



BALTIMORE  
HOUSING

# Housing Authority of Baltimore City Moving to Work Annual Report FY 2008 (Year 3)

Sheila Dixon,  
Mayor

Paul T. Graziano,  
Executive Director

Baltimore Housing  
417 East Fayette Street  
Baltimore, MD 21202



*U.S. Department of Housing & Urban Development: Office of Public Housing  
Approved by the HABC Board of Commissioners: September 29, 2008  
Submitted to HUD: September 30, 2008*



**HOUSING AUTHORITY OF BALTIMORE CITY**  
**FY 2008 MOVING TO WORK**  
**ANNUAL REPORT**  
**(Year 3)**

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Moving To Work FY 2008 Annual Report  
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## Introduction and Overview

On March 31, 2005, the Housing Authority of Baltimore City (HABC) entered into a Moving To Work (MTW) Agreement with the U.S. Department of Housing and Urban Development (HUD) for a seven year term commencing on July 1, 2005. MTW is a national demonstration program established by Congress that allows Public Housing Authorities to develop and implement innovative and flexible solutions to local housing needs. Under the MTW Demonstration Program, HABC is given broad latitude to establish locally determined policies and procedures outside of the standard public housing and Housing Choice Voucher Program regulatory framework.

Under the terms of the MTW Agreement between HABC and HUD, HABC is required to prepare and publish an Annual Plan summarizing planned activities and expenditures for the forthcoming fiscal year, as well as an Annual Report summarizing actual activities and expenditures for each completed fiscal year.

### **MTW Annual Report**

This document represents HABC's third Moving To Work Annual Report, summarizing activities undertaken and progress made for the period from July 1, 2007 through June 30, 2008. The Annual Report includes the required information on programs, budgets and initiatives implemented by HABC during Fiscal Year 2008. It includes statistics and narrative information for the following categories:

- Households Served
- Occupancy Policies
- Housing Stock/Inventory
- Sources and Amounts of Funding
- Uses of Funds
- Capital Planning
- Management Information for Owned/Managed Units
- Management Information for Leased Housing
- Resident Programs
- Information Technology

### **Strategic Challenges**

In any discussion of HABC's progress, the fundamental problem of inadequate funding must still be acknowledged. As described in the Annual Plan, HABC's capital investment needs are staggering in comparison to available resources. In the aggregate, HABC's portfolio of public housing units requires greater than \$750 million in capital investment over the seven-year life of this Demonstration simply to maintain its inventory in standard condition. Further, HABC is operating under rigidly defined Consent Decrees, which pose significant financial demands and budget constraints. The extraordinarily high level of need and external demands stands in stark contrast to the approximately \$16 million in Capital Funds (after bond debt service) expected annually in each of the next several years.

HABC's designation as a Moving To Work agency allows the agency to combine existing funds in a block grant while exercising flexibility from many standard program regulations. In addition to identifying and securing additional private and public capital, HABC's challenge under MTW involves allocating its existing and future resources in a way that supports its long-term strategic objectives. These strategic objectives include:

- Implementing a comprehensive asset management plan which addresses:
  - Implementing sustainable and cost-effective modernization or redevelopment strategies to ensure that "viable" properties are maintained indefinitely as quality, affordable housing resources. This includes securing resources to renovate and occupy currently vacant units in viable properties;
  - Identifying options to dispose of "non-viable" properties, i.e. those properties which have been determined to be infeasible as a result of market, physical, financial and/or other factors. This involves funding complex relocation, demolition and land disposition issues;
  - Improving housing conditions and choices for existing and future low-income residents and participants of HABC's public housing and Housing Choice Voucher programs.
- Meeting all Consent Decree requirements related to construction of accessible units, leasing of tenant-based units and leasing of long-term project based units. Costs associated with these requirements continue to increase while great uncertainty remains regarding the federal government's willingness to provide adequate funding;
- Supporting the revitalization of Baltimore's neighborhoods through creative leveraging and partnerships; and,
- Promoting programs and activities to help build healthy, sustainable communities including activities to support resident economic self-sufficiency.

During these first years of MTW, HABC has begun to refine its approach to meeting these strategic objectives. Part of this effort has involved rethinking how block grant funds can be creatively used to support the long-term objectives. This analysis made clear that, in the short term, HABC's inventory of occupied units (in both the HCV and Public Housing programs) would need to decrease somewhat before it begins to expand and ultimately serve substantially the same number of households indicated in the baseline. This decrease did not effect HABC's obligations to house new residents and to transfer existing residents under existing consent decrees. The short term strategy was necessary in order to meet the many overlapping demands including: freeing up resources to support the capital costs associated with 504 rehabilitation as well as to rehabilitate other vacant, but viable units; ensuring adequate funding to support court-ordered leasing and construction efforts; and, providing adequate relocation resources to support necessary asset consolidation. HABC has made substantial progress in this area as reported herein and as such we anticipate continuing growth of both programs in future years under this Demonstration.

## Progress

HUD has failed to provide HABC with a response to its FY08 plan and thus resulted in HABC's temporary deferral of a number of key MTW initiatives. HABC determined that it could no longer delay planned efficiencies and improvements to its operations and implemented its FY08 plan towards the end of the fiscal year. Despite delays the agency made significant progress towards implementing approved revitalization activities, strengthening management systems, and ensuring sound financial systems and practices.

Highlights of HABC's progress during fiscal year 2008 included:

**Neighborhood Revitalization.** Under the *Neighborhood Reinvestment Program*, HABC has been working with private development partners and Baltimore neighborhoods to recapitalize the distressed scattered site public housing stock in strengthening neighborhood markets, linking their redevelopment to a larger program of market-rate rental, strategies to address distressed FHA and private inventories, and for-sale production. These efforts are tightly coordinated with other City initiatives administered by Baltimore Housing, the umbrella agency that includes HABC. 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 re-development of existing ACC units. In FY 2008, HABC and its partners have completed and closed out the Reservoir Hill and Sharp-Leadenhall developments. The Barclay development moved ahead with the execution of a Master Development Agreement with Telesis and the drafting of a development plan. Barclay is expected to be funded largely with tax credits and private funds, although there will be a substantial investment of Rental Housing Factor Funds. Also in FY 2008 master planning was begun at O'Donnell Heights and Somerset Homes.

- **Capital Improvements.** HABC invested approximately \$55.4 million in capital improvements at existing public housing sites as part of system-wide upgrade efforts. The most significant focus of HABC's capital improvement activities involved completing 129 certified UFAS units as part of the Bailey Consent Decree requirements. A total of 582 certified units have been completed to date. In addition, 182 long-term vacant units were renovated/modernized by private contractors for reoccupancy.
- **Redevelopment.** In FY 2008, HABC and its development partners, Pennrose Properties and Doracon Contracting, Inc., completed the first phase of rental construction with 100 new units at the obsolete Freedom and Claremont Homes' development sites and began construction on 72 rental units in phase II and an additional 72 homeownership units. Tax credits were awarded for the third rental phase as well. This \$118 million development will not involve public housing funds but will utilize Section 8 funds for interim financing and project-based subsidy.
- **Security.** HABC continued to focus on improving public safety and reducing crime. During FY 2008, HABC, in collaboration with the Baltimore City Police Department (BCPD), installed 102 interior CCTV cameras at 9 high-rise mixed population buildings and 55 exterior CCTV cameras at Cherry Hill Homes (HABC's largest development) to record and monitor criminal activity. Further, the agency's Lease Enforcement Unit (LEU), investigated and took legal action which resulted in 348 final outcomes, including evictions, voluntary move-outs, and memoranda of understanding in fiscal year 2008.

- **Occupancy.** Increasing the occupancy rate in public housing has been the highest priority in the Housing Operations Division during the past in 3 years. HABC developed and successfully implemented a range of strategies to significantly increase public housing occupancy each year. HABC's adjusted occupancy rate increased from 94.3% in FY 2007 to 98.1% in FY 2008.

The number of assisted households in the Housing Choice Voucher Program increased by 4.7% in FY 2008.

- **Rent Collection.** Rent collection improved to 97.34%, exceeding the 92% benchmark set in the MTW Agreement. This continued improvement is a result of several strategies employed by HABC and discussed in Chapter VII. In addition, HABC's centralized lockbox system lends greater efficiency to the rent collection process.
- **Performance Measurement and Reporting Tools.** Improved reporting capacity, including the addition of new software and tools to measure performance and consistent site-specific performance monitoring, contributed to improved performance overall. Managers and other supervisory staff now have on-line access to a variety of information and up-to-date reports on HABC's intranet to assist in decision-making and work planning.
- **Reasonable Accommodations.** HABC made major strides in improving its services to both applicants and residents with disabilities. This year, HABC implemented a Reasonable Accommodation web based application to track compliance, effectiveness, and efficiency in the response to requests for reasonable accommodations received by Housing Operations staff. This project will be further upgraded in FY 2009 to, among other things, address the tracking of reasonable accommodation requests received by the Housing Choice Voucher Program.
- **Resident Services.** HABC provided an extensive array of self-sufficiency and other services to thousands of residents over the past year. These activities involved all age groups, seniors, people with disabilities and other community residents. Many activities were implemented in concert with HABC's network of local partners.

## MTW Benchmarks

Under the MTW Agreement, HABC established a series of "benchmarks" for each year of the MTW program. The following chart summarizes HABC's progress towards meeting agreed upon benchmarks:

### MTW Benchmarks for FY 2008

Benchmark	Baseline (Established 3/05)	Year 3 (FY 2008) Goal	Year 3 (FY 2008) Actual
<b>Housing Choice Voucher Program (Section 8)</b>			
Housing Choice Vouchers % of Budget Utilization	100%	100%	100%
HQS Enforcement	98%	95%	96.7%
% of precontract HQS passed	100%	100%	100%
<b>Public Housing Program</b>			
% Rent Collected	90%	92%	97.34%
% Units & Systems Inspected	100%	100%	100%
Routine Work Orders (completion days)	8.93 days	7.93 days	5.6 days
Emergency Work Orders (completion days)	<24 hours	<24hours	99% at <24 hours
Adjusted Occupancy Rate	87.7%	94%	98.1%
<b>Economic Self-Sufficiency &amp; Life Enhancement Services</b>			
Residents assisted	800	1,000	1501
<b>Fiscal Controls</b>			
Amount of Expendable Fund Balance in Operating Reserve	1 month	1 month	3.1 months
Current Ratio	>1.0	>1.0	2.2

**Housing Choice Voucher Program** – HABC met the benchmarks to achieve 100% HCV budget utilization and the percentage of pre-contract passed HQS inspections, and was 1.7% above its benchmark for HQS Enforcement (annual inspection of occupied units). Although HABC's ultimate goal is to perform inspections on all units annually, this has not been possible due to a number of factors:

- HABC's adherence to a higher standard of unit acceptability, leading to a greater number of failed and of follow-up inspections;
- The higher number of failed inspections has led to the issuance of a greater number of move vouchers and a concomitant increase in the number of pre move-in inspections required;
- As a result of HABC's Increased Utilization Initiative to increase the number of families participating in the program, there has been a significant increase in the number of pre move-in inspections required.

HABC is taking a number of steps to increase the quality and quantity of inspections performed annually.

**Public Housing Program** – HABC met the benchmarks to achieve 100% inspection of units and systems. HABC exceeded the benchmarks for percentage of rent collection and routine work order turnaround time. HABC also exceeded its adjusted occupancy benchmark, consistent with HABC’s asset management strategy.

Due to the reasons discussed in Chapter VII, HABC did not meet the benchmark for completion of 100% of all emergency work orders in less than 24 hours. For FY 2008, HABC completed 99% of all emergency work orders in less than 24 hours.

**Economic Self Sufficiency** – HABC significantly exceeded the benchmark for number of residents assisted under the Economic Self-Sufficiency and Life Enhancement services programs.

**Fiscal Controls** – HABC exceeded the benchmark requirement for operating reserves.

## Section I. Households Served

This section of the HABC MTW Annual Report provides statistical information on the households served through HABC's Public Housing and Housing Choice Voucher programs during fiscal year 2008 (MTW Year Three), as compared to fiscal year 2007 (MTW Year Two). The profile of current households represents a snapshot as of June 2008. Overall, between MTW year two and three, the number of eligible low-income households served by HABC increased by 4.2%.

**Table 1-1: Households Served**

	Jun-07						Jun-08						Total FY Variance
	PH	% of TOT	HCVP	% of TOT	TOTAL	% of TOT	PH	% of TOT	HCVP	% of TOT	TOTAL	% of TOT	
TOT OCC	10055		9652		19707		10445		10123		20568		
0 BR	1310	13.0%	429	4.4%	1739	8.8%	1310	12.5%	446	4.4%	1756	8.5%	-0.3%
1 BR	3525	35.1%	1830	19.0%	5355	27.2%	3585	34.3%	2023	20.0%	5608	27.3%	0.1%
2 BR	2874	28.6%	2965	30.7%	5839	29.6%	3105	29.7%	3006	29.7%	6111	29.7%	0.1%
3 BR	1724	17.1%	3534	36.6%	5258	26.7%	1804	17.3%	3658	36.1%	5462	26.6%	-0.1%
4 BR	470	4.7%	751	7.8%	1221	6.2%	493	4.7%	838	8.3%	1331	6.5%	0.3%
5 BR	128	1.3%	124	1.3%	252	1.3%	123	1.2%	133	1.3%	256	1.2%	0.0%
6 BR	24	0.2%	19	0.2%	43	0.2%	25	0.2%	19	0.2%	44	0.2%	0.0%

\* Excludes Substantial Rehab, New Construction and Thompson Tenant and Project Based vouchers

### Public Housing Occupancy: Explanation of Variance

HABC's public housing occupancy increased 3.8% in FY08 as compared to FY07 bringing its overall adjusted occupancy to 98.1%.

The changes in occupancy data from 2007 to 2008 for public housing reflect a combination of factors:

- Reduction of non-viable units (demolished/proposed for demolition or disposition).
- Strong marketing efforts overall.
- 366 households transferred within public housing, while 1,438 applicants on the waiting list moved into public housing units.
- 1,923 units were prepared for occupancy through vacancy renovations, unit modernizations and gut rehabs to create units for the mobility impaired.

Public Housing occupancy shows a remarkable increase in the number of occupied units despite a number of initiatives that had a negative impact on occupancy:

- Continued transfers from viable units to newly renovated wheelchair-accessible units.
- Ongoing enhanced lease enforcement efforts for criminal activity and other lease violations.
- A combined 1,539 transfers or moveouts.

Housing Choice Voucher Program (HCVP) Utilization: Explanation of Variance

The number of assisted households in the conventional HCVP/MOD programs increased by 471 (4.7%). A more detailed analysis of HCVP utilization is included with Table 8-1.

**Household Characteristics**

The most significant demographic shift in public housing continues to be the increase in the non-elderly disabled households as a percentage of all public housing residents: an increase from 28.2% in June 2007 to 30.4% in June 2008; a net increase of 692 households overall. This shift is substantially due to the implementation of the Bailey Consent Decree and an increase in HABC's overall occupancy levels.

**Table 1-2: Household Types**

	Jun-07						Jun-08						Total FY Variance
	PH	% of TOT	HCVP	% of TOT	TOTAL	% of TOT	PH	% of TOT	HCVP	% of TOT	TOTAL	% of TOT	
Total Households	10055		9652		19707		10445		10123		20568		
Elderly	3028	30.1%	1331	13.8%	4359	22.1%	2873	27.5%	1351	13.3%	4224	20.5%	-1.6%
Non Elderly Disabled	3057	30.4%	2496	25.9%	5553	28.2%	3371	32.3%	2874	28.4%	6245	30.4%	2.2%
Other	3970	39.5%	5825	60.4%	9795	49.7%	4201	40.2%	5898	58.3%	10099	49.1%	-0.6%

\* Excludes Substantial Rehab, New Construction and Thompson Tenant and Project Based vouchers

Table 1-3 indicates an increase in the total number of households with incomes below 30 percent of the Area Median Income (30% of AMI) served, however there was no change to the overall distribution of incomes across the total households served in FY08.

**Table 1-3: Income Groups**

	Jun-07						Jun-08						Total FY Variance
	PH	% of TOT	HCVP	% of TOT	TOTAL	% of TOT	PH	% of TOT	HCVP	% of TOT	TOTAL	% of TOT	
Total Occupied Units	10055		9652		19707		10445		10123		20568		
Less than 30% of AMI	9187	91.4%	8572	88.8%	17759	90.1%	9533	91.3%	9004	88.9%	18537	90.1%	0.0%
30 - 50 % of AMI	728	7.2%	1030	10.7%	1758	8.9%	767	7.3%	1052	10.4%	1819	8.8%	-0.1%
50 - 80 % of AMI	129	1.3%	48	0.5%	177	0.9%	121	1.2%	64	0.6%	185	0.9%	0.0%
Greater than 80% of AMI	11	0.1%	2	0.0%	13	0.1%	24	0.2%	3	0.0%	27	0.1%	0.1%

\* Excludes Substantial Rehab, New Construction and Thompson Tenant and Project Based vouchers

As shown in Table 1-4 below, the composition of households served by race has remained substantially constant since the baseline period.

**Table 1-4: Race**

	Jun-07						Jun-08						Total FY Variance
	PH	% of TOT	HCVP	% of TOT	TOTAL	% of TOT	PH	% of TOT	HCVP	% of TOT	TOTAL	% of TOT	
<b>Households</b>	10055		9652		19707		10445		10123		20568		
<b>African American</b>	9545	94.9%	9083	94.1%	18628	94.5%	9950	95.3%	9520	94.0%	19470	94.7%	0.2%
<b>White</b>	253	2.5%	553	5.7%	806	4.1%	266	2.5%	545	5.4%	811	3.9%	-0.2%
<b>American Indian</b>	96	1.0%	21	0.2%	117	0.6%	80	0.8%	22	0.2%	102	0.5%	-0.1%
<b>Asian</b>	129	1.3%	9	0.1%	138	0.7%	122	1.2%	8	0.1%	130	0.6%	-0.1%
<b>Native Hawaiian</b>	8	0.1%	5	0.1%	13	0.1%	9	0.1%	6	0.1%	15	0.1%	0.0%
<b>No Race Code</b>	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
<b>Multi Race Code</b>	24	0.2%	19	0.2%	43	0.2%	18	0.2%	22	0.2%	40	0.2%	0.0%

\* Excludes Substantial Rehab, New Construction and Thompson Tenant and Project Based vouchers

Similarly, Table 1-5 indicates no significant change in the ethnic composition of HABC residents.

**Table 1-5: Ethnicity**

	Jun-07						Jun-08						Total FY Variance
	PH	% of TOT	HCVP	% of TOT	TOTAL	% of TOT	PH	% of TOT	HCVP	% of TOT	TOTAL	% of TOT	
<b>Households</b>	10,055		9,652		19,707		10,445		10,123		20,568		
<b>Hispanic</b>	27	0.3%	60	0.6%	87	0.4%	39	0.4%	70	0.7%	109	0.5%	0.1%
<b>Non Hispanic</b>	10,028	99.7%	9,592	99.4%	19,620	99.6%	10,406	99.6%	10,053	99.3%	20,459	99.5%	-0.1%
<b>No Ethnicity</b>	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%

\* Excludes Substantial Rehab, New Construction and Thompson Tenant and Project Based vouchers

### Households on the Waiting List

Table 1-6 compares waiting list data by bedroom size and demonstrates a 14.9% increase in public housing only housing applications, 2,236.

HABC's HCVP Waiting List was closed during FY2008. Applications were only accepted from families making a claim that one or more members of that family have a disability. From June 2007 through June 2008, the total number of active applications on the HCVP waiting lists

(HCVP only plus Both) decreased by 2,747 (from 19,142 to 16,395). This change is a result of HABC's Increased Utilization Initiative, which called more than 6800 applicants from the HCVP waiting list during FY2008.

Other changes in waiting list demographics are not significant.

**Table 1-6: Waiting List by Bedroom Size: June 2007 vs. June 2008**

BR	Jun-07								Jun-08								Total FY Variance
	PH Only	% of Total	HCVP Only	% of Total	Both	% of Total	Total	% of Total	PH Only	% of Total	HCVP Only	% of Total	Both	% of Total	Total	% of Total	
	12,847		11,979		7,163		31,989		15,083		11,549		4,846		31,478		
Unspecified	2	0.0%	1	0.0%	0	0.0%	3	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
0	29	0.2%	147	1.2%	30	0.4%	206	0.6%	22	0.1%	168	1.5%	48	1.0%	238	0.8%	0.6%
1	6,263	48.8%	6,906	57.7%	2,704	37.7%	15,873	49.6%	6,610	43.8%	6,710	58.1%	2,349	48.5%	15,669	49.8%	6.0%
2	4,350	33.9%	3,331	27.8%	2,605	36.4%	10,286	32.2%	5,447	36.1%	2,932	25.4%	1,411	29.1%	9,790	31.1%	-5.0%
3	1,886	14.7%	1,325	11.1%	1,526	21.3%	4,737	14.8%	2,584	17.1%	1,409	12.2%	879	18.1%	4,872	15.5%	-1.7%
4	274	2.1%	239	2.0%	261	3.6%	774	2.4%	380	2.5%	284	2.5%	136	2.8%	800	2.5%	0.0%
5	38	0.3%	27	0.2%	32	0.4%	97	0.3%	36	0.2%	40	0.3%	21	0.4%	97	0.3%	0.1%
6	5	0.0%	3	0.0%	3	0.0%	11	0.0%	4	0.0%	5	0.0%	1	0.0%	10	0.0%	0.0%
7	0	0.0%	0	0.0%	2	0.0%	2	0.0%	0	0.0%	1	0.0%	1	0.0%	2	0.0%	0.0%

\*Excludes Substantial Rehab, New Construction and Thompson Tenant and Project Based vouchers

**Table 1-7: Waiting List by Household Type**

HH TYPE	Jun-07								Jun-08								Total FY Variance
	PH Only	% of Total	HCVP Only	% of Total	Both	% of Total	Total	% of Total	PH Only	% of Total	HCVP Only	% of Total	Both	% of Total	Total	% of Total	
	12,847		11,979		7,163		31,989		15,083		11,549		4,846		31,478		
Elderly	878	6.8%	856	7.1%	261	3.6%	1,995	6.2%	790	5.2%	950	8.2%	143	3.0%	1,883	6.0%	-0.3%
Nonelderly Disabled	3,385	26.3%	7,343	61.3%	3,701	51.7%	14,429	45.1%	3,869	25.7%	6,866	59.5%	3,059	63.1%	13,794	43.8%	-1.3%
Other	8,584	66.8%	3,780	31.6%	3,201	44.7%	15,565	48.7%	10,424	69.1%	3,733	32.3%	1,644	33.9%	15,801	50.2%	1.5%

\*Excludes Substantial Rehab, New Construction and Thompson Tenant and Project Based vouchers

**Table 1-8: Waiting List by Area Median Income Group**

INCOME	Jun-07								Jun-08								Total FY Variance
	PH Only	% of Total	HCVP Only	% of Total	Both	% of Total	Total	% of Total	PH Only	% of Total	HCVP Only	% of Total	Both	% of Total	Total	% of Total	
	12,847		11,979		7,163		31,989		15,083		11,549		4,846		31,478		
Below 30%	12,243	95.3%	11,451	95.6%	6,792	94.8%	30,486	95.3%	14,522	96.3%	11,026	95.5%	4,639	95.7%	30,187	95.9%	0.6%
30% to 50%	558	4.3%	493	4.1%	336	4.7%	1,387	4.3%	514	3.4%	486	4.2%	185	3.8%	1,185	3.8%	-0.6%
50% to 80%	38	0.3%	32	0.3%	33	0.5%	103	0.3%	39	0.3%	33	0.3%	20	0.4%	92	0.3%	0.0%
Over 80%	8	0.1%	3	0.0%	2	0.0%	13	0.0%	8	0.1%	4	0.0%	2	0.0%	14	0.0%	0.0%

\*Excludes Substantial Rehab, New Construction and Thompson Tenant and Project Based vouchers

**Table 1-9: Waiting List by Race**

RACE	Jun-07								Jun-08								Total FY Variance
	PH Only	% of Total	HCVP Only	% of Total	Both	% of Total	Total	% of Total	PH Only	% of Total	HCVP Only	% of Total	Both	% of Total	Total	% of Total	
	12,847		11,979		7,163		31,989		15,083		11,549		4,846		31,478		
No Race Code	98	0.8%	4	0.0%	8	0.1%	110	0.3%	59	0.4%	4	0.0%	2	0.0%	65	0.2%	-0.2%
White	589	4.6%	862	7.2%	326	4.6%	1,777	5.6%	655	4.3%	800	6.9%	258	5.3%	1,713	5.4%	1.1%
African American	11,967	93.2%	10,971	91.6%	6,759	94.4%	29,697	92.8%	14,178	94.0%	10,633	92.1%	4,508	93.0%	29,319	93.1%	-0.9%
American Indian	34	0.3%	67	0.6%	27	0.4%	128	0.4%	36	0.2%	38	0.3%	29	0.6%	103	0.3%	0.1%
Asian	62	0.5%	33	0.3%	21	0.3%	116	0.4%	64	0.4%	31	0.3%	25	0.5%	120	0.4%	0.0%
Native Hawaiian	97	0.8%	42	0.4%	22	0.3%	161	0.5%	91	0.6%	43	0.4%	24	0.5%	158	0.5%	-0.1%

\*Excludes Substantial Rehab, New Construction and Thompson Tenant and Project Based vouchers

**Table 1-10: Waiting List by Ethnicity**

ETHNICITY	Jun-07								Jun-08								Total FY Variance
	PH Only	% of Total	HCVP Only	% of Total	Both	% of Total	Total	% of Total	PH Only	% of Total	HCVP Only	% of Total	Both	% of Total	Total	% of Total	
	12,847		11,979		7,163		31,989		15,083		11,549		4,846		31,478		
No Ethnicity	84	0.7%	6	0.1%	3	0.0%	93	0.3%	4	0.0%	2	0.0%	0	0.0%	6	0.0%	-0.3%
Hispanic	62	0.5%	206	1.7%	73	1.0%	341	1.1%	60	0.4%	185	1.6%	54	1.1%	299	0.9%	-0.1%
Non Hispanic	12,701	98.9%	11,767	98.2%	7,087	98.9%	31,555	98.6%	15,019	99.6%	11,362	98.4%	4,792	98.9%	31,173	99.0%	0.4%

\*Excludes Substantial Rehab, New Construction and Thompson Tenant and Project Based vouchers

## Section II. Occupancy Policies

### **Housing Choice Voucher Program**

In FY07, the Housing Choice Voucher Program developed and implemented its planned 2-year recertification initiative. As of June 30, 2008, 100% of all tenant-based accounts have been re-certified within two years of their last certification effective date.

By expanding the recertification schedule from one to two years, HABC staff have had the opportunity to increase the quality and standards of recertifications performed, thus reducing the potential for errors and omissions. HABC continues to implement safeguards to ensure that changes in family composition and/or income are captured between recertifications and that appropriate adjustments to tenant rent share and housing assistance payments occur in a timely manner.

### **Public Housing Program**

While HABC did not make any substantial changes in the occupancy policies of its Public Housing Program, pre-requisite planning and research was conducted and numerous initiatives were implemented to streamline operations:

**1. Bi-Annual Recertifications for Households with Fixed Incomes.** A policy proposal has developed around a number of goals, including, (a) reducing the administrative burden on HABC staff, (b) reducing unnecessary intrusion into the lives of fixed-income households, (c) ensuring that residents are not required to pay increased rent due to the change in policy, and (d) ensuring that rent revenue does not decrease as a result of the change. Under the proposal, all fixed-income households will have a "full recertification" every two years and an "expedited recertification" based on income only in the interim years. To ensure that residents do not pay more than 30% of their adjusted income, residents will continue to have the right to request an interim recertification if they believe they should have a lower rent. HABC has begun discussions with the Resident Advisory Board about a revised rent policy for households not on fixed incomes.

**2. Site-Based and Private Property Management Practices.** Almost all HABC properties now have at least one full-time property manager responsible for their property and the outcomes. This change has continued to yield very positive results on a number of performance measures. For example, by the end of FY2008, all mixed-population high-rises' occupancy levels exceeded 99%, with 10 of the 16 sites being 100% occupied. During FY2008, HABC also continued to decentralize some of its centralized maintenance crews. For example, the centralized "Rapid Vacancy Team" staff were assigned to family developments with the lowest occupancy levels. This change contributed to a 98.1% overall occupancy level at the end of the fiscal year. HABC will continue to evaluate its operations to determine the cost-effectiveness of further decentralization.

**3. Rent Collection Policies and Practices.** HABC has completed implementation of a fully automated system to track rent collection and lease-enforcement procedures. After extensive education of residents and conferences with individual residents, HABC has started implementing its foreclosure of right of redemption when residents have had four judgments for failure to pay rent in a 12-month period. This has started to increase compliance with the lease and has had a significant impact on the number of failure to pay court cases.

## Section III. Housing Stock

HABC's existing inventory includes a total of 12,463 public housing units (including privately managed sites) and 10,182 Housing Choice Voucher program units as indicated in Table 3-1 below.

**Table 3-1: Housing Inventory**

	Jun-07						Jun-08						Total FY Variance
	PH	% of TOT	HCVP	% of TOT	TOTAL	% of TOT	PH	% of TOT	HCVP	% of TOT	TOTAL	% of TOT	
<b>TOT Units</b>	13,452		9,652		23,104		12,463		10,123		22,586		
<b>0 BR</b>	1,340	10.0%	429	4.4%	1,769	7.7%	1,338	10.7%	446	4.4%	1,784	7.9%	0.2%
<b>1 BR</b>	4,260	31.7%	1,830	19.0%	6,090	26.4%	3,981	31.9%	2,023	20.0%	6,004	26.6%	0.2%
<b>2 BR</b>	3,925	29.2%	2,965	30.7%	6,890	29.8%	3,637	29.2%	3,006	29.7%	6,643	29.4%	-0.4%
<b>3 BR</b>	2,636	19.6%	3,534	36.6%	6,170	26.7%	2,362	19.0%	3,658	36.1%	6,020	26.7%	-0.1%
<b>4 BR</b>	951	7.1%	751	7.8%	1,702	7.4%	831	6.7%	838	8.3%	1,669	7.4%	0.0%
<b>5 BR</b>	290	2.2%	124	1.3%	414	1.8%	262	2.1%	133	1.3%	395	1.7%	0.0%
<b>6 BR</b>	50	0.4%	19	0.2%	69	0.3%	52	0.4%	19	0.2%	71	0.3%	0.0%

\*Excludes Substantial Rehab, New Construction and Thompson Tenant and Project Based Vouchers.

### **Public Housing Inventory**

HABCs public housing inventory consists of 12,463 units, 10,445 of which are occupied, and 2,018 of which are currently vacant. The reduction in units from 2007 to 2008 is due to reconfiguration of units to create UFAS units, the reduction of nonviable units through demolition (see Table 3-3 below) and increases in mixed-finance development of privately managed units (see Table 3-2 below).

The following accounts for the 2,018 vacant public housing units:

- 20 are non-dwelling units.
- 424 are currently under or identified for contract vacancy renovation/modernization.
- 37 are under contract for UFAS renovations (some of these units will be combined to create an accessible unit).
- 201 vacant units are scheduled for vacancy turnaround by staff for re-occupancy
- 80 units at Mt. Winans are being evaluated for possible demolition or comprehensive rehabilitation.
- 352 units scheduled for demolition are currently vacant, as follows:
  - 257 units at Somerset Homes.
  - 81 units at Westport Extension (former 232 unit site, demolition is in progress)
  - 14 units at Claremont Homes Extension. Relocation of remaining households, 138, will commence in FY09 to complete redevelopment of site.
  - The remaining 904 vacant units are in the scattered-sites program and are discussed further below.

Units created through mixed finance development in FY08 include the following:

**Table 3-2 Mixed Finance Unit Production**

Project Name	ACC Units for FY'08	LIHTC for FY'08	PBS8 or FY'08	TOTAL for FY'08	Remaining Affordable Units to be Created	Total Planned Affordable Units
58 Unit Homes for America Project	5	0	0	5	51	58
22 Thompson	0	0	0	0	22	22
Barclay	0	0	0	0	134	134
Orchard Ridge Rental I *	0	26	54	54	0	54
Orchard Ridge Rental II	0	0	0	0	57	57
Orchard Ridge Rental III	0	0	0	0	77	77
<b>Total</b>	<b>5</b>	<b>26</b>	<b>54</b>	<b>59</b>	<b>341</b>	<b>402</b>

*\*Some projects have Project Based Section 8 units that overlap with LIHTC only units.*

**Table 3-3 Demolition/Disposition Changes**

Project Name (Description)	Projected Units	Status
O'Donnell Heights (Partial Demolition)	498	Approved by HUD – Demolition Completed
Barclay	134	Disposition Approved by HUD
502-504 E. North Avenue	2	Disposition Approved by HUD
Poppleton Redevelopment	4	Disposition Approved by HUD
Poppleton Coop Redevelopment	10	Disposition Approved by HUD
Mt. Winans (Partial Demolition)	88	Under evaluation for partial demolition or comprehensive modernization
Westport Homes Ext.	232	Approved by HUD - Demolition Completed
Somerset Homes	257	Demolition Approved by HUD Demolition to commence 4th Q of CY2009
Claremont Homes Extension (Demolition/Disposition)	152	Application submitted, pending HUD Approval
Scattered Site Units/Lots	12	Dispositioned for redevelopment Emergency demolitions
<b>Total</b>	<b>1,695</b>	



In the scattered-sites program, 1,442 units are currently vacant or have been demolished. HABC is developing a redevelopment plan for a portion of the vacant units, however the majority of these units are in a severe state of disrepair and would exceed mandated cost limits to rehabilitate. As such, HABC will dispose of a large percentage of these based on an evaluation of the viability of the units and the neighborhoods where they are located. The properties are in the process of being dispositioned to the City for demolition, re-development, or land banking, as part of the Project 5000 program.

## IV. Sources and Amounts of Funding

HABC's fiscal year covers the period of July 1 through June 30. The financial plan includes two major components – Moving-to-Work (MTW) and non-MTW. The MTW Block Grant includes three major funding sources:

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

Programs that are not included in the MTW Block Grant include the following funding sources:

- Section 8 Moderate Rehabilitation
- Section 8 Substantial Rehabilitation/Section 8 New Construction
- City of Baltimore – Affordable Housing
- City of Baltimore - Housing and Community Development (HCD) pass-through reimbursable expenses
- Upfront Grant
- Hope VI Grant
- Development Activities
- Various Resident Services Grants
- Business Activities

### A. All sources and amounts of funding included in the MTW Budget

**Table 4-1 FY 2008 Planned vs Actual Funding Amounts - MTW**

<u>UNAUDITED</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Dwelling Rental Income	\$27,662,340	\$28,029,196	\$366,856
Public Housing Subsidies	\$60,977,686	\$62,632,690	\$1,655,004
Capital Fund/RHFF Block Grant	\$41,907,205	\$29,776,357	(\$12,130,848)
Section 8 Housing Choice Voucher	\$91,905,769	\$113,917,612	\$22,011,843
Section 8 HCV Project Reserves	\$10,485,468	\$11,832,121	\$1,346,653
Other Income	\$1,618,557	\$1,892,892	\$274,335
Investment Income	\$2,681,744	\$2,453,278	(\$228,466)
<b>Total Consolidated MTW Revenue *</b>	<b>\$237,238,769</b>	<b>\$250,534,145</b>	<b>\$13,295,376</b>

\* "Total Consolidated MTW Revenue" as reported in Table 4-1 above excludes the "Loss on sale of fixed assets" in the amount of \$21,578,969. These losses are recognized as a result of properties removed from the book for demolitions of Westport Ext, O'Donnell Heights and Scattered Sites units. These losses reduce "Total Revenue" as reported in the Financial Data Schedule (FDS).

**Narrative discussions/explanation of variances:**

1. Actual Dwelling Rental Income exceeded budget as a result of increased occupancy at 98.1% at the end of the fiscal year.
2. Actual Operating Subsidies exceeded budget because of a higher funding proration factor than planned. Public Housing Subsidies were budgeted at an estimated proration level of 82.9%. HABC received subsidies from HUD at 85% proration for July through September 2007, 87.6% proration for October through December 2007, and 84% proration for January through June 2008. These funding prorations resulted in a total loss of over \$12 million for the fiscal year ending June 30, 2008.
3. Actual Capital Fund Program and Replacement Housing Factor Fund revenues were below budget because various redevelopment projects, i.e., Broadway 58 Units (a Consent Decree Project), Preston Street Redevelopment and Barclay Redevelopment, were delayed. The projected MTW Block Grant revenues were not drawn to pay for these construction costs. Additionally, HABC also experienced unforeseen delays in some planned construction and demolition activities. These activities will be planned and carried out during FY 2009.
4. Actual Section 8 Housing Choice Voucher (HCV) funding from HUD exceeded budget in FY 2008. At the time of the budget preparation, the HCV funding was estimated at a prorated level of 90%. The actual HCV Housing Assistance Payment (HAP) funding was at 105.017% proration for the first six months of fiscal year 2008 and 101.453% proration for the second six months.
5. Actual revenue withdrawn from the Section 8 HCV Project Reserves was higher than budgeted to pay for the increased HAP expenses for the consent decree vouchers and the mobility counseling contract costs incurred by Quadel.
6. "Other Income" exceeded budget due to additional income generated at the privately managed sites for interest earned on Notes Receivables from the related mixed-finance transactions. "Investment Income" was below budget due to reductions in interest rates by the Federal Reserve.

**B. Sources and amounts of special purpose funds outside the MTW Budget**

**Table 4-2 FY 2008 Planned vs Actual Funding Amounts – Non-MTW**

<b>UNAUDITED</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
S/8 Mod & Sub Rehab, New Construction	\$9,754,405	\$7,828,116	(\$1,926,289)
Energy Performance Contract	\$32,348,750	\$0	(\$32,348,750)
City of Baltimore - Affordable Housing	\$12,812,081	\$610,402	(\$12,201,679)
City of Baltimore - HCD pass thru Expenses	\$12,302,777	\$13,766,453	\$1,463,676
HOPE VI	\$1,460,000	\$877,051	(\$582,949)
Upfront Grant	\$0	\$4,062,261	\$4,062,261
Development Activities	\$11,869,000	\$1,552,190	(\$10,316,810)
Resident Services Grants	\$4,304,936	\$3,665,747	(\$639,189)
Business Activities	\$2,013,279	\$2,814,162	\$800,883
<b>Special Purpose Funds outside MTW</b>	<b>\$86,865,228</b>	<b>\$35,176,382</b>	<b>(\$51,688,846)</b>

**Narrative discussions/explanation of variances:**

The Special Purpose Funds outside the MTW block grant during FY 2008 was below budget for the following reasons:

1. Section 8 Mod & Sub Rehab, New Construction revenue was below budget as a result of HUD's transfer of the Foxwell and Mt. Claire properties from HABC to the State of Maryland on July 1, 2007 and April 1, 2008 respectively.
2. Revenue from the Energy Performance Contract (EPC) were not realized due to HUD's failure to timely review and approve the project.
3. The City of Baltimore's affordable housing fund was primarily planned for the demolition of certain public housing units. Due to delays of such demolition activity and a change of funding source, spending in FY 2008 was delayed. Demolition of Somerset Homes will commence in FY 2009. The O'Donnell Heights demolition was funded by HABC instead of from the City's affordable housing fund.
4. Actual revenue for reimbursements of the HCD pass through expenses from the City of Baltimore exceeded budget in FY 2008, due to delays in transferring HCD positions to the City. HABC receives instantaneous reimbursement from the City for these contractual positions as pass through expenses.
5. A portion of the HOPE VI revenue was not drawn because of smaller expenditures than anticipated to create 168 affordable homeownership opportunities pursuant to the Thompson Partial Consent Decree.
6. The HUD Upfront Grant revenue was recognized for the redevelopment of new subsidized rental units at Orchard Ridge.

7. Revenue from development activities was below budget, primarily because of the Water, Waste Water and Motor Vehicle Revenue funds shifting from HABC to the City of Baltimore. The City used these funds to pay for public infrastructure at the newly developed project - Orchard Ridge. Instead of providing funding to HABC, the City procured a vendor to implement the public infrastructure improvements.
8. Resident Services Grants actuals report less than anticipated, however such variance is due to the inclusion of budgeted in-kind services in the amount of \$715,022. In kind service transactions are not reported under HABC's financial transactions.
9. The Business Activity revenue exceeded budget due to increased revenue recognized by HABC's force account construction company. In addition, HABC's affordable housing units operated by Alternative Management Entities (AME) also generated more revenues than anticipated.

**C. Consolidated Financial Statement**

**Table 4-3 Consolidated Financial Statement for FY 2008**

<b><u>UNAUDITED</u></b>	<b><u>Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance</u></b>
Consolidated MTW Revenue	\$237,238,769	\$250,534,144	\$13,295,375
Special Purpose Funds outside MTW	\$86,865,228	\$35,176,382	(\$51,688,846)
<b>Total Revenues</b>	<b>\$324,103,997</b>	<b>\$285,710,526</b>	<b>(\$38,393,471)</b>

## V. Uses of Funding

This section outlines the uses of funds for Moving-to-Work (MTW) and Non-MTW activities. HABC's actual uses of funds totaled \$274,415,656 for the fiscal year ending June 30, 2008 as discussed below.

### **A. Budget vs Actual Expenditures - MTW / Non-MTW**

**Table 5-1 FY 2008 Budgeted vs Actual Expenditures by Line Items**

<b><u>UNAUDITED</u></b>	<b><u>Budget</u> *</b>	<b><u>Actual</u></b>	<b><u>Variance</u></b>
Administrative and Housing Management	\$41,146,100	\$44,851,068	(3,704,968)
Tenant Services *	\$7,157,443	\$6,517,745	639,698
Utilities	\$34,347,577	\$28,030,314	6,317,263
Maintenance Operations	\$34,010,890	\$32,457,199	1,553,691
Protective Services	\$2,640,303	\$3,293,947	(653,644)
General Expenses and Casualty Losses	\$9,310,745	\$8,809,789	500,956
Debt Service Repayment	\$6,517,165	\$6,515,382	1,783
Housing Assistance Payments	\$87,013,927	\$88,317,008	(1,303,081)
Construction (Hard) Costs	\$107,446,658	\$55,623,204	51,823,454
<b>Total Actual Uses of Fund</b>	<b>\$329,590,808</b>	<b>\$274,415,656</b>	<b>55,175,152</b>

\* The Tenant Services budget included planned expenses from In-kind contributions. HABC does not record these expenses in the book.

### **B. Narrative/Explanation of Difference**

1. Administrative and Housing Management include salaries, benefits for administrative staff and housing management staff in all programs. Also included are administrative operating expenses such as office rent, telephone, computer materials and contracts, postage, supplies and the HCD pass through expenses reimbursed instantaneously by the City of Baltimore. The majority of the administrative and housing management cost variance is due to a delay in conversion of HCD contractual positions to the City of Baltimore causing increased recorded salaries and benefits as pass through expenses. In addition, there were increases for benefits of retirees and compensated absences.
2. Tenant Services include salaries, benefits and related materials and supplies used to support tenant councils and the Resident Advisory Board, and to provide direct services to residents of public housing. The Tenant Services budget included in-kind contributions of \$715,022 which should not have been budgeted, as such it is not recorded as an actual expenditure.
3. Utilities include expenses for water, electricity, gas, steam and fuel consumed in the Housing Authority. Actual utility rate for gas was lower than budget due to successful procurement for the competitive gas prices. There were also decreases in consumption of electric, oil, and steam due close monitoring and a reduced number of public housing units resulting from demolition and disposition activity.

4. Maintenance Operations include salaries and benefits of ordinary maintenance workers assigned to the public housing sites. It also includes ordinary maintenance materials and ordinary maintenance contracts. Approximately 1,400 vacant units were re-occupied as a result of aggressive unit turn-around efforts. This category also includes outside contract costs to privatized firms who operate some of HABC's public housing and affordable housing units. The actual expenditure in this category was below budget. Due to compliance with the Generally Accepted Accounting Principles (GAAP), some of the actual renovation work was capitalized as fixed assets instead of being expended under this Maintenance Operations category. These fixed assets will be depreciated in accordance with the GAAP guidelines.
5. Protective Services include salaries benefits and other related costs of building monitors assigned to public housing developments. Due to a high turn over for the building monitor positions, additional overtime services were provided to ensure safety at various housing sites.
6. General Expenses and Casualty Losses (non-capitalized) include insurance premiums for General Liability, Worker's Compensation, automobile, etc. This category also includes collection losses for uncollected rent, extraordinary maintenance and deductible amounts not covered by the insurance carriers for casualty losses incurred by HABC. Expenses for HABC's affordable housing units run by Alternative Management Entities (AME) are also included here. The decrease in these expenses is due to a combination of savings realized in the areas of insurance and workers compensation, and efficient management of AME activities.
7. Debt Service Repayment is funded by HABC's Capital Fund Program to repay Loan Proceeds from the sale of bonds issued by the State of Maryland. HABC used these loan proceeds to accelerate capital improvements in previous fiscal years.
8. Housing Assistance Payments include rent subsidies paid to landlords and utility assistance paid to tenants by the Section 8 programs. The increase in this category is due to increased leased units in the regular voucher and Thompson partial consent decree programs.
9. Construction (Hard) Costs include activities planned for development, handicap accessibility modifications, vacancy renovation, systems replacement, security systems, demolition costs of O'Donnell Height units, etc. Spending targets were below budget due to delays associated with various development and construction activities (Thompson 22 Units, Barclay, and Somerset demolition), and execution of an EPC contract. Additionally as discussed in Section IV, costs associated with public infrastructure work at Orchard Ridge were not realized as the services were procured directly by the City.

## VI. Capital Planning

This section of HABC's MTW Annual Report provides an update to the activities described in HABC's FY 2008 Annual Plan. Please refer to the narrative and chart below for specific information on planned vs. actual funding amounts and a discussion and explanation of the variances.

### **MTW Capital Plan – FY 2008**

The MTW 2008 Actual Capital Spending Plan detail is included below. HABC expended \$55.4 million in capital program activities during the period. The primary focus of capital improvement activities included: preparation of UFAS units related to the Bailey Consent decree; security and safety system upgrades, marketability improvements, major system and infrastructure improvements, demolition of distressed housing developments and creation of economically diverse stable neighborhoods.

HABC spending was significantly less than projected primarily due to delay in the implementation of an Energy Performance Contract (EPC), real estate closings for the 58 Unit Homes for America, 22 Thompson Unit Projects and unforeseen construction delays.

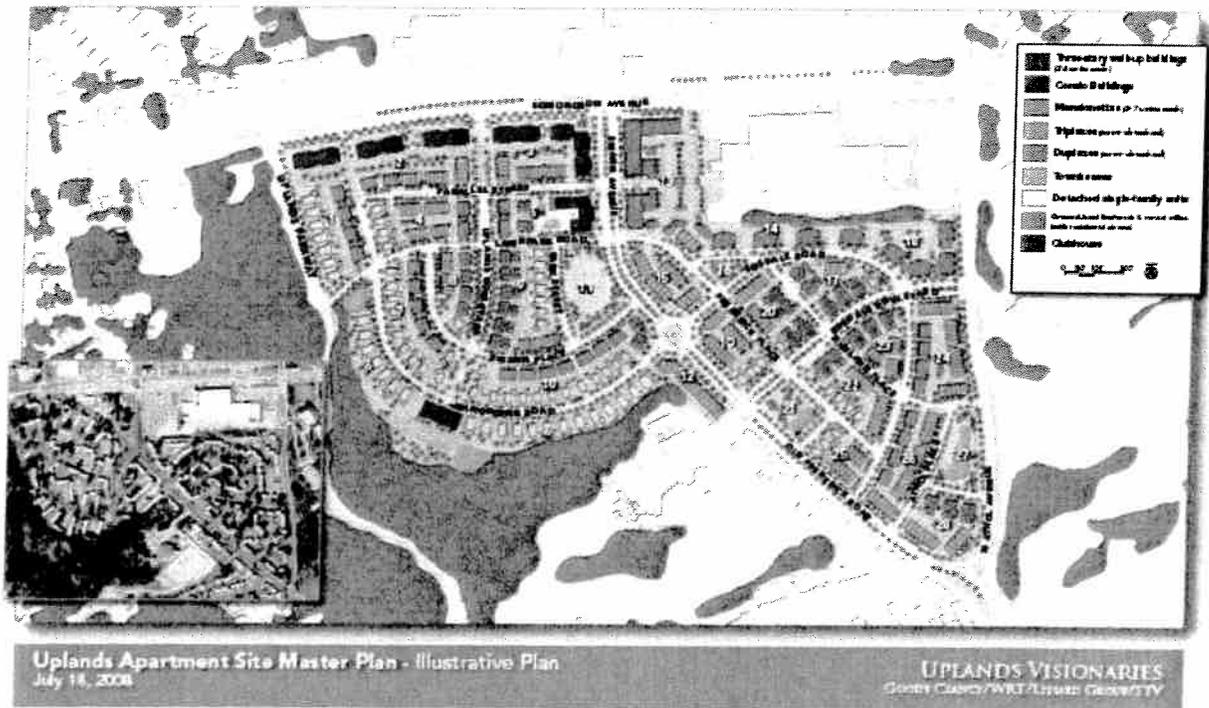
### **Replacement Housing Production**

Under the *Neighborhood Reinvestment Program*, HABC has been working with private development partners and Baltimore neighborhoods to recapitalize the distressed scattered site public housing stock to strengthen 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 permanently affordable rental housing in gentrifying neighborhoods, and ensuring economic diversity. This program achieves the mixed-finance re-development of existing ACC units. In FY 2008, HABC and its partners have:

- Closed out the rehabilitation of Reservoir Hill units (40 ACC units);
- Fully completed and closed out the rehabilitation of Sharp-Leadenhall units (23 ACC and 8 HCVP units);
- Executed a Master Development Agreement with Telesis, a private development partner, to revitalize the Barclay neighborhood through the development of 306 units of mixed-income housing. A total of 134 units will be affordable rental units, including 53 rehabilitated ACC units. Telesis applied for, but did not receive a nine percent LIHTC allocation in the spring of 2008, but will reapply in the second quarter of FY 2009. HABC is hopeful that the application will be successful. Construction is expected to begin in early FY 2010; and
- HABC did not begin planning for the redevelopment of scattered site units in the Greenmount West area of the City. Other funding and development priorities took precedence over the Greenmount West project, which is expected to begin in FY 2009 or 2010.

HABC's *New Housing Production Program* for mixed-income, mixed finance development involves the complete transformation of distressed sites. In fiscal year 2008, HABC has sponsored or participated in 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** – – In FY 2008 the City worked with Uplands Visionaries, the selected private development partner, to finalize the development plan. The project budget has been drafted and has undergone preliminary review. Funding sources are being identified. An estimated 25% of these units will be provided Section 8 project-based subsidy. No public housing units are planned for the site.



- Orchard Ridge (formerly Claremont/Freedom)** – In FY 2008 Construction on rental phase I with 100 units, including 54 Project Based Section 8 units, was completed. Construction commenced on rental phase II, which will consist of 72 units with 30 Project Based Section 8 units. Construction also commenced on the first homeownership phase, which will consist of 72 units. Moravia Park, a 100% Project Based Section 8 development for seniors and non-elderly disabled persons, with 60 units, was begun in FY 2008 as well.



- **East Baltimore** – The first two rental developments totaling 152 units in the new East Baltimore development were completed in FY 2008. Ashland Commons contains eight Project Based Section 8 units. In addition, construction has commenced on the 63 Chapel Green units, a multifamily development that includes 20 Project Based Section 8 units.
- **O'Donnell Heights** – In FY 2008 HABC procured the firm of Goody Clancy, along with a larger team, to conduct master planning for the O'Donnell Heights site. Planning for the complete redevelopment of this site, which formerly included 900 public housing units, is expected to be completed in FY 2009.
- **Somerset Homes** – Baltimore City commenced master planning for the larger Old Town Mall area, which includes Somerset Homes, in the fourth quarter of FY 2008. HABC is participating in the planning efforts, which will conclude in FY 2009.

### **Thompson Partial Consent Decree Production**

Under the Thompson Partial Consent Decree, HABC is obligated to create a number of different unit types in several different developments. Over the course of FY 2008, HABC has made substantial progress in creating these units.

- **Albemarle Square** – Construction began on the final 10 units in the Albemarle Square development in FY 2008. Completion will occur in the second quarter of FY 2009.
- **58 Unit Program** – HABC agreed to create 57 off-site units as part of the Broadway Homes HOPE VI development. In addition, HABC decided to create a 58<sup>th</sup> UFAS compliant unit. The following is the status of the units:

FY07:

- ◆ 2 units purchased and occupied consisting of one of the 57 units and the UFAS unit.

FY08 (all part of the 57 units):

- ◆ 5 units purchased and occupied;

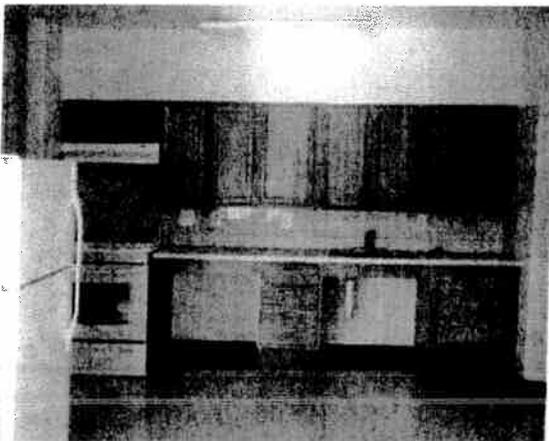
- ◆ 2 units purchased but not yet rehabilitated or occupied; and
- ◆ 3 units under contract.

Therefore, as of the end of FY08, 6 of the 57 off-site Broadway units were purchased and occupied and the 58<sup>th</sup> UFAS unit was purchased and occupied. An additional 5 units had been purchased or were under contract but not yet rehabilitated or occupied.

- **Sandtown-Winchester 22 Thompson Units** – In FY 2008 HABC agreed to purchase these units in areas of the City outside of the Sandtown-Winchester neighborhood. However, the possibility still remains that some of the required units will be purchased in the Sandtown-Winchester neighborhood. HABC also designed the program and applied for partial funding through the State of Maryland.
- **Preston Street** – HABC selected Mi Casa for turnkey development/rehabilitation of 10 ACC units on Preston Street. Preliminary design drawings were completed in FY 2008.

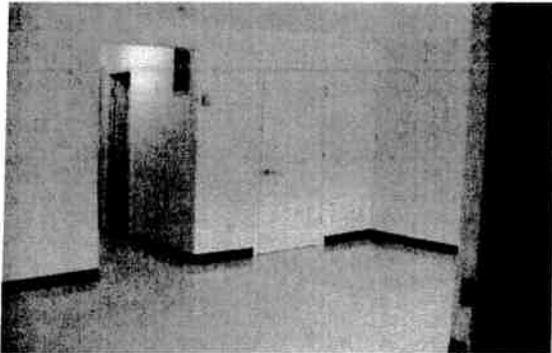
### 504 Accessibility Improvements

HABC met its FY 2008 requirements under the Bailey Consent Decree for providing public housing choices for low-income persons with disabilities (“UFAS Units”). A total of 129 UFAS Units were completed. Since the beginning of the Bailey Consent Decree, HABC has completed 562 UFAS units and 73 near UFAS compliant units (2 of the 75 required near UFAS compliant units were deferred at the request of the residents). Currently the Agency plans to complete an additional 33 units in FY 2009.



## Long Term Vacancy Reduction

HABC completed phase 2 of its initiative to renovate its long-term vacant units. In FY 2008 HABC renovated 182 such units. Additional units were added to our original plans at several of the family sites, increasing our projected spending allocations at some of these sites. The units were located at the Latrobe, McCulloh, Perkins, Douglass, Gilmor, Cherry Hill, Brooklyn, Rosemont and Dukeland family developments. HABC is in the process of starting an aggressive phase 3 of this initiative to renovate 128 additional units in FY 2009 at family developments and scattered site units.



## Mixed Population Front Door, Entry Card Key and Picture ID Cards

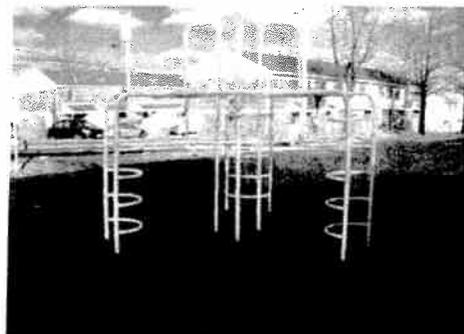
HABC completed both Phase 1 and 2 of its initiative to replace the front entry doors and ID entry card key system at its mixed population buildings. In FY 2007, HABC completed 10 Entry Doors and 10 ID Card Key Systems. This initiative completed in FY 2008 with installation of the final 5 additional Entry Doors and 9 ID Card Readers.

In order to enhance security in HABC's mixed population buildings, HABC implemented a picture identification ("ID") card program. In FY 2008, 16 mixed population buildings implemented a picture ID card program thereby having all exterior doors locked 24/7. In FY 2009, an additional 3 mixed population buildings will receive picture ID cards.



## Family Development Playgrounds

In FY 2008 HABC completed repairs to 4 playgrounds at 5 Developments. In FY 2009 HABC expects to fully replace 9 playgrounds and repair 17 others.



## Energy Performance Contracting

Due to the age of HABC's boilers, roofs, electrical systems and other infrastructure systems, HABC's consumption of energy is high and will continue to increase unless improvements to these systems are implemented. In addition, due to the inefficiencies of these systems and dramatically rising industry energy rates, HABC's energy costs will also increase.

HABC began implementation of a comprehensive energy reduction capital improvement program in order to lower energy and consumption costs. HABC contracted with an ESCO vendor who has completed an EPC Energy Audit. The EPC energy audit identified all building and site components, which if replaced or upgraded will decrease energy consumption. Energy conservation methods that will reduce consumption are also part of the audit findings. The annual savings from the reduced energy cost will pay for the debt service that is required to fund the capital improvements. HABC is in the process of starting the EPC (Energy Performance Contracting) that involves (i) finalizing energy conservation measures ("ECM"); (ii) securing funds for the energy reduction capital improvements; and (iii) the implementation of the ECM's.

Based upon the energy audit findings and HABC's submittals to HUD in January and February (2007) for approval to enter into a 20 year agreement with an Energy Service Company (ESCO) HABC expected to begin the phase one implementation of ECM's in the third quarter of calendar year 2007. Phase 1 included the installation of ECM's at 5 developments with an approximate \$4,000,000 annual energy reduction. This project has been delayed due to HUD's failure to process HABC's request. The Agency will continue its efforts to implement this initiative in FY 2009.

**MTW CAPITAL SPENDING PLAN ANNUAL REPORT - 06/30/08**

<b>AMP No.</b>	<b>Development Name</b>	<b>Description of Work</b>	<b>Original MTW Anticipated Spending July 1, 2007 - June 30, 2008</b>	<b>MTW Actual Spending July 1, 2007 June 30, 2008</b>
1	Latrobe Homes	504 Modifications, Security Cameras, Site Work, Plumbing and Sanitary Line Repairs, Vacancy Renovations, Playground Safety Improvements	2,447,090	6,870,806
2	McCulloh Homes	504 Modifications, Security Cameras, Vacancy Renovations, Roof and Gutter Improvements	2,106,575	3,060,234
3	Perkins Homes	504 Modifications, Security Cameras, Vacancy Renovations, Roof and Gutter Improvements	3,116,024	8,394,020
4	Poe Homes	504 Modifications	2,181,566	2,181,566
5	Douglass Homes	504 Modifications and Site Improvements	1,337,339	570,373
6	Gilmor Homes	504 Modifications, Security Cameras, Site Work, Vacancy Renovations, Playground Safety Improvements	663,528	663,528
9	O'Donnell Heights	504 Modifications, Site Work, Playground Safety Improvements, Demolition (498 Units)	385,000	4,748,544
10	Somerset Court	Blocking and Fencing of Vacant Units	162,427	162,427
11	Cherry Hill Homes	504 Modifications, Security Cameras, Site Work, Plumbing Repairs, Vacancy Renovations, Playground Safety Improvements, Soffit and Gutter Improvements	807,430	807,431
13	Westport Ext.	Demolition and Related Activities	3,419,946	1,538,345
21	Brooklyn Homes	504 Modifications, Vacancy Renovations, Soffit and Gutter Improvements	969,010	1,234,424
22	Westport Homes	504 Modifications, Vacancy Renovations	111,362	111,362
22	Mt. Winans	Vacancy Renovations	904,352	904,352
23	McCulloh Homes Ext. (HR)	504 Modifications, Sanitary Line Repairs, Site Work	622,349	622,349
31	Rosemont/Dukeland	Vacancy Renovation	280,376	280,376
33	Lakeview	504 Modifications, Site Work, New Shower Installations, Automatic Entry Door and Security Improvements	322,498	322,498
39	Claremont Homes Ext	504 Modifications	7,528	7,528

41	Van Story Branch (West Twenty)	504 Modifications, Automatic Entry Door and Security Improvements, Lobby Enhancements, Site Work	56,663	56,663
42	Somerset Extension	Environmental Testing	150,000	282
43	Monument East	Waterproofing and Tuckpointing, 504 Modifications, Automatic Entry Door and Security Improvements, Site Work	1,382,073	1,249,355
44	Wyman House	504 Modifications, Automatic Entry Door and Security Improvements, Site Work	892,020	120,460
46	Chase House	504 Modifications, Automatic Entry Door and Security Improvements, Site Work, Plumbing Repairs	176,739	176,739
47	Govans Manor	504 Modifications, Automatic Entry Door and Security Improvements, Site Work	103,581	36,697
51	B. E. Mason	504 Modifications, Automatic Entry Door and Security Improvements, Site Work	1,459,135	1,152,871
53	Ellerslie	504 Modifications, Automatic Entry Door and Security Improvements, Lobby Enhancements, Site Work, Heating and Cooling System Repairs	113,923	53,572
54	Bel-Park Tower	504 Modifications, Site Work	36,274	36,274
56	The Brentwood	504 Modifications, Automatic Entry Door and Security Improvements, Site Work	141,408	16,452
70	Rosemont Towers	504 Modifications, Automatic Entry Door and Security Improvements, Site Work, Heating and Cooling System Repairs	53,267	53,267
71	Primrose Place	504 Modifications, Automatic Entry Door and Security Improvements, Site Work, Lobby Enhancements	799,0300	186,515
74	Hollins House	Automatic Entry Door and Security Improvements, Heating and Cooling System Repairs, Site Work	212,584	212,584
75	Allendale	Automatic Entry Door and Security Improvements, Site Work	321,061	82,420
101	Arbor Oaks	Physical Accessibility Modifications - UFAS (4 units)	209,000	-
103	Midtown/Uptown Apartments	504 Modifications	144,000	35,056
104	Montpelier	504 Modifications, Site Work	141,000	10,082
106	Townes at the Terraces	504 Modifications	2,559	2,559
110	Pleasantview Gardens	504 Modifications, Automatic Entry Door and Security Improvements	198,134	54,557
111	Heritage Crossings	504 Modifications	200,000	61,330
115	Albermarle Square	Neighborhood Revitalization	2,301,744	685,458

117	Reservoir Hill	Neighborhood Revitalization	32,469	32,469
118	Broadway 58 Units	Acquisition of 57 Dwelling Units and Rehabilitation	1,893,584	953,445
119	Central Office	Admin & Maint Bldg & Space	37,841	-
119	Sharp-Leadenhall	Neighborhood Revitalization	553,956	4,964
120	Preston Street	Neighborhood Revitalization	1,536,092	-
121	Barclay	Neighborhood Revitalization	1,166,584	116,538
123	Thompson (22 Units)	Neighborhood Revitalization	900,000	-
147	Central Office	Central Office Repairs	2,376	95,536
200	Scattered Sites	504 Modification, Roof Repairs	1,123,164	66,066
201	Scattered Sites	504 Modifications, Vacancy Renovations	1,245,387	147,973
202	Scattered Sites	504 Modifications, Vacancy Renovation and Roof Repair	444,682	1,182,395
203	Scattered Sites	504 Modifications, Vacancy Renovations	1,193,114	640,862
927	Orchard Ridge	Neighborhood Revitalization	0	370,642
		<b>MTW Hard Costs - Total</b>	<b>39,067,814</b>	<b>40,374,246</b>
N/A	Housing Operations	Housing Operations / Management Improvements	880,233	151,848
N/A	Resident Initiative	Resident Services	508,972	494,496
N/A	Human Resources	Staff Training	345,000	187,006
N/A	MIS	IT Software and Related IT Services	425,609	338,209
N/A	Planning and A & E Fees	Consultant Fees - Planning etc.	1,830,908	798,057
N/A	Auth-Wide	Non-Technical Salaries and Sundry	1,996,768	1,933,863
N/A	Auth-Wide	Technical Salaries	3,229,373	2,974,303
N/A	Legal	Legal Fees and Salaries	99,931	232,939
N/A	Auth-Wide	Equipment - Vehicles, Computers, Furniture, etc.	343,576	439,596
N/A	Auth-Wide	ID Cards Equipment	0	36,907

N/A	Relocation	Relocation Activities	389,458	488,042
N/A	Debt Service	Debt service	6,517,165	6,515,383
		<b>MTW Soft Costs - Total</b>	<b>16,566,993</b>	<b>14,590,650</b>
		<b>MTW HARD AND SOFT COST - TOTAL</b>	<b>55,634,807</b>	<b>54,964,896</b>
1	Latrobe Homes	Energy Conservation Measures	11,550,000	-
6	Gilmor Homes	Energy Conservation Measures	1,723,750	-
9	O'Donnell Heights	Demolition	8,854,281	-
10	Somerset Homes	Demolition	1,466,800	40,849
11/12	Cherry Hill Homes & Extension	Energy Conservation Measures & Demolition	11,987,500	94,809
14	Claremont Homes	Demolition	650,000	73,224
21	Brooklyn Homes	Energy Conservation Measures	4,681,250	-
22	Westport	Energy Conservation Measures	2,406,250	-
29	Mt. Winans	Demolition	1,491,000	1,851
N/A	Bailey Curb Cuts	Curb Cut Modifications	-	157,063
		<b>Non-MTW Total</b>	<b>44,810,831</b>	<b>367,796</b>
		<b>MTW &amp; Non-MTW Capital Grand Total</b>	<b>100,445,638</b>	<b>55,332,691</b>

### Narrative Discussion/Explanation of variances

It is noted that HABC took advantage of the flexibility of the MTW Block Grant, by utilizing Housing Choice Voucher Funds to expedite long term planned Capital Fund activities and to reduce vacancies which has increased immediate affordable housing opportunities and the quality of life for residents of public housing. Variances in planned activities at many of HABC sites are the result of increases in funding required to meet 504 Consent Decree requirements, increased vacancy renovations, emergency heating improvements, etc. Other variances were generated as a result of a consolidated FY 07 and FY 08 Annual Plan. Many planned activities for FY 08 were actually completed in FY 07.

Some of the major variances and explanations are grouped below:

- Latrobe Homes – Additional 504 site work and UFAS modifications, emergency repairs to underground infrastructure, increased security camera improvements, and long term vacancy renovations were required.

- McCulloh Homes – Additional long term vacancy renovations and increased security camera improvements were required.
- Perkins Homes - Planned activities were accelerated and work was completed faster than anticipated.
- Douglass Homes, Sharp-Leadenhall – All planned work is completed. Variances are a result of expenditures being reflected in FY 07.
- O'Donnell Heights - Funding for the demolition was originally planned for Non-MTW Funds (City funds) and was funded by MTW funds. Variances in planned vs. actual activities between MTW and Non-MTW line items reflect this change in funding sources. Actual costs for this project were less than anticipated.
- Westport Homes – Actual contract amount was less than expected. Work continues, remaining contract will be completed in FY 09.
- Brooklyn Homes - Additional long term vacancy renovations were required and planned soffit and gutter improvements were accelerated.
- Somerset Extension – Planned activities were not as extensive as originally planned.
- Wyman House, Govans Manor, Ellerslie, Brentwood, Allendale – Planned work is completed. Lobby Enhancement and carpet and painting repairs will continue in FY 09. Variances are a result of expenditures being reflected in FY 07 and work continuing in FY 09.
- Primrose – Planned activities involving waterproofing and tuckpointing and window replacement are under design and will be completed in FY 09.
- Arbor Oaks, Midtown, Montpelier, Pleasant View Gardens, Heritage Crossing, Scattered Sites – 504 modifications are currently being designed. Projects will be completed in FY 09.
- Albermarle Square – Funding needs are being reviewed, variance may be reallocated.
- Broadway 58 Units, Preston Street, Barclay, Thompson 22 Units – Real Estate Closings have been delayed. Projects will continue in FY 09.
- Soft Costs – Salaries originally planned for MTW Capital Spending were moved to the Operating Budget, consultant fees were less than anticipated.
- Energy Conservation Measure – Energy Performance Contracts were delayed pending HUD Approval.
- Mt. Winans – Proposed demolition activities are currently being reevaluated/analyzed.
- Somerset Homes – Demolition activities were delayed pending resolution of bid dispute. NTP has been issued and work is scheduled to be completed in FY 09.

## VII. Managed Information: Owned Housing

### Vacancies

HABC's adjusted occupancy rate as of June 30, 2008, was 98.1%. This achievement represents an occupancy rate 4.1% higher than the benchmark envisioned in the MTW Agreement, 3.8% higher than the target reached in FY 2007 and 1.1% above the goal set in the FY 2008 Annual Plan. This substantial increase in performance is due to the cumulative (and synergistic) impacts of a number of strategies:

1. **Staff Training.** HABC has continued to invest in staff training to ensure that staff have the skills needed to do vacancy renovations effectively and efficiently.
2. **Decentralization of Rapid Vacancy Team (RVT).** The RVT was created to reduce large numbers of vacancies at sites in an efficient and concentrated manner. While this solution was effective when HABC had a much lower occupancy rate, decentralization of the RVT became possible as the program approached an overall 97% occupancy level with a few sites in the low 90% level. Most of the staff were reassigned to family sites with occupancy levels between 90% and 96%. More efficient use of these resources at the site level has boosted occupancy at these sites.
3. **Site-Based Management.** The decision to have a dedicated manager for each of the high rises (mixed population) has allowed managers to focus more intently on the needs of their sites. This change has had a significant impact on occupancy with high rise developments ending the year above 99% occupancy.
4. **Funding Flexibility.** Without MTW authorization to use Housing Choice Voucher funding in the public housing program and the temporary use of such funding for reducing vacancies, HABC would not have been able to increase its occupancy levels as dramatically.
5. **Outsourcing Vacancy Renovations.** HABC outsourced vacancy renovations that were beyond the capability of site staff to contractors. This added capacity and the quality of the work contributed significantly to the higher occupancy levels.
6. **Overtime Vacancy Teams.** HABC staff with the necessary skills and training worked mainly on week-ends to renovate vacant units to supplement their work during normal business hours.
7. **Outsourcing Unskilled Labor.** HABC outsourced grounds cleaning so that skilled maintenance staff could concentrate on vacant units.

While most of these strategies are possible outside of the MTW context, HABC would not have been able to implement all of them without MTW fungibility. HABC has reduced vacancies from 15% to less than 2% since December 2005 while continuing to improve in all other performance areas.

At year-end:

- 10 of 16 high rises were 100% occupied.
- All high rises had an occupancy level more than 99%.
- 6 of HABC's family sites, including Cherry Hill—with close to 1,300 units—Perkins Homes, Westport, Douglass Homes, McCulloh Homes, and Somerset Extension, had an occupancy level equal to or exceeding 98%.

## **Work Orders/Customer Service**

HABC has implemented new initiatives to increase and monitor customer service. A Work Order Call Center together with an emergency service desk operates 24 hours a day, 7 days a week to accept maintenance service requests.

Daily reports reviewed by portfolio directors, managers, and maintenance supervisors ensure that work orders are assigned and completed in a timely manner. Routine work orders were completed in an average of 5.6 days (compared to the 7.4 days projected).

HABC did not reach its goal of 100% timeliness on emergency work orders—99% were abated or completed within the 24 hours. Besides staff error in ensuring abatement within 24 hours, other reasons include:

- An overlap in service between the emergency desk and the Call Center on Fridays between 4 and 7 PM. Emergencies entered by the Call Center during that time on a Friday were entered into the work order system without the emergency desk being notified. Procedures have been updated to ensure that all emergencies called in during that overlap period are forwarded to the emergency desk operator, who is responsible for contacting an on-call duty officer.
- Lack of adequate record keeping in cases when an emergency is abated within 24 hours but the work order is completed later. The completion time is entered in some cases without a record being made of the timely abatement.

To improve customer satisfaction, HABC developed an application for recording and tracking customer service surveys. The Work Order Center staff calls a randomly selected number of residents whose work orders were completed in the previous week. They rate the quality and timeliness of the service as well as the professionalism and communication of the employee who did the work. All “unsatisfactory” responses are reviewed and “very unsatisfactory” responses are followed up with both the resident and the employee.

## **Inspections**

HABC completed 100% of planned unit and 100% of systems inspections during FY2008.

## **Rent Collection**

HABC's rent collection rate in FY2008 was 97.34%, exceeding the 95.4% projected by almost 2%. As a result of higher rent collection rates and higher occupancy, actual rent revenue exceeded budgeted rent revenue by \$800,000. Prior years' initiatives—lockbox system, strict enforcement, rent conferences—to boost rent collection have been supplemented with an implementation of eviction proceedings under Maryland's foreclosure of the tenant's right to redemption law. This effort has increased rent collections and reduced court filings for nonpayment of rent and the costs associated with such court cases. Over the long term, continued implementation of all these initiatives will yield even better results.

## Security

**Closed Circuit Television (CCTV):** HABC continued to focus on improving public safety and reducing crime. During FY 2007, HABC, in collaboration with the Baltimore City Police Department (BCPD), installed over 123 interior CCTV cameras at 10 high rise/mixed population buildings including 17 interior CCTV cameras within the senior building at Pleasant View Gardens. During FY 2008 HABC installed 102 interior CCTV cameras at nine additional high rise/mixed population buildings. HABC has completed installation of 225 interior CCTV cameras at all of its 19 high rise/mixed population buildings. The cameras within the mixed population buildings store recorded information and are monitored by the Building Monitors on duty at each site.

In FY 2008, HABC and BCPD installed 55 CCTV exterior cameras at Cherry Hill Homes, HABC's largest family development. CCTV camera systems are now mounted on the exterior of six HABC family developments: Gilmore Homes, Latrobe Homes, McCulloh Homes, Perkins Homes, Pleasant View Gardens and Cherry Hill Homes for a total of 167 exterior CCTV cameras. The monitoring and recording system is located at 312 Martin Luther King, Jr. Blvd. This is a facility operated by the Baltimore City Police Department's Public Housing Section.

In addition to the interior and exterior CCTV cameras installed in FY 2007 and FY 2008 stand-alone, self-contained units called PODSS have also been installed in Brooklyn Homes, Douglass Homes, Somerset Extension, Shipley Hills, Westport Homes, Rosemont and O'Donnell Heights. These camera systems provide (1) crime deterrence and (2) visual records for convictions. PODSS cameras are relocated as necessary to enhance crime strategies at public housing sites.

**Lease Enforcement Unit:** The Lease Enforcement Unit (LEU) was established in January 2005 as a section of the Office of Legal Affairs (OLA). LEU is comprised of sworn police officers who investigate criminal activity involving residents of public housing to determine whether a crime related lease violation has occurred.

As a result of referrals from BPD, LEU investigated 960 police reported incidents of crime, which was 33% less than the number of police reports referred to LEU from Baltimore City Police Department (BPD) in FY 2007. Subsequent legal action by OLA resulted in 348 final outcomes, including evictions, voluntary move-outs, and memoranda of understanding in FY08. During FY 08, OLA has seen an increase in the number of attorneys from legal advocacy groups representing residents in more lease enforcement actions in court. Despite such increase, HABC has obtained favorable judgments in 93 % of the lease enforcement cases actually tried in court.

LEU continues to work closely with the BPD in efforts to provide security for public housing residents. BPD's crime statistics revealed an historic 30% decrease in the number of homicides in the City. That same percentage decrease in homicides is reflected throughout the public housing developments.

After consultation with HABC's Resident Advisory Board, LEU initiated an Emergency Comprehensive Housekeeping Operation (ECHO) at a mixed population development in FY 2008. In partnership with BPD, the ECHO coordinated efforts of the LEU and the Housing Operations division of HABC, resulting in the comprehensive inspection of all units in the building. During the unit inspections, the LEU and BPD were available to handle security issues, serve outstanding arrests warrants, and confiscate illegal contraband in plain view. The

overarching objective of the ECHO was to provide residents with a greater sense of security in their apartment building.

Also during FY 2008, BPD and LEU began performing 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, LEU sponsored a domestic violence awareness seminar for HABC residents. Due to the interest generated from this seminar, LEU plans to hold additional sessions to provide residents with critical information about this topic. In addition, LEU has conducted 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.

**Building Monitors (Mixed-Population Developments).** HABC employs over 100 building monitors and supervisors to provide 24-hour, seven days a week coverage in the mixed-population buildings. The primary function of these employees is to control access to the buildings. Most incidents threatening the safety and security of residents in the high rises are the result of visitors to the building or unauthorized residents. During FY2008, HABC upgraded the entrance systems to these buildings by installing new doors and card readers systems. All residents have been issued with a picture identification/access card, which they use to open the doors. The doors are locked 24 hours a day and can only be opened by the monitors, staff, or residents (with their access cards). Building monitors require all visitors to sign in and provide identification when they enter the buildings. This additional safety feature will enhance the ability of the monitors to do their work and increase the safety of the residents.

## **Home Ownership**

HABC strongly supports the expansion of affordable home ownership to public and assisted housing residents but recognizes that steady income of sufficient amount is a pre-requisite to success. HABC's Resident Services Programs will assist those residents whose aspirations include homeownership to achieve economic success, while the Baltimore Housing Office of Homeownership can provide pathways to ownership.

During FY 08, HABC adhered to its existing, HUD approved mechanisms to make home ownership possible for public and assisted housing residents through its Section 32 homeownership and Housing Choice Voucher Homeownership Programs. The status of the Housing Choice Voucher Homeownership Program can be found in Section VIII of this report.

## VIII Management Information: Leased Housing

Table 8-1 provides a comparison of HCVP occupancy by program FY 2007 to FY 2008. It also notes targets established in HABC's 2008 MTW Annual Plan. Please refer to Chapter 1 for a discussion of actual versus targeted occupancy.

**Table 8-1 HCVP Target vs. Actual Inventory**

Program Type	June 2007	June 2008	
	Actual	Target	Actual
HCVP Tenant-Based	8557	8844	8733
HCVP Project-Based	675	664	713
HCVP Moderate Rehab Program	393	393	361
Bailey Tenant-Based	57	268	298
Bailey Project-Based	4	148	18
<b>Total</b>	<b>9686</b>	<b>10317</b>	<b>10123</b>
Thompson Tenant-Based*	746	n/a	1031
Thompson Project-Based*	254	n/a	52
Substantial Rehab/New Construction**	1038	1038	725
<b>Total All</b>	<b>11724</b>		<b>11931</b>

\*Targets previously listed for the Thompson Consent Decree Tenant- and Project-Based programs were in error. Targets cannot be determined at this time.

\*\*Between July 2007 and June 2008, administration of two (2) Substantial Rehab/New Construction contracts were reassigned by the U.S. Department of Housing and Urban Development (HUD) to the Maryland Department of Housing and Community Development. This is a change in administrative oversight only and does not reflect any decrease in available assisted housing for Baltimore City residents.

### **HCVP Voucher Utilization: Variance**

HABC increased the number of households served (excluding the Thompson Consent Decree vouchers and the Substantial Rehab/New Construction program) by 4.5% in FY 08 (437 additional families), and reached 98% of its FY2008 goal. Reasons for this variance include program attrition and the use of HAP to fund 504 compliance activities, vacancy renovations and other capital improvements. Another contributing factor has been the limited number of available rental units meeting HABC's housing quality and reasonable rent standards and the large number of voucher holders (both for new participants and for participants already housed but required to move due to HQS violations at their current unit) competing for these units.

In FY 2008, the number of units rented under the Thompson Partial Consent Decree (tenant and project based) increased by 8.3% (83 units) over the FY 2007.

### **Annual Inspections**

A HUD audit of unit inspections in FY 2008 pushed HABC to require "zero tolerance" inspections for both properties on the program and properties prior to lease-up. These more stringent inspections have led to an increase in the number of units found in non-compliance

with HQS and an increase in the number of move vouchers issued to program participants to find acceptable housing. Another effect of these more stringent inspections has been an increase in the number of follow-up and initial inspections, creating a heavily increased workload. HABC exceeded its benchmark of meeting HQS inspection requirements by 1.7%

	Count	%
<b>All Units*</b>	11206	100.00%
<b>Benchmark: Units to meet HQS Inspection Requirements</b>	10646	95.00%
<b>Units meeting HQS Inspection Requirements</b>	10838	96.7%

\*Excludes Substantial Rehab and New Construction units

### Pre-Contract HQS Inspections

All new rent-up units were inspected and met Housing Quality Standards prior to move-in and HAP Contract execution:

Tenant-Based Program		Pre-Contract Inspections	
New Contracts*	Count	#	%
<b>New Participants</b>	1311	1311	100.00%
<b>Port-Ins</b>	51	51	100.00%
<b>Moves</b>	1428	1428	100.00%
<b>Total</b>	<b>2790</b>	<b>2790</b>	<b>100.00%</b>

\*Excludes Substantial Rehab and New Construction units

### HQS Quality Control Inspections:

HABC is required to perform a certain number of quality control inspections (based on a HUD formula, 24 cfr 985.2) annually. These inspections are for the purpose of insuring that regularly scheduled and pre move-in inspections have been properly performed. The following table indicates the number of quality control inspections required in FY08 and the number actually performed.

<b>Total Units*</b>	<b>11206</b>
<b>QC Inspections Required</b>	<b>77</b>
<b>QC Inspections Performed</b>	<b>139</b>

\*Excludes Substantial Rehab and New Construction units

HABC exceeded the required number of quality control inspections by 80%

In all cases, the outcomes of quality control inspections were recorded and, where the outcomes conflicted with the findings of the previous inspections, discrepancies were noted and discussed with appropriate inspections staff. Remedial actions, including training and counseling, were undertaken and appropriate action was taken to require remediation of any items identified as having failed to meet housing quality standards.

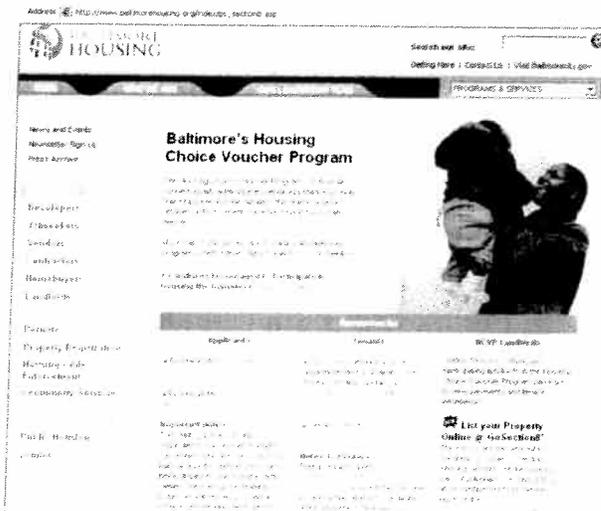
## HQS Enforcement:

- Finding safe, sanitary and decent housing in the Baltimore housing market continues to be a challenge given the general age and condition of the rental stock, as does assuring that units occupied by program participants continue to be maintained at an acceptable level. To ensure that this level is maintained, HABC performed over 24,000 inspections in FY2008. As a result of HABC's Increased Utilization Initiative, the number of move vouchers issued as a result of failed HQS inspections and activity under the Bailey consent decree and other initiatives, the number of new HAP contracts increased by 67% over the FY2007 level in the tenant-based program (1671 new contracts in FY2007; 2790 new contracts in FY2008). To effect this increase, HABC performed more than 7300 pre move-in inspections.
- The Housing Choice Voucher Program continues to work with participating landlords through the Landlord Advisory Committee and periodic General Landlord meetings to find methods to increase landlord awareness of Housing Quality Standards and of the need for properties to be maintained in accordance with these standards, as well as approaches to assure compliance.
- All units that failed an initial inspection were re-inspected within 30 days.
- HAP payments for any unit failing follow-up inspection were abated until the unit was brought into compliance. Program participants were issued move vouchers if they resided in units failing HQS. As of the end of June 2008, payments on 602 units were suppressed for owner non-compliance with HQS. In FY 08, 6735 monthly housing assistance payments were suppressed due to non-compliance with HQS, an average of 561 payments per month.
- HABC is reviewing the entire inspection process as well as developing its own comprehensive housing quality standards to offset the lack of such guidelines from our oversight and regulatory agency.

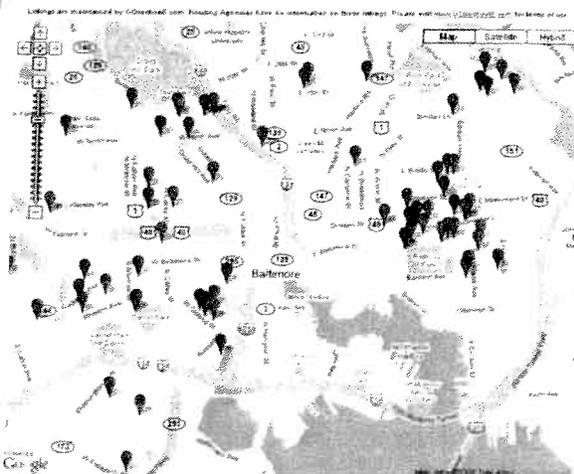
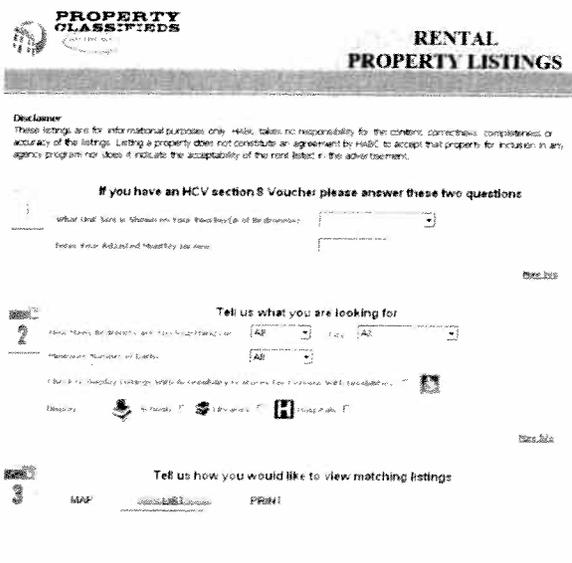
## HABC's Housing Choice Voucher Program Web Page

HABC continues to provide program information to applicants, participants and participating landlords through the **BaltimoreHousing.org** web page.

In November 2007 HABC introduced a free rental property listing service to landlords through the "Housing Choice Voucher Program" on this website:



These listings are available to prospective tenants through the Baltimore Housing website ([baltimorehousing.org](http://baltimorehousing.org)). Searches may be narrowed using various criteria (location, type of unit, size of unit, etc).



Internet-connected terminals accessing this service are available for use by program participants at the Housing Choice Voucher office.

### Rent Reasonableness

HABC may not enter into agreements to subsidize rents of Housing Choice Voucher Program participants unless those rents are considered reasonable: consistent with rents charged for unassisted units of the same type, amenities and size in the same or similar neighborhoods.

HABC certifies that, prior to entering into HAP contracts and prior to granting rent increases, a rent reasonableness test is performed and that approved rents fall within HABC's payment standards and appropriate rents for similar housing in the same or similar neighborhoods.

In November 2007 HABC started using a commercially available rent reasonableness system (Nan McKay/GOSection8) that generates and maintains an appropriately sized, up-to-date database of market-based comparable units in the subject market area; provides the analytical tools to analyze rent requests; and provides outcomes and supportable documentation which meet HUD rent reasonableness requirements. The system searches the database of units within HABC's jurisdiction and identifies potential comparable units using all nine of the factors that HUD requires a PHA to take into consideration when performing a Rent Reasonableness certification: location; quality; size; unit type; age; amenities; housing services; maintenance and utilities (paid by owner or paid by tenant). Adjustments between subject unit and comparables are autogenerated to create an appropriate, supportable reasonable rent. This has been of great benefit in determining reasonable rents during this period of increased rent-ups and in providing rational, justifiable rent offers to participating and potential landlords.

### **HCVP Participant Initiatives**

In FY2008 HABC began a number of initiatives to increase overall program participation and to serve special needs populations:

- **Increased Utilization Initiative:** Starting in August 2007 HABC implemented this program to increase overall participation in the voucher program by 1700 additional families. To reach this goal and to overcome the effects of participant attrition, HABC will actually be required to enter into contracts on behalf of 2500 or more new participants.
- In the second quarter of calendar 2008 seventy-five (75) Housing Choice Vouchers were set-aside for issuance to families with children with elevated blood lead levels as determined and referred by the Baltimore City Health Department, the Maryland Department of the Environment or other appropriate agencies or their agents.
- In December 2007 HABC set aside one hundred (100) Housing Choice Vouchers for issuance to eligible chronically homeless households as determined and referred by Baltimore Homeless Services (BHS).
- **Client Education:** While waiting to see their program specialists, applicants and participants may view DVDs on the importance of meeting their family obligations. These DVDs cover basic housekeeping and how to be a good renter.
- In addition, informational handouts are distributed at Reception and during Tenant Briefings. The handouts include information about the Housing Choice Voucher Program, housing search opportunities, as well as the role of the owner and the family.

## **Landlord Participation**

In an effort to recruit new landlords and expand housing opportunities, staff provides offsite presentations to landlord groups. The presentations include a Power Point presentation covering the following topics:

- HCVP General Overview
- The Landlord's Role
- The HAP Contract
- Housing Assistance Payments
- Housing Quality Inspections

The benefits of participating in the program are presented and flyers and brochures are distributed to assist in educating owners about program features.

HABC continues to work with its Landlord Advisory Committee to continually find ways of improving the program and schedules periodic meetings for all landlords to inform them of various changes.

## **Expanding Housing Opportunities/Deconcentration of Low Income Families:**

HABC engaged in extensive activities to expand housing opportunities and promote deconcentration of low-income households. These include:

- The Family Self-Sufficiency Program (FSSP): This program is designed to assist Housing Choice Voucher Program (HCVP) residents in achieving economic independence, self-sufficiency and homeownership through case management services and financial savings (escrow accounts) linked to residents' rent payments.
- Providing better tools for participants in finding available housing through the use of the rental property management system discussed in the "*Housing Choice Voucher Program Web Page*" section, above.

## **Special Housing Choice Voucher Program**

HABC established a Special HCVP in accordance with the Thompson Partial Consent Decree. During the reporting period, in anticipation of the expiration of the contracts with Quadel, whose wholly owned subsidiary, Metropolitan Baltimore Quadel ("MBQ") administered the tenant based and project based vouchers and provided mobility counseling services to the participants who chose the tenant-based component of the Special HCVP, and the Innovative Housing Institute ("IHI"), which ran the Section 8 project based and the homeownership components of the Special HCVP, HABC issued a request for proposals for one or more contractors to implement all aspects of the Special HCVP and to administer the vouchers issued pursuant to the Thompson Partial Consent Decree. In accordance with the Thompson Partial Consent Decree, the selection panel consisted of representatives of HABC, HUD and the Plaintiffs. Quadel was selected and a contract was entered into with Quadel, effective October 1, 2007, to implement all aspects of the Special HCVP and to administer the Thompson vouchers. The Special HCVP tenant-based vouchers must be used in and project based units and homeownership units located in Non-Impacted Areas, which are census tracts in the Baltimore metropolitan area with low percentages of poverty, African Americans and assisted housing.

The Thompson partial consent decree provides for the creation of 646 project-based voucher units in Non-Impacted Areas. From the beginning of the program through June 30, 2008, 262 project-based units had been created. However, a number of the owners discontinued their participation so the actual number of project based voucher units currently under lease as of June 30, 2008 was 52.

The Thompson partial consent decree also provides for HUD to issue 1342 special vouchers to be used in Non-Impacted Areas by participants in a Special Mobility Housing Choice Voucher Program established pursuant to the Thompson partial consent decree. From the beginning of the program through June 30, 2008, 939 participants in the Program had leased using one of the 1342 vouchers. However, the actual number of tenant-based vouchers under lease as of June 30, 2008 was 1031 because many of the families living in project based voucher units where the owner discontinued participation moved using a tenant based voucher.

#### Counseling and Housing Search Activities

Program Participants worked with counselors who conducted home visits, performed assessment interviews, developed Family Plans with input from the Program Participants, and provided a range of counseling services, focusing on the needs identified in the Family Plans. Program Participants needing assistance with significant credit issues were referred to the Consumer Credit Counseling Service for credit counseling and assistance with resolving past debts. Counselors also provided Program Participants with information about the Non-Impacted Areas, including information about services, schools, transportation and employment centers.

Program Participants were assisted in their search for housing after receiving counseling and achieving the goals set forth in their Family Plans, including individual tours of units receiving project based voucher subsidy and of units owned by landlords willing to accept a tenant based voucher. A number of Program Participants with tenant based vouchers found landlords on their own.

#### Actions Taken Under the MTW Agreement

The following actions were implemented under the MTW Agreement by MBQ to facilitate implementation of the Special Mobility Housing Choice Voucher Program under the Thompson Partial Consent Decree:

- Continued implementation of exception payment standards in the Non-Impacted Areas required by the Thompson partial consent decree, which have higher rents, to allow families more options in finding units and to enable IHI to negotiate contracts for Section 8 project based units.
- Continued implementation of bi-annual recertifications to reduce administrative costs
- Continued implementation of bi-annual HQS inspections;
- Continued payment of incentive payments to landlords of existing units that project base units; landlords receive larger incentive fees if they agree to sign multi-year HAP contracts.

## Homeownership

HABC implements numerous strategies and programs to increase homeownership opportunities for its clients. Such strategies include:

- Housing Choice Voucher Homeownership Program: HABC began implementation of the homeownership option of the Housing Choice Voucher Homeownership Program in FY 2004. Our initial offering of the homeownership opportunity was given to current graduates of the Family Self-Sufficiency Program ("FSS"). One hundred fifty-five candidates were contacted.

After the pool of FSS candidates was exhausted beginning FY 2005, HABC opened the homeownership option to all income eligible candidates based upon the year they originally leased up on the rental program. An Applicant List was developed from the oldest voucher holder to the newest voucher holder. Due to changes in the Homeownership Program, HABC is in the process of updating the Applicant List to determine the level of interest of those who first applied.

Semi-annually candidates are selected based upon their ranking on the list and forwarded information on how to start the homeownership process. Although HABC has not limited the number of families to be assisted each year under the homeownership option, HABC reserves the right to do so in the future.

The current total of participating households in the Section 8 Homeownership program is 29.

- Flag House Courts HOPE VI Homeownership: In accordance with the Thompson Partial Consent Decree amendment concerning the redevelopment of Flag House Courts as a HOPE VI site, the East Harbor Community Development Corporation ("EHCDC") conducted extensive outreach to former residents of Flag House Courts, former residents of the other family developments that became HOPE VI sites and current public housing residents regarding the opportunity to purchase one of the 10 new construction homes at Albemarle Square (the HOPE VI site formerly known as Flag House Courts). To enable families to buy these homes, HABC is providing homeownership vouchers and soft second mortgages. Because the new construction homes all have 3 bedrooms and the only former Flag House Courts resident who pursued purchasing a home was eligible for a one bedroom home, HABC assisted him in purchasing a 1 bedroom condominium off-site.
- Thompson Partial Consent Decree Homeownership Program: As of the end of FY08, there were a total of seventeen participants in the Thompson Partial Consent Decree Homeownership Program, 9 through the direct purchase program and 8 through the Section 8 direct purchase program. The participants in the Section 8 direct purchase program received vouchers made available by HABC. Participants in both the direct purchase program and the Section 8 direct purchase program received soft second mortgages.

## IX. Resident Programs

HABC's resident services programs are coordinated by the HABC Office of Resident Services (ORS). Under the MTW Demonstration, HABC's strategy is to focus on streamlining existing programs and services, implementing revised Family Self Sufficiency and Community Service programs, and undertaking new initiatives to identify and secure private, foundation and other government resources to expand the range and quality of services to residents. For FY 2008, ORS was able to secure in excess of \$4 million in resources for resident service programs. These additional resources allowed ORS to expand program services and exceed goals in several areas.

This section of the MTW Annual Report identifies FY08 accomplishments in serving residents through the Family Self-Sufficiency and Family Support programs/services. This section also provides a summary of progress made revising existing programs, implementing new initiatives and implementing ongoing programs during FY 2008.

### **Residents Served**

HABC's resident service programs fall into two categories: 1) Self Sufficiency programs designed to facilitate resident job readiness and access to employment and training opportunities; and, 2) Family Support Service programs that address a wide range of supportive service needs for adults, children and seniors. Tables 9-1 and 9-2 below identifies the total number of residents served under the Self Sufficiency Program and Family Support Service Program categories.

**Table 9-1  
Self-Sufficiency Programs/Services**

<b>Service/Program Area</b>	<b>FY 08' Projection</b>	<b>FY 08' Actual Residents Served</b>
Family Self-Sufficiency Program	280	457
Job Training Services	65	217
Employment Readiness, Placement and Retention Services	1100	1422
Resident Training & Technical Assistance	75	76
<b>TOTALS</b>	<b>1520</b>	<b>2172</b>

**Table 9-2  
Family Support Services/Programs**

<b>Service/Program Area</b>	<b>FY 08' Projection</b>	<b>FY 08' Actual Residents Served</b>
Case Management/Service Coordination	2500	2904
Child Daycare Program	150	172
Our House Family Support Center	200	214
Pre & Post Occupancy Program	1500	701
Community Building Initiative	250	456
<b>TOTALS</b>	<b>4600</b>	<b>4447</b>

## **New and Revised Resident Service Program Initiatives**

The following is a summary of progress made revising existing programs and implementing new initiatives during the third year of the MTW Demonstration.

### **Family Self-Sufficiency Program**

The Family Self-Sufficiency Program (FSSP) is a HUD mandated program designed to assist Housing Choice Voucher Program (HCVP) residents in achieving economic independence, self-sufficiency and homeownership through case management services and financial savings (escrow accounts) linked to residents' rent payments. The HABC ORS proposed to utilize its MTW program flexibility to restructure its FSSP in year one of the MTW Demonstration in an effort to increase overall program effectiveness and improve success rates among FSS participants. The overall goal of the FSSP during the seven (7) year MTW Demonstration period is to graduate 325 participants and have them achieve their goals related to homeownership and/or unsubsidized living.

The goals for year three of the MTW demonstration was to: fully implement the restructured program, serve 280 FSSP participants, and graduate a minimum of 45 FSSP participants. The restructured FSS program was fully implemented in 2008. The program served 457 residents, with 50 participants graduating from the program.

The variance in the projected goal to number served for the FSS program is primarily due to funding received from a Department of Social Services (DSS) grant for two additional counselors to provide FSS services to an additional 150 residents. The original projection of 280 represented four staff at 70 cases each. At the end of July 2007 there were 299 families in FSS. Each month additional families were enrolled in the program to replace families graduating or being terminated from the program.

In March 2008, FSS began the process of enrolling participants for the DSS grant based upon two FSS staff positions funded through that grant.

### **Community Service Requirement**

The Quality Housing and Work Responsibility Act (QWHRA) enacted in 1998 required all non-exempted adult residents of public housing to perform eight (8) hours per month of community service for a total of 96 hours per year. The HABC community service program is implemented by ORS. The overall goals of the community service program are to promote civic/personal responsibility, social wellness and exposure to pro-social activities and self-sufficiency opportunities for public housing residents. Utilizing its MTW program flexibility, HABC planned to restructure the community service program to ensure maximum levels of resident participation and effective monitoring by HABC staff.

The goals for the community service program for FY 2008 were to: implement the new program structure; continue to screen all existing HABC residents to determine their exempt status; update and distribute the resource guide; and effectively track resident compliance. During FY 2008 HABC continued resident screening activities. In addition, the resource guide was updated and will be distributed to residents as needed. In addition, HABC procured and begun implementation of an electronic database software needed to track exemption status, resident performance of community service and overall compliance.

## **Pre & Post Occupancy Program**

The Pre & Post Occupancy Program (POP) was developed to assist new and existing public housing residents with: understanding their responsibilities as they apply to the lease; complying with the community service requirement; maintaining their unit; and, knowing the resources and programs that exist within their communities and the city of Baltimore as a whole. New public housing residents and existing public housing residents who have violated their lease, and/or are at risk for eviction, attend the *Occupancy Training Class*.

The FY 2008 goals for the POP were to: fully develop the program structure and guidelines; implement a policy to make attendance of the Occupancy Training classes mandatory for all new HABC residents; update the training curriculum; update the resource referral directory and evaluate the effectiveness of the POP. HABC achieved all aforementioned goals related to the POP with the exception of the targeted number to be trained. The targeted number to be trained this year was 1500 residents. However, this goal was not achieved because the mandatory policy was not implemented until mid-year. ORS was able to provide occupancy training to 701 residents.

## **Building Communities Initiative**

The Building Communities Initiative (BCI) is a new initiative developed by HABC to address the growing challenge of social integration of seniors and residents with disabilities in HABC mixed population developments. The primary goal of the BCI is to foster positive interactions and the development of healthy relationships between these two populations. The core component of the program is the development of Community Boards at all mixed population developments. The purpose of the Community Boards is to: role model positive interaction and relationship building between the two populations; intervene in, and negotiate, conflicts between the two populations; develop/implement programs and activities which promote safe and friendly living environments for both populations (orange hat crime patrols, floor monitor safety patrols, community rules development/monitoring, etc.); and provide service referrals for residents.

The goals for the Community Board component of the BCI during FY 2008 were to: update the training curriculum for resident training classes; develop a minimum of two (2) new Community Boards and engage outside organizations to provide ongoing training and technical assistance to the Community Boards. HABC achieved these goals for the Building Communities Initiative. The BCI was started at five (5) new developments. However, recruiting residents to serve on the Community Boards remains a challenge. ORS continues to look for incentives from outside resources to encourage resident participation. BCI partners are still available to offer support for program development. Training was again offered to participants at these sites on the dwelling lease, conflict resolution, mentoring, crisis intervention and the operation of a crime watch program. A total of 288 residents participated in the planning and development of the Community Boards at a total of eleven (11) developments.

The second component under the BCI is the Adopt-A-Senior/Disabled Resident Program (ARP). The purpose of the ARP is to provide companionship and personal care assistance to senior and disabled residents. Volunteers will work with residents in the common areas of the mixed population buildings (community rooms and lounges). In addition, the scope of the interaction has been expanded to also include educational and informational workshops, as well as social/recreational activities.

The goals for the ARP component of the BCI during FY 2008 were to: recruit, screen and enroll more program volunteers and facilitate activities for an additional 150 seniors and persons with disabilities. HABC was able to achieve all revised goals related to the ARP, including recruiting and screening 18 additional volunteers as well as facilitating program activities that engaged 168 residents in the ARP component.

A total of 456 residents participated in both components of this year's Building Communities initiative. The projected service goal increased because ORS staff was able to engage more developments than anticipated in the planning of the BCI initiative.

### **Youth Councils**

The HABC ORS recognizes the need to promote leadership among its public housing youth. Therefore, ORS worked with its tenant councils to develop youth councils. The purpose of the youth councils is to provide public housing youth with an opportunity to develop leadership, advocacy, outreach and professional development skills. The goals for year three of the MTW Demonstration were to: develop an additional three youth councils and engage outside organizations to provide ongoing training and technical assistance to the youth councils.

Engaging youth in a structured council continued to be a challenge for staff. To address this issue, ORS began to work with youth in a more informal structure – youth clubs. The youth club goals were similar to the youth council without the formal structure of elected officers. The program goals continued to be promoting leadership and social development as well as civic involvement. This year clubs were started at Brooklyn Homes, Cherry Hill Homes, and McCulloh Homes.

ORS also partnered with the Boys and Girls Club to set up programs at Brooklyn Homes and O'Donnell Heights that also offer leadership and social development programs for youth. Expanding these clubs to other sites is currently being explored.

### **Beautification Project**

In an effort to beautify our developments and promote community involvement, ORS established the HABC Beautification Project. This project offers residents at each site an opportunity to participate in activities that will help maintain their community and promote a sense of pride and ownership. The second and third year goals were to: engage program participation at a minimum of ten (10) HABC properties; engage outside organizations to provide ongoing training and technical assistance to program participants; and facilitate competition annual awards ceremony.

At the end of year two, awards were presented to participating developments. These developments included: Pleasant View Gardens, Poe Homes, Westport/Mt. Winans, Cherry Hill and the Townes at the Terraces. First, second and third place awards were presented to residents at the Townes at the Terraces, Cherry Hill and Poe Homes. This year residents at five new developments were added to the competition: Brooklyn Homes, Douglass Homes, Gilmore Homes, Heritage Crossing, and Rosemont. Judging of these projects will take place and all participants who have designed projects will receive a certificate, but prizes will again be awarded to the three best projects. Civic Works, a community partner that trains youth in construction and landscaping, will assist with judging authority-wide projects.

### **Development of a Non-Profit Subsidiary**

As federal funding for self-sufficiency and support services programs continues to decrease, it is critically important for housing authorities to target non-federal sources for funding and to become more creative and aggressive in the area of resource development. To that end, ORS worked to develop a 501(c)3 non-profit subsidiary organization. Through this subsidiary organization, funding and other resources from non-federal sources will be obtained to support and expand self-sufficiency and support program/services for public housing residents in Baltimore City.

The goals for the non-profit subsidiary during FY 2008 were to: formerly establish as a non-profit with the state of Maryland and the Internal Revenue Service; develop partnerships and collaborations with all city and state social/human service agencies; secure a minimum of \$1,000,000 in resources for resident programs/services.

The application for the non-profit status was approved by the IRS and Resident Services, Inc. officially became incorporated as a 501 (c)(3) at the end of the year. Therefore, the projected goal of \$1,000,000 will again be a goal for the non-profit for FY 2009.

### **Ongoing Resident Services Programs/Services**

In addition to the new and revised program initiatives described above, HABC continued, as planned, to implement the following ongoing resident service programs.

#### **Employment and Empowerment Programs**

Job Training: Apprenticeship and Customized Training was coordinated with local agencies and employers to provide residents apprenticeships and other job training opportunities that lead not only to employment but careers. This year ORS partnered with Sojourner Douglass College to provide customized training in the fields of Geriatric Nursing Assistant (GNA), Phlebotomy and Emergency Technician Assistant. Residents were referred to training opportunities in a number of areas including: construction, Microsoft Office Specialist, early childhood development, and environmental services. In FY 2008, 217 residents were provided training opportunities through these various programs. The projected goal to be served was 65 residents. This increase was due primarily to HUD ROSS funding received that provided training opportunities for an additional 80 residents and a 50% increase in the training services offered through PACE.

Employment Readiness, Placement and Retention Services: The HABC ORS continued to coordinate and deliver its employment readiness and placement services through the People Accessing Continued Employment (PACE) Program and Career Advancement Solutions (CAS). The PACE Program provides job preparation, job search, job placement and job retention services to residents. PACE Program staff/services are located at five (5) public housing developments. The PACE Program partners with a number of city agencies (e.g., the Mayor's Office of Employment Development and the Baltimore City Department of Social Services). These partnerships are vital to the success of the PACE Program. In FY 2008, the PACE program served a total of 952 residents in all of the employment service areas.

CAS is a program funded by the Baltimore City Department of Social Services that provides job search and job placement assistance to individuals transitioning into the work world. In FY 2008, CAS served 470 residents.

The projected goal for these services for these two programs for FY 2008 was 1100, the total number served was 1432.

### **Personal Development Services**

Literacy Training: One of the biggest challenges to employment for low-income populations is literacy. ORS continued to provide daytime pre-GED services through our resident operated learning laboratory and Neighborhood Network Centers. Seventy-five (75) residents received pre-GED services at the resident operated learning lab. GED literacy training was offered to 71 residents. Evening classes were also offered for residents who are participating in job training or who are working during the day.

This year ORS also offered classes in financial literacy to address barriers to money management and fiscal responsibility. Financial literacy training was offered to over 300 residents.

Computer Training: ORS continued its partnership with the Johns Hopkins University's Urban Health Institute. Through this partnership the ORS is able to operate the Cybernet Program. This program consists of computer centers located in sixteen (16) mixed populations high-rise buildings, and at the Douglass Homes. The tenant councils of the individual developments manage and monitor these computer labs. HABC continued to provide technical assistance to the tenant councils. The mission of the Cybernet Program is to educate and empower residents to use computers while providing them access to the world through the Internet.

HABC also continued to operate the youth computer centers located at Cherry Hill Homes, O'Donnell Heights and Brooklyn Homes. Both the Cherry Hill and O'Donnell Heights youth centers are a part of a larger Neighborhood Network Center that exists in these communities. These centers continue to provide computer based learning and supportive services to promote resident employment and self-sufficiency. In FY 2008, HABC received funding for an additional Neighborhood Network Center. A third center was established off-site in the Latrobe Homes community. Over 500 residents participated in Neighborhood Network Center sponsored activities in FY 08.

ORS also continued to work with the One Economy Corporation to help residents access computers through a computer loan fund. Seventy-two (72) residents have participated in the computer loan fund. In FY 2008, 37 applications were received for the loan fund and 22 of those applications were approved.

### **Training and Technical Assistance for Resident Organizations**

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. The goal of the ORS is to foster the development of highly functioning and capable resident organizations that are not only self-sufficient, but also assists residents within their communities (through program and services) to become self-sufficient. To this end, ORS continued to provide these services, and dedicated staff to coordinate and facilitate training and technical assistance for resident organizations on a full-time basis.

ORS continued to provide technical assistance to residents in leadership training and resource development opportunities. Workshops were held for several developments on grant writing and resource development. Seventy-six residents attended these workshops. Participating in the workshops resulted in twelve developments receiving combined grant awards totaling over \$5,000 for services and programs in their communities.

### **Family Support Services**

Family Enhancement Services: Counselors, service coordinators and other staff provided services to individuals and families who live in HABC family and Mixed Population developments and rehabilitated housing. These services were provided through a comprehensive case management system that involves assessment and planning for intervention to improve the quality of life for the residents and increase their chances of becoming self-sufficient.

Congregate Housing Program (CHP): The Congregate Housing program provides services to senior/elderly residents that are designed to keep them out of nursing homes, other institutions and improve the overall quality of their remaining years. Services that are provided under the CHP include personal care, housekeeping, meals, and case management. ORS continued to provide CHP services at two (2) mixed population developments (Wyman House and Bernard E. Mason). The funding provides services for forty (40) residents. The program serviced at maximum capacity with 40 residents during FY 2008.

Child Daycare Program: The HABC Child Daycare Program (CDP) provides an array of customized childcare services to residents of public housing and the metropolitan area of Baltimore City. The HABC CDP provides programs designed to assist infants, toddlers, pre-school and school aged children enhance their emotional, social, physical and cognitive development. In Year Three of the MTW Demonstration, ORS continued to operate a total of three (3) CDP sites. Staff continue to work on a number of strategies to ensure fiscal accountability including obtaining full accreditation through the National Association for the Education of Young Children (NAEYC) which will result in a significant increase in the reimbursement rates and the overall program income. This year all sites applied for some level of accreditation that will help increase fees. One site continues to benefit from full accreditation and submitted an application for renewal. The centers served 172 children in FY 2008.

Our House Family Support Center: The Our House Family Support Center is part of a network of 31 community-based Family Support Centers in Maryland. It is a child-centered family focused program that provides free services to pregnant women and parents with children from birth to age three to help raise healthy children and build productive futures. The focus is on accepting parents where they are, building on individual and family strengths, and in helping families identify and achieve their own goals. The core services were offered both in the home of program participants and within the program center. The program is funded to serve 200 residents. The program served 214 residents during FY 2008.

## X. Information Technology

During FY 2008, the following initiative were in progress or completed:

### **Bailey Consent Decree 504 Database**

This database was designed and implemented in FY 2007. It enables onsite and offsite staff to input and track reasonable accommodation and immediate needs requests of HABC residents in the Public Housing program. The design also links the database to HABC's enterprise system, MST, and captures real time client and work order information. In FY 2008, additional modifications were made to the system, all staff were trained and the system was placed fully on line.

### **Design and Implement a Failure to Pay Rent Management System**

In FY 2007, HABC designed and implemented its Failure to Pay Rent Management System – this system automated the court process for filing Failure to Pay Rent Complaints (FTP). This system has resulted in efficient and timely processing of FTP actions. In FY 2008, Phase 2 of the project HABC revised the system to generate FTP Warrants of Restitution and now posts court charges back to the HABC's enterprise system, MST for tenant billing.

### **Section 8 Web Tools for Landlords**

In FY 2007, HABC launched a website that will allow current landlords to access their payment and tenant information online. Landlords access information on current tenants and the status of Housing Payment Assistance checks. In FY 2008, the second phase of this project was implemented and provides current and future landlords the ability to list vacancies in rental properties. Clients are able to search by bedroom size, neighborhood, property amenities and rents.

### **MBE Contract Management and Compliance**

In FY 2007, HABC purchased and began implementation of a Minority Business Enterprise (MBE) contract management and compliance system called Prism, which provides a centralized location to store detailed and customizable contract data. Prism connects to HABC's financial records and automatically updates contracts as they progress. Contract Reports allow viewing of real-time progress. Implementation and staff training was completed in FY 2008.

### **Human Services Case Management System**

In FY 2008 HABC secured a flexible, comprehensive, web-based software system for its Office of Resident Services. This software allows the agency to track client information across several unique programs, easily generate graphical reporting and demonstrate the effects of staff's efforts on program outcomes. It also provides complete client demographics, record management, surveys and assessments, outcomes management, and standard reports.

# APPENDIX 1

**HABC Vacancies by Property: FY2008 Targeted vs. Actual**

Area	Project	Project Name	Actual	Targeted	Actual
			Adjusted Vac % as of 6/30/07	Adjusted Vac % as of 6/30/08	Adjusted Vac % as of 6/30/08
FM1	0001	LATROBE HOMES	15.4%	5.9%	5.9%
	2-23	MCCULLOH	8.3%	3.3%	2.3%
FM1	0003	PERKINS HOMES	10.5%	4.8%	1.4%
FM1	0005	DOUGLASS HOMES	0.5%	1.6%	1.3%
	6-31-32	GILMOR HOMES	11.1%	3.3%	2.8%
FM1	08-09	O'DONNELL HEIGHTS	6.5%	2.0%	2.0%
FM1	0010	SOMERSET COURT	0.0%	0.0%	0.0%
	11-12-17	CHERRY HILL HOMES	1.7%	2.2%	2.0%
FM1	0013	WESTPORT HOMES	0.0%	0.0%	0.0%
FM1	0014	CLAREMONT HOMES	0.0%	0.0%	0.0%
FM1	0021	BROOKLYN HOMES	14.9%	4.1%	4.1%
FM1	0022	WESTPORT HOMES	11.9%	7.5%	0.5%
FM1	0026	ALBERT SPENCER GARDENS	5.9%	5.0%	5.0%
FM1	0029	MOUNT WINANS	58.9%	15.4%	0.0%
FM1	0034	OSWEGO MALL	6.5%	2.9%	8.8%
FM1	0042	SOMERSET COURT	0.0%	5.0%	0.0%
	33-52	LAKEVIEW TOWERS	0.3%	1.7%	0.0%
MP1	0039	CLAREMONT HOMES	0.0%	0.0%	0.0%
MP1	0041	J. VAN STORY BRANCH, SR. APARTMENTS	0.3%	1.4%	0.0%
MP1	0043	MONUMENT EAST APARTMENTS	0.0%	1.2%	0.0%
MP1	0044	WYMAN HOUSE	0.0%	1.2%	0.0%
MP1	0046	CHASE HOUSE	0.5%	2.1%	0.0%
MP1	0047	GOVANS MANOR	1.0%	0.0%	0.5%
MP1	0051	BERNARD E MASON SR APARTMENTS	0.0%	4.3%	0.4%
MP1	0053	ELLERSLIE, THE	0.0%	1.7%	0.0%
MP1	0054	BEL -PARK TOWER	1.2%	0.4%	0.4%
MP1	0056	BRENTWOOD, THE	0.0%	1.3%	0.7%
MP1	0070	ROSEMONT TOWER	0.5%	0.0%	0.0%
MP1	0071	PRIMROSE PLACE	0.0%	0.8%	0.8%
MP1	0074	HOLLINS HOUSE	2.3%	2.3%	0.0%
MP1	0075	ALLENDAL, THE	3.7%	0.6%	0.0%
SS		REHAB	5.6%	4.9%	0.5%
	0004	POE HOMES	3.6%	0.0%	7.2%
	0012	ST. AMBROSE	3.3%	0.0%	0.0%
	0201	CHM	0.0%	0.0%	0.0%
	0101	ARBOR OAKS	0.0%	0.0%	3.3%
	0102	MONASTERY GARDENS APARTMENTS	0.0%	9.1%	0.0%
	0103	MIDTOWN APARTMENTS	41.2%	28.6%	0.0%
	0104	MONTPELIER APARTMENTS	15.4%	0.8%	0.0%
	0105	HILLSIDE PARK	3.3%	0.0%	0.0%
	0106	TERRACES FAMILY TOWNHOUSES	2.0%	3.0%	7.4%
	0107	TERRACES GARDEN COOP	0.0%	4.3%	0.0%
	0108	UPTON APARTMENTS	37.8%	24.3%	0.0%

0109	STRICKER STREET	36.0%	28.0%	0.0%
0110	PLEASANT VIEW GARDENS	1.0%	3.5%	0.6%
0111	HERITAGE CROSSING	1.4%	1.3%	0.0%
0112	BROADWAY	4.8%	2.4%	0.0%
0113	WEST HILLS SQUARE	0.0%	0.0%	18.2%
0114	ALBEMARLE SQUARE	1.5%	0.8%	1.5%
	<b>HABC Total</b>	<b>5.7%</b>	<b>3.0%</b>	<b>1.9%</b>



## APPENDIX 2

**HOUSING AUTHORITY OF BALTIMORE CITY**  
**A Resolution Of The Board Of Commissioners Approving The Annual MTW Report  
For Fiscal Year 2008**

**WHEREAS**, the Housing Authority of Baltimore City ("HABC") and the U.S. Department of Housing and Urban Development ("HUD") executed a Moving to Work ("MTW") Agreement on March 31, 2005, setting forth the terms under which HABC will participate in the MTW program; and

**WHEREAS**, in accordance with Article 1E of the MTW Agreement, HABC submitted to HUD an MTW Annual Plan for fiscal years 2007 and 2008, which the Board approved on April 25, 2007; and

**WHEREAS**, HABC submitted to HUD its FY 2007 MTW Annual Report following the Board's approval on September 18, 2007; and

**WHEREAS**, pursuant to Section V.A.2. of the Statement of Authorizations in the MTW Agreement, HABC has prepared an Annual MTW Report for fiscal year 2008, which compares HABC's performance with the Annual MTW Plan; and

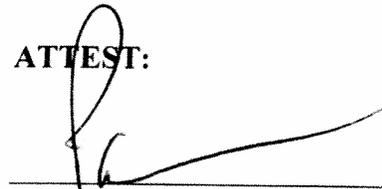
**WHEREAS**, the Annual MTW Report must be approved by the Board, and submitted to HUD no later than 90 days after the end of HABC's fiscal year for the corresponding MTW Annual Plan.

**NOW, THEREFORE, BE IT RESOLVED** by the HABC Board of Commissioners:

1. The MTW Annual Report for fiscal year 2008 is hereby approved.
2. The Executive Director is hereby authorized to submit the MTW Annual Report for fiscal year 2008 to HUD in accordance with the MTW Agreement.
3. The Executive Director, or his designee, is hereby authorized to take any and all appropriate actions, and execute all appropriate documents necessary to carry out this Resolution, consistent with its terms.

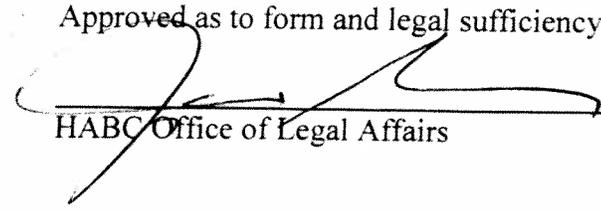
**PASSED, ADOPTED AND APPROVED** this 29<sup>th</sup> day of September 2008.

**ATTEST:**

  
\_\_\_\_\_  
Paul T. Graziano  
Secretary/Executive Director

  
\_\_\_\_\_  
Joseph L. Smith  
Chairman

Approved as to form and legal sufficiency this 29<sup>th</sup> day of September, 2008 by:

  
\_\_\_\_\_  
HABC Office of Legal Affairs