approximately \$548,142 (the equivalent of providing assistance to an additional 54 households. Post FY 2012, the impact would</p>	<p>Internal data collection of HAP savings and equivalent number of households assisted.</p>	<p>MTW Agreement, Attachment C, D-2.</p>	<p>For families living in units larger than their voucher size, the change in the UAP will become effective 90 days after notification of such change by HABC. This will afford those families the ability to apply for and receive a voucher to move and to relocate to an appropriate sized unit.</p>

Activity	Statutory Objective	Projected Impact	Baseline and Benchmarks	Data Collection Process	MTW Authorization	Hardship Policy
			be the equivalent of providing assistance to an additional 53 households (a total of 107 additional households).			
Special Admin Plan: Exclude all assets from income when the cash value of the asset is less than \$50,000	Reduce cost and increase cost effectiveness in Federal expenditures,	Lower the administrative costs and increase the accuracy related to determination and calculation of annual income and HAP,	<p>The baseline cost to verify all assets is \$27,384.70 per year (labor, postage, materials). The benchmark cost to verify assets greater than \$50,000 is \$100 or less.</p> <p>The baseline HAP savings achieved by including asset income is \$1,647 per year. The benchmark cost to HAP by excluding assets from income will be \$1,647 per year.</p> <p>Administrative savings projected by the end of FY 2012 is \$27,384.70 minus the cost to HAP of \$1,647 = 25,737.70</p>	Data will be obtained from MBQ.	MTW Agreement, Attachment C, Section (D)(2)(a).	N/A. The removal of an income source will not increase TTP or Tenant Rent.

Activity	Statutory Objective	Projected Impact	Baseline and Benchmarks	Data Collection Process	MTW Authorization	Hardship Policy
<p>Special Admin Plan: Definition of Adjusted Income: Create a standard expense deduction for working families. There will be no minimum wage level to qualify</p>	<p>Reduce cost and increase cost effectiveness in Federal expenditures; and Give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient.</p>	<p>Lower the administrative costs and increase the accuracy related to determination and calculation of annual income and HAP</p>	<p>The baseline cost to verify expenses is \$6,980 per year (labor, postage, materials). The benchmark cost to verify expenses would be \$0.00.</p> <p>The baseline average expense deduction per employed participant is \$5,917 per year The benchmark average expense deduction per employed participant would be \$6,000</p> <p>The baseline average expense deduction per unemployed household is \$1,951 per year. The benchmark average expense deduction per unemployed household would be \$2,000.</p> <p>Benchmarks will be evaluated annually to assure clients continue to pay an average of 25% of their gross income toward rent and utilities. Administrative savings projected by the end of FY 2012 = \$6,979.70</p> <p>MBQ will also track the participant's employment status after the implementation of the standard deductions and monitor the number</p>	<p>Data will be obtained from MBQ.</p>	<p>MTW Agreement, This is an eligiblity waiver not a rent policy.Attachment C, Section (D)(8a).</p>	<p>Clients who experience an increase in TTP as a result of the standard deduction policy will be permitted to choose the lower of the traditional expense calculation method or the standard deduction method until their next biennial reexamination</p>

Activity	Statutory Objective	Projected Impact	Baseline and Benchmarks	Data Collection Process	MTW Authorization	Hardship Policy
			<p>of participants who become employed as well as the length of employment and average wages.</p> <p>40% of the leased families in the mobility program have at least 1 family member earning wages. The average income from wages is \$9,245.00 annually. The benchmark for the new deduction policy is to increase employment by 3% and increase average wages to \$10,000.00 in the first year.</p>			
<p>Special Admin Plan: Ability to admit current Direct Homeowners into the Section 8 Direct Homeownership Program</p>	<p>Increase Housing choices for low-income families in non-impacted areas pursuant to the Thompson Consent Decree.</p>	<p>Maintain affordable homeownership options for direct homebuyers who may require HCV assistance to prevent foreclosure</p>	<p>As of December 31, 2010 there are 10 direct homebuyers. It is anticipated that no more than one (1) direct homebuyer may require a HAP during FY 2012. The average HAP of the HCV homeownership program is \$8,244.00/year.</p>	<p>Data will be obtained from MBQ.</p>	<p>MTW Agreement, Attachment C, Section (D)(8).</p>	<p>N/A</p>

VI. Ongoing MTW Activities

In addition to utilization of MTW Block Grant flexibility to support critical capital and development efforts and the proposed new activities discussed in Chapter V, HABC continues to implement a wide array of MTW activities in support of HABC's mission and the national MTW statutory objectives.

