

Housing Authority of Champaign County

Moving to Work



Year 4

Annual Report

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INTRODUCTION

On October 17, 2010, the Housing Authority of Champaign County executed a Moving to Work Agreement (MTW) with the U.S Department of Housing and Urban Development (HUD).

MTW is a demonstration that provides a limited number of Public Housing Authorities with the ability to design and test inventive approaches, tailored to their communities, using federal dollars more efficiently, providing increased support for families to become economically self-sufficient and increasing housing choice for low income households.

Created by Congress in 1996, Moving to Work allows HACC to pioneer innovative, locally-designed strategies for providing low-income families with affordable housing and new paths to economic independence. MTW is currently the only mechanism through which public housing authorities can wholly transform housing delivery, programs and operations. The broad flexibility to waive statute and regulations allows HACC to better serve and house residents while streamlining internal operations.

This report discusses the activities designed and implemented through the MTW flexibilities over the past three years: January 2011 through December 2014 and discusses specific outcomes for the 2014 calendar year.

All data contained in this plan is based on data reported in HUD systems (Voucher Management System, VMS; and the Public Housing Information Center, PIC) as of December 31, 2014.

Overview of HACC's Goals and Objectives

The Housing Authority of Champaign County has three goals that drive its Moving to Work Program and related activities.

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.

MTW Activities:

2011-1	Local Investment Policies
2011-2	Biennial Re-certifications
2013-1	Rightsizing Vouchers
2014-1	Local Inspection Standards

Progress - HACC has successfully implemented two activities related to this goal: Local Investment Policies and Biennial Recertifications.

Implementation of these activities has resulted in operational efficiencies. Implementation of Rightsizing Vouchers was phased-in and will not be completed until July 2015. Local Inspections Standards was delayed and not implemented until the 2015 calendar year.

The cost savings from operational efficiencies resulting from the fully implemented activities has been re-invested in case management services to assist HACC clients in their achievement of self- sufficiency goals and in development activities to expand the affordable housing portfolio and provide additional housing choice for residents of Champaign County.

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.

MTW Activities:

2011-3 Local Self-Sufficiency Program
2011-4 Tiered Flat Rents

Progress - These activities have been successfully implemented. HACC is pleased to report that 94% of all required households continued to voluntarily meet the requirements of the mandatory self-sufficiency program.

Tiered flat rents have been in effect for over two years and on January 14, 2014 the flat rent schedule was increased based on an overall increase of 30% of average annual household income.

These activities were designed to mandate personal accountability and financial responsibility and have resulted in significant progress towards accomplishment of this goal.

Goal 3 Expand Housing Opportunities through Repositioned Assets

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.

MTW Activities:

2011-5	Modified Definition of Elderly
2011-6	Local Homeownership Program
2011-7	Local Project Based Voucher Program
2012-1	Local Payment Standards
2012-2	Acquisition without Prior HUD Approval)
2012-3	Affordable Housing Development

Progress - Three of the above activities: Local Project Based Voucher Program, Acquisition without Prior HUD Approval; and, Affordable Housing Development resulted in 303 new housing units being added to the affordable housing portfolio in Champaign County. Thirty-six of these new units are leased and the remaining 267 units commenced construction in late 2014 with leasing to commence in summer 2015.

The Modified Definition of Elderly activity continued to expand housing options for individuals age 55 and older. The Local Homeownership Program in partnership with Habitat for Humanity provided four households with new homes in 2014. Local payment standards were rolled out in late 2014 and outcomes will be analyzed during the 2015 calendar year.

II. GENERAL HOUSING AUTHORITY OPERATING INFORMATION

Project Based Vouchers

Information in the charts and narrative below provide a summary of the activity related to the Local Project Based Voucher Program that was accomplished or delayed in 2014.

Table 1-Vouchers Project Based During 2014

New Housing Choice Vouchers that were Project-Based During the Fiscal Year			
Property Name	Anticipated Vouchers to be Project-Based	Actual Vouchers that were Project-Based	Description of Project
Hamilton on the Park	36	36	New construction mixed finance community of 36 units built on the site of the former Dunbar Public Housing Community.
Providence at Sycamore and Thornberry	226	0	New Construction mixed finance community with a total of 252 units to be located on two sites: the former Dorsey Public Housing site and a newly acquired site.
Urban Park Place	24	0	24 unit mixed finance project to be acquired and rehabilitated; 15 units will designated as permanent supportive housing for homeless families.

Hamilton on the Park is the redevelopment of the former Dunbar Court public housing community and consists of 36 units; 4 one bedroom units; 12 two bedroom units; and, 20 three bedroom units. Project Based Vouchers were provided for all units to meet HACC's goal to assure that newly developed replacement housing maintains an affordability level equivalent to that of the former public housing units.

Picture 1-Hamilton on the Park



Construction of Hamilton on the Park was completed at the end of 2013 with full occupancy by February 2014. The property was fully stabilized by the end of calendar year 2014.

In partnership with Champaign County Developmental Services Center (DSC), 4 units are designated as Permanent Supportive Housing units. DSC provides ongoing case management services to the individuals with developmental disabilities residing in these units.

The total development costs of the project were \$7,257,400; Low Income Housing Tax Credit equity of \$5,961,993; a conventional first mortgage in the amount of \$500,000; and an MTW Block Grant secondary loan in the amount of \$725,000. HACC was able to leverage \$9.01 for every \$1.00 of MTW funds for this project.

Variance in Project Based Vouchers - The anticipated total new vouchers to have been project-based in 2014 were 286 as noted above in the three new projects anticipated to reach occupancy. The chart below reflects the projected use of PBVs and the actual use of PBVs during the 2014 MTW year.

Table 2- PBV Variances

Anticipated Total New Vouchers to be Project-Based	Actual Total New Vouchers that were Project-Based	Anticipated Total Project-Based Vouchers Committed at the End of the Fiscal Year	Anticipated Total Project-Based Vouchers Leased Up at the End of the Fiscal Year
		226	60
286	36	Actual Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year	Actual Total Number of Project-Based Vouchers Leased Up at the End of the Fiscal Year
		241	36

Providence is a development to be located on two separate sites.



Picture 2- Providence at Sycamore Hills Units



Picture 3- Sycamore Hills Community Building

Providence at Sycamore Hills is the redevelopment of the former Dorsey public housing site and will consist of 92 townhome units. All units at Sycamore Hills will be project based vouchers to assure affordability to the previous public housing residents who have first right of return.

Providence at Thornberry is the development of a newly acquired site in a middle income neighborhood in Champaign designed to expand deconcentration efforts for low income households. This site will include 134 project based vouchers and 26 market rate units. In 2013 HACC completed the acquisition of the Thornberry site and secured financing commitments from the Illinois Housing Development Authority (IHDA) for tax exempt bonds and 4% Low Income Housing Tax Credits.



Picture 4- Providence at Thornberry Construction

The project experienced a delay in closing and did not commence construction until November 1, 2014. The Agreement to Enter into a Housing Assistance Payment (AHAP) contract was effective as of this date. The chart below lists the anticipated delivery date of units and corresponding HAP contract effective date for each phase.

Table 3- Unit Phasing at Thornberry

STAGE	NUMBER OF UNITS	HAP EFFECTIVE DATE
1	25	7/1/2015
2	61	9/1/2015
3	42	10/1/2015
4	52	11/1/2015
5	46	12/1/2015
TOTAL UNITS	226	

Urban Park Place is a twenty four unit existing apartment complex located in the City of Champaign. HACC is acquiring the property from the Illinois Housing Development Authority (IHDA). HACC received HUD approval of the mixed finance proposal on April 20, 2012 and was scheduled to close on the project. When conducting an inspection prior to execution of closing documents, the Authority found extensive mold damage as the result of water infiltration. As a result of these findings, the acquisition of the property was delayed.

