

**Commonwealth of Massachusetts  
Department of Housing & Community Development**

**Moving To Work Program  
Annual Report for Fiscal Year 2010**

**September 30, 2010  
Re-Submitted December 15, 2010**

# Table of Contents

I. Introduction .....	1
Overview .....	2
II. General Operating Information .....	4
A. Housing Stock.....	4
B. Leasing Information – Planned vs. Actual .....	6
C. Waiting List Information .....	14
III. Non-MTW Information .....	16
Sources and Uses of Non-MTW Funds .....	16
Description of Non-MTW Activities.....	16
IV. Long Term MTW Plan .....	18
V. Proposed MTW Activities .....	20
Proposed MTW Activities .....	20
VI. Ongoing MTW Activities .....	23
Description and Updates on Ongoing MTW Activities.....	23
VII. Sources and Uses of Funding .....	31

# I. Introduction

On June 19, 2008, the Massachusetts Department of Housing and Community Development (DHCD) entered into an Amended and Restated Moving To Work Agreement (MTW Agreement) with the US Department of Housing and Urban Development (HUD). MTW is a demonstration program authorized by Congress, through which participating agencies are given the flexibility to waive certain statutes and HUD regulations in order to design and test approaches for providing housing assistance that:

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

The three objectives listed above are referred to as “MTW statutory objectives”.

Through an earlier agreement between HUD and DHCD, DHCD has been a participant in the MTW program since 1999. From 1999 to 2008, the scope of DHCD’s MTW participation was limited to a small program that provided a financial assistance package of rent and stipends to participating low-income families. The program, which is ongoing, involves a total of 183 families and is administered in the Boston area (61 families) by Metropolitan Boston Housing Partnership and in south Worcester County (122 families) by RCAP Solutions, Inc<sup>1</sup>.

The 2008 MTW Agreement replaces the earlier agreement between HUD and DHCD. It provides DHCD with the flexibility to test new approaches consistent with the MTW statutory objectives and to expand the MTW demonstration to include all tenant-based Housing Choice Vouchers administered by DHCD with certain exceptions. Those exceptions are vouchers under the 2008 Veterans Affairs Supportive Housing (VASH), Five-Year Mainstream, Family Unification, and Moderate Rehab programs - all of which are not covered under the MTW Agreement.

Under the terms of the MTW Agreement, DHCD is required to prepare and submit to HUD an MTW Annual Plan and Annual Report. The required form and content of the Annual Plan and Report are defined by HUD in HUD Form 50900 “Elements for the Annual MTW Plan and Annual MTW Report”. For purposes of this document and the required submission to HUD, an “MTW activity” is defined as any activity that requires MTW flexibility to waive statutory or regulatory requirements.

---

<sup>1</sup> DHCD subcontracts with eight regional administering agencies (RAA) and one local housing authority to administer its portfolio of vouchers, assuring that all 351 cities and towns in Massachusetts are served by its HCVP.

This document is DHCD's MTW Annual Report for Fiscal Year 2010, i.e. the period from July 1, 2009 through June 30, 2010. The Annual Report focuses primarily on describing the outcomes of existing approved and implemented "MTW activities", and also summarizes changes proposed to DHCD's HCV Administrative Plan that do not specifically require MTW authority to implement.

## Overview

During Fiscal Year 2010, DHCD undertook a range of MTW-related and other activities summarized as follows:

- Through its existing network of RAAs, DHCD subsidized a total of 19,072 units for extremely and very low-income households through the HCV program, which represents a 99% or greater utilization rate.
- A statewide MTW planning process begun in Fiscal Year 2009 was expanded to include four representative working groups. The working groups which have been convened include Rent Simplification, Services and Supports, Workforce Development and Population. Each group includes representatives from the RAAs that administer HCVs under contract to DHCD. The groups have been asked to review best practices from other MTW agencies as well as from other programs nationwide; to identify opportunities to use MTW flexibility to further Commonwealth goals and MTW statutory objectives; and, to make recommendations to DHCD for new MTW initiatives. Prior to inclusion of these initiatives in DHCD's future MTW Annual Plans, DHCD will also involve advocacy organizations and key stakeholders, as well as develop a vehicle for encouraging and soliciting tenant input. Based on the recommendations of the working groups and tenant input received, DHCD anticipates that it will identify and define additional MTW initiatives for inclusion in the FY 2012 and future Annual Plans.
- The existing, small-scale MTW demonstration activities currently administered in the Boston area by Metropolitan Boston Housing Partnership and in south Worcester County by RCAP Solutions, Inc. continued during FY 2010. Based on program experiences and successes to date, DHCD modified the original program guidelines as shown in Section VI. The program supported 223 participants during FY 2010, and graduated 29 families. Although the state of the economy had a negative effect on the ability of some participants to find or maintain employment, the program was successful in increasing the average income of some participants and in preventing homelessness for others.
- The initiative to transition waiting list intake and management functions to PBV owners is ongoing. A working group consisting of DHCD and RAA staff drafted a plan for use by the owners which will be reviewed by selected owners prior to implementation. Further implementation activities are anticipated in FY 2011.

- A new Landlord Incentive Fund was implemented in Berkshire Housing Development Corporation's jurisdiction. The new program is designed to provide incentives to landlords in support of DHCD and Commonwealth goals including: attracting new owners to the program; expanding housing opportunities in underserved areas; improving the quality of housing units under lease; and, increasing the number of units accessible to households with disabled members. As of June 30<sup>th</sup>, fifteen units and eight owners had participated in the program.
- DHCD continued to meet the income targeting requirements for the HCVP. This included assuring that 75% of all applicants selected for assistance were extremely low income, i.e. had incomes that do not exceed 30% of area median income, and that 75% of all participants were very low income, i.e. had incomes that do not exceed 50% of area median income.

Program initiatives that required MTW flexibility to implement are more fully described in Chapter V and VI. Non-MTW initiatives are summarized in Chapter III. DHCD continued to implement the MTW and Non-MTW initiatives proposed in the FY2010 plan, and as appropriate, the changes have been incorporated into the revised HCV Administrative Plan.

## II. General Operating Information

### A. Housing Stock

As of June 30, 2010, DHCD was allocated a total of 19,269 vouchers. This represents an increase of 253 vouchers from the number of vouchers allocated at the time the FY2010 Annual Plan was prepared (March 2009). The increase in the number of vouchers came from an award of an additional 56 Tenant Protection vouchers; 87 FUP vouchers in August 2009; and 110 additional VASH vouchers, 35 of which were awarded in August 2009 and 75 of which were awarded in June 2010.

Table 1 indicates both MTW and non-MTW vouchers by category. Note that HCV Tenant Based includes units that have been designated by DHCD as Project Based Vouchers (PBV). Additional details on PBV utilization are provided in Table 4.

