



HOUSING AUTHORITY OF PORTLAND

Year 10 HUD's "MOVING TO WORK" (MTW) Demonstration Program

Annual Plan FY 2009 April 1, 2008 to March 31, 2009

Adopted
January 22, 2008

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March 31, 2009

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Introduction

HAP's Planning Process and Moving to Work (MTW) Annual Plan

HAP's Planning Process –The agency's MTW Annual Plan corresponds to HAP's next budget cycle: FY 2009 (April 2008 through March 2009). Since it is prepared over five months ahead of the start of the fiscal year, it includes both specific plans for implementation and those that are still in a more preliminary planning stage. Stating these preliminary initiatives in the Plan (those beginning with verbs such as "explore", "analyze" and "examine") allows us to begin the planning process and helps to signal to U.S Department of Housing and Urban Development (HUD), local jurisdictional partners, community stakeholders and residents a direction we are considering.

In addition to the HUD programs described below, HAP's strategic planning process focuses 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.

This planning document is intended to help weave together a HUD-required planning process and an overall agency planning process in order to create a comprehensive look forward. The objectives outlined in the following pages are intended as further steps towards achieving the agency's mission:

The Housing Authority of Portland's mission is to assure that the people of the community are sheltered. HAP has a special responsibility to those who encounter barriers to housing because of income, disability, or special need.

HAP will continue to promote, operate, and develop affordable housing that engenders stability, self-sufficiency, self-respect, and pride in its residents and represents a long-term community asset.

HAP will be a community leader to create public commitment, policy, and funding to preserve and develop affordable housing.

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 Plan 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.

Summary of FY 2009 Key Initiatives

HAP continues to benefit from the extension of our MTW authority. We will use this time to continue the work we have recently initiated (included in the Plan as “On-going Activities”). The following key initiatives address MTW goals and/or local goals incorporated into HAP’s planning process. Objectives are grouped under six key initiatives: Local Initiatives, Public Housing Preservation, Rent and Occupancy Policies, Development, Opportunity Housing Initiative, and Organizational Effectiveness.

Local Initiatives

HAP intends to support key community initiatives by more closely aligning the agency’s resources with goals outlined by Multnomah County, the cities of Portland and Gresham, and other jurisdictional partners. With greater systems alignment between partners, the agency believes that widely-embraced local goals, such as ending homelessness, will be more readily achieved.

Support local initiatives for ending homelessness - HAP is supporting the City of Portland and Multnomah County as they develop housing that includes services for people experiencing homelessness. In particular, HAP is supporting the City of Portland and Multnomah County’s Ten Year Plan to End Homelessness with a commitment to:

- 1) Continue using the Project-Based Section 8 program as a tool for increased availability of Permanent Supportive Housing (PSH) - During FY 2007, HAP committed to provide 150 additional project-based vouchers (50 each year over three years) for PSH to serve both chronically homeless single adults and homeless families. As of October 2007, 98 vouchers have been committed to housing providers for supportive housing units. During FY 2009, the agency expects to pledge the remainder of the 150 vouchers committed.
- 2) Continue to participate in Bridges to Housing (B2H) – B2H is a regional project focusing on homeless families that need housing as well as community services. HAP has committed to designate 100 units over five years to this effort, with 87 units committed as of October 2007. In FY 2009, HAP will continue to identify units for this program. Notably, 20 units at Humboldt Gardens have been set aside for participants of Bridges to Housing when it opens in August 2008.

Set aside additional Section 8 and public housing units in support of jurisdictional programs for underserved populations to ensure greater alignment of countywide social housing systems - The intent of this redesign is to align admissions policies with two major goals:

- Increased availability of HAP's subsidized units for housing that also provides the resident with supportive services; and
- Increased support of economic opportunity and poverty reduction programs that help participants leave public assistance with greater self-sufficiency.

HAP intends to expand our current focus on these goals by looking at site-based preferences (such as units at certain properties dedicated to particular groups of clients) and program-based set-asides (such as the 150 project-based vouchers HAP has set aside for PSH units).

HAP is considering working with its jurisdictional partners to set new admissions policies that could establish numeric goals for the number of priority households. For example, in HAP's public housing and Section 8 programs, the following thresholds might be phased in over time:

- provide 20% of all units for households receiving supportive services;
- provide 20% of all units for households actively engaged in self-sufficiency programs; and
- provide the remaining 60% of all units for eligible applicants on the centralized (Section 8) or site-specific (public housing) waiting lists.

Explore opportunities to take part in Portland and Gresham urban renewal area (URA) revitalization efforts – Portland's 30% set aside in tax increment financing (TIF funds) for affordable housing will enable new development opportunities throughout the City, including such areas as the South Waterfront and Gateway URAs. In Gresham, HAP will seek to support the City's efforts for redevelopment in the Rockwood URA.

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 plans to increase efforts to work with local jurisdictions to ensure housing affordability for low income residents in these areas.

Upon the request of local jurisdictions, assist with preservation initiatives – If asked, HAP will explore opportunities to serve as developer of new affordable housing utilizing expiring project-based Section 8 properties, tax credit properties, and mobile home parks.

Public Housing Preservation

During FY 2008, the agency developed implementation plans to ensure the preservation of multifamily rental properties that house our most vulnerable residents. Three key preservation objectives are underway and will remain a top priority during FY 2009:

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

The following four objectives are designed to reconfigure HAP’s public housing portfolio and begin to meet this high priority initiative:

Continue disposition of scattered site public housing – A disposition application for the entire 160 unit scattered site portfolio was submitted to HUD in September 2007. Assuming HUD approval is received early in 2008, the first of the vacant homes may be sold during FY 2008. HAP intends to market approximately 60 units during “Phase 1” and sell approximately 37 houses during FY 2009. Depending upon market interest and the timing of relocation progress, the number of units sold could increase or decrease in any given year.

