

SECOND AMENDMENT**TO****MOVING TO WORK AGREEMENT
BETWEEN****U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
AND
THE PHILADELPHIA HOUSING AUTHORITY**

This Second Amendment to the Moving to Work (“MTW”) Agreement dated October 16, 2008, inclusive of the First Amendment, dated October 16, 2008 (“Agreement”) is entered into by and between the United States of America through the U.S. Department of Housing and Urban Development (“HUD”) and the Philadelphia Housing Authority (“Agency”) and is effective as of March 25, 2010, _____. Unless otherwise defined herein, all capitalized terms used herein shall have the same meanings ascribed to them in the Agreement.

Attachment D is amended as follows:

Add the following language before Section I:

Use of MTW Funds

The Agency and HUD acknowledge that Section 204(a) of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Pub. L. 104-134) provides that an agency participating in the MTW demonstration program may combine public housing operating and capital funds provided under Section 9 of the U.S. Housing Act of 1937 (the “1937 Act”) and voucher program funds provided under Section 8 of the 1937 Act “to provide housing assistance for low-income families, as defined in section 3(b)(2) of the 1937 Act, and services to facilitate the transition to work on such terms and conditions as the agency may propose and the Secretary may approve.”

The Agency and HUD further acknowledge that the terms of the agreement under which the Agency participated in the MTW demonstration program prior to the Amended and Restated MTW Agreement (the “Original MTW Agreement”) did not state that the use of such combined public housing operating and capital funds and voucher program funds (collectively, “MTW Funds”) was restricted to those uses specified in Sections 8 and 9 of the 1937 Act.

The Agency and HUD hereby agree that they do not intend for the Amended and Restated MTW Agreement to limit or restrict the authority to use MTW Funds as provided by the Original MTW Agreement, that notwithstanding any language to the contrary, those provisions in this Agreement or its attachments that restrict the use of funds to Sections 8 and 9 are repealed, and the Agency may use MTW Funds to provide housing assistance for low-income families, as defined in section 3(b)(2) of the 1937 Act, and services to facilitate the transition to work, whether or not any such use is authorized by Sections 8 or 9 of the 1937 Act, provided such uses are consistent with other requirements of the MTW statute [i.e., including but not limited to the

requirements to maintain a comparable mix of families and serve substantially the same number of families as would have been assisted if the Agency were not in the MTW demonstration, assuring that housing assisted under the demonstration meets housing quality standards established or approved by the Secretary, that at least 75 percent of the families assisted be very low income families, that the agency has established a reasonable rent policy that is designed to encourage employment and self-sufficiency by participating families, that the requirements of sections 12 of the 1937 Act are applied to any housing assisted under the demonstration other than housing assisted solely because of occupancy by families receiving tenant-based assistance, and that Section 18 of the 1937 Act shall continue to apply to public housing notwithstanding the use of any use of the housing under the demonstration] and have been proposed in an Agency's Annual MTW Plan and approved by HUD.

Notwithstanding the above, such funds remain Federal funds, and are subject to any and all other Federal requirements outside of the 1937 Act (e.g., including but not limited to Appropriations Acts, competitive HUD notices of funding availability under which the Agency has received an award, state and local laws, Federal statutes other than the 1937 Act, and OMB Circulars and requirements), as modified from time to time.

IN WITNESS WHEREOF, the parties have caused this First Amendment to be executed by their duly authorized representatives.

PHILADELPHIA HOUSING AUTHORITY

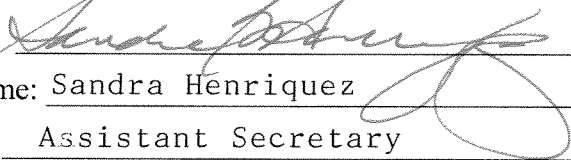
By: 

Name: Carl Green

Its: Executive Director

Date: 3-10-2010

UNITED STATES DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

By: 

Name: Sandra Henriquez

Its: Assistant Secretary

Date: 03/25/2010

ATTACHMENT D
COMMUNITY-SPECIFIC AUTHORIZATIONS
TO
AMENDED AND RESTATED MOVING TO WORK AGREEMENT
BETWEEN
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
AND
PHILADELPHIA HOUSING AUTHORITY

This Attachment D describes and authorizes activities which may be implemented by the Philadelphia Housing Authority (the "Agency") pursuant to the Moving to Work Agreement between the Agency and HUD dated October 16, 2008, inclusive of the First Amendment, dated October 16, 2008, which together with any and all attachments, exhibits, and appendices thereto is hereinafter referred to as the "Agreement." This Attachment D is updated and revised per the Second Amendment to the PHA's Agreement dated March 25, 2010, which added the Uses of Funds paragraph.