**Table 1: Vouchers Allocated**

<b>MTW</b>	<b>Vouchers Allocated as of 3/30/09</b>	<b>Vouchers Allocated as of 6/30/10</b>
HCV Tenant Based*	18,871	18,927
<b>MTW Sub-Total</b>	<b>18,871</b>	<b>18,927</b>
<b>Non-MTW</b>		
FUP 09		87
VASH	70	180
Five Year Mainstream	75	75
<b>Non-MTW Sub-Total</b>	<b>145</b>	<b>342</b>
<b>TOTAL ALL PROGRAMS</b>	<b>19,016</b>	<b>19,269</b>

\* Includes 56 Tenant Protection Vouchers to be transferred into MTW category at the next increment expiration date.

DHCD operates an array of non-MTW housing programs in addition to its Housing Choice Voucher program. Programs include Shelter Plus Care, other Section 8 programs such as New Construction and Substantial Rehab, and State-funded Public Housing and Rental Vouchers. HUD requires DHCD provide a summary of other housing programs which DHCD manages, this information is provided in Table 2.

**Table 2: Other Housing Managed by DHCD (non-MTW)**

Housing Program	# of Units/ Households Served	Program Type
Alternative Housing Voucher Program	394	Tenant-Based Vouchers for low-income clients with disabilities
C.707 Rental Assistance (DMH and DPH)	791	Project-Based Vouchers for low-income clients with disabilities
MRVP	5,079	Tenant – and Project-Based Vouchers for low-income households
Sec 8 Mod Rehab	1,134	Project-Based Vouchers for low-income households
Sec 8 New Construction	1,111	Project-Based Vouchers for low-income households
Sec 8 Substantial Rehab	776	Project-Based Vouchers for low-income households
Shelter Plus Care	302	Tenant-, Project- and Sponsor-Based Vouchers for homeless clients with disabilities
Residential Assistance for Families in Transition (RAFT)	110	Homelessness Prevention Program
Tenancy Preservation Program	1,419	Homelessness Prevention Program
State-Funded Public Housing	49,491	Public Housing
HOME	6,360	Production and preservation of housing for low- and moderate income households
LIHTC	29,817	Tax Credit Affordable Housing

## B. Leasing Information – Planned vs. Actual

During Fiscal Year 2010, DHCD projected that it would achieve the leasing targets shown on Table 3, subject to the award of sufficient HUD funding. HCV Tenant Based figures include PBV vouchers. See additional PBV detail in Table 4:

**Table 3: Planned vs. Actual Leasing for FY 2010**

<b>MTW</b>	<b>Vouchers Allocated as of 6/30/10</b>	<b>Planned Leasing on 6/30/10**</b>	<b>Actual Leased on 6/30/10</b>	<b>Actual Percentage Leased</b>
HCV Tenant Based*	18,927	18,682	18,890	99%
<b>MTW Sub-Total</b>	<b>18,927</b>	<b>18,682</b>	<b>18,890</b>	<b>99%</b>
<b>Non-MTW</b>				
FUP 09	87		61	70%
VASH**	180	63	86	48%
Five Year Mainstream	75	67	72	95%
<b>Non-MTW Sub-Total</b>	<b>342</b>	<b>130</b>	<b>219</b>	<b>64%</b>
<b>TOTAL ALL PROGRAMS</b>	<b>19,269</b>	<b>18,812</b>	<b>19,109</b>	<b>99%</b>

\* Total includes PBV vouchers that are detailed in Table 4

\*\* An additional 35 VASH vouchers were awarded in September 2009 and 75 additional vouchers were awarded in June 2010.

DHCD received 87 additional units under the 2008 Family Unification Program NOFA in August of 2009, 61 of which were under lease as of June 30<sup>th</sup> 2010. As of November 1<sup>st</sup> 2010, 82 of the FUP vouchers were under lease.

The overall leasing rate of 99% of authorized units highlights the success that DHCD has had in effectively managing and maximizing utilization through its network of Regional Administering Agencies.

Lease up of VASH remains challenging in light of the complex needs of the targeted, special needs populations, however DHCD exceeded the FY 2010 Annual Plan projections, in part due to additional allocations of vouchers. The additional allocations were made after the start of DHCD's Fiscal Year, with an addition of 35 vouchers two months into FY 2010, and the addition of 75 vouchers just prior to the end of FY 2010. The addition of these vouchers later in the fiscal year artificially lowered the utilization rate.

Utilization of Five Year Mainstream vouchers exceeded projections, but remains challenging given the complex needs of the population served. In the FY 2010 Plan, DHCD indicated that certain PBV projects also pose leasing challenges that may be aided by the ongoing PBV waiting list initiative discussed in Chapter V.

Utilizing its Tenant Based vouchers, DHCD continued to operate an expansive Project Based Voucher program. Table 4 provides information on the number of PBV developments under lease at the conclusion of FY 2010. In the FY 2010 Annual Plan,



DHCD had a total of 679 PBV units under lease, and projected that an additional 95 units would come under lease during FY 2010. As of June 30<sup>th</sup>, DHCD had 820 PBV units under lease, of which 127 were newly contracted units, including 30 units which came under lease earlier than expected.

**Table 4: Project Based Voucher Inventory Actuals for FY 2010**

PBV Developments Under HAP										
RAA	Project	Community	AHAP Date	HAP Start Date	HAP End Date	Elderly or Disabled	Family	Description		Total PBVs
								Homeless Individuals	Supp. Services	
HAC	885C State Highway	Eastham	N/A	9/1/02	9/30/12		1			1
HAP	451-459 Main St	Holyoke	N/A	10/7/02	10/6/12		12			12
MBHP	32 Kent Street	Somerville	N/A	11/1/02	10/31/12	2	6			8
MBHP	1129 Dorchester Ave	Dorchester	N/A	11/19/02	10/31/12	6	2			8
MBHP	14-24 Roach St	Dorchester	N/A	11/19/02	10/31/12		8			8
MBHP	1285 -1291 Mass Ave	Dorchester	N/A	11/19/02	10/31/12		4			4
BHDC	YMCA	Pittsfield	N/A	12/16/02	12/15/12	28		2		30
RCAP	220 Orchard Hill Dr	Oxford	N/A	1/1/03	12/31/12	8	17			25
HAP	342-346 Main & 76 Cabot Street	Holyoke	N/A	1/21/03	12/31/12		15			15
MBHP	48 Water St	Wakefield	N/A	4/1/03	3/31/13			6		6
HAC	979 Falmouth Rd	Hyannis	N/A	4/18/03	4/17/13		2			2
BHDC	140 East St	Great Barrington	N/A	5/1/03	4/28/13	2				2
CTI	Twelve Summer St	Man.by the Sea	N/A	5/1/03	4/30/13		4			4
MBHP	430-436 Dudley St	Roxbury	N/A	8/1/03	7/31/13			3		3
MBHP	28 Mount Pleasant St	Roxbury	N/A	8/1/03	7/31/13			2		2
MBHP	1202 Commonwealth Ave	Allston	N/A	8/1/03	7/31/13			6		6
HAP	Westfield Hotel	Westfield	N/A	9/1/03	8/31/13				5	5
MBHP	82 Green St	Jamaica Plain	N/A	9/1/03	8/31/13			10		10
MBHP	4-6 Ashland St	Medford	N/A	10/1/03	9/30/13			3		3
MBHP	19 Hancock St	Everett	N/A	10/1/03	9/30/13			3		3
MBHP	Russell Terrace	Arlington	N/A	10/1/03	9/30/13			2		2
MBHP	1740 Washington St	Boston	N/A	10/10/03	9/30/13			8		8
HAC	32 Old Ann Page Way	Provincetown	N/A	11/1/03	10/31/13	1	1			2