Continue efforts to develop replacement housing – HAP has identified three primary tools to assist in implementation of this objective:

- Conversion of units in HAP’s affordable housing portfolio to public housing - Similar to the “Fairview Conversion Project” described in the FY 2008 Plan, HAP intends to utilize this model to bring back unused public housing units at existing HAP affordable properties. Units at HAP’s affordable properties Pine Square and Rockwood Station are identified for potential conversion during FY 2009.

The agency will continue to evaluate revenue sources, including potential disposition of underperforming affordable housing properties that might be leveraged for additional development opportunities. Overall, HAP’s objective is to utilize smart business practices throughout the agency’s real estate portfolio: blending public housing and affordable properties where it makes sense while achieving the agency’s mission and increasing financial stability.

- Infill on the site of existing public housing properties – Potential development projects are under preliminary consideration at sites with excess land that are suitable for new construction.
- Pursuit of new development or acquisition rehabilitation – This objective is discussed in more detail under the following section titled “Development.” HAP is actively seeking these opportunities through relationships with public sector partners, non-profit partners, and private developers. These efforts are focused

on areas where HAP can align development opportunities with the housing goals of our jurisdictional partners.

Continue plans to address unmet capital needs in public housing – HAP has developed a capital needs planning tool that prioritizes capital needs according to HAP’s social and fiscal priorities in order to better allocate scarce resources. The matrix developed includes: 1) life safety concerns; 2) building envelope and major systems needs; 3) operational efficiency goals; and 4) quality of life values. HAP intends to investigate mixed financing opportunities as a means to leverage capital investments. As proceeds from scattered site sales and leveraging opportunities become available (described in Section VI – Capital Planning), these tools will help prioritize capital needs.

Analyze alternative financing scenarios – As part of our efforts to preserve this valuable resource for very low income households, the agency will consider options other than the public housing operating subsidy and public housing capital fund for the financing of these units. This analysis might lead to converting the financing of public housing units to mixed finance, tax credits, and/or project-based Section 8.

These alternatives are intended to serve as a companion to HAP’s efforts to leverage capital investment for this portfolio. We believe this change may improve our ability to create sustainable operating and capital financing for these assets. In addition to financial sustainability, HAP would structure refinancing activities to provide increased resident services at our properties.

Rent and Occupancy Policies

During FY 2008, HAP has continued with its internal analysis of potential rent policy changes for both public housing and Section 8. The following measures are being considered for implementation:

Continue to implement rent simplification measures – HAP is analyzing changes to how rent is calculated that are intended to:

- Simplify the process and lessen our staff administrative burden while reducing the opportunity for error and fraud;
- Lessen the intrusiveness into clients’ personal situations of our current income verification process;
- Make rent calculations transparent and easy to understand for all concerned;
- Free up staff time – especially for public housing site personnel – to provide better customer service; and
- Better align HAP’s Section 8 and public housing rent policies with other assisted housing models (such as tax credit properties and other multifamily subsidy models.)

The following guidelines are being used to develop options for consideration and to analyze potential impacts:

- Minimize the number of residents and participants who would face an increase in rent, and allow any such increases to be phased in over time;
- Institute a hardship policy and establish a forum to review individual unique cases;
- Retain existing asset-building opportunities;
- Maintain revenue neutrality to HAP.

Consider a smoke-free housing policy for a portion of public housing and affordable housing units – HAP will consider policy changes to implement a no smoking policy within living units and interior common areas at additional properties in our Real Estate Operations portfolio (public housing and affordable housing properties).

Explore working household preferences in HOPE VI developments – In order to help ensure the mixed income community goal is achieved at HOPE VI sites, HAP will investigate options to set aside affordable housing units for working households.

Explore the development of a working household preference policy – As a part of the larger look at rent and occupancy policy, HAP may consider the development of a working household preference for admission to a select number of public housing developments and a set-aside of a small percentage of Section 8 tenant-based vouchers for working households.

Development

HAP's development efforts will be focused on the following objectives. The agency will pursue including public housing replacement units in new development undertakings:

Complete the construction of Humboldt Gardens (a HOPE VI redevelopment)

- Construction is well underway and the first residents are scheduled for return in August 2008.

Continue development and redevelopment efforts that support local initiatives to end homelessness – HAP responded to the City of Portland's request for assistance on two properties in the Old Town area during the fall of 2007 and is developing plans for the redevelopment of another downtown property. These activities will continue into FY 2009:

- Acquisition of the Grove Hotel – The City of Portland requested that HAP purchase this downtown property in order for immediate health and safety concerns to be addressed and that the location be preserved for affordable housing. In the near term (i.e. the next three to five years), plans call for Permanent Supportive Housing; longer term, the location could present a range

of affordable housing redevelopment opportunities. Building renovations will continue into FY 2009 in preparation for the Bridgeview Program to begin on-site operations on July 1, 2008 (described in more detail in Section XI – Additional Local Strategic Initiatives).

- Development of the Resource Access Center - The City also requested HAP to serve as the master developer of the downtown resource access center, a critical component in the plan to end homelessness. As currently envisioned, the center, which would provide daytime services to persons who are homeless, would be combined with a shelter and more permanent housing in a multi-story, multi-purpose building.
- Redevelopment of University Place – HAP intends to redevelop this 28-unit building located in downtown’s west end near Portland State University. The apartments were purchased in 2002 as a redevelopment opportunity, given the age of the building (1908), and the magnitude of its deferred capital needs. After an analysis of options, staff determined that razing the building and replacing it with a six story building with 50 units of permanent supportive housing was the most feasible strategy. Current financing projections support housing for a very low income population (potentially 15 public housing units and 35 units of project-based Section 8).

