



HOUSING AUTHORITY OF PORTLAND

Year 8 HUD's "MOVING TO WORK" (MTW) Demonstration Program

Annual Report FY 2007

June 2007

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Introduction

Background - HAP as a “Moving to Work” Agency - MTW is a federal program administered by HUD that allows a Housing Authority (HA) to intermingle its operating subsidies, capital allocations and Section 8 tenant-based assistance as long as it houses essentially the same resident profile as pre-MTW.

HAP has been operating as a MTW agency since April 1, 1999. In a prescribed outline, an annual MTW Report covers HAP’s federal programs in the following areas:

- Public Housing (Owned Rental)
- Capital Fund Program (for Public Housing)
- Section 8 / Rent Assistance (Leased Housing)
- Family Self-Sufficiency/GOALS Program (Resident Services).

MTW Goals - MTW agreements between HUD and approximately 24 housing authorities across the country were authorized under three broad goals established in the 1996 Appropriations Act when the MTW demonstration program was established. HAP’s agreement with HUD provides additional definitions that are indicated below under each of the three federal goals.

- 1. Reduce cost and achieve greater cost effectiveness in federal expenditures.**
 - To drive down the unit cost of administering federally subsidized housing towards the unit cost of comparable private sector housing.
 - To record the methodology (and identify critical factors) that drive down the unit cost.
 - To use MTW savings to offset federal funding reductions.
- 2. Give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient.**
 - To use MTW savings to expand self-sufficiency opportunities and housing choice.
- 3. Increase housing choices for low-income families.**
 - To continue to serve the same income levels served prior to MTW.
 - To use MTW flexibility to respond to local housing needs and community priorities.

MTW Authorization - During the 2006 federal appropriations process, HUD received authorization to grant three-year extensions to some MTW agencies. HAP requested, and received, an extension until March 31, 2009. This extension recognizes past successes of the MTW demonstration program as well as the additional reforms that can take place in future years.

Highlights of FY 2007 Accomplishments (Year Eight of the MTW Demonstration Program)

HAP's FY 2007 MTW Plan, approved by the HAP Board of Commissioners on March 21, 2006, identified key initiatives in the following areas:

- Public housing site-based management and site-based accounting
- Public housing reconfiguration
- Section 8 program changes
- Resident Services service delivery transitions and the Opportunity Housing Initiative (OHI)
- Support for local initiatives to end homelessness
- HOPE VI redevelopments at New Columbia and Humboldt Gardens.

Highlights under each of these initiatives are summarized below in addition to any other major accomplishments during the year. The first four groupings correspond to HAP's new organizational structure with four departments managed under one Deputy Executive Director: 1) Real Estate Operations; 2) Rent Assistance; 3) Resident Services; and 4) Development and Community Revitalization.

Real Estate Operations- Public Housing and Affordable Housing

October 2006 marked a significant reorganization of HAP's real estate portfolio into one department overseen by a new director of Real Estate Operations. Public housing, workforce housing and special needs housing have been working more closely to ensure a wide range of cost-effective housing choices.

Public housing site-based management and accounting - Implementation of site-based management continues at 38 apartment communities. Public housing accomplishments during FY 2007 include: achieving over 97% occupancy; organizing laborers into a fee-for-service pool; developing key performance indicators for each property; identifying systems improvements to increase REAC scores related to routine and preventative maintenance; and prioritizing and addressing capital needs at four properties.

The first site-based budgets were implemented in FY 2006. Site managers are responsible for establishing their annual budgets, and submitting monthly variance reports to ensure compliance. In February 2006 public housing implemented site-based rent collections, resulting in higher collection rates.

Planning for the public housing preservation initiative - The public housing reconfiguration effort, now included in the broader "public housing preservation initiative" outlined in the FY 2008 Plan, developed three clear objectives during FY 2007 that were thoroughly vetted with community stakeholders early in FY 2008:

- 1) Replace public housing units that are inherently inefficient to operate with more efficient public housing stock.
- 2) Address unmet and unfunded capital needs across the portfolio.
- 3) Bring back unused public housing subsidy (or “banked units”) to increase the current public housing supply.

The first objective relates to the disposition and sales of the public housing “scattered sites.” Extensive work has occurred during FY 2007 to analyze and prioritize the potential sale of some, or all, of these properties. In addition, efforts to define development opportunities and to develop a prioritization program to address deferred capital needs have been underway. (A work plan is scheduled for Board review early in FY 2008.)

HAP’s ability to bring back “banked units” has been a major focus during the past year. HAP’s Fairview Oaks/Woods affordable housing property was selected as the first site to implement a conversion. As has been previously explained in the FY 2008 Plan, 40 units will be converted to public housing. HAP worked closely with city officials in the City of Fairview to update the agency’s cooperation agreement to ensure city services are available to all residents. (It is anticipated the conversion will be complete in July 2008.)

Repositioning of affordable housing properties – In addition to the “Fairview conversion project” summarized above, HAP’s affordable portfolio completed a debt reconfiguration at two properties, refinanced one property and sold one property. Analysis needed to identify future properties with the potential to replicate the Fairview model was started and will continue into FY 2008.

Rent Assistance - Section 8

Opening of waiting list – With the previous list (opened in September 2002) down to very few names, HAP reopened the waiting list during a three-week period in November 2006. A total of 9,780 households applied and 3,000 households were randomly selected for the waiting list, which is anticipated to last from two to three years.

Full lease up and participant reimbursements – HAP worked to reach full lease-up and achieved that goal. This proved more challenging than anticipated, as the age of the waiting list meant just one out of every five households on the list could be served. HAP ended calendar year 2006 with about \$1.6 million in unused Housing Choice Voucher subsidy. Following the reimbursement policy adopted by the HAP Board in March 2006, HAP rolled back the minimum contribution rate for participants from 35 to 32.25 percent for the period from December 2005 through November 2006. This percentage reduction produced a Calendar Year (CY 2006) reimbursement totaling \$1,414,658 and consisted of payments to 6,850 participants, who, on average, received a \$206.41

check. Calculations were finalized in early December and checks were mailed by mid-month, ahead of the holidays.

This is the second year participants have been reimbursed for some amount of the rent that they paid that was above 30 percent of their income. Last year, HAP in effect delayed the start of charging 35 percent to December 2005. This year, the gap between program costs and participant contribution was smaller, and hence HAP did not reimburse the full difference between 30 and 35 percent. Now that all Section 8 vouchers are in use, even more of the subsidy is being absorbed.

Changes to admission and occupancy policies

- Admission to the program is denied if anyone in the household has engaged in identify theft in the previous three years. This is an increasingly dangerous threat, and it often spawns related crimes, such as burglary, and as such, a threat to livability in the larger community.
- Tenants in HAP's project-based Section 8 program now have the ability to rent a unit larger than the family's voucher size if they are willing to pay more than 35 percent of their income toward rent. For instance, a family with a single parent and child that qualifies for a one bedroom unit under HAP's 2005 bedroom standard changes could choose to rent a two bedroom unit if they pay the difference in rent between the two unit sizes. Participants in the tenant-based program – the majority of HAP's Section 8 participants – already have this flexibility and a significant percentage of households use it, even before the new bedroom standards went into effect. In addition to providing equity across the programs, this change allows HAP and other project-based landlords to address certain occupancy issues the new bedroom standards have created and to increase housing choice for participants.

Landlord rent increases – In order to ensure continued participation of private and non-profit landlords and the wide availability of Section 8 units throughout Multnomah County, HAP lifted the ban on landlord rent increases with the following stipulations:

- Increases are limited to the lower of market rent or a 5% increase in total rent.
- Landlords with units that are 20% or below market rent may request an exception to the 5% cap from the Director of Rent Assistance.
- Landlords did not apply increases toward the tenant portion of the rent until June 1, 2006. Increases approved to go into effect on April 1st or May 1st were paid by HAP.

Increased payment standards – Payment standards were raised to make them more comparable to market rent levels. This enables tenants an increased level of choice in the rental market and helps to deconcentrate poverty. In many cases, the increased payment standards also offset some of the effects of landlord rent increases.

Resident Services

Transition to increased partnerships – In order to better leverage resources for residents, HAP has moved away from direct service to clients in two program areas:

- Congregate Housing Services Program - During FY 2007, HAP completed the contracting process to provide congregate housing services to approximately 90 elderly and disabled residents at four HAP high-rise apartment communities. Portland Impact, a non-profit organization, is now serving these four buildings. This program continues to support frail seniors and people with disabilities to live independently in their own apartment by providing basic daily services (such as meals, housekeeping, senior companionship, personal care, health and wellness services) and case management.
- Evening Trades Apprenticeship Preparation Program (ETAP) - During FY 2007, ETAP co-located with the new organization Construction Apprenticeship Workforce Solutions (CAWS) at new conveniently accessed office space at New Columbia. CAWS is a regional job training program and HAP was instrumental in establishing the collaboration between local jurisdictions to establish this new effort. During FY 2007, HAP worked on the contract to transition the ETAP program to CAWS, which will be effective on April 1, 2007.

Opportunity Housing Initiative (OHI) - OHI has been under development the past two years, with initial pilots testing partnership opportunities with Oregon Department of Human Services (DHS) and Worksystems Inc, the local provider of workforce investment funds. This collaborative approach to systems alignment between the three agencies has helped to ensure that participants receive the maximum benefit from public resources.

- DHS initial pilot - This collaborative “program-based” effort, in partnership with DHS, identified seven participants who are mutual clients of HAP (either Public Housing or Section 8 recipients) and DHS (TANF- “Welfare to Work” recipients).
- Planning for FY 2008 OHI pilots – As described in detail in the FY2008 Plan, three OHI pilots will be underway in FY 2008 due to the planning that occurred over the past year:
 - Participants in a second DHS pilot utilizing up to 25 “program-based” Section 8 vouchers;
 - Forty participants in the Fairview conversion project; and
 - Public housing participants as a requirement to return or move to the redeveloped Humboldt Gardens.

GOALS family self-sufficiency program changes - During the last quarter of FY 2007, changes in policies for newly-enrolling GOALS participants were implemented (in preparation for implementation of OHI pilots in FY 2008.) These include:

- Upon graduation, participants will have eliminated the need for HAP's housing subsidy (with the exception of Section 8 Homeownership participants who continue to receive voucher payments.)
- Escrow withdrawals will not be available until graduates have left HAP housing (with the exception of approved interim withdrawals).
- Explicit agreements will be included in self-sufficiency plans that include participation in training for increased competency in financial literacy, computer literacy, job skills and other areas critical to family success.
- The Earned Income Disallowance utilized when calculating rent was eliminated. Utilizing MTW authority, HAP eliminated 100% of this requirement for all new GOALS participants as of April 1, 2007. This allows participants to establish their asset building (escrow) account early in their career.

Development and Community Revitalization

HAP's Development and Community Revitalization Department experienced reorganization during FY 2007. In addition to the development team responsible for the two current HOPE VI redevelopments, the architectural design staff responsible for public housing capital projects are now managed under one department. HAP's new developments, such as two properties in HAP's affordable housing portfolio (The Morrison and Clark Center Annex) are now managed under one construction manager's oversight.

HOPE VI redevelopments underway

New Columbia - Redevelopment reached an important milestone in October 2006: construction of all 556 rental units was completed. HAP's primary redevelopment objectives were completed two months ahead of schedule, on-budget and on-mission. Other highlights included:

- Opened "Main Street on Trenton" in May 2006
- Opened Rosa Parks Elementary School in September 2006
- Achieved 24% targeted business contracting for emerging, minority and women-owned businesses (representing over \$24 million in construction contracts to targeted small businesses). In addition, over 40% of all qualified construction hours were completed by minorities and women.
- Supported Northwest Housing Alternative's opening of their Section 202 senior building in January 2007
- Achieved 98.7% lease up for 556 public housing, project-based Section 8 and workforce housing units

- Continued to ensure homeownership opportunities via construction oversight with private homebuilders and support of sales to a diverse population of buyers representing a mix of incomes
- Continued case management by Community and Supportive Services (CSS) staff for the former residents of Columbia Villa
- Continued to build partnerships with numerous community agencies to ensure livability, safety and community building activities, including the Portland Police Bureau with two community policing officers
- Provided construction management services to ensure completion of the Boys & Girls Club's portion of the Community Campus.

Humboldt Gardens – During FY 2007, a series of important milestones have been completed on the way to full redevelopment by August 2008:

- Resident relocation was completed in October 2006 with nearly 70% remaining in North and inner Northeast Portland
- Community design workshops yielded a site plan approved by the HAP Board, which included use of a former state-owned parking lot (with successful negotiations for purchase now complete). The addition of this land enables a vibrant, mixed use, pedestrian-friendly building to be planned at a prominent corner of the neighborhood
- Homeownership planning for the sale of 21 scattered sites was completed in August 2006 and included objectives for “deep affordability,” protection of community investment via long-term affordability mechanisms, and choices of financing tools for low-income buyers that included a HAP-subsidized second mortgage for current residents and Habitat for Humanity/community land trust models.
 - HUD disposition approval for 18 of the 21 scattered sites occurred during FY 2007, along with the completion of two home sales.
- A construction manager/general contractor team was selected, which is utilizing an innovative joint partnership between a larger firm and a smaller, minority-owned small business. (Both of these firms were highly successful at New Columbia.)
- Community outreach and engagement continued with quarterly newsletters and a series of monthly Community Advisory Committee meetings.

Pre-development opportunities associated with public housing preservation – The public housing preservation initiative is described in detail in the FY2008 Plan. Significant pre-development work occurred during FY 2007 to set the stage to begin a projected three to five year implementation phase during FY 2008. In particular, extensive analysis of the sales potential and redevelopment opportunities for the scattered site properties was undertaken and will be folded into the work plan for Board review in early FY 2008. Analysis of potential new development opportunities to replace the public housing units will also continue into FY 2008.

Pre-development, design and construction activities – During FY 2007, two new developments have been underway (The Morrison and Clark Center Annex). Major capital improvements were prioritized at four public housing sites and an affordable housing site (Fountain Place). HAP also submitted a “Notice of Interest” to the Portland Development Commission regarding opportunities for redevelopment of a military base in southwest Portland (a process governed by the Defense Base Closure and Realignment Act of 1990, as amended (BRAC law.)

Additional HAP Initiatives During FY 2007

In addition to U.S Department of Housing and Urban Development (HUD) funded programs, HAP’s continues to focus efforts on local programs that align with local priorities. These include initiatives related to HAP’s affordable (non-public) housing portfolio, short-term rent assistance programs, community revitalization efforts, and organizational effectiveness.

During the past few years, HAP has placed an increasing emphasis on collaboration, both internally between departments and externally with partner agencies. Working on behalf of our clients and in concert with HAP’s mission, this strategy of collaboration is key in order to better leverage our increasingly scarce funding sources and better integrate HAP’s resources with other local systems of support.

In order to assist community stakeholders with a more comprehensive summary of HAP programs, this report is intended to help weave together a HUD-required reporting process with an overall agency perspective combined into one document. This emphasis is also reflected in the FY2008 Plan. Two areas have seen progress during FY 2007 and are summarized below:

Support for key initiatives in Portland, Gresham, Fairview and Multnomah County - As a means to sharpen the agency’s focus, HAP ‘s strategic approach is to align agency plans closely with the key initiatives underway in the jurisdictions the agency serves. HAP has increased efforts to work collaboratively with representatives from each jurisdiction to implement programs and activities that increase opportunities for housing choice, increase cost-efficiencies between programs, and help participants become more self-sufficient.

Support local initiatives for ending homelessness

During FY 2007, HAP made a commitment to partners in local jurisdictions (City of Portland and Multnomah County) to support the *Ten Year Plan to End Homelessness*. The following areas demonstrate HAP's efforts to date:

Short-term rent assistance – Multnomah County, the cities of Portland and Gresham, and HAP provided short-term rental assistance to social services agencies through various programs for over ten years. Funds came from six funding sources including federal, state and local sources. In FY 2007, HAP became the single administrative entity to coordinate these funds.

The goal for allocation of funds is to balance services in three primary areas:

Safety off the Streets – 15% of the funds are to assist households with immediate, temporary shelter;

Permanent Housing Placement – 45% of the funds are to help households obtain permanent housing;

Maintain Permanent Housing (Eviction Prevention Services) – 40% of the funds are to help households with supportive services to enable them to maintain permanent housing.

During FY2007, the short-term rent assistance program served 2,353 unduplicated households through 26 partner agencies.

Utilize project-based Section 8 (PBS8) for permanent supportive housing (PSH) – HAP committed to provide 150 additional PBS8 vouchers (approximately 50 each year over three years, beginning in 2006) for PSH to serve both chronically homeless single adults and homeless families. During FY 2007, HAP designated PBS8 vouchers for 78 units of PSH proposed by non-profit community development agencies.

- 66 units were newly designated during the Spring 2006 awards process (successful responses to Portland Development Commission's Request for Proposal process)
- 12 units were newly designated as part of HAP's previous commitment to replace 92 former Columbia Villa units off-site via PBS8 units in the community (resulting in no net loss of very low income housing in the region).

Participate in Bridges to Housing Program – HAP has committed to designate 100 units over five years to this regional project focusing on homeless families. During FY 2007, HAP designated 20 units of the housing program at Humboldt Gardens for Bridges to Housing.

Expand collaboration with jurisdictions serving East Multnomah County to address affordable housing and poverty issues – With data continuing to indicate a migration of poverty east of 82nd Avenue in Portland, HAP has increased efforts to work with local jurisdictions to ensure housing affordability for low income residents in these areas. In particular, HAP's Board of Commissioners focused attention on this topic at their annual retreat and invited elected officials representing east Multnomah County,

east Portland, Gresham and Fairview to participate in their discussions. At the staff level, an interagency team has formed (termed the East County Workgroup) to ensure communication across departments and increased outreach to local jurisdictions.

Section I: Households Served

Number and Characteristics of Households Served

The data in this section is compiled from the HAP database and will provide information on all households served by HAP under the HUD-funded Moving To Work program. The data explains the number of households by unit size, family type income group, program and housing type, race and ethnicity, and disability. When possible, comparisons are shown for the first six years of Moving to Work to explore changes in tenant characteristics. The data represents households served on March 31, 2007, the end of HAP's fiscal year.

Year 1 of MTW: In March 1999, HAP served **7,794** MTW households, 2,628 households in public housing and 5,166 households through the Section 8 program.

Year 8 of MTW: In March 2007, the total number of MTW households served increased to **9,880**, with 2,387 households in public housing and 7,493 households through the Section 8 program (MTW-eligible voucher holders only).

Temporary decrease in public housing units – The primary reason for the decrease in public housing households are due to the HOPE VI redevelopment efforts at New Columbia and Humboldt Gardens. The majority of the former Columbia Villa public housing units have been replaced by 297 public housing units in a larger mixed-income development. Additionally, 73 project-based Section 8 units assisted in the replacement of affordable housing on-site, and 92 project-based Section 8 units were designated elsewhere in the community. HAP would like to replace the remainder of the public housing units as part of a larger strategy to reactivate public housing units (a process described in HAP's Year 8 MTW Plan).

Relocation of the Iris Court Cluster residents was completed by October 2006 and the new public housing units at Humboldt Gardens are scheduled to open during the summer of 2008.

Increase in Section 8 vouchers – The reason for the increase in Section 8 households is HAP's successful application between 1999 and 2002 for new Section 8 resources. Other than vouchers allocated for HOPE VI relocation purposes, additional vouchers have not been available since 2002.

HAP's affordable housing portfolio – In addition to households served through public housing and Section 8 that are included in the MTW program, HAP serves 3,721 non-MTW housing units through the Affordable Housing (workforce and special needs) portfolio. These include:

- 418 units for households with special needs (serving an average of 650 individuals).
- 466 units of project-based Section 8 (non-MTW) located in six HUD Multifamily properties.
- 2,837 additional units that are either owned outright by HAP or financed through tax credit limited partnerships, of which HAP is the sole general partner. (Of these units, an additional 145 units of project-based Section 8 vouchers have been allocated at nine properties.)

Unit Size and Family Type

Public housing - Of the 2,387 households served in public housing, 1070 (45%) are in family or scattered-site developments and 1317 (55%) are in elderly/adult developments, primarily in studio and one-bedroom apartments. This represents a decline in the number of family or scattered-site units over the last eight years. The New Columbia redevelopment has partially replenished the family unit inventory (see Section III for a discussion of New Columbia's no net loss of low income households). A small reduction in the elderly/adult developments appears this year due to the temporary removal of 52 one bedroom units from three properties involved in the Humboldt Gardens HOPE VI redevelopment.

Table 1 Public Housing Households Served as of 3/31/2007

Program	Total Households	Bedroom Size				
		Studio/1 BR	2 BR	3 BR	4 BR	5 BR
Public Housing						
Family/Scattered Site Developments	1,070	117	404	482	61	6
Elderly/Adult Developments	1,317	1,305	12	-	-	-
Total	2,387	1,422	416	482	61	6

Individual ages and disability status are collected and reported in HUD-50058 data. Public Housing households are now categorized by development type as shown in the above table.