For MTW activities approved prior to 2010, HABC developed benchmarks and metrics as part of the FY 2010 Annual Report process. HABC will continue to monitor and evaluate MTW activities during FY 2012. At this point, HABC does not intend to use external evaluators for new or ongoing MTW initiatives. Internal reports will be generated on a periodic basis to assess performance against proposed targets. Quarterly internal reviews will be conducted with program staff and management to review and evaluate results and, if necessary, to modify proposed strategies to improve results. Annual evaluation results will be reported as appropriate by HABC in the MTW Annual Report.

Table 26 summarizes previously approved, ongoing MTW activities in the public housing program.

**Table 26:
Ongoing MTW Activities for Public Housing**

MTW Plan Year	Activity	Description	Planned Changes	Status
2006	Two Year Recertifications	HABC is responsible for reexamination and verification of household income, household composition and other eligibility data. The HABC will generally conduct a full reexamination of household income and composition for all fixed income households one time every twenty-four (24) months.	None	Initial implementation effective as of 2010
2006	Family Self Sufficiency	HABC established a combined Public Housing and HCV Family Self Sufficiency program. Program requirements vary from the existing regulatory framework: 1) eliminated mandated thresholds for number of participants in the HCVP program and expanding the program to include public housing residents; 2) enhanced program design to target the populations in need; 3) focused outcomes toward homeownership and unsubsidized economic independence; 4) changed the maximum contract period from five (5) to four (4) years; and developed new procedures/regulations regarding the release of the escrow funds. In addition, to maximize program effectiveness a caseload limit was set for staff to client ratio of 1:75.	None	Implemented as of 2006
2009	Homeownership	HABC modified its existing Section 32	None	Implemented as of

MTW Plan Year	Activity	Description	Planned Changes	Status
	Plan	Homeownership Plan. It incorporates a number of features that differ from the standard Section 32 homeownership requirements including, but not limited to: HABC's plan does not place a firm cap on the percentage of adjusted income that is considered "affordable" for homeownership purposes; HABC extends the recapture period for net sales appreciation to a total of 10 years using a declining scale; and, HABC's plan is open in terms of timetable and the number of scattered site units to be covered under the Plan, i.e. potentially over time, all scattered site units could be eligible for homeownership for qualified households.		2009
2009	TDC Limits	HABC has established a local Total Development Cost policy for the Thompson 58 scattered site acquisition program.	None	Implemented as of 2009
2010	Gilmor Self-Sufficiency Initiative	This activity will simplify the rent policy for staff and residents; encourage employment, job retention, and wage progression; and provide increased resident choice by providing residents with an additional rent policy option and applicants with a choice of the demonstration site with its enhanced self-sufficiency services and rent policy versus other available public housing sites	None	Implemented as of 2010
2011	Asset Self-Certification	To streamline operations, HABC will allow residents to self-certify income from assets with total asset values per household of less than \$5,000.	None	Implemented as of 2011

Table 27 summarizes previously approved, ongoing MTW activities in the leased housing program, including activities applicable to the HCV program and/or the Special Mobility Program.

**Table27:
Ongoing MTW Activities for Leased Housing**

MTW Plan Year	Activity	Description	Planned Changes	Status
2006	Risk Based Inspections	HABC is moving to a Risk-Based inspection process in order to ensure that the highest housing quality standards are maintained and that HABC resources are utilized in an efficient and effective manner. Units, which have consistently met annual inspection standards, will be inspected every two (2) years. Units, which do not have such a track record, will be inspected annually. HABC reserves the right to set and modify the inspection schedule for each unit. Special inspections may be scheduled at any time at HABC's discretion.	None	In planning stage
2006	Two Year Recertifications	HABC is responsible for reexamination and verification of household income, household composition and other eligibility data. The HABC will conduct a reexamination of household income and composition for all households one time every twenty-four (24) months. The 24-month reexamination policy does <u>not</u> apply to: <ul style="list-style-type: none"> • Residents living in Mod Rehab and Mod Rehab SRO units • Residents with other vouchers that do not qualify based on HUD funding restrictions. • Residents with Homeownership vouchers 	None	Implemented in 2007
2006	Limits on Project Based Vouchers	HABC reserves the right to allocate up to 30% of its Tenant Based HCV funding for Project Based Vouchers and also to waive the per-building and per-project cap on the percentage of units, which may be designated as project-based units.	None	Implemented in 2006
2006-08	Special Admin Plan	To facilitate the activities required under the Thompson Partial Consent Decree, several MTW-related activities have been incorporated into the Special Administrative Plan. As such, these apply to the units administered by MBQ: <ul style="list-style-type: none"> • Implementation of exception payment standards subject to funding availability • Verification of eligibility allowable up to 180 days before issuance of voucher or tenant enters into project-based lease • Recertifications conducted every 24-months • Implementation of risk-based inspections 	None	Implemented 2006-2008
2007-2008	Project-Based Transitional Housing	As provided under the MTW Agreement HABC is authorized to waive certain provisions of 24 CFR 983.53 in order to pay Project Based Voucher assistance for units in a transitional housing facility. Such authorization increases housing choices for low-income families.	None	Implemented in FY 2011
2009	Special Admin Plan	The Special Administrative Plan was modified to reflect previously approved activities that have not yet been implemented related to the Project Based Voucher program: <ul style="list-style-type: none"> • Allow floating units instead of identifying specific units in the HAP contract 	None	Implemented in FY 2010
2009	Section 811 Supportive Housing	HABC may combine capital funds made available from voucher or public housing funds with 811 funds to create units for non-elderly persons with disabilities pursuant to the Bailey Consent Decree. HABC will make these funds available through a competitive process and will require developers to demonstrate through specified	None below.	Implemented in FY 2009.