Continue to pursue potential redevelopment of sites in southwest Portland –

Two large redevelopment opportunities are currently planned in southwest Portland:

- Sears military base redevelopment – HAP understands that the Portland Development Commission (lead agency for the Department of Defense redevelopment) will make recommendations to the Portland City Council by June 2008. If HAP’s proposal is selected, work will proceed on a more extensive design. Actual construction is not anticipated until September 2011, when the current military operations vacate the site.
- Redevelopment of Hillsdale Terrace - HAP’s public housing development, Hillsdale Terrace, is within a mile of the military base closure site and also is at the top the agency’s list for redevelopment. HAP’s initial concept includes a redevelopment effort that might include both properties. If HOPE VI grant applications are accepted during FY 2009, HAP anticipates submitting a collaborative proposal to redevelop and expand affordable housing opportunities.

Opportunity Housing Initiative (OHI)

Building upon HAP’s successful Family Self-Sufficiency program (known as the GOALS Program), HAP’s Opportunity Housing Initiative will continue to increase the number of households working toward economic independence with a goal of leaving housing assistance. These initiatives clearly align with the MTW goal of family self-sufficiency.

Implement the Humboldt Gardens OHI Pilot - When Humboldt Gardens, HAP's second HOPE VI redevelopment project, opens to residents in August 2008, all working-able public housing and Section 8 voucher-holding residents will participate in OHI.

Develop an OHI Pilot for New Columbia – HAP is working on a proposal to designate approximately 50 OHI households at New Columbia (public housing, plus project-based and tenant-based Section 8 voucher holders).

Continue operations and monitor the progress of the OHI Pilots implemented during FY 2008 – Preliminary evaluations will be conducted to assess the progress of the OHI pilots associated with the Fairview Conversion Project and the collaborative, program-based model involving Section 8 vouchers for participants selected by the Oregon Department of Human Services.

Organizational Effectiveness

Other key initiatives over the next five years are related to the ways that HAP's Board and staff approach the work we do: thinking strategically, acting collaboratively, and providing leadership in the creation and operation of social housing.

Examine opportunities for increased systems alignment in social housing -

The agency is participating in a study of the social housing delivery system sponsored by the cities of Portland and Gresham, Multnomah County, Portland Development Commission and HAP. The resulting analysis will examine whether further alignment around social housing programs and policies could result in a more efficient service delivery system and more effective use of available resources.

Institutionalize HAP's emergency preparedness system – Although HAP residents would participate in city, county and regional disaster relief programs in the event of a regional emergency, access to HAP's services would remain a key concern. An interdepartmental team with representatives from Real Estate Operations, Finance and Accounting, and Information Technology is developing plans to respond to disasters that affect the agency's ability to house residents and/or conduct necessary operations.

Continue to expand human resources and administrative initiatives to increase overall effectiveness - Activities already under development for further implementation in FY 2009 include: a series of essential information technology (IT) improvements; continued agency-wide focus on training and diversity development; and contract talks with both AFSCME and Trades bargaining groups.

Section I: Households Served

The data in this section is compiled from the HAP database and provides information including unit size, family and housing type, income group, and race and ethnicity on all households served by HAP under the HUD-funded MTW program. This type of data collection and analysis is not done in HAP's affordable housing portfolio, which is managed by private property management firms. Under MTW, HAP must continue to serve essentially the same number of households as well as a similar mix of family type and household/unit size. In both public housing and Section 8, HAP continues to be committed to serving a high proportion of households with incomes that are less than 30% of median income.

A. Households Served at Beginning of Period

Within the public housing program, HAP projects that it will meet or exceed an occupancy level of 97%. In the Section 8 Housing Voucher Program, HAP intends to use our total Annual Contribution Contract to house as many families as the budget allows within HUD's new funding formulas. HAP projects that it will maintain maximum lease-up of Section 8 units during the next fiscal year.

Updated statistical information for the fiscal year ending March 31, 2007, will be included in HAP's Year Nine MTW Annual Report to be completed after the end of the fiscal year. Summary information on households served at the time of MTW plan development (November 2007) is provided below.

Table 1: Households Served by Income Group 11/1/2007

	<30% AMI	30-50% AMI	50-80% AMI	>80% AMI	Totals
Public Housing					
Family/ Scattered Site Developments	899	153	49	6	1,107
Elderly/ Adult Developments	1,192	109	8	6	1,315
Public Housing Total	2,091	262	57	12	2,422
Pct of Total	86.3%	10.8%	2.4%	0.5%	
Section 8 Total	6,143	927	58		7,128*
Pct of Total	86.2%	13.0%	0.8%	0.0%	
Combined Totals	8,236	1,189	115	12	9,550
Pct of Totals	86.2%	12.5%	1.2%	0.1%	

* 208 households are not included in this total because they were issued vouchers (new or move) but had not yet leased a unit. (These "Type A" records in the database do not have income data attached.)

Table 2: Public Housing Households Served by Unit Size and Family Type, 11/1/2007

Program	Total Households	Bedroom Size			
		Studio/1 BR	2 BR	3 BR	4+ BR
Public Housing					
Family/ Scattered Site Developments	1,107	137	424	477	69
Elderly/ Adult Developments	1,315	1,301	14		
TOTAL	2,422	1,438	438	477	69

Table 3: Households Served in Section 8 by Family Size on 11/1/2007

Family Size	Total Vouchers
1	3,189
2	1,435
3	1,213
4	727
5	369
6	199
7	101
8	55
9	20
10 or more	28
Totals	7,336

Table 4: Public Housing Households: Race/Ethnicity 11/1/2007

	Hispanic	Not Hispanic	Totals
White	284	1,390	1,674
Black	9	532	541
American Indian/ Alaska Native	11	54	65
Asian	1	95	96
Hawaii/Pacif Isl	1	14	15
Multi-Race	5	26	31
Race Not Specified	0	0	0
Totals	311	2,111	2,422