RAA	Project	Community	AHAP Date	HAP Start Date	HAP End Date	Elderly or Disabled	Description			Total PBVs
							Family	Homeless Individuals	Supp. Services	
CTI	Salem Heights	Salem	N/A	12/1/03	11/30/13		72			72
CTI	Reviviendo	Lawrence	N/A	12/30/03	11/30/13			3		3
HAC	40A Nelson Ave	Provincetown	N/A	2/2/05	1/1/15		3			3
HAC	58 Harry Kemp Way	Provincetown	N/A	4/1/05	3/31/15		4			4
HAP	Hillside Village	Ware	N/A	4/28/05	4/27/15		16			16
SMOC	The Preserve	Walpole	N/A	6/1/05	5/31/15	0	30	0	0	30
MBHP	Boston YWCA	Boston	N/A	7/14/05	6/30/15			20		20
CTI	Conant Village	Danvers	N/A	10/1/05	9/30/15		15			15
MBHP	Zelma Lacey Mishawum	Charlestown	N/A	11/1/05	10/31/15				20	20
MBHP	Marshall Place Apts	Watertown	N/A	11/17/05	10/31/15	8				8
SMOC	Bethany School Apts	Framingham	N/A	12/1/05	1/30/15	0	10	0	0	10
SSHDC	Acushnet Commons	New Bedford	N/A	12/19/05	12/18/15		3			3
CTI	Stonybrook	Westford	12/30/04	1/6/06	12/31/16		4			4
SSHDC	Westport Village Apts.	Westport	N/A	2/1/06	1/31/16	12				12
MBHP	Amory St	Roxbury	N/A	2/1/06	1/31/16		10			10
HAP	Westhampton Senior	Westhampton	N/A	2/1/06	1/31/16	3				3
MBHP	Pelham House	Newton	N/A	3/1/06	2/28/16	3				3
MBHP	Ruggles Assisted Living	Roxbury	N/A	3/1/06	2/28/16				35	35
CTI	Winter Street	Haverhill	9/13/05	9/1/06	8/31/16	13				13
HAP	Paradise Pond Apts	Northampton	N/A	12/8/06	12/7/16		8			8
MBHP	63 Washington Ave.	Chelsea	8/31/05	12/21/06	11/30/16				24	24
HAP	Earle Street	Northampton	11/30/05	1/1/07	12/31/17		3		12	15
MBHP	The Moorings	Quincy	12/20/05	3/7/07	2/28/17	39				39
CTI	Cordovan at Haverhill Station	Haverhill	2/10/06	3/26/07	3/25/17		8			8
CTI	Fina House	Lawrence	N/A	4/1/07	3/31/2017		7			7

RAA	Project	Community	AHAP Date	HAP Start Date	HAP End Date	Elderly or Disabled	Description			
							Family	Homeless Individuals	Supp. Services	Total PBVs
CTI	Whipple School Annex	Ipswich	2/6/06	4/1/07	3/31/17	8				8
HAP	Village at Hospital Hill	Northampton	N/A	4/13/07	4/12/17	8				8
MBHP	Casa Familias Unidas	Roxbury	6/9/06	5/14/07	4/30/17				8	8
MBHP	Four Addresses in Arlington	Arlington	N/A	6/25/07	5/31/12		4			4
SMOC	Baker St	Foxboro	8/16/06	8/1/07	7/31/17	0	20	0	0	20
HAC	Morgan Woods	Edgartown	6/12/06	8/1/07	7/31/17		6			6
CTI	Salem Point Rentals	Salem	N/A	8/15/07	8/14/17		8			8
SSHDC	Bliss School	Attleboro	N/A	9/1/07	8/31/17		8			8
MBHP	Janus Highlands	Chelsea	8/4/06	11/1/07	10/31/17		8			8
BHDC	Pine Woods	Stockbridge	N/A	2/1/08	1/31/13	3	2			5
MBHP	TILL Building	Chelsea	5/26/06	5/1/08	4/30/18		5			5
CTI	St Joseph's Apts	Lowell	8/1/07	8/1/08	7/31/18		4			4
MBHP	Grandfamilies	Roxbury	N/A	9/1/08	8/31/18				8	8
CTI	Sirk Bld	Lowell	N/A	11/1/08	10/31/18		8			8
HAP	Prospect Hill	Westfield	11/15/07	1/1/09	12/31/19		4			4
RCAP	9 May Street	Worcester	9/20/07	1/30/09	1/29/24	5	3			8
HAP	46-48 School St	Northampton	9/14/07	2/1/09	1/31/19		2			2
MBHP	Doe House*	Mission Hill	N/A	2/1/09	1/31/19			5		5
RCAP	5 Benefit St	Worcester	N/A	2/10/09	2/9/24		4			4
HAP	Village at Hospital Hill II*	Northampton	3/20/08	2/11/09	2/10/19	8				8
CTI	48-64 Middlesex St	Lowell	N/A	3/1/09	02/29/19		6			6
CTI	Salem Point LP	Salem	N/A	4/1/09	3/31/19		7			7
HAP	Sanford Apts*	Westfield	1/7/08	3/10/09	3/9/19		2		3	5
MBHP	The Coolidge*	Watertown	11/27/07	3/30/09	3/29/19	4				4
HAC	Barnstable Senior Lombard Farm*	W. Barnstable	3/12/08	5/15/09	5/14/24	8				8

