

Housing Authority of Baltimore City

Moving To Work Program Annual Plan for Fiscal Year 2010

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Table of Contents

I. Introduction	1
Overview	<u>3</u>
II. Inventory and Leasing.....	6
Public Housing.....	6
Leased Housing.....	8
Waiting List Information	10
III. Capital Planning and Development	11
Capital Plan.....	11
Development Activities	14
Homeownership Activities.....	21
IV. Sources and Uses of Funding	22
MTW Funds Sources and Uses.....	22
State and Local Funds Sources and Uses.....	25
Use of Single Fund Flexibility.....	27
Certifications.....	28
V. Leased Housing Operations	22
Maximize Occupancy	29
Expand Housing Choice	29
Improve the Quality of Leased Housing Units	29
Efficiently Allocate Limited Subsidy Resources.....	30
HCV Administrative Plan.....	30
Thompson Special Administrative Plan.....	30
MTW Activities: Ongoing.....	30
MTW Activities: Proposed.....	33
VI. Public Housing Operations.....	37
Maximize Occupancy	37
Improve Customer Service	37
Maximize Rent Collections.....	38
Preservation of Viable Housing Assets.....	38
Safety and Security	38
Admissions and Continued Occupancy Policy.....	40
MTW Activities: Ongoing.....	40
MTW Activities: Proposed.....	42
VII. Resident Services	46
Proposed Initiatives.....	47
Ongoing Initiatives.....	48
VIII. Information Technology	52
IX. Appendixes	53

I. Introduction

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

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

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

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

MTW Long Term Vision

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

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

By making funds available to the public housing program utilizing MTW authority and an aggressive strategy for vacancy renovations/modernizations, HABC has been able to increase the number of households housed in public housing by 916 households between June 2006 and March 2009. In addition, as HABC nears completion of major renovation efforts to bring long-term vacant and uninhabitable units back on line, resources have begun to shift back to the Housing Choice Voucher program, as reflected by an increase of 1,232 HCV households from March 2008 to March 2009.

Other proposed long-term MTW initiatives include:

- Reducing the frequency of recertifications as a way to lower administrative costs, promote household savings, and minimize the burden imposed by this process on resident households. As noted in the Plan, HABC has implemented this initiative for Housing Choice Voucher participants, and will soon begin its implementation for Public Housing residents. Over the term of the MTW Agreement, HABC will also implement other MTW initiatives designed to simplify program administration and reduce costs;
- Implementing modified Project Based leasing programs to support City-sponsored targeted neighborhood revitalization. HABC has begun to implement an ambitious Project Based Voucher program that incorporates MTW flexibility and expands housing choice for program participants, as described herein. Utilization of Project Based resources is a key component of HABC's neighborhood reinvestment, new housing production, Thompson Partial Consent Decree and Bailey Consent Decree production initiatives;
- Developing 987 low-income rental units over the next ten years, as part of the City of Baltimore's plans to develop an overall total of 3,000 new housing units. MTW funds will be combined with Low Income Housing Tax Credits and other financial resources in support of this goal. Specific development plans are discussed in the Annual Plan.
- Streamlining income, deduction and rent calculation policies and procedures. This year, HABC proposes to implement an initial pilot program at Gilmore Homes that incorporates new rent policies designed to promote family savings and increase incomes. HABC views the Gilmore Homes pilot as an opportunity to test out the efficacy of such policies in anticipation of implementing more broadly applicable MTW rent initiatives over the longer term;
- Retrofitting vacant public housing units to allow accessibility by persons with disabilities;
- Replacing or renovating several public housing sites that have substantial unmet capital needs. Utilization of MTW funding and development flexibility is an essential component of these efforts;
- Expanding resident access to employment, training and other supportive service programs. The proposed Gilmore Homes demonstration, as more fully discussed below, is an example of how HABC utilizes MTW flexibility by combining rent reform initiatives with family savings tools and targeted employment, training and other supportive services for residents. HABC intends to expand these initiatives in the future; and,
- Establishing flexible homeownership initiatives that combine vouchers, soft second mortgages and family economic self-sufficiency components. As an example, HABC's recently modified Homeownership Plan uses MTW flexibility to promote first time home buying opportunities for public housing residents.

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

This document is the MTW Annual Plan for Fiscal Year 2010, which is the period from July 1, 2009 to June 30, 2010. HABC is required to prepare this Annual Plan in conformance with the specifications of HUD Form 50900 “Elements for the Annual MTW Plan and Annual MTW Report”. The format of this document differs from prior MTW Annual Plans to reflect the new requirements. For purposes of this document and the required submission to HUD, an “MTW activity” is defined as any activity that requires MTW flexibility to waive statutory or regulatory requirements.

In order to provide the public and HUD with a more detailed view of HABC’s overall plans and strategies, this Annual Plan includes discussions of both MTW activities and other activities which do not specifically require MTW authority to implement. It also references and details proposed changes to both the Public Housing Admissions and Continued Occupancy Plan (ACOP) and the HCV Administrative Plan. Copies of both the proposed revised ACOP and Administrative Plan are being made available for public review and comment.

HABC is making the Fiscal Year 2010 MTW Annual Plan available for public review and comment, along with the proposed ACOP and Administrative Plan. Copies of these documents will be available at HABC’s office and on the website at www.baltimorehousing.org beginning on April 3, 2009. A public hearing will be held on May 4, 2009, 6:00pm at Pleasant View Gardens, 201 North Aisquith Street, Baltimore MD 21202. Comments must be received by HABC no later than May 4, 2009. HABC will review and consider all written comments received during the review period.

Overview

During Fiscal Year 2010, HABC intends to undertake a broad range of housing, capital improvement, resident services and development activities as described in this Plan. Highlights of the year ahead include:

- Public Housing Occupancy – HABC will sustain a 97.5% adjusted occupancy rate in its public housing developments. A new initiative to promote economic self sufficiency is also planned at Gilmor Homes.
- Leased Housing Lease Ups – HABC will increase overall lease ups by an estimated 1,339 including Thompson and all other programs.
- Capital Planning – HABC will continue its aggressive program of capital improvements and development activities, including obligating funds recently made available under the American Recovery and Reinvestment Act (ARRA). HABC projects expenditures of approximately \$80.58 million in the coming year.

With ARRA funds, HABC plans to substantially renovate 90 long-term vacant units in the scattered site portfolio.

- Development Activities - HABC, in conjunction with the City of Baltimore will continue its ten year plan to develop approximately 3,003 housing units, including approximately 987 low-income rental units to replace severely distressed units in its current inventory. Many of the units will be developed using the mixed finance development method, and all units will be developed to create economically diverse, stable neighborhoods. MTW single fund flexibility is a key ingredient of HABC's development program.
- Resident Services – HABC plans to serve more than 4,000 households through a wide array of self sufficiency, personal development and supportive service program offerings. In FY 2010, efforts will be directed to support the newly proposed Gilmore Homes pilot program, and to implement a Mega Resource Center to promote family economic self sufficiency

Other FY 2010 objectives which utilize HABC's MTW flexibility and which promote one or more of the MTW statutory objectives will include:

- Gilmore Homes Demonstration – A pilot program that incorporates modified rent policies, work and savings incentives, and enhanced self-sufficiency services will be started at Gilmore Homes.
- Risk Based Inspections – HABC will complete implementation planning for a risk-based inspection program of leased Housing Choice Voucher units.
- Two Year Recertifications – Under MTW, HCV households will continue to be recertified every two years. In FY 2010, initial implementation of two year recertifications for public housing households will be phase in, beginning with seniors and households on fixed incomes.
- Family Self Sufficiency – HABC will continue to implement FSS activities that provide supportive services and family savings for both public housing and HCV residents.
- Project Based Vouchers – An estimated 142 additional housing units will be leased under HABC's PBV program.
- HCV Program Administration – Using MTW flexibility, several changes designed to streamline program administration and expand housing choice will be phased in to the HCV Administrative Plan and the Special Administrative Plan for the Thompson Partial Consent Decree.

- Homeownership – Ongoing efforts to promote homeownership for public housing residents and other low-income households will continue through HABC’s Homeownership Plan.

Required information on ongoing and newly proposed MTW activities is incorporated into the remaining chapters of the Annual Plan. A discussion of the relationship of proposed activities to the MTW statutory objectives is included in Tables 15 and 17.

II. Inventory and Leasing

This section of the Annual Plan provides required information on HABC's inventory and projected leasing activities for both the Public Housing and HCV programs. It includes details on planned changes to the housing stock as a result of new development, demolition and disposition efforts.

Public Housing

As of March 2009, HABC's existing inventory includes 12,162 public housing units, of which 10,690 are available for occupancy. A total of 10,313 households currently reside in public housing – an adjusted occupancy rate of 96.5%. Table 1 provides details on HABC's existing MTW public housing inventory and leasing as of March 2009.

**Table 1:
Public Housing Inventory and Occupancy March 2009**

BR Size	Total Units	Available for Occupancy*	Occupied as of March 2009	Adjusted Occupancy Rate as of March 2009
OBR	1338	1270	1248	
1BR	3889	3611	3525	
2BR	3565	3269	3132	
3BR	2294	1838	1782	
4BR	783	555	482	
5BR	243	121	119	
6BR	50	26	25	
TOTAL	12,162	10,690	10,313	96.5%

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

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

Table 2 provides details on HABC's projected MTW public housing inventory and leasing as of June 30, 2010. HABC projects an adjusted occupancy rate of 97.5% in FY 2010.

**Table 2:
Public Housing Inventory and Occupancy Projected as of June 30, 2010**

BR Size	Projected Total Units	Projected Available for Occupancy*	Projected Occupied as of 6/30/2010	Projected Adjusted Occupancy Rate as of 6/30/2010
OBR	1236	1226	1194	
1BR	3748	3612	3525	
2BR	3431	3270	3181	
3BR	2109	1840	1800	
4BR	716	528	517	
5BR	233	116	114	
6BR	45	24	23	
TOTAL	11,518	10,616	10,354	97.5%

During Fiscal Year 2010, HABC anticipates changes to its existing public housing inventory as a result of acquisition/development of units in the mixed finance portfolio and the demolition or disposition of obsolete units. All HABC public housing units are included in the MTW Block Grant.

Table 3 identifies units projected to be added to the public housing inventory in FY 2010. Note that the bedroom size distribution is an estimate. HABC projects that a total of 31 public housing (ACC) units will be added to the inventory in FY 2010. Additional information on these new units is included in the Capital Planning and Development chapter of this Plan. In addition, HABC projects the addition of 142 new Project Based Voucher units, which provides long-term replacement housing opportunities for low-income households.

**Table 3:
Projected Public Housing New Units for FY 2010**

Project Name	BR Size				Total
	1	2	3	4	
58 Broadway Replacement Units		2	10	9	21
22 Thompson Units		1	3	3	7
Orchard Ridge Rental Phases 1 and 2			3		3
TOTAL		3	16	12	31

HABC projects that a total of 484 out of 1,180 non-viable and obsolete units will be dispositioned from the public housing inventory during FY 2010 as described in Table 4.