Table 4 - continued

Percents	Hispanic	Not Hispanic	
White	11.7%	57.4%	
Black	0.4%	22.0%	
Amer Ind/Alaska Native	0.5%	2.2%	
Asian	0.0%	3.9%	
Hawaii/Pacif Isl	0.0%	0.6%	
Multi-Race	0.2%	1.1%	
Race Not Specified	0.0%	0.0%	
Totals	12.8%	87.2%	100.0%

Table 5: Section 8 Race/Ethnicity, 11/1/2007

	Hispanic	Not Hispanic	Totals
White	332	3,859	4,191
Black	39	2,442	2,481
American Indian/ Alaska Native	13	115	128
Asian	1	388	389
Hawaii/Pacif Isl	2	18	20
Multi-Race	14	113	127
Race Not Specified	0	0	0
Totals	401	6,935	7,336

Percents	Hispanic	Not Hispanic	
White	4.5%	52.6%	
Black	0.5%	33.3%	
Amer Ind/Alaska Native	0.2%	1.6%	
Asian	0.0%	5.3%	
Hawaii/Pacif Isl	0.0%	0.2%	
Multi-Race	0.2%	1.5%	
Race Not Specified	0.0%	0.0%	
Totals	5.5%	94.5%	100.0%

CHART 1: Average Household Income for Public Housing Households

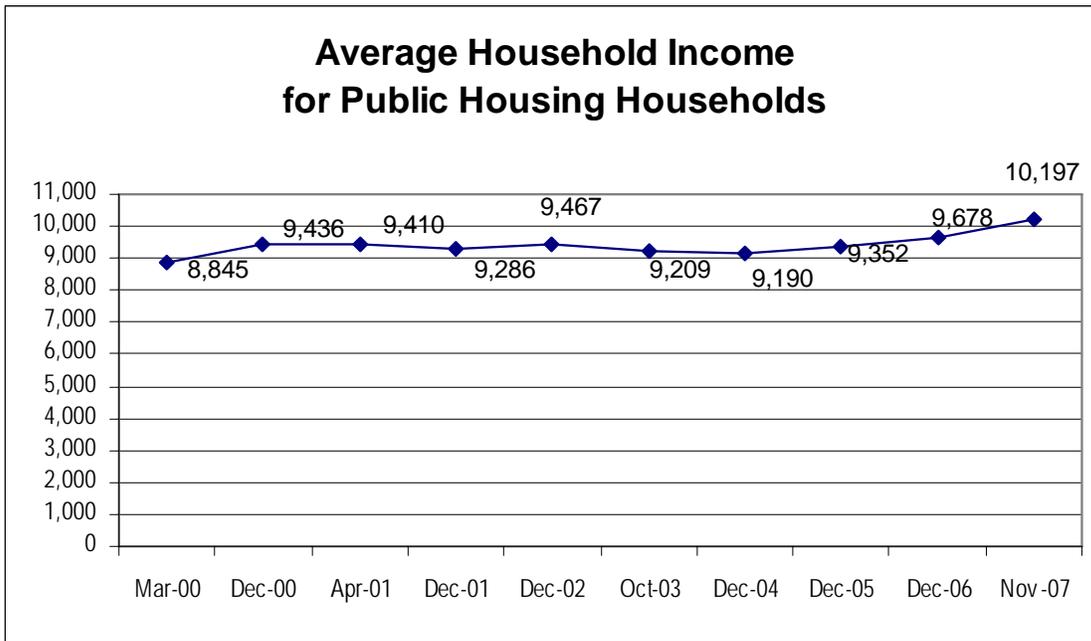
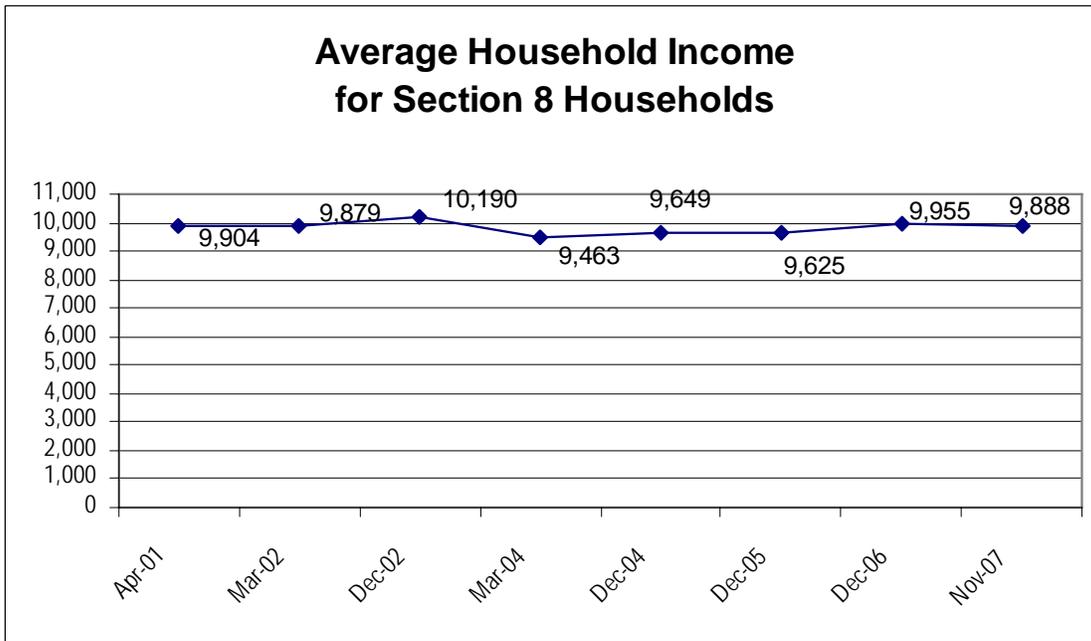


CHART 2: Average Household Income for Section 8 Households



Some data is missing. In the earliest years, HAP did not have Section 8 income data. HAP is also missing data from the plan from October 2003.