RAA	Project	Community	AHAP Date	HAP Start Date	HAP End Date	Elderly or Disabled	Family	Description		Total PBVs
								Homeless Individuals	Supp. Services	
CTI	Loring Towers*	Salem	N/A	7/1/09	6/30/19		8			8
HAC	Barnstable Family Kimber Woods*	W. Barnstable	3/12/08	7/1/09	6/30/25		7			7
MBHP	Granite St Housing*	Quincy	7/25/08	7/1/09	6/30/19				5	5
MBHP	St. Polycarp*	Somerville	1/2/08	7/1/09	6/30/19	2	6			8
SMOC	High Rock Homes*	Needham	N/A	7/1/09	6/30/24		8			8
SSHDC	Kensington Court @ Lakeville*	Lakeville	7/30/07	7/7/09	7/6/24		8			8
BHDC	Hillside Avenue*	Gt. Barrington	3/18/08	7/13/09	7/12/24	2	3			5
RCAP	470 Main Street*	Fitchburg	1/30/08	7/24/09	7/23/24	2	5			7
MBHP	Spencer Green*	Chelsea	3/3/08	7/31/09	7/30/19	2	6			8
HAC	Residences at Canal Bluff*	Bourne	6/23/08	8/3/09	8/2/24		3			3
MBHP	109 Gilman Street*	Somerville	N/A	10/1/09	9/30/19		1			1
MBHP	447 Concord Road*	Bedford	1/7/08	12/1/09	11/30/24		4			4
SMOC	Wilber School*	Sharon	10/7/08	3/15/10	3/14/25		8			8
CTI	Palmer Cove*	Salem	N/A	3/18/10	3/17/25	3	1		2	6
RCAP	1-7 Piedmont St*	Worcester	12/5/08	5/7/10	5/6/25	3				3
MBHP	Capen Court*	Somerville	10/23/08	6/1/10	5/31/25	8				8
<b>TOTALS</b>						<b>191</b>	<b>434</b>	<b>73</b>	<b>122</b>	<b>820</b>

\*Indicates PBV developments under lease for the first time in FY 2010, including 5 projects which came under lease sooner than projected.

The following table shows participant data for units under lease, and includes data for DHCD's PBV units. Under the MTW Agreement, DHCD is required to ensure that 75% of participants are Very Low Income, i.e. had incomes that do not exceed 50% of area median income. DHCD exceeded this requirement by having 87% of all participants fall under the Very Low Income threshold, including 71% of households meeting the extremely low income threshold.

**Table 5:**  
**Participant Information for DHCD Housing Choice Voucher Program (May 1, 2009 through August 31, 2010)\***

	# of participants	% of total participants
<b>Household Served Total</b>	<b>18,791</b>	<b>100%</b>
<b>Income</b>		
Extremely low income <30% AMI	13,257	71%
Very low income >30% but <50%	2,925	16%
Low income >50% but < 80%	687	4%
Above Low Income >80%	31	0%
Income Data Not Available**	1,891	10%
<b>Family Type</b>		
Elderly, No Children, Non-Disabled	508	3%
Elderly, with Children, Non-Disabled	50	0%
Non-Elderly, No Children, Non-Disabled	1,634	9%
Non-Elderly, with Children, Non-Disabled	7,017	37%
Elderly, No Children, Disabled	1,579	8%
Elderly, with Children, Disabled	171	1%
Non-Elderly, No Children, Disabled	5,181	28%
Non-Elderly, with Children, Disabled	2,651	14%
<b>Race for Head of Household as a percentage of 50058 received***</b>		
White Only		71%
Black/African American Only		26%
American Indian or Native Alaska Native Only		1%
Asian Only		2%
Native Hawaiian/Other Pacific Islander Only		0%
White, American Indian/Alaska Native Only		0%
White, Black/African American Only		0%
White, Asian Only		0%
Any Other Combination		0%
<b>Ethnicity for Head of Household as a percentage of 50058 received***</b>		
Hispanic or Latino		32%
Non-Hispanic or Latino		68%
<b>Household Size as a percentage of 50058 received ***</b>		
1 person		32%
2 persons		24%
3 persons		21%
4 persons		13%
5 persons		6%
6 persons		2%
7 persons		1%
8 persons		0%
9 persons		0%
10+ persons		0%

Voucher Size as a percentage of 50058 received \*\*\*

0 bedrooms	2%
1 bedroom	21%
2 bedrooms	34%
3 bedrooms	33%
4 bedrooms	9%
5+ bedrooms	2%

\*Data obtained from PIC on 9/20/10.

\*\* Because DHCD is a multi-jurisdictional agency, PIC is unable to report comprehensive information in regards to income. This issue is on-going, and has been reported to HUD.

\*\*\*Numbers of participants unavailable.

## C. Waiting List Information

As of June 30, 2010 there were 89,159 households on the Housing Choice Voucher Program waiting list as summarized in Table 6. This reflects an increase of over 10,000 applicants over the FY 2010 Annual Plan's waiting list totals. DHCD anticipates that the total number of waiting list households will continue to increase substantially in FY 2011 due in part to statewide and national economic conditions. In order to maintain a current waiting list, DHCD anticipates conducting a purge of the waiting list within the next year.

As was described in the FY 2010 Annual Plan, DHCD is in the process of making changes to the waiting list methods used for Project Based Voucher (PBV) developments. The changes will allow PBV owners to maintain their own site-based waiting lists. Some or all PBV waiting lists may be closed during the transition period. DHCD will issue public notices of waiting list openings and closings.

**Table 6:**  
**Waiting List Information for DHCD Housing Choice Voucher Program (June 2010)**

	# of applicants	% of total applicants
<b>Waiting List Total</b>	<b>89,159</b>	<b>100%</b>
<b>Income (1)</b>		
Extremely low income <30% AMI	79,059	88.7%
Very low income >30% but <50%	7,063	7.9%
Low income >50% but < 80%	751	0.8%
<b>Family Type</b>		
Families with children (2)	57,411	64.4%
Elderly families (3)	4,046	4.5%
Families with disabilities (3)	27,895	31.3%
<b>Race/ethnicity (4)</b>		
White/Hispanic	10,590	11.9%
White/non-hispanic	28,617	32.1%
White/no ethnicity specified	3,807	4.3%
Black/African american/hispanic	1,494	1.7%
Black/African american/non-hispanic	15,916	17.9%
Black/African american/no ethnicity specified	3,677	4.1%
American Indian/Alaskan Native/hispanic	207	0.2%
American Indian/Alaskan Native/non-hispanic	1,021	1.1%
American Indian/Alaskan Native/no ethnicity specified	168	0.2%
Asian or Pacific Islander/hispanic	143	0.2%
Asian or Pacific Islander/non-hispanic	1,525	1.7%
Asian or Pacific Islander/no ethnicity specified	439	0.5%
Native Hawaiian/Other Pacific Islander/hispanic	717	0.8%
Native Hawaiian/Other Pacific Islander/non-hispanic	548	0.6%
Native Hawaiian/Other Pacific Islander/no ethnicity specified	120	0.1%
Hispanic, no race specified	18,549	20.8%
Non-hispanic, no race specified	2,449	2.7%
No race or ethnicity specified	1,167	1.3%



- (1) Based on HUD income limits effective of 3/19/09 and 5/14/10.*
- (2) This number represents households with more than one member*
- (3) Includes households with only one member*
- (4) Applicants may specify more than one race therefore an applicant may be counted more than once*

### III. Non-MTW Information

In Fiscal Year 2010, DHCD continued to administer the VASH and Five Year Mainstream programs, both of which are not included in the MTW program. DHCD also received 87 Family Unification Program vouchers in August 2009.