Table 2 Public Housing Households Served by Bedroom Size and Development Type

	3/10/1999		3/31/2007		Eight-Year Change	
	Family/Scattered Site Developments	Elderly/Adult Developments	Family/Scattered Site Developments	Elderly/Adult Developments	Family/Scattered Site Developments	Elderly/Adult Developments
Studio/1 BR	147	1,337	117	1,305	-30	-32
2 BR	559	8	404	12	-155	4
3 BR	498	0	482	0	-16	
4 BR	63	0	61	0	-2	
5 BR	16	0	6	0	-10	
Total	1,283	1,345	1,070	1,317	-213	-28
Percent Change					-16.6%	-2.1%

Section 8 - While public housing households are categorized by development type and bedroom size, Section 8 data is presented by family size in Table 3. Forty-three percent of all Section 8 households are made up of single individuals and approximately another 37% are households comprised of two or three individuals. The rest of the households (20%) are made up of larger families.

The total number of Section 8 vouchers administered by HAP's Section 8 program is 8,025. The 532-voucher difference between active households and the total number of Section 8 is explained in two ways:

- 1) At any given time, households with vouchers may be in transition, either moving or finding their first home and would not be included in the active household count.
- 2) Special types of vouchers are not included by HUD in the MTW program. Specifically, 562 Moderate Rehabilitation / Single Room Occupancy (MOD/SRO) vouchers are not included in MTW.

Table 3 Section 8 Households Served by Family Size, 3/31/2007

Family Size	Total Vouchers	% of total households
1	3,199	43%
2	1,526	20%
3	1,255	17%
4	732	10%
5	380	5%
6	196	3%
7	104	1%
8	50	1%
9	23	>1
10 or more	28	>1
Totals	7,493	

Table 4 Section 8 MTW Households Eight Year Change

	Mar-99 Adjusted	3/31/2001	3/31/2002	3/31/2003	3/31/2004	3/31/2005	3/31/2006	3/31/2007	Number	Percent
Certificates	4,253	948	0						-4,253	-100%
Vouchers	913	4,385	5,567	5,938	6,621	6,277	7,055	7,493	6,580	721%
SUBTOTAL	5,166	5,333	5,567	5,938	6,621	6,277	7,055	7,493	2,327	45%
Spec Vouchers		342	370	385						
Total		5,675	5,937	6,323	6,621	6,277	7,055	7,493		

*3/31/2006 totals include 524 Welfare to Work vouchers not included in previous reports.

Comparison of Incomes of Households Served

In both Section 8 and Public Housing, HAP has consistently served between 80% and 90% of households who are below 30% of Area Median Income.

Table 5 Income of Households Served at End of FY 2007 (3/31/2007)

	Total Households Served	Less than 30% of Area Median Income	30-50% of AMI	50-80% of AMI	Greater than 80% of AMI
Public Housing					
Households	2,387	2,106	232	43	6
Percent		88.2%	9.7%	1.8%	0.3%

Section 8

MTW Vouchers	7,493	6,479	966	48	0
Percent		86.5%	12.9%	0.6%	0.0%

Total MTW Households 9,880

Table 6 Income of Households Served at Beginning of Demonstration
Data from 1/5/1999

	Total Households Served	Less than 30% of Area Median Income	30-50% of AMI	50-80% of AMI	Greater than 80% of AMI
Public Housing					
Households	2,633	1,883	514	194	42
Percent		71.5%	19.5%	7.4%	1.6%

Section 8

All Section 8 households were below 50% of AMI. More specific data is unavailable.

Chart 1 Public Housing Households by Income Group

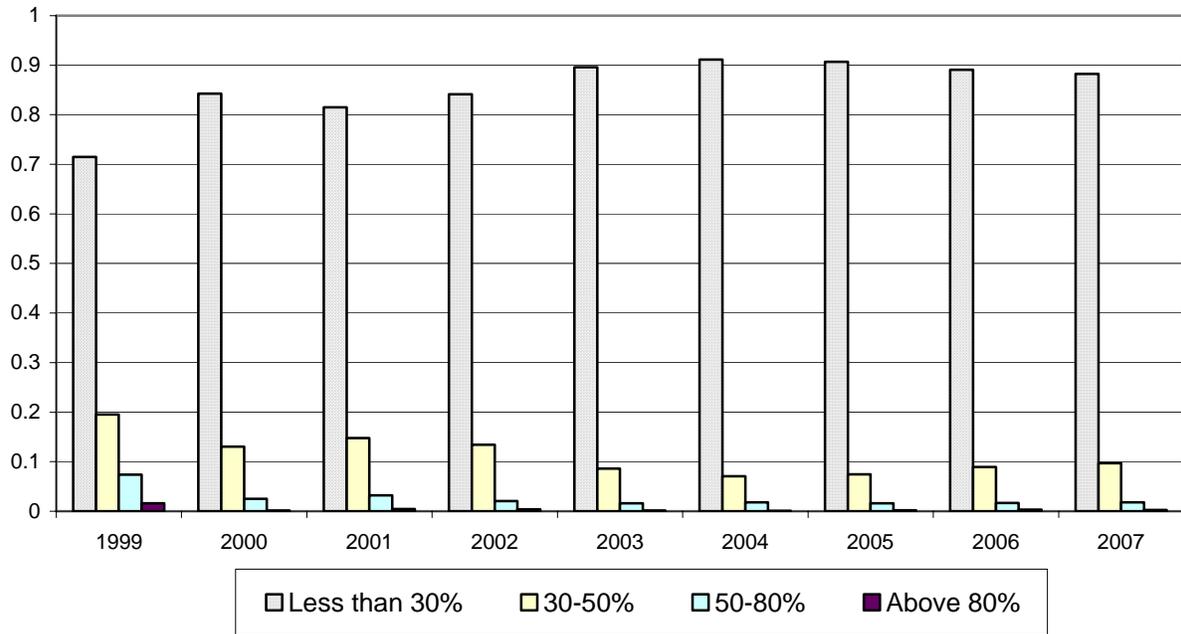
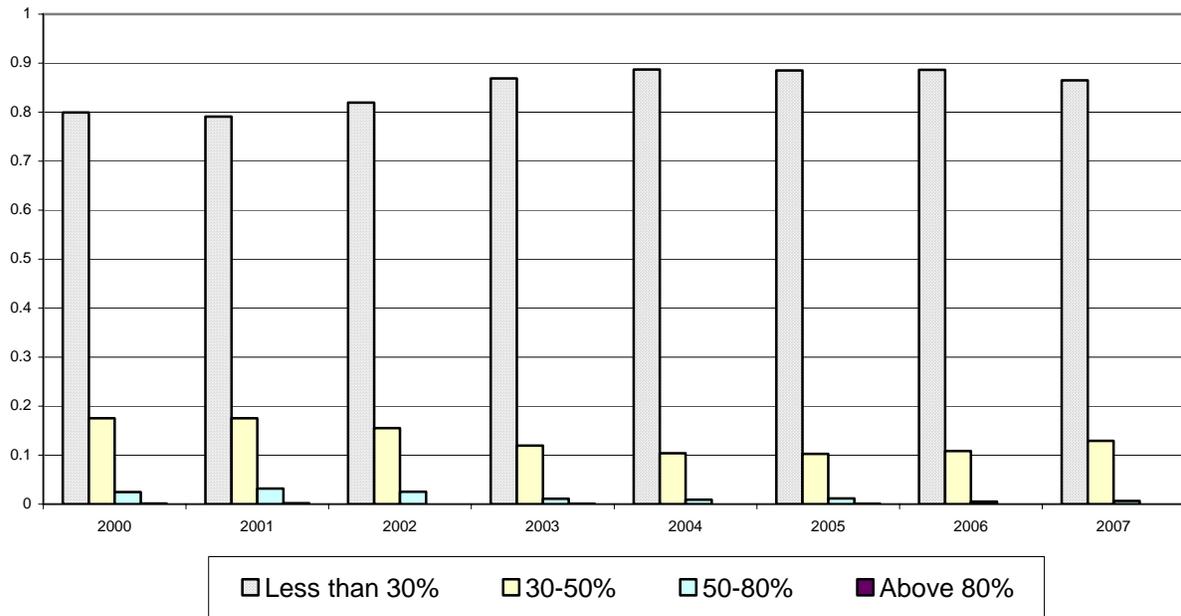


Chart 2 Section 8 Households by Income Group



Comparison of Race/Ethnicity of Households Served

Section 8 continues to serve a higher percentage of Black households than public housing, while public housing continues to serve a higher percentage of Hispanic households than Section 8. Section 8 race/ethnicity information for March 10, 1999, was estimated because of the limitations of HAP's computer data system at that time. Current information is significantly more accurate. The percentage of Section 8 Hispanic households continues to be in the 5% range (5.1% in FY 2005, 5.2% in FY 2006, and 5.5% in FY 2007.) Between April 1, 2006, and March 31, 2007, a small increase (1.6%) was seen in the number of Black heads of households in public housing with a corresponding decrease in White heads of households. No changes in policies or procedures are thought to have affected the racial/ethnic participation in public housing during the past year. The shift in Section 8 is smaller: a 1.1% increase in Black heads of households.

Chart 3 3/31/2007

Race of Heads of Households
Public Housing (top) & Section 8 (bottom)

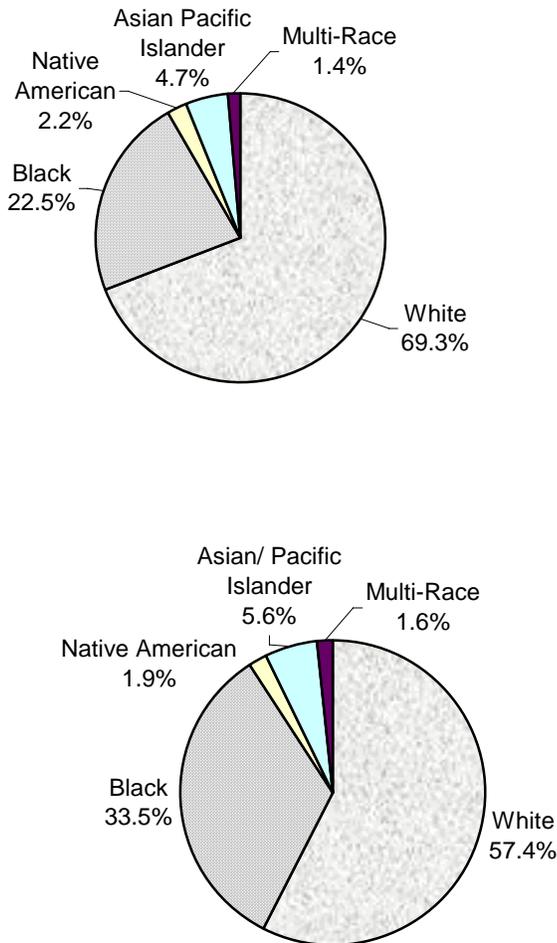


Chart 4 3/10/1999

Race of Heads of Household
Public Housing (top) & Section 8 (bottom)

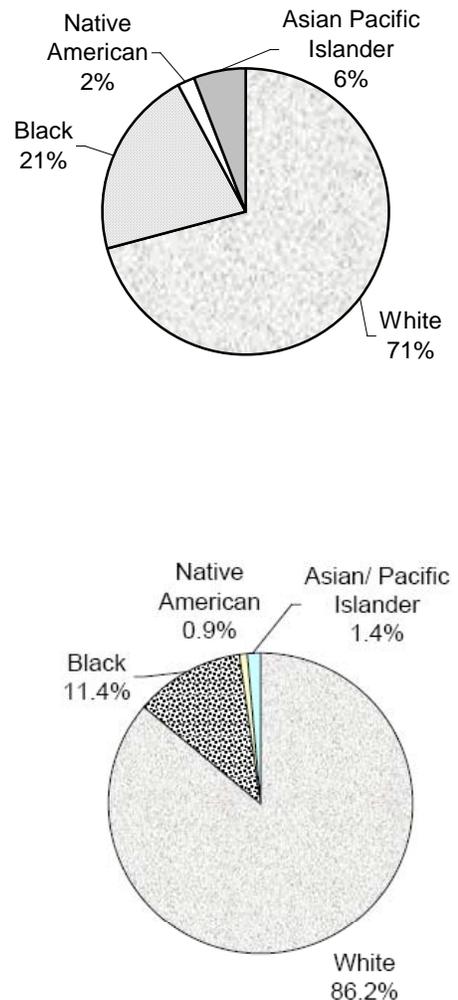


Table 7 Ethnicity of Heads of Households by MTW Housing Type

	Public Housing	Section 8
Hispanic Heads of Households		
Current (3/31/2007)	12.6%	5.5%
Year 1 of MTW (3/10/1999)	8.4%	30.5%
Non Hispanic Heads of Households		
Current (3/31/2007)	87.4%	94.5%
Year 1 of MTW (3/10/1999)	91.6%	69.5%

Chart 7 **3/31/2007**
Ethnicity of Heads of Households
Public Housing (top)
& Section 8 (bottom)

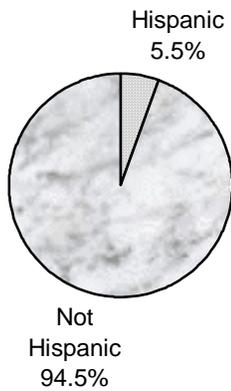
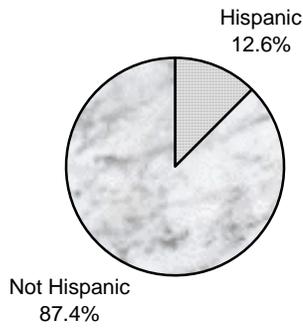
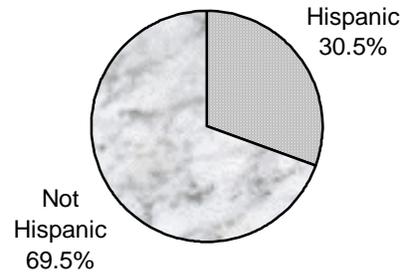
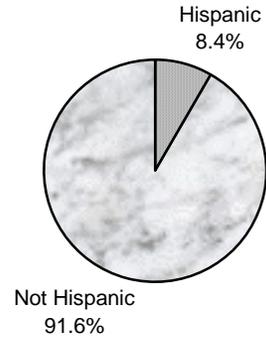


Chart 8 **3/10/1999**
Ethnicity of Heads of Households
Public Housing (top)
& Section 8 (bottom)



Total Population Served

This section provides information on all household members served at the end of FY 2007. The Section 8 population continues to include a higher percentage of minors than public housing, while Public Housing includes a higher percentage of elderly and persons with disabilities. One possible reason Section 8 has more minors is that Section 8 has more access to larger size units than are in the Public Housing inventory.

Consistent with HUD definitions, an elderly person must have reached age 62 by March 31, 2007; a minor is anyone who was less than age 18 on the same date.

Table 8 Population Served by MTW Housing Type and Age Groupings, 3/31/07

	Public Housing	Section 8
Elderly (62 and older)	12.2%	8.6%
Other Adults (between 18 and 62)	50%	46%
Minors (less than 18)	37.8%	45.5%

Focus on Seniors and People with Disabilities

Both Public Housing and Section 8 serve a high percentage of disabled heads of households and seniors.

Public Housing - HAP's policy is to serve a "mixed population" of both elderly and other adults in the high-rise and mid-rise Public Housing buildings. In those buildings, just over 80% of the households have a disabled head of household.

Section 8 - Section 8 continues to have a slight increase in heads of households with disabilities.

Almost 48 percent (47.7%) of the heads of households in the combined Section 8 and Public Housing programs are elderly and/or disabled.

Table 10 and Table 11 show individuals as "Persons with Disabilities" if the disability field on their current HUD Form 50058 is marked "Yes." Because persons with disabilities may be minors, adults or elderly, the numbers of Persons with Disabilities are included in the totals rather than added to them.

Chart 7 Combined Section 8 and Public Housing
Heads of Households 3/31/2007

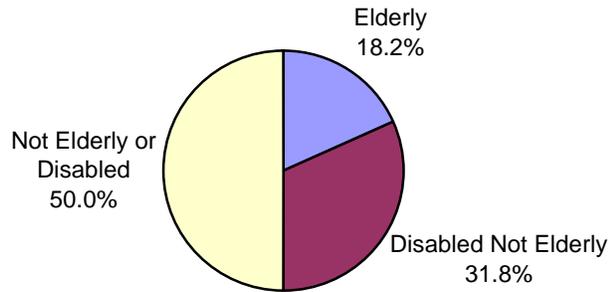


Table 9 Disabled Heads of Households by
Program 3/31/2007

Program	Disabled Heads	Total Households	Percent Disabled 3/31/2005
Section 8 Total	3,111	7,493	41.5%
Public Housing			
Elderly/Adult	1,067	1,317	81.0%
Family & Scattered Sites	242	1,070	22.6%
Public Housing Total	1,309	2,387	54.8%
Total Both Programs	4,420	9,880	44.7%

Chart 8 Changes in Disabled Heads of Households

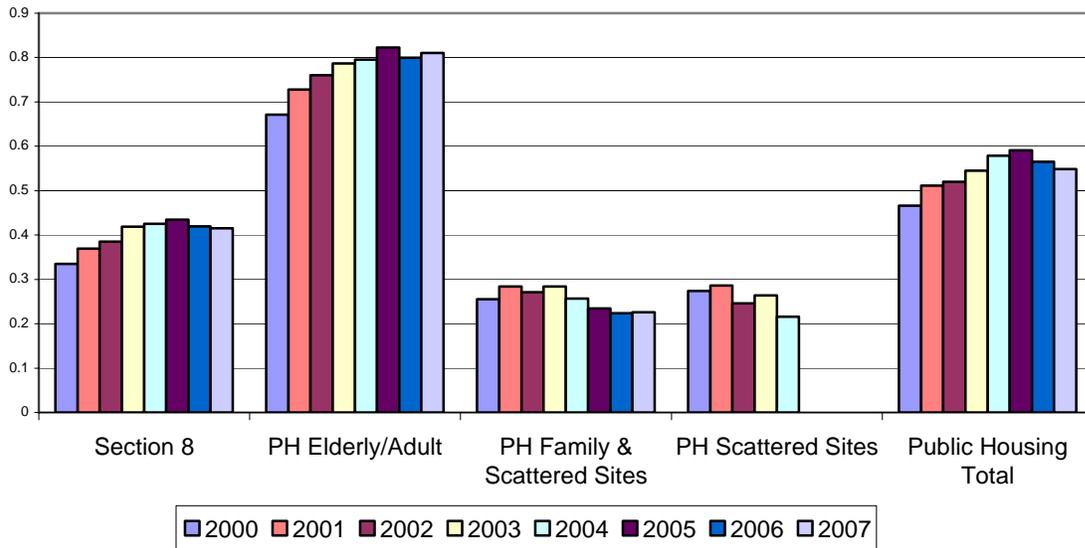


Table 10 Total Population Public Housing 3/31/2007

Development Type	Minors	Adults	Elderly	Total	Persons with Disabilities
Elderly/Adult	8	891	476	1,375	1,088
Family & Scattered Sites	1,791	1,490	103	3,384	353
Total	1,799	2,381	579	4,759	1,441
% of Total	37.8%	50.0%	12.2%		30.3%

Table 11 Total Population Section 8 3/31/2007

	Minors	Adults	Elderly	Total	Persons with Disabilities
Total Household Members	8,036	8,118	1,512	17,666	3,832
% of Total	45.5%	46.0%	8.6%		21.7%

Characteristics of Households on Waiting Lists

The tables below show the number and characteristics of applicants currently on the public housing and Section 8 waiting lists on March 31, 2007.

Public housing operates site-based waiting lists that open and close depending on each community. The waiting list is analyzed every month to determine which communities, and which specific unit sizes within a given community, will be open. Lists are closed when the estimated wait time exceeds two years. This ensures that a large enough pool exists when a unit is available for occupancy. The information is then posted on the HAP website and mailed to every applicant.

The public housing waiting list(s) were closed on February 28, 2007. This was due to all waiting lists exceeding an estimated wait time of two years. Public housing continues to select applicants in order to fill vacancies, but is not currently accepting applications. Public housing continues to analyze the waiting list(s) on a monthly basis and anticipates opening some or all waiting lists in September 2007.

HAP uses a random drawing (or "lottery") for Section 8 applicants and opens the waiting list when the pool is low. The most recent opening occurred during November 2006 when over 9,700 applications were received for 3,000 positions on the waiting list.

Table 12 Waiting List Data for Public Housing, 3/31/2007

	Total Applicant Households	Percent Applicant Households	By Bedroom Size				
			Studio/ 1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom
Family	1531	45%	183	676	580	90	2
Elderly	81	2%	68	10	2	1	0
Disabled	1350	39%	1225	78	44	2	1
Single	489	14%	479	9	1	0	0
Total	3451	100%	1955	773	627	93	3

Table 13 Public Housing Applicants By Race and Ethnicity

	Hispanic	Not Hispanic	Totals
White	367 (10.6%)	1846 (53.5%)	2213
Black	34 (1%)	855 (24.8%)	889
American Indian/Native Alaskan	22 (.6%)	126 (3.7%)	148
Asian	5 (.1%)	196 (5.7%)	201
Pacific Islander	0	0	0
Totals	428 (12.7%)	3023 (87.6%)	3451

Table 14 Waiting List Data for Section 8, 3/31/2007

Section 8	Total Households	Percent Households
Family	1,252	42%
Elderly	127	4%
Disabled	953	32%
Single or Blank*	668	22%
Total	3000	100%

*Blanks represent less than 1% of the total
 These figures represent the initial, self-reported categories from the applicant data.