Notwithstanding any other provision of this Agreement the Agency is authorized as follows:

Use of MTW Funds

The Agency and HUD acknowledge that Section 204(a) of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Pub. L. 104-134) provides that an agency participating in the MTW demonstration program may combine public housing operating and capital funds provided under Section 9 of the U.S. Housing Act of 1937 (the "1937 Act") and voucher program funds provided under Section 8 of the 1937 Act "to provide housing assistance for low-income families, as defined in section 3(b)(2) of the 1937 Act, and services to facilitate the transition to work on such terms and conditions as the agency may propose and the Secretary may approve."

The Agency and HUD further acknowledge that the terms of the agreement under which the Agency participated in the MTW demonstration program prior to the Amended and Restated MTW Agreement (the "Original MTW Agreement") did not state that the use of such combined public housing operating and capital funds and voucher program funds (collectively, "MTW Funds") was restricted to those uses specified in Sections 8 and 9 of the 1937 Act.

The Agency and HUD hereby agree that they do not intend for the Amended and Restated MTW Agreement to limit or restrict the authority to use MTW Funds as provided by the Original MTW Agreement, that notwithstanding any language to the contrary, those provisions in this Agreement or its attachments that restrict the use of funds to Sections 8 and 9 are repealed, and the Agency may use MTW Funds to provide housing assistance for low-income families, as defined in section 3(b)(2) of the 1937 Act, and services to facilitate the transition to work, whether or not any such use is authorized by Sections 8 or 9 of the 1937 Act, provided such uses are consistent with other requirements of the MTW statute [i.e., including but not limited to the

requirements to maintain a comparable mix of families and serve substantially the same number of families as would have been assisted if the Agency were not in the MTW demonstration, assuring that housing assisted under the demonstration meets housing quality standards established or approved by the Secretary, that at least 75 percent of the families assisted be very low income families, that the agency has established a reasonable rent policy that is designed to encourage employment and self-sufficiency by participating families, that the requirements of sections 12 of the 1937 Act are applied to any housing assisted under the demonstration other than housing assisted solely because of occupancy by families receiving tenant-based assistance, and that Section 18 of the 1937 Act shall continue to apply to public housing notwithstanding the use of any use of the housing under the demonstration] and have been proposed in an Agency's Annual MTW Plan and approved by HUD.

Notwithstanding the above, such funds remain Federal funds, and are subject to any and all other Federal requirements outside of the 1937 Act (e.g., including but not limited to Appropriations Acts, competitive HUD notices of funding availability under which the Agency has received an award, state and local laws, Federal statutes other than the 1937 Act, and OMB Circulars and requirements), as modified from time to time.

I. Administrative Issues

- A. The Agency has continued to operate pursuant to the HUD-developed transition plan since April 1, 2008. Upon execution of this Agreement, the Agency will operate under the terms and conditions of this Agreement.
- B. For purposes of this agreement, the "Agency's public housing assisted units" referred to in Section A.2 of Attachment C to this Agreement ("Attachment C") include, but are not limited to, the public housing homeownership program developed, funded, owned or operated by the Agency, its subsidiaries or partners.
- C. This Agreement shall be subject to all the terms and conditions of the ACCs and the provisions of the U.S. Housing Act of 1937 (the "1937 Act") and HUD requirements except as expressly provided in this Agreement as determined by HUD to be necessary for the Agency to implement its MTW demonstration, as approved by HUD.
- D. Energy Performance Contracting
 - 1. PHA may, without prior approval from the Department, modify the current energy performance contract or enter into new performance contracts with Energy Service Companies (ESCOs), also called Energy Service Agreements (ESAs), and determine the terms and conditions of energy performance contracts, provided that, with respect to each contract, (i) the term does not exceed 20 years, and (ii) and PHA maintains adequate file documentation demonstrating EPC performance. PHA may also function as its own ESCo, provided that any financing complies with requirements (i) and (ii) of this paragraph. However, in agreeing to forego said prior approval, PHA agrees that no security interest or physical encumbrance shall be placed on public housing property or public

housing assets as part of any modified or future performance contract. If such a security interest or physical encumbrance is proposed, PHA shall seek prior approval from the Department for said performance contract.