MTW Plan Year	Activity	Description	Planned Changes	Status
		documentation that the project has a gap that cannot otherwise be addressed.		
2009	Payment Standards at the 50th percentile	As an alternative to using the HUD published Fair Market Rent (FMR) as the basis for determining its Payment Standards, HABC will use the HUD-published 50th percentile rent estimates.	None	Implemented in 2009
2010	Unit sizes	The HCV Administrative Plan was modified to require participating families to select a unit size consistent with and not greater than the unit size listed on their voucher. Exceptions to this rule may be granted at the discretion of HABC where the voucher holder can demonstrate that a good faith and exhaustive effort has been made to find an appropriately sized unit or based on a reasonable accommodation request	This requirement has been modified to include current participants living in units where the unit size exceeds the voucher size.	Implemented in 2010
2010	Project Based Voucher	The HCV Administrative Plan was modified to allow HABC to enter into Project-Based Voucher HAP contracts for greater than 25% of the units in a project/development regardless of the family or household type that will occupy the units provided that the households must be eligible.	None	Implemented in 2010
2010	Project-Based Voucher	The HCV Administrative Plan was modified to allow HABC to enter into Project-Based Voucher HAP contracts for greater than 25% of the units in a building regardless of the family or household type that will occupy the units provided that the households must be eligible.	None	Implemented in 2010
		HABC will create a Housing Assistance Payment (HAP) contract to: increase the term of the contract from 10 to 15 years; reflect the owner's obligation to request renewals of the HAP contract for PBV's to subsidize NED residents in LTA units; and set forth what public housing rights, privileges and benefits must be afforded the NED residents in LTA units.	None	Implemented in 2010

Proposed Change to approved Housing Choice Voucher Activity:

During FY 2010, the HCV Administrative Plan was modified to require participating families to select a unit size consistent with and not greater than the unit size listed on their voucher. For FY 2012 this requirement will be modified to include current participants living in units where the unit size exceeds the voucher size. Participants living in units where the unit size exceeds the voucher size may be required to move to an appropriate sized unit or pay additional costs including increases for utilities and additional rooms.

For families living in units larger than their voucher size, the change in the UAP will become effective 90 days after notification of such change by HABC. This will afford those families the ability to apply for and receive a voucher to move and to relocate to an appropriate sized unit.

VII. Sources and Uses of Funding

This section of the Annual Plan describes HABC's planned sources and uses of MTW, State and Local funds. Planned sources and uses for other HUD, other federal and other Non-MTW funds are described in Chapter III. This financial plan is compiled based on current information and HUD's anticipated funding level as of February 2011. It is subject to revision as conditions and/or assumptions change.

A. Planned Sources and Uses of MTW Funding

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

- Low Income Public Housing (LIPH)
- Section 8 Housing Choice Voucher (HCV)
- Capital Fund Program (CFP) /Replacement Housing Factor Fund (RHFF)

Table 28 and the following notes provide information on planned sources of MTW funds for the fiscal year ending June 30, 2012.