#### Sources and Uses of Non-MTW Funds

Table 7 provides projected and actual Non-MTW sources and uses for Fiscal Year 2010. Note that HUD funding is based on the calendar year, and that DHCD had not been notified of its funding levels for either CY 2009 or CY 2010 at the time the FY2010 Annual Plan was submitted.

**Table 7: Non-MTW Sources and Uses: Estimated and Actual\***

<b>Sources</b>	<b>Estimated Amount</b>	<b>Actual Amount</b>
HUD Subsidy – FUP 09	\$0	\$98,060
HUD Subsidy – VASH**	\$809,794	\$572,534
HUD Subsidy – Five Year Mainstream	\$646,317	\$631,351
<b>Non-MTW Sources Total</b>	<b>\$1,456,111</b>	<b>\$1,301,945</b>
<b>Uses</b>		
HAP Payments	\$1,299,281	\$1,189,190
Administrative	\$156,830	\$112,755
<b>Non-MTW Uses Total</b>	<b>\$1,456,111</b>	<b>\$1,301,945</b>

\* Please note that these are unaudited amounts.

\*\* The Actual Funding amount for the HUD VASH subsidy is not the final funding number. This number does not reflect funding of DHCD's total VASH allocation. DHCD is currently addressing the issue with HUD.

#### Description of Non-MTW Activities

Non-MTW activities include special purpose programs, i.e. VASH, FUP 09 and Mainstream. DHCD continued administration of these programs in FY 2010. Tenant Protection Vouchers are classified as Non-MTW during the first year. The following non-MTW activities were continued in FY 2010:

**Project Based Voucher Program** – DHCD continued to implement an ongoing statewide Project Based Voucher program. In the FY 2010 Annual Plan, DHCD had a total of 679 PBV units under lease, and projected that an additional 95 units would come under lease during FY 2010. As noted in Table 4, as of June 30<sup>th</sup>, DHCD had 820 PBV units under lease, of which 127 were newly contracted units, including 30 units which came under lease earlier than expected.

**Family Self Sufficiency Program** – DHCD continued to operate its FSS program throughout FY 2010, which involved serving 698 participants. During FY 2010, DHCD amended its FSS Plan and the appropriate sections of the HCV Administrative Plan to expand the reasons for which participants can make midterm escrow withdrawals.

**Conformance to January 27, 2009 Refinement of Income and Rent Rule or Subsequent Final Rule** – HUD issued a finalized notice on May 17, 2010. DHCD has implemented these changes and the Admin Plan language will be revised to reflect these changes when it is reissued for this Fiscal Year.

**Income Eligibility** – DHCD has implemented the changes proposed in the FY 2010 Annual Plan, and the Admin Plan language will be revised to reflect these changes when it is reissued for this Fiscal Year.

## IV. Long Term MTW Plan

The following information was originally provided in the FY 2010 Annual Plan to describe DHCD's long-term vision for its MTW initiatives:

The new MTW Agreement offers a unique and important opportunity to improve and enhance the HCV program. Building on lessons learned and successes of the existing small-scale MTW demonstration programs, DHCD intends to utilize MTW flexibility to test out the efficacy of new approaches in support of the MTW statutory objectives.

DHCD intends to fully explore the potential benefits of MTW: 1) to demonstrate that housing stabilization can be the foundation for life transformation for extremely and very low-income households; and, 2) to demonstrate that administrative costs savings can be redirected to provide meaningful assistance and, potentially, subsidies to additional program participants and owners. DHCD believes that affordable housing can provide the foundation that allows extremely and very low-income households to access good jobs and education and to enter the economic mainstream. Maximizing the value of limited federal program dollars to help families achieve life goals, and then move on so that program dollars can help serve additional families is a key goal.

Additional principles that will help guide MTW planning for the long term include:

- All MTW activities must relate to one or more of the three MTW statutory objectives, i.e. reducing cost and/or promoting administrative efficiency, increasing housing choice, and supporting families in achieving economic self-sufficiency.
- MTW flexibility will be utilized to promote tighter linkages and synergy between the HCV program and other related Commonwealth programs and policy goals such as preventing or reducing homelessness, supporting self-sufficiency and welfare to work initiatives; supporting project-based affordable housing for extremely low income households; reducing foreclosures and stabilizing neighborhoods.
- By identifying and addressing administrative efficiency opportunities, MTW flexibility will be used wherever feasible to increase the number of extremely and very low-income households served and the overall quality of leased housing units.
- New MTW program initiatives will be developed to respond to differences among regional and local housing markets.
- In addition to expanding and improving the existing MTW demonstrations being implemented by Metropolitan Boston Housing Partnership and RCAP Solutions, Inc., a series of small and large scale initiatives will be implemented over time.

In order to explore the feasibility of various MTW initiatives, DHCD convened a series of planning meetings beginning in FY 2009, including groups dedicated to Rent Simplification, Services and Supports, Workforce Development and Population. Each group includes representatives from the RAAs that administer HCV under contract to DHCD, and are anticipated to meet throughout FY 2011. The groups have been asked to review best practices from other MTW agencies as well as from other programs nationwide; to identify opportunities to use MTW flexibility to further Commonwealth goals and MTW statutory objectives; and, to make recommendations to DHCD for new MTW initiatives. DHCD has also invited experts in areas such as workforce development and supportive services to share best practices from their fields with the applicable working groups. Prior to inclusion of any new initiatives in DHCD's future MTW Annual Plans, DHCD will also involve advocacy organizations and key stakeholders, as well as develop a vehicle for encouraging and soliciting tenant input. Based on the recommendations of the working groups and tenant input received, DHCD anticipates that it will identify and define additional MTW initiatives for inclusion in the FY 2012 and future Annual Plans.

## V. Proposed MTW Activities

This section of the MTW Annual Report provides information on MTW activities that have been proposed by DHCD and approved by HUD, but not yet implemented.

### Proposed MTW Activities

#### Activity 2010-1

**Description/Update of MTW Activity:** Owner/managers of PBV developments authorized by DHCD will be responsible for all PBV waiting list intake and management functions. Generally, DHCD will require PBV owners to assume and manage these functions; however, exceptions may be made at DHCD's option. Under the new system, applicants will contact the owner/manager of a specific development in order to file an application. Application files and the waiting list itself will be maintained at the development site. Owner/managers will be responsible for contacting and screening applicants who come to the top of the waiting list, collecting all needed information from the applicant, and then forwarding the applicant to the RAA for eligibility determination and processing.