2. PHA is authorized to pledge its reserves or other funds for use during the term of the MTW demonstration to guarantee the payment of debt service in the event that projected energy savings are not adequate to cover the debt service costs for an energy conservation project undertaken during the term of the MTW demonstration. However, any action taken by the PHA in conjunction with a pledge of its reserves or other funds shall contain the following statement: "PHA's obligations are not obligations of or guaranteed by HUD or the United States of America. No action taken pursuant to these documents shall result in any liability to the federal government. PHA is solely responsible for such obligations and it makes such obligations at its own risk."
3. In the event that the EPC(s) extends beyond the term of the MTW agreement, the Department reserves the right to determine reporting requirements for purposes of calculating Operating Subsidy. Where the EPC extends beyond the term of the MTW agreement, the rolling base consumption level for the project and utilities involved may be frozen for the entire term of the approved EPC pursuant to 24 C.F.R. 990.185.
4. EPC Reporting Requirements: Each year, PHA shall report on the performance of its EPC(s) in its Annual MTW Report. Reporting requirements include an audited consumption baseline and an annual measurement and verification of cost and consumption savings report. The Annual MTW Report will include the following data elements for each asset management project (AMP), by project number:
 - Is the project ESCo or Self-developed;
 - What are the number of rehabilitated units in the energy project;
 - What are the number of rehabilitated AMPS in the energy project;
 - What is Total Investment;
 - What is Total financed;
 - What is Debt Service (Annual);
 - What are Guaranteed savings (Source: Investment Grade Energy Audit);
 - What are Actual Savings (Source: annual Monitoring and Verification report);
 - What is the Investment per unit;
 - What is the Finance per unit;

- What is the Savings per unit;
- What is the Savings per project (AMP);
- What is the Term of the contract;
- What date was the Request for Proposal issued;
- What was Date audit executed;
- What was Date Energy Services agreement executed;
- What was Date Repayment starts; and
- What Types of Energy Conservation Measures were installed at each AMP site.

II. Authorizations Related to Both Public Housing and Section 8 Housing Choice Vouchers

A. Single Fund Budget with Full Flexibility

1. The funding methodology in Section VI.A of the Agreement shall include any funding from any successor funding source to those referenced in Section VI.A that may by law be included in this Agreement.
2. In addition to the items in Section B.1.b. of Attachment C, the following are added: “ix. Making units accessible in accordance with the requirements of Section 504 of the Rehabilitation Act of 1973”; “x. operation and development activities, consistent with Article II.D of the MTW Agreement and otherwise consistent with the 1937 Act as waived or modified by the terms of the Agreement, undertaken in connection with the operation, development and preservation of locally developed housing programs, including municipal neighborhood preservation and blight elimination programs which the Agency has determined to be part of a comprehensive site and neighborhood strategy;” and “xi. Any additional activities may be undertaken with HUD approval.”
3. Attachment C, Section B.1.b(vii) shall include, but not be limited to, rehabilitation of units currently serving or available to people of low income.
4. Program-specific funding regulations governing allowable expenditures are suspended to the extent they are necessary for the implementation of activities authorized and identified under this Agreement and contained in an Annual MTW Plan.
5. The Agency may use public housing funds to maintain a reasonable operating reserve for public housing purposes consistent with sound public and private housing management practices.