In February 2013 HACC was successful in securing a \$1.3 million Permanent Supportive Housing grant from the Illinois Housing Development Authority's Build Illinois Bond Program to complete the rehabilitation of Urban Park Place. However, environmental issues, extreme winter weather conditions and ongoing staff changes at IHDA continued to delay a closing for this project.



Picture 5- Urban Park Place

A “dry closing” finally occurred in October 2014. A subsequent closing with funding did not occur until 2015. The AHAP contract for this project was not effective until 2015.

In the 2014 MTW Plan, we had anticipated that we would use 24 project based vouchers at Urban Park Place. However, during 2014 HACC began discussions with the Champaign County Continuum of Care and United Way to provide emergency shelter units for families with children in one building at Urban Park Place. The revised financing structure and the proposed re-use of the property resulted in decreasing the project based vouchers from 24 to 15. The remaining 9 units will be utilized for the Emergency Family Shelter: 1 for an office for case management services and the remaining 8 units as shelter for families with children.

Traditional Public Housing Portfolio

Picture 6- Skelton Place



In December 2013, HACC submitted a portfolio-wide application for conversion of all remaining public housing units to project based vouchers under the Rental Assistance Demonstration Program. In 2013, detailed repositioning applications were submitted for all but two of the current public housing properties: Scattered Sites and Skelton Place.

These two properties are in need of rehabilitation beyond what can be supported by the proposed RAD rents, thus, additional time was needed to analyze optional repositioning strategies. In December 2014, RAD applications for these two properties were submitted with a strategy of disposing of Skelton Place at fair market value and demolishing the Scattered Site units and utilizing the sites for redevelopment under the MTW Homeownership Program or disposition at Fair Market Value. The RAD units will be placed on other properties to be developed by HACC in 2016 and 2017.



Picture 7- Scattered Site House

As of the writing of this report, HACC has received an award letter for the portfolio-wide RAD conversion. However, as of December 31, 2014, there were no changes to the traditional Public Housing portfolio. The chart below summarizes the remaining traditional public housing stock in HACC's portfolio.

Table 4- Public Housing Portfolio 2014

PUBLIC HOUSING COMMUNITIES AS OF DECEMBER 31, 2014									
Project	Name	Type	Total Units	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
IL06-01	Skelton Place	Elderly/Disabled	84	14	68	2	0	0	0
IL06-02	Steer Place	Elderly	108	0	107	1	0	0	0
IL06-03	Washington Sq.	Elderly	104	0	103	1	0	0	0
IL06-04	Youman Place	Elderly	20	0	20	0	0	0	0
IL06-05	Hayes Homes	Elderly/Disabled	6	0	6	0	0	0	0
IL06-06	Columbia Place	Elderly/Disabled	16	0	16	0	0	0	0
IL06-07	Scattered Sites	Family	16	0	0	0	0	0	16
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			106	14	90	2	0	0	0
Total Elderly Only Units			232	0	230	2	0	0	0
TOTAL ALL UNITS			354	14	320	4	0	0	16

Major Capital Expenditures

Major capital expenditures in 2014 included replacement of the HVAC system at Steer Place.

Table 5- Major Capital Improvements 2014

MAJOR CAPITAL EXPENDITURES		
PROPERTY	WORK COMPLETED	COSTS
Steer Place	Replacement of HVAC System	\$246,000
Hamilton on the Park	Security Fencing	\$114,000
Washington, Steer, Skelton	Parking Access Control	\$126,000
All	RAD PCA	\$30,000
TOTAL MAJOR CAPITAL EXPENDITURES 2014		\$516,000

Other Housing Owned/Managed by HACC

In addition to the housing stock described above, HACC owns the Oakwood Trace Apartment complex in the City of Champaign.

Table 6- Other Housing Owned by HACC

Overview of Other Housing Owned and/or Managed by the PHA at Fiscal Year End		
Housing Program	Total Units	Overview of the Program
LIHTC	50	Oakwood Trace is a 50 unit LIHTC property owned by an HACC affiliate located in the City of Champaign.
Total Other Housing Owned and/or Managed	50	

Statutory Objectives

The Moving to Work Agreement includes two statutory objectives regarding households served under the MTW Program:

1. At least 75% of the families assisted by HACC must be very low income (<50% of AMI). HUD verifies this information based on the information submitted throughout the fiscal year to the Public Housing Information Center (PIC) utilizing current resident data at the end of the calendar year.
2. HACC must maintain a comparable mix of families (by family size) as would have been served had HACC not been participating in the MTW Program.

The information reported in the chart below provides an analysis of the baseline households served by HACC in all programs as of October 2011 when the MTW Agreement was executed.

Table 7- Baseline Households Served

BASELINE HOUSEHOLDS SERVED - OCTOBER 2011					
Family Size:	Occupied Public Housing Units When HACC Entered MTW	Vouchers Utilized When HACC Entered MTW	Non-MTW Adjustments to Distribution	Baseline Number of Households to be Maintained	Baseline Percentages of Family Sizes to be Maintained
1 Person	327	263	0	590	35%
2 Person	39	232	0	271	16%
3 Person	15	292	0	307	18%
4 Person	23	229	0	252	15%
5 Person	14	145	0	159	9%
6+ Person	12	83	0	95	6%
Totals	430	1244	0	1674	100%

The total households served during 2014 were 1,709 and the chart below provides the breakdown of total households served by family size and a comparative analysis of the percent of each family size served in 2011 versus 2014.

Table 8- Comparison of HHs Served in 2014 to Baseline

MIX OF FAMILY SIZES SERVED							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Persons	Totals
Baseline % of Household Sizes to be Maintained	35.2%	16.2%	18.3%	15.1%	9.5%	5.7%	100.0%
Number of Households Served by Family Size 2014	613	281	330	256	132	97	1709
Percentages of Households Served by Family Size 2014	35.9%	16.4%	19.3%	15.0%	7.7%	5.7%	100.0%
Percentage Change	1.8%	1.6%	5.3%	-0.5%	-18.7%	0.0%	0.0%

Variations in Families Served – Changes in households with 1, 2, 4 and 6 or more members have remained relatively constant with minimal variation since 2011. However, there was a significant increase in 3 person households and a significant decrease in households with 5 members. In analyzing these variances, HACC found no particular cause; it simply appears to be the result of normal program turnover and new admissions based on waiting list priority.

Of the new units added to the HACC portfolio in 2014, 89% were family units of two or more bedrooms and 11% were one bedroom units for disabled individuals. Thus, the new housing opportunities do not appear to have had any impact on changes in household size as they were targeted predominantly to households of 2 or more persons.

Transition to Self-Sufficiency

The chart below lists the households that have successfully transitioned to self-sufficiency as of December 31, 2014 in accordance with HACC's definition of self-sufficiency described below.