The transition to site-based waiting lists is anticipated to be implemented in stages, with new PBV projects being the first to assume waiting list management responsibilities, followed by projects managed by larger and/or more experienced management companies. For existing PBV developments, all current applicants will maintain their waiting list places; however, the waiting list will be updated prior to transitioning to the owner/managers. During the transition period, waiting lists may be temporarily closed. DHCD will either use existing staff or contract with a Fair Housing organization to conduct periodic reviews of the system to ensure compliance with DHCD's approved tenant selection plan for each respective project and conformance to fair housing guidelines.

All PBV developments utilizing the new waiting list management methods will be required to modify their tenant selection plans and related documents as needed. DHCD will modify its PBV Administrative Plan as well.

Transition activities began in July 2009. Procedures manuals and training materials are currently under development. The procedures manual to be used by owner/managers has been drafted by a working group consisting of DHCD and RAA staff, and will be reviewed by a small number of selected owner/managers prior to implementation. DHCD intends to roll out the new program in FY 2011.

**Relationship to MTW statutory objective:** This activity addresses the statutory objective to reduce costs and achieve greater cost effectiveness in federal expenditures by reducing the amount of time spent by staff on processing PBV applications.

**Projected impact:** The new policy is expected to streamline and expedite the timetable for filling vacant PBV units, by reducing the number of referrals required to occupy each unit. Reductions in RAA staff time needed to support the re-occupancy of PBV units are also projected.

**Baseline, benchmarks and metrics:** Upon implementation, DHCD will utilize information from a sample of existing PBV developments to measure impacts. The current estimated baseline for filling PBV units is an average of 60 days. A benchmark of reducing PBV vacancy turnaround time to less than 30 days has been established, following full implementation of owner management of the waiting list. DHCD projects that this goal will be achieved within 18 months for projects involving 20 or more units, and within 24 months for smaller projects. No changes are anticipated for these benchmarks.

**Data collection process:** RAAs responsible for the PBV developments used to benchmark this activity will collect information from waiting list and occupancy reports maintained by PBV owner/managers. This information will be reviewed and analyzed as part of the Annual Report process upon implementation of the site-based waiting lists.

**MTW authorization:** MTW Agreement, Attachment C, paragraph D.4

#### **Activity 2010-4**

**Description/Update of MTW activity:** Required HCV program forms will be modified as needed to streamline processing, utilize “plain language”, and address local housing market features. This activity was scheduled to begin in FY 2010, with new forms rolled out as they were completed. As of June 30<sup>th</sup>, no activity has occurred on this task.

A DHCD-RAA working group will review all existing HUD HCV forms, identify and vet proposed changes, and implement new forms. The forms to be evaluated for modification will include: Voucher, HAP Contract, RFTA and others. As required under the MTW Agreement, any changes to the HAP form will include language noting that funding for the contract is subject to the availability of appropriations.

DHCD intends to proceed with this initiative, and after initial implementation expects that this activity will occur over a 2-3 year period.

**Relationship to MTW statutory objective:** This activity addresses the statutory objective to reduce costs and achieve greater cost effectiveness in federal expenditures by simplifying forms that are used by program staff and participants.

**Projected impact:** The proposed changes to required HCV forms are expected to streamline and simplify program administration, while also improving owner and participant understanding of program guidelines and requirements.

**Baseline, benchmarks and metrics:** DHCD does not have baseline information on this activity. DHCD will evaluate the feasibility of conducting staff time studies and/or informal owner and participant surveys to measure satisfaction and user-friendliness of the existing versus new forms.

**Data collection process:** See note above. DHCD is considering conducting surveys to measure owner and participant reactions to new versus existing forms.

**MTW authorization:** MTW Agreement, Attachment C, paragraph D.1.



## VI. Ongoing MTW Activities

This section of the MTW Annual Report provides information and updates on MTW activities that have been previously approved by HUD.

### Description and Updates on Ongoing MTW Activities

#### Activity 2000-1

**Description/Update of Activity:** DHCD's original MTW Agreement and Plan focused on implementation of a small-scale program administered in the Boston area by Metropolitan Boston Housing Partnership (MBHP) and in Worcester County by RCAP Solutions, Inc. (RCAP). This MTW activity tests an assistance model which provides a fixed annual stipend to eligible families, regardless of future income or family composition changes. Families exercise considerable decision-making in the utilization of the funds, within some guidelines. Case management and program coordination is provided by designated MTW Advisors at each agency, MBHP and RCAP, with target caseloads of 61 per advisor. Families may select any housing unit which they deem affordable and appropriate for their needs and which meets the occupancy requirements of the local Board of Health and Massachusetts Lead Laws where applicable. There is no HUD Housing Quality Standards inspection or rent-reasonableness test.

Eligibility is targeted to low-income working families who meet the following criteria:

- 1) Receive, or have received in the past 12 months, public assistance: TAFDC, EA, Food Stamps, and
- 2) Are committed to maintaining employment and agree to provide information to assess the effectiveness of the program, and
- 3) In the Boston component only, are currently homeless in a shelter, hotel, or motel placement.

Families participating in the south Worcester County component (122 families) received the following:

- Financial assistance package of \$5,500 per year, of which up to \$250/month can be applied toward the rent and, in some cases security/upfront costs, for the apartment (paid directly to owner), up to \$158/month is available for work-related, utility, or emergency expenses, and \$50/month is set aside in an escrow account that is receivable upon successful program completion.
- If the contract rent for the unit is less than the shallow rent subsidy provided, the participant must pay 30% of their adjusted income toward rent. The participant can opt to pay an increased amount for rent and transfer the remaining subsidy amount to their escrow account.
- Case management support to assist the family in addressing employment, housing, or other issues.
- Financial literacy training and homebuyer preparation workshops.

- Support and resources to assist in home-buying, where desired and appropriate. In FY 10, the homeownership matching fund program was revised to fund a one-time \$500 first-time homebuyer grant for eligible participants provided DHCD had available funds.

Families participating in the Boston component (61 families) received the following:

- Financial assistance package of \$10,000 per year, of which up to \$700/month can be applied toward the rent and, in some cases, security/upfront costs for the apartment (paid directly to owner), up to \$83/month is available for work-related, utility, or emergency expenses, and \$50/month is set aside in an escrow account that is receivable upon successful program completion. Assistance levels may be slightly higher for very large families.
- If the contract rent for the unit is less than the shallow rent subsidy provided, the participant must pay 30% of their adjusted income toward rent. The participant can opt to pay an increased amount for rent and transfer the remaining subsidy amount to their escrow account.
- Case management support to assist the family in addressing employment, housing, or other issues.
- Financial literacy training.
- Support and resources to assist in home-buying, where desired and appropriate. In FY 10, the homeownership matching fund program was revised to fund a one-time \$500 first-time homebuyer grant for eligible participants provided DHCD had available funds.

