

Housing Authority of Champaign County

Moving to Work



Year 2 Plan Amendment
January 1, 2012 – December 31, 2012

Re-Submitted to HUD:
September 5, 2012

I. INTRODUCTION

A. TABLE OF CONTENTS

SECTION	TITLE	PAGE
I	INTRODUCTION	2
II	GENERAL HOUSING AUTHORITY OPERATING INFORMATION	5
III	NON MTW RELATED INFORMATION	10
IV	LONG TERM MTW PLAN	10
V	PROPOSED MTW ACTIVITIES	11
10	Local Payment Standards	11
11	Acquisition without HUD Prior Approval	13
12	Replacement Housing/Use of Section 9 Funds for Non-Section 9 Activity	
VI	ONGOING MTW ACTIVITIES	15
1	Local Investment Policies	15
2	Biennial Re-certifications	15
3	Mandatory Local Family Self-Sufficiency Program	15
4	Employment Requirement	17
5	Minimum Rents by Bedroom Size	18
6	Tiered Flat Rents	18
7	Modified Definition of Elderly	20
8	Local Homeownership Program	21
9	Local Project Based Voucher Program	22
VII	SOURCES AND USES OF FUNDING	23
VIII	ADMINISTRATIVE	27
	Appendix A – Hardship Criteria for All Rent Reform Activities	28
	Appendix B – Performance & Evaluation Reports–Capital Fund Program	30
	Appendix C – Board Resolution and Certification of Compliance	31
	Appendix D – Documentation of Public Hearing	32

B. Overview of HACC's Goals and Objectives

The Housing Authority of Champaign County identified the activities described below under year one of its Moving to Work Program. These goals will continue to drive our MTW Activities during Year 2.

Goal 1 Operational Efficiency through Innovation

Streamline business processes and implement advanced technological solutions that will result in operational cost efficiencies and enable reallocation of resources to local initiatives and strategies.

Objectives

- a. Reduce current workloads of staff by simplifying routine transactional processes.
- b. Implement additional technology to ease administrative burden and reduce paperwork for standard operations.
- c. Utilize cost savings to support new initiatives designed under this plan.

New MTW Activities

HACC does not intend to implement any new MTW Activities related to this goal during Year 2.

Ongoing MTW Activities

1. Local Investment Policies
2. Bi-annual Re-certifications

Goal 2 Self-Sufficiency

Provide alternate incentives designed to motivate families to actively seek financial independence and transition from dependency on housing subsidy. Carefully measure success of each incentive to identify and replicate the greatest motivators.

Objectives

- a. Engage families in self-improvement activities designed to meet their individual needs and goals.
- b. Adopt policies that mandate personal accountability and financial responsibility.
- c. Assess results and adjust incentives to provide continued motivation.

New MTW Activities

HACC does not intend to implement any new MTW Activities related to this goal during Year 2.

Ongoing MTW Activities

3. Mandatory Local Family Self-Sufficiency Program
4. Employment/Educational Requirement
5. Minimum Rents by Bedroom Size
6. Tiered Flat Rents

Goal 3 <i>Expand Housing Opportunities through Repositioned Assets</i>

Maximize HACC's economic viability and sustainability through repositioning the current real estate portfolio and development of new affordable housing opportunities to meet the broad spectrum of low and moderate income residents of Champaign County.

Objectives

- a. Increase the number of “hard” units with HACC ownership that provide direct subsidy to the lowest income tenants.
- b. Create opportunities for additional development of “hard” units through public and private partnerships.
- c. Maximize income and extend viability of existing designated public housing sites through conversion to alternate subsidy.
- d. Develop homeownership opportunities relevant to today’s real estate market.

New MTW Activities

HACC will implement MTW Activity 10: Local Payment Standards and Activity 11: Acquisition without HUD Prior Approval during Plan Year 2 under this goal.

Ongoing MTW Activities

7. Modified Definition of Elderly
8. Local Homeownership Program
9. Local Project Based Voucher Program

II. GENERAL HOUSING AUTHORITY OPERATING INFORMATION

A. Housing Stock Information

Number of Public Housing Units at the Beginning of the Year

The chart below summarizes the Public Housing units that will be owned and managed by the Housing Authority of Champaign County during Year 2. Dunbar Court and Dorsey Homes are listed below under “In Demolition”. These two properties were approved for demolition and at the time of preparation of this plan, relocation was underway. Demolition is anticipated to commence by November 2011 with completion of demolition in February 2012.

HOUSING AUTHORITY OF CHAMPAIGN COUNTY									
PUBLIC HOUSING UNITS AS OF JANUARY 1, 2012									
Project	Name	Type	Total Units	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
IL06-17	Hayes Homes	Elderly	6	0	6	0	0	0	0
IL06-06	Columbia Place	Elderly	16	0	16	0	0	0	0
IL06-07	Skelton Place	Elderly/Disabled	84	14	68	2	0	0	0
IL06-08	Youman Place	Elderly	20	0	20	0	0	0	0
IL06-09	Scattered Sites	Family	16	0	0	0	0	0	16
IL06-12	Steer Place	Elderly	108	0	107	1	0	0	0
IL06-13	Washington Square	Elderly	104	0	103	1	0	0	0
TOTAL PUBLIC HOUSING UNITS			354	14	320	4	0	0	16
SUMMARY OF PUBLIC HOUSING UNIT TYPES									
Total Family Units			16	0	0	0	0	0	16
Total Elderly/Disabled Mixed Units			84	14	68	2	0	0	0
Total Elderly Only Units			254	0	248	2	0	0	0

Planned Capital Expenditures

There are no planned single capital expenditures in excess of 30% of HACC’s total annual Capital Fund Grant for 2012.

HACC plans to utilize its Capital Fund grants several smaller projects which include the following:

- Replacement of the central air conditioning units at Skelton Place and Washington Square.
- Integration of hot water with the new individual Package Terminal Air Conditioners (PTAC’s) in the apartments at Oscar Steer Place.
- Remodeling of the office space at the Park Street office building.
- New lighting for the Oscar Steer Place parking areas.
- New elevator car interiors at Skelton Place and Steer Place.
- Re-commissioning of the central boiler system at Oscar Steer Place.

New Public Housing Units

The chart below identifies the new Public Housing units that we anticipate adding to our portfolio during Year 2 of our MTW Agreement.

HOUSING AUTHORITY OF CHAMPAIGN COUNTY									
PUBLIC HOUSING UNITS TO BE ADDED BY DECEMBER 31, 2012									
			PUBLIC HOUSING			OTHER UNITS			
Project Name	Type	Total Units	1 BR	2 BR	3 BR	1 BR	2 BR	3 BR	4 BR
Urban Park	Family	24	4	2	0	0	18	0	0

Urban Park Place is a twenty four unit existing apartment complex in foreclosure located in the City of Champaign. HACC is acquiring the property from the Illinois Housing Development Authority (IHDA) and will convert it to a mixed finance project with 6 public housing units; 12 project based voucher units; and, 6 units with rent restrictions pursuant to the Illinois Affordable Housing Trust Fund. The project will be financed with HACC Replacement Housing Factor (RHF) funds and a low interest loan from the trust fund. Two of the Project Based Voucher units are accessible units for mobility impaired individuals.

This project was originally scheduled to close by June 30, 2011 but was delayed. We now anticipate a closing no later than December 31, 2011.

Public Housing Development Activities in Year 2

In Year 1, HACC selected a Master Development Partner and in June 2011 entered into a Master Development Agreement to develop multiple mixed finance communities. In Year 2 we will undertake all predevelopment activities including completion of project design and submission of all financing applications. Below is summary of the projects that will be in predevelopment during Year 2. However, based on the timing of the development process, we do not anticipate any new units coming on line during Year 2.

Rantoul – HACC acquired various parcels of land in the Village of Rantoul to develop a mixed income community. Conceptual plans currently call for the development of 45 mixed income units including public housing and project based vouchers. Currently we are awaiting the release of additional land foreclosed by the local bank. We anticipate that this project will be financed with MTW block grant funds and conventional financing. We anticipate a possible financial closing during Year 2 with new units coming on line during Year 3 of our MTW Agreement.

Redevelopment of the Dorsey and Dunbar Sites – As noted below, these two public housing communities are scheduled for demolition to be completed during Year 2. We are currently in the process of evaluating additional land adjacent to both of these sites for inclusion in the redevelopment. We anticipate that these projects will be developed using the 9% Low Income Housing Tax Credit Program, Replacement Housing Funds and MTW Block Grant funds.

The redeveloped project(s) will be Mixed Income communities that will include Public Housing ACC units, Project Based Vouchers, LIHTC restricted units and market rate units. We anticipate a possible financial closing on one site during Year 2 with new units coming on line during Year 3 of our MTW Agreement.

Public Housing Units to be Removed

The chart below identifies the Public Housing units that were approved for demolition during Year 1 of our MTW Agreement. Relocation is currently underway at these properties and demolition is expected to be completed in February 2012.

HOUSING AUTHORITY OF CHAMPAIGN COUNTY									
PUBLIC HOUSING WITH DEMOLITION COMPLETION IN 2012									
Project	Name	Type	Total Units	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
IL06-01	Dorsey Homes	Family	67	0	8	27	24	8	0
IL06-05	Dunbar Court	Family	26	0	4	10	8	4	0
TOTAL			93	0	12	37	32	12	0

Housing Choice Vouchers

The chart below summarizes the MTW Housing Choice Vouchers authorized and the non-MTW Vouchers authorized. The non-MTW vouchers were received in August and September 2011 for the relocation of residents at the Dunbar and Dorsey public housing communities. These vouchers will remain as non-MTW for one year and then covert to MTW vouchers in October 2012. In addition to Housing Choice Vouchers, HACC administers the Section 8 HAP contract on behalf of HUD for a 50 unit New Construction project and a 25 unit SRO project.

HOUSING CHOICE VOUCHERS AUTHORIZED	
Number of MTW Vouchers Authorized	1706
Number of Non-MTW Vouchers Authorized (Tenant Protection Vouchers for PH Relocation)	92
TOTAL	1798

Project Based Housing Choice Vouchers

The chart below identifies the Housing Choice Vouchers that HACC anticipates to project base during Year 2. These projects were originally scheduled to come on line during Year 1 but were delayed for various reasons.

HCV UNITS TO BE PROJECT BASED		
Name of Project	Total Units	PBV Units
Urban Park Place	24	12
Oakwood Trace	50	25
Community Wide Special Needs	60	30
TOTAL	134	67

Urban Park Place – This project is described above under “New Public Housing Units”. As described, Urban Park Place will be developed with 12 project based vouchers

Oakwood Trace is a 50 unit multi-family housing development owned by Central Illinois Development Corporation of Champaign County, a non-profit related entity of the Housing Authority. This project was an acquisition and rehabilitation development financed with a HUD multi-family “up-front” grant, Low Income Housing Tax Credits, CDBG and HOME funds from the City of Champaign, a Federal Home Loan Bank grant and private mortgage funds. The project was completed in 2001 and is managed by a third party management agent. HACC anticipates issuing 25 vouchers to the project. It was originally anticipated that we would award these PBV’s in Year 1 but due to a delay in receiving the investor’s approval, we anticipate that the HAP contract will not be executed until after January 2012.

Community Wide Special Needs – During Year 2, HACC intends to secure designation plans for elderly housing and disabled housing in its public housing communities. As part of these designation plans, HACC will work closely with the local mental health and developmental disabilities agencies to provide project based vouchers to assure adequate affordable housing for individuals with these special needs that may have previously been housed in public housing, prior to designation.

B. Planned Leasing Information

The chart below provides a summary of the anticipated units to be under lease in the Plan year for both the Public Housing Program and the Housing Choice Voucher Program.

HACC does not anticipate any difficulties in leasing units in either the Public Housing Program or the Housing Choice Voucher Program during this plan year.

Pursuant to our MTW Agreement, HACC will continue to serve the same number of families served at the time of execution of the Agreement. HUD confirmed that HACC’s baseline number of families served was 1,674 (430 in public housing and 1,244 under the HCV program) at the time of execution of the MTW Agreement.

The chart below illustrates the shift in the baseline units from the different programs but confirms that we will continue to serve slightly more families (1,686) than our baseline total number.

HOUSING AUTHORITY OF CHAMPAIGN COUNTY	
ANTICIPATED TOTAL NUMBER OF UNITS TO BE LEASED IN PLAN YEAR	
Anticipated Total Number of Existing MTW PH Units Leased	333
Anticipated Total Number of Non-MTW PH Units Leased	0
Anticipated Number of new MTW PH Units Leased (Urban Park)	6
TOTAL PUBLIC HOUSING UNITS TO BE LEASED	339
Anticipated Total Number of MTW HCV units Under Contract	1169
Anticipated Total Number of Non-MTW HCV Units Under Contract	92
Number of Project Based Vouchers in Use at the Start of the Plan Year	13
Additional Project Based Vouchers to Be Leased	67
TOTAL VOUCHERS TO BE LEASED	1341
Other new units to be leased (Urban Park Trust Fund Units)	6
TOTAL FAMILIES ANTICIPATED TO BE SERVED	1,686

C. Waiting List Information

Anticipated Changes in Wait List

HACC administers a consolidated waiting list for the Public Housing Program. We anticipate that the public housing waiting list for age 50 and older will remain open during the plan period. The waiting list for all other age groups will remain closed.

Changes in the Number of Families on the Waiting List

Public Housing - The chart below provides a summary of the applicants on the Public Housing waiting list by bedroom size. We anticipate a continued increase in the number of applicants for one bedroom units during the plan year as we continue to experience additional demand based on implementation of the modified definition of elderly.