Table 9- HHs Transitioned to Self-Sufficiency

Number of Households Transitioned To Self-Sufficiency by Fiscal Year End		
Activity Name/#	Number of Households Transitioned	Agency Definition of Self Sufficiency
2011-3 Local Self-Sufficiency Program	81	“demonstrated behavior that exhibits personal accountability and financial responsibility demonstrated through consistent (30 hours per week for more than 12 months) employment appropriate to the maximum skill level achievable by the individual”.
Households Duplicated Across Activities/Definitions	0	
ANNUAL TOTAL NUMBER OF HOUSEHOLDS TRANSITIONED TO SELF SUFFICIENCY	81	

Wait List Information

The chart below summarizes the wait list activity that occurred during 2014.

Table 10- Wait List Information 2014

Wait List Information at Fiscal Year End				
Housing Program(s)	Wait List Type	Number of Households on Wait List	Wait List Open, Partially Open or Closed	Was the Wait List Opened During the Fiscal Year
Federal MTW Public Housing Units	Site-Based	139	Closed	Yes
Federal MTW Housing Choice Voucher Tenant Based Program	Community Wide	606	Closed	Yes
Local MTW Housing Choice Voucher Project Based Program	Site-Based	45	Closed	Yes

Leasing Issues – The Public Housing Scattered Site units are all five bedroom single family homes. Occupants in all but one of the 16 units are over-housed. We have found that there simply is no longer a need for five bedroom units in the market place. As discussed above, under the RAD conversion, it is the intent of HACC to demolish these units and replace them with more appropriate size units for the market place.

III. REQUIRED ELEMENTS FOR PROPOSED ACTIVITIES

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

IV. APPROVED MTW ACTIVITIES: HUD APPROVAL PREVIOUSLY GRANTED

MTW ACTIVITIES IMPLEMENTED

Summary – The chart below summarizes the implemented and ongoing activities continued from prior years that are actively utilizing the MTW flexibility from HACC’s MTW Agreement.

Table 11- HUD Approved MTW Activities

PLAN YEAR	NAME OF ACTIVITY	IMPLEMENTATION DATE
2011-1	Local Investment Policies	March 2011
2011-2	Biennial Recertifications	March 2011
2011-3	Local Self-Sufficiency Program	November 2012
2011-4	Tiered Flat Rents	January 2012
2011-5	Modified Definition of Elderly	March 2011
2011-6	Local Homeownership Program	July 2014
2011-7	Local Project Based Voucher Program	October 2010
2012-1	Local Payment Standards	July 2014
2012-2	Acquisition without Prior HUD Approval	January 2012
2012-3	Affordable Housing Development	October 2012
2013-1	Rightsizing Vouchers	June 2013

Activity 2011-1 Local Investment Policies

Description - This activity was approved and implemented in Year 1 (2011). HACC adopted investment policies consistent with Illinois Public Funds Investment Act (30ILCS235) to the extent such policies are 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.

Outcome – The HUD standard metrics table below summarizes the outcome of this activity.

Table 12- Outcomes Local Investment Policies

ACTIVITY 2011-1 LOCAL INVESTMENT POLICIES				
<i>CE #4: Increase in Resources Leveraged</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increase).	Amount leveraged prior to implementation of the activity (in dollars).	Expected amount leveraged after implementation of the activity (in dollars).	Actual amount leveraged after implementation of the activity (in dollars).	YES
	\$46,500	\$15,000 Annually	\$31,515	

To compare the actual outcome of this activity, the average funds during 2013 must be adjusted to the equivalent of the average annual funds invested for the baseline period. The baseline funds invested are the equivalent of 126% of the 2014 funds invested; thus, we have used 126% of the 2014 investment earnings to compare with the baseline investment earnings. The chart below illustrates the 2013 investment earnings adjusted for the average amount of funds invested.

Table 13- Local Investment Policies Adjusted Earnings

LOCAL INVESTMENT POLICIES - ADJUSTED EARNINGS		
TIME PERIOD	AVERAGE FUNDS INVESTED	INVESTMENT EARNINGS
Baseline Investment Results (2010)	\$3,184,915	\$46,500
Investment Results 2014	\$2,525,677	\$61,867
Increased Investment in Earnings	(\$659,238)	\$15,367
2014 Funds Invested Adjusted to Equivalent of Baseline Funds		126%
2014 Earnings Adjusted to 126%		\$78,015.18
Adjusted Increase in Earnings		\$31,515.18

Impact – The impact of this activity has been the ability to generate additional revenue that could not have been generated without the MTW authorization to implement local investment policies. These additional investment earnings make a contribution, albeit a small one, towards the loss of revenue resulting from continued decreases in funding levels.

Benchmarks, Metrics and Data Collection - The benchmark has been met each year since implementation. We do not anticipate any changes in the benchmarks, metrics or data collection methods for this activity.

Activity 2011-2 Biennial Re-certifications

Description – This activity was approved and implemented in Year 1 (2011). HACC conducts biennial re-certifications for households with fixed incomes in both the Public Housing and Housing Choice Voucher programs. In 2015, HACC is revising this activity from biennial re-certifications to triennial re-certifications for the applicable households. All other components of the activity will remain the same.

Outcomes – The HUD standard metrics table below summarizes the outcomes of this activity. Biennial re-certifications resulted in a reduction of 1,660 hours of staff time to perform annual re-certifications and a reduction of \$37,164 in corresponding staff costs.

Table 14- Outcomes Biennial Re-Certifications

ACTIVITY 2011-2 - BIENNIAL RECERTIFICATIONS				
CE #1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	Cost of task prior to implementation of the activity (in dollars).	Expected cost of task after implementation of the activity (in dollars).	Actual cost of task after implementation of the activity (in dollars).	YES
	\$154,133	\$123,593	\$115,891	
CE #2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	Total amount of staff time dedicated to the task prior to implementation of the activity (in hours).	Expected amount of total staff time dedicated to the task after implementation of the activity (in hours).	Actual amount of total staff time dedicated to the task after implementation of the activity (in hours).	YES
	6,884	5,520	5,176	

Supporting detail of the outcomes above is illustrated in the chart below. There were a total of 415 annual recertifications that did not need to be completed in 2014 as the result of biennial re-certifications. This resulted in a reduction in staff hours of 1,660 hours or 80% of a full-time equivalent staff person.

The average total hourly costs for staff performing these duties are \$22.39 per hour. This translates into a reduction in staff costs from \$153,058 to \$115,890 during 2014 or a savings of 24% perform annual re-certifications.

Table 15- Biennial Re-Certifications Cost Savings

BIENNIAL RECERTIFICATIONS	ALL PROGRAMS	
	BASELINE 2011	2014
Total Annual Recertifications	1,674	1,709
Average Hours Per Annual Recertification	4	4
Total Staff Hours Per Recertification	6,696	6,836
Baseline Adjustment for Increase in HHs Served	6,836	35
Recertifications Not Required in 2014	0	415
Reduction in Hours due to Biennial Recertifications	0	1,660
Actual Hours for Recertifications 2014	6,836	5,176
2014 Staff Time Savings	1,660	
Average Cost Per Hour	\$22.39	
Total Cost for Recertifications	\$153,058.04	\$115,890.64
2014 Cost Savings	\$37,167.40	

Impact – The impact of this activity has been the time and dollars saved as the result of the reduction in performing annual re-certifications. Without the MTW authorization to change rent policies, this savings would not have been possible. These savings help compensate for the loss of revenue resulting from continued decreases in funding levels and have been redirected to the cost of case management to support the Local Self-Sufficiency Program.

Rent Reform Initiative – This activity represents a rent reform initiative. Residents were informed of the opportunity to request a hardship but no requests were received as a result of this activity.

Benchmarks, Metrics and Data Collection - The benchmarks have been met each year since implementation. We do not anticipate any changes in the benchmark, metrics or data collection methods for this activity.