Participating families recertify once annually. In FY 10, the term of participation was increased from the existing three-year maximum to an initial three-year term with up to two one-year extensions, for a total possible term of five years. The term of participation may be fewer than three years if a family exceeds the low-income limit for the Boston MSA (80% of area median income), fails to meet ongoing program requirements, or the demonstration is concluded by HUD.

DHCD reviews on an ongoing basis the amount of subsidy/stipend levels and the number of program participants. In addition, DHCD may, at its option, expand the program to other areas of the state in subsequent program years.

The past year has been particularly challenging for program participants given the economic climate, and expectations about how many families would be able to find and maintain employment had to be revised. This also resulted in greater numbers of program participants using the maximum amount of rent subsidy instead of being able to use their funds for other goals (education, escrow, etc.). The program has been successful in preventing participants from becoming homeless and educating participants about other resources available within the community.

**Baseline, benchmarks and metrics:** Although this initiative was first implemented in 2000, this is the first MTW report which has required developing benchmarks and evaluation metrics for the program. Given that the initiative has been running for 10 years

and has already developed into a mature program, the baseline and benchmarks are dissimilar to the metrics expected of newly established initiatives. DHCD has established the following program metrics:

- Increase the annual earned income of participants. The following benchmarks are proposed: During Year 1 of participation, participants’ income increases by 5%; during Year 2, participants income increases by 3%; during Year 3, participants’ income increases by 2%; during Years 4 and 5 (if applicable), participants’ income increases by 1% annually.
- Increase the education level of participants. The following benchmarks are proposed: In each year of the program, 2 participants from MBHP and 4 participants from RCAP will obtain a high school equivalency (GED or high school diploma), 2 participants from MBHP and 10 participants from RCAP will enroll in college courses or vocational training.
- A benchmark of 6 graduations per year for MBHP and 18 for RCAP is proposed.
- Increased savings and asset building activities for 50% of participant households (i.e., opening a savings account or credit repair activities).
- For RCAP’s program, increase the number of homeowners. The following benchmarks are proposed: In each year of the program, 2 participants from RCAP will become homeowners.

**Table 8: Small Scale MTW Program Outcomes**

Benchmarks	Baseline		Year 1 (7/1/09-6/30/10)	
	MBHP	RCAP	MBHP	RCAP
Increase in Earned Income of Participants*				
Year 1 of Participation				
Year 2 of Participation				
Year 3 of Participation	12%	12%	+11.82%	+1.46%
Year 4 of Participation				
Year 5 of Participation				
Changes in Education Level of Participants				
Earned GED or High School Diploma	2	4	0	0
Enrolled in College Courses or Vocational Training	2	10	3	23
# of Program Graduations**	6	18	6	23
Increased Savings and Asset Building Activities	15	35	15	35
Homeownership	N/A	5	N/A	5

\* This metric was not being recorded in this way prior to this report, therefore the baseline is given as an estimated change over the households’ participation in the program. Given these limitations, for this reporting year, only an aggregate change in gross income (including unearned income sources) is available. RCAP’s figure reflects the change from 7/1/09 through 6/30/10, while the MBHP figure reflects the increase in participants’ income between enrollment and 6/30/10.

\*\* Includes both voluntary graduation and program termination because the household had reached the program time limit.

As illustrated in Table 8, participants’ income rose by almost 12% over the course of their participation at MBHP and by 1.46% over the past program year at RCAP. No program participants earned a GED or high school diploma during this program year, however 3 participants in MBHP’s program and 23 in RCAP’s program enrolled in college or vocational classes. Six participants graduated from MBHP’s program, and 23

participants graduated from RCAP's program. Between MBHP and RCAP, 50 households had increased savings or participated in other asset building activities. 5 of RCAP's program participants became homeowners, and program participants in both programs continued to accrue escrow.

In addition, program participants were informed of fuel assistance programs, credit repair and financial literacy workshops, education and/or job training programs and employment opportunities. MTW program staff also advised participants on resume writing and job search techniques, and also assisted clients by participating in rent negotiations with landlords on behalf of their clients. Also not reflected in the above table, seventeen participants in RCAP's program enrolled in English classes in order to improve their employment prospects.

**Data collection process:** DHCD's software system has been updated to include a tracking module for this program. This new feature will enable closer monitoring and expanded reporting on this initiative's activities. Prior to the implementation of the monitoring feature in Tracker, the majority of program data has been maintained in Excel spreadsheets with hard copies of documentation maintained in client files. Both MBHP and RCAP have maintained records of family composition, income, educational achievement, rent and participation in outside programs for participating clients.

**Initial Plan Year:** 2000

**MTW authorization and waived provisions:** Prior approval granted by HUD. Authorizations cited include MTW Agreement, Attachment C, paragraph D.1, D.2, D.3, D.4, D.5; and Attachment D, Broader Uses of Funds.

DHCD utilized its Broader Uses of Funds authorized in Attachment D of the MTW Agreement, therefore no additional statutory or regulatory waivers are required.

## **Activity 2010-2**

**Description/Update of MTW activity:** DHCD may approve any documented and reasonable exception to payment standards as a reasonable accommodation for HCV households with disabled household members without HUD approval. This policy will be utilized without regard to the percentage increase requested over the payment standard.

Additionally, DHCD may approve other documented and reasonable exceptions to payment standards without seeking HUD approval if such requests will support participants' ability to find suitable rental housing in "low poverty, high-opportunity" neighborhoods, and clearly achieves the statutory objectives of the MTW program.

Implementation began in July 2009. To date, no exception requests have been received due to the condition of the housing market, which has been such that exception rents are not necessary.

**Relationship to MTW statutory objective:** This activity addresses the statutory objective to expand housing choice by improving responsiveness to the needs of persons with disabilities and by encouraging the leasing of units in non-poverty impacted areas.

**Projected impact:** This policy is projected to expedite the approval and processing of reasonable accommodation requests by eliminating HUD review. The policy is also projected to increase the number of units leased in non-impacted areas.

**Baseline, benchmarks and metrics:** A benchmark of 3 business days from RAA request to DHCD final action (approval or disapproval) on reasonable accommodation-related payment standard exceptions has been established. The current baseline is approximately 10 business days, including time currently required for HUD final action on the request. Due to a lack of requests, DHCD is unable to report on the time efficiencies expected to be afforded by this initiative.