**Table 4:
Projected Demolition/Disposition of Public Housing Units for FY 2010**

Project Name	Projected Units	Reason for Demo or Dispo	Status as of March 2009
Barclay (Renovation after Disposition)	*63	Distressed Obsolete Housing	HUD Approved, Disposition FY 2010
Poppleton Redevelopment (Disposition)	*4	Distressed Obsolete Housing	HUD Approved, Disposition FY 2010.
Claremont Homes Ext (Demolition/Disposition)	*152	Distressed Obsolete Housing	Demolition HUD Approved Demo FY 2010. Disposition FY 2010
Scattered Sites (Disposition)	*265	Distressed Obsolete Housing	HUD approved. Disposition FY 2010
Scattered Sites (Disposition)	**537	Distressed Obsolete Housing	Disposition Application Submitted to HUD, March 2009.
Scattered Sites Vacant Land (Disposition)	**159	Distressed Obsolete Housing	Disposition Application to be submitted to HUD
TOTAL	1,180		

* To be dispositioned in FY 2010

** Contingent upon the date HABC receives HUD approval. Some number of these may be dispositioned in FY 2010.

Leased Housing

Table 5 provides a summary of HABC's Tenant-based MTW Housing Choice Voucher program including current leasing rates and projected leasing through June 30, 2010.

**Table 5:
MTW HCV Inventory and Leasing Projected for 6/30/2010**

Program Type	Leased as of 3/09	Projected Leased as of 6/30/2009	Projected Leased as of 6/30/2010
Tenant Based Vouchers (Non Consent Decree)	9,120	9,216	9,604
Project Based Vouchers (Non Consent Decree)	769	896	942
Tenant Based Vouchers - Bailey	541	570	850
Project Based Vouchers - Bailey	16	79	115
<i>Sub Total</i>	<i>10,446</i>	<i>10,761</i>	<i>11,511</i>
Tenant Based Vouchers - Thompson	1,122	1,143	1,323
Project Based Vouchers - Thompson	81	94	154
TOTAL	11,649	11,998	12,988

From July 2008 to March 2009, including Thompson voucher activity, there was an overall increase of 820 HCV leased households over the level at the end of FY 2008. In accordance with its Annual Contributions Contract, HABC is authorized to assist up to 16,221 households however FY2010 HUD funding will only allow for assistance to a maximum of 11,414 households (excluding Thompson vouchers).

HABC's goal for FY 2010 is to increase the number of HCV participating households (excluding Thompson) to 11,511. This is an increase of 1,065 households over the March 2009 leasing figures. Factoring in the Thompson activity, the total increase is projected to be 1,339. Achieving these leasing goals will require HABC to lease up 2,000 new households to the program given the attrition rates.

For FY 2010 HABC anticipates adding a total of 142 new project-based units to its inventory:

- Orchard Ridge – 77 units in a project-based multifamily building wherein 31 units are dedicated to non-elderly persons with a disability;
- John Manley House – 5 project-based units in a multifamily building dedicated to non-elderly persons with a disability; and,
- Scattered Sites Units – 60 Scattered Sites units in non-impacted areas in the Baltimore Metropolitan area (pursuant to the Thompson Consent Decree).

Table 6 provides a summary of current and projected Project Based Vouchers. Currently, there are 1,017 units under a HAP or AHAP. HABC projects that a total of 1,369 Project Based Vouchers will be committed and/or in-use by June 30, 2010.

**Table 6:
Project Based Vouchers Committed and
Projected by 6/30/2010**

Project Based Vouchers	Units Under HAP/AHAP
Active as of 3/31/2009 – Conventional	911
Active as of 3/31/2009 – Thompson	106
Projected in use as of 6/30/2009 - Conventional	190
Projected in use as of 6/30/2009 - Thompson	20
Projected in use as of 6/30/2010 - Conventional	82
Projected in use as of 6/30/2010 - Thompson	60
TOTAL	1,369

Table 7 provides a summary of non-MTW leased housing units, which includes Section 8 Moderate Rehab units administered by HABC, and Section 8 Substantial Rehab/New Construction units for which HABC serves as the contract administrator.

**Table 7:
Non-MTW Leased Housing Inventory and Leasing Projected for 6/30/2010**

Type	Leased as of 3/2009	Projected Leased as of 6/30/2009	Projected Leased as of 6/30/2010
Section 8 Moderate Rehab	361	370	370
Section 8 New Construction/Substantial Rehab	941	941	941
TOTAL	1,302	1,311	1,311

Waiting List Information

HABC maintains its waiting list in conformance with the policies described in the Public Housing ACOP and the Housing Choice Voucher Program Administrative Plan. As of March 2009, there are a total of 29,576 applicants for HABC's programs including: 13,165 public housing only applicants; 12,901 HCV only applicants; and, 3,510 applicants on both the public housing and HCV waiting lists. Demographics on current waiting list households are included in Appendix H.

The HCV waiting list is currently closed, while the Public Housing waiting list is open. In FY 2010, HABC intends to conduct an update of both the HCV and Public Housing waiting lists. It is expected that a significant number of households may not respond to the wait list, thus potentially reducing the overall number of waiting list applicants. HABC will reopen the HCV waiting list as necessary to ensure that there are adequate numbers of applicants for available vouchers over a twelve-month period.

III. Capital Planning and Development

In Fiscal Year 2010, HABC will implement a wide range of capital investments at existing public housing sites and continue its citywide housing development activities as noted below. HABC projects it will expend a total of approximately \$80.58 million on capital/development projects in the coming year.

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

Capital Plan

Under the Capital Fund American Recovery and Reinvestment Act grant formula program (ARRA), HABC has received \$32,724,445. These new capital funds will include such projects as the renovation of long-term vacant scattered sites (approximately 156) and conventional units (approximately 26); the upgrading of heating systems; the replacement of electrical distribution systems; and the creation of additional UFAS units (approximately 6). The ARRA is a 3-year spending program. Under the terms of the ARRA, in FY 2010 HABC will obligate the entire grant, spending 60% in FY 2011 (\$15,046,491) and the remainder in FY 2012 (\$17,677,954).

Major Capital Needs and Projects, Estimated Costs and Proposed Timetables

HABC will be utilizing the MTW Block Grant (Capital Fund, Housing Choice Voucher Program and Replacement Housing Factor Funds), in addition to non-MTW funding (the American Recovery and Reinvestment Act funds, HOPE VI funds, HABC Unrestricted Funds, Baltimore City and Maryland State funds, and Energy Performance Contracting) to complete its major initiatives.

HABC's six (6) major priorities for Capital activities are: (1) 504 UFAS and ADA Compliance, (2) security and safety, (3) marketability and viability of existing portfolio, (4) improvement of major systems, infrastructure, extraordinary maintenance, and installation of energy conservation measures; (5) demolition of distressed housing developments; and (6) creation of economically diverse stable neighborhoods, using the mixed finance development approach by leveraging the MTW Block Grant Funds.

Additionally, other properties in HABC's portfolio, which are not currently listed, may, in the future, require MTW Capital expenditures and HABC may execute these Capital projects in FY 2010.

It should be noted that some expenditures may take place in FY 2010 as a result of projects planned for and begun in FY 2008 and FY 2009, but completed and paid for in 2010.

Finally, HABC has let a number of contracts that will be started in FY 2010 but will not be fully expended until FY 2011 - 2012. These commitments are required in order to ensure that HABC meets its Consent Decree and MTW obligations and benchmarks.

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

Table 8 provides a summary description of planned FY 2010 expenditures. Additional narrative commentary follows.

**Table 8:
Capital Expenditures Planned for FY 2010**

Capital Projects	Planned Expenditures FY 2010	Development(s)
Handicap Accessibility Modifications	\$2,712,879	Arbor Oaks, City-wide curb cuts, Gilmor Homes, Perkins Homes, Scattered Sites, Uptown Apts., and other developments as determined necessary and associated A&E fees.
Vacancy Renovation	\$1,981,485	Cherry Hill Homes, Latrobe Homes, Mt. Winans, Scattered Sites and other developments as determined necessary and associated A&E fees.
Marketability, Security and Safety Improvements	\$3,568,390	Bel-Park Towers, Bernard E. Mason Sr., Apartments, Cherry Hill Homes, Gilmor Homes, Govans Manor, Hollins House, Latrobe Homes, McCulloh Homes, O'Donnell Heights, Perkins Homes, Primrose Place, Westport Homes, Wyman House, and other developments as determined necessary and associated A&E fees.
Major Systems, Infrastructure, Energy Conservation Measures and Extraordinary Maintenance Repairs	\$24,443,663	Allendale, Bernard E. Mason, Bel-Park Tower, Brentwood, Brooklyn Homes, Carey House, Chase House, Cherry Hill Homes Ext., Douglass Homes, Ellerslie Apts., Gilmor Homes, Govans Manor, Hollins House, Lakeview Towers, Lakeview Tower Ext., Latrobe Homes, McCulloh Homes, McCulloh Homes Ext. High-rise, Monument East, Mt. Winans, Perkins Homes, Pleasantview Gardens, Poe Homes, Primrose, Rosemont/Dukeland, Rosemont Towers, Scattered Sites, Somerset Ext., Westport Homes, Van Story Branch Sr., Apartments, Wyman House, other developments as determined necessary and associated A&E fees.
Demolition of Distressed Properties	\$1,580,752	Claremont Homes Extension and associated sediment control and A&E fees.
Redevelopment Projects	\$46,298,772	Affordable Homeownership Program, Albermarle Square Affordable Homeownership and Community Center, Barclay Neighborhood Initiative, Broadway 58 Units, Hollander Ridge Replacement Housing, Mt. Winans Redevelopment, Non-Elderly Disabled

Capital Projects	Planned Expenditures FY 2010	Development(s)
		Housing Program, O'Donnell Heights Replacement Housing, Preston Street Neighborhood Initiative, Somerset Court Redevelopment, Thompson 22 units, Scattered Site renovations, development of units for non-elderly disabled and associated development soft costs.

504 Accessibility Improvements

HABC will continue to: (i) modify existing units and sites to meet UFAS regulations; (ii) modify units to meet reasonable accommodation and immediate need requests; and (iii) modify common areas to meet UFAS regulations for providing public housing choices for low-income persons with disabilities. In addition, HABC will work closely with the City of Baltimore to upgrade those pedestrian curb ramps on HABC's sites but within the public right-of-way. Table 8 above describes the UFAS projects that will be under construction during FY 2010.

Security Camera Installation

In FY 2010 HABC will continue to monitor the exterior cameras and issue maintenance contracts to insure their viability. In addition, HABC will implement a Phase 3 CCTV camera installation in its mixed population buildings by installing cameras in parking lots and other security-risk public areas.

Marketability and viability of existing portfolio (infrastructure, extraordinary maintenance)

Mixed Population Mid-and High-Rise Buildings: In FY 2010 HABC will (i) complete the upgrades to lobbies; (ii) complete the process to replace carpeting with vinyl composite tile in upper floors at 19 buildings, including the painting of all common areas and hallways; (iii) complete the exterior waterproofing of 3 buildings and the design for 2 to 5 additional buildings; (iv) complete the replacement of elevator hoist machines; (v) begin and complete site pavement repairs in 5 family sites and begin the scoping of 4 to 6 additional sites; (vi) complete roof repairs at 6 developments and begin 2 additional roofs; (vi) perform 9 electrical upgrades and, (vii) perform 8 chiller and 3 boiler upgrades to HVAC systems and begin the planning of additional chiller and boiler upgrades.