Discussion of Changes

Many participants continue to report decreased income and/or increased medical expenses and over 85 percent of families on HAP’s new Section 8 waiting list report an income of less than 30 percent of area median income. This is up 5% from previous application periods. Section 8 staff continue to spend additional counseling time with participants to help them secure other services and assistance, primarily due to reductions in the number of other community agencies and staff available.

To offset the effects of program changes due to federal funding cuts, Section 8 will continue to work closely with our landlord committee and partner agencies to maintain the number of units that accept Section 8 vouchers.

Chart 9 HAP Waiting Lists by Year

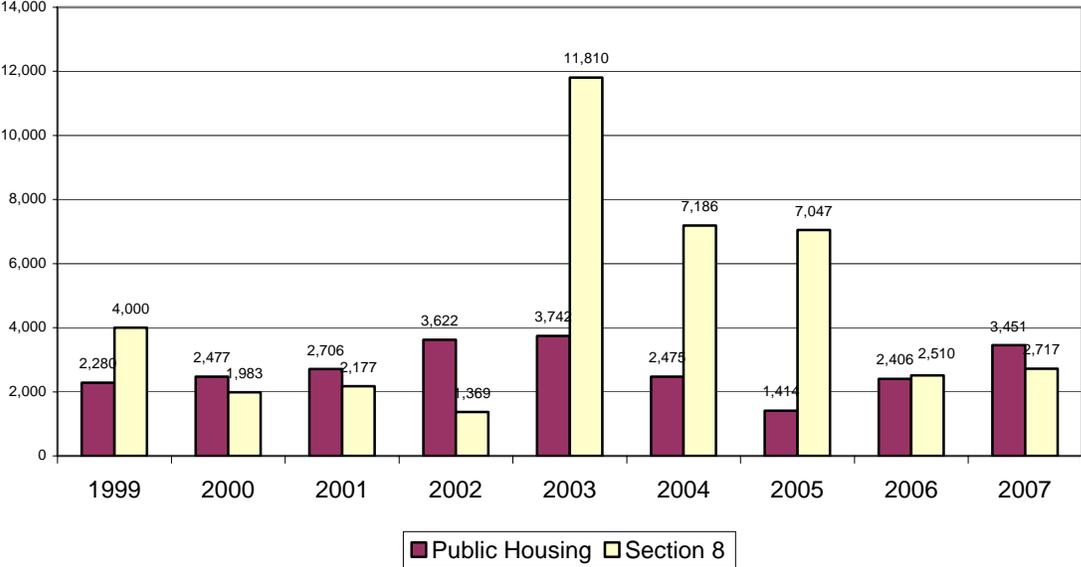


Chart 10 Public Housing Applicants by Income Group

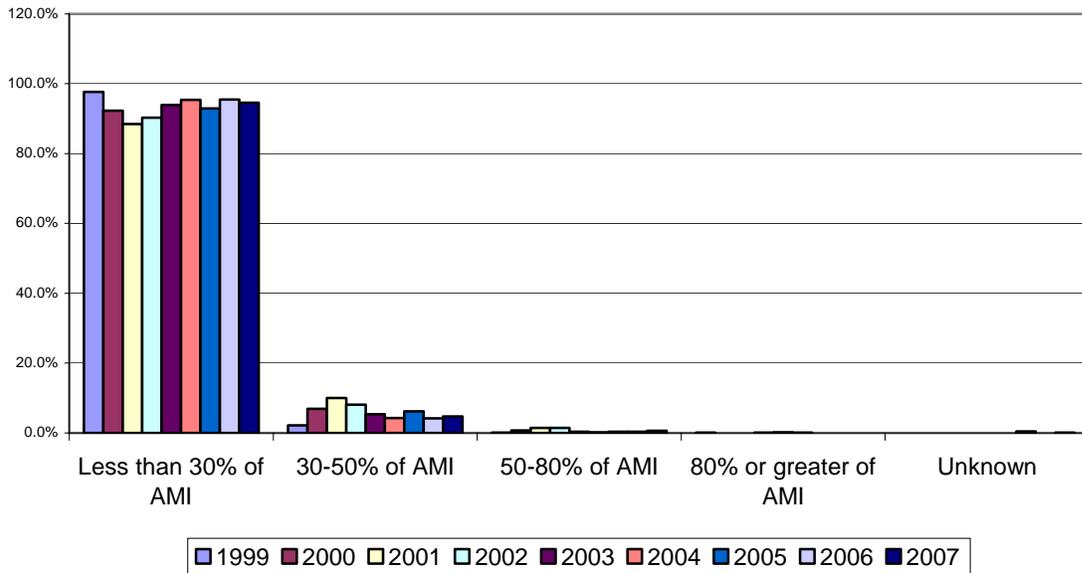


Chart 11 Section 8 Applicants by Income Group

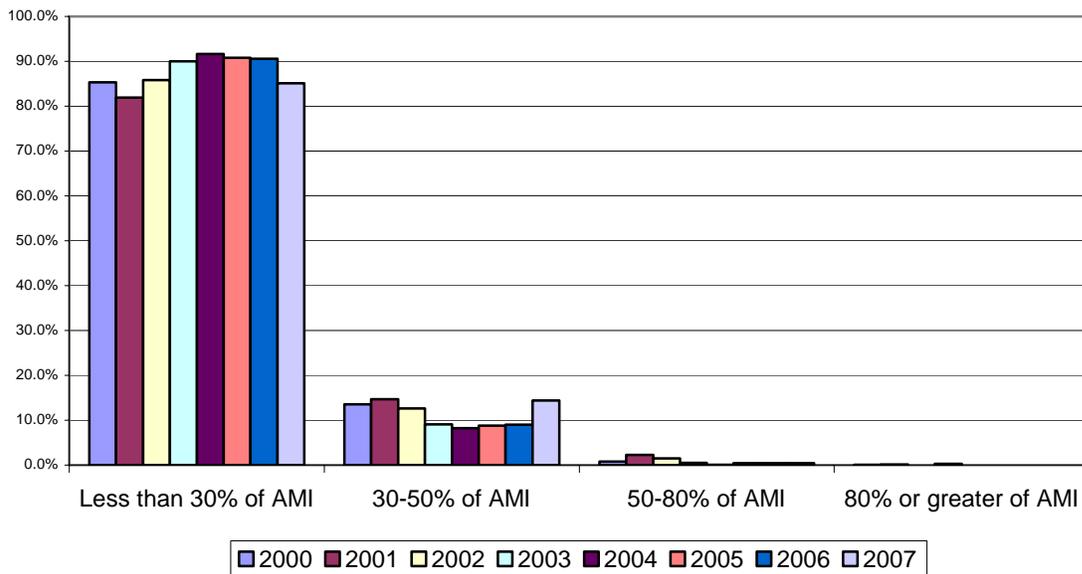


Chart 12 Public Housing Applicants by Family Type

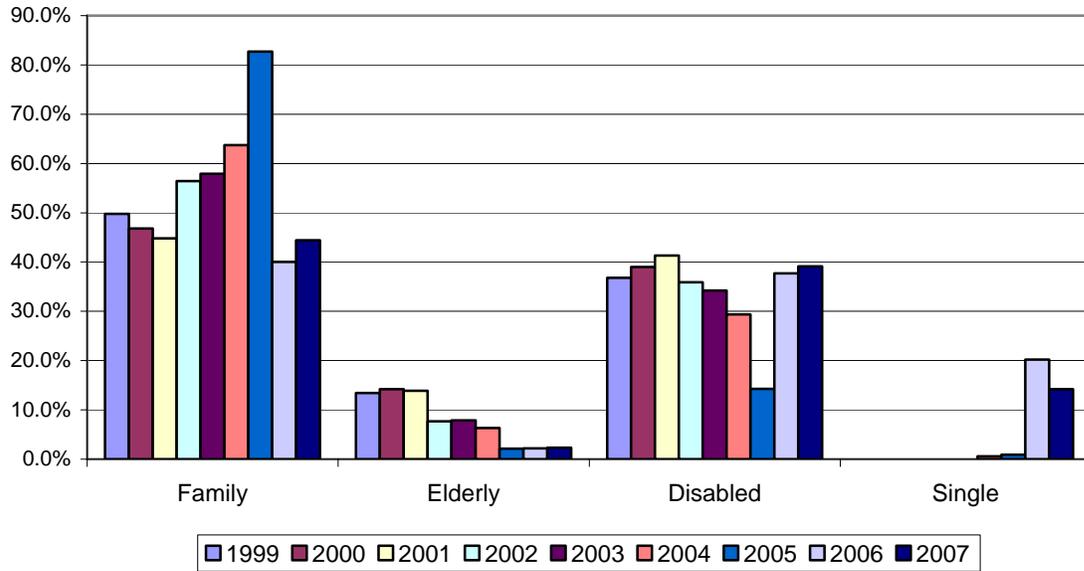


Chart 13 Section 8 Applicants by Family Type

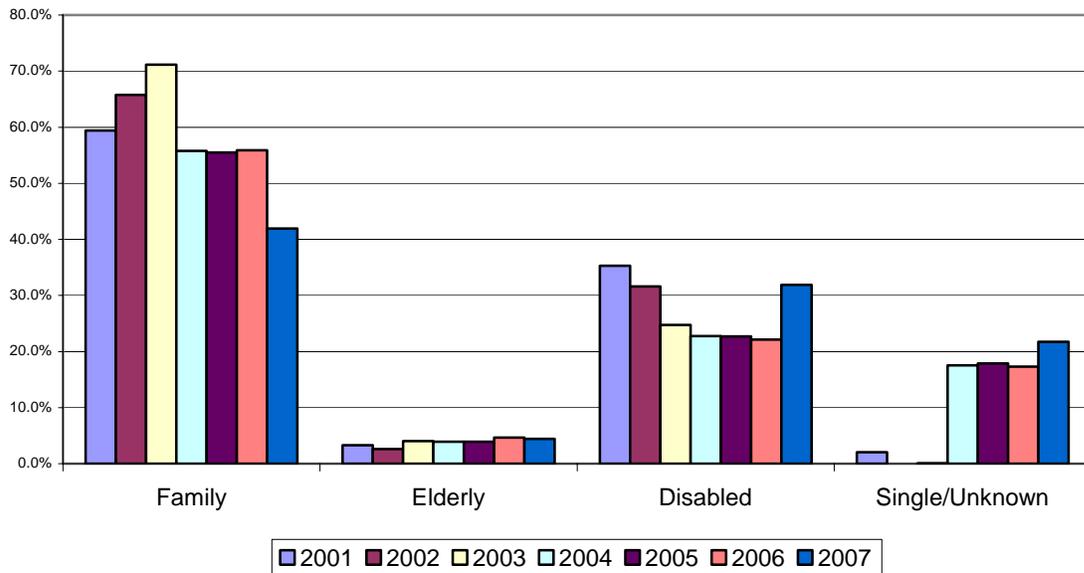


Chart 14 Public Housing Applicants by Unit Size

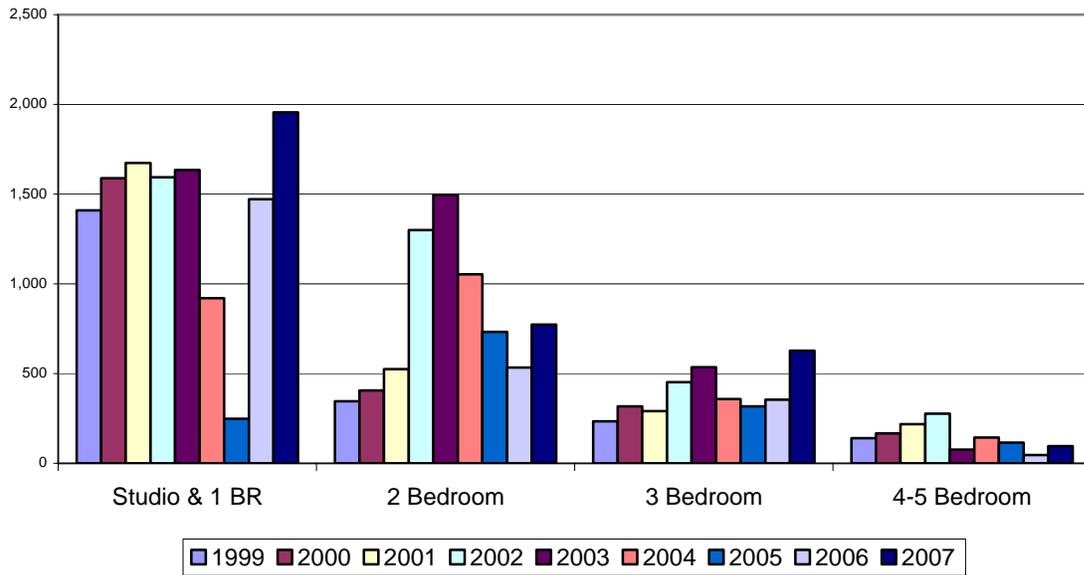


Chart 15 Public Housing Applicants by Race

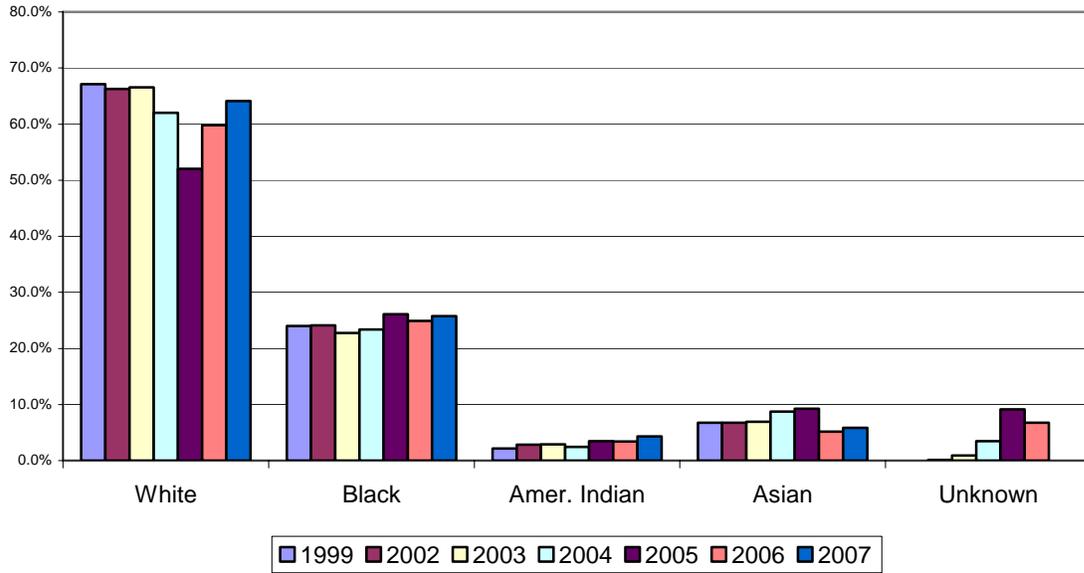


Chart 16 Section 8 Applicants by Race

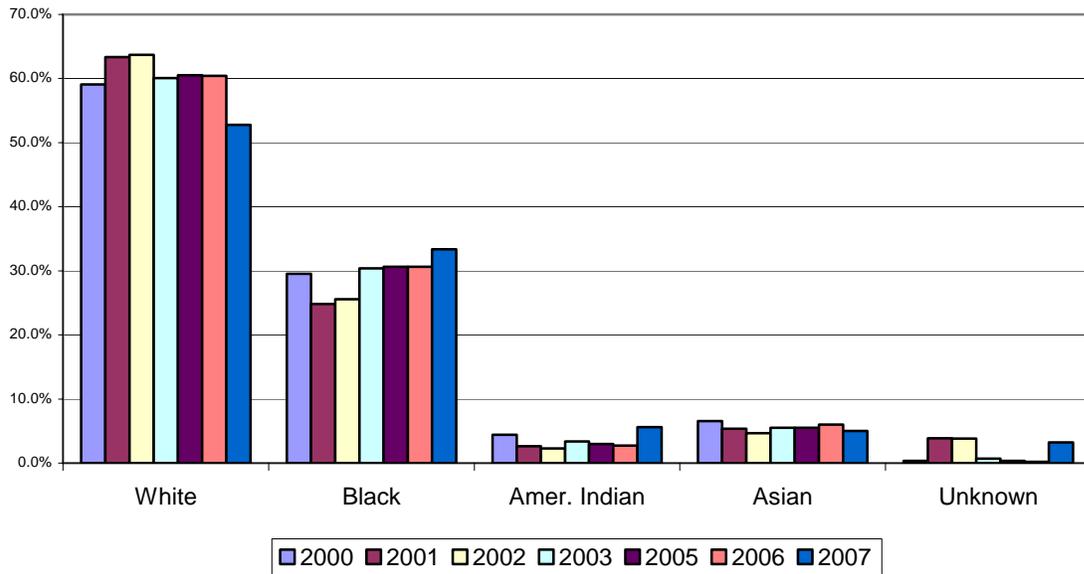


Chart 17 Public Housing Applicants by Ethnicity

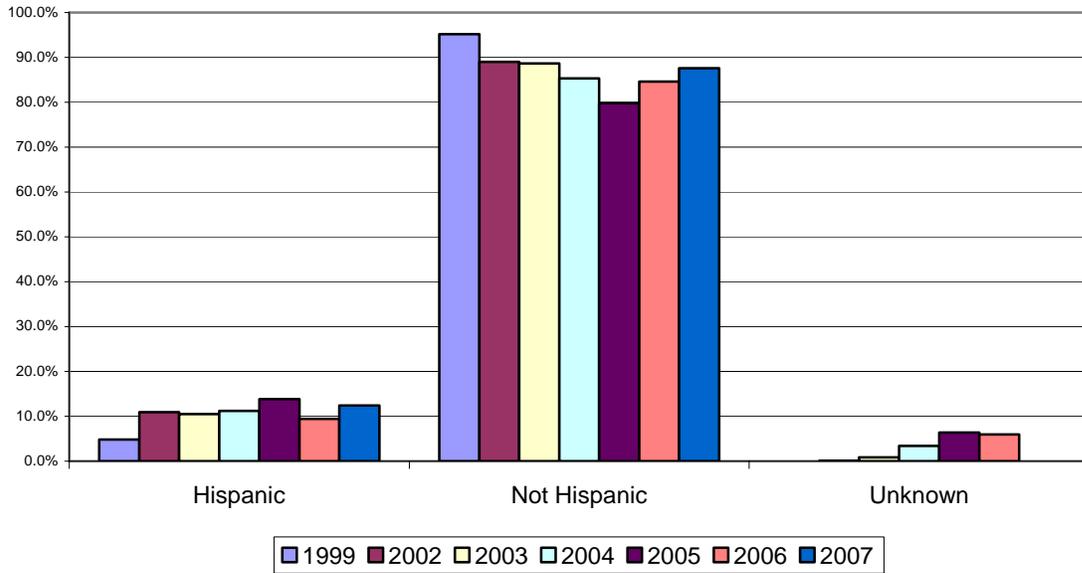
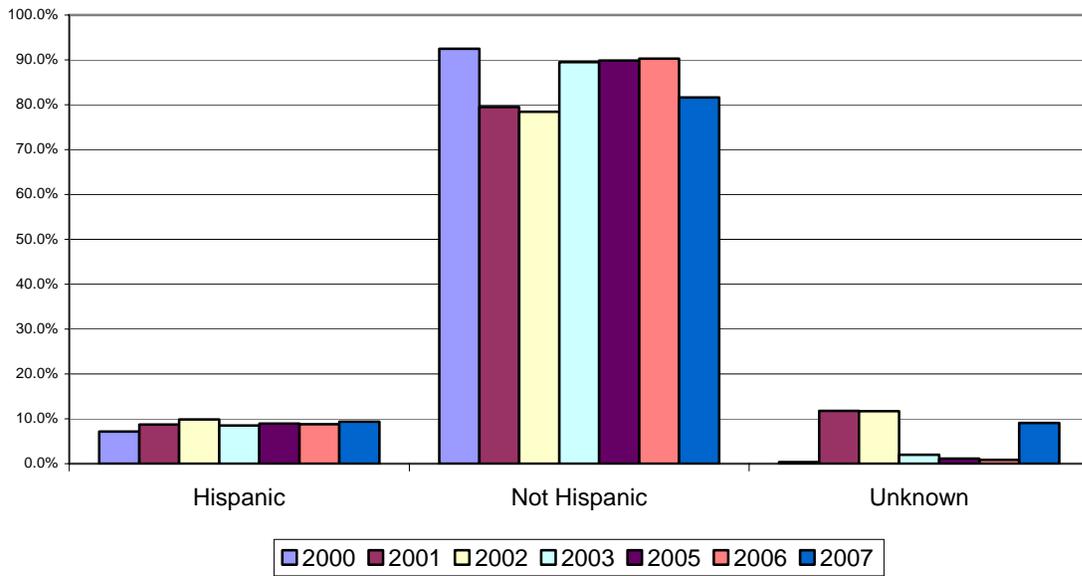


Chart 18 Section 8 Applicants by Ethnicity



Section II: Occupancy Policies

This section explains changes in rent policy and occupancy that affect the population served.

Changes in Concentration of Lower-Income Families, By Program

HAP continues to serve a very high percentage of households with less than 30 percent of Median Family Income (MFI). In Section 8, 86.5% of households served are below 30% MFI; the figure is 88.2% in public housing (see Table 5, Section I).