**Table 28:
FY 2012 Planned Sources of MTW Funds**

Sources	Total MTW
Net Tenant Revenue	30,336,048
Tenant Revenue Other	390,808
Total Tenant Revenue	30,726,856
Non-Thompson Housing Assistance	118,869,864
Thompson Housing Assistance	25,730,742
Program Reserve - Thompson	3,303,152
Ongoing administrative fees earned	10,081,370
HUD Operating Grants	80,741,692
Total Operating Grants	238,726,820
Capital Grants - Hard cost Only	7,562,382
Investment Income	140,597
Fraud recovery	5,000
Other Revenue	11,358,454
Total MTW Source	288,520,109

Notes to Sources:

1. Net Tenant Revenue is planned at a 97% occupancy rate with the average rent assuming 1.5% increases.
2. Tenant Revenue Other represents estimated income from various transactions such as warrant, court and maintenance costs anticipated during FY 2012.
3. HABC's Total Operating Grants include the following funding:
 - Section 8 HCV Housing Assistance Payments (HAP) subsidies are planned at the same funding level as FY 2011. In comparison with FY 2011, the increased HAP funding is from the Thompson vouchers funding formula in accordance with the MTW Agreement.
 - Program Reserve – HCV is a limited funding source with a projected balance of \$3.3 million on June 30, 2011 to fill the funding gap for the Thompson consent decree vouchers for HAP. The estimated Quadel's mobility counseling contract for FY 2012 is \$4.8 million. FY 2012 HAP funding from HUD for Thompson is estimated to have a shortfall of approximately \$7.3 million. Since the depleting Program Reserve does not have an adequate balance to pay for these two estimated amounts in FY 2012, there will be an overall deficit for the Thompson voucher program in the amount of \$8.1 million. HABC intends to contact HUD HQ about this funding deficit issue.
 - Ongoing administrative fee earned is calculated based on current rates with an estimated proration at 77%.
 - HUD Operating Grants include Public Housing Subsidies budgeted at 87.4% and Capital Fund soft costs for administering the planned capital improvement and operating activities. The estimated funding proration is based on the federal budget data as of February 2011.
4. Capital Grants – Hard Costs funding is based on planned capital improvement and construction activities as described in the capital improvement plan.
5. Investment Income is based on a short-term interest rate on the estimated average daily cash balance.
6. Fraud Recovery is for recovery of funds from the Section 8 HCV program.
7. Other Revenue is related to vending machines, roof top antenna income, and lease income from the public housing program. It also includes the Abel Foundation grant for the Section 8 HCV program.

Table 29 and the following notes provide information on planned uses of MTW funds for FY 2012.

**Table 29:
FY 2012 Planned Uses of MTW Funds**

Uses	Total MTW
Administrative	16,864,414
Public Housing - Site Management	13,410,980
Section 8 HCV Management	12,286,509
Tenant Services	3,286,435
Utilities	26,450,129
Utility Other	2,441,517
Ordinary Maintenance & Operations	33,469,001
Protective Services	3,085,819
General Expenses	25,059,192
Total Operating Expenses	136,353,996
Extraordinary Maintenance	400,000
Casualty Loss	400,000
Non-Thompson Housing Assistance	124,335,259
Thompson Housing Assistance	33,067,516
Hard Costs	14,842,110
Total MTW Uses	309,398,881

HABC's projected total MTW uses of funds is \$309,398,881 for the fiscal year ending June 30, 2012. Uses of funding exceed sources of funding by \$20,878,772. This total funding shortfall is made up of the discrepancies as discussed below:

- Thompson consent decree vouchers are estimated with a funding shortfall of \$8.1 million as previously discussed. HABC intends to contact HUD HQ about this funding shortfall issue.
- The prior year's Section 8 HCV HAP Reserve will be used to pay for the funding shortfall of the regular HCV vouchers estimated at \$5.5 million in FY 2012.
- As permitted under the MTW Agreement, the remaining \$4.6 million had previously been planned to pay for several continuing capital improvement activities as described in the capital improvement plan.
- The prior year Public Housing reserve will be used to pay for the funding shortfall of \$2 million in Low Income Public Housing.