B. 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. 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. Public housing waiting lists were closed during the majority of FY 2008.

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.

Applicant data on incomes and race/ethnicity will be submitted with HAP’s FY 2008 MTW Annual Report to be completed during May 2008. Public housing applicant data on family type will also be provided in the MTW Annual Report.

Table 6: Waiting List Data for Public Housing

Public Housing Applicants by Bedroom Size, 10/31/2007							
			Bedroom Size				
	Total Applicant Households	Percent Applicant Households	Studio/ 1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom
Public Housing							
Family	1453	51%	181	571	541	147	13
Elderly	56	2%	43	6	3	4	0
Disabled	825	29%	726	48	46	4	1
Single	536	19%	531	5	0	0	0
Total	2870	100%	1481	630	590	155	14

Note: Table 6 data includes New Columbia public housing and Fairview Oaks (PH) waiting list applicants.

Table 7: Waiting List Data for Section 8 as of October 5, 2007

			Bedroom Size*					
	Total Applicant Households	Percent Applicant Households	Studio/ 1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5+ Bedroom	Unknown
Section 8								
Family	1,141	42%	456	519	122	30	11	3
Elderly	121	4%	118	1		1		1
Disabled	869	32%	742	93	25	6		3
Single	587	22%	580	2				5
Total	2,718**	100%	1,896	615	147	37	11	12

* Bedroom sizes assume 2-persons per bedroom

** 400 of these households were pulled as a group from the waiting list on 10/11/2007

C. Number Projected to be Served this Year

Improvements for occupancy continue under the site-based admissions model. HAP's public housing will operate at full capacity over the next year, serving 2,422 households.

Section 8 will lease 100% of MTW voucher funds and projects to serve over 7,300 MTW families (not including the Single Room Occupancy and Moderate Rehabilitation Vouchers described in Section VIII Leased Housing).

D. Discussion of Changes

More than 86% of HAP's Section 8 and public housing households are living at 30% or below the median family income for the region. This continues to reflect the tremendous need in our community for affordable housing for very low income families.

The largest change in data is the decrease in disabled households on the public housing waiting list (38% in November 2006 decreasing to 29% in October 2007). The public housing wait list has been closed most of the year. Disabled households have a priority for available units, resulting in more of these households removed from the waiting list.

Additional data analysis will be conducted while compiling the Annual Report.

Section II: Occupancy Policies

This section explains eligibility, admissions, selection, unit assignment, deconcentration policies, and rent policies for HAP's Section 8, public housing and affordable housing portfolios.

A. Eligibility and Admissions Policies

Income Qualifications (On-going activities)

Public Housing - Applicant household incomes must be less than 80% of the Median Family Income (MFI) for the Portland Metropolitan Area.

Section 8 - Applicant household income must be less than 50% MFI.

Affordable Housing Portfolio – Including the properties designed for special needs households, applicant household income ranges from 0% - 80% MFI, depending on the individual property.

Service-Based Set-Asides (On-going activities)

Public Housing – Admission to HAP's high rise buildings is reserved for elderly and disabled populations. These represent 1202 units at ten properties. Of these units, 120 units at three properties are eligible to receive services from the Congregate Housing Services Program.

Section 8 – The majority of HAP's initial Project-based Section 8 vouchers (summarized in Section III – Changes in Housing Stock) were intended as a set-aside to help households that have had trouble with successful rental tenancy. To build upon that model, HAP committed in FY 2007 to provide 150 additional project-based vouchers for Permanent Supportive Housing.

Affordable Housing – Special Needs – The special needs portfolio serves specific client groups with a range of disabilities under contracts with service providers.

Waiting Lists (On-going activities) - HAP maintains separate waiting lists for each of the programs.

Public Housing - Waiting lists are maintained at the site level.

Section 8 – The centralized 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.

Affordable Housing Portfolio - Six HAP-owned Project-based (PB) Section 8 properties maintain waiting lists at the site level. Properties financed by bonds or tax credits typically do not have waiting lists. In a mixed finance property such as New Columbia that includes Public Housing and Project Based Section 8 units, waiting lists are maintained for units by specific bedroom sizes at the property site.

Admissions (On-going activities)

Public Housing – In 2005 HAP implemented a site-based application and waiting list system and closed the central intake office. Applications are accepted at site offices, and applicants may apply and submit applications at up to three properties of their choice, OR request placement on a First Available list.

Site managers conduct marketing activities, undertake turnover responsibilities and assist in the screening process. HAP contracts with a third party screening company to screen applications. HAP conducts criminal background checks, and obtains landlord and/or professional references for all households. HAP also obtains credit reports onto check on outstanding balances to landlords; however, credit scores are not used to determine eligibility.

Applicants are admitted according to date and time of application and priority. Public Housing priorities are as follows:

- 1) **Special Needs** - Elderly or disabled households, and eligible for the Congregate Housing Services Program (CHSP). The CHSP is available in three high-rise towers with 120 units set-aside.
- 2) **Terminal Illness** - Eligible family and elderly households and a member of the household has a documented terminal illness.
- 3) **Local Preferences** – HAP currently has three categories of local preference:
 - a. Bridges to Housing – units set aside for homeless families with services provided by partner agencies
 - b. Director’s Discretion (transfers between public housing and Section 8 programs)
 - c. Opportunity Housing Initiative (OHI) – Fairview and Humboldt Gardens have an eligibility overlay that requires new applicants to agree to participation in OHI.
- 4) **Family and Special Needs** - All other eligible family and elderly or disabled households (in date and time order).
- 5) **Single Households** – Eligible single persons (in date and time order.)