Family Sites: In FY 2010 HABC will (i) continue to develop plans noting physical areas of concern and a course of action to rectify (landscaping, egress, hazards, etc.); (ii) address some concrete walkway issues; (iii) perform major renovations at various developments and a portion of the scattered site inventory to further reduce vacancies; (iv) continue to improve the heating system infrastructure at Latrobe and Cherry Hill; (v) complete long term vacant units; (vi) begin plans to eliminate erosion problems; and, (vii) the renovation of 26 playgrounds.

Energy Service Company (“ESCO”)

HABC is in the process of starting a four phased EPC (Energy Performance Contracting) that involves: (i) finalizing energy conservation measures (ECM); (ii) securing funds for the energy reduction capital improvements; (iii) implementing ECM's in Phase 1; and

(iv) developing excessive consumption charges and utility allowances, which may include air conditioning in selected developments. Phase 1 includes the installation of ECM's at 5 developments with an estimated \$4,000,000 annual energy reduction.

Development Activities

HABC, in conjunction with the City of Baltimore proposes to develop approximately 3,000 housing units, including 987 low-income rental units over the next ten years to replace severely distressed units in its current inventory. These figures do not include units in the redevelopment of O'Donnell Heights or Somerset Homes, both of which are still in the planning stage. These projects are discussed below in the "Other Development Activities" section.

Many of the units will be developed using the mixed finance development method, and all units will be developed to assist in the creation of economically diverse, stable neighborhoods. The 987 low-income rental units will use MTW resources, Low Income Housing Tax Credits, or other available sources to finance their development. Approximately 709 affordable for-sale units will be developed using MTW and non-MTW sources including HOPE VI and private funding. The balance of the units will be developed with private funding. Combined, the mix will provide public housing and HCVP eligible households with expanded housing choices in stable, diverse neighborhoods, and will increase choices for non-elderly persons with disabilities and households that need UFAS compliant accessible features.

Housing Production

HABC's housing development accommodates four distinct strategies, which include MTW funding, and proposed private leveraged funding as summarized in Table 8. Each of the four strategies (Neighborhood Reinvestment, New Housing Production, Thompson Partial Consent Decree Production, and Bailey Consent Decree Housing Production) is summarized below and on Table 9. As these projects are all in the development or pre-development stages, the final unit numbers may vary from those presented below.

Neighborhood Reinvestment

Under the Neighborhood Reinvestment Program, HABC works with private development partners and Baltimore neighborhoods to re-capitalize the distressed scattered site public housing stock in strengthening neighborhood markets, linking their redevelopment to a larger program of market-rate rental and for-sale production. The public housing component of these projects will result in a permanently affordable rental housing resource in gentrifying neighborhoods, ensuring economic diversity. This program achieves the mixed-finance redevelopment of existing ACC (public housing) units. The narrative below describes FY 2010 goals and activities in this strategy area:

Barclay – HABC procured Telesis as its development partner in the redevelopment of the Barclay neighborhood. Telesis has produced a final concept plan for redevelopment and has received an award of Low Income Housing Tax Credits (LIHTC) and State rental

funds for the first rental phase. This phase involves 72 total units to include 53 public housing units. Twenty-nine of the public housing units will be in the comprehensively renovated Homewood House property. The remaining public housing units will be in HABC's scattered sites properties. Units will also be produced to provide housing opportunities for non-elderly persons with disabilities and other households that need accessible unit features.

New Housing Production Program

HABC's New Housing Production Program for mixed-income, mixed finance development involves the complete transformation of distressed sites. In FY 2010, HABC will continue to sponsor significant mixed-income residential development at several locations across the City, resulting in a variety of housing choices for low-income households in the city:

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

The developer applied for and received a LIHTC allocation for the first rental phase of the project, consisting of 104 apartment homes in several buildings along the perimeter of the site.

HABC will provide subsidy for Project Based HCV units and possibly additional affordable for-sale units at the Uplands Apartment site. These affordable units will provide replacement housing for households displaced by the closing of the former FHA development on site. Development was delayed for several years due to a lawsuit filed by the former tenants. A Settlement Agreement has been reached and has received preliminary approval from the US District Court judge, which calls for 74% of the homes to be affordable to families at or below 115% AMI and 26% of the homes to be rented or sold at market rates. Baltimore HCD and HUD are jointly undertaking a 90-day notification and certification period.

East Baltimore – The 88-acre East Baltimore Initiative includes up to 2,100 new and rehabilitated residential units, new green space, and up to 8,000 new jobs and new retail

uses. As part of a large-scale public and private investment in Life-Sciences research, commercial and mixed income residential development adjacent to the Johns Hopkins Medical Campus, HABC anticipates Project Based HCV support for approximately 200 low-income rental units over the course of the build out. These units will provide replacement rental housing for low-income households displaced by redevelopment activities.

Orchard Ridge (formerly Claremont/Freedom) – The Claremont/Freedom redevelopment, now known as Orchard Ridge, consists of 444 newly constructed mixed-income rental and for-sale units and a newly constructed 8,200 square foot community center. Of the total, 249 units will be rental homes while the remaining 195 will be for sale housing. Construction is complete for Phase I and Phase II of the rental development. Financing on the third rental phase closed in December 2008, and construction is expected to be complete in the second quarter of FY 2010. Phase I homeownership consists of 72 units. To date 26 homes have settled with private owners. Phase II homeownership consists of 123 lots that are planned to be sold to private homebuilders. Project funding has been secured for all phases of the project. Units spread through the different phases of the project will benefit from Project Based HCV assistance. Including these units, a total of 214 units will be affordable to households with incomes up to 60% of the area median. Of the homeownership units, 54 will be sold to families with incomes ranging between 60% and 120% of the area median. No public housing capital funds will be used in this redevelopment.

Moravia Park - This sixty-unit building is being created to house residents who were displaced by the demolition of Claremont Homes and Freedom Village. The site will contain a four-story newly constructed apartment building with one-bedroom and two-bedroom units, all of which will be subsidized with Project Based HCV assistance. There are 6 UFAS compliant units and 6 units reserved for non-elderly disabled residents. The building is scheduled to be completed in April 2009.

Thompson Partial Consent Decree Production

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

Albemarle Square – The project consists of 10 affordable for-sale units, of which 2 units have been sold to private owners. Construction will be complete in the fourth quarter of FY 2009. HABC has provided second mortgages and HCV vouchers, along with a portion of the construction loan, to subsidize the purchase price. All sales are expected to be completed in FY 2010.

58 Unit Program – In FY 2007, HUD approved the acquisition of 58 units in non-impacted locations in the Baltimore area, including the surrounding counties. The units are being acquired and rehabilitated by Homes for America and will be operated as public housing. Twelve units have been purchased, renovated, and occupied as of March 2009. Three properties are currently being renovated, and 7 properties have pending settlements. In FY 2010, 21 units will be brought on line.

Broadway Overlook – HABC is intending to use remaining grant funds towards the purchase of offsite Broadway replacement units as required by the Thompson Partial Consent Decree.

Sandtown-Winchester 22 Thompson Units – HABC was required to create 22 public housing units in Sandtown-Winchester. The parties to the Consent Decree have agreed that these units may be purchased in other areas of the City as well as Sandtown-Winchester. HABC is actively pursuing housing opportunities and has engaged a broker to assist in the location of the units. HABC has applied for, and is awaiting commitment of Partnership Rental Housing Funds from the Maryland Department of Housing and Community Development to assist with the financing of the project. Seven (7) units are expected to be acquired and available for occupancy by the end of FY 2010.

Preston Street - Ten units will be rehabilitated on East Preston Street, to include one UFAS compliant unit in FY 2010. HABC will also dispose of an additional 23 properties in the Johnston Square neighborhood to be developed as affordable homeownership using non-MTW funds.

Homeownership Demonstration Program – Metropolitan Baltimore Quadel (MBQ) is implementing the Thompson Homeownership Demonstration Program, which was created pursuant to the Partial Consent Decree. Funding for this program was carved out of the Lafayette HOPE VI Grant to create 168 homeownership opportunities, if feasible, in Non-Impacted Areas. As of February 28, 2009, 24 participants in the Thompson Homeownership Demonstration Program had become homeowners through this program, which includes 15 homeowners who received a homeownership voucher. All 24 received a soft second mortgage financed through the Lafayette HOPE VI Grant referenced above. MBQ will continue to work with eligible families in becoming homeowners through this program in FY 2010. A projected target of 54 homeowners by June 30, 2010 has been set, which includes a projected 45 homeowners receiving a homeownership voucher.

Bailey Consent Decree Housing Production

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

Incentives for NED and UFAS Units – Developers seeking support from HABC and Baltimore City for LIHTC must agree to set aside at least 15% of the LIHTC units for non-elderly persons with disabilities (NED) in order to obtain that support. Developers proposing new construction or substantial rehabilitation and who receive certain federal capital funds must make at least 5% of the units UFAS compliant. In FY 2009 as an

incentive to developers to create more than the units already required for non-elderly persons with disabilities and more than the required UFAS compliant units, HABC is offering, via a request for proposals (RFP), capital funds to developers who agree to create in excess of 15% of the LIHTC units for non-elderly persons for disabilities and/or in excess of the 5% of the units as UFAS compliant. This RFP has been amended once and will likely be amended again as market conditions require.

Section 811 Supportive Housing for Persons with Disabilities – HABC reserves the right, in its sole discretion, to combine capital funds made available from HCV or public housing funds, with Section 811 funds to create units for non-elderly persons with disabilities pursuant to the Bailey Consent Decree. HABC will make these funds available through a competitive process and will require developers to demonstrate through specified documentation that the project has a gap that cannot otherwise be addressed.

Other Development Activities

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

O'Donnell Heights – O'Donnell Heights was constructed in 1942 and included 900 public housing units. Of these, 596 have been demolished over the last several years and 304 remain on-line. HABC, with its architectural firm and team of consultants, is currently providing master planning, urban design, architecture, and market feasibility services for the proposed redevelopment of the 62-acre site. The current plan envisions the demolition of the remaining housing units and the creation of a mixed income residential community, with on-site replacement of a significant number of public housing units. A Steering Committee, made up of members of the O'Donnell Heights Tenant Council, area residents and other stakeholders was created to assist in planning the future of O'Donnell Heights. The master planning process is expected to be completed by Spring 2009. HABC foresees a multi-phase development with an initial first phase. HABC is reviewing potential sources of funding including a possible HOPE VI Revitalization grant application.

Somerset – HABC has been working with the City of Baltimore's Planning Department, other agencies and organizations, as well as resident stakeholders to develop plans for redevelopment of a broad area of the Orleans to Fayette Street corridor, including the distressed Somerset Homes site and possibly using the development opportunity that exists in the vacant land holdings of HABC across Fayette Street. A final master plan is expected in calendar year 2009.

Hollander Ridge HOPE VI Funding – Approximately \$18.5 million of HOPE VI funds that were originally designated for the redevelopment of the Hollander Ridge site are available for use in other locations. HABC has held discussions with the ACLU regarding the employment of the grant in other locations. Staff is investigating the acquisition and rehabilitation of existing multifamily housing developments for mixed income projects, with market rate, LIHTC and public housing opportunities. To that end, a Request for Qualifications was published, resulting in the selection of three real estate brokers. HABC is also considering the funds for acquisition of units in the new Westport market-rate project, or in other locations. These HOPE VI funds will not be included in HABC's block grant. Before proceeding with a redevelopment project, HABC will work with HUD to ensure compliance with the HOPE VI Grant Agreement protocol, procedures and approval processes.