Notes to Uses:

1. Administrative expenses include salaries and benefits for administrative and CFP/RHFF programs staff. Also included are administrative operating expenses such as office rent, telephone, computer materials and contracts, postage and supplies.
2. Public Housing – Site Management includes salaries and benefits for Housing Management staff at the Asset Management Project (AMP) levels. Also included are their respective operating expenses such as telephone, computer materials and contracts, postage and supplies.
3. Section 8 HCV Management includes salaries and benefits applicable to the administration of the Section 8 HCV program. It also includes \$4.8 million for Quadel's contract costs to administer the Thompson consent decree vouchers and \$425,000 for the Mobility Counseling contract in accordance with the Bailey consent

- decree. Also included are operating expenses such as office rent, telephone, computer materials and contracts, postage and supplies.
4. Tenant Services includes salaries, benefits and related materials and supplies used to support tenant councils and the Resident Advisory Board, and to provide direct services to residents of public housing.
 5. Utilities include expenses for water, electricity, gas, steam and fuel consumed by the Housing Authority AMPs. A 5% increase for water & steam and a 3.5% increase for gas have been assumed in the utility rates. Electricity was based on the currently procured rate. HABC continues to exercise prudent procurement actions to achieve favorable utility rates. Utility consumptions are adjusted based on addition or demolition activities planned for the fiscal year. Applicable utility savings as a result of the Energy Performance Contract (EPC) has been factored into the projected utility costs.
 6. Utility Other includes monthly payments of the EPC debt service and the costs for energy audit, which is required every five year.
 7. Maintenance & Operations include salaries and benefits of maintenance workers and crews assigned to public housing units. It also includes maintenance materials and maintenance contracts used for ordinary maintenance operations. This category also includes outside contract costs to privatized firms, which manage some of HABC's public housing and affordable housing units.
 8. Protective Services includes salaries, benefits and other related costs of building monitors assigned to public housing developments.
 9. General Expenses (non-capitalized) include insurance premiums for general liability, worker's compensation, automobiles, compensated absences, etc. This category also includes collection losses for uncollected rent, a \$6.5 million Debt Service Repayment from the Capital Fund Program to repay the State Capital Anticipation Loan Proceeds from the sale of bonds by the State of Maryland, as well as the annual Other Post Employment Benefits (OPEB) Cost as required under GASB Statement No. 45.
 10. Extraordinary Maintenance budget is set aside for unforeseen break down of heating systems, boilers, chillers, etc.
 11. Casualty Loss is estimated for unforeseen repairs and losses at public housing units that are not covered by insurance carriers.
 12. Housing Assistance Payments (HAPs) include rent subsidies paid to landlords and utility assistance paid to tenants under the Section 8 HCV program. The HAP amount also includes payments for Thompson consent decree vouchers in FY 2012.
 13. Construction (Hard) Costs in FY 2012 are planned for capital improvement activities including 504 UFAS and ADA Compliance, security and safety projects, marketability and viability of existing portfolio, improvement of major systems, infrastructure, extraordinary maintenance, and creation of economically diverse stable neighborhoods using the mixed finance development approach by leveraging the MTW Block Grant. Two major items are discussed as follows:
 - HABC was required to create 22 public housing units in Sandtown-Winchester. The parties to the Consent Decree have agreed that these units may be purchased in other areas of the City as well as Sandtown-Winchester. HABC has acquired all 22 units and will finalize rehabilitation for occupancy in the first quarter of 2012.

- Major construction projects and estimated expenses for FY 12 include Waterproofing and Tuck pointing at Wyman House and Van Story Branch, 504 UFAS Modifications at various locations, gas line repairs at Cherry Hill, roof replacement at Cherry Hill, Westport and Scattered Sites.

Capital Improvement activities are discussed in more detail in Chapters II and III.

B. Planned Sources and Uses of State and Local Funds

Programs that are included in the State and Local Funds category include the following funding sources:

- City of Baltimore - Housing and Community Development (HCD) pass-through reimbursable expenses
- Various Resident Services Grants

Table 30 and the following notes provide information on planned sources of State and Local Funds for FY 2012.

Table 30:
FY 2012 Planned Sources of State and Local Funds

Sources	Total State and Local
Other Government Grants	1,370,812
Other Revenue	12,852,338
Total State & Local Sources	14,223,150

Notes to Sources:

- a. Other Government Grants funding is from the Department of Social Services and the Maryland State Department of Education to provide funding for the Family Self-Sufficiency and Child Care Program.
- b. Other Revenue for pass-through activities is for expenditures in which HABC receives instantaneous reimbursements from the City of Baltimore. It also includes City's funding for joint-venture development activities being provided by HABC's force-labor department (HABC0).

Table 31 and the following notes provide information on planned uses of State and Local Funds for FY 2012.