Eligibility and Admissions Policies

Admissions to Section 8 program

Applicant household income must be less than 50% of the Median Family Income (MFI) for the Portland Metropolitan Area.

In the basic tenant-based Housing Choice Voucher program, priority is given for:

Terminal Illness - Households with a member of the household having a documented terminal illness (life expectancy 12 months or less).

The remaining applicants, including Single Room Occupancy (SRO) and Project-Based Assistance (PBA), are admitted according to date and time of application. Targeted vouchers include:

Special Needs - Households that are special need populations, and for which targeted vouchers are available; or clients of special agencies, or households that are participating in the Witness Protection Program;

Rental Rehabilitation - Households that are currently residing in units receiving funds for rental rehabilitation receive temporary vouchers to assist with their relocation during construction;

HAP Clients Unable to be Housed Otherwise - Households that are receiving HAP assistance, but can no longer be appropriately served by other voucher or public housing programs. For example, if a resident was living in a Project-Based Section 8 unit serving a special needs population and no longer needed the services, they would be eligible for a transfer to a regular Section 8 tenant-based voucher.

FY 2007 Section 8 admissions policy change - HAP conducts criminal background checks on prospective Section 8 households. As part of the efforts to improve program integrity, HAP amended its policy to include a provision for denial of admission of a household for three years if HAP determines that any household member has engaged in the crime of identity theft.

Admissions to public housing program

Since April 1, 2005, public housing has continued to successfully operate under a site-based admissions model. A summary of admissions policies follows:

- Applicant household income must be less than 80% MFI.
- Applicants have the choice of selecting up to three different public housing properties, or may choose to be placed on a “first available” list.
- A revised “Apartment Criteria for Residency” was effective April 1, 2005. This criteria for residency outlines specifically how an application is processed, the criteria used for the approval or denial of applications, and the due process rights of a denied applicant.
- HAP contracted with a third party application screening company to screen and process all applications for the public housing communities. This contract was established in April 2005 and remains in effect.
- Public housing bedroom size standards were changed to a range with a minimum and maximum number of persons, allowing more choice for applicants and less cumbersome and restrictive agency rules.
- Transfers are limited because of the increased choice provided by the changes outlined above.

Admissions changes specific to New Columbia – Residents of public housing at New Columbia have an income ceiling of 60 percent of area median income, rather than 80 percent, due to tax credit financing requirements.

A local preference will allow former Columbia Villa residents to receive priority admission to New Columbia until 2010, to enable all former residents to return if they wish.

Transfer fee option – As planned, HAP implemented a transfer fee of \$150 in February 2006 that provides residents a choice to transfer to another public housing community without the need to request a reasonable accommodation or a transfer through the GOALs program. Residents establish themselves on the site-based waiting list of their choice, wait their turn (without a preference), and pay the fee at the time of transfer. By the end of March, few residents had utilized this option. There may continue to be fewer transfers as residents have more choice when selecting units than prior to site-based management changes.

Waiting Lists

Section 8 waiting list - The centralized Section 8 waiting list opened in November 2006 for three weeks with 9,780 applications submitted. A random lottery selected 3,000 households for the waiting list. This list is anticipated to last for two to three years and will reopen when names have been exhausted.

Public housing waiting lists - Public housing waiting lists were closed effective March 1, 2007 due to an exceedingly long estimated waiting time for all apartment communities. Waiting lists are expected to open again between September and December 2007.

Rent and Occupancy Policy Changes by Program Area

Section 8 program

Background - HAP conducted an extensive community process related to Section 8 rent policies and implemented new policies on April 1, 2005. The most significant change was increasing the minimum tenant-paid portion of rent from 30% to 35% of adjusted income. This was part of HAP's effort to control program costs while continuing to serve as many households as possible. Landlord rent increases were also frozen for one year, limits were set on the number of bedrooms a voucher will pay for, and payment standards were reduced for most bedroom sizes. HAP implemented Section 8 bedroom subsidy standards to grant one bedroom for every two household members as a cost savings measure.

FY 2007 Section 8 changes to rent and occupancy policies - In 2006, HAP discussed the alternatives for program changes with a group of community stakeholders. After analyzing program costs, forecasting expected outcomes, and considering community input, HAP implemented the following changes:

- Increases in landlord rents - HAP removed the freeze on landlord rent increases and, in most cases, limited them to the lower of market rent or a 5% increase in total rent.
- Increases for payment standards - HAP increased the payment standards for most bedroom sizes to allow more housing options and to help deconcentrate poverty.
- Refund checks - With excess subsidy due to lower lease-ups caused by an aging waiting list in FY 2006 and FY 2007, HAP returned funds to participants. In December of each year, checks were mailed that resulted in a return to 30% of income level in 2005 and 32.25% of income level in 2006. HAP continues to charge tenant rents at 35% of adjusted monthly income in order to address reduced funding from HUD without reducing the number of participants in the program.

Additional policy changes include:

- Choice for project-based tenants regarding bedroom sizes - Section 8 voucher holders living in project-based units now have the ability to rent a unit larger than the family's voucher size if they are willing to pay more than 35 percent of their income toward rent. (Participants in the tenant-based voucher program already have this flexibility and a significant percentage of households use it, even before the new bedroom standards went into effect in 2005.)
- Section 8 eligibility reviews - In order to reduce program administration costs, HAP revised its policy to allow HAP to conduct annual eligibility reviews every other year for elderly and disabled families on fixed income. HAP has not implemented this policy change due to various reasons, such as software limitations and other major projects. HAP will implement this change in FY 2008.
- Disapproval of Section 8 landlords - During FY 2007, HAP adopted additional provisions on disapproval of Section 8 landlords who refuse to enforce their leases, violate State and local fair housing laws, engage in drug-related or violent criminal

activity, violate contracts and/or fail to respond to neighborhood complaints. During the first year, one landlord has been permanently excluded and eight landlords have been temporarily suspended for one to two years.

- Biennial inspections - HAP has been working on adopting biennial inspections protocol for Section 8 units known historically to be in good repair. HAP will complete implementation of this change in early FY 2008.
- Deconcentration of poverty - HAP addresses deconcentration of poverty through the following activities:
 - During the admissions orientation, staff explains the benefits of moving to areas with lower concentration of poverty.
 - During the admissions orientation, staff explains the benefits and rules surrounding portability.
 - Maps of HAP's jurisdiction are available to help participants explore areas with a lower concentration of poverty.
 - HAP actively recruits landlords with units in lower poverty census tracts.

In FY 2007, HAP increased payment standards for most bedroom sizes to allow more housing options and to help deconcentrate poverty.

Public housing program

Adopted by the HAP Board of Commissioners at the end of FY 2007, implementation of the following changes will occur in FY 2008 (June 1, 2007).

- Implementation of revised lease - The public housing resident lease has been slightly revised and will go into effect June 1, 2007. Changes to the lease include rent simplification, resident rights under VAWA, and a change in resident utility responsibilities. These changes are summarized below.
 - Reviews for elderly and disabled residents on fixed incomes - As was stated in the FY 2007 Plan, HAP will perform bi-annual recertification for elderly/disabled residents on fixed incomes. Although work to enable this change was conducted during FY 2006, the effective date will be June 1, 2007.
 - Interim reviews for changes to tenant income
 - Increases in income*** - No interim reviews will be conducted for increases of income (except increases from zero income). Thus, these residents will no longer need to report increases until their regularly scheduled annual/bi-annual certification (other than those increases from zero income.)
 - Decreases in income*** - Interim reviews for decreases of income will only be processed if a decrease will last more than 45 days and has been reported prior to the 15th of the month. All reductions in household income lasting 45 days or more will need to be reported on or before the 15th of the month in order to go into effect the 1st of the following month.
 - Family assets - No verification is needed for net family assets under \$25,000. Resident households who have assets of less than \$25,000 will no longer need

to provide documentation (ex. bank statements) at interim or annual/bi-annual certification reviews.

- Simplified Earned Income Exclusion (EIE) For those who qualify, residents may be eligible for the Earned Income Exclusion. All current and future residents who qualify for the Earned Income Exclusion may only receive benefits for a maximum of 12 months.
- Changes in utility responsibility (Cable TV) - Public housing had provided free cable TV to residents of our elderly/disabled apartment communities. HAP will no longer provide free cable TV for any public housing resident(s).
- Violence Against Women Act of 2005 (VAWA) - The Violence Against Women and Justice Department Reauthorization Act of 2005 (VAWA) protects tenants and family members of tenants who are victims of domestic violence, dating violence, or stalking from being evicted or terminated from housing assistance based on acts of such violence against them. Public housing staff has notified all residents of their rights, incorporated these protections into the lease, and incorporated these protections into the criteria for residency effective June 1, 2007. Public Housing has also updated the previous domestic violence policy with these provisions in the ACOP.

Update: Analysis of flat rent policy - The analysis continues to be held in order for it to be included in an overall look at the relationship between rent policy and self-sufficiency goals for residents. Potential flat or tiered rents are identified as elements for review in the FY 2008 Plan objective: “review existing and potential rent policies.”

Section III: Changes in the Housing Stock

A. Number of units in public housing inventory at the end of the reporting period

As of April 1, 2006 (the beginning of the Year Eight reporting period), HAP reported 2,306 total public housing units on the Annual Contributions Contract (ACC) with HUD. Although the New Columbia chart that was included in the FY 2007 report indicated 101 public housing units occupied, those units were inadvertently left out of the total. Thus, the revised number for total units as of April 1, 2006 is **2,407** public housing units.

As of March 31, 2007, the changes summarized below resulted in **2,496** total public housing units.

B. Narrative discussion / explanation of changes

During FY 2007, HAP added back public housing units at New Columbia (**196 units**) and removed **105 units** from the Iris Court cluster (HAP's second HOPE VI redevelopment, renamed Humboldt Gardens.) In addition, HAP sold **two scattered site public housing units** as part of the Humboldt Gardens homeownership plan. The following sections summarize these activities:

1. Addition of mixed finance units at New Columbia

196 mixed finance units were added during the Year Eight as New Columbia's HOPE VI revitalization project was completed in October 2006. The public housing units are summarized in the following table by partnership.

Table 15 New Columbia's Public Housing, by Partnership

New Columbia Mixed Finance Projects	Public Housing Units as of 3/31/2006	Public Housing Units as of 3/31/2007	TOTAL New Columbia Public Housing Units
Cecelia Limited Partnership	72		
Haven Limited Partnership	29		
Trouton Limited Partnership		125	
Woolsey Limited Partnership		71	
TOTAL	101	196	297

Summary of unused units from the HOPE VI redevelopment of New Columbia/ Columbia Villa – 165 of the 462 former public housing units at Columbia Villa did not return as public housing at New Columbia. However, HAP's commitment to the local community resulted in "no net loss" of low-income housing.

Using Project-Based Section 8 units, 73 were designated on-site at New Columbia and an additional 92 were designated for development off-site in conjunction with other housing developments. The unused portion of the public housing subsidy contributes to the “banked units” summarized in the following table.

2. Removal of units at Iris Court cluster (HOPE VI redevelopment)

HAP received a HOPE VI award to redevelop the Iris Court cluster of public housing properties, along with 21 scattered-site homes. Former residents in the cluster of four apartment complexes were relocated by October 2006. This resulted in the temporary removal of 105 public housing units.

The sale of the first two scattered sites associated with the redevelopment of Humboldt Gardens occurred during the last quarter of FY 2007. (The sale of an additional 19 scattered-sites in FY 2008 will be dedicated to affordable home ownership opportunities, totaling 21 homes. See Section VI Capital Planning/Homeownership for more details.)

C. Unused yet authorized public housing units

The following table serves as both a historical overview and a projection for the total number of “banked units” in the ACC.

Table 16 ACC Public Housing Portfolio

Projections as of 3-31-07*	
<u>Authorized Public Housing Subsidy Units Currently Unused (“Banked Units”)</u>	
<u>HOPE VI redevelopments</u>	
Columbia Villa	462
(added back with New Columbia build-out as of October 2006)	(297)
subtotal	165
Iris Court Cluster (4 properties totaling 105 ACC units; see below for 21 associated Humboldt Gardens scattered sites)	
Iris Court	51
Royal Rose Court	36
Royal Rose Annex	9
Sumner Court	9
(adding back via Humboldt Gardens build-out by August 2008)	(100)
subtotal	5
<u>Available ACC from completed merged units**</u>	
NW Tower ADA	6
Hollywood East ADA	13
Medallion ADA	2
subtotal	21
<u>Available ACC Units from sales of scattered sites</u>	
3 prior to 4/1/2005	3
1 during 12/2005	1
21 Humboldt Gardens scattered sites	
o 2 sold during FY 2007	2
o 19 anticipated sales between April 07 and December 08	19
subtotal	25
Subtotal remaining unused (“banked”) units	216
Proposed add-back of 40 unused units for Fairview Conversion Project	(40)
Total projected remaining unused units	176
* The baseline number of public housing units is 2,793 . This includes employee units and non-residential units	
** Merged units are studio units that were merged to create larger units for ADA accommodation. When 2 units are merged into 1 living space, 1 unit remains unused on the ACC for future use as public housing.	

Section IV: Sources and Amounts of Funding

This section compares the planned with the actual for the sources and amounts of funding in the MTW Consolidated Budget Statement for HAP's FY 2007. The MTW Consolidated Budget Statement includes public housing, capital fund, and portions of the Section 8 voucher program.

A. Sources of Funds included in the MTW Consolidated Budget Statement for FY 2007 *(preliminary & unaudited)*

Sources of Funds	Actual	Planned
Rental Revenue	4,643,575	4,700,793
Section 8 Subsidy	50,178,428	50,150,993
Operating Subsidy	6,907,859	7,380,468
HUD Grants	177,316	165,480
Non-HUD Grants		
Other Revenue	2,799,247	2,537,586
HUD NonOperating Contributions	3,617,194	6,696,397
Total Sources	68,323,619	71,631,716

B. Sources of Funds – Budget to Actual Variance Narrative

- Operating subsidy was lower than budgeted due to a change in proration from 86% to a preliminary 76% in the fourth quarter.
- Other Revenue was higher than budgeted due to \$115k unbudgeted fees charged to New Columbia limited partnerships for Public Housing support, and \$142k in increased Section 8 program fraud control.
- HUD Nonoperating Contributions were lower as use of the Public Housing Capital Fund was below amounts anticipated for the period.

C. Consolidated Financial Statements – Part 1Statement of Operations For the Year Ended March 31, 2007
(With Comparative Budget Amounts)**Consolidated MTW**
Public Housing, Capital Fund and Section 8
preliminary & unaudited

	Actual	Budgeted	Variance
Operating Revenues			
Dwelling Rental	\$ 4,402,844	\$ 4,478,278	\$ (75,434)
Non-dwelling Rental	240,731	222,515	18,216
Total Rental Revenues	4,643,575	4,700,793	(57,217)
HUD Subsidies -Housing Assistance	50,178,428	50,150,993	27,435
HUD Subsidies -Public Housing	6,907,859	7,380,468	(472,609)
HUD Grants	177,316	165,480	11,836
Development Fee Revenue, Net State, Local & Other Grants			
Other Revenue	2,799,247	2,537,586	261,661
Total Operating Revenues	64,706,424	64,935,319	(228,895)
Operating Expenses			
Housing Assistance Payments	46,106,665	46,004,260	(102,405)
Administration	8,780,377	9,323,468	543,091
Tenant Services	42,933	80,096	37,164
Utilities	2,376,366	2,345,314	(31,052)
Maintenance	5,859,285	5,753,368	(105,917)
Depreciation	2,030,662	2,126,708	96,047
General	526,795	349,877	(176,917)
PH Subsidy Transfer	378,491	235,666	(142,825)
Total Operating Expenses	66,101,573	66,218,758	117,185
Operating Income (Loss)	\$ (1,395,148)	\$ (1,283,439)	\$ (111,710)
Other Income (Expense)			
Investment Income	83,298	70,800	12,498
Interest Expense	(259,295)	(259,295)	-
Amortization	(8,991)	(8,991)	-
Net Other Income (Expense)	(184,988)	(197,486)	12,498
Capital Contributions			
HUD Nonoperating Contributions	3,510,004	6,696,397	(3,186,393)
Other Nonoperating Contributions	107,190	-	107,190
Net Capital Contributions	\$ 3,617,194	\$ 6,696,397	\$ (3,079,203)

C. Consolidated Financial Statements – Part II

Statement of Operations For the Year Ended March 31, 2007
(With Comparative Budget Amounts)

Public Housing & Capital Fund *preliminary & unaudited*

	Actual	Budgeted	Variance
Operating Revenues			
Dwelling Rental	\$ 4,402,844	\$ 4,478,278	\$ (75,434)
Non-dwelling Rental	240,731	222,515	18,216
Total Rental Revenues	4,643,575	4,700,793	(57,217)
HUD Subsidies -Housing Assistance			
HUD Subsidies -Public Housing	6,907,859	7,380,468	(472,609)
HUD Grants	177,316	165,480	11,836
Development Fee Revenue, Net			
State, Local & Other Grants			
Other Revenue	2,605,206	2,485,206	120,000
Total Operating Revenues	14,333,956	14,731,946	(397,991)
Operating Expenses			
Housing Assistance Payments	1,811	-	(1,811)
Administration	4,921,408	5,271,789	350,381
Tenant Services	42,933	80,096	37,164
Utilities	2,376,366	2,345,314	(31,052)
Maintenance	5,859,285	5,753,368	(105,917)
Depreciation	2,017,174	2,113,959	96,785
General	418,815	349,877	(68,938)
PH Subsidy Transfer	378,491	235,666	(142,825)
Total Operating Expenses	16,016,282	16,150,068	133,786
Operating Income (Loss)	\$ (1,682,327)	\$ (1,418,122)	\$ (264,205)
Other Income (Expense)			
Investment Income	83,298	70,800	12,498
Interest Expense	(259,295)	(259,295)	
Amortization	(8,991)	(8,991)	
Net Other Income (Expense)	(184,988)	(197,486)	12,498
Capital Contributions			
HUD Nonoperating Contributions	3,510,004	6,696,397	(3,186,393)
Other Nonoperating Contributions	107,190	-	107,190
Net Capital Contributions	\$ 3,617,194	\$ 6,696,397	\$ (3,079,203)

C. Consolidated Financial Statements – Part IIIStatement of Operations For the Year Ended March 31, 2007
(With Comparative Budget Amounts)**Section 8 MTW**
preliminary & unaudited

	Actual	Budgeted	Variance
Operating Revenues			
Dwelling Rental	\$	- \$	- \$
Non-dwelling Rental			
<i>Total Rental Revenues</i>			
HUD Subsidies -Housing Assistance	50,178,428	50,150,993	27,435
HUD Subsidies -Public Housing			
HUD Grants			
Development Fee Revenue, Net			
State, Local & Other Grants			
Other Revenue	194,041	52,380	141,661
<i>Total Operating Revenues</i>	<u>50,372,469</u>	<u>50,203,373</u>	<u>169,096</u>
Operating Expenses			
Housing Assistance Payments	46,104,854	46,004,260	(100,594)
Administration	3,858,969	4,051,680	192,711
Tenant Services			
Utilities			
Maintenance			
Depreciation	13,488	12,750	(738)
General	107,980	-	(107,980)
PH Subsidy Transfer			
<i>Total Operating Expenses</i>	<u>50,085,291</u>	<u>50,068,690</u>	<u>(16,601)</u>
<i>Operating Income (Loss)</i>	<u>\$ 287,178</u>	<u>\$ 134,683</u>	<u>\$ 152,495</u>
Other Income (Expense)			
Investment Income			
Interest Expense			
Amortization			
<i>Net Other Income (Expense)</i>			
Capital Contributions			
HUD Nonoperating Contributions			
Other Nonoperating Contributions			
<i>Net Capital Contributions</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Section V: Uses of Funds

This section compares the uses of funds projected in the FY 2007 HAP Moving to Work budget with the actual expenses based on fiscal year-end financial data.

A. Uses of Funds included in the MTW Consolidated Budget Statement for FY 2007 (preliminary & unaudited)

Uses of Funds	Actual	Planned
Housing Assistance Payments	46,106,665	46,004,260
Administration	8,780,377	9,323,468
Tenant Services	42,933	80,096
Utilities	2,376,366	2,345,314
Maintenance	5,859,285	5,753,368
General	526,795	349,877
PH Subsidy Transfer	378,491	235,666
HUD Capital Expenditures	3,617,194	6,696,397
Total Expenditures	67,688,105	70,788,446

B. Uses of Funds - Budget to Actual Variance Narrative

- Administration expense was lower than budgeted due to lower personnel expense and other administrative expenses.
- General expense was higher than budgeted due to a \$100k bad debt write-off of uncollectible Section 8 landlord overpayments.
- Public Housing subsidy transfer expense was higher than budgeted due to payments occurring earlier than anticipated for Trouton and Woolsey.

C. Adequacy of Reserves

In November 2005, the Housing Authority of Portland Board established an operating reserve of funds in the amount of \$2.8 million as a set-aside to protect against financial uncertainties associated with the agency's operating environment and real estate activities. This Board-established reserve is included in the total reserves shown below.