Section 8 - Section 8 admits the majority of voucher applicants by random selection. HAP conducts criminal background checks on prospective Section 8 households. 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.

Affordable Housing Portfolio – Site-based admissions processes, administered by private fee managers. Applicants apply at the properties.

FY 2009 objectives – (included with overall Rent Policy objectives)

B. Rent Policies

Public Housing (On-going) - Public Housing residents pay 30% of their household's monthly adjusted income for rent.

Eligibility for units by bedroom size in public housing - HAP has implemented unit size determination policies that more closely follow standard industry practices, allowing families to determine how their children should share or not share bedrooms. Minimum and maximum household sizes for each unit size have remained the same.

Transfers in public housing - HAP has implemented a Resident Transfer Option, using a Transfer Fee. The Transfer Fee Option allows Public Housing residents to transfer to another Public Housing community without the need to request a reasonable accommodation or a transfer through the GOALS program. The resident establishes themselves on the site-based waiting list of their choice, waits their turn, without a preference, and pays the Transfer Fee at the time of transfer. Transfers are still an option when required by Reasonable Accommodation or family changes. GOALS program incentive transfers that support family self-sufficiency remain available.

Section 8 (On-going) – After extensive public process, HAP utilized its MTW authority to exceed typical Section 8 rents (30% of income) between April 2005 and September 2007. With excess subsidy due to lower lease ups caused by an aging wait list in FY 2006 and FY 2007, HAP returned funds in the form of “rebates” to participants. In December of each year, checks were mailed that resulted in a return to the 30% of income level in 2006 and a 32.25% of income level in 2007. Due to increased funding during FY 2008, HAP was able to return to the 30% of income standard as of September 2007.

HAP was also able to readjust bedroom subsidy standards to allow one bedroom to the head of the household and one bedroom for each two persons thereafter. (This is in contrast to the cost savings measure undertaken previously which granted one bedroom for every two household members.)

Deconcentrate poverty via Section 8 voucher choices - During the admissions orientation, staff explain the benefits and rules surrounding portability and the benefits of moving to areas with lower concentrations of poverty.

- Maps of HAP’s jurisdiction are available to help participants explore areas with lower concentrations of poverty.
- HAP actively recruits landlords with units in lower poverty census tracts.

Affordable Housing Portfolio (On-going) – Maximum rents are governed by financing criteria. Households living in bond-financed properties must be 80% MFI and below; households living in tax credit properties must be 60% MFI and below. However, the housing rental market does not support these maximum rents and the vast majority of the affordable portfolio properties have rents set at levels affordable to households between 45-50% MFI.

FY 2008 objectives

Local Initiatives

Support local initiatives for ending homelessness - HAP is supporting the City of Portland and Multnomah County as they develop housing that includes services for people experiencing homelessness. In particular, HAP is supporting the City of Portland and Multnomah County’s Ten Year Plan to End Homelessness with a commitment to:

- 1) Continue using the Project-Based Section 8 program as a tool for increased availability of Permanent Supportive Housing (PSH) - During FY 2007, HAP committed to provide 150 additional project-based vouchers (50 each year over three years) for PSH to serve both chronically homeless single adults and homeless families. As of October 2007, 98 vouchers have been committed to housing providers for supportive housing units. During FY 2009, the agency expects to pledge the remainder of the 150 vouchers committed.
- 2) Continue to participate in Bridges to Housing (B2H) – B2H is a regional project focusing on homeless families that need housing as well as community

services. HAP has committed to designate 100 units over five years to this effort, with 87 units committed as of October 2007. In FY 2009, HAP will continue to identify units for this program. Notably, 20 units at Humboldt Gardens have been set aside for participants of Bridges to Housing when it opens in August 2008.

Set aside additional Section 8 and public housing units in support of jurisdictional programs for underserved populations to ensure greater alignment of countywide social housing systems - The intent of this redesign is to align admissions policies with two major goals:

- Increased availability of HAP's subsidized units for housing that also provides the resident with supportive services; and
- Increased support of economic opportunity and poverty reduction programs that help participants leave public assistance with greater self-sufficiency.

HAP intends to expand our current focus on these goals by looking at site-based preferences (such as units at certain properties dedicated to particular groups of clients) and program-based set-asides (such as the 150 project-based vouchers HAP has set aside for PSH units.)

HAP is considering working with its jurisdictional partners to set new admissions policies that could establish numeric goals for the number of priority households. For example, in HAP's public housing and Section 8 programs, the following thresholds might be phased in over time:

- provide 20% of all units for households receiving supportive services;
- provide 20% of all units for households actively engaged in self-sufficiency programs; and
- provide the remaining 60% of all units for eligible applicants on the centralized (Section 8) or site-specific (public housing) waiting lists.

Rent and Occupancy Policies

During FY 2008, HAP has continued with its internal analysis of potential rent policy changes for both public housing and Section 8. The following measures are being considered for implementation:

Continue to implement rent simplification measures – HAP is analyzing changes to how rent is calculated that are intended to:

- Simplify the process and lessen our staff administrative burden while reducing the opportunity for error and fraud;
- Lessen the intrusiveness into clients' personal situations of our current income verification process;
- Make rent calculations transparent and easy to understand for all concerned;

- Free up staff time – especially for public housing site personnel – to provide better customer service; and
- Better align HAP’s Section 8 and public housing rent policies with other assisted housing models (such as tax credit properties and other multifamily subsidy models).

The following guidelines are being used to develop options for consideration and to analyze potential impacts:

- Minimize the number of residents and participants who would face an increase in rent, and allow any such increases to be phased in over time;
- Institute a hardship policy and establish a forum to review individual unique cases;
- Retain existing asset-building opportunities;
- Maintain revenue neutrality to HAP.