**Table 31:
FY 2012 Planned Uses of State and Local Funds**

Uses	Total State and Local
Administrative	4,856,768
Tenant Services	1,558,678
Utilities	-
Ordinary Maintenance & Operations	6,634,432
Protective Services	
General Expenses	1,173,272
Total State & Local Uses	14,223,150

Notes to Uses:

1. Administrative expenses are primarily for salaries and benefits of the pass-through activities from the City of Baltimore. HABC receives instantaneous reimbursements from the City for these activities.
2. Tenant Services expenses are related to staffing and program costs to support day care activities, as well as Family Self-Sufficiency program services to residents for job placement and case management.
3. Ordinary Maintenance & Operations expenses are related to non-capitalized activities from the City's funds for joint venture development being provided by HABC's force-labor department (HABCo).
4. General Expenses include the applicable portions for the State and Local Funds of the insurance premiums for general liability, worker's compensation, automobiles, compensated absences, etc, as well as the annual Other Post Employment Benefits (OPEB) Cost as required under GASB Statement No. 45.

C. Planned Sources and Uses of Central Office Cost Center

This section is not applicable to HABC.

D. Local Asset Management Plan

HUD previously approved HABC's Local Asset Management Program as part of the Annual Plan submission for FY 2010. Proposed updated cost allocation calculations for FY 2012 are included in Appendix C.

E. Single Fund Flexibility

The MTW Agreement allows HABC to combine public housing operating and capital funds (including development and replacement housing factor) provided under Section 9, and tenant-based voucher program funds provided under Section 8 of the 1937 Act into a single, authority-wide funding source. HABC uses this combined funding source to carry out MTW program activities in support of MTW statutory objectives.

The following activities will take place in FY 2012 using single fund flexibility concept:

- Due to inadequate funding for capital activities, HABC plans to use the prior year's HCV HAP Reserve to supplement various capital improvements as detailed in the FY 2012 Capital Spending Plan using single fund flexibility concept.
- As outlined in the previous year's financial plan strategy, a portion of the cumulative HAP funds will be utilized to support HABC's housing development.

F. Capital Planning Expenditures

In Fiscal Year 2012, HABC will implement a wide range of capital investments at existing public housing sites and continue its ambitious program of citywide housing development activities as noted on pages 11-16. HABC projects it will expend a total of approximately \$75.3 million on capital/development projects in the coming year.

HABC has provided an update to the Asset Management Table in Appendix B which describes the current status of each public housing site, outlines certain risk factors that will be monitored over the life of the MTW Demonstration, and describes possible outcomes of these risks. It is designed to serve as the conceptual basis for current and future years' planning. The Asset Management table identifies sites where redevelopment, conversion, homeownership, management improvements and other activities may take place in the future; however, it is subject to periodic change based on priorities and available resources.

In 2009, HABC received \$32,724,445 under the Capital Fund American Recovery and Reinvestment Act Formula grant program (ARRA). These capital funds support projects including the renovation of approximately 156 long-term vacant scattered sites and approximately 26 conventional units; the creation of approximately 9 additional UFAS units; waterproofing and tuck pointing of building exteriors at 2 high rise buildings for the elderly and disabled; elevator upgrades at 6 high rise buildings for the elderly and disabled; and, a project to install electric meters and long overdue site work at one family site. ARRA requires a mandatory three-year spending program with rigid milestones for obligation and expenditure of all funds. Under the terms of the ARRA Formula grant, HABC obligated the entire grant in FY 2010. In FY 2011, HABC has expended over 60% of the grant. All remaining funds will be expended in FY 2012.

Also in 2009, HABC was awarded \$33,341,007 under the ARRA Competitive grant program. These capital funds support renovation of non-dwelling space for elderly and disabled support services providers at two mixed population buildings, approximately 80 long-term vacant scattered sites and installation of energy conservation measurements such as electrical upgrades, furnaces, appliances, energy management systems and heating upgrades at seven family sites. ARRA Competitive grants also require that all funds be obligated and expended within a three-year period. Under the terms of the ARRA Competition grant, HABC obligated the entire grant in FY 2011. In FY 2012, HABC will expend 60% of the grant. All remaining funds will be expended in FY 2013.

Major Capital Needs and Projects, Estimated Costs and Proposed Timetables

Appendices I and J include the Annual Statement/Performance and Evaluation Reports (Form HUD 50075.1) for all ARRA Grants (competitive and formula) as well as for the Capital Safety and Security Grant awarded for improvements at Gilmor Homes. HABC will utilize MTW Block Grant (Capital Funds including Replacement Housing Factor, Housing Choice Voucher Program, and Operating Funds), in addition to non-MTW funding (ARRA, Capital Safety and Security Grant, HOPE VI funds, HABC Unrestricted Funds, Baltimore City and Maryland State funds, and private resources and rebates for Energy Performance Contracting) to complete its major capital and development initiatives.