Mt. Winans – HABC is reviewing options for the redevelopment of a portion of the Mt. Winans public housing site. A number of apartments in the project are in need of substantial renovation. HABC is in the early evaluation phase and does not expect any redevelopment activities to occur until mid-FY 2010.

Existing Scattered Site Units – HABC currently owns approximately 300 scattered site units throughout Baltimore that are not in service. In FY 2010, at least 100 of these units

will be renovated and placed back in service for rental and homeownership opportunities. Staff will begin planning efforts for the balance of the units.

Homeownership Activities

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

MTW Homeownership Program – Using its MTW flexibility, HABC submitted a revised MTW Homeownership Plan, which was approved by HUD in 2009. Under the revised Plan, HABC will identify and rehabilitate various vacant scattered sites properties for homeownership sale to eligible residents. During FY 2010, HABC projects that it will assist five (5) families in achieving homeownership under this Plan.

Housing Choice Voucher Homeownership Program - To date, 28 homes have been purchased by participants in the Housing Choice Voucher Homeownership Program (HCVHP). While stricter guidelines imposed by lenders have reduced the number of HCV participants who are eligible to purchase a home, HABC will continue to expand its efforts to assist new homeowners. HABC's goal in FY 2010 is to assist an additional eight (8) families so that the projected total number of homes purchased under the HCVHP will be 36 by June 30, 2010. Continuing uncertainty regarding the housing market and availability of mortgages could significantly impact this goal.

IV. Sources and Uses of Funding

This section of the Annual Plan provides information on the FY 2010 projected sources and uses of funding for MTW Funds. As required by the MTW Agreement, HABC has also prepared a Local Asset Management Plan which is found in Appendix C.

HABC's fiscal year runs from July 1 through June 30. The Moving to Work (MTW) block grant includes three major funding sources as follows:

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

The line items presented below are consistent with the format in the Financial Data Schedule (FDS) approved by HUD.

MTW Funds Sources and Uses

Tables 10 and 11 provide a projection of MTW sources and uses for Fiscal Year 2010. HABC has not been notified of its funding levels for either CY 2009 or CY 2010. Thus, the amounts listed below can be expected to change. Actual figures will be provided in the MTW Annual Report.

**Table 10:
FY 2010 Planned Sources of MTW Funds**

Sources	Total MTW
Net Tenant Revenue	\$29,057,018
Tenant Revenue Other	270,856
Total Tenant Revenue	29,327,874
Housing Assistance Payments	127,349,145
ACC Project Reserve - HCV	7,483,739
Ongoing Administrative Fees Earned	9,849,505
FSS Coordinator	64,908
HUD Operating Grants	82,860,297
Total Operating Grants	227,607,594
Capital Grants - Hard cost Only	21,113,199
Investment Income	386,809
Fraud Recovery	5,000
Other Revenue	1,135,353
Total MTW - Source of Fund	\$279,575,829

Notes to Sources of Funds:

1. Net Tenant Revenue is projected based on a 97% occupancy rate. Rental income is not anticipated to rise from recertification due to the current economic conditions.
2. Tenant Revenue Other represents the estimated income from transactions such as court filing fees and extraordinary maintenance charges.
3. Total Operating Grants is \$227,607,594 that includes the following funding:
 - Section 8 HCV HAP subsidies are planned at a full funding level in FY 2010.
 - Due to the inadequate annual funding from HUD for the Thompson consent decree, the ACC Project Reserve from the HCV Program is budgeted to pay for the funding shortfall of the Thompson HAP and Quadel's operating costs to administer the Thompson consent decree program.
 - The Section 8 HCV Ongoing Administrative Fees Earned is calculated in accordance with the MTW Agreement with a funding proration estimated at 90%. The estimated proration loss is \$1,028,020 in FY 2010.
 - Funding for the FSS coordinator is based on the latest approved HUD grant.
 - The HUD Operating Grants include both of the public housing subsidies and the CFP soft costs (management improvements and administrative) for a total amount of \$82,860,297. Public housing subsidies are calculated

at 88% funding proration. The proration loss is estimated at \$9.7 million for FY 2010.

4. Capital Grants – Hard Cost funding is budgeted based on planned construction activities as discussed separately in the Capital Improvement Plan.
5. Other Revenue is related to income generated from roof top antennas, non-residential space leasing agreements, etc.

**Table 11:
FY 2010 Planned Uses of MTW Funds**

Uses	Total MTW
Administrative	\$40,505,419
Tenant Services	3,262,157
Utilities	28,709,500
Ordinary Maintenance & Operations	33,470,750
Protective Services	2,985,343
General Expenses	20,664,190
Total Operating Expenses	129,597,358
Extraordinary Maintenance	476,716
Casualty Loss	400,000
Housing Assistance Payments	123,265,787
Hard Costs	34,781,209
Total MTW - Uses of Funds	\$288,521,070

HABC’s projected total MTW uses of funds is \$288,521,070 for the fiscal year ending June 30, 2010. Uses of funding exceed the sources of funding by \$8,945,241. As permitted under the MTW single fund flexibility, HABC plans to apply the prior year’s Section 8 HCV unspent HAP funding to several capital improvement activities in FY 2010. The planned construction activities are discussed separately in the Capital Planning chapter of this Plan.

Notes to Uses of Funds:

1. Administrative expenses include salaries and benefits for administrative and housing management staff to administer the public housing, Section 8 HCV and CFP/RHFF programs. Also included are \$4.9 million for Quadel’s operating costs to administer the Thompson consent decree vouchers and \$600,000 for the mobility counseling contract for the Bailey consent decree. Other administrative operating expenses such as office rent, telephone, computer materials and contracts, postage and supplies, etc. are budgeted in this expense category.
2. Tenant Services include salaries and benefits of the Resident Services Division and the Resident Advisory Board (RAB), who provide services directly to meeting the resident needs and supporting a wholesome environment. This

- expense category also includes materials and supplies for tenant councils and the RAB.
3. Utilities include expenses for water, electricity, gas, steam and fuel consumed by the housing authority. HABC continues to exercise prudent procurement actions to achieve favorable utility rates. A 5% increase is assumed for each utility category to keep up with the current utility rate increases. Utility expenses are budgeted by AMPs based on addition or demolition activity planned for the fiscal year.
 4. Ordinary Maintenance & Operations include salaries and benefits of maintenance workers and crews assigned to the public housing units. It also includes materials and contracts for the routine maintenance and vacancy reduction efforts. This expense category also includes outside contract costs to privatized firms, which manage some of HABC's public housing and affordable housing units.
 5. Protective Services includes salaries, benefits and other related costs of building monitors assigned to public housing developments.
 6. General Expenses include insurance premiums for general liability, properties, worker's compensation, automobiles, etc. This category also includes estimated expenses for compensated absences, Other Post Employment Benefits (OPEB), collection losses for the public housing units, and the annual debt service repayment from CFP for the sale of bonds issued by the State of Maryland.
 7. Extraordinary Maintenance is budgeted for non-routine repairs and replacements from unforeseen breakdowns of heating systems, boilers, chillers, etc.
 8. Casualty Loss is budgeted for non-capitalized expenses incurred for restoration of properties from unforeseen flooding or fire at public housing units, for which the amounts are below the insurance deductibles.
 9. Housing Assistance Payments (HAP) includes rent subsidies paid to landlords and utility assistance paid to tenants of the Section 8 HCV program. It also includes the HAPs paid for the Thompson consent decree units. In FY 2010, HABC continues its aggressive efforts to lease-up additional voucher and Thompson consent decree units.
 10. Construction (Hard) Costs in FY 2010 is planned for capital improvement activities including "504" Uniform Federal Accessibility Standards (UFAS) and American Disabilities Act (ADA) Compliance, security and safety projects, marketability and viability of existing housing portfolio, improvement of major systems, infrastructure, installation of energy conservation measures, demolition of distressed housing developments, creation of economically diverse stable neighborhoods using the mixed finance development approach by leveraging the MTW Block Grant. Detail of specific capital improvement activities is discussed under a separate section.

State and Local Funds Sources and Uses

Programs that are included in the State and Local Funds are as follows:

- City of Baltimore – Capital Improvement Program for joint ventures of HABC’s capital improvement activities
- City of Baltimore - Housing and Community Development (HCD) pass-through reimbursable expenses
- Various Resident Services Grants by the State of Maryland

Tables 12 and 13 summarize planned sources and uses of these funds.

**Table 12:
FY 2010 Planned Sources of State and Local Funds**

Sources	Total State and Local
Other Government Grants	\$2,315,263
Other Revenue	18,548,553
Total State & Local Sources	\$20,863,816

Notes to Sources of State and Local Funds:

1. Other Government Grants include funding from the Maryland State Department of Social Services for Resident Self Sufficiency and the Maryland State Department of Education for Resident Quality of Life providing Child Adult Food and Child Care Services.
2. Other Revenue includes reimbursements from the City of Baltimore for pass-through activities, for which HABC receives instantaneous reimbursements for expenses, and joint venture development expenditures generated by HABC's force account staff (HABC0).

**Table 13:
FY 2010 Planned Uses of State and Local Funds**

Uses	Total State and Local
Administrative	\$6,356,582
Tenant Services	2,179,180
Utilities	47,793
Ordinary Maintenance & Operations	11,392,124
Protective Services	-
General Expenses	888,137
Total State & Local Uses	\$20,863,816

Notes to Uses of State and Local Funds:

1. Administrative expenses include salaries, benefits, telephone, supplies, and computer support for joint ventures with the City of Baltimore as well as expenses incurred for the Family Self-Sufficiency and for Resident Quality of Life providing Child Adult Food and Child Care Services.
2. Tenant Services expenses are related to staffing and program costs to support approximately 190 children per year in day care activities at Heritage Crossing, Pleasant View Gardens, and Cherry Hill. The Child Adult Care Food Program and the family self-sufficiency program are also included in this category. Services are provided to 300 residents per year for job placement, career advancement and case management solutions.
3. Ordinary Maintenance and Operations are related to expenses incurred for joint venture developments with the City of Baltimore, such as redevelopment of distressed units at Barclay Neighborhood, demolition of Claremont Homes, curb cuts in accordance with the Bailey consent decree and continued development of new low income units by acquiring 58 units (part of Thompson Broadway). Since funding comes from the City of Baltimore, the incurred expenses are not capitalized in the HABC's fixed assets.

Use of Single Fund Flexibility

The restated MTW Agreement allows HABC to combine public housing operating and capital funds (including development and replacement housing factor) provided under Section 9 and tenant-based voucher program funds provided under Section 8 of the 1937 Act into a single, authority-wide funding source. HABC uses this funding source to carry out the MTW program activities to provide flexibility in the design and administration of housing assistance to eligible families, to reduce cost and achieve greater cost effectiveness in federal expenditures.