Activity 2011-3 Local Self-Sufficiency Program

Description – This activity was approved in the Year 1 (2011) Plan but was not implemented until January 1, 2013. Community leadership, stakeholders and residents expressed great concern that compliance with employment requirements would be difficult to meet based on current economic conditions, limitation of available jobs and limitation of transportation. In response to these concerns, HACC developed a new strategy to enable individuals' ample time to prepare for employment.

HACC defines self-sufficiency as *“demonstrated behavior that exhibits personal accountability and financial responsibility demonstrated through consistent (more than 12 months) employment appropriate to the maximum skill level achievable by the individual”*.

Effective January 1, 2013, participation in a self-sufficiency program is a condition of eligibility for new admissions and a condition of continued occupancy for existing residents and participants. All abled bodied individuals ages 18 through 54 are required to actively pursue activities to achieve economic self-sufficiency. Family members ages 5 through 18 are required to be enrolled and attend school; or, for age appropriate dependents, meet employment requirements.

Households in which all members ages 18 through 54 have been employed 20 hours or more per week for a minimum of 12 months are compliant with the Mandatory LSS Program. All elderly and disabled individuals are exempt from the Mandatory LSS Program and all corresponding employment requirements.

After the effective date of this activity, eligibility for new admissions for both public housing and the housing choice voucher program includes a requirement that one member of the household must be employed 20 hours or more per week or meet the criteria for exemption from this requirement. All other household members must be enrolled in the mandatory self-sufficiency plan as described above. Residents in occupancy as of the effective date of implementation of this activity shall comply as follows:

- **First Recertification** – development of a self-sufficiency plan as described above.
- **Second Re-certification** – one adult member must be employed 20 hours per week; **or**, enrolled on a full time basis as defined by the institution in a training or educational program that offers a certificate or degree;
- **Fourth Re-certification** – one adult member must be employed 20 hours per week; **and**, all other adult members must be employed 20 hours per week **or** enrolled on a full time basis as defined by the institution in a training or educational program that offers a certificate or degree;
- **Sixth Re-certification** – all adult members must be employed 20 hours per week.

Outcome - The HUD standard metrics table below summarizes the outcomes of this activity.

Table 16- Outcomes Local Self-Sufficiency Program

ACTIVITY 2011-3 LOCAL SELF-SUFFICIENCY PROGRAM				
<i>SS #1: Increase in Household Income</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase).	Average earned income of households affected by this policy prior to implementation of the activity (in dollars).	Expected average earned income of households affected by this policy prior to implementation of the activity (in dollars).	Actual average earned income of households affected by this policy prior to implementation (in dollars).	YES
	\$9,751	\$10,500	\$12,470	

<i>SS #3: Increase in Positive Outcomes in Employment Status</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
	Head(s) of households prior to implementation	Expected head(s) of households after implementation	Actual head(s) of households after implementation.	YES
(1) Employed Full- Time	64	100	162	
(2) Employed Part- Time	164	500	424	
(3) Enrolled in Education	0	25	51	
(4) Enrolled in Training	0	49	4	
(5) Unemployed	585	200	261	
(6) Exempt	861	800	807	
HHServed Per Year	1674	1674	1709	

	Percentage of total work-able households prior to implementation	Expected Percentage of total work-able households after implementation	Actual percentage of work-able households after implementation	
(1) Employed Full- Time	4%	6%	9%	YES
(2) Employed Part- Time	10%	30%	25%	
(3) Enrolled in Education	0%	1%	3%	
(4) Enrolled in Training	0%	3%	0%	
(5) Unemployed	35%	12%	15%	
(6) Other	51%	48%	47%	
HH Served Per Year	100%	100%	100%	

SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	Households receiving TANF prior to implementation of the activity (number)	Expected number of households receiving TANF after implementation of the activity (number).	Actual households receiving TANF after implementation of the activity (number).	NO
	120	20	89	

SS #5: Households Assisted by Services that Increase Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self-sufficiency (increase).	Households receiving self-sufficiency services prior to implementation of the activity (number).	Expected number of households receiving self-sufficiency services after implementation of the activity (number).	Actual number of households receiving self-sufficiency services after implementation of the activity (number).	YES
	0	648	852	

SS #6: Reducing Per Unit Subsidy Costs for Participating Households				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease).	Average subsidy per household affected by this policy prior to implementation of the activity (in dollars).	Expected average subsidy per household affected by this policy after implementation of the activity (in dollars).	Actual average subsidy per household affected by this policy after implementation of the activity (in dollars).	NO
	\$545	\$450	\$567	

SS #7: Increase in Agency Rental Revenue				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
PHA rental revenue in dollars (increase).	PHA rental revenue prior to implementation of the activity (in dollars).	Expected PHA rental revenue after implementation of the activity (in dollars).	Actual PHA rental revenue after implementation of the activity (in dollars).	YES
	\$696,000	\$696,000	\$700,208	

SS #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase).	Households transitioned to self-sufficiency prior to implementation of the activity (number).	Expected households transitioned to self-sufficiency after implementation of the activity (number).	Actual households transitioned to self-sufficiency after implementation of the activity (number).	NO
	0	600	81	

The chart below provides a summary of all household and individual activity related to the Local Self-Sufficiency Program.

During 2014, HACC served 1,709 households in all programs. There were a total of 807 households with 878 members that were exempt from the LSS Program.

The remaining 902 households receiving housing assistance were required to participate in the LSS Program. Of these households, 52% (470) were compliant with the LSS requirements. Of the compliant households, 40 were enrolled in educational or training programs; 430 were employed a minimum of 20 hours per week.

A total of 48% (432) households were not compliant but it should be noted that all but 9% (37) households have executed a LSS Contract and established goals towards self-sufficiency. In addition, 25% of the non-compliant households have jobs but are underemployed: working less than 20 hours per week.

Table 17- Summary of LSS Household Status

LSS PARTICIPANT STATUS AS OF 12-31-14		
	HH'S	INDIVIDUALS
EXEMPT	807	878
COMPLIANT	470	641
Education	40	55
Employed	430	586
NON-COMPLIANT	432	587
Underemployed	107	145
No Progress - Contract Signed	288	392
No Progress - Contract Not Signed	37	50
TOTAL LSS PARTICIPANTS	1709	2106

Positive Outcomes of the LSS Program in 2014 include:

1. An increase of average annual earned income per household of 28%.
2. An increase of households employed of 157%.
3. A total of 96% of all required households participating in self-sufficiency activities.
4. A total of 9% of households have transitioned to full self-sufficiency.

Outcomes needing continued improvement include:

1. 10% of all LSS households continue to receive TANF.
2. The average subsidy per households actually increased by 4%.
3. 4% of all LSS households have not executed a contract of participation and stand to lose their housing assistance in 2015.

In summary, the LSS program made significant strides over the past year. While this activity was initially adopted in November 2012, existing residents were “grand-fathered” and did not commence compliance until their second annual recertification following the effective date of January 2013.

Rent Reform Initiative – This activity represents a rent reform initiative. Residents were informed of the opportunity to request a hardship but no requests were received as a result of this activity.

Benchmarks, Metrics and Data Collection - We do not anticipate any changes in the benchmarks, metrics or data collection methods for this activity.

Activity 2011- 4 Tiered Flat Rents

Description – This activity was approved in Year 1 (2011) but was not implemented until January 1, 2012. A tiered flat rent schedule was developed based on income ranges established in increments of 5% of the Area Median Income (AMI). The applicable flat rent for an assisted household is 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.