HABC notes that Housing Choice Voucher funds have been made available for capital activities to renovate long-term vacant units, to modify units for handicap accessibility and to improve physical conditions to ensure long term viability of existing inventory. Prior year allocations of Housing Choice Voucher funds are being utilized to complete planned activities in FY 12. No additional allocations of Housing Choice Voucher funds will be used in FY 12 except for Bailey Consent Decree obligations.

HABC's six major priorities for Capital/ARRA activities are: (1) 504 UFAS and ADA Compliance (handicap accessibility); (2) vacancy renovation; (3) marketability, security and safety improvements; (4) improvements to major systems, infrastructure, extraordinary maintenance; (5) installation of energy conservation measures; and, (6) creation of economically diverse stable neighborhoods using the mixed finance development approach by leveraging the MTW Block Grant Funds.

Additionally, other properties in HABC's portfolio which are not currently listed may, in the future, require MTW capital expenditures. HABC may elect to undertake these capital projects in FY 2012. It should be noted that some expenditures may take place in FY 2012 as a result of projects planned for and begun in FY 2010 and FY 2011, but completed and paid for in 2012.

Finally, HABC has let a number of contracts that will be started in FY 2011 but will not be fully expended until FY 2012 - 2013. These commitments are required in order to ensure that HABC meets its Consent Decree and MTW obligations and benchmarks.

Pursuant to the MTW Agreement, as mentioned above, HABC has combined all current and prior year Capital funds, including RHF funds, into the MTW Block Grant, with the exception of the American Recovery and Reinvestment Act and Capital Safety and Security funds. HABC acknowledges that the American Recovery and Reinvestment Act Capital Fund and the Security and Safety Grant activities will be carried out in accordance with all HUD regulations, including 24 CFR 905.951, 24 CFR 968, and other requirements applicable to the Capital Fund Program.

Table 32 provides a summary description of planned FY 2012 expenditures. Additional narrative commentary follows.

**Table 32:
Capital Expenditures Planned for FY 2012
(MTW and non-MTW Capital Activities)**

Capital Projects	Planned Expenditures FY 2012	Development(s)
Handicap Accessibility Modifications	\$2,581,417	Brooklyn Homes, Latrobe Homes, Perkins Homes, Scattered Sites and other developments as determined necessary and associated A&E fees.
Vacancy Renovation	\$5,022,262	Rosemont/Dukeland, Scattered Sites and other developments as determined necessary and associated A&E fees.
Marketability, Security and Safety Improvements	\$605,248	Latrobe Homes, Gilmor Homes, Cherry Hill Homes, McCulloh Homes, Perkins Homes, Pleasant View Gardens, Poe Homes, Van Story Branch and other developments as determined necessary and associated A&E fees.
Major Systems, Infrastructure, and Extraordinary Maintenance Repairs	\$14,877,091	Bel-Park Tower, Brentwood, Brooklyn Homes, Chase House, Cherry Hill Homes, , Douglass Homes, Ellerslie, Gilmor Homes, Govans Manor, Latrobe Homes, Monument East, Mt. Winans, Rosemont Towers, Scattered Sites, Van Story Branch, Wyman House, Central Office and other developments as determined necessary and associated A&E fees.
Energy Conservation Measures	\$35,897,203	Central Office, Cherry Hill Homes, Douglass Homes, EPC Projects, Gilmor Homes, Latrobe Homes, Westport Homes, and other developments as determined necessary and associated A & E fees.
Redevelopment Projects	\$16,364,156	Affordable Home Ownership Program, Broadway 58 Units, Hollander Ridge, Thompson 22 units, development of units for non-elderly disabled and associated development soft costs.

As required by the MTW Agreement, HABC has not identified any activities as part of the MTW Capital Budget that represent planned significant expenditures greater than 30% of HABC's total MTW Capital Budget for FY 2012

504 Accessibility Improvements

HABC will continue to: (i) modify existing units and sites to meet UFAS regulations; (ii) modify units to meet reasonable accommodation and immediate need requests; and (iii) modify common areas to meet UFAS regulations for providing public housing choices for low-income persons with disabilities. In addition, HABC continues to work closely with the City of Baltimore to upgrade those pedestrian curb ramps on HABC's sites but within the public right-of-way. Table 5 above provides a list of developments where UFAS projects will be under construction during FY 2012.