Consider a smoke-free housing policy for a portion of public housing and affordable housing units – HAP will consider policy changes to implement a no smoking policy within living units and interior common areas at additional properties in our Real Estate Operations portfolio (public housing and affordable housing properties).

Explore working household preferences in HOPE VI developments – In order to help ensure the mixed income community goal is achieved at HOPE VI sites, HAP will investigate options to set aside affordable housing units for working households.

Explore the development of a working household preference policy – As a part of the larger look at rent and occupancy policy, HAP may consider the development of a working household preference for admission to a select number of public housing developments and a set-aside of a small percentage of Section 8 tenant-based vouchers for working households.

Opportunity Housing Initiative (OHI)

Building upon HAP’s successful Family Self-Sufficiency program (known as the GOALS Program), HAP’s Opportunity Housing Initiative will continue to increase the number of households working toward economic independence with a goal of leaving housing assistance. These initiatives clearly align with the MTW goal of family self-sufficiency.

As described in more detail in Section IX - Resident Services, HAP is testing models to assist residents achieve greater self-sufficiency: pilots that focus on site-based models in HAP communities and a program-based model focused on Section 8 vouchers in collaboration with partner agencies. Outcomes emphasize benefits to individual participants.

In addition, HAP believes that there will be a secondary benefit in that greater numbers of residents may be served as participants graduate from the program to make room for new participants. However, no one will lose their housing as a result of participating in the OHI self-sufficiency pilots. Instead, staff will assist residents to successfully graduate. A household that is not yet ready to complete their self-sufficiency goal after five years might choose stay in an affordable housing unit (with no subsidy) at either property or choose to relocate to another public housing site and continue to use their public housing subsidy. Under no circumstance will a participating household be terminated from all housing subsidy programs due solely to OHI program-related time limits.

For purposes of the discussion of occupancy policies intended in this section of the plan, the impacts of the five-year OHI time frame are outlined below.

Implement the Humboldt Gardens OHI Pilot - When Humboldt Gardens, HAP's second HOPE VI redevelopment project, opens to residents in August 2008, all working-able public housing and Section 8 residents will participate in OHI.

In the Humboldt Gardens OHI model, a household that is not yet ready to complete their self-sufficiency goal after five years might choose stay in an affordable housing unit (with no subsidy) at Humboldt Gardens, or choose to relocate to another public housing site and continue to use their public housing subsidy.

Continue operations and monitor the progress of the OHI Pilots implemented during FY 2008 – Preliminary evaluations will be conducted to assess the progress of the OHI pilots associated with the Fairview Conversion Project and the collaborative, program-based model involving Section 8 vouchers for participants selected by the Oregon Department of Human Services.

In the Fairview conversion project's OHI model, enriched OHI services and public housing subsidy will last five years. However, residents not yet ready to complete their self-sufficiency goals might choose stay in an affordable housing unit (with no subsidy) at Fairview or choose to relocate to another public housing site and continue to use their public housing subsidy.

In the Department of Human Services program-based model, the OHI pilot project will designate 25 Section 8 vouchers. After graduation, the voucher will recycle back to the DHS pool to be available for more participants. If a household is not able to graduate from OHI, the subsidy will transition to become a non-programmed tenant-based Section 8 voucher. After three years of program implementation, HAP will conduct an evaluation to determine interim program results and assess the availability of funds to support the revolving voucher pool.

Develop an OHI Pilot for New Columbia – HAP is working on a proposal to designate approximately 50 OHI households at New Columbia (public housing,

plus project-based and tenant-based Section 8 voucher holders). Details of the five-year OHI timeframe will be addressed at the time the pilot is taken to the HAP Board for approval.

Section III:
Changes in the Housing Stock

A. Number of units in inventory at beginning of planning period (April 2008)

Public Housing - As of April 1, 2007, HAP had **2,498** total public housing units on the Annual Contributions Contract (ACC) with HUD.

Section 8 (MTW Vouchers) – As of April 1, 2007, HAP managed 7,463 MTW Housing Choice Vouchers. (With the addition of 562 SRO and Moderate Rehabilitation vouchers, HAP’s total vouchers equaled 8,025.)

Affordable Housing Portfolio – As of April 1, 2007, HAP’s affordable portfolio included 3303 units with an additional 412 units of special needs housing, totaling **3,715**.

B. Projected number at the end of the planning period

	<u>Public Housing units</u>	<u>Section 8 MTW vouchers</u>	<u>Affordable Housing units (including Special Needs)</u>
<u>Beginning Balance as of March 31, 2007 (FY 2007 Report)</u>	2498	7463	3686
<u>Changes during FY 2008</u>			
Fairview conversion project (use of "banked units")	40		-40
HUD disposition of Humboldt Gardens homeownership units*	-21		
Sales of scattered sites via Achieving the American Dream (AAD) Program	-4		
Addition of Humboldt Gardens scattered site relocation vouchers		13	
Openings of The Morrison (140) & Clark Center Annex (22)			162
Sale of Affordable Housing (La Tourelle)			-80
Sale of Affordable Special Needs Housing (Chautauqua House)			-5
Purchase of Affordable Special Needs Housing (The Grove)			70
<i>Subtotal AH balance as of November 2007</i>			<u>3793</u>
<u>Projected Changes during FY 2009</u>			
Humboldt Gardens HOPE VI-mixed finance redevelopment completed	100		30
HUD disposition of Public Housing Preservation scattered sites**	-158		
Potential Rockwood (20) & Pine Square (25) conversion projects	45		-45
Remodeling Slavin Court	-1		
Begin redevelopment of University Place			-28
<u>Projected Ending Balance (March 31, 2009)</u>	2,499	7,476	3,750
* HAP projects sales of these HG properties to be completed in FY 2008			
** HAP projects the sale of 37 of these properties during FY 2009 (total HUD disposition equaled 160; 2 units included in AAD total above)			

To project data in this table, HAP has included:

- actual changes from April 1 thru October 31, 2007 (7 months of FY 2008)
- projected changes from November 1, 2007 thru March 31, 2008 (5 months of FY 2008)
- projected changes during 12 months of FY 2009 (April 1, 2008 thru March 31, 2009).