Separate flat rent schedules are established for the Public Housing and the Housing Choice Voucher Programs. In the Public Housing Program, different flat rent schedules are established based on the utilities paid by the tenant at the applicable property. In the Housing Choice Voucher Program, two flat rent schedules are established: one schedule represents units in which the participant is responsible for payment of heat; the second schedule represents the flat rent for units in which the costs of heat are included in the Rent to Owner.

Flat rents are reviewed annually and the flat rent schedule is adjusted effective January 1st of each year as applicable. The flat rent is based on the mid-point of all households within the applicable income range: 30% of the total annual income for the household at mid-point results in the flat rent for that range.

The flat rent schedule is based on the gross annual income of the household with no further deductions or allowances. Gross annual income is calculated pursuant to the HUD regulatory requirements. However, employment income for dependents is included in total household income if they are not also pursuing a training certification or educational degree. Current income exclusions as defined by HUD continue to apply.

Households with gross annual income less than 5% of the Area Median Income (AMI) 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 is based on the actual size of the unit, 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.

To ensure affordability for participants of the Housing Choice Voucher Program, the tenant rent is capped at the flat rent amount. Units, for which the reasonable rent requires the participant to pay more than the established flat rent for their income level, are not approved by HACC.

Outcome - The HUD standard metrics table below summarizes the outcomes of this activity. Tiered flat rents were effective for all new admissions as of the implementation effective date but were phased in over a two year period for existing tenants and participants.

Table 18- Outcomes Tiered Flat Rents

ACTIVITY 2011-4 TIERED FLAT RENTS				
CE #1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	Cost of task prior to implementation of the activity (in dollars).	Expected cost of task after implementation of the activity (in dollars).	Actual cost of task after implementation of the activity (in dollars).	YES
	\$73,088	\$37,308	\$35,780	

CE #2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	Total amount of staff time dedicated to the task prior to implementation of the activity (in hours).	Expected amount of total staff time dedicated to the task after implementation of the activity (in hours).	Actual amount of total staff time dedicated to the task after implementation of the activity (in hours).	YES
	2,511	1,674	1,709	

SS #6: Reducing Per Unit Subsidy Costs for Participating Households				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of Section 8 and/or 9 subsidies per household affected by this policy in dollars (decrease).	Average subsidy per household affected by this policy prior to implementation of the activity (in dollars).	Expected average subsidy per household affected by this policy after implementation of the activity (in dollars).	Actual average subsidy per household affected by this policy after implementation of the activity (in dollars).	NO
	\$545	\$450	\$567	

SS #7: Increase in Agency Rental Revenue				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
PHA rental revenue in dollars (increase).	PHA rental revenue prior to implementation of the activity (in dollars).	Expected PHA rental revenue after implementation of the activity (in dollars).	Actual PHA rental revenue after implementation of the activity (in dollars).	YES
	\$696,000	\$696,000	\$700,208	

Supporting detail of the outcomes above is illustrated in the chart below. The flat tiered rent activity eliminates the HUD allowed deductions and utility allowances, resulting in a simplified rent calculation process and reducing staff time to complete a rent calculation.

There were 1,709 annual recertifications and interim recertifications were conducted on approximately 30% of all households resulting in 2,222 rent calculation transactions in 2014. Facilitating these transactions through the use of flat rents resulted in reducing staff time per calculation by 50% for a total reduction in staff time of 1,666 hours.

The average total hourly costs for staff performing these duties are \$22.39 per hour. This translates into a reduction in staff costs from \$73,088 to \$37,308 during 2014 or a savings of 49% to perform annual re-certifications.

Table 19- Tiered Flat Rents Cost Savings

	TIERED FLAT RENTS		ALL PROGRAMS	
			BASELINE 2011	2014
Total Annual Rent Calculations			1,674	1,709
Average Percent of Interims Per Year			30%	30%
Estimated Interim Rent Calculations			502	513
Total Rent Calculations Per Year			2,176	2,222
Average Hours Per Calculation			1.5	0.75
Total Staff Hours Per Rent Calculation			3,264	1,666
2014 Staff Time Savings			1,598	
Average Cost Per Hour			\$22.39	
Total Cost for Rent Calculation			\$73,087	\$37,307
2014 Cost Savings			\$35,779.78	

Impact – This activity reduces staff time and corresponding staff costs as illustrated above. Other outcomes are difficult to measure as the result of this activity as they overlap with other activities.

The chart below shows the aggregate increase in income and an average per household served. HACC believes that this increase is much more the result of the Local Self-Sufficiency Program which has a work requirement rather than the tiered flat rents.

Table 20- Analysis of Income

ANALYSIS OF INCOME		
	2012	2014
Total Income All Households	\$15,582,359	\$21,644,974
Total Households Served	1,598	1,709
Average Earned Income Per Households	\$9,751	\$12,665
Increase in Annual Earned Income	\$2,914	
Percent of Increase	29.88%	

Rent Reform Initiative – This activity represents a rent reform initiative. Residents were informed of the opportunity to request a hardship but no requests were received as a result of this activity.

Benchmarks, Metrics and Data Collection - We do not anticipate any changes in the benchmarks, metrics or data collection methods for this activity.

Activity 2011-5 Modified Definition of Elderly

Description - This activity was approved and implemented in Year 1 (2011). HACC adopted a modified definition of elderly to include households in which all household members were age 55 or older.

Outcomes – The HUD standard metrics table below summarizes the outcomes of this activity. This activity does not measure “hard units” of housing preserved; it measures the number of units occupied by individuals under the modified definition of elderly.

Table 21- Outcomes Modified Definition of Elderly

ACTIVITY 2011-5 MODIFIED DEFINITION OF ELDERLY				
<i>HC #4: Displacement Prevention</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households at or below 80% AMI that would lose assistance or need to move (decrease). Elderly Households	Households losing assistance/moving prior to implementation of the activity (number).	Expected households losing assistance/moving after implementation of the activity (number)	Actual households losing assistance/moving after implementation of the activity (number).	YES
	0	20 Annually	29	

HC #5: Increase in Resident Mobility				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	Households able to move to a better unit and/or neighborhood of opportunity prior to implementation of the activity (number).	Expected households able to move to a better unit and/or neighborhood of opportunity after implementation of the activity (number).	Actual increase in households able to move to a better unit and/or neighborhood of opportunity after implementation of the activity (number).	YES
	0	20 Annually	29	

Impact – Preservation of housing units is defined in this activity as the number of able bodied individuals age 55 to 61 that were housed in available senior housing that would not have been available without the MTW authorization. The impact of this activity is the expansion of housing choice for a select group of individuals for which HACC previously had limited housing options. It also enables current over-housed assisted families to “age-in” to certain properties sooner, thus making available more units to families.

Benchmarks, Metrics and Data Collection - We do not anticipate any changes in the benchmarks, metrics or data collection methods for this activity

Activity 2011-6 Local Homeownership Program

Description - HACC re-proposed this activity in its 2014 Plan due to a significant change in the nature and scope of the activity, HACC has partnered with Habitat for Humanity to utilize its MTW flexibility to fill a gap in affordable homeownership needs in Champaign County and has executed a Memorandum of Agreement with Habitat to administer the local homeownership program.

The goal of the MTW Local Homeownership program is to expand on HACC’s Mandatory Self-sufficiency Program and to assure that other existing affordable homeownership opportunities and services in Champaign County are not duplicated.