The following activities will take place in FY 2010 using the Single Fund Flexibility concept:

- Due to inadequate HUD funding to address HABC's capital improvement needs, Section 8 tenant-based HCV HAP funds are used to supplement various capital improvement activities. Details of these activities are discussed separately in the FY 2010 Capital Improvement Plan.
- A portion of available HAP funds are utilized to support HABC's housing development.
- To date, HUD has not provided funding or guidelines to address the Other Post Employment Benefits (OPEB) expenses. To comply with the requirements of the Governmental Accounting Standards Board (GASB) Statement No. 45, HABC estimates its OPEB expenses in the amount of \$5 million in FY 2010. These expenses will be allocated to various programs and AMPs where applicable. The shortfall in the public housing and HCV allocated portions are budgeted using the

Section 8 HCV HAP funding. The OPEB expenses are post retirement benefits such as health care, prescription drug, dental, vision, and life insurance to qualified retired employees and their dependents. Substantially all employees who retire or are disabled directly from HABC become eligible for these benefits.

Certifications

Appendix D includes copies of form HUD-50071 – Certification of Payments to Influence Federal Transactions, Application for Federal Assistance SF-424, and form HUD-52723 – Operating Fund Calculation of Operating Subsidy. These forms were submitted electronically to HUD on January 14, 2009.

This financial plan is compiled based on current information and HUD's anticipated funding level as of April 2009. It is subject to revision as conditions and/or assumptions change.

V. Leased Housing Operations

This section of the MTW Annual Plan provides information on MTW activities and other initiatives planned for FY 2010 in HABC's leased housing program operations. The FY 2010 inventory and leasing projections for HABC's leased housing program initiatives are detailed in Tables 6 through 8 above.

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

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

A brief discussion of FY 2010 plans for each of these objectives follows:

Maximize Occupancy

As detailed in Tables 4 through 6 above, HABC projects that occupancy of MTW leased housing units will increase by 1,339 households in FY 2010 relative to the March 2009 leasing levels. (This figure includes Thompson related leasing activity.)

Expand Housing Choice

In FY 2010, HABC will continue initiatives to increase housing choice by program participants including:

- Increasing the number of Project Based Vouchers (PBV) committed and/or in use by 352 units relative to the March 2009 PBV levels.
- Utilizing HUD-published 50th percentile rents to establish payment standards
- Encouraging voucher holders to find units outside areas of poverty or minority concentration, and to avail themselves of mobility counseling programs

Improve the Quality of Leased Housing Units

HABC will continue its policy of completing pre-contract HQS inspections on 100% of new units; to conduct annual HQS inspections on 100% of leased units, as well as perform pre-contract HQS inspections on 100% of proposed units. HABC will transition to a risk-based inspection model as defined in prior MTW Annual Plans.

Efficiently Allocate Limited Subsidy Resources

HABC will continue to conduct a careful analysis of all proposed rents at initial occupancy, upon receipt of a rent increase request and throughout the term of the HAP agreement.

HCV Administrative Plan

The Housing Choice Voucher Program Administrative Plan describes the policies used by HABC in the administration of its HCV Tenant Based and Project Based programs, including all MTW-authorized policies. The Administrative Plan describes HABC's HCV policies, except for those adopted pursuant to the Special Administrative Plan for the Thompson Partial Consent Decree (see below). The MTW authorizations in the HCV Administrative Plan may also be utilized if elected in the Thompson Special Administrative Plan discussed below. Appendix E provides a summary of proposed changes to the HCV Administrative Plan for Fiscal Year 2010.

In order to maintain an up-to-date and accurate waiting list and to allow for the offer and provision of assistance to as many families as possible (within funding constraints) in the shortest time possible, HABC has modified its rules relating to the status of applications on its Housing Choice Voucher Program waiting list. Acceptance of a voucher and/or housing subsidy assistance under HABC's HCVP program (Tenant Based, Project Based or Mod Rehab) will be considered as meeting an applicant's need and the HCV program application shall be considered satisfied. After one year of occupancy in good standing, households participating in the PBV and Mod Rehab programs are eligible for a Tenant Based voucher.

To further assist in meeting the above goals, HABC shall waive both the per-building cap (as set forth in 24 CFR 983.56) and the per-project cap (as set forth in 42 USC Sec. 1437f(o)(13)(D)(i)) on the percentage of units, which may be assisted with project based voucher assistance.

HUD has limited the project basing of vouchers in a single building to 25% of the units for a number of years. Under HR 3221 (2208), HUD broadened the 25% limitation to "projects." The change, while perhaps inadvertent, would create problems for scattered site projects within the City. The 25% limit is apparently an attempt to avoid an over-concentration of project-based Section 8 units. In a scattered site project, this is rarely a concern.

Given Baltimore's high percentage of row-home housing stock, scattered site projects are common. Waiving the 25% maximum will allow additional housing opportunities for very low-income renters without creating new areas of concentrated poverty.

In certain other cases, a policy of allowing project-based vouchers in excess of 25% of a building is also sensible. This is particularly true for some buildings that have traditionally served a low-income population.

HABC would use the following criteria to determine when the 25% limit could be exceeded:

:

1. In connection with Projects. HABC may approve projects that exceed 25% project-based voucher assisted units provided that:
 - a. No individual block (defined as the two block faces on opposite sides of the street) in the project has, nor will have, upon project completion, more than 25% of the units occupied by individuals or families with project or tenant-based vouchers; and
 - b. The census block group or groups in which the project units are located have a median income of at least 150% of the poverty level.

HABC may consider exceptions to these limitations in the certain instances of high public purpose.

2. In connection with Buildings. HABC may approve buildings that exceed 25% project-based voucher assisted units if it deems that:
 - a. The housing in question serves a high public purpose; and
 - b. The need for preservation of the housing stock as affordable outweighs the benefits of deconcentration.

In both cases, HABC would consider the following to be among the types of buildings and projects that would be considered to be of high public purpose:

- Projects that substantially exceed HABC's requirement that 15% of the units be reserved for non-elderly persons with disabilities; or
- Projects that are located in desirable neighborhoods or areas with established Master Plans, Revitalization Designations, SNAP areas, Healthy Neighborhoods or where the poverty rate is 25% or below; or
- Projects that would preserve important affordable housing stock.

HABC will measure the success of the activity by counting the number of units produced under the new requirement. Since HABC has not approved projects or buildings that had project-based vouchers in excess of HUD rules, the current baseline measurement for the activity is zero units. The FY 2010 benchmark for each activity:

- Buildings approved to exceed 25% cap – 1. Associated housing opportunities created – 10 units
- Projects approved to exceed 25% cap – 1. Associated housing opportunities created – 10.

Housing Assistance Payment Contracts

Under the MTW Agreement, HABC is authorized to determine the content of the Housing Assistance Payment (“HAP”) contracts. Therefore, with such MTW authorization, HABC will create its own HAP contract to clarify the project owner’s responsibility for providing housing opportunities created in accordance with the Bailey Consent Decree. Additionally, HABC will create a its own HAP contract to include provisions to clarify certain general program requirements, including but not limited to notice to owners of a HQS inspection; and that contract rents will not be reduced to an amount lower than the original contract rental amount.

Thompson Special Administrative Plan

Pursuant to the Thompson Partial Consent Decree, Metropolitan Baltimore Quadel (MBQ) administers the Special Housing Choice Voucher Mobility Program. Policies for this program are described in a Special Administrative Plan. Appendix F provides a summary of proposed changes to the Special Administrative Plan for Fiscal Year 2010.

In addition to incorporating all previously approved MTW activities, the Special Administrative Plan will be modified to expand the risk-based inspection process to allow owners and families to each self-certify that minor, non-emergency items identified as “fail” during an HQS inspection have been repaired. Only units that are in allowable areas will be eligible. A rigorous quality control component will be implemented as part of this initiative.

MTW Activities: Ongoing

Under the MTW Agreement, HABC is authorized to implement a local leased housing program. Table 14 provides a summary of previously approved, ongoing MTW activities related to the operation of the Local Leased Housing program, including the current status of each activity and, if appropriate, any planned changes to the activity for FY 2010.

HABC will continue to evaluate program impacts and report on them in the MTW Annual Report. As required under Attachment B to the MTW Agreement, HABC will develop proposed benchmarks and metrics for ongoing MTW activities as part of the Annual Report process.

**Table 14:
Ongoing MTW Activities for Leased Housing**

MTW Plan Year	Activity	Description	Planned Changes	Status
2006	Risk Based Inspections	HABC is moving to a Risk-Based inspection process in order to ensure that the highest housing quality standards are maintained and that HABC resources are utilized in an efficient and effective manner. Units, which have consistently met annual inspection standards, will be inspected every two (2) years. Units, which do not have such a track record, will be inspected annually. HABC reserves the right to set and modify the inspection schedule for each unit. Special inspections may be scheduled at any time at HABC's discretion.	None	In planning stage
2006	Two Year Recertifications	HABC is responsible for reexamination and verification of household income, household composition and other eligibility data. The HABC will conduct a reexamination of household income and composition for all households one time every twenty-four (24) months. The 24-month reexamination policy does <u>not</u> apply to: <ul style="list-style-type: none"> • Residents living in Mod Rehab and Mod Rehab SRO units • Residents with other vouchers that do not qualify based on HUD funding restrictions. • Residents with Homeownership vouchers 	None	Implemented
2006	Limits on Project Based Vouchers	HABC reserves the right to allocate up to 30% of its Tenant Based HCV funding for Project Based Vouchers and also to waive the per-building and per-project cap on the percentage of units, which may be designated as project-based units.	None	Implemented
2006-08	Special Admin Plan	To facilitate the activities required under the Thompson Partial Consent Decree, several MTW-related activities have been incorporated into the Special Administrative Plan. As such, these apply to the units administered by MBQ: <ul style="list-style-type: none"> • Implementation of exception payment standards subject to funding availability • Verification of eligibility allowable up to 180 days before issuance of voucher or tenant enters into project-based lease • Recertifications conducted every 24-months • Implementation of risk-based inspections 	None	Implemented
2009	Special Admin Plan	In addition to the previously listed MTW-related activities, the Special Administrative Plan will be modified to reflect previously approved activities that have not yet been implemented related to the Project Based Voucher program: <ul style="list-style-type: none"> • Allow floating units instead of identifying specific units in the HAP contract 	None	To be implemented in FY 2010
2009	Payment Standards at the 50th percentile	As an alternative to using the HUD published Fair Market Rent (FMR) as the basis for determining its Payment Standards, HABC will use the HUD-published 50th percentile rent estimates.	None	Implemented

HABC is in the process of determining which activities are suited for internal and/or external evaluation.

MTW Activities: Proposed

In addition to the ongoing MTW activities detailed above, HABC proposes to implement additional MTW activities in the Leased Housing program in FY 2010 some of which is discussed below. A summary of all proposed MTW activities can be found in Table 15.

Creating a Request for Tenancy Approval Form: HABC will create a Request for Tenancy Approval form. The new form would not eliminate any data collection elements from the HUD 52517 form. Rather the form would be enhanced to include data elements that HABC's administrator of the Special Mobility Program (MBQ), needs to approve landlords and payments. For example, the HUD form only asks for the name of the owner or agent. MBQ needs data for both the owner and agent, particularly when payments go to one party and unit information (such as inspection results, etc.) go to another. This is common with apartment communities who have central finance offices and the site personnel handle maintenance and repairs.

Changes to the HAP Contract: HABC is obligated under the Bailey Consent Decree (the "Decree") to provide housing opportunities for non-elderly persons with disabilities (NEDs), as follows:

- 500 project based voucher units; and
- 100 public housing or long-term affordable (L TA) units in new developments.