HOUSING AUTHORITY OF CHAMPAIGN COUNTY	
Public Housing Waiting List	
BR SIZE	NUMBER OF APPLICANTS
1 BR	143
2 BR	5
3 BR	1
4 BR	20
5 BR	10

Housing Choice Voucher Program – The HCV waiting list was opened in November 2011 and this new waiting list has 2,200 applicants. We anticipate that the number of applicants will decrease slightly during the Plan year as we process applicants for tenant based vouchers based on program turnover which averages 6% per year.

III. NON-MTW RELATED INFORMATION

A. Planned Sources and Uses of Other HUD of Federal Funds

HACC does not anticipate receipt of any additional HUD or other federal funds during the Plan year.

B. Description of Non-MTW Activities

The non-MTW Activities proposed during Year 2 will be limited to the administration of the Section 8 New Construction and Moderate Rehabilitation Programs and the HCV Homeownership Program. All other activities during Year 2 will be MTW related.

IV. LONG TERM MTW PLAN

Mission - The Mission of the Housing Authority of Champaign County defines why our organization exists: *“To provide a quality living environment as a foundation for individuals to achieve their full potential.”*

Vision – The Vision of the Housing Authority of Champaign County describes what we want to become: *“quality affordable housing communities providing opportunity and support that will maximize individual potential and enable successful transition to self-sufficiency.”*

HACC’S long term MTW Plan is to assure that HACC continues to meet its basic Mission while transitioning towards its Vision. The goals and activities summarized in this Plan provide the impetus as to how we will move toward our Vision.

Our long term plan is centered on the statutory objective of self-sufficiency and includes a third party objective evaluation and analysis to be done by the University of Illinois Health and Consumer Economics Department. While we will track the most obvious of impediments for low income individuals such as educational and income levels, we have identified less obvious impediments such as lack of access to adequate health care and other health related issues such as undiagnosed mental health problems.

The University of Illinois began its initial evaluation process in Year 1 and will continue this process throughout the first half of Year 2. This initial process consists of an initial baseline evaluation of all families and identification of key personal development indicators that impact economic independence including literacy; formal education; income; multi-generational dependence on government assistance; developmental challenges; physical and mental health limitations and access to basic health care that have restricted previous development of economic self-sufficiency. Annual evaluations will be conducted by the University that will measure the overall changes in these key personal development factors along with a resident survey to determine which incentives provided in our MTW activities have provided the most motivation for the families to achieve their annual self-sufficiency goals.

V. PROPOSED MTW ACTIVITIES

During Year 2 of the MTW Agreement, HACC will continue to work on Year 1 approved activities that have not yet been implemented as of the preparation of this plan and will refine those activities that have been implemented, but for which we have not yet measured outcomes.

HACC has identified three new activities that we will develop and implement during Year 2 of our MTW Agreement.

Activity 10 – Local Payment Standards

A. Description of Proposed MTW Activity

Champaign County has a geographic area of 997 square miles consisting of the urban cities of Champaign and Urbana, the Village of Rantoul and various other small villages and towns. The diversity of HACC's jurisdiction results in real estate markets that demand rent schedules far beyond those of the HUD published Fair Market Rents.

HACC will identify the primary real estate sub-markets within Champaign County and adopt payment standards for the Housing Choice Voucher Program that are reflective of the actual rents in each of the identified sub-markets. To facilitate administration of this activity, HACC will utilize clearly identified boundaries for each sub-market such as the entire Village, Town or Township in the more rural areas of the County and census tracts in the urban areas of the County.

HACC will implement this activity as of October 1, 2012 for each new Housing Assistance Payments contract executed on effective as of this date.

B. Relation to Statutory Objectives

This activity directly relates to the Statutory Objective to increase housing choices for low-income families.

C. Anticipated Impact of MTW Activity

HACC expects that the impact of this activity will be to incentivize families to utilize their vouchers in areas of low poverty and low minority concentration. Voucher participants will have an opportunity to utilize their voucher in higher cost areas without limitation of affordability or undue rent burden.

This activity will also assure that the HCV Program does not unintentionally inflate rents in sub-markets, particularly those of high poverty and high minority concentration. Units in these areas will be limited to actual rents based on market demand versus HUD published FMR's.

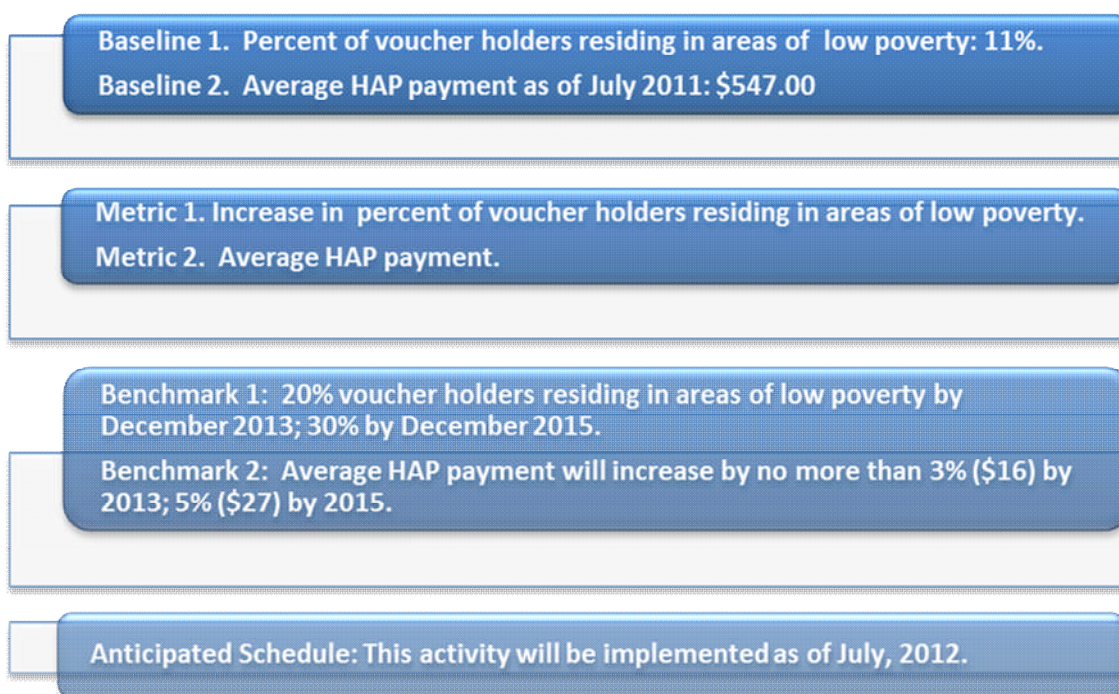
HACC anticipates that this activity could have an impact on the HCV budget if it results in significant moves with continued assistance in areas of higher payment standards.