B. Supportive Services Housing Program

The programs authorized at B.4 of Attachment C may require participation in supportive services as a condition of residence in the transitional/housing program site. Such supportive services may include, but are not necessarily limited to, drug and alcohol counseling, employment counseling, educational services, and services to assist disabled persons. Supportive services may be provided to public housing or housing choice voucher participants using funds from the Agency's Single Fund Budget; provided, however, that services for persons who are not public housing or housing choice voucher participants will not be funded using the Agency's Single Fund budget. The Agency may establish admission and continued occupancy standards for transitional/conditional housing program sites which differ by site and which differ from public housing or housing choice voucher standards otherwise applicable to the Agency's public housing and voucher programs.

C. Inspections

The Agency is authorized to develop property and system inspection protocols in lieu of the current HUD standards, subject to compliance with housing quality standards approved by HUD and provided that the Agency ensures that its property is safe, decent, sanitary and in good repair in accordance with Section II.E of the Agreement.

D. Rent Policies and Rent Reform

The Agency may adopt and implement any reasonable policies for setting rents for public housing, or rents or subsidy levels for tenant-based assistance, notwithstanding the U.S. Housing Act of 1937, provided that the Agency submits the policy to HUD annually and upon any material change to the policy and provided that:

1. The Agency's board approves of the policy, and any material changes, and approved an analysis of the impact of the policy on current households, and on households on the waiting list, including an analysis of the severity of rent burdens on such households that would have rent burdens greater than 30 percent of adjusted income;
2. The Agency reevaluates its rent and subsidy level policies annually, including preparing a revised impact analysis;
3. The Agency adopts a policy for addressing hardship cases;
4. The Agency provides a reasonable transition period for rent increases for existing tenants; and,
5. A public hearing is held regarding the policy; provided however, that in the first year of the demonstration, this may be the same public hearing that was held regarding (a) the Agency's MTW application, as long as the policy was included in the MTW application or (b) the Agency's Annual Plan, as long as the policy was included in the Agency's Annual Plan.

The rent policy, or any material changes to the rent policy will be effective upon incorporation in, and approval by HUD of, the Agency's Annual Plan.

E. Annual and Interim Review Process in Section 8 and Public Housing.

The review process at Sections C.4 and D.1.c of Attachment C may include, but is not limited to, change in income or hardship in order to affect the number of reviews a participant receives in any calendar year.

III. Authorizations Related to Public Housing

A. Simplification of Property Management Practices

In addition to the authorizations at Section C.9 of Attachment C, the following are added:

1. Subject to HUD regulations, the Agency may develop and adopt reasonable policies and procedures that will simplify, streamline and enhance the delivery of management and maintenance services to the Agency's owned and operated developments that will remain in effect throughout the term of this Agreement.
2. The Agency is authorized to develop and adopt a new form of lease, which will be consistent with local standards; provided that no-cause evictions are not permitted and a grievance process is retained. This lease would be subject to the same community, resident and the Agency governing board review process as amendments to this MTW Agreement.
3. The Agency is authorized to develop its own energy auditing protocols and frequencies in lieu of the HUD requirement that energy audits be performed every five years.

B. Simplification of the Development and Redevelopment Process for Public Housing

The Agency is authorized to develop and adopt reasonable policies and procedures that will allow local conditions to determine and control major development decisions as follows:

1. Section C.7.b of Attachment C is stricken and replaced with the following: "The Agency is authorized to establish reasonable low-income homeownership programs, such as a lease-to-own program, that are not limited by existing program requirements provided that any disposition of current public housing must be approved in advance by HUD. The homeownership program design will be approved in advance by HUD."
2. In determining the location of newly constructed or substantially rehabilitated housing units or developments, the Agency is authorized to adopt, in lieu of 24 C.F.R. 941.202(b)-(d), the alternate Site and Neighborhood Standards set forth in

Section D.7.c of Attachment C, as modified in accordance with this Attachment D, Section IV.B.3 below and applicable fair housing statutes.

IV. Authorizations Related to Section 8 Housing Choice Vouchers

A. Local Section 8/Rent Subsidy Program

The Agency is authorized to develop its own local Section 8/rent subsidy program through exceptions to the standard Section 8 Program rules and regulations.