The Housing and Economic Recovery Act of 2008 increased the term of the HAP contract from 10 to 15 years (see 42 USC 1437f (0) (13)(F)). For the 500 project based voucher ("PBV") housing opportunities, HABC is obligated under the Decree to set aside and designate the PBV for a term of ten years or the maximum period allowed by HUD. In light of the 2008 statutory change in the HAP contract term, the HAP contract must be amended to reflect the 15-year term since the HUD form has not been updated.

The Decree requires the LTA units to have a 40-year affordability term. Therefore the HAP contract for LTA units must be amended to reflect the owner's obligation to request renewals of the HAP contract for PBV to subsidize the NED residents during the 40-year affordability period. Additionally, the HAP contract for the LTA units must be amended to set forth what public housing rights, privileges and benefits must be afforded the NED residents, in accordance with the Decree.

Since the NEDS must come from HABC's waiting list, and many owners of developments are obligated to house displaced residents first, most of the 500 PBV and some of the 100 LTA housing opportunities will be realized upon turnover. Hence, in order to accomplish the term requirements for the PBV NED units under the Decree, the HAP contract also has to be amended to establish the effective term date as the date when the last NED unit is designated. In contrast, the form HAP contract establishes the effective date of the term as the date when the first contract unit is identified under the HAP contract.

HABC will continue to monitor and evaluate MTW activities during FY 2010. For all newly proposed MTW activities, HABC has identified: baseline information; benchmarks to be achieved; data to be collected and measured; and, proposed outcomes. Internal reports will be generated on a periodic basis as required to assess performance against proposed targets. Quarterly internal reviews will be conducted with program staff and management to review and evaluate results and, if necessary, to modify proposed strategies to improve results. Annual evaluation results will be reported as appropriate in the MTW Annual Report.

**Table 15:
Proposed MTW Activities for Leased Housing**

Activity	Statutory Objective	Projected Impact	Baseline and Benchmarks	Data Collection Process	MTW Authorization	Hardship Policy
<p>The Special Administrative Plan will be modified to allow MBQ to create a Request for Tenancy Approval (RFTA) Form. All data currently required on the form will continue to be collected as well as additional information required to process lease ups.</p>	<p>This activity will help achieve the statutory objective of reducing cost and achieving greater cost effectiveness in federal expenditures by simplifying and expediting the lease up process, thus requiring less staff time for processing.</p>	<p>Changes to the form will simplify and expedite the lease-up process, requiring less staff time to follow up on needed information.</p>	<p>Baseline: Current number of days from submission of RFTA Form to HQS inspection is 10 days. Benchmark: The number of days from submission of RFTA to HQS inspection will be reduced to 7 days.</p>	<p>Data on processing times will be provided to HABC by MBQ</p>	<p>MTW Agreement, Attachment C, paragraph D</p>	<p>NA</p>
<p>The HCV Administrative Plan will be modified to require participating families to select a unit size consistent with and not greater than the unit size listed on their voucher. Exceptions to this rule may be granted at the discretion of HABC where the voucher holder can demonstrate that a good faith and exhaustive effort has been made to find an appropriately sized unit or based on a reasonable accommodation request. Further information on the proposed policy change is included in Appendix E.</p>	<p>This activity will help achieve the statutory objective of reducing cost and achieving greater cost effectiveness in federal expenditures by reducing average contract rent costs.</p>	<p>HABC projects that this policy will result in lower average contract rent costs, and will help to reduce illegal occupancy by household members that have not been approved by HABC.</p>	<p>Baseline: The current percent of new rentals where the unit size exceeds the voucher size: 23.9% (baseline period: 7/1/08 – 3/31/09, 2344 new rentals). Additional HAP costs of renting units larger than voucher size: Per month: \$41,894 (\$74.68 unit/month); Annualized: \$502,728. Benchmark: Reduce percent of new rentals where the unit size exceeds the voucher size to 15%. HABC will use the savings to count the number of additional families assisted who would not otherwise have received assistance. Projected monthly savings: \$26,287; Annualized savings: \$315,488. (Note: actual savings will vary based on the number of new rentals and changes in rental/HAP costs.)</p>	<p>Data will be obtained from HABC's HCV computer system.</p>	<p>MTW Agreement, Attachment C, paragraph D</p>	<p>NA</p>

**Table 15:
Proposed MTW Activities for Leased Housing**

Activity	Statutory Objective	Projected Impact	Baseline and Benchmarks	Data Collection Process	MTW Authorization	Hardship Policy
<p>The HCV Administrative Plan will be modified to allow HABC to enter into Project-Based Voucher HAP contracts for greater than 25% of the units in a building regardless of the family or household type that will occupy the units provided that the households must be eligible.</p>	<p>This activity will help achieve the statutory objective of increasing housing choices for low-income families by expanding the number of quality PBV units available for leasing.</p>	<p>HABC projects that this policy will result in increased housing choices for low-income families</p>	<p>Baseline = 0 (HABC has not approved buildings that had PBV units in excess of 25%) Benchmark: Buildings approved to exceed 25% cap – 1. Associated housing opportunities created – 10 units.</p>	<p>New project-based HAP contracts</p>	<p>MTW Agreement, Attachment C, paragraph D1(e)</p>	<p>N/A</p>
<p>The HCV Administrative Plan will be modified to allow HABC to enter into Project-Based Voucher HAP contracts for greater than 25% of the units in a project/development regardless of the family or household type that will occupy the units provided that the households must be eligible.</p>	<p>Same as above</p>	<p>HABC projects that this policy will result in increased housing choices for low-income families.</p>	<p>Baseline = 0 (HABC has not approved projects that had PBV units in excess of 25%) Benchmark: Projects approved to exceed 25% cap – 1. Associated housing opportunities created – 10 units..</p>	<p>New project-based HAP contracts.</p>	<p>MTW Agreement, Attachment C, paragraph D1(e).</p>	<p>N/A</p>
<p>HABC will create a Housing Assistance Payment (HAP contract to: increase the term of the contract from 10 to 15 years; reflect the owner’s obligation to request renewals of the HAP contract for PBV’s to subsidize NED residents in LTA units; and set forth what public housing rights, privileges and benefits must be afforded the NED residents in LTA units.</p>	<p>Same as above.</p>	<p>HABC projects that this policy will result in increased housing choices for low-income families.</p>	<p>Baseline: 23 for the PBV Housing Opportunities; 0 for the LTA Housing Opportunities, which will happen upon turnover. Benchmark: Because the housing opportunities will be realized upon unit turnover projected over a 5-year period, the benchmark is 300 PBV and LTA housing opportunities in 2015.</p>	<p>New project-based HAP contracts.</p>	<p>MTW Agreement, Attachment C, paragraph D1(a).</p>	<p>N/A</p>

VI. Public Housing Operations

This section of the MTW Annual Plan provides information on MTW activities and other initiatives planned for FY 2010 in HABC's Public Housing program operations. The FY 2010 inventory and leasing projections for the Public Housing program, including projected losses and additions to the housing stock, are detailed in Tables 1 through 4.

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

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

A brief discussion of FY 2010 plans and issues for each of these objectives follows:

Maximize Occupancy

By reducing vacancies, HABC can:

- Serve as many low-income households as possible
- Increase resident safety by minimizing boarded-up units and the nuisance that they attract.
- Maximize rent revenue

HABC will achieve a 97.5% adjusted occupancy rate during FY2010. Occupancy on June 30, 2010, will equal or exceed 97.5%.

Improve Customer Service

HABC will continue to respond promptly and efficiently to work order requests. In FY 2010:

- 99% of emergency work orders will be abated within 24 hours
- More than 98% of routine work orders will be completed within 20 days
- The average number of days to respond to and complete a routine work order will be less than 6 days.

The Work Order Call Center will continue to survey residents on a weekly basis about the service that they have received. In FY 2010:

- Resident Satisfaction Rates will equal or exceed 90%
- Very Dissatisfied responses will be 2% or less

A manager or supervisor contacts all residents who indicate that they are very dissatisfied to discuss the nature of the residents' concerns. In addition, managers or supervisors meet with every employee whose work results in a very dissatisfied response. These interviews will be used to improve service, resolve problems, and monitor staff performance.

The current preventive maintenance program will be analyzed and revised to ensure more thorough housing unit inspections and preventive maintenance. The goal of these enhancements will be to:

- Reduce the need for residents to make maintenance requests by identifying needed repairs through regular inspections
- Increase resident satisfaction and safety.

Maximize Rent Collections

In FY 2010, HABC will equal or exceed a rent collection rate of 96.5%. HABC has implemented a number of initiatives to increase rent collection and will continue to explore additional initiatives, including:

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

Preservation of Viable Housing Assets

As detailed above, HABC will implement an extensive program of Public Housing capital improvements in FY 2010, a process that will be significantly assisted by funds received from the American Recovery and Reinvestment Act. In addition to capital improvements, in FY 2010:

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

HABC has developed a new preventive maintenance calendar that is used to ensure regular inspections of all systems, common areas, and grounds.

Safety and Security

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

Lease Enforcement Unit

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

LEU receives weekly crime statistics from BPD, known as Project Rankings, categorized by crime type and public housing developments. In reviewing the weekly crime statistics LEU has noticed an increase in criminal reports involving domestic violence. In light of this increase LEU will be providing educational workshops and information to residents concerning domestic abuse, which is expected to continue in FY 2010.

In FY 2010, LEU will continue to conduct building checks at HABC's mixed population developments, consisting of vertical patrols and interaction with residents to establish better relationships with the police department and LEU. Further, during FY 2010 LEU will continue to conduct crime prevention awareness meetings at housing developments to inform residents of ways to avoid becoming a crime victim.

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

Camera Monitoring Systems

HABC in collaboration with the BPD has implemented a CCTV system. The CCTV system is a series of permanently mounted cameras that monitor the exterior of some of HABC's family developments. HABC has installed 167 fixed exterior security cameras at six family housing sites (Latrobe, Gilmor, Perkins, McCulloh, PVG and Cherry Hill.). The cameras are monitored by the BCPD as well as some Senior HABC staff who are able to view the family sites from their desktops. HABC has also installed 222 interior security cameras within nineteen (19) of its mid- and high-rise mixed population buildings

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

HABC has also installed fourteen (14) PODSS at various developments. PODSS are “flashing blue light”, mobile-mounted exterior cameras that are easily relocated as needed. Strategic

deployment of these camera units has been successful at interrupting and reducing criminal activity in targeted areas.

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

Building Monitor Program

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

Admissions and Continued Occupancy Policy

HABC incorporates all Public Housing policies, including MTW activities, into the Admissions and Continued Occupancy Policy (ACOP) document. Appendix G provides a summary of proposed changes to the ACOP for Fiscal Year 2010.

MTW Activities: Ongoing

Under the MTW Agreement, HABC is authorized to implement modifications to its Public Housing policies and procedures. Table 16 provides a summary of previously approved, ongoing MTW activities related to Public Housing program operations, including the current status of each activity and, if appropriate, any planned changes to the activity for FY 2010. As appropriate, these initiatives are more fully described in the ACOP.

HABC will continue to evaluate program impacts and report on them in the MTW Annual Report. As required under Attachment B to the MTW Agreement, HABC will develop proposed benchmarks and metrics for ongoing MTW activities as part of the Annual Report process.