With respect to leasing units in non-impacted areas, DHCD will review existing leasing data and establish reasonable leasing goals over a five year period. No requests have been received to date.

**Data collection process:** DHCD will continue to track and report annually on the turnaround time for processing these requests.

**MTW authorization and waived provisions:** MTW Agreement, Attachment C, paragraph D.2.a. waivers were utilized to allow DHCD to approve exception payment standards without approval from HUD.

### **Activity 2010-3**

**Description/Update on MTW activity:** An Owner Incentive Fund pilot program has been established to promote upgrades to the housing stock in areas of the state with a large percentage of older, deteriorated housing stock. When this type of housing is the prevailing housing available to HCV participants in a community/region, it has several undesirable consequences including: 1) limiting the tenants' ability to secure better quality housing in neighborhoods of lower concentrations of poverty; 2) resulting in inefficient use of the HCV inspection staffs' time by continually having to re-inspect units that frequently fall out of compliance; 3) resulting in few, if any, handicapped accessible units; and 4) discouraging new owners with better quality housing from making their units available to HCV households.

The program goals for this activity are: leasing higher quality units including incentivizing owners to upgrade existing housing at least one grade level, i.e. from a "C" to a "B" grade, or from a "B" to an "A" grade<sup>2</sup>; increasing the number of units that are accessible to persons with disabilities; expanding the number of units leased in currently underserved neighborhoods, and encouraging new owner participation.

The program was piloted by the Berkshire Housing Development Corporation (BHDC) beginning in January of 2010. Participating owners were eligible for a flat fee financial incentive (initially established at \$900 or \$1,200) payable in 4 quarterly installments over the first year of the HAP contract. At the end of the first year under HAP contract, owners will be eligible for an additional one-time payment (initially established at \$500) if one or more of the following applied: the owner was not previously part of the HCV program; the unit was not previously under contract to an HCV participant; the unit was new construction or substantial rehabilitation; or, the unit was a foreclosed property prior to leasing and at least a "B" grade level. In the first year of the pilot, BHDC waived the requirement that the tenant remains in occupancy, or that the owner has agreed to lease to another HCVP referral from the RAA to receive the \$500 bonus payment in order to attract a higher level of interest. This requirement will be implemented in year two of the pilot due to the strong response from owners thus far.

In order to be eligible for incentive payments, the unit is required to be compliant with HQS at all times during the HAP term. An agreement was signed certifying that the incentive payments are not part of the monthly rent to owner.

BHDC established an initial cap of five units per owner per year, and a total program cap of seven percent of BHDC's voucher allocation (approximately thirty-eight units). The annual cap for year two of the demonstration will be increased to ten units per owner and a total of forty units. The incentive was capped at \$1,700 per unit, and will remain the same for year two of the pilot. DHCD will adjust the program criteria and payment amounts as needed to respond to local market conditions, particularly when planning an expansion of this program to additional RAAs.

---

<sup>2</sup> DHCD grades each unit during initial, renewal and mid-lease inspections. Chapter Eight of DHCD's HCV Administrative Plan found on DHCD's website explains in detail the unit grading system employed.

**Relationship to MTW statutory objective:** This activity addresses the statutory objective to expand housing choice by increasing the range and quality of housing that can be leased by HCV participating households.

**Baseline, benchmarks and metrics:** The program was initially piloted in Berkshire County beginning in January of 2010. The following benchmarks were proposed in the FY 2010 Annual Plan:

- Increase the number of units that move up at least one grade, i.e. from a C to a B grade, or from a B to an A grade. Currently, the baseline is that 95% of units are rated C. The following benchmarks were proposed: in year 1, 3 units move up 1 grade; by year 3, a total of 12 units move up one grade; by year 5, a total of 15 units move up 1 grade.
- Increase the number of accessible units that are leased. The baseline was that less than 1% of leased units are accessible. A benchmark of 3% accessible units is proposed by year 5.
- Increase the number/percentage of units that are rented in underserved areas. The baseline was that 13% of all Berkshire units are located outside Pittsfield. The following benchmarks are proposed: in year 1, increase the percentage leased outside of Pittsfield to 14%; in year 3, to 16%; and, in year 5, to 18%.

The results of the program to date are included in Table 9.

**Table 9: Landlord Incentive Program Outcomes**

Benchmarks	Baseline	Year 1 (1/1/10-9/10/10)
Upgraded Units		
From "C" to "B"	0	2
From "B" to "A"	0	0
Accessible Units as a percentage of BHDC's portfolio	> 1%	>1%
Units Leased in Underserved Areas (i.e., outside of Pittsfield, MA) as a percentage of BHDC's portfolio	13%	16%

As illustrated by Table 9, the program resulted in an increased number of units at a "B" or higher grade and an increase in the number of units leased in underserved areas. To date, the number of accessible units but has not been increased.

In addition to the above benchmarks, other outcomes include adding eight owners who had not previously leased units to an HCV client, adding thirteen "A" grade units which had not previously been leased to an HCV client and adding one unit to the program which had previously been a foreclosed property.

**Data collection process:** Data will continue to be collected by Berkshire Housing Development Corporation using the Trackers system, and will be reported and analyzed as part of the Annual Report process.

**MTW authorization and waived provisions:** MTW Agreement, Attachment C, paragraph D.2.a. waivers were utilized to allow DHCD to establish subsidy levels that differ from the currently mandated program requirements, specifically to enable landlord incentive payments.



## VII. Sources and Uses of Funding

DHCD's operates an MTW program that involves only Housing Choice Vouchers. Table 9 provides projected and actual sources and uses for the MTW program for Fiscal Year 2010.

Note that HCV funding is allocated on a calendar year (CY) basis and that, as of the publication of the FY 2010 Annual Plan, DHCD had not been notified of either its CY 2009 or CY 2010 funding levels. Thus, the actual amounts listed vary based on actual funding levels.

**Table 10: MTW Sources and Uses: Estimated and Actual\***

<b>Sources</b>	<b>Estimated Amount</b>	<b>Actual Amount</b>
HUD Subsidy – MTW Tenant Based**	\$228,252,655	\$229,232,175
<b>MTW Sources Total</b>	<b>\$228,252,655</b>	<b>\$229,232,175</b>
<b>Uses</b>		
HAP Payments	\$207,644,850	\$206,079,704
Other Authorized MTW Activities**	\$2,142,472	\$1,546,185
Administrative	\$18,465,333	\$19,463,814
Contribution to Reserve	\$0	\$2,142,472
<b>MTW Uses Total</b>	<b>\$228,252,655</b>	<b>\$229,232,175</b>

\* Please note that these are unaudited amounts.

\*\* The HUD Subsidy includes \$2,142,472 from the HAP reserve. Some of the activities that this funding was allocated for have been deferred, and the funds have been maintained in DHCD's reserve for future program uses.