1. The parties agree that the operation, development, and preservation of the local Section 8/Rent Subsidy Program must be consistent with Article I.D of the Agreement. All programs or activities must be integral to the viability of the affordable housing activities authorized in this Agreement. Approved local Section 8/Rent Subsidy Program activities include, but are not limited to, the following:
 - a. Direct rental assistance at a level that insures availability of, and private investment in, quality housing throughout the city;
 - b. Investigatory and enforcement staff to insure that both landlords and tenants are complying with the terms of the local Section 8/Rent Subsidy Program lease;
 - c. Neighborhood revitalization activities to insure the continued availability of affordable housing in quality neighborhoods;
 - d. Comprehensive family self sufficiency and other support services to expedite residents' economic self-sufficiency and decrease their dependence upon housing assistance; and
 - e. Activities that facilitate home ownership for the local Section 8/Rent Subsidy Program participants and have a more permanent impact on the lives of its recipients.
2. In addition to the authorizations at Section D of Attachment C, the Agency is authorized to determine the following for the local Section 8/Rent Subsidy Program:
 - a. Tenant ability to exceed Brooke Amendment rents, subject to Article III of the Agreement;
 - b. Elements to be included in the Agency's Administrative Plan;
 - c. Type of assistance to owners in screening prospective tenants;

- d. Policies related to application of utility allowances (UA) including methodology to calculate UAs, schedule for updating UAs, and all other elements of the UA policy;
- e. Family obligations to the Agency regarding uses and occupancy of units;
- f. Type and level of supportive services to be provided to tenants; and
- g. Programs, services and terms available to landlords to insure availability of affordable quality units throughout the city of Philadelphia and to encourage neighborhood acceptance of the local Section 8/Rent Subsidy Program.

B. Establishment of an Agency MTW Section 8 Project-Based Program

The program authorized at Section D.7 of Attachment C, which may also be known as a “Unit-Based Program,” includes, but is not limited to, the following authorizations:

1. Funds for the Unit-Based Program are not limited to housing choice vouchers received under Section 8(o) of the Housing Act of 1937. The program may be funded using the Single Fund Budget authorized at Section B.1 of Attachment C.
2. The Site Selection Standards described at Section D.7.c of Attachment C may be in lieu of, as applicable, 24 C.F.R. Section 983.57 *or* 24 C.F.R. 941.202(b)-(d). Section D.7.c(ii) shall include the following: “(7) an area designated by the City of Philadelphia as a blight elimination zone.”
3. The Agency is authorized to determine the effect of subsidy on rent to owners and the duplication of subsidy or excessive subsidy, subject to the requirements regarding subsidy layering as set forth in the HUD Reform Act of 1989.
4. The negotiation protocol used for the selection of Unit-Based Program housing providers will be an on-going performance based procurement which allows the most streamlined and efficient methods possible to solicit broad participation by the private sector in Unit-based housing consistent with 24 C.F.R. § 85.36.

V. Authorizations Related to Family Self Sufficiency Programs

The Agency is authorized to operate its Family Self-Sufficiency (“FSS”) program exempt from HUD FSS Program requirements and without any specific requirements governing program size or participation requirements including whether to establish escrow accounts and other rent incentives; provided, however, that if the Agency receives funding for an FSS coordinator, such funds must be used to employ a self-sufficiency coordinator. The Agency’s FSS program must be available to all eligible tenants served by the Agency, including the elderly and persons with disabilities.

RESOLUTION NO. 2 11364

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OF THE PHILADELPHIA HOUSING AUTHORITY ("PHA") TO SUBMIT A MOVING TO WORK ("MTW") ANNUAL PLAN ("PLAN") FOR MTW YEAR TEN, PHA FISCAL YEAR 2011, TO THE US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ("HUD") AND TO ENTER INTO AN AMENDMENT TO THE MTW AGREEMENT

WHEREAS, the United States Department of Housing and Urban Development ("HUD") administers a Moving to Work ("MTW") Demonstration Program that is designed to provide the opportunity for selected Housing Authorities to explore and demonstrate more efficient ways to provide and administer low-income housing; and

WHEREAS, pursuant to Philadelphia Housing Authority ("PHA") Board of Commissioners ("Board") Resolution No. 10618, dated December 21, 2000, PHA submitted to HUD an MTW Application Plan and Agreement, which details strategies to improve the facilities, operations, management and opportunities for Public and Housing Choice Voucher (formerly, Section 8) residents; and