HACC will target existing residents of HACC programs that complete HACC’s MTW Mandatory Local Self-Sufficiency Program through compliance with employment requirements.

Habitat will complete intake of each prospective homebuyer and determine eligibility for the program. All families must meet the eligibility criteria set forth in Habitat’s Partner Family Selection Process including income limits; asset limits; housing expense to income and total debt to income ratios; and other applicable credit requirements.

Families selected will be processed for the homeownership program in accordance with the Habitat Partner Family Selection Process. Once a partner family completed the requirements of the applicable program year, if funding and staff resources permit, the buyer will start the home building process.

Habitat will provide all homeownership services program consistent with HACC's MTW goals of self-sufficiency including pre and post home purchase counseling; financial literacy, credit repair and counseling; sweat equity by the home buyer; and, home mortgages at 0% interest, amortized at 25 years. To provide additional resources for Habitat to serve HACC resident referrals, HACC will purchase the equity from Habitat in the homes built.



Picture 8- Homeownership under Construction

HACC will provide a second mortgage at the time of construction completion and closing of permanent financing for the difference between the appraised value of the home and the maximum mortgage that can be supported by the purchaser. However, HACC's maximum second mortgage shall not exceed \$40,000 per home. The second mortgage shall be forgivable at the rate of 10% per year over a 10 year period. HACC will also establish a foreclosure prevention fund that will provide assistance with monthly mortgage payments for a limited period of time based on extreme hardship conditions.

HACC and Habitat shall establish an annual goal of the number of households to be served under this program prior to January 1st of each calendar year. The annual goal shall be based on available Habitat staff resources and HACC funding. A goal to serve three HACC families was established for 2014.

Outcomes – The HUD standard metrics tables below summarize the outcomes of this activity. A total of 4 families successfully transitioned to homeownership during the 2014 calendar year.

Table 22 - Outcomes Local Homeownership

ACTIVITY 2011-6 LOCAL HOMEOWNERSHIP PROGRAM				
<i>HC #5: Increase in Resident Mobility</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	Households able to move to a better unit and/or neighborhood of opportunity prior to implementation of the activity (number).	Expected households able to move to a better unit and/or neighborhood of opportunity after implementation of the activity (number).	Actual increase in households able to move to a better unit and/or neighborhood of opportunity after implementation of the activity (number).	YES
	0	4 Annually	4	

HC #6: Increase in Homeownership Opportunities				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households that purchased a home as a result of the activity (increase).	Number of households that purchased a home prior to implementation of the activity (number).	Expected number of households that purchased a home after implementation of the activity (number).	Actual number of households that purchased a home after implementation of the activity (number).	YES
	0	4 Annually	4	

HC #7: Households Assisted by Services that Increase Housing Choice				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase housing choice (increase).	Households receiving this type of service prior to implementation of the activity (number).	Expected number of households receiving these services after implementation of the activity (number).	Actual number of households receiving these services after implementation of the activity (number).	YES
	0	4 Annually	4	

Benchmarks, Metrics and Data Collection - We do not anticipate any changes in the benchmarks, metrics or data collection methods for this activity.

Activity 2011-7 Local Project Based Voucher Program

Definition – This activity was approved and implemented in Year 1 (2011). HACC established a local Project Based Voucher Program to assist in repositioning its real estate portfolio and to expand the availability of new high quality affordable housing units for voucher families. Key components of the Local PBV Program include optional longer term HAP contracts; administration by the applicable management company for the site, of all program activities including wait list management, leasing and re-certification transactions ; and limitation of voucher conversion to tenant based subsidy.

Outcomes – The HUD standard metrics table below summarizes the outcomes of this activity.

Table 23- Outcomes Local PBV Program

ACTIVITY 2011-7 LOCAL PROJECT BASED VOUCHER PROGRAM				
<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	Cost of task prior to implementation of the activity (in dollars).	Expected cost of task after implementation of the activity (in dollars).	Actual cost of task after implementation of the activity (in dollars).	YES
	\$9,941	\$0	\$0	

<i>CE #2: Staff Time Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	Total amount of staff time dedicated to the task prior to implementation of the activity (in hours).	Expected amount of total staff time dedicated to the task after implementation of the activity (in hours).	Actual amount of total staff time dedicated to the task after implementation of the activity (in hours).	YES
	444	0	0	

<i>HC #3: Decrease in Wait List Time</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average applicant time on wait list in months (decrease).	Average applicant time on wait list prior to implementation of the activity (in months).	Expected average applicant time on wait list after implementation of the activity (in months).	Actual average applicant time on wait list after implementation of the activity (in months).	NO
	36	30	13.6	

<i>HC #5: Increase in Resident Mobility</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	Households able to move to a better unit and/or neighborhood of opportunity prior to implementation of the activity (number).	Expected households able to move to a better unit and/or neighborhood of opportunity after implementation of the activity (number).	Actual increase in households able to move to a better unit and/or neighborhood of opportunity after implementation of the activity (number).	NO
	0	315	74	

The table below summarizes the individual projects in which HACC has provided Project Based Vouchers since the implementation of this activity. Details of these projects can be found in Section II.

Table 24- Summary of PBV Units

PROJECT BASED HOUSING CHOICE VOUCHERS			
Name of Property	Total Units	PBV Units	HAP CONTRACT DATE
PBV HAP CONTRACTS EXECUTED SINCE IMPLEMENTATION			
Douglass Square	50	13	October 2011
Oakwood Trace	50	25	June 2012
Hamilton on the Park	36	36	September 2013
TOTAL	136	74	
PBV AHAP'S EXECUTED			
Providence	252	227	July 2015
Urban Park Place	24	15	January 2016
TOTAL PBV UNITS	276	242	

HACC's MTW Local Project Based Voucher Program transfers all administrative functions for the operation of the vouchers to the professional Property Management Company that manages the corresponding site; reducing staff time and costs associated with the front line administration of these units. The chart below provides the details of the estimated staff time and cost savings associated with this activity.

Table 25- PBV Staff Cost Savings

PROJECT BASED VOUCHERS	
Total PBVs Leased in 2014	74
Average Staff Hours Per Unit	12
Total Estimated Staff Hours	888
Average Cost Per Hour	\$22.39
Total Staff Cost PBV Administration	\$19,882.32

Impact – The impact of this activity has been the ability to leverage private capital for development of new affordable housing options. HACC has leveraged a total of \$42,832.918 to date on the projects listed above. HACC was competitive in securing private capital based on the ability to commit project based rental assistance to the projects. Without the MTW authorization, HACC would be limited to the number of vouchers that could be project based and to the number of PBV units in a single property.

An additional impact of this activity is the quality of housing in which vouchers are utilized. In the tenant based program, the majority of the vouchers are utilized in older, lower quality housing units located in neighborhoods with higher concentration of poverty. HACC has targeted new construction or substantial rehabilitation for placement of PBV units and 43% of the PBV units will be located in neighborhoods of opportunity with higher income levels.

Benchmarks, Metrics and Data Collection - We do not anticipate any changes in the benchmarks, metrics or data collection methods for this activity.

Activity 2012-1 Local Payment Standards

Description – This activity was approved in HACC’s Year 2 (2012) Plan. HACC procured a third party marketing firm to conduct the market analysis necessary to identify the primary real estate sub-markets within Champaign County and recommend payment standards for the Housing Choice Voucher Program that are reflective of the actual rents in each of the identified sub-markets. HACC established 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.