Table 16:

Ongoing MTW Activities for Public Housing

MTW Plan Year	Activity	Description	Planned Changes	Status
2006	Two Year Recertifications	HABC is responsible for reexamination and verification of household income, household composition and other eligibility data. The HABC will generally conduct a reexamination of household income and composition for all households one time every twenty-four (24) months.	None	In planning stage. To be implemented in FY 2010 for senior households and households on fixed income
2006	Family Self Sufficiency	HABC established a combined Public Housing and HCV Family Self Sufficiency program. Program requirements vary from the existing regulatory framework: 1) eliminated mandated thresholds for number of participants in the HCVP program and expanding the program to include public housing residents; 2) enhanced program design to target the populations in need; 3) focused outcomes toward homeownership and unsubsidized economic independence; 4) changed the maximum contract period from five (5) to four (4) years; and developed new procedures/regulations regarding the release of the escrow funds. In addition, to maximize program effectiveness a caseload limit was set for staff to client ratio of 1:75.	None	Implemented
2006-08	Capital Plan	HABC uses the funding flexibility allowed under the MTW Agreement to fund critical capital and development items including retrofitting of public housing units to meet the requirements of the Bailey Consent Decree and other authorized purposes.	None	Implemented
2009	Homeownership Plan	HABC modified its existing Section 32 Homeownership Plan. It incorporates a number of features that differ from the standard Section 32 homeownership requirements including, but not limited to: HABC's plan does not place a firm cap on the percentage of adjusted income that is considered "affordable" for homeownership purposes; HABC extends the recapture period for net sales appreciation to a total of 10 years using a declining scale; and, HABC's plan is open in terms of timetable and the number of scattered site units to be covered under the Plan, i.e. potentially over time, all scattered site units could be eligible for homeownership for qualified households.	None	Implemented
2009	TDC Limits	HABC has established a local Total Development Cost policy for the	None	Implemented

MTW Plan Year	Activity	Description	Planned Changes	Status
		Thompson 58 scattered site acquisition program.		

HABC is in the process of determining which activities are suited for internal and/or external evaluation.

MTW Activities: Proposed

HABC will continue to monitor and evaluate MTW activities during FY 2010. For all newly proposed MTW activities, HABC has identified: baseline information; benchmarks to be achieved; data to be collected and measured; and, proposed outcomes. Internal reports will be generated on a periodic basis as required to assess performance against proposed targets. Quarterly internal reviews will be conducted with program staff and management to review and evaluate results and, if necessary, to modify proposed strategies to improve results. Annual evaluation results will be reported as appropriate in the MTW Annual Report.

In addition to the ongoing MTW activities detailed above, HABC proposes to implement a major new MTW Public Housing activity at the Gilmor Homes development. Gilmor Homes has the lowest average rents (\$190 versus \$240) and household incomes (\$8,800 versus \$11,250) of all HABC family sites. Within HABC, it represents a higher poverty concentration than other public housing communities. The Gilmor Homes demonstration program will have three (3) components:

- 1. Employment Services:** Residents at the site will receive enhanced employment services, including, but not limited to, job placement and “replacement” services. Special efforts will be made to connect qualified residents with jobs offered by HABC and its contractors.
- 2. Admissions Preference:** HABC’s Admissions and Leasing Office will ensure that at least 50% of all new residents have employment as a primary source of income. This admissions “preference” will be in effect until the demonstration site’s average rent equals the average rent of an HABC resident.
- 3. Rent Policy:** HABC will implement a demonstration rent policy designed to (a) ensure affordable rent (no more than 30% of adjusted income); (b) assist residents in obtaining employment, (c) give residents incentive to retain employment, (d) encourage residents to obtain job skills that maximize their earning potential and encourage savings. The demonstration policy will have the following features:

HABC will use annual recertification information to track progress in these areas. Each year the three indicators will be analyzed to determine if the new rent policy has the desired impact, needs to be modified or if the program should be terminated.

- **Optional for existing residents.** Current residents who do not have employment as a source of income or have not been employed for two years or more may choose the new rent policy. Once they choose the new rent policy, they will not be able to opt out unless a new rent policy is adopted for HABC’s public housing program.

- **Mandatory for new residents.** All residents who accept an offer of a unit at Gilmor will be subject to the demonstration rent policy, which will be explained to them at the time of an offer to lease.
- **No employed resident will pay more than 30% of adjusted income.** Unless a resident with employment as a primary source of income chooses to pay the flat rent currently in effect, no resident will pay more than 30% of their adjusted income for rent or a minimum rent (if implemented).
- **Rent Cap 1.** During the first 24 months following an annual rent recertification at which income from employment is reported for the first time, rent will be the lower of 30% of adjusted income or \$275 (the equivalent rent at a minimum wage job minus \$75).
Employment, Job Retention and Wage Progression Incentive: Any household with at least one full-time minimum wage job will pay less than 30% of adjusted income for rent. The household will be free to earn as much money as it can for 24 months without the “fear” of a rent increase.
- **Rent Cap 2.** During the third year, rent will be the lower of 30% of adjusted income or \$425 (equivalent of a rent based on a \$9 per hour full-time job). Job Retention and Wage Progression Incentive: A household under Rent Cap 1 will know that their rent will not exceed 30% or \$425 after 24 months of employment. Regardless of the number of household members employed or their income, residents will be assured of a reasonable rent or rent increase and will not give up employment just to avoid a high rent.
- **New Residents Who Are Employed at Time of Lease-Up.** As an incentive to accept an offer of a lease at Gilmor, initial rent will be set at \$30 below 30% of adjusted income. From their first annual review on, these residents will be treated the same as existing residents who opted into the demonstration policy.
- **Rent After Rent Cap 2.** After the expiration of Rent Cap 2, rent will be set at 30% of adjusted income or the site’s Flat Rent, whichever is lower.
- **Savings Account.** After Rent Cap 2 expires, HABC will deposit the difference between the Rent Cap 2 amount and the resident’s rent or \$100, whichever is lower, into an interest-bearing account. Such deposits will be made for three years after the expiration of Rent Cap 2. Residents will be able to request up to 50% of the deposits made during a year at the time of their annual recertification. When a resident moves out of public housing, HABC will issue them a check in the amount of their remaining savings less any amounts owed to HABC.

As rents will not increase in a way that is not consistent with the previous rent policy, HABC does not anticipate a transition period for new residents of Gilmor Homes.

Impact Analysis

Applicants: There will not be any material impact on applicants as a result of the proposed Gilmor Homes demonstration. HABC anticipates that all public housing applicants will be housed in the order they would be housed under existing policy without having to wait any longer than they currently do. Gilmor currently houses approximately 7 to 8 new residents per month, compared to over 120 per month in HABC’s public housing program. If 4 or 5 residents housed per month at Gilmor are restricted to households with employment as a primary source of income, unemployed households will have more than 100 other opportunities at Gilmor and other developments. Since applicants will have a choice of Gilmor or any other development, the demonstration rent policy will have no adverse effect on any applicant.

Current Residents. Current residents will have the option to continue on the existing rent policy. There will be no mandatory change to a new policy for current residents. Potential negative impacts, if any, will not be forced on any household. In fact, the demonstration policy is designed to benefit residents in ways that the current policy does not. Residents who choose the demonstration policy will not be subject to the Earned Income Disregard (EID), which has benefits and negative impacts on residents. The EID exempts all increased income due to employment for the first 12 months of employment, which could provide an incentive to become and remain employed. The downside of this feature is that residents become used to the higher income without having to pay more rent and some incur new debt. At the time rent increases after 12 months of employment, some cannot afford the higher rent because of new debt incurred. The demonstration rent policy will have the effect of limiting rent increases as well as providing an incentive to get a job, to keep the job, and get a better paying job.

The demonstration rent policy was published in the Annual Plan on April 3, 2009 in two (2) Baltimore City newspapers and also posted on HABC's website.. The newspaper ad also contained details regarding the public hearing which was held on May 4, 2009. The public hearing for the Annual Plan also served as the public hearing for the adoption of the Gilmore Homes Demonstration Program. On May 20, 2009, HABC's Board of Commissioners approved the rent policy by adopting and approving the revised ACOP attached to and made a part of the Annual Plan.

Additional details required by HUD for newly proposed MTW activities are included in Table 17 below.

While not proposed as a new MTW activity for this year, HABC will also commence a formal process to develop a new public housing rent policy for all public housing residents beginning in FY 2010. The estimated time to develop a new policy is 18 months.

**Table 17:
Proposed MTW Activities for Public Housing**

Activity	Statutory Objective	Projected Impact	Baseline and Benchmarks	Data Collection Process	MTW Authorization	Hardship Policy
Gilmore Homes Demonstration (see description of program components in narrative)	This activity will help achieve the statutory objective of providing economic self-sufficiency incentives to families by establishing rent policies designed to encourage savings and by providing intensive supportive services to assist residents in removing obstacles to employment.	This proposed MTW activity will simplify rent policy for staff and residents; encourage employment, job retention, and wage progression; and provide increased resident choice by providing residents with an additional rent policy option and applicants with a choice of the demonstration site with its enhanced self-sufficiency services and rent policy versus other available public housing sites.	HABC will measure this activity by assessing changes to average household income, average rent, and number/percent of households with at least one full-time employed household member. The current baseline and the projected 3 year benchmarks are shown below: Current baseline: Average household income of \$8,880; average rent of \$190; and, percent of households with an employed household member is 26%. Proposed benchmarks (by March 2012): Average household income of \$11,250; average rent of \$239; and, 29% percent of households with an employed household member.	HABC will measure this activity through analysis of data collected from residents on an annual basis through rent recertifications.	MTW Agreement Paragraph III; MTW Agreement Attachment C, paragraph C.2; MTW Agreement Attachment C, paragraph C.5; MTW Agreement Attachment C, paragraph C.11.	Since rent will continue to be income-based, there is no additional need for a hardship policy beyond HABC's existing policies.

VII. Resident Services

Over the past several years, HABC has used MTW flexibility to maximize the use of available resources and to refocus strategies toward partnership and service coordination and away from direct service delivery. In that regard, the Family Self-Sufficiency program was restructured to improve program efficiencies and outcomes. New initiatives were designed to promote greater coordination with both internal and external partners to help improve housing operations. Initiatives such as Pre and Post Occupancy, Building Communities and the Beautification project provided needed supports to Housing Operations initiatives. A non-profit was created, Resident Services, Inc. (RSI) to help bring in additional resources from sources not previously accessible to governmental entities.

Partnerships and collaborations have grown to increase resident access to existing services and to help fill the gaps in services particularly to youth, seniors and disabled residents. For example, a partnership was re-established with the Boys and Girls Club for on-site clubs at selected public housing sites. And, the Baltimore City Community College (BCCC) was re-engaged to bring recreational and educational learning supports to seniors.

Existing programs have continued in job training, employment readiness, placement and retention service primarily through the PACE (People Accessing Continued Employment) and CAS (Career Advancement Solutions) programs. Supportive services in literacy training, financial literacy education, computer training provides needed services for barrier removal. Service Coordination/Crisis intervention supports were provided to over 2,500 residents through on-site counselors.

HABC proposes to implement new MTW initiatives focused on building self-sufficiency and creating an atmosphere that supports work for unemployed public housing families eligible to work. These initiatives will include a proposed pilot at Gilmore Homes aimed at testing incentives that will increase rents for one of the lowest rent developments and a program targeted to new and current unemployed occupants of public housing. A key goal of this effort will be to decrease by 50% the number of unemployed residents residing in public housing.

Projections of residents to be served in FY 2010 through these programs are summarized below:

**Table 18:
Residents Served in Self Sufficiency Programs FY 2010**

Service/Program Area	Projected # Residents Served
Family Self-Sufficiency	300
Job Training Services	120
Employment Readiness, Placement, and Retention Service Programs	1100
Resident Training and Technical Assistance	75
Totals	1495

**Table 19:
Residents Served in Support Service Programs FY 2010**

Service/Program Area	Projected # Residents Served
Crisis Intervention/Service Coordination	2500
Child Daycare Program	150
Our House Family Support Center	200
Pre and Post Occupancy Program	750
Community Building Initiative	200
Mega Resource Center	500
Totals	4300

Proposed Initiatives

Currently, the primary employment program for HABC residents is the PACE Program. PACE has been operational for about 10 years providing job readiness, job placement, and retention services to include career development support to approximately 600 individuals a year. While these employment services are available to all residents, starting this year HABC proposes to develop a self-sufficiency initiative focused on significantly reducing the unemployment rate among residents occupying and newly entering public housing properties.

Currently, there are approximately 3,600 public housing heads of household identified as unemployed, non-elderly and non-disabled. Over the next year HABC will develop a comprehensive plan for delivering this initiative to this targeted population. This plan will include the process for engaging resident participation as well as proposed incentives to motivate residents to obtain and retain jobs leading to careers. Preliminarily, the methodology for implementing this initiative will include the following: 1) marketing and outreach strategy; 2) description of services to be provided; 3) incentive plan to encourage employment and job retention; 3) staffing and operational needs; and, 4) evaluation component which measures the outcomes of program participation, i.e. income and rent increases, participation rates, impact on HABC rent structure, and others. HABC anticipates that a more detailed proposal for these services will be included in the Annual Plan for FY 2011.

To further streamline services and coordinate service delivery, HABC also intends to develop a Mega Resource Center. The purpose of the Center is to provide accurate, comprehensive

information and referral services to meet the basic needs, promote overall self-sufficiency and improve the quality of life for HABC residents. The mission of the Resource Center is to provide a seamless system of interconnected agencies, organizations and service providers working together to address the diverse needs of HABC residents. The Mega Resource Center will be established under HABC's nonprofit, Resident Services, Inc.

By design, the Center will be a part of and linked to a network of agencies, community and faith-based organizations, service providers and vendors. Using that network, clients could be directly linked to services and resources without the usual barriers or bureaucracy red tape. Three different portals would be used to access the Mega Resource Center's services. In addition to the traditional walk-in and call-in methods, users would be able to access the Center's service electronically via e-mail and a website with real time customer service capabilities. The advantage of information in an electronic format is that searches can be made more easily and quickly. Using the electronic format, information can be updated, deleted, changed or added without undue costs or effort.

The Mega Resource Center will be physically housed in an appropriate office space, preferably centrally located and readily accessible by public transportation. The Center will be staffed by existing HABC Office of Resident Services staff (assigned on a rotating basis to prevent interruption of other services) and supplemented by resident volunteers. Once fully operational, the Mega Resource Center will serve as a centralized repository of information and service referrals. HABC is proposing to serve a minimum of 1,000 residents, establish and maintain partnerships with a minimum of 150 service providers and improve the availability and accessibility of information and referral services for HABC residents, service partners, the community and staff. HABC anticipates that a more detailed proposal for implementing the Mega Resource Center will be incorporated into the Annual Plan for FY 2011.

Ongoing Initiatives

Family Self-Sufficiency

HABC will continue to operate its restructured FSS program as proposed under the original MTW agreement. Utilizing MTW flexibility, HABC increased its overall program effectiveness and improved success rates among FSS participants by implementing several program changes: 1) eliminating mandated thresholds for number of participants in the HCVP program and expanding the program to include public housing residents; 2) enhancing the program design to target the populations in need; 3) focusing outcomes toward homeownership and unsubsidized economic independence; 4) changing the maximum contract period from five (5) to four (4) years; and developed new procedures/regulations regarding the release of the escrow funds. In addition, to maximize program effectiveness a caseload limit was set for staff to client ratio of 1:75.

Pre and Post Occupancy

Pre and Post Occupancy was designed under MTW to assist new and existing public housing residents with understanding their responsibilities as they apply to the lease; complying with community service requirement; becoming self-reliant in the upkeep and maintenance of their units; and being informed on the resources and programs that exist within their communities and

the city of Baltimore. This program has been fully implemented. To date 905 residents have received training through this initiative.

Building Communities Initiative

Building Communities was designed to address the growing challenge of the social integration of seniors and residents with disabilities in our mixed population sites. The primary program intent is to foster positive and healthy interactions. The core component consists of community boards comprised of both populations and designed to intervene and negotiate conflicts between the two groups and to develop programs and activities that promote safe and friendly environments. To date, eleven developments have participated in this initiative. HABC proposes to continue this initiative by establishing boards at all sites - two additional per year and maintaining program operations throughout the MTW agreement.

The second component of this initiative is the Adopt-A-Resident Program. ARP was designed to provide companionship and personal care assistance to senior and disabled residents. Volunteers are recruited to assist residents in the common areas of the buildings (community rooms and lounges). The program was also expanded to include educational and informational workshops, as well as social and recreational activities. This program will be continued under this MTW agreement. In year 2010, HABC proposes to serve 250 residents and to recruit an additional 25 volunteers.

Beautification Project

The Beautification project was implemented initially in an effort to beautify HABC communities and promote community involvement. The beautification project offered residents at each development an opportunity to participate in a project that would help maintain their community and promote a sense of pride and ownership. Developments participating in the HABC Beautification Project are eligible for participation in an authority-wide competition where incentive awards are given to competition winners. To date all developments have not yet been fully engaged. The future goal is to continue to engage all developments culminating in an agency-wide competition; continue to engage outside organizations to provide ongoing training and technical assistance to program participants; and to facilitate the annual competition awards ceremony.

Youth Services

The original goal under MTW was to develop a youth council at each family development as a way to develop leadership and civic involvement. The formal structure of the youth councils was not successful and the plan was changed to establish youth clubs with an informal structure that accomplished the same goal. Youth clubs have been established at six (6) developments. The primary purpose of the youth councils is to provide public housing youth an opportunity to develop leadership, advocacy, outreach and professional development skills and serve as an outlet for constructive behavior. While the development of youth clubs was the primary goal under MTW, ORS continued to seek partnerships to expand youth programs. A partnership was re-established with the Boys and Girls Club. Under MTW, Boys and Girls Clubs have been implemented at four (4) sites. These clubs bring a variety of leadership programs, life skills and prevention programs, arts and cultural, health and fitness awareness activities. HABC will explore with this partner the expansion of Boys and Girls Clubs to other public housing communities.

A newly proposed project for youth services is the opportunity for a collaborative partnership with an educational company and the Baltimore School System to develop alternative learning labs at selected public housing sites for high school drop-outs. The goal of this partnership is to explore creative ways to help young people who have dropped out of school meet the requirements for graduation in alternative environments. The premise of the on-site locations is to make the programs accessible to meet the youth where they are and motivate their involvement. The program will also be structured to provide career development guidance and other opportunities for successful learning leading to employment or furthering their education.

HABC/RAB Scholarship Program

The Scholarship program will continue as a partnership between HABC and the Resident Advisory Board. The purpose of the Scholarship Program will be to provide assistance to public housing and HCVP student seniors planning to enter college. The program will be funded through sponsors and solicitations from foundations and private sector support. Scholarships will be provided to youth each year based on solicited funding. A marketing strategy will be implemented this year to increase funding for the scholarship program.

Resource Development

A non-profit subsidiary, Resident Services, Inc., was established under MTW to more effectively and efficiently implement and manage direct service programs, coordinate city services for public housing residents and subsidize HABC funding and other resources for resident programs. As federal funding for self-sufficiency and support services programs continue to decrease, it is critically important for housing authorities to target non-federal sources and to become more creative and aggressive in area of resource development. The RSI was established in 2008 as part of the MTW goals. To date, \$855,000 in funding applications has been submitted. RSI will continue as an important avenue for funding and coordinating resident service programs under this MTW agreement. This organization will become a critical component and vehicle for implementing many of the new ORS initiatives and programs.

HABC also continues to offer a number of existing programs aimed at promoting self-sufficiency and improving the overall quality of life for our residents. The following are examples of these initiatives.

Self-Sufficiency, Personal Development and Supportive Service Programs

Self-sufficiency and supportive services are the cornerstones of the HABC ORS mission. Opportunities are provided through a service coordination and delivery system that includes partnerships with local agencies, non-profit organizations, and employers. In addition to the Family Self-Sufficiency Program and the newly devised PACE initiative, HABC ORS will continue to provide a broad array of services to promote self-sufficiency and personal development among residents including: job training; employment readiness, placement and retention services; Child Daycare Program; Our House Family Support Center; literacy training; driver education; computer training; crisis intervention;

Training and Technical Assistance for Resident Organizations

Public housing resident organizations are important partners to housing authorities in the development of programs and policies that serve residents in the communities. To support their ongoing development, training and technical assistance is provided to resident organizations (the

HABC Resident Advisory Board and HABC Resident/Tenant Councils) to build their capacity to function as professional community-based organizations and assist them with resource development activities. Since MTW, ORS has provided technical assistance to over 20 resident councils in resource development, resulting in approximately \$50,000 of funding for programs and services. HABC will continue to explore ways to foster the development of highly functioning and capable resident organizations that are not only self-sufficient, but able to assist residents within their communities become self-sufficient through programs and services.

Resident Academy

Under MTW, HABC proposed to begin working with the Resident Advisory Board (RAB) to establish a Resident Academy. The Academy represents HABC's commitment to foster resident leadership development and growth within our communities. The primary goal of the Academy is to provide an institutional framework for building effective leadership and empower more participation from the resident population. Residents will be offered consistent and formal training on topics such as: Finding Leaders Within; The Roles and Responsibilities of Leadership, Managing Conflict and Communicating for Change. Implementation of the Resident Academy is currently underway and will continue as a MTW initiative under this Agreement.

VIII. Information Technology

In support of the MTW Annual Plan initiatives, HABC's Information Technology Department will undertake and/or complete the following initiatives in FY 2010:

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

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

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

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

IX. Appendixes

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

- Appendix A: Board Resolution Adopting the Annual MTW Plan Certification of Compliance
- Appendix B: Asset Management Table
- Appendix C: Local Asset Management Plan
- Appendix D: Certifications
 - HUD-50071 – Certification of Payments to Influence Federal Transactions
 - SF-424 – Application for Federal Assistance
 - HUD-52723 – Operating Fund Calculation of Operating Subsidy
- Appendix E: Summary of Proposed Changes to HCV Administrative Plan
- Appendix F: Summary of Proposed Changes to the Thompson Special Administrative Plan
- Appendix G: Summary of Changes to the Admissions and Continued Occupancy Policy
- Appendix H: Waiting List Demographics
- Appendix I: Changes/Corrections for Clarification and Grammar
- Appendix J: Changes Made Due to Public Comments
- Appendix K: Changes to the Annual Plan