To minimize any unintended negative budgetary impact, HACC will closely analyze the market areas, the payment standards for each market area and the movement activity within the program. Adjustments will be made to this activity to assure that it does not result in decreasing the total number of families served due to increase in the per unit Housing Assistance costs.

D. Baselines, Benchmarks, Metrics and Anticipated Schedule

HACC has established the following baselines and benchmarks for this activity. It is our intent to measure the ability of this activity to provide incentive for the families to utilize their voucher in non-traditional neighborhoods while minimizing any increase in average per unit cost of the vouchers.

The baseline numbers will be adjusted upon implementation of this activity which will include updating data to establish an accurate baseline at the time of implementation.



E. Data Collection Process

HACC will use census data to identify City/Village-wide poverty rates for the various municipalities in the County. In the Cities of Champaign and Urbana we will track the census tract for each unit address and compare the census tract poverty rate with the city-wide poverty rate. In all other locations, we will compare the Village poverty rate with the County-wide poverty rate.

F. Authorizations

HACC is authorized to undertake this initiative through Attachment C (D) 2 (a) which waives certain provisions of Sections 8(o)(1), 8(o)(2), 8(o)(3), 8(o)10 and 8(o) (13)(H)-(I) of the 1937 Act and 24 CFR 982.508, 982.503 and 982,518, as necessary to implement the Agency's Annual MTW Plan.

G. Rent Reform Initiatives

Board Approval – The Board resolution approved the Year 2 MTW Plan is attached as Exhibit C.

Impact Analysis – It is anticipated that HACC will serve 1341 HCV households during the 2012 fiscal year. Program moves in the HCV program average about 30% per year, thus this activity could impact 402 households during the 2012 fiscal year.

Annual Re-evaluation – HACC will re-evaluate this activity and its impact on residents at least annually.

Hardship Case Criteria – We do not anticipate that this activity will create any hardship for any households.

Documentation of Public Hearing - HACC conducted a public hearing on August 24, 2011. Documentation of the public hearing is attached as Exhibit D.

Activity 11 – Acquisition without Prior HUD Approval

A. Description of Proposed MTW Activity

In the initial Year 1 Plan, as well as in the Year 2 Plan published for public comment, HACC detailed its plans to increase its affordable housing portfolio through acquisition and rehabilitation of existing properties; redevelopment of former public housing sites; and acquisition of land and construction of new mixed income communities. The proposed development activities were/are detailed in Section II, General Housing Authority Operating Information; A. Housing Stock Information; Public Housing Development Activity.

To facilitate the development activities described, HACC will utilize its authorization to acquire sites without prior HUD approval and will certify that the HUD site selection requirements have been met.

B. Relation to Statutory Objectives

This activity directly relates to the Statutory Objective to increase housing choices for low-income families.

C. Anticipated Impact of MTW Activity

HACC anticipates that the impact of this activity will be expediting the development/redevelopment process, thus, more rapidly providing additional housing choices for low income families.

D. Baselines, Benchmarks, Metrics and Anticipated Schedule

HACC has established the following baselines and benchmarks for this activity.

Baseline 1. Number of affordable housing sites and units owned directly or indirectly by HACC. (8 sites with 404 total units).

Metric 1. Increase in the number of affordable housing sites and units owned by HACC.

Benchmark 1: Increase of 1 site with 24 new affordable housing units by June 30, 2012; increase of 4 additional sites and 36 new affordable housing units at the former Dunbar site by 12/31/2013; increase of 60 new affordable housing units at the former Dorsey site by 12/31/2014; increase of 6 additional sites and increase of 200 additional affordable housing units by 12/31/2016.

Anticipated Schedule: This activity will be implemented as of January 1, 2012.

E. Data Collection Process

HACC will utilize purchase and development records to collect the data for this activity.

F. Authorizations

HACC is authorized to undertake this initiative through Attachment C (C) 13. (a) which waives certain provisions of 24CFR 941.401, as necessary to implement the Agency's Annual MTW Plan.

G. Rent Reform Initiatives

Not applicable.

Activity 12 – Replacement Housing/Use of Section 9 Funds for Non-Section 9 Activity

A. Description of Proposed Activity

To facilitate development activities, HACC will utilize Replacement Housing Funds as part of its MTW Block Grant. HACC will also utilize Section 9 reserve funds for non-Section 9 activities in support of development activities. The following projects will be developed under this activity during 2012 and 2013:

PROJECT	Total Units	PBV Units	RHF Funds	Section 9 Funds	Estimated Closing Date
Hamilton on the Park	36	36	150,000.00	0	10/1/2012
Providence	252	227	1,295,685.00	\$2,604,015	6/30/2013
TOTAL	288	263	1,445,685.00	\$2,604,015	

Hamilton on the Park is the redevelopment of the former Dunbar public housing site and Providence is the redevelopment of the former Dorsey public housing site along with a second site to be acquired by HACC.

At this time, it is anticipated that \$900,000 of the Section 9 funds for Providence will be for acquisition of the land which will constitute the second site. All other HACC funds will be used for direct construction costs to build the affordable housing units. HACC will provide the funds in the form of a second mortgage amortized for 30 years for Hamilton and 40 years for Providence at the applicable federal rate with payments made based on available cash flow. As noted in the chart above, no ACC units will be built but HACC will provide project based vouchers for 100% of the units at Hamilton on the Park and 90% of the units at Providence.

The RHF grants to be used for the two projects described above are detailed on the chart below. HACC will accumulate future RHF grant increments until such time that sufficient funds are available to complete an additional development project.

RHF BALANCES - MARCH 2012	
GRANT	AMOUNT
501-08	336,159.41
501-09	298,121.00
503-09	3,602.00
501-10	311,126.00
501-11	157,134.00
502-11	96,820.00
501-12	144,756.00
502-12	97,967.00
TOTAL	1,445,685.41

In implementation of this activity, HACC will carefully comply with all requirements and terms set forth in PIH Notice 2011-45.

B. Relation to Statutory Objectives

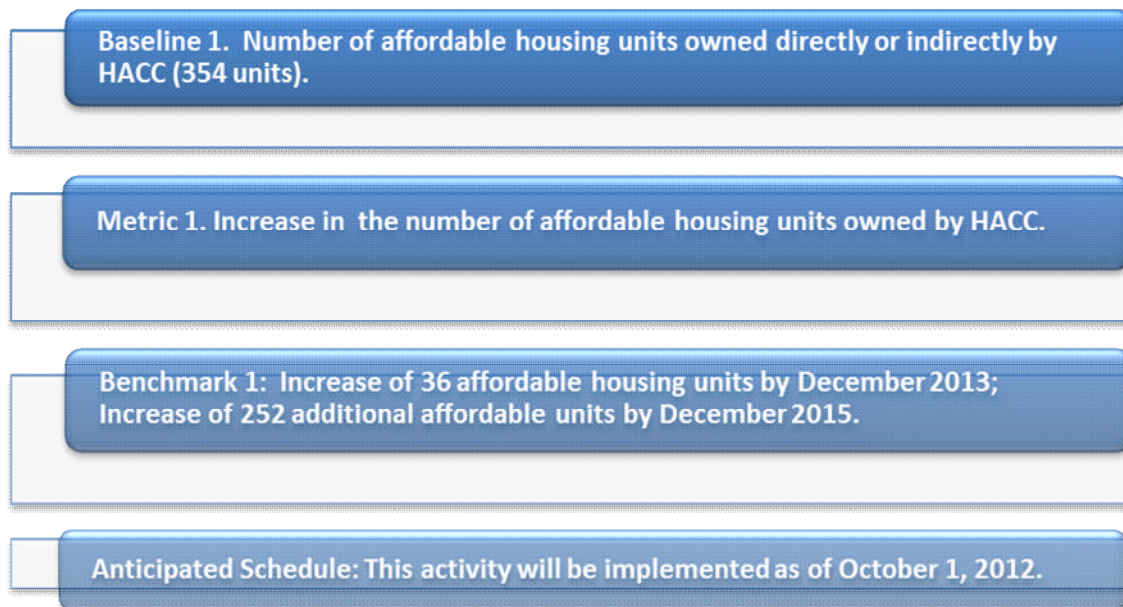
This activity directly relates to the Statutory Objective to increase housing choices for low-income families.

C. **Anticipated Impact of MTW Activity**

HACC anticipates that the impact of this activity will be expediting the development/redevelopment process, thus, more rapidly providing additional housing choices for low income families.

D. **Baselines, Benchmarks, Metrics and Anticipated Schedule**

HACC has established the following baselines and benchmarks for this activity.



E. **Data Collection Process**

HACC will utilize development records to collect the data for this activity.

F. **Authorizations**

HACC is authorized to undertake this initiative through the Second Amendment to the Amended and Restated Moving to Work Agreement, Attachment D in which the Agency and HUD acknowledge that Section B(1)(a) of Attachment C of the MTW Agreement regarding the ability to combine funds awarded annually pursuant to Section 8(o), 9(d) and 9(e) of the U.S. Housing Act of 1937 ("1937 Act") into a single, authority-wide funding source ("MTW Funds") is inclusive of replacement housing factor ("RHF") funds provided for at 24 CFR 905.10(i).

Further authorization to undertake this activity is through the "use of funds" flexibility which allows HACC to utilize Section 8 and Section 9 funds to provide secondary financing to construct Section 8 Project Based Voucher units. This is not an allowable cost under Section 8 or Section 9 of the Act but the "use of funds" flexibility will allow HACC to provide the financing necessary to make the Providence project feasible and increase the number of affordable housing units available to serve low income households.

G. Rent Reform Initiatives

Not applicable.

VI. ONGOING MTW ACTIVITIES

Activity 1 - Local Investment Policies

A. Plan Year Identified and Implemented

This activity was identified and implemented in Year 1.

Description - HACC adopted investment policies consistent with Illinois Public Funds Investment Act (30ILCS235) to the extent such policies were in compliance with applicable OMB circulars and other federal laws. HACC invested in securities authorized under state law that allowed the flexibility to invest productively, efficiently and securely.

B. Update on Status of Activity

This implementation plan for this activity was approved by the HACC Board in March 2011 and all components have been fully implemented.

Activity 2 - Bi-Annual Re-certifications

A. Plan Year Identified and Implemented

This activity was identified and implemented in Year 1.

Description - Elderly and disabled households in both the Public Housing and Housing Choice Voucher programs are now re-certified on a bi-annual basis. The Public Housing Program chose to implement this activity by building with half of the buildings done in 2011 and 2014 and the other half in 2012 and 2014. The Housing Choice Voucher Program implemented this activity randomly each month by selecting 50% each month for 2012 and 2013.

B. Update on Status of Activity

This implementation plan for this activity was approved by the HACC Board in May 2011 and all components have been fully implemented.

Activity 3 – Mandatory Local Family Self-Sufficiency Program

A. Plan Year Identified and Implemented

This activity was identified in Year 1 but as of the preparation of this Plan has not yet been implemented.

Description - HACC will create a Mandatory Local Family Self-Sufficiency (FSS) Program for all non-elderly households in both the Housing Choice Voucher and Public Housing Programs. This activity will require mandatory participation for all household members ages 18 and older. It will also include educational requirements for all household members ages 5 through 18.

Participation in the Mandatory Local FSS Program shall be a condition of eligibility for new admissions and continued occupancy for existing residents and shall be mandated by the Public Housing Lease Agreement and the HCV Statement of Family Obligations. Counseling assistance will be available to all households but failure to comply with the Program will ultimately result in termination of housing assistance.

An initial assessment of each family will be conducted at the first annual re-certification as of October 1, 2012 and a self-sufficiency plan developed pursuant to the unique needs of the family members. The head of the household will be held accountable for progress of the self-sufficiency plan for all household members. The ultimate goal for each adult household member will be employment appropriate to skill level.

HACC shall define self-sufficiency as successful completion of the goals and objectives established in the family plan and demonstrated behavior that exhibits personal accountability and financial responsibility.

Households in which all members age 18 and older have been employed for 12 months or more for a minimum of 20 hours or more shall be exempt from the Mandatory FSS Program. Households shall be considered as having completed their Mandatory Self-sufficiency program when all members age 18 and older are employed a minimum of 20 hours or more per week for at least one year.

An incentive payment will be provided for families that successfully accomplish their goals on an annual basis. An incentive payment schedule shall be established prior to implementation of the program. Additional financial analysis and consultation with residents will assist HACC in determining the exact amounts of the incentive schedule.

Each year at the time of annual re-certification, the FSS Plan will be reviewed and HACC will determine if the family has satisfactorily met its goals for the past year. If so, an incentive payment will be provided to the family in one of two ways (family choice): a monthly credit against their rent for the upcoming year; or, a commercial “gift” card equal to 50% of the annual incentive payment.

This activity will be implemented as an eligibility requirement for new admissions effective April 1, 2012. Existing residents and HCV participants will be enrolled in the program at the time of their annual re-certification beginning with October 1, 2012 re-certifications, resulting in full implementation for existing residents by September 2013.

B. Update on Status of Activity

This activity has not yet been implemented. We have changed the proposed implementation dates so that this activity will become fully implemented during Year 2 as detailed below.

- Implementation for New Admissions to be effective as of April 1, 2012
- Assessment of Existing Residents to be completed by October 1, 2012
- Implementation for Existing Residents to be commence October 1, 2012 with full implementation by September 30, 2013 .

Activity 4 - Employment Requirement

A. Plan Year Identified and Implemented

This activity was identified in Year 1 but as of the preparation of this Plan has not yet been implemented.

Description - HACC will implement an employment requirement for all work-able participants age 18 and older. For existing residents, this requirement will be implemented gradually beginning with annual re-certifications as of October 2012. The re-certification numbers listed below represents the annual re-certifications after October 2012.

- Second Re-certification – one adult member must be employed 20 hours or more per week; **or**, enrolled on a full time basis as defined by the institution in a training or educational program;
- Third Re-certification – one adult member must be employed 20 hours or more per week; **or**, enrolled on a full time basis as defined by the educational institution in a degree seeking program;
- Fourth Re-certification – one adult member must be employed 20 hours or more per week; **and**, all other adult members must also be employed 20 hours or more per week **or** be enrolled on a full time basis as defined by the institution in a training or educational program;
- Fifth Re-certification – all adult members must be employed 20 hours or more per week; **or**, one adult member must be employed 20 hours or more per week **and**, all other adult members must enrolled on a full time basis as defined by the educational institution in a degree seeking program;
- Sixth Re-certification – all adult members must be employed 20 hours or more per week.

Waivers will be provided for full time students in good standing seeking a degree that requires more than three years to obtain per the educational institution. All adult members will be required to work a minimum of 1040 hours per year as a condition of continued housing assistance.

The employment requirement shall be a condition of eligibility for new admissions as of April 1, 2012. HACC will implement this activity for existing residents only after it has implemented the Mandatory Local Family Self-Sufficiency Program and the economy has improved.

By first implementing the Mandatory FSS Program, families will have access to community partners that can assist them in reaching self-sufficiency goals. It shall be mandated by the Public Housing Lease Agreement and the HCV Statement of Family Obligations. Counseling assistance will be available to all households but failure to comply with the Program will ultimately result in termination of housing assistance.

HACC shall define self-sufficiency as successful completion of the goals and objectives established in the family plan and demonstrated behavior that exhibits personal accountability and financial responsibility. Since the ultimate goal for each household member must be employment appropriate to skill level, self-sufficiency shall also include some level of employment.

B. Update on Status of Activity

This activity has not yet been implemented. We have changed the proposed implementation dates so that this activity will become fully implemented during Year 2 as detailed below.

- Implementation for New Admissions to be effective as of April 1, 2012
- Implementation for Existing Residents to commence October 1, 2012 with full implementation by September 30, 2013 .

Activity 5 - Minimum Rents by Bedroom Size

A. Plan Year Identified and Implemented

This activity was identified and implemented in Year 1.

Description - After several iterations of the data, HACC established the following policy and procedures to implement this activity.

Households with gross annual income less than 5% of the Area Median Income (AMI) shall pay a minimum rent based on bedroom size of the assisted housing unit. In the public housing program the assisted housing unit is the public housing unit in which the household resides regardless of family size. In the Housing Choice Voucher Program, the minimum rent shall be based on the actual size of the unit selected, not the size of the voucher.

The minimum rent by bedroom size is the amount of tenant rent to be paid to HACC by Public Housing residents and to the landlord by Housing Choice Voucher participants. There is no utility allowance applied to the minimum rent.

The Minimum Rent schedule shall be established annually and shall be effective on January 1st of each calendar year.

B. Update on Status of Activity

This implementation plan for this activity was presented to the HACC Board in October 2011 with the following implementation guidelines.

Effective Date – The Minimum Rent by Bedroom Size shall be effective January 1, 2012 and shall apply to both the Public Housing and Housing Choice Voucher Programs.

New Admissions – At the time of a new admission after the effective date of this Implementation Plan, HACC shall calculate the gross annual income for the household based on the HUD regulatory definition of income inclusions and exclusions. The regulatory verification hierarchy shall continue to be applicable in verifying the gross annual income.

HACC shall identify the range in which the gross annual income falls on the Flat Rent Schedule and the applicable flat rent shall be charged to the tenant/participant.

If the gross annual income is less than 5% of the AMI, then the minimum rent based on the size of the unit shall be charged as the tenant rent.

Existing Tenants/Participants – At the time of the annual recertification that will occur between January 1, 2013 and December 31, 2013, HACC shall calculate the tenant rent of existing residents using two methodologies: the HUD regulatory methodology and the methodology outlined in this Implementation Plan.

The tenant rent to be charged shall be the greatest of 50% of the Tiered Flat Rent or Minimum Rent by bedroom size or 100% of the tenant rent based on the HUD regulatory calculation methodology.

At the time of the annual recertification that will occur between January 1, 2014 and December 31, 2014, HACC shall calculate the rent based solely on the methodology outlined in this Implementation Plan.

Activity 6 – Tiered Flat Rents

A. Plan Year Identified and Implemented

This activity was identified and implemented in Year 1.

Description - After several iterations of the data, HACC established the following policy and procedures to implement this activity.

Flat Rent Schedules – Separate flat rent schedules shall be established for the Public Housing and the Housing Choice Voucher Programs. In the Public Housing Program, different flat rent schedules shall be established based on the utilities paid by the tenant at the applicable property.

In the Housing Choice Voucher Program, two flat rent schedules shall be established: one schedule will represent units in which the participant is responsible for payment of heat; the second schedule will represent the flat rent for units in which the costs of heat are included in the Rent to Owner.

The flat rent schedules shall be established annually and shall be effective on January 1st of each calendar year. The flat rent schedule is based on the gross annual income of the household with no further deductions or allowances.

Tiered Flat Rents – The tiered flat rent amount shall be based on income ranges established in increments of 5% of the Area Median Income (AMI). The applicable flat rent for an assisted household shall be the corresponding rent for the range in which the gross annual income of the household falls. The flat rent is the amount that the tenant will pay towards rent. Utility allowances are eliminated.

B. Update on Status of Activity

This implementation plan for this activity was presented to the HACC Board in October 2011 with the following implementation guidelines.

Effective Date – The Tiered Flat Rents shall be effective January 1, 2012 and shall apply to both the Public Housing and Housing Choice Voucher Programs.

New Admissions – At the time of a new admission after the effective date of this Implementation Plan, HACC shall calculate the gross annual income for the household based on the HUD regulatory definition of income inclusions and exclusions. The regulatory verification hierarchy shall continue to be applicable in verifying the gross annual income.

HACC shall identify the range in which the gross annual income falls on the Flat Rent Schedule and the applicable flat rent shall be charged to the tenant/participant.

If the gross annual income is less than 5% of the AMI, then the minimum rent based on the size of the unit shall be charged as the tenant rent.

Existing Tenants/Participants – At the time of the annual recertification that will occur between January 1, 2013 and December 31, 2013, HACC shall calculate the tenant rent of existing residents using two methodologies: the HUD regulatory methodology and the methodology outlined in this Plan.

The tenant rent to be charged shall be the greatest of 50% of the Tiered Flat Rent or 100% of the tenant rent based on the HUD regulatory calculation methodology.

At the time of the annual recertification that will occur between January 1, 2014 and December 31, 2014, HACCC shall calculate the rent based solely on the methodology outlined in this Plan.

Activity 7 – Modified Definition of Elderly

A. Plan Year Identified and Implemented

This activity was identified and implemented in Year 1.

Description - The definition of elderly families in the Public Housing Program and the HCV Program was modified from head or co-head aged 62 or older to all household members aged 50 or older.

B. Update on Status of Activity

This implementation plan for this activity was approved by the HACCC Board in March 2011 and all components have been fully implemented.

Activity 8 - Local Homeownership Program

A. Plan Year Identified and Implemented

This activity was identified in Year 1 but as of the preparation of this Plan has not yet been implemented.

Description - HACCC will create a local homeownership program which will include the following components:

- Down payment and closing cost assistance not to exceed a total of \$10,000.
- A monthly flat fee to assist towards total housing costs not to exceed 30% of total housing costs (principal, interest, taxes, insurance, utilities and maintenance reserve) or 50% of gross monthly income.
- A short term (not to exceed six months) emergency assistance plan
- Maximum lifetime assistance as follows:

HOUSING AUTHORITY OF CHAMPAIGN COUNTY	
LOCAL HOMEOWNERSHIP PROGRAM	
MAXIMUM ASSISTANCE	
Total Household Income	Maximum Combined Assistance
60% - 70% of AMI	\$40,000
71% - 80% of AMI	\$30,000
81% - 100% of AMI	\$20,000

The following criteria shall establish eligibility to participate in the Homeownership Program:

1. The family must have a demonstrated history of compliance with all other MTW activities.
2. At least one adult member of the household must have a consistent employment history of a minimum of five years.
3. The total household income must be a minimum of \$25,000 annually.
4. The family must meet all underwriting criteria to secure a private mortgage.
5. The family must participate in pre- and post-purchase counseling.

B. Update on Status of Activity

This activity has not yet been implemented. Given the economic conditions in the housing market, we determined that this activity was not feasible to implement during Year 1.

We intend to revisit this activity during Year 2 and will make a determination based on overall conditions of the local housing market as to the timing of future implementation.

Activity 9 - Local Project Based Voucher Program

A. Plan Year Identified and Implemented

This activity was identified and implemented in Year 1.

Description - HACC developed and implemented a local Project Based Voucher (PBV) Program to ensure that a greater number of quality units are available to low-income families throughout Champaign County. The local PBV Program includes the following components:

- Project based assistance at properties owned by HACC or an affiliate of the Authority that are not public housing.
- Establishment of a reasonable competitive process for project basing leased housing assistance at units in which HACC or a related affiliate has no ownership interest that meet existing Housing Quality Standards or any standards developed by HACC pursuant to this MTW Agreement and approved by the Secretary, and that are owned by non-profit, and for-profit housing entities.
- Adoption of alternate standards for determining the location of existing, new constructed or substantially rehabilitated housing to receive subsidy in compliance with the requirements outlined in Attachment C of the MTW Agreement.
- Establishment of project based waiting lists and processing of all project based activities at the property by the respective property management company.

B. Update on Status of Activity

This implementation plan for this activity was approved by the HACC Board in August 2010 and all components have been fully implemented. As of the date of this Plan, one PBV Contract had been executed for 13 vouchers and a second PBV Contract for 25 vouchers is pending final approval and execution.

IMPLEMENTATION SUMMARY SCHEDULE

The chart below provides a summary of the implementation dates for each of the Moving to Work activities described above. As noted, some activities have a single effective date while others have two separate effective dates: one for households admitted to the program after the effective date of the activity; and, one for existing residents already receiving housing assistance at the time of the activity effective date.

MTW Activity	MTW Year Approved	MTW Year Implemented	Implementation Date
Local Investment Policies	1	1	March 2011
Bi-Annual Recertifications	1	1	May 2011
Mandatory Local FSS Program	1	2	New Admission – April. 2012 Residents – Oct. 2012
Employment/Education Requirement	1	2	New Admission – April 2012 Residents – Oct. 2012
Minimum Rent by Bedroom Size	1	1	New Admission – Jan. 2012 Residents – Jan. 2013
Tiered Flat Rents	1	1	New Admission – Jan. 2012 Residents – Jan. 2013
Modified Definition of Elderly	1	1	March 2011
Local Homeownership Program	1	2	December 2012
Local Project Based Voucher Program	1	1	August 2010
Local Payment Standards	2	2	July 2012
Acquisition without HUD Prior Approval	2	2	January 2012
RHF/Use of Section 9 Funds	2	2	October 1, 2012

Attachment C Authorizations

HACC does not anticipate any changes, modifications or additions to the Attachment C authorizations under this Year 2 Plan.

Outside Evaluator

HACC will utilize the services of our MTW Consultant, Cindi Herrera and Associates and the University of Illinois (as described previously) to conduct evaluations of the MTW Activities.

II. SOURCES AND USES OF FUNDING

A. Planned Sources and Uses of MTW Funds

The two charts below detail the revisions to HACC's Consolidated MTW Budget for the Year 2 Plan period: January 1, 2012 through December 31, 2012. The revisions summarized include the transfer of the Replacement Housing Factor funds from the non-MTW budget to the MTW Block Grant budget. This will enable HACC to provide additional funding for development activities to increase the overall number of "hard" units that are owned directly or indirectly by HACC.

The revisions also include adjustments to the Administrative Fees to move the fees for the non-MTW vouchers from the MTW Block Grant budget to the non-MTW sources and uses.

MTW CONSOLIDATED SOURCES AND USES	
JANUARY - DECEMBER 2012	
REVENUE	
Housing Assistance Payments (HAP) Subsidy	10,911,624
Administrative Fees	749,646
PH Operating Subsidy	1,221,502
PH Rental Income	708,579
Capital Fund Grants	924,964
Replacement Housing Factor Funds	1,445,685
MTW Block Grant (from PH Reserves)	541,461
Investment Interest	235,000
Other Income	12,000
Total Revenue	16,750,461
EXPENSES	
Administrative & General	1,999,002
Utility	669,750
Operations & Maintenance	1,104,648
Housing Assistance Payments	8,606,412
Capital Funds	924,964
	3,445,685
Total Expenses	16,750,461
Net Cash Flow from Operations	0
Net Income (Loss)	0

B. Planned Sources and Uses of NON-MTW Funds

NON-MTW CONSOLIDATED SOURCES AND USES	
JANUARY - DECEMBER 2012	
REVENUE	
HAP - Non-MTW Vouchers/SRO	673,888
Admin Fees – Nnon-MTW/SRO	60,450
ROSS Grant	30,000
WIA Youth Program	27,900
Total Revenue	792,238
EXPENSES	
Administrative & General	117,559
Housing Assistance Payments	674,679
Total Expenses	\$792,238
Net Cash Flow from Operations	\$0
Net Income (Loss)	\$0

C. Planned Sources and Uses of Central Office Cost Center

The chart below summarizes the HACC's Central Office Cost Center Budget for the plan period: January 1, 2012 through December 31, 2012. This chart lists all planned revenues and expenditures for all central office cost center operations.

CENTRAL OFFICE COST CENTER	
JANUARY - DECEMBER 2012	
REVENUE	
Public Housing Management Fees	248,400
Public Housing Bookkeeping Fees	31,410
Public Housing Asset Management Fees	42,000
Capital Fund Program Mgt Fee	73,678
S8 & SRO Management Fee	204,336
S8 & SRO Bookkeeping Fees	127,710
System Administration Fees	2,500
Investment Interest	15,000
Other Income	12,000
Total Revenue	\$757,034
EXPENSES	
Administrative Salaries	317,536
Administrative Benefits (28%)	88,910
Legal	50,025
Staff Training	3,000
Travel/Meetings	13,000
Audit	9,000
Telephone	4,000
Forms & Office Supplies	25,000

Computer Support/Operations	20,000
Administrative Other	37,993
Total Administrative	\$568,464
Water	1,135
Electric	14,229
Gas	8,054
Other Utilities Expense	317
Total Utilities	\$23,735
Maintenance Salaries	47,296
Maintenance Benefits (28%)	13,243
Materials/Office Supplies	4,474
Contracts	37,057
Total Maintenance	\$102,070
Insurance	38,522
Other	4,000
Total General Expenses	\$42,522
Total Routine Expenses	\$736,791
Net Cash Flow	\$20,243

D. Cost Allocation or Fee for Service Methodology

HACC will continue to utilize the HUD prescribed Fee for Service approach with no deviations for Calendar Year 2012.

E. Use of Single Fund Flexibility

HACC will utilize the single fund flexibility during Year 2 for the following activities:

1. **MTW Development Activities** – Public Housing operating reserves will be used to fund the predevelopment activities described in this Plan. Without the single fund flexibility, HACC would not be able to utilize PH reserves for any purpose other than operating deficits.
2. **MTW Evaluation** – Public Housing and HCV reserves will be used to pay the University of Illinois for the evaluation of the MTW Programs as described earlier. The single fund flexibility enables the Authority to pay for this important work which otherwise could not be funded.
3. **Additional Staff** – Funding of two additional staff to support the Mandatory Self-Sufficiency Program will be accomplished through use of the single fund flexibility. These staff will be also be funded using Public Housing Operating Reserves.

VIII. ADMINISTRATIVE

A. Board Resolution

The Board Resolution to Accompany the Annual Moving to Work Plan is attached to this Plan.

B. Evaluation

The University of Illinois Institutional Review Board approved the Moving to Work Evaluation of the Housing Authority of Champaign County on October 10, 2011. With this approval, the evaluation team in the Department of Agricultural and Consumer Economics, led by Dr. Paul McNamara, Associate Professor, was able to move forward and begin conducting the evaluation to identify activities most successful in helping families achieve self-sufficiency. In late October 2011, the evaluation team held a study informational meeting for Housing Authority of Champaign County tenants and waitlist participants. In mid-November the evaluation team received preliminary administrative data from the Housing Authority of Champaign County. The administrative data is being analyzed for baseline information regarding the study population's demographics, work history, and other economic and social variables.

In late November, the Housing Authority of Champaign County initiated an intergovernmental agreement with the Housing Authority of the City of Bloomington for Bloomington's study participation as a comparison group with a voluntary self-sufficiency program. We continue to communicate with the Housing Authority of the City of Bloomington to receive their administrative data and to schedule a study informational meeting prior to data collection.

On December 1, 2011 data collection began, primarily with qualitative Key Informant Interviews of the Housing Authority of Champaign County tenants. Study participants who completed a Key Informant Interview were also invited to complete a Housing and Self-Sufficiency Quantitative Social Survey. To-date, nine tenants have completed Key Informant Interviews and one is scheduled. Five tenants have completed Social Surveys, with three tenants in the process of completing the Survey. One tenant declined to participate in completing the Social Survey.

Hardship Criteria for All Rent Reform Activities

Temporary Waiver

HACC has established various rent reform initiatives under the Moving to Work Program. However, if a family requests a hardship under any of the rent reform initiatives, HACC will allow for a temporary waiver based on documented hardship.

Hardship

Families will be required to request a hardship in writing and each case will be evaluated on a case by case basis. A hardship will be considered under any of the following circumstances:

1. When a family has lost eligibility for or is waiting for an eligibility determination for a federal, state or local assistance program;
2. When a family would be evicted because of inability to pay rent pursuant to the rent reforms and the family has provided documentation which substantiates the pending eviction;
3. When the income of the family has decreased because of changed circumstances including loss of employment through no fault of the family member; or,
4. When a death has occurred in the assisted family household.

Rent Reform Suspension

The rent reform initiative will be suspended effective the first of the month following the month in which the hardship request was submitted in writing to HACC. The tenant rent will be suspended (reduced to zero) during the suspension period.

No Hardship

If HACC determines there is no qualifying hardship as described above, the rent reform will be applied and rent charged to the family in accordance with the applicable reform initiative including back payment of any rent owed during the suspension period.

Waiver Time Limit

Hardship waivers will be granted for a maximum of six months. Families with suspended rent will be required to report monthly to HACC and provide documentation of continued hardship.

Repayment

If the hardship period was determined to be 90 days or less, rent will not be imposed for the approved hardship period. At the end of the rent suspension period, the applicable rent will be imposed retroactively to the time of suspension and HACC will allow the family to enter into a repayment agreement for any rent not paid during the suspension period.

If the hardship exceeds 90 days, the family shall be exempt from rent payment for each 30 day period in excess of 90 days but not to exceed the maximum of 180 days. At the end of the exemption period, HACC will credit the tenant account for the amount of rent in excess of 90 days and allow the family to enter into a repayment agreement for any rent owed for 90 days.

Subsequent Hardship Requests

After one month without a hardship waiver, the family may be eligible for an additional waiver. The number of waivers shall not be limited provided the family can provide the documentation required to substantiate the hardship.

APPENDIX B

Performance and Evaluation Reports – Capital Fund Program

HACC currently has two open formula Capital Fund Grants: 2009, 2010 and 2011. Attached are the Annual Performance and Evaluation Reports (HUD 50075.1 forms) for these corresponding grants.

APPENDIX C

Board Resolution and Certification

Attached is the Board Resolution approving this MTW Plan and the Certification of Compliance with Regulations.

APPENDIX D

Documentation of Public Hearing

Attached is a copy of the public advertisement of the public hearing(s), the sign in sheets of attendees and minutes of the meetings.