All market analysis was completed and the implementation plan was developed and approved by the board with an effective date of July 1, 2014 with the following implementation schedule.

All new Housing Assistance Payments contracts executed after July 1, 2014 shall be based on the corresponding Local Payment Standards. This applies to both new admissions families as well as families continuously assisted but moving to a new unit who receive a “Program Move” voucher on or after July 1, 2014.

The Local Payment Standard schedules shall be effective for all existing HAP contracts as follows:

1. If the Local Payment Standard for the PRESM in which the unit is located is higher than the HUD FMR payment standard, the Local Payment Standard shall be utilized at the next annual recertification after July 1, 2014.
2. If the Local Payment Standard for the PRESM in which the unit is located is less than the HUD FMR payment standard, the Local Payment Standard shall be utilized at the second annual recertification after July 1 2014.
3. The Local Payment Standard shall apply to an interim recertification only after an annual recertification has occurred in which the Local Payment Standard has been utilized.

Outcome – The HUD standard metrics table that will be utilized to measure outcomes for this activity is shown below. However, due to a phased-in implementation process, no outcomes can be determined for 2014.

Table 26- Outcomes Local Payment Standards

ACTIVITY 2012-1 LOCAL PAYMENT STANDARDS				
<i>HC #5: Increase in Resident Mobility</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	Households able to move to a better unit and/or neighborhood of opportunity prior to implementation of the activity (number).	Expected households able to move to a better unit and/or neighborhood of opportunity after implementation of the activity (number).	Actual increase in households able to move to a better unit and/or neighborhood of opportunity after implementation of the activity (number).	TBD
	0	250	TBD	

This activity is not anticipated to have any staff time or cost savings. In fact, it is expected that this activity will slightly increase staff time and the per unit HAP costs for tenant based vouchers.

The justification for development and implementation of this activity is the overall condition of units in which participants utilize tenant based vouchers. In analysis of the properties, HACC we found that 80% of all tenant based vouchers are used in properties rated in the real estate market as C grade or lower. These are marginal properties that meet minimal Housing Quality Standards. This activity is intended to provide an opportunity for tenant based voucher participants to secure higher quality properties in lower impact neighborhoods.

Benchmarks, Metrics and Data Collection - We do not anticipate any changes in the benchmark, metrics or data collection methods for this activity.

Activity 2012 - 2 Acquisition without Prior HUD Approval

Description - This activity was approved and implemented in the Year 2 (2012). To facilitate development activities, HACC acquires sites without prior HUD approval and certifies that the HUD site selection requirements have been met.

Outcomes – The HUD standard metrics table below summarizes the outcomes of this activity.

Table 27- Outcomes Acquisition w/o Prior HUD Approval

ACTIVITY 2012-2 ACQUISITION WITHOUT PRIOR HUD APPROVAL				
<i>HC #1: Additional Units of Housing Made Available</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase).	Housing units of this type prior to implementation of the activity (number).	Expected housing units of this type after implementation of the activity (number).	Actual housing units of this type after implementation of the activity (number).	NO
	0	350	36	

<i>HC #3: Decrease in Wait List Time</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average applicant time on wait list in months (decrease).	Average applicant time on wait list prior to implementation of the activity (in months).	Expected average applicant time on wait list after implementation of the activity (in months).	Actual average applicant time on wait list after implementation of the activity (in months).	YES
	36	30	13.6	

<i>HC #4: Displacement Prevention</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households at or below 80% AMI that would lose assistance or need to move (decrease).	Households losing assistance/moving prior to implementation of the activity (number).	Expected households losing assistance/moving after implementation of the activity (number).	Actual households losing assistance/moving after implementation of the activity (number).	YES
	93	0	0	

The following sites have been acquired under this activity in support of additional development as described previously in this report.

- **1408, 1410, 1412 and 1414 Eads Avenue** – These are houses located at the entrance of Hamilton on the Park. These were four dilapidated structures surrounding the entrance to the new development and were acquired to enhance the entrance to Hamilton on the Park.
- **Cobblefield Site** - This site is a 12 acre parcel which will be combined with the former Dorsey public housing community site to develop Providence. The site was acquired in 2013, the financing closed in October 2014 and the project is currently under construction with units coming on line starting in July 2015.
- **302-306 Park Avenue, Champaign** – These buildings constitute Urban Park Place which is also under rehabilitation construction and scheduled to come on-line in January 2016.

Impact – The impact of this activity has been more expeditious acquisition, resulting in the ability to competitively negotiate prices as owners do not have to wait unreasonable amounts of time to complete the sale. Acquisition of these sites has increased the supply of high quality affordable housing available to the residents of Champaign County.

Benchmarks, Metrics and Data Collection - We do not anticipate any changes in the benchmarks, metrics or data collection methods for this activity.

Activity 2012 – 3 Affordable Housing Development

Description - This activity was approved in an amendment to the MTW Year 2 Plan and implemented in Year 2 (2012). To facilitate development activities, HACC will utilize its authorization under the Second Amendment to the Amended and Restated Moving to Work Agreement (Amendment to Attachment D) to use Replacement Housing Factor Funds for Development under Option 3. HACC will also utilize Section 8 and Section 9 reserve funds to further the development of new affordable housing units.

Outcomes – The HUD standard metrics tables below summarize the outcomes of this activity.

Table 28- Outcomes Affordable Housing Development

ACTIVITY 2012-3 AFFORDABLE HOUSING DEVELOPMENT				
<i>CE #4: Increase in Resources Leveraged</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increase).	Amount leveraged prior to implementation of the activity (in dollars).	Expected amount leveraged after implementation of the activity (in dollars).	Actual amount leveraged after implementation of the activity (in dollars).	YES
	\$0	\$42,266,471	\$42,832,918	

HC #1: Additional Units of Housing Made Available				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase).	Housing units of this type prior to implementation of the activity (number).	Expected housing units of this type after implementation of the activity (number).	Actual housing units of this type after implementation of the activity (number).	NO
	0	350	312	

HC #3: Decrease in Wait List Time				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average applicant time on wait list in months (decrease).	Average applicant time on wait list prior to implementation of the activity (in months).	Expected average applicant time on wait list after implementation of the activity (in months).	Actual average applicant time on wait list after implementation of the activity (in months).	YES
	36	30	13.6	

HC #4: Displacement Prevention				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households at or below 80% AMI that would lose assistance or need to move (decrease).	Households losing assistance/moving prior to implementation of the activity (number).	Expected households losing assistance/moving after implementation of the activity (number).	Actual households losing assistance/moving after implementation of the activity (number).	YES
	93	0	0	

The following funds were paid and/or committed to support the units to be developed during 2014.

Table 29- Funds Used to Support Development

PROJECT	Total Units	Affordable Housing Development	Effective Date
Hamilton on the Park	36	\$725,000	12/31/2013
Urban Park Place	24	\$650,000	4/30/2014
Providence	252	\$4,750,000	6/30/2015
TOTAL	312	\$6,125,000	

Impact – The impact of this activity has been additional units developed and the ability to leverage private capital for development of new affordable housing options. The chart below provides details of private investment that has been leveraged using this MTW activity.