Under the ARRA Formula Grant, HABC will renovate 158 long term vacant units; and under the ARRA Competitive Grant, HABC will renovate 80 long term vacant units. As part of this renovation process, HABC will create an additional 14 UFAS units or 5.88% of the total 238 units scheduled for renovation. These 14 units are in addition to the 31 scattered site units being created pursuant to the Bailey Consent Decree.

To meet HABC's obligations under the Bailey Consent Decree, 137 UFAS units must be created. HABC plans to create these units over the next five years. Approximately 58 of the 137 UFAS units will be funded in part through low income housing tax credits, HOME Funds and project based vouchers. In FY 11 HABC expects to complete 20 of the 58 units in developments that are currently under construction. An additional 20 units are included in identified future developments. The remaining 18 of the first 58 units will come from future developments that have not yet been identified.

The remaining 79 UFAS units will be handled as follows: In FY 12, 10 UFAS units will be created in HABC's existing conventional developments, and vacant sites for 69 UFAS units will be identified and construction on approximately 15 of the 69 units will be started. Depending on calendar year 2011 funding levels to be provided by HUD, HABC will fund these UFAS units with a combination of available funds from HUD and/or the MTW Reserve.

Security Camera Installation

In FY 2012, HABC will continue to monitor the exterior cameras and issue maintenance contracts to insure their viability. In addition, HABC in FY 11 had implemented a Phase 3 CCTV camera installation in its mixed population buildings by installing cameras in parking lots and other security-risk public areas. In FY 12, HABC will explore the installation of cameras in its mixed-pop buildings. Under the Capital Safety and Security Grant awarded to HABC in FY 11, HABC will add additional cameras at Gilmor Homes in FY 11 and FY 12.

Infrastructure and Extraordinary Maintenance

In FY 2011 HABC: (i) completed the exterior waterproofing of 2 buildings and the design for 2 additional buildings, with construction starting the last quarter of FY 2011; (ii) completed the replacement of elevator hoist machines; (iii) completed roof repairs at 5 developments; (iii) performed 3 electrical upgrades; (iv) performed 1 chiller and 3 boiler upgrades to HVAC systems and begin the planning of additional chiller and boiler upgrades.

In FY 2012 HABC will: (i) upgrade electrical distribution systems in 2 family sites (Westport and Latrobe); (ii) upgrade the heating infrastructure system at Latrobe and Cherry Hill; (iii) install energy management system at several developments; (iv) upgrade /replace the Generator at Rosemont Tower, cooling tower at Van Story Branch and the boiler at Bel-Park; (v) Roof replacement at Cherry Hill and Westport; (vi) long term vacancy renovation at Rosemont/Dukeland; (vii) Erosion control at various family sites; (viii) various pipe replacements at mixed-pop buildings; and (ix) continue with HABC's oil tank removal program.

Also, in FY 2012, HABC will: (i) continue to develop plans noting physical areas of concern and a course of action to rectify (landscaping, egress, hazards, etc.); (ii) address some concrete walkway issues; (iii) perform major renovations at various developments and a portion of the scattered site inventory to further reduce vacancies; (v) complete long term vacant units; (vi) begin plans to eliminate erosion problems; and, (vii) implement a playground maintenance program.

Energy Service Company (ESCO)

In FY 2012, HABC will continue implementation of its EPC (Energy Performance Contracting) that involves: (i) completing installation of energy conservation measures (ECM) at 5 family developments; (ii) completing installation of an energy management control system (iii)

beginning to develop excessive consumption charges and utility allowances; (iv) completing a 5 year energy audit; and (v) commencing the development of a Phase 2 EPC.

VIII. Administrative

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

Appendix A: Board Resolution Adopting the Annual MTW Plan & Certification of Compliance

Appendix B: Asset Management Table

Appendix C: FY 2012 Proposed Cost Allocation Methodology & Local Asset Management Plan

Appendix D: Certifications (Previously submitted electronically to HUD)

- HUD-50071 – Certification of Payments to Influence Federal Transactions
- SF-424 – Application for Federal Assistance
- HUD-52723 – Operating Fund Calculation of Operating Subsidy

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

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

Appendix G: Summary of Proposed Changes to the Admissions & Continued Occupancy Plan

Appendix H: Waiting List Demographics

Appendix I: Forms HUD 50075.1 ARRA Annual Statements (Competitive)

Appendix J: Form HUD 50075.1 ARRA Annual Statement (Formula)

Appendix K: Emergency Safety & Security Grant

Appendix L: Amendments to the Annual Plan

Appendix M: Changes to the Annual Plan as a Result of Comments Received