WHEREAS, pursuant to PHA Board Resolution No. 10764, dated February 28, 2002, the Executive Director of PHA (the "Executive Director") executed a MTW Demonstration Agreement ("MTW Agreement") on behalf of PHA which expired on March 31, 2008; and

WHEREAS, pursuant to PHA Board Resolution No. 11241, dated August 21, 2008, the Executive Director entered into a new ten-year Moving To Work Agreement with HUD effective October 16, 2008; and

WHEREAS, as a participant in the MTW Demonstration Program, PHA is required to develop MTW Annual Plans for each fiscal year during the term of the MTW Agreement, which Annual Plans outline the PHA budget and MTW activities in the format required under the MTW Agreement; and

WHEREAS, PHA is required to submit each Annual Plan for approval by its Board at least seventy-five (75) days prior to the beginning of each fiscal year; and

WHEREAS, PHA has developed the MTW Annual Plan for MTW Year Ten, PHA Fiscal Year ("FY") 2011. The Annual Plan includes an analysis of the impact of proposed changes to PHA's utility allowance policies on applicants and residents; and

WHEREAS, subject to HUD approval, PHA proposes to amend the MTW Agreement to allow for use of MTW funds to implement a broader range of activities that fall outside of Sections 8 and 9 of the US Housing Act of 1937. By letter of October 1, 2009, HUD advised that PHA and all other MTW agencies may utilize such broader authority subject to submission of an acceptable proposal to HUD and execution of an amendment to the MTW Agreement; and

WHEREAS, PHA is required to provide opportunities for resident and public participation and comments on the Annual Plan and the proposed Amendment including scheduling at least one (1) public hearing and to take into consideration any comments received as part of the final Annual Plan; and

WHEREAS, PHA conducted a public hearing on December 17, 2009 and additional pre-meetings on with residents to review the draft Annual Plan and the proposed Amendment, and subsequently made changes to the final Annual Plan to incorporate resident and public comments; and

WHEREAS, PHA is a block grant agency and the MTW Annual Plan includes a consolidated budget in accordance with the MTW Agreement.

BE IT, THEREFORE, RESOLVED that the Board of Commissioners of the Philadelphia Housing Authority does hereby:

1. Approve the Annual Plan and MTW Amendment, and authorize the Executive Director to:
1) Submit to HUD the PHA MTW Annual Plan for MTW Year Ten, PHA FY 2011, including the impact analysis contained therein; and 2) Take all steps necessary to secure HUD approval and implement initiatives as described in, the Plan, subject to receipt of adequate funding from HUD; and, 3) Certify that the Public Hearing requirement has been met; and, 4) Authorize the Chairperson of the Board to execute the attached HUD Certification of Compliance with MTW Plan Requirements and Related Regulations; and, 5) Execute the Amendment to the MTW Agreement.

I hereby certify that this was
APPROVED BY THE BOARD ON 11/4/10
[Signature]
ATTORNEY FOR PHA



Philadelphia Housing Authority
Building Beyond Expectations

January 15, 2010

Via E-mail and U.S. Mail

Ivan Pour
U.S. Department of Housing and Urban Development
PIH - Office of Public Housing Investments
451 Seventh Street SW, Room 4130
Washington, DC 20410

Re: Philadelphia Housing Authority
Broader Uses of Funds Authority

Dear Mr. Pour:

The Philadelphia Housing Authority (PHA) was pleased to receive an invitation from the U.S. Department of Housing and Urban Development's (HUD) to amend our Moving to Work (MTW) agreement to include an authorization to use MTW funds for eligible purposes that fall outside Sections 8 and 9 of the U.S. Housing Act of 1937. Per HUD's request, this letter describes the initiatives that PHA plans to pursue using this new authority.

Each of these initiatives will further one or more of the statutory purposes of the MTW program and will only serve families earning 80 percent or below of area median income (AMI). As discussed in more detail below, examples of the activities PHA plans to implement using this new authority include the following:

1. Partnership Programs Initiative: PHA will use its broader MTW authority to enter into partnerships with other organizations in an effort to bring housing and services together. This initiative is designed to meet the statutory goals of reducing costs and achieving greater cost effectiveness in Federal expenditures and increasing housing choices for low-income families. It has the potential to serve more low-income families than are presently being served by PHA.