Table 30- MTW Block Grant Funds Leveraged for Private Capital

LEVERAGED CAPITAL						
DEVELOPMENT PROJECT	Private Capital	HACC Funding	Total Cost	Units	Total Cost Per Unit	HACC Cost Per Unit
Hamilton on the Park	\$6,657,400	\$725,000	\$7,382,400	36	\$205,067	\$20,139
Urban Park Place	\$1,304,343	\$712,000	\$2,016,343	24	\$84,014	\$29,667
Providence	\$34,871,175	\$4,750,000	\$39,621,175	252	\$157,227	\$18,849
TOTAL	\$42,832,918	\$6,187,000	\$49,019,918	312	\$157,115	\$19,830
Leverage	\$6.92	Private funds for every \$1.00 of HACC funds				

The MTW authorization will make it possible to produce over 300 new units of affordable housing for the low income residents of Champaign County. Without this authorization, the maximum number of units built is estimated at approximately 12 based only on RHF funds which would be the sole available funding source for development.

Benchmarks, Metrics and Data Collection - We do not anticipate any changes in the benchmark, metrics or data collection methods for this activity.

Activity 2013 – 1 Rightsizing Vouchers

Description – This activity was approved and implemented in Year 3 (2013) for new admissions but will not be implemented for existing participants until their second recertification following the effective date. Housing Choice Voucher Program participants are required to lease a unit equal to or smaller than the size of the voucher issued.

HACC will utilize the existing subsidy standards as detailed in its HCV Administrative Plan to determine the size of a voucher to be issued to a family. A Request for Tenancy Approval will be considered only if the unit selected by the family contains an equal or lesser number of bedrooms than those listed on the voucher issued.

Outcome – The HUD standard metrics table that will be utilized to measure outcomes for this activity is shown below. However, due to a phased-in implementation process, no outcomes can be determined for 2014.

Table 31- Outcomes Rightsizing Vouchers

ACTIVITY 2013-1 RIGHTSIZING VOUCHERS				
<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	Cost of task prior to implementation of the activity (in dollars).	Expected cost of task after implementation of the activity (in dollars).	Actual cost of task after implementation of the activity (in dollars).	TBD
	\$2,347,632	\$2,248,992	TBD	

We established baseline data in 2013 that will enable us to measure outcomes in 2014. As of December 31, 2014 there were a total of 411 families that were “over-housed”.

Impact – This activity was phased in for existing participants: the “rightsizing” shall be effective for all existing participants at the second re-certification after the effective date or, upon request for a program move with continued assistance, whichever occurs first. As a result of this phased approach, the impact cannot be determined in 2013.

Benchmarks, Metrics and Data Collection - We do not anticipate any changes in the benchmarks, metrics or data collection methods for this activity.

ACTIVITIES NOT YET IMPLEMENTED

The following activity has not been implemented:

Activity 2014-1: Local Inspection Standards

Description – Initially HACC has proposed adoption of HUD’s Uniform Physical Condition Standards (UPCS) for tenant based voucher units in the Housing Choice Voucher Program. In addition, HACC proposed implementation of a rating system for each property that would determine the frequency of inspections. This activity was designed to meet the following objectives:

- Utilize a consistent inspection standard regardless of whether a housing unit receives subsidy under Section 8 or Section 9 of the Act;
- Ensure that any unit receiving subsidy provides a quality living environment in excess of the federal Housing Quality Standards (HQS) for low income families; and
- Reduce the costs associated with conducting inspections.

Update on Status of Activity - This activity was not implemented in 2014 and HACC re-proposed this activity in its 2015 Plan with the changes described below.

Changes or Modifications – HACC will eliminate the property rating system and utilize local municipal building codes for tenant based voucher units in the Housing Choice Voucher Program. This change is based on further discussions with the local municipalities and current HCV landlords.

The City of Champaign, the City of Urbana and the Village of Rantoul have adopted specific building maintenance codes. HACC will utilize the corresponding building maintenance code in each of these municipalities as the basis for approval of units under the tenant based voucher program. In the remaining areas of the county including all unincorporated areas, HACC will utilize the building maintenance code of the City of Champaign.

Metrics, Baselines or Benchmarks Changes – The HUD standard metrics tables that will be utilized to measure outcomes for this activity are shown below. Baseline data has been established as reflected and will be utilized to measure future outcomes.

Table 32- Outcomes Local Inspection Standards

CE #1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	Cost of task prior to implementation of the activity (in dollars).	Expected cost of task after implementation of the activity (in dollars).	Actual cost of task after implementation of the activity (in dollars).	TBD
	\$156,000	\$117,000	TBD	

CE #2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	Total amount of staff time dedicated to the task prior to implementation of the activity (in hours).	Expected amount of total staff time dedicated to the task after implementation of the activity (in hours).	Actual amount of total staff time dedicated to the task after implementation of the activity (in hours).	TBD
	5,360.00	4,020.00	TBD	

ACTIVITIES ON HOLD OR CLOSED

There are no MTW Activities on hold and no MTW Activities have been closed.

V. SOURCES AND USES

As of the date of this report, the MTW Block Grant unaudited 2013 sources and uses has been submitted in the prescribed Financial Data System (FDS) format. The audit has been scheduled and will be submitted within the required timeframes.

The HUD sources and uses information for the annual MTW report is shown below.

Table 33- Sources and Uses 2014

Actual Sources and Uses of MTW Funding for the Fiscal Year			
PHAs shall submit their unaudited and audited information in the prescribed FDS format through the Financial Assessment System - PHA (FASPHA), or its successor system			
Describe the Activities that Used Only MTW Single Fund Flexibility			
The activities that utilized only MTW Single Fund Flexibility were Acquisition without HUD Approval and Non-Traditional Use of Funds. The details of these activities are provided Section IV of this report and the corresponding projects completed or in progress under these activities are described in Section II of this report.			
V.4.Report.Local Asset Management Plan			
B. MTW Report: Local Asset Management Plan			
Has the PHA allocated costs within statute during the plan year?	Yes	No	
Has the PHA implemented a local asset management plan (LAMP)?	Yes	No	or
Has the PHA provided a LAMP in the appendix?	Yes	No	or
V.5.Report.Unspent MTW Funds			
C. MTW Report: Commitment of Unspent Funds			
In the table below, provide planned commitments or obligations of unspent MTW funds at the end of the PHA's fiscal year.			
Account	Planned Expenditure	Obligated Funds	Committed Funds
Type	Providence Permanent Financing	4,268,182.00	4,268,182.00
Type	1416 W. Eads St. Acquisition	49,500.00	49,500.00
Total Obligated or Committed Funds:		\$ 4,317,682.00	\$ 4,317,682.00
The amounts above represent the balance of the permanent loan for Providence at Sycamore Hills and Thornberry which remained under construction as of 12/31/2014. HACC has an option to purchase the Eads property but legal issues related to the current owner's estate have delayed a closing. We anticipate closing ont this property by mid-2015.			

VI. ADMINISTRATIVE

HUD REVIEWS, AUDITS OR INSPECTION ISSUES

There are no HUD reviews, audits or inspection issues which require HACC to take any action.

MOVING TO WORK CERTIFICATION OF COMPLIANCE WITH STATUTORY REQUIREMENTS

The Housing Authority of Champaign County hereby certifies that it has met the three statutory requirements under the Moving To Work Demonstration Program:

1. At least 75% of the families assisted by HACC are very low income families;
2. HACC has continued to assist substantially the same total number of eligible low income families as would have been served had the amounts of funding under the MTW Block Grant funding flexibility not been combined; and,
3. HACC has maintained a comparable mix of families served as would have been served had the MTW Block Grant funding not been used under the demonstration.

Executed this 21st day of March, 2015.

HOUSING AUTHORITY OF CHAMPAIGN COUNTY, ILLINOIS

By: Edward Bland

Title: Executive Director

Signature:

