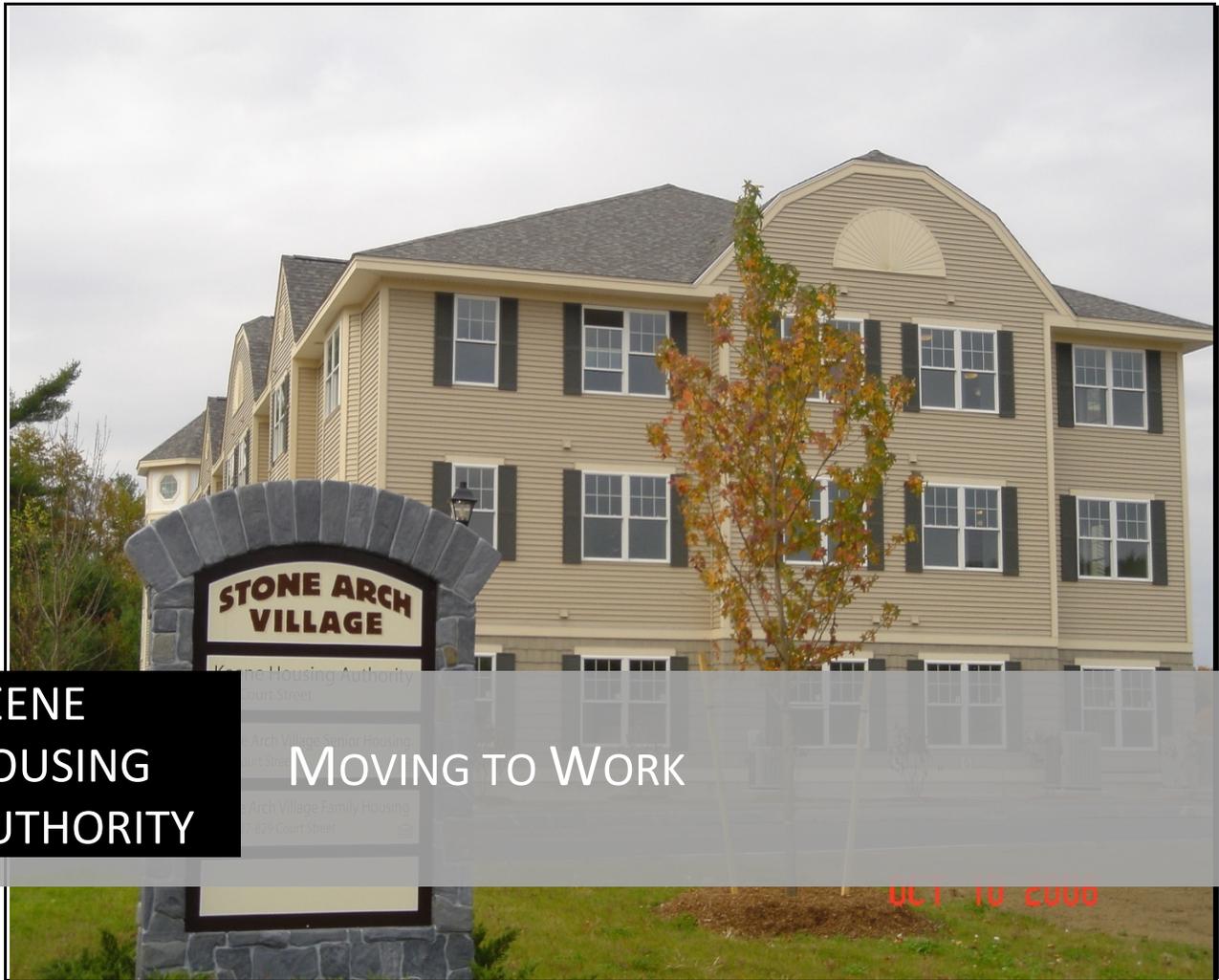


# Annual Report 2008



**KEENE  
HOUSING  
AUTHORITY**

**MOVING TO WORK**

**Annual Report 2008 | 10 Years of Innovative  
Programming**

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## Executive Summary

### KEENE HOUSING AUTHORITY MOVING TO WORK REPORT 2008 MESSAGE FROM P.C. HIEBERT, CEO

*“The Keene Housing Authority, like other Housing Authorities all across the United States has been struggling with the difficulties of administering and managing Public Housing and Section 8 properties and programs in an environment of dramatically increased regulation and reduced and untimely funding.”* The quote above is from the KHA 2007 Annual report. The KHA, like the rest of the country including businesses, families and indeed the world, had little idea of the financial and social “perfect storm” that would hit the world during the second half of 2008 and continues today.

Fortunately, however, the plan that the KHA had put together to change the method of our funding of operations and capital improvements for Public Housing was and continues to be a sound and workable one. The plan was approved by HUD during 2008, and the KHA received the necessary additional Section 8 Vouchers to make the plan work financially. Because of the changes in the financial world of the last 6 months, the form of the plan’s financing has changed, but the KHA expects to be successful in completing the transfer of the properties to our own non-profit subsidiary and to begin the extensive investment of capital into the structures during the coming year. The increased flexibility afforded by the Moving to Work Demonstration has allowed us to adapt our plan to fit the current conditions. This allows us to better serve our program participants, and as you will see from this report, provide incentives for self-reliance as well as increasing the livability, safety, efficiency and marketability of the homes themselves.

The KHA is proud to present this report of its Moving to Work Program, and hope the things we have learned here will help generate ideas for much needed changes in Public Housing and Section 8 programs elsewhere.

## I. Introduction

### Keene Housing Authority Mission

*The mission of the Keene Housing Authority is, directly or in collaboration with others, to provide and/or advocate for:*

- *Decent, safe and affordable housing for individuals, families, elderly and disabled persons of low to moderate income within the Monadnock region;*

*And; to provide and/or advocate for*

- *Any and all services and programs that will assist in improving the social and economic welfare of such individuals and families.*

The Keene Housing Authority was created by resolution of the City Council for the city of Keene July 15, 1965 in accordance with Section 4 of Chapter 203, New Hampshire Revised Statutes Annotated. The stated mission of the authority was filling the need for “safe, sanitary dwelling accommodations for the elderly and persons of low-income in Keene.” Pursuant to this resolution the Mayor of Keene, in accordance with NHRSA 203:5, appointed five persons as Commissioners of the Keene Housing

Authority, and these appointments have been made regularly in accordance with the law, through and including the present time. The Authority, as a duly created municipal agency of the city, derives extensive powers from RSA 203.8. Among these powers is the authority to:

- Acquire, lease, manage, maintain or operate housing projects
- Provide for the construction, reconstruction, improvement, and extension of housing projects or any part thereof.
- Lease or rent any dwellings, houses, land, or buildings in any housing project.
- Establish and revise the rents and other charges for use of the property.
- Own, hold, and improve real or personal property.
- Purchase, lease, obtain options upon, and acquire by gift any real or personal property.
- Sell, lease, exchange, transfer or dispose of any real or personal property.

The Authority is governed by a five person Board of Commissioners appointed by the Mayor of the city of Keene. A list of the Board of Commissioners is attached. The Board is responsible for the hiring and supervision of the Chief Executive Officer, who is responsible for the day-to-day operation of the agency. The Keene Housing Authority has a staff of approximately 40.

The three statutory objectives of the Moving to Work demonstration program are to:

1. Reduce cost and achieve greater cost effectiveness in Federal expenditures;
2. Give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in on the job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and
3. Increase housing choices for low-income families.

### **Summary of Keene's MTW Goals and Objectives**

Keene Housing Authority's goals for the Moving to Work program as laid out in their original proposal in 1996 were as follows:

- Reduce costs and increase administrative efficiency
- Provide financial incentives to children with families to increase their income through work
- Encourage full employment for all residents able to work, while recognizing many families will continue to need housing assistance even after they achieve full employment
- Provide increased contact and service coordination for all residents
- Increase housing options

In accordance with these goals, the primary objectives of Keene's Spectrum MTW Demonstration program include:

- Increase share of residents making progress toward self-sufficiency
- Achieve greater income mix
- Increase rent revenues from tenants
- Improve the quality of assisted housing stock
- Reduce number of residents moving out of assisted housing
- Increase revenues from other sources
- Increase homeownership among residents

- Enhance Keene Housing Authority's capacity to plan and deliver effective programs
- Increase resident satisfaction with their housing and with Keene Housing Authority programs

Keene has viewed the program, as stated in the Urban Institute's, Housing Agency Responses to Federal Deregulation: A Baseline Report on HUD's Moving to Work Demonstration publication published in October 2000, as an opportunity to reduce time staff spent on administrative functions in order to expand and provide greater case management and support for families.

Keene has kept its basic strategies and goals simple yet flexible and they have proved effective over the course of 10 years. This time span has included dramatic changes in both the local and national economy and housing market. Despite this, Keene has not seen a resulting spike in evictions or termination of program participants as a result of rent and subsidy reforms. Tenants overall continue to show progress in self-sufficiency. Costs to administer the programs have been reduced as a result of changes in tenant certifications and rent reform. As a result of its success, Keene does not see a dramatic shift in strategies or changes in goals. The beauty of the MTW Demonstration Program is the flexibility to adjust policies if warranted based on local conditions rather than federal regulation.

Keene's long term vision includes making the flexibilities permitted under the demonstration permanent and promoting them among other housing programs. As the Director of Housing was quoted in August of 2001 in a report prepared for HUD by ABT Associates, "We are emulating the way the private market works in small town by creating a simplified program that relies on working closely with the community. We are able to take risks now because the program is a pilot...Hopefully in five years there will be no turning back."

## II. Management and Operations

### A. Housing Inventory

Keene Housing Authority, at the end of fiscal year 2008, owned and/or managed 522 units of elderly, disabled, family and market rent housing. One-hundred and one units, mostly LIHTC, were added over the past four years increasing the supply of affordable housing in the region. Keene's Public Housing inventory remained at 228 at the end of 2008.

Fiscal year 2008 was a transitional year for KHA. In April 2008, KHA received HUD approval for the Disposition of its 228 units of public housing. The Disposition approval includes the sale of 15 scattered site units at Fair Market Value (FMR) appraised in 2006. The approval also includes selling the remaining 213 units via a negotiated sale to the Monadnock Affordable Housing Corp, a 501 (c)(3) corporation associated with KHA. Between 2006 and 2008, property values plummeted across the country and in Keene. Keene published a request for proposals in October 2008 to sell the scattered site units. The two responses to the RFP proposed buying the properties below the fair market value originally approved in the disposition. HUD required Keene to submit approval to HUD before selling the properties below the appraised FMV. As a result, HUD required Keene to conduct another appraisal of the properties and has submitted it to HUD for approval. As of March 2009, the sale is pending approval. One of the proposed buyers is a long-time public housing resident and participant in Keene's homeownership program.

Upon HUD approval of the plan and the issuance of additional replacement vouchers, KHA began the Disposition process. A development team was hired to begin the process of surveys, permits, legal

advice, architectural drawings, and other associated upfront costs related to the Disposition. Due to the national economic and banking crisis, the financing of LIHTC was delayed until 2009. Therefore the Disposition did not occur at the end of 2008 as originally proposed in the application. KHA is anticipating the HUD preapproved disposition of properties will occur in the second quarter of 2009. In anticipation of that closing, a Relocation Specialist was hired to work directly with tenants regarding the relocation process. Every effort is being made through public notices, public meetings, and individual meetings to assure residents are well informed as the process progresses. The fungibility of funds allows us to cover the cost of expenses associated with these meetings, mailings, and personal visits to tenants.

### Public Housing Inventory

Public Housing	Units	Type	Bedrooms	Contract Number	AMP
Harper Acres	112	Elderly/Disabled	49-0BR, 55-1BR, 8-2BR	NH36-P010-001 & 002	NH010000101
Bennett Block	14	Elderly/Disabled	1-0BR, 12-1BR, 1-2BR	NH36-P010-009	NH010000101
Forest View	38	Family	12-2BR, 26-3BR	NH36-P010-003	NH010000101
North & Gilsum	29	Family	23-3BR & 6- 4BR	NH36-P010-003	NH010000101
17-19 Roxbury Ct	4	Family/Elderly	4-1BR	NH36-P010-005	NH010000101
* 440 Main St.	2	Family	2-4BR	NH36-P010-005	NH010000101
* 64 Spring St.	2	Family	2-3BR	NH36-P010-005	NH010000101
* 69 Elm St.	2	Family	2-2BR	NH36-P010-005	NH010000101
537-539 West St.	4	Family	4-2BR	NH36-P010-005	NH010000101
32 Water St.	2	Family	2-2BR	NH36-P010-005	NH010000101
* 51 Forest St.	3	Family	1-1BR, 2-3BR	NH36-P010-006	NH010000101
309 Water St.	3	Family	3-2BR	NH36-P010-006	NH010000101
* 390 Water St.	2	Family	1-1BR & 1-4BR	NH36-P010-006	NH010000101
Farmstead Commons 54, * 59, * 69	3	Family	3- 2 BR	NH36-P010-009	NH010000101
45 Damon Court	6	Family	2-2BR, 4-3BR	NH36-P010-010	NH010000101
* 9 Spruce St.	2	Family	2-3BR	NH36-P010-010	NH010000101
<b>Total Public Housing Units</b>	<b>228</b>			<b>* indicates properties to be sold in disposition proposal</b>	

### Other Affordable Housing Managed and Owned by the Keene Housing Authority

#### HUD Multifamily Section 8 Housing

- Central Square Terrace, Keene, 90 efficiency and 1 bedroom units of elderly/disabled housing
- Wedgewood Duplexes, Winchester, 30 duplex units with 2 and 3 bedrooms
- Meadow Road, Keene, 18 units of 2 and 3 bedroom townhouse style apartments

#### Low Income Housing Tax Credit Properties (Mixed Finance: HOME, CDBG, RURAL Development)

- Riverbend Apartments, West Swanzey, 24 units of 2 and 3 bedroom townhouse style apartments
- Evergreen Knoll, West Swanzey, 32 units of 2 and 3 bedroom townhouse style apartments
- Stone Arch Village Family Housing, Keene, 24 units of 2 and 3 bedroom townhouse style apartments

- Stone Arch Senior Housing, Keene, 33 units of 1 and 2 bedroom apartments in a 3 story elevator building

**Community Development and Block Grant Properties**

- Cottage St, Keene, 3 units of housing managed for Monadnock Family Services
- Chamberlain Block, 14 efficiency and 1 bedroom units in downtown Keene

**Section 8 Moving to Work Voucher Allocation**

The Keene Housing Authority administers 587 Section 8 Housing Assistance Coupons and 50 Mainstream Vouchers. Out of the 587, 228 were received in October of 2008, as replacement vouchers to use in conjunction with the disposition of public housing. \$475,038 was received for the replacement vouchers in 2008.

The replacement vouchers will be tenant-based in the Public Housing units after the Disposition of the units occurs as stated in Attachment D of Keene’s Amended and Restated Moving to Work Agreement executed in 2008. Existing public housing tenants have been offered an opportunity to move with the voucher or remain in place. If the tenant household chooses to remain in place, the voucher will be project-based and administered as part of Keene’s Moving to Work program.

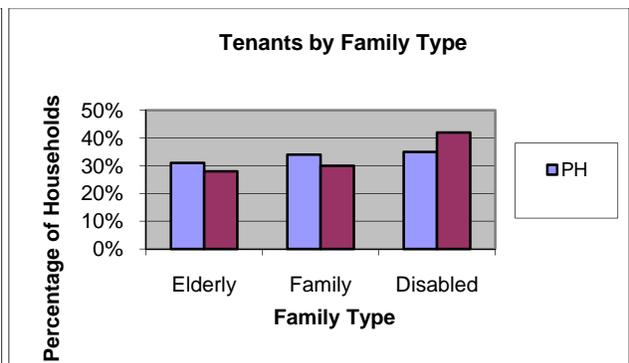
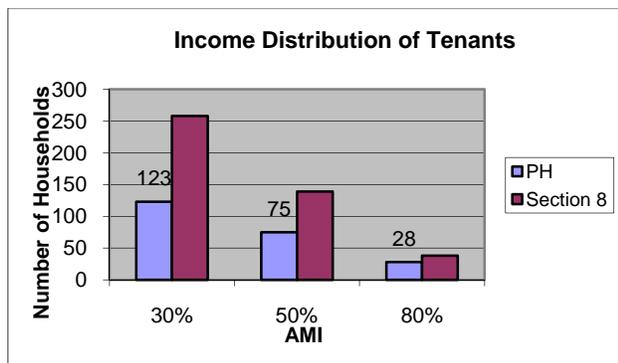
**B. Occupancy and Lease-up Information**

Seventy-five percent of households served under the Moving to Work program are required to be very low income. If Keene’s MTW program only consisted of working families this could be a difficult target to reach given that goal of the Moving to Work program is to increase not only the number of families working but the share of their income from wages. Since the MTW program in Keene also includes all elderly and disabled households, a majority of households served are very low income.

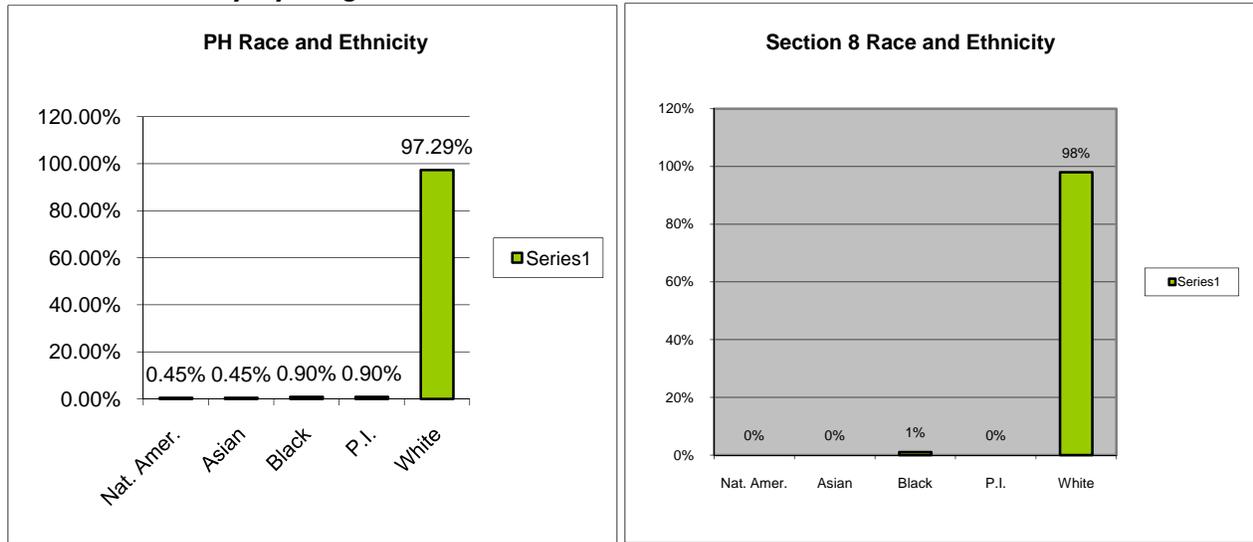
2008	Section 8 Program	Public Housing
<b>Extremely Low Income 30%</b>	57%	54%
<b>Very Low Income 50%</b>	30%	34%
<b>Low Income 80%</b>	7%	12%

**Household Characteristics**

The general characteristics of tenant households remained relatively unchanged with the exception of the number of disabled households surpassing elderly and family households. The same trend has occurred in the tenant population and on the waiting lists of other properties managed by the Keene Housing Authority. Since welfare reform of the 1990’s, Keene has identified an increase in disabled households.



**Race and Ethnicity by Program**

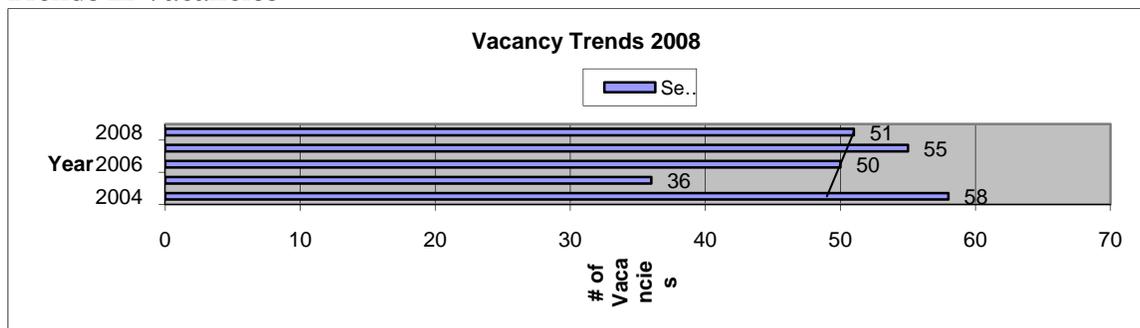


**Public Housing Occupancy**

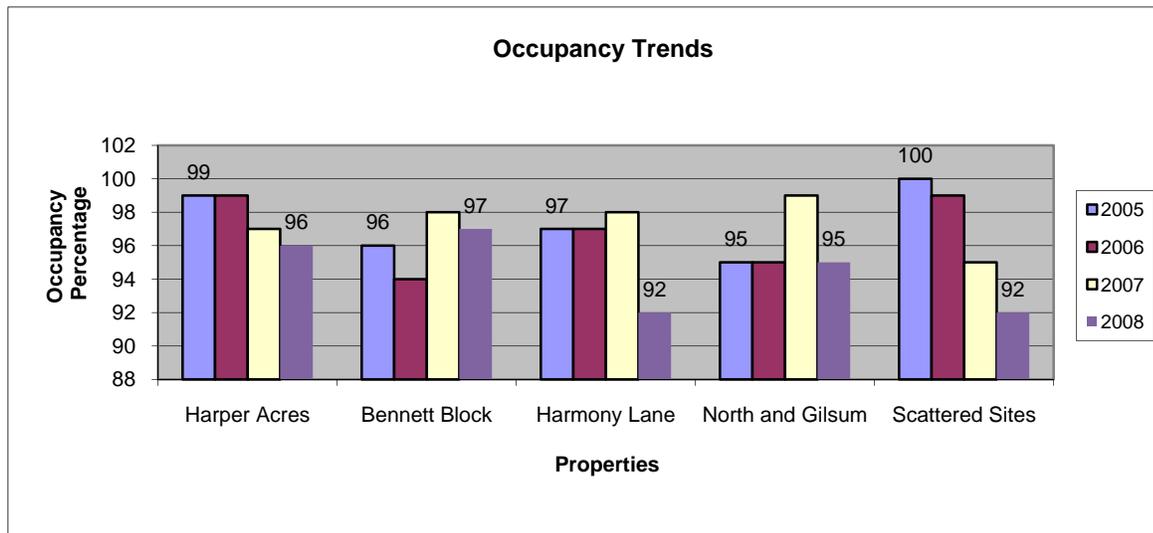
All of Keene’s public housing units have been included in the demonstration since its inception in October of 1999. The Keene Housing Authority’s goal is to achieve a vacancy rate as low as possible, not to exceed 3% for all public housing units. A total of 51 households moved out of public housing in 2008. Ten of the households moved as a result of the impending sale of the scattered sites units. All households received relocation benefits and housing counseling as required under Section 18. Four of the households, also Resident Self-Reliance program participants, moved on to homeownership assistance.

Keene, in order to prepare for the Disposition and rehabilitation of units, began accumulating vacancies in June of 2008 in anticipation of starting renovations originally in the fall of 2008. The rehabilitation was then delay until January 2009, then April 2009, and now it has been delayed until September 2009. Total number of units leased as of December 31, 2008 was 177. All units would have been leased or in the process of being filled if KHA was not preparing for the relocation of tenants. The plan included temporarily relocating tenants to vacant units during renovations. As a result of the delay in the Disposition, the units were kept vacant longer than anticipated. Keene has started leasing-up units in the interim. As a result, vacancies are higher than expected, for the second half of 2008. The units will continue to operate as part of the MTW program after the Disposition occurs under the umbrella of the project-base voucher program.

**Trends in Vacancies**



The number of vacancies has remained steady over the past four years with a sharp and temporary decrease in 2005. Again, ten of the vacancies were caused by tenants required to permanently relocate for the pending sale of the scattered site units. Similarly, occupancy rates decreased slightly in 2008 due to the intentional accumulation of vacancies. If Keene had not been preparing for relocation of tenants, occupancy rates would have been at a record high with the exception of Harper Acres. Efficiency units continue to be difficult to market to the senior population, especially in the wake of other new LIHTC housing being built in Keene and the region by other local non-profit agencies such as Southwestern Community Services.



**Actual Lease-ups for Housing Assistance Coupons**

Keene Housing Authority has been able to consistently serve more households than the allocated 359 due to the flexibility allowed in calculating subsidy under MTW. As of December 31, 2008, there were 404 vouchers utilized under the Moving to Work program. The average Housing Assistance Payment (HAP) has increased from \$432 at the end of 2007 to \$618, an increase of \$186. The significant change in the average HAP is due to an increase in the VPS of over \$100 in 2008. However, Keene considered reducing the VPS payment standard from 110% of the FMR to a lower figure. Keene simultaneously saw a significant rise in gross rents charged by the landlord due to increased costs of utilities passed on to the tenants. Reducing the payment standard would have resulted in increased rent burden for participants. KHA decided it was better to subsidize households more deeply rather than increase the number of households in the program. The philosophy behind the decision is to help people successfully maintain their housing rather than push them on over the edge in an unstable economy. If the decision to maintain payments standards at 110% of the FMR threatens to reduce the number of vouchers utilized below the originally allocated 359, Keene will reexamine its’ payment standards and the local market and respond accordingly.

**2008 Moving to Work Lease-ups in Section 8**

	Current MTW Vouchers	Projected Utilization in Jan 2008	Target Utilization in Dec 2008
Target	388	108%	105%
Actual	404		112%

Program attrition was slow in 2008 with 31 people leaving the program as opposed to an average of 70 in past years. Issuance of vouchers slowed in 2008 because MTW Section 8 funds were fully utilized. As a result, only 16 households were leased-up in 2008. All households who were issued vouchers successfully found housing within the required time frame.

### C. Waiting List Management

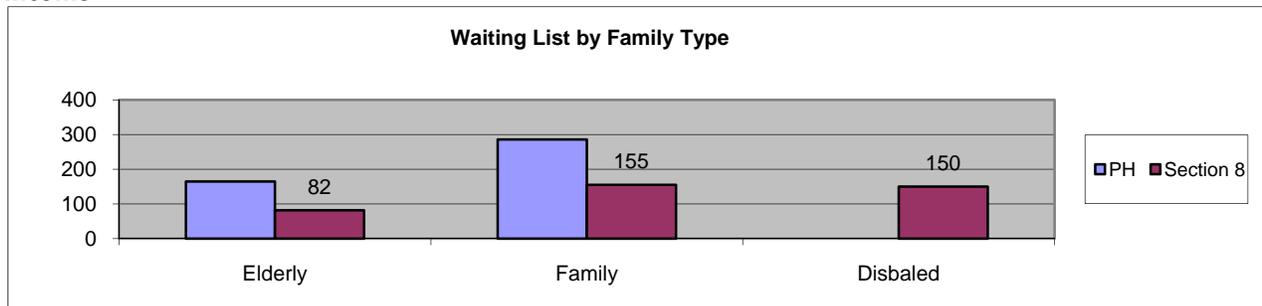
We anticipated the waiting lists for both Public Housing and Section 8 becoming longer in 2008 due to the vacancy loss accumulated through preparations for rehabilitation and increased rents and utility costs in the private market.

Keene Housing Authority uses a site-based waiting list system permitting families to select the specific sites for which they want to be placed on the waiting list. Currently there are 286 families and 165 elderly/disabled on the Public Housing waiting lists. These waiting lists will be converted to Project-based Voucher program waiting lists once the Disposition of housing is conducted. Applicants will be able to retain their original date of application.

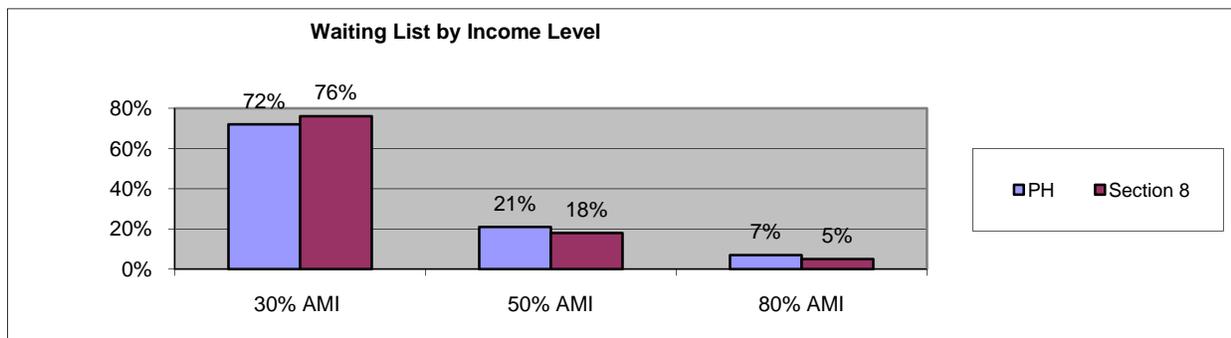
The waiting list for HCV/HAC is currently at 5 years and we expect the wait to increase because of the significant increase in FMRs and the impact on voucher utilization. There were 444 applicants on the MTW Section 8 waiting list at the end of the fiscal year. That is an increase by almost 150 applicants from the end of 2007. There is a separate waiting list for Mainstream Voucher applicants in order to provide applicants with a choice, as the MTW Section 8 and Mainstream program have significant differences and impact on tenant rent. All waiting lists were purged during the first quarter of 2008 and continue to remain open. Only 38 households were removed from the Section 8 waiting list and 148 from the Public Housing program. The purge had little effect on the length of both lists due to an increase of applicants in 2008. 286 of the Section 8 applicants applied in 2008.

#### Characteristics of the Waiting lists

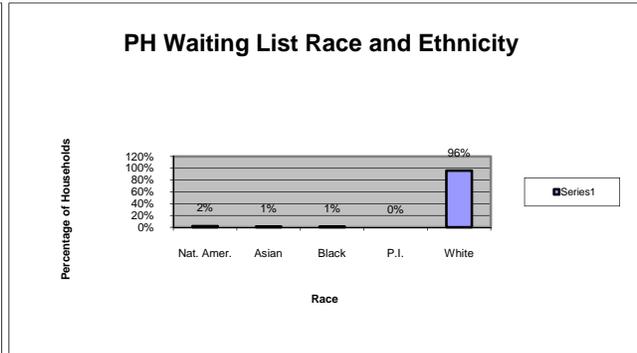
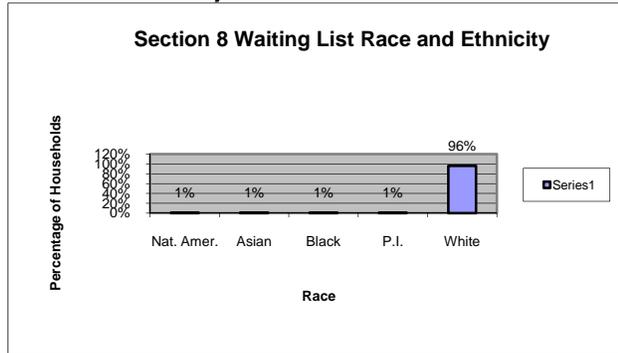
##### Income



##### Family Type



**Race and Ethnicity**



**III. Proposed MTW Initiatives**

In 2008, Keene Housing Authority’s sole initiative was to seek HUD approval for its application to dispose of all 228 units of public housing. The application was approved in 2008 and the Disposition is tentatively scheduled to occur during the second quarter of 2009 as discussed in the Occupancy and Lease-up section of this report.

**V. Ongoing MTW Initiatives**

**Initiative: Project-Based Vouchers**

**Statutory Objective(s):** Increase housing options  
**Baseline:** Income distribution of tenants; Average time spent on waiting list; Number of housing units available; Number of vouchers issued vs. utilized  
**Benchmarks:** 50% of KHA voucher allocation project-based  
**Measures:** Changes in income distribution of tenants; Changes in average time spent on waiting list; Number of vouchers issued vs. utilized

The ability to determine the policy to select owners and percentage of project-base vouchers created an important opportunity for housing authorities in the MTW program to increase the number of affordable housing units in their communities. KHA has designated properties managed by partnerships of which KHA is a part to receive a portion of the project-based vouchers. Once the disposition of public housing units occurs sometime in the 2<sup>nd</sup> quarter of 2009, 36% of the project-based vouchers will be used in the units. The remaining 14% will be project-based in other LIHTC properties owned and managed by partnerships of which KHA is a part. Without vouchers, there is a narrow window of applicants who are income eligible for LIHTC programs AND can afford the rent. The ability to project-base vouchers provides long-term affordability to a wider range of applicants who qualify for and can afford the housing.

**Plan Year Implemented:** 2008 Annual Plan

***Authorization (s):** Attachment C, Section D.7 Establishment of an Agency MTW Section 8 Project-Based Program. The Agency is authorized to project-base Section 8 assistance at properties owned directly or indirectly by the Agency that are not public housing, subject to HUD’s subsidy layering. If the Agency chooses to project-base Section 8 assistance at such properties, the Agency recognizes and accepts that such*

*units would no longer be eligible for operating subsidy provided under Section 9(e) of the 1937 Housing Act or for future capital funds provided under section 9(d) for those units if it chooses to use this authorization. Project-based assistance for such owned units does not need to be competitively bid, nor are they owned units subject to any required assessments for voluntary conversion. This authorization waives certain provisions of Section 8(a)(13)(B and D0 of the 1937 Act and 24 C.F.R. 982.1, 982.102 and 24 C.F.R. Part 983 as necessary to implement the Agency's Annual MTW Plan.*

### **Initiative: Spectrum Housing Choices**

**Statutory Objective(s):** Increase housing options

**Baseline:** Number of waiting list options; Average time household spends on waiting list

**Benchmarks:** 75% of qualifying families on the Section 8 waiting list successfully lease-up

**Measures:** Same as baseline

Within the MTW Section 8 program, Keene Housing Authority created several preferences and special programs to provide participants more housing options. The Shelter HAC program offers assistance for households living in the shelters. Once the participant graduates from the program, they are given a preference for our Section 8 HAC so they can find housing on the private market. The participants receive extensive case management services and are required to complete self-sufficiency activities before graduating from the local shelters and issued a HAC.

Public Housing residents who have reached the 3<sup>rd</sup> Step Rent Level may receive a preference for a Section 8 HAC. Many residents prefer renting in the private market, as it doesn't have the stigma associated with living in a public housing development.

Preferences are also in place for current tenants who are ready for homeownership so we may issue them a homeownership voucher from our existing MTW Section 8 allocation.

- Transfer the determination of rent reasonableness to the tenant through training and removal of the 40% rule which restricted housing choices for Section 8 participants
- Income eligibility up to 80% achieves a greater income mix of families in our public housing and Section 8 programs
- Section 8 preferences for Public Housing residents and Keene Housing Authority owned and managed programs increase the number of people we are able to assist
- Implementing a site-based waiting list system provides families with the option of choosing the waiting lists they want to be placed on within Public Housing
- Collaborations with local shelter program and the creation of the Heading for Home Homeownership program increase the spectrum of housing options
- Recent development of LIHTC programs has provided additional housing choices for applicants on Keene Housing Authority waiting lists
- Collaboration with local agencies such as shelter and mental health agencies to address barriers and expand housing options for harder to house applicants

Previously to participating in the MTW program, Keene maintained one waiting list for all public housing units, a Section 8 waiting list and a waiting list for Riverbend, Central Square Terrace and Meadow Road. Since 1999, Keene has created site based waiting lists for all public housing units, created a waiting list for the Mainstream and MTW Section 8 program, and several waiting lists for Multifamily, CDBG and LIHTC programs increasing the number of options for families to choose from at the KHA. One application is used to cover all programs and their requirements to reduce complexity of waiting list administration process for staff and the application process for applicants. If they lease-up in one program they are not removed from other waiting lists unless they request to do so

or they are determined not eligible for the program. This provides ongoing housing options for families in case their circumstances or housing needs change.

100% of families issued vouchers successfully found housing in 2008. However, the average waiting list time increased from 3.5 years to 5 years in 2008. The average waiting list time in 2001 when the HAC program was implemented was approximately six months. The list gradually increased over the years with a sharp increase in 2008 due to increased rents in the program and decrease in program exits. Waiting lists length for properties owned or managed by KHA, in contrast, have decreased over the years, especially for 3 and 4 bedroom units due to increased supply of affordable housing in the region and lack of demand for the larger units. Both KHA and Southwestern Community Services developed over several hundred units of affordable housing in the region since 1999.

#### **Plan Year Implemented: Original MTW Agreement executed in 1999**

***Authorization(s):** Attachment C. Section B.4 Transitional/ Conditional Housing Program. The agency may develop and adopt short-term transitional housing programs, consistent with eligible use of section 8 and 9 funds, with supportive services in one or more buildings in collaboration with local community based organizations and government agencies.*

*Section B. 2. Partnerships with For-Profit and Non-Profit Entities. The agency may partner with for-profit and non-profit entities, subject to 24 C.F.R Part 85 and 941.602(d), including, mixed-income, mixed-finance development partners and third party management companies, as well as affiliates and instrumentalities of the Agency ("Agency Partners"), to implement and develop all or some of the initiatives that may comprise the Agency's MTW Demonstration Program. The Agency may, with respect to MTW eligible activity and when working with or partnering with such partners, make available to Agency Partners the least restrictive regulatory requirements allowable based on Agency's participation in the MTW Demonstration Program and that agreements with Agency Partners may reflect the implementation of less restrictive regulatory requirements. This authorization waives certain provisions of Section 13 and 35 of the 1937 Act and 24 C.F.R. 941 Subpart F as necessary to implement the Agency's Annual MTW Plan.*

#### **Initiative: Public Housing Step Rents**

**Statutory Objective(s):** Incentive for self-sufficiency; Increase cost effectiveness/efficiency

**Baseline:** Dollars collected in rent revenue from tenants; Number of tenants employed; Number of tenants leaving program due to rent burden

**Benchmarks:** Increase of 15% in GP rent revenue from tenants; 20% Reduction in administration costs; Increase of 15% in residents working; Number households evicted due to non-payment of rent

**Measures:** Changes in amount of rent revenue collected from tenants; Reason tenants leave program; Changes in number of tenants employed; Average rent burden of tenant

Keene opted to implement a Stepped Rent system to impact the two objectives listed above. During focus groups conducted with residents when formulating Keene's MTW application, residents expressed deep frustration with the Brook Amendment's method of rent calculation. Families experienced a rent increase whenever their income increased. Staff were also immersed in constant interims and annual recertifications. The system also did not provide incentives for residents to find employment.

Keene's Stepped Rent system charges a flat rate based on the bedroom size and number of years they have lived in a unit. The subsidy is gradually reduced until a family reaches the 3<sup>rd</sup> and final step. The 2<sup>nd</sup> Step and 3<sup>rd</sup> Step Rents are based on a percentage of the Fair Market Rents. The 2<sup>nd</sup> step is based on 45% of the FMR and the 3<sup>rd</sup> step is based on 65% of the FMR. If a family's income increases, their rent will not increase, hopefully encouraging them to increase their income and reduce fraud. If a family's income decreases, they may apply under our hardship policy for assistance through the Safety Net program.

<b>Rents Based on Percentage of 2005 Fair Market Rents</b>			
<b>1st Step (1<sup>st</sup> year)</b>	<b>2<sup>nd</sup> Step (2<sup>nd</sup> year)</b>	<b>3<sup>rd</sup> Step (4<sup>th</sup> year)</b>	<b>Bedroom Size</b>
Greater of \$125, 30% of income or the Welfare rent	\$262	\$379	Efficiency
Greater of \$125, 30% of income or the Welfare rent	\$279	\$404	1 Bedroom
Greater of \$125, 30% of income or the Welfare rent	\$351	\$507	2 Bedroom
Greater of \$125, 30% of income or the Welfare rent	\$423	\$611	3 Bedroom
Greater of \$125, 30% of income or the Welfare rent	\$515	\$744	4 Bedroom

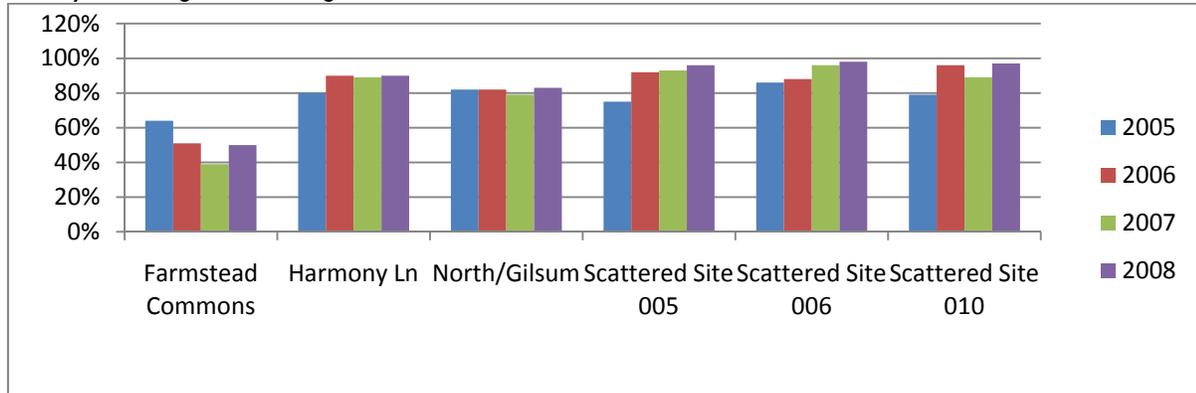
Elderly and Disabled households may choose to have their rent calculated based on the Step Rent or income-based method. Those electing the income based method of rent calculation will not pay higher than the current Fair Market Rent for their bedroom size. The minimum rent for both rent calculation methods is \$125. If families are experiencing a hardship paying this rent, they may apply for a rent reduction in the Safety Net Program.

Families in Public Housing are charged a flat rate based on the bedroom size and number of years they have lived in a unit. During the first year, tenants are charged the minimum rent, the welfare rent, or 30% of their adjusted income, whichever is greater. New Hampshire is one of only a few "as paid localities" in the country for Public Assistance. Therefore, there are specific calculations that must be applied when determining income from Public Assistance for these families. The welfare rent is the shelter allowance portion of a household's TANF grant paid for the purposes of housing. It is a set rate determined by the State of New Hampshire.

Over the term of occupancy, the rent is gradually increased until a family reaches the 3<sup>rd</sup> and final step. The 2<sup>nd</sup> Step and 3<sup>rd</sup> Step Rents are based on a percentage of the Fair Market Rents. The 2<sup>nd</sup> step is based on 45% of the FMR and the 3<sup>rd</sup> step is based on 65% of the FMR. If a family's income increases, their rent will not increase, hopefully encouraging them to increase their income and reduce fraud. If a family's income decreases, they may apply under our hardship policy for assistance through the Safety Net program.

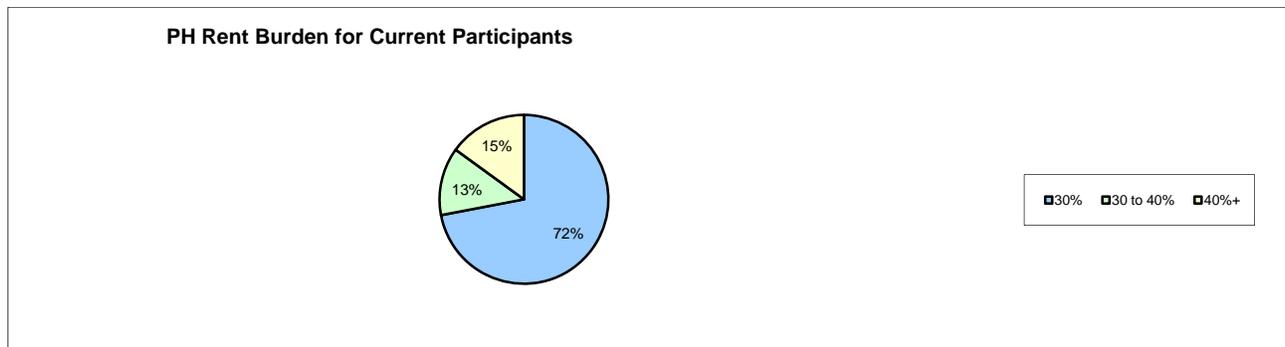
Utility rebates are not paid as part of the program, as a minimum rent has been established. In Public Housing, most units currently include utilities.

**Family Housing: Percentage of Collected Rent**



The percentage of revenue has increased overall in the past 4 years increasing from 82% in 2005 to 90% in 2008. The amount of rent billed is generally between \$850,000 and \$900,000 fluctuating slightly from year to year based on tenant rents. The first year of participation in the MTW program resulted in an increase of \$50,000 in tenant receivables.

The rent burdens for public housing residents decreased slightly in 2008.



**Plan Year Implemented:** Original MTW Agreement executed in 1999

**Authorization(s):** Attachment C, Section D.2 Rent Policies and Term Limits.

The Agency is authorized to adopt and implement any reasonable policy to establish payment standards, rents or subsidy levels for tenant-based assistance that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. The Agency is authorized to adopt and implement any reasonable policies to calculate the tenant portion of the rent that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. This authorization waives certain provisions of Sections 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 C.F.R. 982.508, 982.503 and 982.518, as necessary to implement the Agency's Annual MTW Plan.

**Initiative: Housing Assistance Coupon Program (HAC) Stepped Subsidies**

**Statutory Objective(s):** Incentive for self-sufficiency; Increase cost effectiveness/efficiency  
**Baseline:** Dollars collected in rent revenue from tenants; Number of tenants employed; Number of tenants leaving program due to rent burden  
**Benchmarks:** Decrease in average HAP costs for family household; 20% Reduction in administration costs; Increase of 15% in residents working; Number households evicted due to non-payment of rent  
**Measures:** Changes in amount of rent revenue collected from tenants; Reason tenants leave program; Changes in number of tenants employed; Reasons tenant leave program; Average rent burden of tenant

The Step Subsidy method works similar to the Public Housing Step Rent method. As in Public Housing, elderly and disabled households are allowed to choose the subsidy calculation. All families that do not have an elderly or disabled head of household are required to participate in the stepped subsidy program. The two main differences include a subsidy that is reduced over a five year period and first year subsidy calculations. The first year's tenant portion of rent is determined by subtracting 20% of gross income (or welfare rent) from the Voucher Payment Standard. The Voucher Payment Standard is the amount a Housing Authority is required to establish for each unit size in a given Fair Market Rent Area. Keene's current VPS is set at 110% of the established Fair Market Rent. There is a minimum rent of \$50.

If a family's subsidy would be less than the 2<sup>nd</sup> step but more than the 3<sup>rd</sup> step, the subsidy would begin at the 2<sup>nd</sup> step (55% of the VPS) for three years and drop down to the 3<sup>rd</sup> step (35% of the VPS) for the remaining two years. If the participating family's subsidy would be less than the 3<sup>rd</sup> step, the subsidy would begin at the 3<sup>rd</sup> step and remain at that step for the full five years.

#### **Housing Assistance Coupon Program Subsidies Effective January 1, 2008**

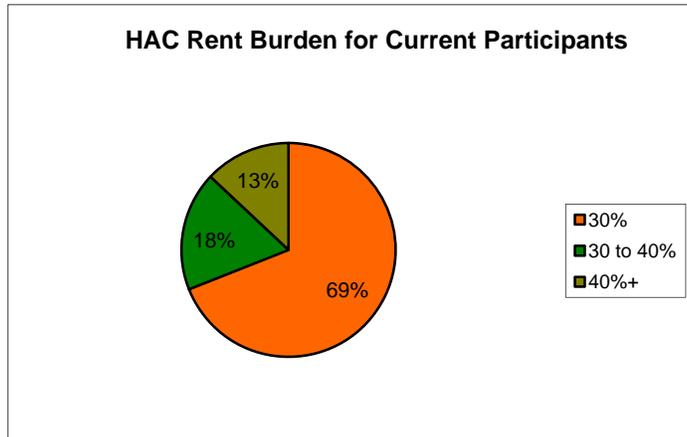
<b>1<sup>st</sup> Step (1<sup>st</sup> year)</b>	<b>2<sup>nd</sup> Step (2<sup>nd</sup> year)</b>	<b>3<sup>rd</sup> Step (4<sup>th</sup> year)</b>	<b>Bedroom Size</b>
Lower of Welfare rent or VPS - 20% of Gross Income	\$460	\$290	1 Bedroom
Lower of Welfare rent or VPS - 20% of Gross Income	\$580	\$370	2 Bedroom
Lower of Welfare rent or VPS - 20% of Gross Income	\$700	\$450	3 Bedroom

Utility rebates are not paid as part of the program as a minimum rent has been established.

Keene Housing Authority provides the households with a rental subsidy to assist them in paying their monthly rent in full. The subsidy is directly deposited into the family's bank account on the 1<sup>st</sup> of the month. In the case of elderly and disabled households, they may choose to receive the subsidy directly or have it paid to the landlord as in traditional Section 8 programs. The family is then responsible for paying their rent in full and on time.

The payment process is explained to landlords in the Landlord Handbook and upon entry into the program. Landlords are sent letters detailing the participant's obligation for paying their rent. In addition, the letter states that if the tenant does not pay the contract rent in full by the fifth of the month, then the landlord should contact Keene Housing Authority and Keene Housing Authority will contact the tenant about payment. If a tenant is late with rent payments, landlords may request that the subsidy be paid directly to the landlord. Keene Housing Authority anticipates that no more than 10% of the participants will fall into this category.

Keene Housing Authority works with our participants to resolve issues of late payments or non-payment of rent. Initially, some families do not have bank accounts and are required to come into the office to pick up their checks on the first of the month. The option of providing the rental assistance subsidy to the participant is also given to the elderly and individuals with disabilities.



There are HCVs included as part of the MTW demonstration because the participants continue to hold an original contract with their landlord. Keene decided it was prudent to honor existing HCV participant's contracts with their landlords at the time of implementing the HAC program rather than force them to sign new contracts. However, HCV participants have the option of converting to a HAC anytime. As MTW HCV participants move or terminate their assistance, their vouchers are converted to a HAC. Welfare to Work vouchers are being absorbed by the HAC program as they are phased out. Portability is restricted except by reasonable accommodation or in cases of domestic violence.

**Plan Year Implemented:** Original MTW Agreement executed in 1999

**Authorization(s):** Attachment C. Section D.2 Rent Policies and Term Limits.

*The Agency is authorized to adopt and implement any reasonable policy to establish payment standards, rents or subsidy levels for tenant-based assistance that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. The Agency is authorized to adopt and implement any reasonable policies to calculate the tenant portion of the rent that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. This authorization waives certain provisions of Sections 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 C.F.R. 982.508, 982.503 and 982.518, as necessary to implement the Agency's Annual MTW Plan.*

### **Hardship Policy: Safety Net**

The Safety Net program provides temporary relief to households experiencing a financial hardship. The Safety Net program allows participants to work off a portion of their rent by completing jobs for the Keene Housing Authority, following a payment arrangement, or requesting Keene Housing Authority allow a reduction in the rent/increase subsidy for a specified period of time by conducting an interim adjustment.

Participants who work to pay rent receive an hourly rental credit toward their rent balance. Safety Net is not meant to take the place of full-time employment for the participants who are able to work. Participants are encouraged to find employment rather than use the Safety Net program. It is meant to be temporary assistance during times of economic hardship.

Information on the Safety Net program is distributed during lease-up and/or issuance, during annual certifications and self-certifications to remind housing recipients that they are entitled to apply for assistance. No one shall be denied the opportunity to apply, but acceptance is at the sole discretion of the Keene Housing Authority.

Safety Net Eligibility Guidelines

Anyone who receives assistance under the Spectrum MTW program may apply for assistance through the Safety Net program. Applicants must meet all three of the following criteria to be eligible for Safety Net:

- In good standing with the Keene Housing Authority
- In compliance with the RSR program
- Income eligible: resident pays more than 30% of their monthly income toward rent

Once an applicant meets the basic eligibility criteria, the Safety Net Committee will consider additional criteria such as:

1. Applicant presents a valid, verifiable reduction in income by job loss, change in household composition of income earners or other extraordinary circumstances
2. Applicant has lost their job for good cause or is unable to work
3. Flat, Minimum or Step Rent Level is not affordable (more than 30% of the Resident's monthly income)
4. Extraordinary circumstances (such as an increase in qualified expenses)
5. Applicant applies by the 20<sup>th</sup> of the month prior to the month for which they are requesting assistance or within ten days of the effective date of their income or expense change.(with exception of unexpected occurrences such as loss of job or illness)

Once an applicant has been accepted into the Safety Net program, they must sign an amendment to their lease or Family Obligations Contract that adjusts their rent/subsidy for a specified period.

In 2008 there were 34 Safety Net application requests among the Section 8 and Public Housing programs. That is 5% of the entire Moving to Work population of 630 participants. Twelve were denied because they were over-income or the Town welfare office paid their rent. The main reason applicants were requesting Safety Net was due to unemployment and loss of income. KHA is watching the number of cases closely as an indicator of the impact of rent reform on tenant's ability to pay rent. If there is a large influx of Safety Net applications, KHA would need to determine the cause and respond accordingly.

<b>Changes in Rent Burden</b>									
	<b>Baseline 1999</b>	<b>HAC 2005</b>	<b>PH 2005</b>	<b>HAC 2006</b>	<b>PH 2006</b>	<b>HAC 2007</b>	<b>PH 2007</b>	<b>HAC 2008</b>	<b>PH 2008</b>
<b>Less than 20%</b>	18%	45%	19%	35%	17%	40%	19%	—	—
<b>20 to 29%</b>	56%	29%	35%	35%	46%	26%	42%	69%	72%
<b>30% and above</b>	26%	26%	46%	30%	37%	34%	39%	31%	28%
<b>Total</b>	100%	100%	100%	100%	100%	100%	100%	100%	100%
<b>Number of Households</b>	70	100	69	80	70	65	69	62	46

Rent burdens decreased slightly in 2008. Increased outreach efforts of RSC's with an employment support workshop helped additional households secure and increase employment income. RSC's concentrate their efforts on meeting with tenants who have higher rent burdens and refer them to the Safety Net hardship program or other resources as needed. They also meet regularly with the tenant until their rent burden has decreased to help them develop an action plan. Step rents have not been increased since 2006 which has also has an effect on reducing rent burden.

#### **Initiative: Eligibility Administration**

**Statutory Objective(s):** Increase housing options

**Baseline:** Number of households eligible for Section 8 and homeownership in 80% income bracket

**Benchmarks:** 10% decrease in number of denied applicants due to income eligibility

**Measures:** Same as baseline

Keene Housing Authority increased program eligibility from 50% to 80% of the AMI in the Section 8 program at the start of its MTW program. Previously, the only program households in the 80% income bracket were eligible for was the Public Housing program. This change in program eligibility expanded the number of programs available for households. When the Section 8 Homeownership program was created in 2006, Keene realized that residents who progressed in the Resident Self-Reliance program and increased their incomes over 80% would be penalized by losing eligibility for the homeownership program. As a result, KHA changed eligibility requirements for this program to permit RSR households who were over 80% to be subsidized at a flat rate for homeownership. Later on, when the economy and housing market become unstable, Keene needed to address foreclosure potential among this population of participants. A policy change was added permitting households who entered the program at the flat rate subsidy to request an interim if their income changed. This policy change prevented 2 households from going into foreclosure.

**Plan Year Implemented:** Original MTW Agreement executed in 1999 for Section 8; 2008 Plan Year for Homeownership program changes

***Authorization(s):** Attachment C Section D.3. Eligibility of Participants. The agency is authorized to determine income qualifications for participation in the rental assistance program that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations, as long as the requirements that i) at least 75 percent of those assisted under the demonstration are "very low-income" as defined in section 3(b)(2) of the 1937 Act, ii) substantially the same the same number of low-income persons are assisted under the demonstration as would be without the MTW authorizations contained herein, and iii) a comparable mix of families are assisted under the Agreement as would have otherwise in Section C.I. of the MTW Agreement are met. This authorization waives certain provisions of Sections 16(b) and 8(o)(40) of the 1937 Act and 24 C.F.R. 5.603, 5.609, 5.611, 5.628, and 982.201 as necessary to implement the Agency's Annual MTW plan.*

#### **Initiative: HQS Inspections**

**Statutory Objective(s):** Increase cost effectiveness/efficiency

**Baseline:** Number of inspections conducted annually; Number of units failing HQS

**Benchmarks:** 75% Reduction in HQS inspections

**Measures:** Same as baseline

Keene Housing Authority conducts all initial inspections for new lease-ups and encourages new landlords to participate in the initial inspection. Annual inspections may be self-certified by the landlord; however, only 14% currently conduct the inspections. Initially, the landlord also had the option to self-certify that their units met HQS during initial lease-up. Staff requested to change this

policy to require the initial inspection to be conducted by the Section 8 Program several years ago. This was due to concern new landlords may not be forthcoming in their self-assessment of the unit. Program staff have also marketed the inspection as a service offered to landlords and have been quite successful in this attempt. The remaining 86% are conducted by the Section 8 program, due to landlords selecting this option.

This is a dramatic increase from the start of the program when most of the landlords self-certified their units met HQS. All HQS quality control inspections failed but the issues were resolved within the required 30 days by the landlord. Interim inspections are conducted by Keene Housing Authority if requested by the participant, land/ord or Keene Housing Authority.

#### Landlord Education and Participation

Landlords are encouraged to contact KHA with any questions they may have about the HQS. The owner is not responsible for a breach of the HQS that is not caused by the owner, and for which the family is responsible. Furthermore, the Keene Housing Authority may terminate assistance to a family because of the HQS breach caused by the family. The initial required inspection conducted by program staff is an opportunity to educate landlords in HQS. It is currently optional but Keene is considering requiring participation in order to have the option to self-certify during annual inspections.

#### Family Education and Participation in HQS

Keene Housing Authority staff work on a regular basis to educate program participants about HQS, providing them with increased ownership over the leasing process while making sure they are not living in a sub-standard apartment. The program is designed to educate the residents so they are empowered to make informed decisions when searching for or living in an apartment. Due to this education, they are able to determine first hand if there are issues that need to be addressed to make sure the unit continuously meets HQS.

The education process starts with an intensive orientation before a HAC is issued. The participant's responsibility for ensuring that their rental unit meets the HQS is explained during this process. During the issuance of Housing Assistance Coupons, a Keene Housing Authority staff member provides a detailed explanation of Housing Quality Standards (HQS) utilizing the following materials:

- A Good Place to Live
- Inspection Form for the Housing Choice Voucher Program
- Protect Your Family from Lead in Your Home
- KHA checklist

Keene Housing Authority employees inquire about and discuss HQS during quarterly meetings and monthly contacts. Participants are asked during the Annual Review, about HQS and staff briefly reviews the HQS. Participants are asked to complete an inspection form demonstrating that they have assessed the condition of their apartment and determined whether it meets HQS.

During quarterly Resident Self-Reliance program meetings, families complete and update family information including information on HQS in their units. During the Annual Recertification process, participants are asked about the HQS and a brief review of HQS is conducted. Despite the efforts to educate tenants, staff have concerns tenants may be vulnerable to landlord abuse and control for reporting HQS violations.

At least 5% of all units self-certified by the landlord are selected for a quality control inspection every year. The Keene Housing Authority employs several types of inspection strategies to ensure all subsidized apartments meet HQS in addition to extensive education programs for both the participant and the landlord. Keene is considering increasing the number of quality control inspections conducted on units that are self-certified as well as requiring Landlords who request to self-certify participate in an HQS training. These changes would provide increase monitoring of possible abuse conducted by the landlord without increasing program administration.

Every three months, 5% of all units self-inspected by landlords receive a quality control inspection conducted by Keene Housing Authority. If the owner fails to maintain the dwelling unit in accordance with HQS, the Keene Housing Authority will take prompt and vigorous action to enforce the owner obligations. The Keene Housing Authority's remedies for such breach of the HQS include termination, suspension, or reduction of housing assistance payments and termination of the HAP contract. In 2008 all quality control inspections resulted in a fail, however, they were not serious violations and all landlords corrected the deficiencies promptly. Three of the owners were local non profit organizations involved in housing and 2 of the owners were private management companies which have a good reputation in the community.

The Keene Housing Authority will not make any housing assistance payments for a dwelling unit that fails to meet the HQS, unless the owner corrects the defect within the period specified by the Keene Housing Authority and the Keene Housing Authority verifies the correction. If a defect is life threatening, the owner must correct the defect within no more than 24 hours. For other defects, the owner must correct the defect within no more than 30 calendar days (or any Keene Housing Authority approved extension).

**Plan Year Implemented:** Original MTW Agreement executed in 1999.

**Authorization(s):** *Attachment C. Section D.5. Ability to Certify Housing Quality Standards. The Agency is authorized to certify that housing assisted under MTW will meet housing quality standards established or approved by HUD. The certification form will be approved or provided by HUD. This authorization waives certain provisions of Section 8(o)(8) of the 1937 Act and 24 C.F.R. 982, Subpart I as necessary to implement the Agency's Annual MTW Plan.*

### **Initiative: Standard Deductions**

**Statutory Objective(s):** Increase cost effectiveness/efficiency

**Baseline:** Number of households claiming medical/disability expenses: Reported decrease in processing annual certifications

**Benchmarks:** 75% Reduction in number of households claiming medical expense deduction higher than standard deduction; 25% Reduction in staff time to process annual recertifications

**Measures:** Same as baseline

In its 2006 Annual Plan, Keene Housing Authority created a standard deduction for elderly and disabled households. A standard deduction of \$1500 is provided for all elderly and disabled households. This deduction includes any qualifying medical, disability assistance expenses, child care expenses and the elderly household deduction of \$400. It does not include the \$480 deduction per household dependent. Households with qualifying dependents would receive an additional deduction of \$480 per qualifying dependent in the household in addition to the standard deduction of \$1500. It is still assumed that residents can pay 3% of the medical expenses which is subtracted from the standard deduction. Households that would experience a rent burden of 30% or higher of their adjusted income would be eligible to receive a full deduction based on their actual qualifying expenses plus the standard

\$400 deduction. In these cases, staff would follow the standard procedures for calculating adjusted income, including verification procedures.

In an amendment to the 2007 Annual Plan, Keene Housing Authority included a clause that allows the standard deduction to be adjusted on a yearly basis according to the Medicare increase.

**Plan Year Implemented:** 2006 Annual Plan

**Authorization(s):** *Attachment C. Section C.11. Rent Policies and Term Limits. The agency is authorized to determine family payment, including the total tenant payment, the minimum rent, utility reimbursements and tenant rent. The agency is authorized to adopt and implement any reasonable policies for setting rents in public housing including but not limited to establishing definitions of income and adjusted income, or earned income disallowance that differ from those in current statutes or regulations. The Agency is authorized to adopt and implement term limits for its public housing assistance. Such policies include provisions for addressing hardship cases. This authorization waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(1) of the 1937 Act and 24 C.F.R. 5.603, 5.611, 5.6238, 5.630, 5.632, 5.634 and 960.255 and 966 Subpart A as necessary to implement the Agency's Annual MTW Plan.*

*Section D.2 (a) Rent Policies and Term Limits. The Agency is authorized to adopt and implement any reasonable policy to establish payment standards, rents or subsidy levels for tenant-based assistance that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. The Agency is authorized to adopt and implement any reasonable policies to calculate the tenant portion of the rent that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. This authorization waives certain provisions of Section 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24C.F.R. 982.508, 982.503 and 982.518, as necessary to implement the Agency's Annual MTW Plan.*

**Initiative: Resident Self-Reliance Program (RSR)**

**Statutory Objective(s):** Incentive for self-sufficiency

**Baseline:** Number of households employed; Earned income of households

**Benchmarks:** 10% Increase in earned income; 30% increase in employment; 20% increase in number of families who exit program moving to non-subsidized housing

**Measures:** Same as baseline

All families participating in the Step Rent or Subsidy programs are required to participate in the RSR program. An expansion of Keene Housing Authority's former Family Self-Sufficiency program, RSR provides service coordination and case management to help families become economically self-sufficient, recognizing that self-sufficiency will vary widely based on individual participant's abilities. Every family in the program is assigned a Resident Service Coordinator who is responsible for coaching the participant's progress.

*"The Resident Self-Reliance Program got me where I am today. I got through school, have a great job and now own a home." – P.M. program participant exited in March 2009.*

The RSR program defines competencies for self sufficiency. These competencies outline the skills necessary to achieve economic self-sufficiency. Each family's needs are identified during an initial assessment. The competencies they must work on are identified by the RSC and participant working together. In order to be exempt from required activities, participants must demonstrate they have developed the skills associated with each competency. Competency categories include the core skill groups of financial management, employment, education, and family planning in addition to the self-development groups of interpersonal skills, wellness, healthy relationships and household management. The program is uniquely tailored to the family's skills, resources and goals. Each family works to achieve competencies specific to their circumstances, since the abilities and backgrounds of participants are diverse and one plan would not be suitable for all families.

There are four main program requirements participants must engage in to remain active in the Spectrum program and maintain their housing assistance:

- Develop a financial plan
- Participate in quarterly goal setting meetings
- Participate in required skill development activities
- Make reasonable progress toward ISTP goals

#### Develop a Financial Plan

Each participant receives extensive counseling in financial management from the moment they lease-up in the program. They are taught how to track their income and expenses, develop a financial plan, calculate their net worth, read and interpret their credit score and manage debt.

#### Quarterly Goal Meetings

Participants meet on a quarterly basis to review progress on their goals in small groups of up to 20 people. The intention of these meetings is to provide an opportunity for program participants to network, problem solve, share successful strategies and learn about new resources, programs, and financial management and employment strategies. Topics may include tax filing, job search strategies, saving for a financial goal, etc. At the end of every meeting, participants update their Individual Service and Training Plan (ISTP). An ISTP outlines the family's goals and the steps and resources required to meet them.

#### Skill Development Activities

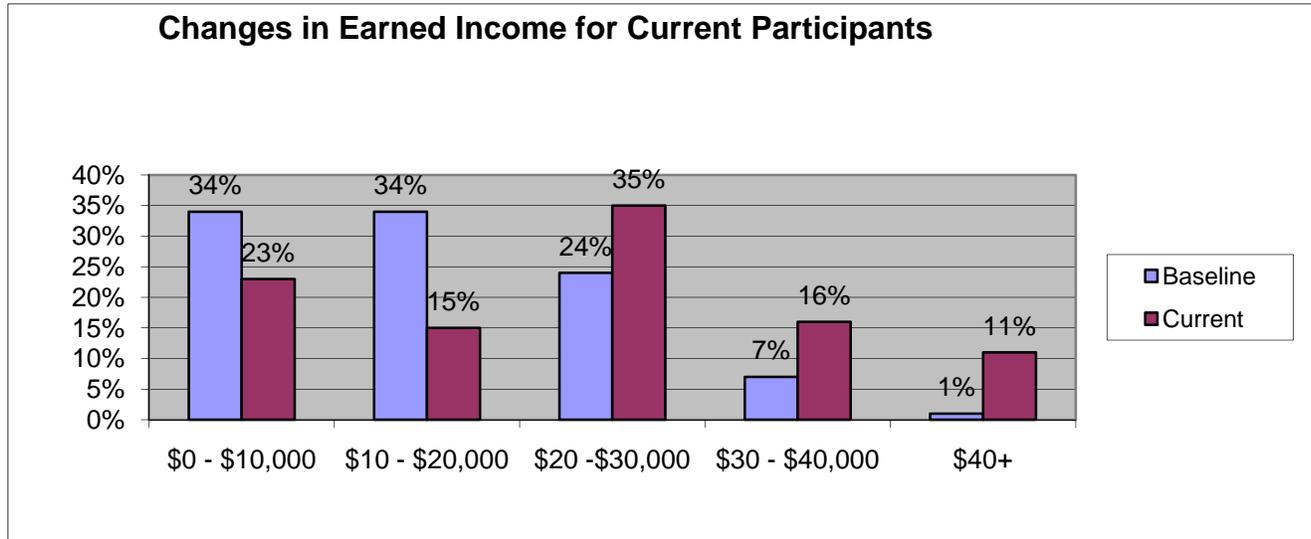
Participants who need to achieve competencies are required to accomplish take home activities or workshops that will assist them in developing the associated skills. There are numerous workshops facilitated by Keene Housing Authority staff, as well as programs run by outside agencies.

#### Goal Setting

Every person is required to develop and update their ISTP every quarter. The ISTP helps participants identify a goal and break it down into simple steps. Participants are taught how to write SMART goals (Specific, measurable, achievable, resources, and time lines). They are required to document and track their progress on these forms and revise them as their goals change or new goals are added once significant milestones have been achieved.

The RSC acts as a coach and mentor guiding their participants to self-sufficiency. All RSCs are trained in financial management programs and are available to meet one on one to provide additional assistance to participants.

There were 110 RSR participants at the end of 2008. There was a reduction due to the accumulation of vacancies in the Public Housing program. The number will rise again as the units are leased again. There is also a decrease because Keene has not been issuing vouchers so as RSR participants leave the Section 8 program, they are not being replaced. Baseline for program exits will be established as part of the 2009 reporting period.



Changes in Employment						
	Baseline 1999	2004	2005	2006	2007	2008
Employed Full Time	48%	66%	68%	70%	66%	67%
Employed Part Time	19%	18%	17%	13%	21%	20%
Unemployed	33%	16%	15%	17%	13%	13%
On Disability/Worker's Comp	1%	3%	3%	3%	2%	
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	
<b>Number of households</b>	<b>78</b>	<b>182</b>	<b>169</b>		<b>134</b>	

Jim has just completed his first year in the RSR Program. He called his RSC last week to share some good news. Although he had been counseled to seek the help of a Pro Bono attorney before going to court regarding payments owed on a repossessed car, he decided to go to court prepared with his financial plan, certificates of completion of the two required workshops he has taken here, a Bonnie CLAC certificate and another on a parenting class he took on his own at the library. He told the judge he had two financial goals for himself – to pay his rent and catch up on child support. The judge accepted Jim's offer to pay \$25 a month toward the debt (rather than the \$100 the lender expected). Jim shared that he has paid off a personal loan of \$300, is caught up on child support, and is paying off the \$59 he owes for dental work. When he was asked what he thought about the RSR Program he said, "It's overwhelming but rewarding at the same time."

**Plan Year Implemented:** Original MTW Agreement executed in 1999

**Authorization(s):** Attachment C Section E. Authorizations Related to Family Self-Sufficiency. The Agency is authorized to operate any of its self-sufficiency and training programs, including its Family Self-Sufficiency (FSS) Program and any successor programs exempt from certain HUD program requirements. These may include those requirements governing program size or participation, including whether to establish escrow accounts and other rent incentives and whether to establish mandatory self-sufficiency participation requirements. If the agency receives dedicated funding for an FSS coordinator, such funds must be used to employ a self-sufficiency coordinator. In developing and operating such programs, the Agency is authorized to establish strategic relationships and partnerships with local private and public agencies and service providers to leverage expertise and funding. However, notwithstanding the above, any funds granted pursuant to a competition must be used in accordance with the NOFA and the approved application and work plan. This authorization waives certain provisions of Section 23 of the 1937 Act and 24 C.F.R. 984 as necessary to implement the Agency's Annual MTW Plan.

**Initiative: Alternative Recertification Schedule****Statutory Objective(s):** Increase cost effectiveness/efficiency**Baseline:** Number of full recertifications required under HUD rules vs. MTW rules**Benchmarks:** 50% reduction in staff time conducting annual recertifications**Measures:** Same as baseline

Annually Keene Housing Authority reexamines the family characteristics to ensure the family is in the correct size unit or has the correct size voucher. Keene Housing Authority conducts a full recertification of income during the years households are moving from one Step Rent Level to the next. Once the household has reached the final step, a full recertification of their income occurs every three years. During the interim years, households will report their income through the self-certification process. Households will still execute a HUD consent form every year. Full recertifications will be held every three years for income-based households who are not in the Step Rent or Subsidy program. During the interim years, they will also complete a self-certification form.

As a result of this initiative, Keene has reduced the number of full recertifications that are conducted by about 50%. Operational costs have not decreased, however, in order to reduce tenant caseload so staff may provide service coordination through the RSR program.

**Plan Year Implemented:** Amendment No.3 to the MTW original Agreement signed 10/6/2004**Authorization(s):** Attachment C. Section D.2 Rent Policies and Term Limits.

*The Agency is authorized to adopt and implement any reasonable policy to establish payment standards, rents or subsidy levels for tenant-based assistance that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. The Agency is authorized to adopt and implement any reasonable policies to calculate the tenant portion of the rent that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. This authorization waives certain provisions of Sections 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 C.F.R. 982.508, 982.503 and 982.518, as necessary to implement the Agency's Annual MTW Plan.*

**Initiative: Rent Reasonableness****Statutory Objective(s):** Increase housing options; Increase cost effectiveness/efficiency**Baseline:** Number of vouchers utilized; Average hours conducting RR per utilized voucher saved; Changes in operational costs per voucher; Number households with high rent burdens and rents over the VPS**Benchmarks:** 100% reduction in staff time conducting RR**Measures:** Same as baseline

Keene Housing Authority removed rent reasonableness as a requirement in the MTW Section 8 program. When approving a unit, potential voucher holders do not have to meet the 40% rule. The responsibility of determining affordability is left to the participant. The program assumes participants are capable of making these decisions and provides education to every household member. Participants are trained to consider factors such as location, quality, size, number of bedrooms, age, amenities, housing services, maintenance and utilities. These factors are a better gauge of determining rent affordability than the 40% rule, as they are adjustable to individual circumstances and local market conditions. Additionally, participants are trained to negotiate rents with landlords.

Families also receive the document "Can I Afford the Unit I have Found?" with a detailed explanation of how to calculate affordability. The family must fill out and sign an Income and Expense Report with the program manager detailing their ability to afford the apartment. The Income and Expense Form is updated and reviewed at each examination.

## Affordability Factors

- Age of the Head of Household
- Disability
- Currently in place
- Length of time family has lived at that address
- Actual dollar amount the family share exceeds 40% of their adjusted monthly income
- Location- near work or medical services
- Transportation
- Amount of assets a family has at its disposal
- Employment
- Contract Rent-does it include utilities?
- Fuel Assistance and/or Electrical Assistance
- Food Stamps and/or Community Kitchen

**Plan Year Implemented:** Original MTW Agreement executed in 1999.

**Authorization(s):** *Attachment C Section D.2.(c) Rent Policies and Term Limits. The agency is authorized to develop a local process to determine rent reasonableness that differs from the currently mandated program requirements in the 1937 Act and its implementing regulations. This authorization waives certain provisions of Section 8(o)(10) of the 1937 Act and 24 C.F.R. 982.507 as necessary to implement the Agency's Annual MTW Plan*

**Initiative: Restrictions on Section 8 Portability**

**Statutory Objective(s):** Increase cost effectiveness/efficiency

**Baseline:** Number of ports administered before and after policy change; Number and dollar amount of vouchers utilized locally

**Benchmarks:** 10% decrease in amount of funds lost due to ports

**Measures:** same as baseline

Keene's main reason for restricting ports with the exception of those requested by reasonable accommodation or due to domestic violence, is to keep voucher funding in the Keene community for use by those who intend to live in the Monadnock region. Keene has started tracking request for ports in 2009 but a baseline figure was not established in 2008.

**Plan Year Implemented:** 2008 Annual Plan

**Authorization(s):** *Attachment C Section D.1.(g) Operational Policies and Procedures. The Agency is authorized to establish its own portability policies with other MTW and non-MTW housing authorities. This authorization waives certain provisions of Section 8(r) of the 1937 Act and 24 C.F.R. 982 subpart H as necessary to implement the Agency's Annual*

## V. Sources and Uses of Funding

### Planned vs. Unaudited Actuals for AMP NH010000101

	2008 Budget Public Housing	2008 Unaudited Actuals Public Housing	2008 Budget Section 8	2008 Unaudited Actual Section 8
<b>Sources</b>				
PH Rental Income	850,000	863,251	0	0
Non Dwelling Income	30,000	41,796	0	0
Section 8 -359 Vouchers	0	0	2,998,036	3,088,038
Section 8 - 228 Vouchers	0	0	0	475,038
PH Operating Fund	433,350	655,641	0	0
PH Capital Fund	247,538	326,587	0	0
Congregate Program	48,000	48,000	0	0
Interest Income	1,000	3,247	10,000	7,034
Other Income	30,112	32,700	0	0
<b>Total Sources</b>	<b>\$1,640,000</b>	<b>\$1,971,222</b>	<b>\$3,008,036</b>	<b>\$3,570,110</b>
<b>Uses</b>				
Administrative	434,700	427,165	677,000	612,790
Programs & Services	135,450	146,942	226,000	218,904
Utilities	469,500	478,510	0	0
Maintenance	434,350	653,990	0	0
General Expenses	166,000	169,615	2,000	1,312
Capital Expenditures	0	95,000	0	0
MTW HAPs Disbursed	0	0	2,103,036	2,518,149
Disposition Expenses				155,955
<b>Total Uses</b>	<b>\$1,640,000</b>	<b>\$1,971,222</b>	<b>\$3,008,036</b>	<b>\$3,507,110</b>

### Sources and Uses of Funding

The Keene Housing Authority owns 228 units of public housing. Under the asset management rule, Keene Housing Authority has opted to combine those 228 units under one Asset Management Project number. The schedule as detailed above covers the one AMP, which includes all 228 public housing units.

The Keene Housing Authority receives public housing operating funds based on a HUD calculated formula, which is then prorated based on annual appropriations. The 2008 operating fund budget and capital fund budget were based on a proration of approximately 80% of the 2007 funding. The actual funding for 2008 was higher as a result of HUD recalculation and Congressional appropriations.

The major variance in the use of funds is attributable to increased maintenance costs. There were fifty-one turnovers, including ten that were related to the approved disposition. Early and heavy winter storms created snow and ice damage, resulting in extensive roof repairs, ceiling and wall repairs from leaking roofs, and increased snow plowing and property maintenance. The unprecedented rise in gasoline prices affected the cost to run our own maintenance trucks and equipment, as well as the prices vendors were charging for materials and services. With the increase in funding, KHA was able to

handle some unexpected expenses including the replacement of several water heaters, installation of security fences at two family projects, and other repairs that had been delayed due to lack of funding.

The fungibility of funds allowed under KHA's MTW contract, has allowed KHA to handle the fluctuations in the local market including price increases on goods and services. Many landlords have increased rents or they are renting units without utilities included. On an ongoing basis, KHA reviews and evaluates the goals and objectives of its MTW plan and its strategic plan. With the fungibility of funds, KHA has consistently been able to serve more clients than it would serve without the flexibility of MTW.

The above financial schedule is representative of the information available at this time. A final audit will not be completed until April 2009.

## **VI. Administrative**

### **Agency Directed Evaluation Efforts**

Keene is working to implement better technology to assist agency directed evaluation efforts. The technology is essential to allow staff to quickly access and analyze data. Keene is a small agency operating a full diversity of housing programs. It doesn't have staff to dedicate to extensive policy and research. Currently data is maintained in three separate systems; self-reliance data is maintained in a staff developed Access program; Public Housing is in Boston Post Technology software and Section 8 is in an antiquated, DOS version of Housing Assistance Manager. The latter has severely limited reporting capability.

The addition of the MTW ADHOC query in PIC has increased access to data for staff. However, it isn't flexible enough to drive the reports Keene would like to produce for the Agency. KHA will be purchasing Crystal reports to improve the ability of staff to extract data from the software programs and produce reports.

Keene has redesigned its Moving to Work evaluation template and included it as an attachment to this report. The baselines used in the revision will be based on 2008 data as available. In some instances, data is available back to the start of the evaluation but not consistently. There is a problem using 2008 data as a baseline for initiatives started pre 2008. The baseline will not show any changes that occurred between 1999 and 2007, when a significant number of Keene's initiatives commenced. As a result, Keene is trying to examine how best to capture these results. As a small agency Keene is more easily able to identify its successes or failures by the sheer fact we know all the tenants and landlords on a first name basis. Anecdotal information will play a significant role in supplementing the evaluation.

### **Certification for Meeting Statutory Requirements**

See appendix C – Board Resolution

## **VII. Supportive Services**

The Keene Housing Authority coordinates and directly provides a number of services to enrich the quality of life and ability of residents to be self-reliant and live independently. The Keene Housing Authority plans to continue to provide the following services for families:

- Resident Self-Reliance Program
- Congregate Housing Program
- HCV Homeownership Program
- ROSS Public Housing Homeownership Education
- Youth Services: Building Bridges Program

### **Resident Self-Reliance Program**

The Resident Self-Reliance program is discussed in detail in the Ongoing MTW Initiatives section of this report. New services added in 2008 include:

- Parenting support: Staff support for parents at risk of abusing children
- RSR intervention meetings to prevent evictions and program termination due to non-compliance with self-sufficiency requirements under MTW
- Financial assistance and education provided for all public housing and Section 8 residents behind in their rent
- Employment support group and workshop programs

**Congregate Housing Services Program at Bennett Block and Harper Acres**The Congregate Housing Services Program is a non-medical supportive program often described as the first step away from fully independent living. The CHSP offers services that enable residents to live in an independent setting avoiding premature admission to a nursing home or assisted living facility.

### **Family Planning Collaborative**

Keene Housing Authority and other social service and health care providers recognized that unintended pregnancies (which result in about half of the births in the United States) are a major threat to the health and financial well being of children and families. They are also responsible for enormous social service and health costs. These agencies formed the FPC to coordinate their education and case management efforts.

With limited funding, the FPC:

- Keeps records of pregnancy intentions and other characteristics of women giving birth at Cheshire Medical Center (CMC)
- Provides education and support to social service providers to help them discuss family planning and birth control. Also provides educational materials.
- Obtain and disseminate more information about legal issues involving family planning, especially legal issues pertaining to sexual activities by minors.
- Coordinates efforts with Dartmouth Hitchcock and Planned Parenthood to provide birth control education including information on Plan B birth control.
- Provides free condoms in some social service restrooms.
- Provides birth control education at Keene's transitional housing programs and other sites.

### **Dental Health Works**

Dental Health Works is a collaborative of several local non-profit agencies working together trying to meet the need for affordable dental care for families. Most families with extremely low to low incomes do not have dental insurance. This program allows a certain percentage of Keene Housing Authority residents to receive free dental services. The dental practice also offers a sliding fee scale so residents who are not able to receive free services may receive a reduced rate based on their income. Forty-six tenants received free dental services under this program in 2008.

**Appendix A**

**Moving to Work Evaluation Template: Keene’s Major Initiatives**

<b>MTW Activity</b>	<b>Statutory Objective</b>	<b>Impact on Statutory Objective</b>	<b>Baseline</b>	<b>Benchmarks</b>	<b>Measurements</b>
Determination of % and process for Project Basing Vouchers	Increase housing options	Increase availability, quantity and quality of assisted housing; Achieve greater income mix	Income distribution of Section 8 tenants; Average time spent on waiting list; Number of housing units created; Number of vouchers issued vs. utilized	50% of KHA’s voucher allocation project-based	Changes in income distribution of tenants; Changes in average time spent on waiting list; Number of vouchers issued vs. utilized
Spectrum housing options	Increase housing options	Provide increased spectrum of housing choices for PH and Section 8 residents	Number of waiting lists options; Average time households spend on the waiting list	75% of qualifying families on waiting list successfully lease-up in HQS approved housing	Same as baseline
PH Step Rent Reform	Incentive for self-sufficiency; Increase cost effectiveness/efficiency	Decrease in average HAP costs per family household; Decrease in operational costs; Increase share of residents working;	Dollars collected in rent revenue from tenants; Number of tenants employed; Number of tenants leaving program due to rent burden	Increase of 15% in GP rent revenue from tenants; 20% Reduction in administration costs; Increase of 15% in residents working; = Number households evicted due to non-payment of rent	Changes in amount of rent revenue collected from tenants; Changes in number of tenants employed; Reasons tenant leave program; Average rent burden of tenant
Section 8 Subsidy Reform	Incentive for self-sufficiency; Increase cost effectiveness/efficiency	Increase in number of households leased-up; Decrease in administrative cost per voucher; Increase share of residents working; Increase number of vouchers utilized	Number of tenants employed; Number of tenants leaving program due to rent burden	Increase in 15% of vouchers utilized; 20% Reduction in administration costs; Increase of 15% in residents working; = Number households evicted due to non-payment of rent	Changes in number of tenants employed; Number of tenants leaving program due to rent burden; Reasons tenant leave program; Average rent burden of tenant

<b>MTW Activity</b>	<b>Statutory Objective</b>	<b>Impact on Statutory Objective</b>	<b>Baseline</b>	<b>Benchmarks</b>	<b>Measurements</b>
Eligibility Administration for Section 8 and Homeownership Programs	Increase housing options	Increase number of households moving to homeownership after receiving housing assistance	Number of households in homeownership; Number and yrs household successfully maintains homeownership	5% Increase in homeownership among graduating households	Same as baseline
HQS Initiative	Increase cost effectiveness/efficiency	Reduce number of inspections required for program administration	Number of inspections conducted annually; Number of units failing HQS	75% reduction in HQS inspections	Number of inspections conducted annually; Number of units failing HQS
Standard Deductions	Increase cost effectiveness/efficiency	Reduce administrative burden	Number of households claiming medical and disability expenses	75% reduction in number of households claiming medical/disability expenses	Number of households claiming medical and disability expenses through Safety Net hardship program
Resident Self-Reliance Program	Incentive for self-sufficiency;	Increase number of families working; Increase share of residents making progress toward self-sufficiency	Number of households employed; Earned income of households;	30% Increase in employment; 10% Increase in earned income	Same as baseline
Alternative Recertification Schedule	Increase cost effectiveness/efficiency	Reduce administrative burden; Reduce incidents of fraud committed by participants	Number of recertifications required under traditional HUD rules; Number of reported fraud cases	50% Reduction in required recertifications	Number of recertification required under new rules; Number of reported fraud cases
Rent Reasonableness	Increase housing options; Increase cost effectiveness/efficiency	Reduce administrative burden; Reduce barriers for tenants leasing up in Section 8	Number of vouchers utilized; Average hours conducting RR per utilized voucher unit saved; Changes in operational costs per voucher	100% reduction in staff time on rent reasonableness for MTW vouchers	Same as baseline

<b>MTW Activity</b>	<b>Statutory Objective</b>	<b>Impact on Statutory Objective</b>	<b>Baseline</b>	<b>Benchmarks</b>	<b>Measurements</b>
Restrictions on Section 8 Portability	Increase cost effectiveness/efficiency	Preserve ability to administer vouchers locally; Prevent reduction in number of vouchers utilized due to costs associated with ports	Number of ports previously administered before and after change in policy; Number and dollar amount of vouchers utilized locally	10% decrease in amount of funds lost due to ports	Number of ports previously administered before and after change in policy; Number and dollar amount of vouchers utilized locally

**Keene Housing Authority  
Resolution 416  
Moving to Work Annual Report  
2008  
Certification of Meeting Statutory Requirements**

RESOLVED, April 1, 2009 that the Keene Housing Authority Board of Commissioners approves the Moving to Work Annual Report. The Board certifies that the Keene Housing Authority has met the three statutory requirements of the Moving to Work program in 2008:

1. At least 75% of the families assisted by the KHA are very low-income families.
2. The KHA continues to assist substantially the same total number of eligible low-income families as would have been served had the amounts not been combined.
3. KHA maintains a comparable mix of families served (by family size) as would have been provided had the amounts not been used under the demonstration.

Motion To Adopt By: Thomas Moses

Motion Seconded By: Audrey Hadcock

Adopted: April 1, 2009