	FY 2007	FY 2007	FY 2007
HAP Liquidity Reserves	Beginning of Year	Net Increase/Decrease	End of Year
	11,124,946	(1,068,667)	10,056,279

Section VI: Capital Planning

This section documents the plans for use of capital funds and their expenditures, plans for demolition and disposition, and HAP's homeownership programs.

Planned vs. Actual Capital Expenditures By Property

Table 17 Public Housing Work In Progress

FY 2006- 2007 Projects	Work Items	Estimated Cost	Expenses During FY 2006-07
<u>Property</u>			
Hillsdale Terrace	Dwelling Improvements	500,000	342,980
Maple Mallory	Site and Dwelling Improvements	3,046,000	973,382
Townhouse Terrace	ADA Community	75,564	35,602
Medallion	Water Leak at Foundation	16,000	0
Holgate House	Windows	350,000	25,000
High-rise buildings	Common Area Carpet/Tile	60,000	0
PHA Wide	Concrete	50,000	0
PHA Wide	A & E Services	100,000	100,000
PHA Wide	Hazardous Material/Environ.	50,000	50,000
PHA Wide	Roofing	100,000	100,000
Work in Process Total		4,347,564	1,601,964

Large Items Deleted From Previous MTW Annual Plan

Sellwood Center	Non-Dwelling Improvements	\$230,000
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Differences Between Projections and Actual

As shown in the table above, the actual FY 2007 expenses for the projects listed in the Year Eight MTW Annual Plan were \$1,601,964.

Work underway at Maple Mallory includes funds drawn from FY 2004, 2005 and 2006 HUD Capital Grants. Original estimates for the work totaled \$2.7 million; the original contract amount was \$3.046 million. Maple Mallory should be completed in the fall of 2007.

Windows done during FY 2007 at Holgate House were funded primarily through the Multnomah County Weatherization Program with \$25,000 of federal funds expended on design and ancillary costs not covered by Multnomah County.

Hillsdale Terrace dwelling improvements included HVAC improvements to each apartment. Work was completed for \$157,000 less than anticipated.

Plans for non-dwelling improvements at Sellwood Center were deleted due to a reprioritization of limited capital funds.

Demolition and Disposition

New Columbia HOPE VI redevelopment - On November 24, 2003, HAP submitted a Disposition Application to HUD for the HOPE VI project at Columbia Villa. That application was approved by the Special Application Center on April 6, 2004.

On July 29, 2005, HAP closed the last of four mixed finance transactions supporting the construction of New Columbia. This last phase, Woolsey, accounts for 131 total units of housing, of which 72 are Public Housing. Simultaneous with this closing, HAP sought HUD's release of the existing Declaration of Trust and recorded a new Declaration of Restrictive Covenants on the same property. HAP also received release of the existing Declaration of Trust for the remainder of the New Columbia redevelopment site that will be disposed. Disposition of lots to the homebuilders occurred by the end of FY 2007. Transfer of title of common areas to the New Columbia Owners Association will occur in two phases: smaller common greens (open areas) during FY 2008 followed by the alleyways, four pocket parks and larger common greens after the period of the 15 year tax credit partnership is ended. All of this activity is consistent with the Disposition approval obtained by HAP.

Humboldt Gardens HOPE VI redevelopment - On October 25, 2005, HAP received award of a 2005 HOPE VI Grant for the redevelopment of the Iris Court cluster and the restructuring of 21 scattered-site public housing units into affordable homeownership. Shortly thereafter, HAP began planning the redevelopment of the Iris Court cluster of public housing developments. This work included resident and community outreach and procurement for environmental assessment and of a design team for schematic site plan development. (With the completion of the environmental review and the issuance of the Finding Of No Significant Impact (FONSI), demolition began during winter 2006-7, and construction will continue through August 2008.

During the FY 2007 reporting period, HAP completed disposition applications for the Iris Court Cluster and 19 of the 21 scattered-site units.

- The application for Iris Court Cluster disposition was submitted to HUD on May 25, 2006 and disposition approval was received from HUD on May 2, 2007.
- Disposition application materials for 19 of the scattered-site sales were submitted on May 25, 2006 and disposition approval was received from HUD on March 10, 2007.
- Disposition application materials for three of the scattered-site sales (those for sale to current residents and requiring a "Section 32" application) will be submitted early in FY 2008.

Homeownership Programs

Humboldt Gardens homeownership program

HAP's Board approved the Humboldt Gardens Homeownership Plan on August 8, 2006. The Plan outlines a program emphasizing affordable homeownership, subsidized by the proceeds from the sales of select homes sold on the open market.

Humboldt Garden's market rate sales – Originally five properties were to be sold on the open market. Due to a zoning issue, one property was removed from this list and placed in the affordable homeownership group. Of the four remaining properties, two were sold during FY 2007.

FY 2008 update: one has been sold early in FY 2008 (late spring); and the final property will be sold by summer of 2007.

Humboldt Garden's affordable homeownership – Seventeen properties were selected for the affordable homeownership component of Humboldt Gardens to yield (21) affordable, for-sale homes.

- Resident purchases – Three current HAP clients are working towards the purchase of their home. They have signed purchase and sale agreements and once HAP completes the renovation work on their home, they will close on their purchase.
- Redevelopment properties – HAP selected Portland Habitat for Humanity for the redevelopment of five properties into nine new construction homes. The homes will be sold to households earning between 30 and 60% median family income.
- Renovation properties – HAP selected the Portland Community Land Trust to purchase and renovate nine properties. The houses will be sold to households earning between 50 and 80% median family income.

New Columbia's mixed income homeownership program

The homeownership component of New Columbia is in the final stages of completion. As of March 31, 2007, 172 of the 232 (74%) new homes had been sold. Of those homes, 23 were "designated" affordable homes sold to households earning 60% MFI and below. The remaining homes will all be built and sold by the end of calendar year 2007. An additional 16 homes are designated affordable. Thus, a total of 39 homes will have been sold as homes affordable to households earning 60% MFI and below.

HAP assisted homebuilders in meeting affordability guidelines by assembling funds from community partners to assist first time buyers with closing and down payment needs. As a requirement of the purchase and sale agreement, builders priced the designated affordable homes at prices affordable to a household of four earning 70% MFI (or lower, as was the case with non-profit builders). HAP's buyer assistance pool assisted with the additional 10%, or more, subsidy in order to reach 60% MFI households. The Habitat for Humanity "sweat equity" model will account for 16 affordable homes; a buyer's choice to participate in a community land trust model has accounted for 12 of the first 23 affordable homes sold by March 31, 2007.

A demographic profile was assembled on the first 133 homeowners in December 2006 with the following results:

Table 18 New Columbia Homeowners as of December 2006

Demographics - All Phases

Number of homes reporting: 133 out of 232

Measured Item	TOTAL	
	#	%
First-time homebuyers	97	73%
100% MFI and above	41	31%
81 - 100% MFI	44	33%
61 - 80% MFI	17	13%
60% MFI or less	28	21%
People of Color (includes mixed race households)	59	44%
People from N/NE Portland	59	44%
Single parent families	18	14%
Families with children	64	48%
Former HAP Section 8 residents	1	1%
Former HAP public housing residents	0	0%
Section 8 Homeownership Program	2	2%
TOTAL HOUSES	133	

Sales of public housing scattered sites for resident homeownership

HAP continued to operate its existing HUD Section 5-H homeownership program for the sale of scattered-site public housing units. Although four GOALS public housing families became homeowners during FY 2007, no families purchased a home through the scattered site program. During the year, however, two families worked to become ready to purchase their scattered site homes and those sales are likely to be completed during the next fiscal year. This is in addition to the affordable homeownership efforts at Humboldt Gardens (i.e. the 21 Humboldt Gardens homes are not included in this count.)

GOALS homeownership preparation

Homeownership preparation and support continues to be a focus in the GOALS program. Staff connect families to HAP homeownership resources as well as community resources for homeowners (see Section IX on Resident Programs).

- As of March 31, 2007, 235 GOALS graduates have become homeowners, including 21 new GOALS graduate homeowners during FY 2007. This year, that number includes four public housing families and 17 Section 8 families.
- HAP continued the Pilot Section 8 Homeownership Voucher (HV) program and one GOALS graduate used their voucher to purchase a home, bringing the total number of families participating in this pilot to 23 HV homeowners.

HAP's larger scattered site disposition (Public Housing Preservation)

As discussed in the FY 2007 Plan and subsequently outlined in detail in the FY 2008 Plan, work continues on the planning for the disposition of scattered site public housing units owned by HAP.

Section VII: Owned and Managed Housing

HAP's Real Estate Operations Portfolio

This section compares the Housing Authority of Portland's projected management performance with actual performance during the year April 1, 2006, through March 31, 2007. In **Part 1 – HAP's Public Housing**, the report includes vacancy rates, rent collections, work order response, inspection results, and security initiatives.

Following the public housing description, **Part 2 – HAP's Affordable Housing Portfolio** provides information about key achievements in this portfolio (workforce housing and special needs housing) over FY 2007.

The reorganization of HAP's real estate operations (public housing, workforce housing and special needs housing) into one department under the oversight of one Director of Real Estate Operations occurred in October 2006.

Part 1 – HAP's Public Housing

Vacancy rates in public housing

The vacancy rates shown below are based on a month-end snapshot at the end of each fiscal year. HAP's Humboldt Gardens HOPE VI project has led to the temporary removal of 100 public housing units from the housing stock. In addition, HAP is involved in the relocation and disposition of 21 HOPE VI-related scattered site public housing units, of which 2 were sold by March 31, 2007.

HAP is redeveloping the Maple Mallory apartment community, which has led to some relocation while work is conducted along with unoccupied units while redevelopment occurs. Maple Mallory and Humboldt Gardens projects have affected overall vacancy rates and are documented below.

With the transition to site-based applications and wait lists, HAP's goal was to achieve 97% occupancy. Even with another HOPE VI project underway, HAP is still within its targeted occupancy percentage. With the two properties involved in HOPE VI projects and one property under redevelopment removed from the equation (due to current relocation efforts and construction), HAP has achieved an occupancy rate above 98%.

Proactive pre-leasing efforts

The transition to a site-based model in FY 2006 has allowed public housing site staff to take a more proactive role in filling vacant units. Site staff now have the ability to not only select an applicant off the wait list immediately upon receiving notice to move from a current resident, but to also keep a small pre-approved "reserve" pool available to fill a vacant unit the day it becomes available. This has significantly reduced the overall public housing vacancy rate and allowed HAP to exceed its targeted occupancy.

New Columbia lease-up activities

New Columbia is now a fully active community. At this point last year, only two partnerships within the development (Cecilia and Haven) were operating. Now, Trouton and Woolsey are on-line. All four properties within New Columbia are fully occupied thanks to a vigorous lease-up effort.

Table 19 Public Housing Vacancy Rates 2001-2007

Property	Units Available on 3-31-2006	Vacancy Rate 3-31-01	Vacancy Rate 3-31-02	Vacancy Rate 3-31-03	Vacancy Rate 3-31-04	Vacancy Rate 3-31-05	Vacancy Rate 3-31-06	Vacancy Rate 3-31-07
Columbia Villa (removed for HOPE VI Redevelopment)	-	7.9%	4.3%	18.7%	-	-	See New Columbia	See New Columbia
**Iris Court (removed for HOPE VI Redevelopment)	-	26.7%	4.3%	6.4%	8.5%	2.1%	27.7%	-
Northwest Tower	164	6.3%	4.9%	5.5%	10.3%	0.6%	0.0%	3.5%
Hillsdale Terrace	58	23.1%	11.3%	9.4%	5.2%	0.0%	3.4%	1.7%
Hollywood East	286	6.4%	1.9%	3.8%	9.8%	0.7%	1.0%	2.1%
**Royal Rose Court (removed for HOPE VI Redevelopment)	-	0.0%	0.0%	0.0%	8.3%	0.0%	2.8%	-
Peaceful Villa	70	0.0%	0.0%	2.9%	5.7%	2.9%	0.0%	0.0%
**Royal Rose Annex (removed for HOPE VI Redevelopment)	-	0.0%	0.0%	0.0%	0.0%	0.0%	11.1%	-
**Sumner Court (removed for HOPE VI Redevelopment)	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-
Dekum Court	38	18.4%	5.6%	0.0%	5.3%	2.6%	2.6%	2.5%
Tamarack	119	10.2%	4.4%	10.1%	5.1%	0.8%	2.5%	1.7%
Dahlke Manor	113	1.8%	0.9%	5.3%	7.0%	2.7%	0.0%	1.7%
Holgate House	79	2.5%	0.0%	2.5%	5.0%	0.0%	1.3%	0.0%
Sellwood Center	109	4.6%	4.6%	4.6%	10.0%	2.8%	0.0%	0.0%
Schrunk Riverview Tower	117	1.7%	0.0%	6.0%	10.3%	1.7%	1.7%	0.9%
Williams Plaza	100	1.0%	7.0%	7.0%	13.0%	1.0%	1.0%	0.0%
Fir Acres	31	6.9%	3.4%	3.2%	3.2%	0.0%	3.2%	0.0%
Townhouse Terrace	31	14.3%	0.0%	6.7%	16.7%	0.0%	12.9%	3.1%
Stark Manor	29	3.6%	3.6%	0.0%	10.3%	0.0%	0.0%	0.0%
Lexington Court	19	5.3%	5.3%	0.0%	15.8%	5.3%	0.0%	0.0%

Eastwood Court	31	7.1%	3.6%	3.3%	3.2%	0.0%	0.0%	0.0%
Carlton Court	24	8.7%	8.7%	4.3%	12.5%	0.0%	4.2%	0.0%
Slavin Court	24	0.0%	0.0%	4.2%	8.3%	4.2%	4.2%	4.2%
Demar Downs	18	5.6%	0.0%	11.1%	11.1%	0.0%	0.0%	0.0%
Gallagher Plaza	84	1.2%	3.6%	2.4%	1.2%	1.2%	0.0%	0.0%
Eliot Square	30	3.6%	3.4%	10.3%	3.4%	3.3%	3.3%	0.0%
Medallion Apts.	88	3.4%	3.3%	7.9%	9.0%	8.0%	1.1%	0.0%
Ruth Haefner Plaza	72	4.1%	1.4%	5.6%	12.3%	1.4%	0.0%	5.5%
Celilo Court	26	7.7%	0.0%	3.8%	3.8%	0.0%	0.0%	0.0%
Tillicum South	12	8.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Harold Lee Village	10	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Floresta	20	0.0%	5.0%	0.0%	10.0%	5.0%	0.0%	0.0%
**Maple Mallory	46	14.9%	7.9%	2.2%	4.3%	0.0%	2.1%	50.0%
Columbia Villa Addition (removed for HOPE VI redevelopment)	-	11.1%	2.8%	11.1%	-	-	-	-
Bel Park	10	0.0%	0.0%	0.0%	10.0%	0.0%	0.0%	0.0%
Winchell Court	10	0.0%	10.0%	0.0%	10.0%	0.0%	0.0%	0.0%
Powellhurst Woods	33	3.3%	0.0%	0.0%	9.1%	0.0%	6.1%	0.0%
Tillicum North	18	5.6%	0.0%	0.0%	5.6%	0.0%	5.6%	0.0%
Hunter's Run	10	0.0%	0.0%	22.2%	22.2%	0.0%	10.0%	0.0%
Camelia Court	14	0.0%	0.0%	7.1%	0.0%	0.0%	0.0%	7.1%
Cora Park Apartments	10	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Alderwood	20	5.0%	5.0%	0.0%	0.0%	5.0%	0.0%	15.0%
Chateau Apartments	10	0.0%	10.0%	20.0%	0.0%	0.0%	10.0%	0.0%
North Area A "Scattered Sites"	20	10.0%	5.3%	20.0%	10.0%	0.0%	0.0%	0.0%
**North Area B "Scattered Sites"	27	7.1%	14.3%	14.3%	14.3%	0.0%	0.0%	10.3%
**North Area C "Scattered Site"	23	8.3%	20.8%	20.8%	12.5%	4.2%	20.8%	12.5%
West Area A "Scattered Sites"	8	20.0%	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%
East Area A "Scattered Sites"	36	8.3%	2.8%	8.3%	2.8%	0.0%	2.8%	0.0%
East Area B	50	1.9%	9.8%	16.0%	0.0%	4.0%	4.0%	2.0%

"Scattered Sites"								
East Area C "Scattered Sites"	17	0.0%	5.9%	11.8%	11.8%	0.0%	0.0%	0.0%
New Columbia - Cecilia partnership	72	-	-	-	-	-	2.8%	0.0%
New Columbia - Haven partnership	29	-	-	-	-	-	17.2%	0.0%
New Columbia – Trouton partnership	71	-	-	-	-	-	-	0.0%
New Columbia – Woolsey partnership	125	-	-	-	-	-	-	0.0%
Totals	2461	6.21%	3.71%	7.67%	7.90%	1.5%	2.6%	2.62%

Note: the units available total of 2,461 on 3-31-07 compares to 2,367 at the end of the previous fiscal year. Changes in the Housing Stock are documented in Section III of this report. The remaining differences are due to normal fluctuations in employee and service provider units that are out of service.

These communities are undergoing disposition or partial disposition through HOPE VI or experiencing redevelopment and vacancies are not being refilled. Without these properties included in the calculation of vacancies, **HAP's vacancy rate is 1.13%.

Table 20 Rent Collections - Public Housing

	FY 2006 Actual	FY 2007 Budget	FY 2007 Actual
Dwelling Rent Billed	\$4,392,274	\$4,342,546	\$4,304,188
Dwelling Rent Collected	\$4,321,783	\$4,277,408	\$4,309,665
Percent Collected	98.4%	98.5%	100.1%

As part of implementing the Final Rule project-based management model, the agency's public housing site managers became responsible for collecting rents at the sites during February 2006. HAP continues to utilize a strict lease enforcement policy to maintain a very high level of rent collections.

No new issues have been identified in relationship to rent collections. HAP continues to utilize a coordinated, inter-departmental approach to rent collection issues in conjunction with a strict lease enforcement policy to maintain a very high level of rent collections.

Work Orders

HAP accomplished a completion rate of 98.3% for emergency work orders. The average response time for routine work orders was 6 days. This increase is due to the age and deteriorating condition of many buildings, which translates into more time spent at each site and a resulting backlog. With prioritization of major maintenance issues underway as a part of the FY 2008 public housing preservation initiative, HAP plans to reduce the routine work order response times.

Table 21 Emergency Work Order Response Times

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual
Total Number	487	741	422	337	297
Percent Meeting 24 Hour Response Goal	99.9%	91.7%	98.3%	99.1%	98.3%

Table 22 Routine Work Order Response Times

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual
Total Number	12,282	11,373	9,315	9,188	9287
Average Completion Days	5.5	6.2	5.7	3.5	6.0

Public Housing Inspections

In FY 2007 inspections were completed on all public housing units at least every 12 months. These inspections were completed by HAP inspections staff.

FY 2008 update: Beginning June 1, 2007, as part of HAP's continued transition to site-based management, all inspections will be performed by site staff. All site managers have and will continue to receive extensive training to perform inspections according to UPCS guidelines. All units will continue to be inspected at least once every 12 months.

Site staff have been given latitude on how to accomplish this goal. Some site staff have opted to perform an inspection based on the current occupants scheduled recertification review. Other site staff have chosen to inspect a floor per month. Either way, the new site-based inspections model will have a compliance feature to ensure that all units will be inspected within an 18-month period during the first year and a 12-month period for all future years. In addition, members of the management team will perform quality control re-inspections to confirm that the units are being inspected appropriately.

Table 23 Public Housing Inspections

	FY2001 Actual	FY2002 Actual	FY2003 Actual	FY2004 Actual	FY2005 Actual	FY 2006 Actual
Number Inspected/ Total Units						
Development/ Project	36/ 50	40/ 50	37/ 50	32/ 48	34/ 48	37/ 48
Housing Units	2,171	2,262	2,413	1,464	1,954	2,012
Site Staff Projects Inspected	17	18	22	21	22	12
Site Staff Units Inspected	594	917	538	762	765	358
Total Projects/ Units Inspected	53/ 2,772	58/ 3,179	59/ 2,951	53/ 2,226	56/ 2,719	49/ 2,370

	FY 2007 Actual 4-1-06 to 3-31-07	FY 2008 Projected
	Number Inspected/ Total	Number Inspected/ Total
Development/ Project	43 / 44	44 / 44
Housing Units	2178	2208
Site Staff Projects Inspected	25	44
Site Staff Units Inspected	254	2208
Total Projects/Units Inspected	43/2,462	44/2,208

REAC Inspection Results

HAP received a REAC inspection (HUD's Real Estate Inspection Center) during November and December 2006. The last REAC inspection had occurred during May and June 2004.

The primary inspection measurement is based on a 30-point scale. A point total of 17 or below is considered "troubled". The vast majority of properties far exceeded this minimal score, but four properties were considered troubled. Three of the four properties were comprised of single-family homes (i.e. scattered sites). Due to reductions in operating

subsidy and the funding appropriation levels, HAP has been challenged to maintain these properties in a manner that would meet the detailed REAC standards. (This has weighed heavily in HAP's decision to dispose of the majority of these scattered sites over the next several years – a workplan and disposition application will be finalized during FY 2008.)

Based upon the REAC scores, public housing staff instituted changes. First, a major initiative was launched to assist maintenance staff with catching up with incomplete work orders. Maintenance mechanics worked in large teams to complete all work at individual properties before moving on to the next one. In two months, all properties had been visited by work teams and all outstanding work orders had been completed.