Under the Partnership Programs Initiative, PHA would enter into agreements with organizations, such as universities, school districts, health care service providers, governmental entities, non-profits and others to develop housing models that better leverage housing and service dollars while, at the same time, providing better service delivery systems for qualified low income households. PHA would provide unit-based housing subsidy under individual agreements with its partners, who would agree to make available specific services in a residential setting. The amount of subsidy would be calculated based on the individual service programs and designed to avoid duplication of subsidies for the housing component. Households in need of a particular service

would be given preference for admission to these developments. The size and configuration of these units would be designed to meet the needs of the service program and would be eligible for subsidy, so long as they meet local requirements for a certificate of occupancy. Admissions and continued occupancy requirements for each site would vary from standard public housing or Section 8 requirements, and would be determined on a project-by-project basis in order to promote seamless integration of housing and services.

For example, PHA has been working with Medicare service providers to combine different types and levels of Medicare-funded services with housing. Up to this point, PHA has co-located services in public housing developments. While this is a helpful first step, PHA could better serve low-income populations if it expands the types of service-enriched housing facilities it can develop through the Partnership Programs Initiative. PHA would pay a subsidy to the service provider that covers the housing component for each qualified household. The Medicare or Medicaid subsidy from the service provider would cover the cost of the service provision and other costs of carrying out the program. This, and other similar partnerships, would help eliminate overlapping subsidies in Federal, State and local programs, while at the same time, ensure better access to services for residents.

PHA is also exploring several ways to use its MTW authority to expand the educational options available to low-income children which will, in turn, help reduce concentrations of poverty and support economic growth for these families. The current drop out rate for high school students in Philadelphia is a staggering 40 percent. Without a high school education, let alone the support needed to attend college, young adults in low-income communities will be unable to compete for jobs in the new economy and repeat the cycle of poverty.

Under the circumstances, PHA believes that in order to increase opportunities for self-sufficiency for its residents, it is critically important to work in partnership with schools and educational institution on various levels. First, PHA is working with the Philadelphia School District on a number of possible joint projects, including developing a charter school, a boarding school that would have programs designed to help improve achievement of low income students, and a high school that would focus on careers in law enforcement. Second, PHA has been talking with a number of local universities about a number of possible partnerships, including the creation of an endowment funded with MTW block grant monies that would help provide support for educational programs, room and board expenses for public housing residents furthering their educations.

PHA will establish baselines and benchmarks for the number and types of units to be developed and/or assisted under this program. PHA anticipates that, initially, the program could serve up to 500 units over 5 years. PHA will evaluate the Partnership Programs Initiative using internal resources to track and monitor the number of units assisted under the program by type, location/neighborhood of the program units in Philadelphia, the populations served by income level, and related information.

2. Expanded Use of Low Income Housing Tax Credit (LIHTC): In appropriate circumstances, PHA will expand its use of LIHTC and other development sources by developing,

Ivan Pour
January 15, 2010
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purchasing and/or financing properties using its MTW block grant funds that may not be operated under either the public housing or project-based housing choice voucher programs.

Currently, all of PHA's mixed finance developments include at least some units that receive on-going operating subsidy. This initiative would expand housing choices for low-income families, as it would enable PHA to provide housing for families with a broader mix of incomes than it currently serves. In addition, PHA will be able to serve more families in a variety of neighborhoods through his initiative. It has the potential to serve more low-income families than are presently being served by PHA.

PHA will establish baselines and benchmarks for the number and types of units to be developed and/or assisted under this program. PHA anticipates that up to 300 units could be created by the program over 5 years. PHA will evaluate this initiative using internal resources to track and monitor the number of units assisted under the program by type, location/neighborhood of the program units in Philadelphia, the populations served by income level, and related information.

I look forward to working with you on these and PHA's many other MTW initiatives using this MTW authority. If you have any questions, please do not hesitate to contact me at (215) 684-4174.

Sincerely,

A handwritten signature in black ink, appearing to read 'Carl R. Greene', written in a cursive style.

Carl R. Greene
Executive Director

cc: Marianne Nazzaro