In addition, staff identified many exterior property issues in REAC scoring. Due to some inefficiencies identified within the laborer group, these staff have been placed into work teams (as opposed to working independently) and have been scheduled to visit individual properties on a bi-weekly rotation. This will allow HAP to be proactive on exterior maintenance and will reduce future liability with the next round of REAC inspections.

Public housing has instituted a planned maintenance regime that will greatly increase communication between site managers and their maintenance teams. This will allow site managers to recruit assistance if their maintenance staff need it. Site managers are also much more educated about required maintenance needs due to their inspection training and planned maintenance responsibilities. All of these factors will lead to higher REAC scores and increased maintenance supervision across the portfolio.

Security and Community Livability

HAP's full implementation of a site-based management model continues to provide opportunities to address security issues in public housing.

Resident training - Ongoing training and education encourages residents to document and self-report on problems within buildings. This assists the police in documentation of chronic problems. Staff conducts periodic resident meetings to assist with educating residents about safety issues and developing among residents a sense of ownership of community problems.

Coordination with police and city crime prevention specialists

- Public housing management and site staff continue to cultivate relationships with both the Portland and Gresham police departments. These relationships are built on a mutual commitment towards improved livability at all public housing apartment communities.
- Site management staff meets regularly with assigned police officers to discuss issues in specific buildings. Site management staff now coordinates efforts with the assigned Neighborhood Response Team Officer and Crime Prevention Specialist based out of the Office of Neighborhood Involvement. As a team they work to

address specific problem areas at HAP properties. This coordinated team approach allows response to specific HAP landlord and neighbor concerns involving criminal activity. Monthly meetings are coordinated to enhance communication with each agency, to review chronic issues and nuisance calls, and establish an open communication-working environment between police and site management staff.

- HAP staff also utilizes resident meetings as an opportunity to bring in local police to talk about issues affecting the property, the neighborhood and possible solutions. This helps HAP develop a better working partnership with the police, and provides the police with a better understanding of HAP and our residents.
- HAP continued its agreement with the Portland Police Bureau regarding trespassing incidents, and twice each year conducts its annual training with site staff to ensure effective use of this tool to maintain security at each property. At some properties, stricter enforcement of parking and towing procedures has helped to reduce unauthorized guest incidents.

Security monitoring

- All high-rise buildings are equipped with card-access entry and video security monitors. The security equipment within the high-rise buildings has recently been upgraded to a digital video system. This upgrade is providing faster, higher quality images for review and is much easier for staff to operate.
- On-site assistant site managers provide evening and after-hours presence in many HAP properties. An answering service provides 24-hour response for maintenance and other urgent situations.
- HAP also assigns maintenance staff to a site-based location so that they become familiar with properties and residents and can inform management staff of potential problems.
- HAP contracts with a third party security company to provide roving patrols at select apartment communities throughout the public housing portfolio.

Lease enforcement and property management - HAP staff work cooperatively with local law enforcement officials to monitor criminal activity and arrests made on agency property. By maintaining its buildings and grounds to a high standard, and by strong lease enforcement, HAP strives to create a standard of pride and care that greatly inhibits drug and other criminal activity.

Part 2 – HAP’s Affordable Housing Portfolio

Introduction – HAP’s Board and management team are working to ensure the health of the agency’s overall portfolio – a continuum of affordable housing opportunities that meet the needs of diverse populations. HAP’s affordable housing portfolio (workforce and special needs housing) is an essential tool in achieving this healthy mix of properties.

Although this section has not been a part of the annual MTW plan or MTW report process in previous years, it is becoming more important to describe the linkages between each of our program areas. The following section has been added in order to bring together annual planning and reporting information into one document.

Background – HAP initiated its affordable housing program in 1989 and it has grown to have more housing units than the public housing program. Utilizing other types of federal funding (tax credits and bonds administered by the state) and other private and public financing, HAP develops or acquires its own properties by issuing bonds or working with public or private finance partners to utilize tax credits and leverage agency resources.

Included below is a list of the properties owned by HAP, with on-site property management services provided under contracts with private management firms.

Rents at all of these properties are priced to be affordable to households under 80% of the Median Family Income (MFI) for the Portland Metropolitan Area. Properties with tax credit financing must charge rents at or below 60% MFI. However, the current Portland rental market does not typically support these rents. Actual rents are currently at prices affordable to households between 45-50% MFI.

Following the list of Affordable Housing properties is a summary of special needs housing owned by HAP with services under contracts with partner agencies throughout the region.

These properties, although not officially considered part of the MTW demonstration program, clearly achieve a key MTW goal:

To increase housing choices for low-income families.

Approximately 3,300 units are included at 32 properties in HAP’s workforce housing communities. An additional 384 housing units are available in 34 special needs developments (summarized at the end of this section).

Table 24 HAP's 32 Affordable Housing Communities as of March 31, 2007

	Total Units	% of Total Units	Income Distribution by Median Family Income (MFI) Maximum Incomes Allowed			Project-Based Section 8**	Occupancy as of Monday, April 2, 2007
			0% - 30% MFI	31% - 50% MFI	51% - 80% MFI*		
<u>HAP Owned Properties</u>							
1 Ainsworth Court	88		0	0	88	0	99%
2 Ashcreek Commons	21		5	0	16	(5)	100%
3 Fairviews	328		0	0	328	0	96%
4 Fenwick Apts.	27		8	0	19	(8)	93%
5 Grace Peck Terrace	95		95	n/a	n/a	(95)	98%
6 La Tourelle	80		0	0	80	0	100%
7 Multnomah Manor	53		23	30	0	(23)	98%
8 Pine Square	143		0	0	143	0	100%
9 Plaza Townhomes	68		68	n/a	n/a	(68)	97%
10 Rockwood Station	195		20	0	175	(20)	95%
11 Rosenbaum Plaza	76		76	n/a	n/a	(76)	100%
12 Schiller Way	24		12	0	12	0	92%
13 St. John's Woods	124		124	n/a	n/a	(124)	95%
14 University Place	29		0	0	29	0	82%
15 Unthank Plaza	80		80	n/a	n/a	(80)	98%
16 Willow Tree	7		0	7	0	0	100%
<i>subtotal HAP owned</i>	1438	44%	511	37	890	(499)	96%
<u>Tax Credit Partnerships</u>							
17 Dawson Park	67		0	9	58	0	97%
18 Fountain Place	80		20	10	50	(20)	94%
19 Gateway Park	144		0	13	131	0	97%
20 Gladstone Square	48		27	14	7	(3)	96%
21 Gretchen Kafoury	129		10	29	90	(10)	93%
22 Hamilton West	152		5	73	74	(5)	95%
23 Helen Ann Swindells	105		0	105	0	0	86%
24 Kelly Place	20		0	20	0	0	100%
25 Lovejoy Station	181		0	72	109	0	97%
New Columbia - Cecelia LP	59		****	0	59	0	96%
26 New Columbia - Haven LP	15		****	0	15	0	100%
New Columbia - Woolsey LP	60		****	0	60	0	98%
New Columbia - Trouton LP***	125		****	0	125	(73)	94%
<i>subtotal New Columbia</i>	259						

27	Pearl Court	199		1	110	88	(1)	97%
28	Peter Paulson	93		0	92	1	0	98%
29	Rockwood Landing	36		0	36	0	0	100%
30	Sequoia Square	62		18	26	18	0	92%
31	The St. Francis	132		100	6	26	0	96%
32	Yards at Union Station	158		0	72	86	0	97%
	<i>subtotal tax credit</i>	1865	56%	181	687	997	(112)	96%
	Total	3303		692	724	1887	(611)	96%
				21%	22%	57%		

* Actual rents during FY 2007 were at prices affordable to households between 45-50% MFI.

** PBS8 units are already included in columns for Total Units & MFI; of 611 total PBS8 units, 466 (76%) are from local HUD's Multifamily allocations under contract; 145 (24%) are allocated from HAP's Section 8 voucher pool.

*** initial lease-up phase still underway

**** an additional 297 units of public housing are at New Columbia; 82% of PH households are below 30%MFI

Management Companies – Workforce Housing Communities

HAP's affordable (workforce housing) portfolio is managed under contracts with seven property management firms: IPM (Income Property Management); Guardian Management; GSL; Allied Group, Inc.; Quantum Residential; Cascade Management, Inc.; and BPMC (Bowen Property Management).

Reconfiguration Activities During FY2007

In addition to the extensive work to reconfigure the "Fairview Conversion Project" (converting 40 units to public housing...explained in detail in the FY 2008 Annual Plan), affordable housing staff completed the following during the past fiscal year:

Dawson Park - (Debt Reconfiguration) Effective November 2006, the payments on the Portland Development Commission (PDC) debt have been deferred for a four-year period. The expiration of the deferral period in 2010 coincides with year 15 of the Tax Credit Partnership. Four-year deferral of the PDC payment saves the partnership \$28,464 annually.

Fountain Place - Fountain Place has been hampered by high plumbing repair costs due to a failing waster service/waste system. Problems related to plumbing have also impacted property occupancy. PDC is loaning an additional \$1.3 million to the partnership (with payments deferred to 2016) in order to replace the entire plumbing system. After the plumbing retrofit is completed, Fountain Place will still have to be aggressive with rents and penny-wise in operations to meet its debt coverage ratio. The property is operating under a Management Plan, and has requested a "forbearance" from the trustee as the plumbing project is undertaken and completed.

Gretchen Kafoury Commons - (Debt Reconfiguration) Annual payments to PDC of \$133,000 were scheduled to begin January 1, 2007, and Gretchen Kafoury would not

have been able to support this additional debt. Per the note with PDC, increased payments were only required if there was sufficient cash to service the debt. HAP worked with PDC to recognize that the property is operating at a break -even level. This issue will have to be revisited before 2011 when regular amortization is scheduled to begin.

Pearl Court (Refinanced) - Pearl Court's bond debt was refinanced in December of 2006, saving \$95,579 in annual interest payments.

Burnside House (Sale) - Within the special needs portfolio, Burnside House is arguably the least suitable arrangement for the target population. HAP listed Burnside House with C&R Real Estate for \$450,000, and closed the deal for \$12,000 above the asking price. After all costs and repayment of debt, the sale of Burnside House will net \$375,000.

Special Needs Housing

The Special Needs Portfolio includes 34 housing developments that provide 412 units (beds, bedrooms, or apartments) for populations needing specialized care. These include households with developmental disabilities, chronic mental illness, alcohol and drug-free environments, HIV/AIDS, and homelessness. The properties range in size from three apartments to facilities with 90 beds. The Special Needs Portfolio also includes an additional non-housing development: a Head Start program with services provided by Mt. Hood Community College.

In addition, there are three affordable housing developments that include 28 units of special needs housing, integrated into the apartment communities. These units are supported with Project Based Section 8 vouchers.

Table 25 Summary of Special Needs Housing Units

	0% to 30% MFI	31% to 50% MFI	51% to 80% MFI	PBS8 units in Special Needs (included in previous columns)	TOTAL UNITS*
34 Special Needs Developments	324	60	0	(20)	384
3 Affordable Housing Developments with Special Needs included	28	0	0	(28)	28
<u>Total Special Needs Housing Units</u>	352	60	0	(48)	412

*Beds, bedrooms, or apartments

Table 26 HAP's 34 Special Needs Housing Developments as of March 31, 2007

SERVICE PROVIDER	AVG. # PERSONS	HOUSING UNITS*	POPULATION SERVED/PROGRAM**	SERVICES	%MFI
1 Portland Metro Residential	5	5	Developmentally disabled adults	24-hour on-site staff with licensed medical supervision	30
2 Cascadia Behavioral, Inc.	6	6	Chronically mentally ill adults	Individual case management of residents combined with weekly house meetings	30
3 Cascadia Behavioral, Inc.	12	12	Chronically mentally ill adults (shelter configuration with 30-day maximum stay)	Intake with case management seeking long-term placement w/ attached services	30
4 Central City Concern	60	20	Alcohol/Drug Free Housing for families (permanent housing w/ Project-Based Sec 8)	Family mentor on site; part-time on-site employment and skills trainers.	50
5 Cascade AIDS Project	12	3	HIV/AIDS Disabled families	Case management with full range of services through Cascade AIDS Project.	30
6 Cascadia Behavioral, Inc.	5	5	Chronically mentally ill adults	Individual case management of residents combined with weekly house meetings	30
7 Cascadia Behavioral, Inc.	5	5	Chronically mentally ill adults	Individual case management of residents combined with weekly house meetings	30
8 Transition Projects, Inc.	90	90	Homeless men (90-day maximum stay)	On-site case management w/ intensive job search, housing search	30
9 Multnomah County ACJ	15	5	Women from corrections system (with children); transitional housing w/ 2-year maximum stay	Case management with job training, life skills, emphasis on re-uniting families.	30
10 Portland Metro Residential	5	5	Chronically mentally ill adults	Individual case management of residents combined with weekly house meetings	30
11 State of Oregon HCS	5	5	Developmentally disabled adults	24-hour on-site staff (staff/resident ratio 1:1) Licensed RN on staff at all times	30
12 Good Shepherd Lutheran	5	5	Developmentally disabled adults	24-hour on-site staff (staff/resident ratio 1:1) Licensed RN on staff at all times	30
13 Cascadia Behavioral, Inc.	5	5	Dual-diagnosed mentally ill adults	Individual case management of residents combined with weekly house meetings	30
14 Central City Concern	36	12	Alcohol/Drug Free Housing for families	Case management with job training, life skills, emphasis on re-uniting families.	50
15 Transition Projects, Inc.	56	56	Homeless women (3-levels: 1-shelter; 2-shared housing; 3-short-term rental housing)	3-level program w/ on-site job training, case management, life skills, housing search	30
16 Cascadia Behavioral, Inc.	5	5	Chronically mentally ill adults	Individual case management of residents combined with weekly house meetings	30
17 Cascadia Behavioral, Inc.	5	5	Chronically mentally ill adults	Individual case management of residents combined with weekly house meetings	30
18 Cascadia Behavioral, Inc.	4	4	Chronically mentally ill adults	Individual case management of residents combined with weekly house meetings	30
19 Rainbow Adult Living	5	5	Chronically mentally ill adults	Individual case management of residents combined with weekly house meetings	30
20 Cascadia Behavioral, Inc.	5	5	Chronically mentally ill adults	Individual case management of residents combined with weekly house meetings	30
21 State of Oregon HCS	5	5	Developmentally disabled adults	24-hour on-site staff (staff/resident ratio 1:1) Licensed RN on staff at all times	30
22 Cascadia Behavioral, Inc.	5	5	Dual-diagnosed mentally ill adults	Individual case management of residents combined with weekly house meetings	30
23 Cascade AIDS Project	20	4	HIV/AIDS Disabled families	Case management with full range of services through Cascade AIDS Project.	50
24 Central City Concern	10	5	Women in recovery from alcohol/drugs (with children)	Family mentor part-time on-site; case management with full range of services	50
25 Rainbow Adult Living	4	4	Chronically mentally ill adults with developmental disabilities	24-hour on-site staff to provide assistance with daily needs	30

26	Cascade AIDS Project	9	9	HIV/AIDS Disabled adults	Case management with full range of services through Cascade AIDS Project.	50
27	Portland Impact	60	21	Transitional housing--Homeless families	Case management--heavy emphasis on job training, ready-to-rent, life skills, housing	30
28	State of Oregon HCS	5	5	Developmentally disabled adults	24-hour on-site staff (staff/resident ratio 1:1) Licensed RN on staff at all times	30
29	Up and Out, Inc.	10	10	Developmentally disabled adults	24-hour on-site staff (staff/resident ratio 1:2) Licensed RN on staff at all times	30
30	Central City Concern	35	10	Women in recovery from alcohol/drugs (with children); Transitional w/ 2 year limit	On-site family mentor; job training, life skills, parenting, housing search.	50
31	Dungarvin Oregon, Inc.	5	5	Developmentally disabled adults	24-hour on-site staff (staff/resident ratio 1:1) Licensed RN on staff at all times	30
32	Cascadia Behavioral, Inc.	5	5	Chronically mentally ill adults (all placements come through Asian Family Center)	Individual case management of residents combined with weekly house meetings	50
33	Neighborhood House	72	24	Homeless families (2-year maximum stay)	On-site case management with full services; job training on site, child care on-site	30
34	Cascadia Behavioral, Inc.	9	9	Chronically mentally ill adults	Individual case management of residents combined with weekly house meetings	30

Subtotal Special Needs Portfolio: 384 units

*Beds, bedrooms, or apartments

**Unless otherwise noted, housing is permanent

SPECIAL NEEDS UNITS LOCATED AT THREE HAP AFFORDABLE PROPERTIES

SERVICE PROVIDER	AVG. # PERSONS	HOUSING UNITS*	POPULATION SERVED/PROGRAM	SERVICES	%MFI
Cascadia Behavioral, Inc.	8	8	Chronically mentally ill adults	Individual case management of residents combined with weekly house meetings	30
Cascadia Behavioral, Inc.	10	10	Chronically mentally ill adults	Individual case management of residents combined with weekly house meetings	30
Human Solutions	30	10	Homeless families (transitional with 2-year maximum stay)	Case management with child-care program, job training, permanent housing search	30

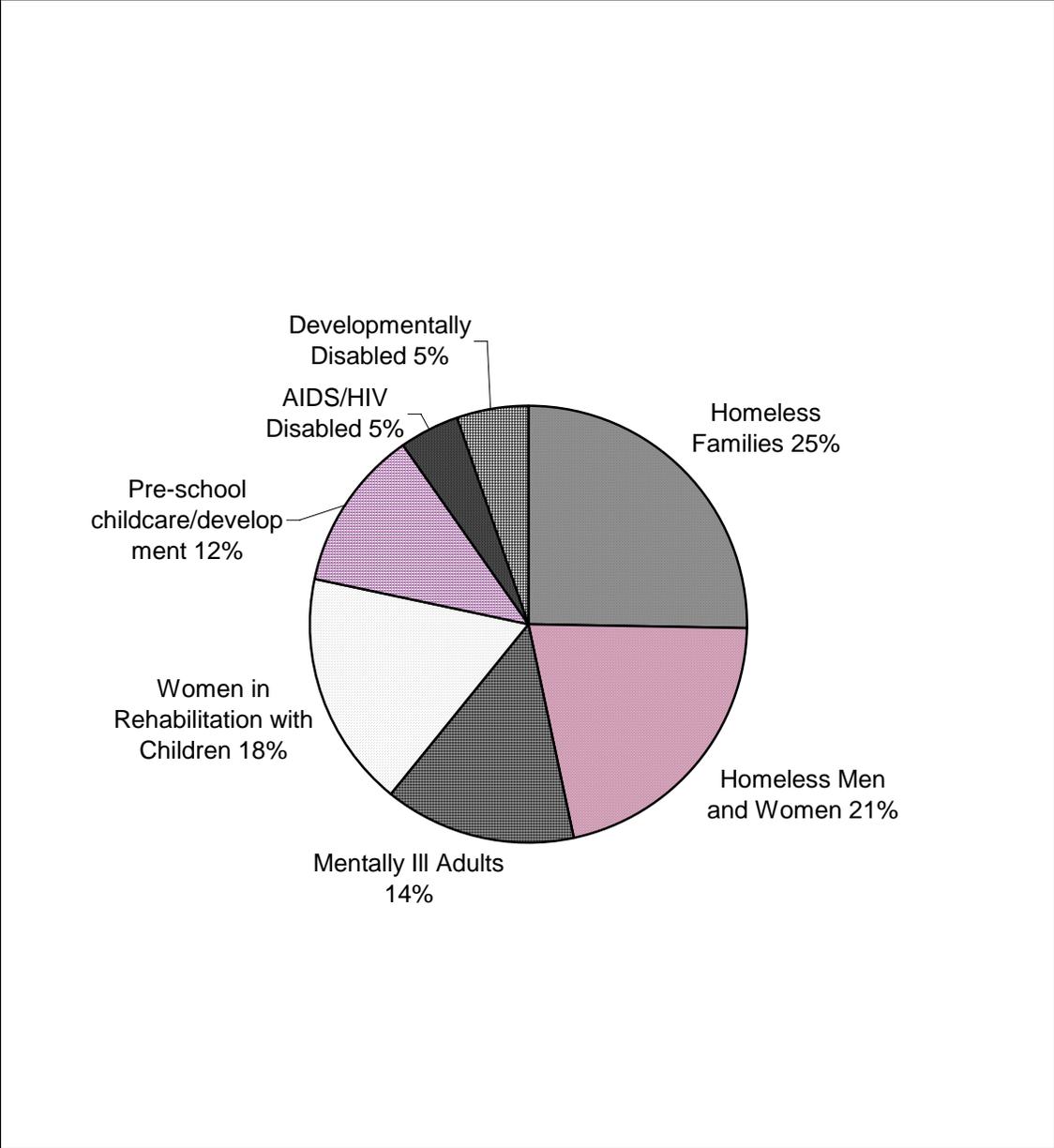
Subtotal Located at Affordable Properties 28 units

Total Special Needs	646	412
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NON DWELLING SPECIAL NEEDS PROPERTIES

SERVICE PROVIDER	AVG. # PERSONS	UNITS	POPULATION SERVED/PROGRAM	SERVICES	%MFI
Albina Head Start	40	2	Low-income families	Fully-equipped classrooms with kitchen facilities on-site	n/a
35 Mt. Hood Community College	40	2	Low-income families, w/ special programs for farm workers	Fully-equipped classrooms with kitchen facilities on-site; bilingual Spanish	n/a
Total	80	4			

Chart 19 Special Needs Populations Served



due to funding cuts. Through a more aggressive lease up, we exhausted our 2002 wait list. Leasing in 2007 is documented below.

Table 28 Section 8 Units Leased-up

Year	Units	Units Leased	Percent Leased
1999	5,312	5,124	96.5%
2000	5,410	5,221	96.5%
2001	5,724	5,615	98.1%
2002	5,943	5,862	98.6%
2003	6,021	5,997	99.6%
2004	6,142	6,167	100.4%
2005	6,142	6,058	98.6%
2006	7,365*	7,220	98.0%
2007	7,516	7,451	100.7%

*Note: Data for FY 2006 forward reflects all HAP Section 8 vouchers (with the exception of 562 MOD/SRO vouchers). In past years, some other types of vouchers were excluded from the MTW report. However, due to community interest in the report, both MTW and non-MTW vouchers administered by HAP are now included in the total.

Information and Certification of Data on Leased Housing Management

Ensuring rent reasonableness – Rent reasonableness for a particular unit is determined by: location, type of unit (house, apartment, duplex, etc.), similar area rents, amenities and handicap accessibility. HAP continues to use an automated rent reasonableness system, which ties in real time data, including current vacancy listings.

Expanding housing opportunities – During the past year, HAP continued to attract an average of 30 new landlords a month to the Section 8 program.

Communication with landlords - A number of key initiatives contribute to our success with landlords.

- HAP advertises the Section 8 program in the newsletters of the region’s largest landlord association and also publishes a periodic newsletter for landlords.
- Periodic mailings to landlords and program participants are sent as needed.
- HAP’s Landlord Committee finds ways to market the program and improve landlord relations. The Landlord Advisory Committee continues to search for ways to market the program to new landlords.
- HAP maintains a comprehensive landlord manual explaining the program and procedures. Landlord trainings and conferences are held two to four times per year on topics such as tenant screening, landlord-tenant law, lead abatement, and property maintenance.
- HAP has a Landlord Hotline to solicit landlord feedback, and added a landlord-only HAP e-mail address to enable landlords to contact the agency’s Communications Team after hours.
- HAP has a “Landlord Liaison” position in its Communications Team to improve response times and give landlords one point of contact to work with.
- Section 8 staff also attend landlord trade shows and submit informational articles and ads to landlord association newsletters.

Communication with participants - HAP staff also work to provide additional support to participants' success through better communication.

- HAP is a partner in the "Ready to Rent" program and produces a periodic participant newsletter to update participants on program changes, procedures, available services, and other salient concerns.
- In lieu of listing vacancies in the county on the HAP website, we now provide weekly updated listings of available properties advertised by local landlords on our rent reasonable automated system. This also provides the benefit to participants of access to available and affordable units, as well as providing the benefit of free advertising for landlords.
- HAP continues in their partnership with a Housing Connections database of affordable housing for the Metro Portland area and provides a computer kiosk to clients to search for available and affordable units.
- The Section 8 Communications Team provides immediate service to respond to landlord and tenant questions. This team also provides information on a tenant's previous rentals to help background checks go more quickly.

Deconcentration of low-income families - HAP evaluates voucher payment standards at least annually. Currently all payment standards are set between 95% and 110% of fair market rent. HAP maintains information by zip code. HAP takes time during briefing sessions to discuss the benefits of moving to neighborhoods with a low rate of poverty. The Section 8 Landlord Advisory Committee supports this process by marketing landlord information sessions to all areas of the county.

Inspection Strategy

HAP continues to employ the same inspection strategy described in previous Moving To Work Plans and Reports. HAP performs four major inspections for Section 8 leased housing programs:

- Initial or Transfer (Pre-contract)
- Annual
- Quality Control
- Special (Complaint)

HAP is in the beginning stages of implementing a biennial inspection process for those participants who have a history of good unit maintenance. This new process should affect approximately 1,500 households in FY 2008. All other participant households will remain on an annual inspection schedule. HAP policy requires that Section 8 landlords must maintain the unit and premises in accordance with Housing Quality Standards (HQS) on a continuous basis as long as the participant family resides in the unit.

HAP Section 8 will continue to expand its building inspection program during the coming year. In accordance with the Year One MTW plan, HAP began doing one whole building inspection each year rather than going out to the building multiple times. HAP has expanded this program to include complexes where there is a large concentration

of Section 8 tenant-based voucher holders, and will continue to expand in the next year. HAP currently has 53 buildings participating in this process.

HAP projects similar results for the next fiscal year. Our experience is that for both owner and tenant, preparation is the key to passing a high number of units on the initial or first inspection. Using recommendations from an outside evaluation of HQS failures, HAP has developed additional tools to help landlords and tenants prepare for inspections. HAP's goal is to continually improve the number of successful inspections and develop a clean housing stock for the Section 8 program. HAP has also created written materials for both landlords and participants to help them prepare for inspection.

HAP will continue to actively monitor family-caused HQS breaches.

Table 29 Section 8 Inspections 2004-2007

Inspections for FY 2004 (April 2003 through March 2004)

Inspection Type	Scheduled	Total Passed	Total Failed	Total No Shows
Initial/Transfer	3359	2284 or 68%	853 or 25%	71 or 2%
Annual	8703	5483 or 63%	2611 or 30%	783 or 9%
SROs	699	608 or 87%	84 or 12%	56 or 8%
Quality Control	259	192 or 74%	44 or 17%	23 or 9%
Special (Complaint)	55	40 or 73%	13 or 23 %	2 or 4%
Totals	13075	8,607 or 66%	3,605 or 28%	870 or 6%

Inspections for FY 2005 (April 2004 through March 2005)

Inspection Type	Scheduled	Total Passed	Total Failed	Total No Shows
Initial/Transfer	3,055			
Annual	9,242			
SROs	673			
Quality Control	210			
Special (Complaint)	49			
Totals	13,229	10,101 or 76%	2,053 or 16%	676 or 5%

Inspections for FY 2006 (April 2005 through March 2006)

Inspection Type	Scheduled	Total Passed	Total Failed	Total No Shows
Initial/Transfer	2,708			
Annual	7,777			
SROs	659			
Quality Control	141			
Special (Complaint)	73			
Totals	11,358	10,022 or 88%	2,642 or 23%	1,035 or 9%

Inspections for FY 2007 (April 2006 through March 2007)

Inspection Type	Scheduled	Total Passed	Total Failed	Total No Shows
Initial/Transfer	3,519			
Annual	7,918			
SROs	953			
Quality Control	65			
Special (Complaint)	95			
Totals	12,550	10,834 or 86%	2,876 or 23%	1,090 or 9%

Note: Percentages in the tables above may exceed 100% because reinspections are included in the counts. Internal controls are in place to make sure annual inspections do not get missed.

Security

HAP has linked fraud work organizationally to the inspections staff grouping. The fraud team continues to work closely with the Gresham and Portland police, Multnomah County District Attorney's office, the HUD Inspector General's office, and the Office of Neighborhood Involvement.

Section 8 also has a fraud tip hotline for complaints, and has revamped its zero-income procedures to more strictly enforce program compliance, while offering additional assistance to those who need service referrals to help them obtain an income. Since these changes, HAP is averaging an additional 20-25 fraud-related terminations a month for a total of approximately 300 fraud terminations a year. HAP also continues with stricter enforcement of terminations related to damaged units and has terminated an additional two to three households a month for damages.

Part 2 - Short Term Rent Assistance (STRA) Program

Multnomah County, the cities of Portland and Gresham, and HAP provided short-term rental assistance to social services agencies through various programs for over ten years. Funds came from six sources including federal, state and local funders. In FY 2007, HAP became the single administrative entity to coordinate these funds. Although intending to develop and implement a more coordinated approach, HAP began the administration of funds using the formulas, selection processes, and systems previously utilized by each funding source.

In January 2007, HAP released a Request For Proposals for the STRA funds for competitive bid County-wide. The STRA program is funded by the City of Portland, the City of Gresham, Multnomah County, and HAP, and includes local funds, as well as funds from the U.S. Department of Housing and Urban Development (HUD), the Federal Emergency Management Agency (FEMA), and the State of Oregon. The estimated amount of funding is between \$1,600,000 and \$1,800,000 million per year, or approximately \$5,100,000 over three years. This procurement, valid from July 1, 2007 through June 30, 2010, represents the first time that all of the STRA funding sources were put out for competitive bid at the same time under a unified system, available to any qualified agency in Multnomah County.

The goal for allocation of funds is to balance services in three primary areas:

- Safety off the streets – 15% of the funds are to assist households with immediate, temporary shelter;
- Permanent housing placement– 45% of the funds are to help households obtain permanent housing;
- Maintain permanent housing (Eviction Prevention Services) – 40% of the funds are to help households with supportive services to enable them to maintain permanent housing.

During FY 2007, the short-term rent assistance program served 2,353 unduplicated households* through 26 partner agencies. This included:

- 754 households being vouchered into a motel for 1-30 nights.
- 68 households being vouchered into a motel for medical reasons.
- 1531 households receiving one or more months of rent/mortgage assistance. This includes households that were homeless that received help with housing placement and up to 12 months of subsidy, as well as those households who needed only one-time help to prevent eviction.

* Some of the 2353 households received more than one form of assistance (a hotel voucher and rent assistance, a hotel voucher and a medical voucher, etc). For summary purposes, this tally counted only the primary type of assistance for each household.

Section IX: Resident Services

This section describes the kinds of housing services offered for Section 8 participants and public housing residents.

Programs for Families

GOALS program - HAP's FY 2007 MTW Plan summarized the agency's Family Self-Sufficiency Program (known internally as the GOALS program). The program involves one-on-one support, access to multiple resources, and the opportunity to develop an escrow account to be accessed on graduation, with the ability to make interim withdrawals to achieve interim goals.

To be eligible for the GOALS program, a participant agrees to:

- be a tenant in good standing living in public housing or holding a Section 8 tenant-based voucher;
- agree to set life goals that include seeking and maintaining employment; and
- if applicable, agree to cease participation in Temporary Aid to Needy Families (TANF), a state welfare program.

Recent changes in graduation requirements - In preparation for implementation of HAP's Opportunity Housing Initiative (OHI is outlined in detail in the FY 2008 Plan), HAP's Board approved changes in policies for newly-enrolling GOALS participants during the last quarter of FY 2007. These include changes to the *GOALS Action Plan*:

- Upon graduation, eliminate the need for HAP's housing subsidy (with the exception of Section 8 Homeownership participants who continue to receive voucher payments.)
- Escrow withdrawals will not be available until graduates have left HAP housing (with the exception of approved interim withdrawals).
- Explicit agreements will be included in self-sufficiency plans that include participation in training for increased competency in financial literacy, computer literacy, job skills and other areas critical to family success.

Another change necessary to implement OHI was the elimination of the Earned Income Disallowance utilized when calculating rent. Utilizing MTW authority, HAP eliminated 100% of this requirement for all new GOALS participants as of April 1, 2007. This allows participants to establish their asset building (escrow) account early in their career.

As of March 31, 2007:

- 501 households were active in the GOALS program; approximately 15% were public housing residents and 85% had Section 8 vouchers.
- 625 participated during the year, with 6 port-outs (moves between counties), 19 voluntary terminations, and 34 terminations for cause.
- 65 participants graduated during this fiscal year, 21 of these graduates became first time homebuyers at graduation.
- The average graduate received \$4,128 in escrow savings last year.

Although the participant numbers are somewhat lower this year than last, staff has been focusing on internal training and making program adjustments in order to more fully align with OHI. With more aggressive marketing anticipated during FY 2008, more participants are anticipated.

Employment preparation and support continues to be a key service and resident-need of our Self-Sufficiency program. The HUD Resident Opportunities and Supportive Services (ROSS) – Resident Service Delivery Model (RSDM) program has funded training slots in various programs offered through contract by Portland Community College (PCC) Workforce Network.

- 104 participants had new jobs over the year.
- average annual income increased \$12,720 for graduating participants.

As of March 31, 2007, HAP had 8.6 full-time GOALS coordinators. Multi-lingual and program specializations have improved employment preparation work with GOALS families, as well as bilingual case management in Spanish (two coordinators) Russian (two coordinators) and the ability to work with Bosnian, Cambodian, Croatian, Eritrean, Ethiopian, Laotian, Middle Eastern (Arabic and Farsi), Oromo, Somali, Slovenian, Thai and Vietnamese families in their native language.

Construction pre-apprenticeship program - As one of five apprenticeship preparation programs in the State of Oregon certified by the Bureau of Labor and Industries, HAP's Evening Trades Apprenticeship Preparation (ETAP) program prepares residents for entry into construction trades apprenticeships. In FY 2007 HAP completed work on a contract to transfer the primary operations of ETAP to Construction Apprenticeship Workforce Solutions (CAWS), a newly formed regional service provider.

ETAP has been funded through a 2005 ROSS RSDM grant, a contract from Portland's Bureau of Housing and Community Development and Worksystems Inc. HAP's second HOPE VI grant, Humboldt Gardens also incorporates ETAP participants into its Section 3 employment plan.

- ETAP has served 493 participants since its inception in 1998.
- As of March 31, 2007, there have been 354 ETAP graduates.

- 189 of the total graduates have gone on to employment in various construction trades, showing an average increase in hourly wage by \$10.91 after graduation.

Youth programs – HAP works with community partners to promote academic and social success in youth who live at HAP properties:

- The **Early Literacy Program** serves four public and affordable housing communities with weekly story time sessions designed to build parent engagement in early reading development.
- **After-School Homework Clubs** are provided through a contract with LifeWorks NW. Multnomah County's Mental Health and Addiction Services, Portland's Children's Investment Fund and HAP fund the program. Over 350 youth throughout our housing portfolio participated in these programs last year, receiving homework assistance, school supports, home visits and life skills training.
- The **GOALS for Kids program** served 75 public housing middle school and high school youth in partnership with the Youth Employment Institute and REACH CDC. The program provides financial literacy training, asset-building opportunities and case management in support of school success and saving for post-secondary education.
- The **Neighborhood Networks** computer learning centers complement the after-school program in three public housing developments. Through a contract with Portland Community College, funded by a HUD grant, instructors build computer skills in youth and adults, as well as opportunities for homework research and completion, job searches and resume writing.
- A partnership with **Girl Scouts of America** provides volunteer-driven troops in several housing developments, providing full program access and mentorship to girls from 5 – 17 years of age.
- **Janus Youth Programs** partners with the residents of St. John's Wood and New Columbia to create community gardens that increase food security, nurture connections between neighbors, educate youth and build entrepreneurial skills.

Programs For Seniors And People With Disabilities

Congregate Housing Services Program - During FY 2007, HAP completed the contracting process to provide congregate housing services to approximately 90 elderly and disabled residents at four HAP high-rise apartment communities. Portland Impact, a non-profit organization, now operates the program to support frail seniors and people with disabilities to live independently in their own apartment by providing basic daily services (such as meals, housekeeping, senior companionship, personal care, health and wellness services) and case management.

Resident Service Coordination (RSC) Program helps to ensure the housing and health stability of seniors and people with disabilities through facilitated problem-solving and referrals to community supports. The RSC staff members also work to bring wellness resources into the 14 buildings that house this population throughout the county.

HOPE VI Community and Supportive Services (CSS)

During FY 2007, HAP's HOPE VI physical redevelopment activity was completed at New Columbia and relocation completed at Humboldt Gardens, along with early site development activities. The "people-side" of these redevelopments is well underway in both communities.

New Columbia - With the HOPE VI redevelopment efforts coming to a close in December 2006, a reduced number of CSS staff has spent the last year on-site assisting with community building activities and resident/youth service coordination for the new community. Staff has been working to develop strong partnerships with agencies such as Portland Community College and the Boys & Girls Club to extend programs to New Columbia residents. Activities underway (which will continue into FY 2008) include community safety and crime prevention awareness, summer youth employment, programming with community partners, development of a summer music series and special events in McCoy Park, senior-focused programming, and on-going communications to residents (rental and homeowner) and surrounding neighbors.

The CSS Endowment is a new approach that provides a structure for the continuation of HOPE VI services for the next four to five years. The CSS Endowment supports on-site services for two staff members. Partnership development is a key element of the long-term sustainability strategy after the Endowment terminates and direct services from HAP staff are not available. Longer-term funding for community building staffing is included in the budgets of the four tax credit partnerships that financed New Columbia.

Humboldt Gardens – CSS staff worked alongside relocation staff during FY 2007 to ensure a smooth transition to new housing. Case management services, "triage" risk assessment, on-going outreach, and the development of Individual Development Plans (IDAs) have been underway.

Collaboration with community partners is underway with a focus on housing stability, employment, and youth.

- Housing stability - Now settled in their new locations, residents face the challenges of adapting to new neighborhoods, commutes, schools and utility expenses. Case managers help them solve problems and overcome barriers to ensure they remain residents in good standing while away from Humboldt Gardens.
- Employment - CSS staff has been helping residents identify goals and build skills to increase employability and earnings. Examples include helping residents obtain their GED, access job skills training and navigate employment systems.

- Youth - CSS staff is ensuring children adjust to new schools through direct communication with school staff, and helping them connect with programs in their neighborhoods that build academic and pro-social skills.

The Community and Supportive Services program at Humboldt Gardens provides a menu of key services to support and nurture the success of HOPE VI households. The CSS workplan is a guiding document that outlines these services in detail. Below is a highlight of the critical components.

Case management services - Case management services wrap around each household, providing a diversity of services over an extended period of time, helping families move toward self-sufficiency goals. This approach provides individualized, hands-on, sustained mentoring and coaching towards housing stability and self-sufficiency, delivered by in-house staff members who have been specifically recruited and trained by HAP. Staff uses a variety of tools and techniques to engage and evaluate resident progress:

- Triage risk assessment - Before relocation begins, a triage system identifies at-risk families that need the greatest attention within the first critical months after relocation.
- Relocation support - The CSS team works in tandem with relocation staff to help ensure that residents are supported through the move, connected to their new neighborhoods and that their link to our services remains strong throughout the project. During re-occupancy, the CSS team again supports each resident by providing counsel, access to services and help in understanding the steps of the process.
- On-going outreach - Home visits and on-going phone contact are conducted.
- Individual Development Plans (IDPs) - CSS case managers work with residents to create Individual Development Plans that reflect their goals. Staff members then help residents take the steps needed to accomplish their goals.

Collaboration with Community Partners

- Employment and training - All working-able residents receive support in education and training for sustainable family-wage jobs that will lead to economic stability. The CSS plan leverages HAP's existing partnerships in workforce development, training, education and job placement.
- Youth services - In order for families to achieve economic stability and housing self-sufficiency the needs of the entire family, and especially the children, must be addressed. Youth services foster positive youth development through mentoring, outdoor activities, sports involvement, community service, art and science learning, and youth leadership development. The CSS school and youth specialist links youth to partners' programs.
- On-site services / Post re-occupancy – The master plans for Humboldt Gardens includes a new Head Start center and the "Opportunity Center", where Opportunity Housing Initiative activities will take place.

Section X:
Other Information Required by HUD

Results of the latest completed 133 Audit – The audit for the most recent fiscal year will be forwarded to HUD as soon as it is available.

APPENDIX A

GLOSSARY

ACC - Annual Contributions Contract

The legal document (contract) between a housing authority and HUD.

Under the ACC HUD commits to provide the housing authority with the funds for:

Public housing - the development, modernization and/or operation of a low-income project.

Section 8 - housing assistance payments to landlords and administrative fees to the Housing Authority.

Under the ACC the housing authority commits to:

Public housing - develop, modernize, and operate the project in compliance with the ACC and HUD regulations.

Section 8 - perform the duties of a contract administrator.

Capital Funds/Capital Grant Funds

Funds that a housing authority receives from HUD to address capital improvement needs in public housing properties.

Congregate Housing Services Program (CHSP)

A contracted program that offers housekeeping, meal preparation, and other in-home services to elderly and disabled residents in HAP high rise properties.

End of Initial Operating Period (EIOP)

The date upon which public housing operating subsidy for any new public housing project will begin to flow.

Evening Trades Apprenticeship Preparation (ETAP) program

A HAP program that provides apprenticeship preparation training and direct access to apprenticeships with both the Carpenters and Laborers Unions. ETAP has evolved into a partnership with the regional agency: Construction Apprenticeship Workforce Solutions (CAWS).

Flat Rents

A fixed rental payment based on comparable units in the private unassisted market. In the case of an MTW agency, a fixed rental payment that includes additional factors.

Greater Opportunities to Advance, Lean and Succeed (GOALS)

A HAP program that helps Section 8 and public housing participants work toward independence from public assistance through employment and asset building. GOALS for Kids helps middle-school children reach their educational goals, while learning to save and accrue financial assets.

Housing Quality Standards (HQS)

Basic livability and safety standards that a rental unit must meet to become eligible for a Section 8 subsidy.

Median Family Income (MFI)

MFI is set by HUD on an annual basis for families of different sizes. Eligibility for housing assistance is determined by the household income as percentage of MFI.

Moderate Rehabilitation Program

A HUD program that provides rehabilitation funds for rental housing in exchange for a long-term commitment to house low-income households.

Operating Funds

Funds that HAP receives from HUD for the general day-to-day operations at HAP public housing properties.

Permanent Supportive Housing (PHS) Unit: a unit of Permanent Housing that is: (a) subject to restrictive covenants requiring that the unit be affordable to single individual households with incomes at or below 30% MFI, or multiple individual households below 50% MFI, as defined by HUD and the restrictive covenants applicable to the unit; (b) with supportive services from a Partnered Service Provider, as defined in the PSPA; and (c) occupied by a person or household who is, or was at the time of initial occupancy of the unit, a PSH Tenant. (Definition from the City of Portland)

Replacement Housing Factor

A type of Capital Grant funds that a housing authority receives when a Public Housing unit is removed from the Annual Capital Contribution Contract due to demolition or sale. The funds may be used to support replacement of a new public housing unit.

Reserves**MTW Project Reserves**

The amount of reserve funds made available to HAP on a one-time basis during the initial MTW year 2000.

Reserves- Public Housing

A calculation of accumulated net income or loss.

Reserves- Section 8

A calculation of accumulated net income or loss.

Section 8 Vouchers/Assistance

Fair Share Vouchers

Vouchers that were allocated by HUD according to state demographics.

HOPE VI Relocation Vouchers

Vouchers HAP received to assist with relocation efforts connected to HAP HOPE VI project.

Housing Choice Vouchers

A general term for Section 8 vouchers that can be either tenant-based or project-based.

Mainstream Vouchers

Vouchers for people with disabilities.

Musolf Manor Vouchers

One of two local project-based certificate buildings, studios subsidized under the former Section 8 certificate program to serve singles who are elderly or disabled.

Preservation Vouchers

Vouchers issued to residents of certain HUD-subsidized buildings when the owner's subsidy contract ended with HUD. Also known as "Opt Out Vouchers."

Project Access Vouchers

Vouchers for non-elderly persons with disabilities who are transferring from a nursing home into the private rental market.

Project-Based Assistance Vouchers (PBAs)

Project-based assistance provided under HAP's demonstration program which ties assistance to individual units serving those who are not traditionally successful in the tenant-based voucher program.

Tenant-Based Vouchers

The majority of HAP's Section 8 vouchers which provide rental assistance to low-income residents so that they can rent from any qualified private landlord who accepts rent assistance vouchers. Residents negotiate their own lease.

Twelfth Avenue Terrace Vouchers

One of two local project-based certificate buildings, studios subsidized under the Section 8 certificate program to serve singles who are elderly or disabled.

Welfare to Work Vouchers

Vouchers targeted towards people who are in job training or other programs that aim to move people from TANF (welfare) assistance to employment.

Western Rooms Vouchers

One of HAP's preservation projects that "opted out" of the HUD contract, creating special vouchers for the former residents of Western Rooms.

Veterans Vouchers (VASH)

Vouchers for homeless veterans.

Resident Services Coordination

Program that supports residents in HAP's high-rise building by assisting through information and referral to community resources, light case management, and community building activities.

Single Room Occupancy (SRO)

Rooms that are designated for single adults. Residents share kitchen and bathroom facilities.

Youth Services

Programs that increase self-esteem and school performance, resulting in measurably reduced crime and drug use.

Appendixes B, C, D, and E



MEMORANDUM

SUBJECT: RESOLUTION 06-10-04

AUTHORIZING MODIFICATIONS TO THE CURRENT WAIT LIST
POLICIES FOR SECTION 8 RENT ASSISTANCE

TO: BOARD OF COMMISSIONERS

FROM: Steven D. Rudman 503.802.8455 stever@hapdx.org
Contact: Margaret Van Vliet 503-802-8505 margaret@hapdx.org
Dena Ford-Avery 503-802-8568 denaa@hapdx.org

DATE: October 10, 2006

ISSUE:

Resolution 06-10-04 authorizes changes to be made to the current wait list policies for Section 8 rent assistance.

BACKGROUND:

The time has come again to re-open the Section 8 waiting list. HAP's practice has been to open the list every few years to gain new applicants for the waiting pool. For the four previous openings, we have used the same system, which involves requiring people to come to one of five designated locations over a five-day period, taking names of all who applied during a one-week period in various geographic locations around Multnomah County, and then conducting a random lottery each month to draw the number of names we can serve in that month. HAP's latest opening occurred in October 2002, and we received nearly 9, 000 applications in five days. The list moved very slowly for a variety of reasons and the resulting age of the list has meant that just one in five called has followed the process through and begun receiving housing assistance.

Given that our current system is ten years old, and in recognition of the recent experience of pulling from an aged list, staff has researched practices of other housing authorities in an effort to understand current best practices. The following modifications to HAP's Section 8 Administrative Plan are recommended for implementation beginning in November, 2006.

1. Simplify application to ask only for mandatory data from applicants.
2. Make applications available to special needs agencies for a full thirty days (no change from past practices).
3. Provide applications to welfare offices, other social service agencies and in other public places such as libraries.

4. Place application on the HAP website so potential applicants can download and complete independently.
5. Allow applicants to come to a wait list assistance site, OR return the application via US mail with a required post-marked date to be determined by staff (suggested to be November 17, 2006 for the current year).
6. Take all applications that are submitted prior to designated due date (11/17/06 for current year), enter data into HAP's computer system, then do one randomizing of the entire list.
7. Notify the first 3,000 that they will be served. Notify the remaining households that they were not selected in the random draw (and refer them to other social service systems).

Based on the last 24 months of experience, and projections of ongoing terminations, staff believes that 3,000 is the number of households we can serve over a three-year period. Once we exhaust this size list, we will re-open the waiting list.

RECOMMENDATION:

These recommendations were reviewed with the Housing Operations Liaison Committee on October 5, 2006. Staff recommends approval of resolution 06-10-04.



RESOLUTION 06-10-04

ADOPTING REVISIONS TO THE SECTION 8 ADMINISTRATIVE PLAN WITH REGARD TO WAITING LIST POLICIES

WHEREAS, the HAP Board of Commissioners has adopted an Administrative Plan (the Plan) governing admission and continued participation in the Section 8 Housing Program; and

WHEREAS, the Plan includes criteria regarding the policies applicable to various situations concerning Section 8 applicants and participants, including selection and admission of applicants from the waiting list; and

WHEREAS, HAP has the obligation to define and include in its policies those recommendations and requirements that will facilitate efficient program administration, fair access to Multnomah County residents, and comply with federal regulations; and

WHEREAS, HAP has determined that certain modifications to its waiting list opening and administration could improve access and cost efficiency;

NOW THEREFORE, BE IT RESOLVED, that the HAP Board of Commissioners authorizes the Executive Director to revise the Plan to allow HAP to make application forms available on the HAP website, in welfare offices, other social service agencies and in other public places such as libraries, and to accept applications at designated sites or by mail by a deadline determined by HAP and publicly announced.

AND BE IT FURTHER RESOLVED, that the HAP Board of Commissioners authorizes the Executive Director to revise the Plan to allow HAP to enter applications into HAP's computer system (one application per family), randomly order all applications after the application deadline has passed, then select the first 3,000 applications to be placed on the waiting list in the same order, and notify applicants of results of random selection.

Adopted: October 17, 2006 HOUSING AUTHORITY OF PORTLAND

Kandis Brewer Nunn, Chair

Attest:

Steven D. Rudman, Secretary



MEMORANDUM

SUBJECT: RESOLUTION 06-11-01

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS BY THE AUTHORITY, IN ITS OWN BEHALF AND IN ITS CAPACITY AS OWNER OF THE FAIRVIEW OAKS/WOODS DEVELOPMENT, IN CONNECTION WITH THE APPLICATION OF A PORTION OF ACC OPERATING SUBSIDY TO SUPPORT CERTAIN PROPOSED PUBLIC HOUSING RENTAL UNITS, AND DETERMINING RELATED MATTERS.

TO: BOARD OF COMMISSIONERS

FROM: Steve Rudman 503-802-8455 stever@hapdx.org

Contacts:

Michael Andrews 503-802-8507 michaela@hapdx.org

Michael Havlik 503-802-8482 michaelh@hapdx.org

DATE: November 15, 2006

ISSUE:

The Board is being asked to adopt a resolution authorizing Authority officials to execute all agreements and other documents related to the execution of an Operating Subsidy Only Mixed-Finance Amendment to the Consolidated Annual Contributions Contract between the Authority and the U.S. Department of Housing and Urban Development ("HUD") in order to make ACC operating subsidy available to support approximately 40 existing residential units of the Fairview Oaks/Woods property in Fairview, Oregon and its related regulatory requirements.

BACKGROUND:

Fairview Oaks/Woods consists of 328 dwelling units for households earning eighty percent (80%) of the Area Median Income or less. The units currently serve low-income families, and include 1-, 2-, 3- and 4- bedroom townhouse, flats, and walk-up units. HAP is the sole owner of this property. Fairview Oaks/Woods was refinanced on December 22, 2005 with an FHA-insured loan from Prudential Huntoon Paige Associates, Ltd. in the initial principal amount \$12,125,600.00.

Applying ACC subsidy to approximately forty (40) units at Fairview Oaks/Woods will create additional opportunities to help low-income families become stabilized, successful and eventually move from assisted housing. HAP is dedicating additional Resident Services resources to benefit all 328 households at the properties, as well as

redoubling community safety efforts at the properties through partnership with the City of Fairview.

The resolution will authorize the Chair of the Board, the Authority's Executive Director and their designees, to execute all agreements and other documents related to the application of the ACC subsidy to approximately forty (40) units at the Fairview Oaks/Woods property in Fairview, Oregon in a single phase, mixed-finance, operating subsidy only closing. These documents are further explained in the resolution and a list of these documents is provided as Exhibit A.

RECOMMENDATION:

At the monthly briefing, the Board of Commissioners reviewed details related to this transaction. The Development and Community Revitalization Liaison Committee recommends approval of this resolution 06-11-01.



RESOLUTION 06-11-01

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS BY THE AUTHORITY, IN ITS OWN BEHALF AND IN ITS CAPACITY AS OWNER OF THE FAIRVIEW OAKS/WOODS DEVELOPMENT, IN CONNECTION WITH THE APPLICATION OF A PORTION OF THE ACC OPERATING SUBSIDY TO SUPPORT CERTAIN PROPOSED PUBLIC HOUSING RENTAL UNITS, AND DETERMINING RELATED MATTERS.

WHEREAS, the Housing Authority of Portland (the “Authority”) seeks to encourage the provision of long-term housing for low-income persons residing in the City of Fairview, Oregon (the “City”);

WHEREAS, ORS 456.065 defines “housing project” to include, among other things, “any work or undertaking . . . to provide decent, safe and sanitary urban or rural housing for persons or families of lower income”;

WHEREAS, the Authority has ACC subsidy available to support additional residential units pursuant to the Authority’s Consolidated Annual Contributions Contract with the Secretary of the U.S. Department of Housing and Urban Development (“HUD”);

WHEREAS, the Authority developed Fairview Oaks/Woods (in two phases in 1992 and 1995) to provide 328 units of quality affordable rental housing to residents in the City of Fairview, and in 2005, refinanced this project to, in part, create the opportunity for inclusion of some number of these overall units on the Authority’s Consolidated Annual Contributions Contract.

WHEREAS, the Authority seeks to apply a portion of the aforementioned ACC subsidy to approximately 40 units of Fairview Oaks/Woods in the City in a single phase, mixed-finance, operating subsidy only closing;

WHEREAS, creating and maintaining a safe community environment and opportunities for residents to improve their economic well being is a priority for the Authority at the Fairview Oaks/Woods.

WHEREAS, ORS 456.135 authorizes the Authority to delegate to one or more of its agents and employees such powers as it deems proper;

NOW, THEREFORE, BE IT RESOLVED:

1. Approval of HUD Documents. The Authority has been presented with drafts of the documents listed in Exhibit A under the heading “HUD Documents” (the “HUD Documents”) in connection with the Project, which documents are on file with the Authority’s Secretary. The Chair of the Board, Authority’s Executive

Director and their respective designees (each, an “Authorized Officer” and, collectively, the “Authorized Officers”), and each of them acting alone, are authorized and directed to execute and deliver, on behalf of the Authority, the HUD Documents substantially in the form on file with the Authority; *provided however*, any Authorized Officer may approve on the Authority’s behalf any further changes to the draft HUD Documents, including material changes, and such Authorized Officer’s signature on the final HUD Documents shall be construed as the Authority’s approval of such changes. The Authorized Officers (and each of them acting alone) are further authorized and directed to execute and deliver, on behalf of the Authority, any other documents reasonably required to be executed by the Authority to carry out the transactions contemplated by the HUD Documents.

2. Ancillary Documents. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority to negotiate, execute, deliver and/or file (or cause to be negotiated, executed, delivered and/or filed) any affidavits, certificates, letters, government forms, documents, agreements and instruments that any such Authorized Officer determines to be necessary or desirable: (i) to give effect to this resolution; (ii) to consummate the transaction contemplated herein; or (iii) to further the Project.
3. Expenditures. The Authority is authorized to expend such funds as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution.
4. Acting Officers Authorized. Any action required by this resolution to be taken by the Chair of the Board or Executive Director of the Authority may in the absence of such person be taken by the duly authorized Chair of the Board or acting Executive Director of the Authority, respectively.
5. Ratification and Confirmation. All actions of the Authority and its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.
6. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED: November 21, 2006

HOUSING AUTHORITY OF PORTLAND

Kandis Brewer Nunn, Chair

ATTEST:

Steven D. Rudman, Secretary

EXHIBIT A
PROJECT DOCUMENTS

HUD Documents

Mixed Finance Amendment to Consolidated Annual Contributions Contract [Operating Funds Only] between the Authority and HUD;

Declaration of Restrictive Covenants [Operating Funds Only] by the Authority and HUD;

Property Management Plan which includes Management Agreement;

Operating Subsidy-Only Mixed Finance Certification for the benefit of HUD;

Certifications and Assurances for the benefit of HUD;

Subordination Agreement by Prudential Huntoon Paige Associates, Ltd., HUD and the Authority.

CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Executive Director and Secretary of the Housing Authority of Portland (the "Authority") and keeper of the records of the Authority, CERTIFY:

1. That the attached Resolution 06-11-01 (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of the Authority, as adopted at a meeting of the Authority held on the 21st day of November, 2006, and duly recorded in the minute books of the Authority.

2. That such meeting was duly convened and held in all respects in accordance with law, and, to the extent required by law, due and proper notice of such meeting was given; that a quorum was present throughout the meeting and a majority of the members of the Board of Commissioners of the Authority present at the meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of November, 2006.

HOUSING AUTHORITY OF PORTLAND

Executive Director and Secretary



MEMORANDUM

**SUBJECT: RESOLUTION 07-01-01
PROVIDES APPROVAL OF A RESOLUTION TO AMMEND THE
GOALS ACTION PLAN**

TO: BOARD OF COMMISSIONERS

**FROM: Steve Rudman 503.802.8455 stever@hapdx.org
Contact:
Veronica Sherman King 503.335.6801 veronica@hapdx.org
Rachael Duke 503.335.6810 rachael@hapdx.org**

DATE: January 10, 2007

ISSUE:

Revise HAP's Family Self-Sufficiency Action Plan to require families to exit Public Housing or Section 8 as part of the graduation process from the GOALS program. The final escrow payment will be available only to those newly enrolling families who successfully graduate from the program.

BACKGROUND:

Over the last several months, the Resident Services Department has been considering modifications to the GOALS program in support of HAP's Opportunity Housing Initiative (OHI). This has included a look at our graduation policy, which at this time does not require families to exit from HAP assisted housing. While families stay in HAP housing for multiple reasons, the Opportunity Housing Initiative (OHI) has goals connected to both recycling the housing resource for the community, as well as ensuring the success of participating families in achieving housing mobility.

The proposed new policy will:

- Set up an expectation as part of a condition of participation in the GOALS program that the family will successfully exit HAP assisted housing.
- Require GOALS coordinator to work with participants to assist them in creating a vision for themselves that includes success and mobility, including focused training in areas that the GOALS staff is currently identifying as critical to family success, such as financial literacy, computer literacy, and job training.
- Continue to require that the full escrow payment is not available to families until they have graduated from the GOALS program.
- Require that graduation from GOALS include exiting HAP Public Housing or the Section 8 programs, with the exception of Section 8 subsidy directed toward the Section 8 Homeownership Program, which requires an ongoing commitment of Section 8 voucher payments.

- New families will have the option of exiting the GOALS program and keeping their housing subsidy. However, in that case they will not have access to their escrow account. This will not impact families enrolled in the GOALS program prior to 2007.

RECOMMENDATION:

Staff recommends its approval.



RESOLUTION 07-01-01

PROVIDES APPROVAL OF GOALS ACTION PLAN REVISION

WHEREAS, the Housing Authority of Portland is focused on program development in support of the Opportunity Housing Initiative including program development within the Family Self-Sufficiency program that focuses on maintaining successful tenancy leading to self-sufficiency and housing mobility; and

WHEREAS, the GOALS program assists residents in achieving self-sufficiency and housing mobility through case-management and employment, training and educational opportunities; and

WHEREAS, the GOALS program also assists residents in developing savings through redirecting incremental increases in rent to an escrow; and

WHEREAS, HAP provides the savings in the escrow account to GOALS participants at the time of graduation from the GOALS program; and

WHEREAS, the escrow account should also support self-sufficiency and housing mobility;

WHEREAS, Public Housing and Section 8 are scarce resources and community's broad interest of serving greater number of low-income residents will be served by recycling the housing assistance;

NOW THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of Portland authorizes the Executive Director to submit the following amendment of Section C-9 of the GOALS Action Plan to the U.S. Department of Housing and Urban Development for approval. Section C-9 shall read:

9. Individual Service Plan: A Service Plan is an attachment to the GOALS Agreement. The GOALS head of Family (at minimum) will be required to develop a Service Plan... The final goals of the head of Family, for all enrollees beginning 2007 must include seeking and maintaining suitable employment, as well as a move out of Public Housing or the Section 8 Voucher Program, with the exception of Section 8 voucher payments targeted towards homeownership through the Section 8 Homeownership Program. All completion dates must be on or before the GOALS Agreement expires. Other Family members, age 18 or older, may choose to sign a Service Plan. Each Service Plan must be signed by the GOALS family member and the GOALS staff person.

Adopted: January 16, 2007

HOUSING AUTHORITY OF PORTLAND

Jeff Bachrach, Chair

Attest:

Steven D. Rudman, Secretary



MEMORANDUM

SUBJECT: RESOLUTION 07-06-03

**APPROVING THE MOVING TO WORK ANNUAL REPORT FOR
THE FISCAL YEAR ENDING MARCH 31, 2007**

TO: BOARD OF COMMISSIONERS

**FROM: Steve Rudman 503.802.8455 stever@hapdx.org
Contact: Shelley Marchesi 503.802.8427 shelleym@hapdx.org**

DATE: June 13, 2007

ISSUE:

Resolution 07-06-03 approves the Eight Year Moving To Work Annual Report (FY 2007) for submission to the Department of Housing and Urban Development.

BACKGROUND:

On December 31, 1996, the Department of Housing and Urban Development (HUD) requested high performing housing authorities to submit proposals to participate in the Moving to Work (MTW) Demonstration Program to design and test new ways of providing housing assistance and need services to low-income households.

HAP submitted an MTW Application to HUD on May 18, 1997, after receiving input from residents and the public. The application requested authorization to adopt new policies and procedures to more effectively serve the low-income people of Portland.

HAP was selected by HUD as one of twenty-four housing authorities to participate in the MTW Demonstration Program on October 31, 1997. HAP requested, and received, an extension of this agreement in 2001 and again in 2006. This current extension, which lasts until March 31, 2009, recognizes past successes of the MTW program as well as the additional reforms that can take place in future years.

HAP has submitted seven previous Moving To Work annual reports to HUD as authorized by the HAP Board of Commissioners. Reflecting the Board's request during review of the HUD report last year, the FY 2007 annual report includes two new sections that are not required by HUD for MTW purposes:

- 1) a summary of HAP's affordable housing portfolio, both workforce and special needs housing; and

- 2) a summary of HAP's coordination of the regional short term rent assistance program.

The report now provides the Board and community stakeholders with a more comprehensive look at the work HAP is doing to support and house lower income residents in the community.

RECOMMENDATION:

Staff recommends approval of Resolution 07-06-03.



RESOLUTION 07-06-03

APPROVING THE MOVING TO WORK ANNUAL REPORT FOR THE FISCAL YEAR ENDING MARCH 31, 2007

WHEREAS, on January 13, 1999, HUD and the Authority signed an MTW Agreement which provides the Housing Authority of Portland with the authority to investigate and adopt new policies and to flexibly use HUD funding to maximize the effectiveness of this important resource; and

WHEREAS, HUD has requested that the Housing Authority of Portland Board Commissioners approve the submission of its Eight Year Report; and

WHEREAS, on June 19, 2007, the HAP Board of Commissioners reviewed and approved the Moving To Work Eight Year Report;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing Authority of Portland that staff is directed to submit this approved Moving to Work Agreement Eight Year Report to the Department of Housing and Urban Development.

Adopted: June 19, 2007

HOUSING AUTHORITY OF PORTLAND

Jeff Bachrach, Vice Chair

Attest:

Steven D. Rudman, Secretary