FY 2009 objectives

Opening of Humboldt Gardens (HOPE VI mixed finance redevelopment)

130 units will be available in August 2008: 100 public housing and 30 affordable housing units.

Scattered-Site Sales - Public Housing Preservation Initiative

HAP anticipates sale of approximately 37 scattered sites. See Section VI - Capital Planning/Disposition and Section VII – Owned and Managed Units for more details.

Potential Rockwood Station & Pine Square Conversion Projects

Similar to the “Fairview Conversion Project” described in the FY 2008 Plan, HAP intends to utilize this model to bring back unused public housing units at existing HAP affordable properties. Units at HAP’s affordable properties Pine Square and Rockwood Station are identified for potential conversion during FY 2009.

Renovation at Slavin Court

This property will lose one public housing unit in order to increase resident livability with the addition of a community room.

Redevelopment of University Place

HAP intends to redevelop this 28-unit affordable housing property and replace it with a six story building with 50 units of permanent supportive housing. (Forecasted for completion in FY 2010, current programming projects 15 public housing units and 35 units of project-based Section 8.)

Unused yet Authorized Public Housing Units - The chart on the following page is a summary of the ACC units indicated above, including those resulting from the two HOPE VI redevelopment projects. The table serves as both a historical overview and a projection for the total number of “banked units” in the ACC.

Also included below is a new tally intended to track planning efforts for the Public Housing Preservation Initiative’s one to one replacement efforts after the sale of the larger scattered site portfolio.

Tally of Public Housing Preservation Initiative 1:1 Replacement Efforts	
Beginning Balance as of July 2007 –	160
overall Public Housing Preservation scattered site sales through FY 2011 (includes 2 of the 4 AAD sales* during FY 2008)	
<i>Additional conversion projects projected in FY 2009 (Rockwood & Pine Sq)</i>	<i>(45)</i>
<i>Additional conversion projects currently identified in FY 2010 (Univ. Place)</i>	<i>(15)</i>
<i>UNITS REMAINING FOR 1:1 REPLACEMENT</i>	<i>100</i>

* 2 of the 4 AAD sales in FY 2008 occurred after adoption of the PH Preservation Initiative and are included in accounting of scattered site sales.

ACC PUBLIC HOUSING PORTFOLIO*
Planning Projections for Banked Units

**Authorized Public Housing Subsidy Units Currently
Unused (“Banked Units”)**

HOPE VI Redevelopments

Columbia Villa	462
(adding back New Columbia build-out completed - Dec 2006)	(297)
<i>subtotal</i>	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 Humboldt Gardens build-out by August 2008)	(100)
<i>subtotal</i>	5

Completed Merged Units**

NW Tower (6), Hollywood East (13), Medallion (2)	21
--	----

Available Units from Sales of Scattered Sites

3 prior to 4/1/2005	3
1 during 12/2005	1
21 Humboldt Gardens scattered sites (anticipated sales between March 07 and December 08)	21
2 (of 4) AAD sales during FY 2008***	2
<i>subtotal</i>	27

Subtotal unused (“banked”) units 218

Fairview Conversion Project (add-back of 40 unused units) (40)

TOTAL REMAINING BANKED UNITS 178

* 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.

*** 2 of the 4 AAD sales occurred between April and July of 2007. Since these closed prior to the July adoption of the Public Housing Preservation Initiative, they are accounted for in the tally of Banked Units.

Section IV: Sources and Amounts of Funding

This section, in accordance with Attachment B of the Amended and Restated MTW Agreement, identifies (A) forecasted sources by MTW program; (B) forecasted sources for non-MTW programs; (C) the Consolidated Forecasted Statement; and (D) benefits of MTW funding fungibility.

Due to the timing of HAP's annual budget cycle, the forecasts below are only PRELIMINARY. HAP's annual budget is presented to the Board for adoption at the March Board meeting each year. In order to meet HUD guidelines, the annual MTW Plan is presented for initial review in December and then adoption in January. Thus, these preliminary forecasts are projected three months prior to adoption of the budget and often require changes during the budget process.

A. (Preliminary) Forecasted Sources by MTW programs for FY 2009

The MTW demonstration programs include Public Housing, Capital Fund, and portions of the Section 8 voucher program.

	Public Housing	Section 8 - MTW	MTW Consolidated
PLANNED SOURCES FY 2009			
Rental Revenue	5,072,871		5,072,871
Section 8 Subsidy		53,256,150	53,256,150
Operating Subsidy	7,397,087		7,397,087
HUD Grants	1,228,080		1,228,080
Other Revenue	229,362	31,940	261,301
HUD NonOperating Contributions	3,446,131		3,446,131
Total Sources	17,373,531	53,288,090	70,661,621

B. Forecasted Sources of Special Purpose Funds (outside MTW Consolidated)

Sources below are utilized to fund resident services, Section 8 Mod-Rehab vouchers and short-term rent assistance, re/development activities, affordable housing, and administration.

	NonMTW Consolidated
PLANNED SOURCES FY 2009	
Rental Revenue	9,111,555
Section 8 Subsidy	4,456,444
Operating Subsidy	261,993
HUD Grants	2,354,547
Development Fee	4,474,181
Non-HUD Grants	1,637,483
Other Revenue	3,264,236
HUD NonOperating Contributions	4,035,148
Other Nonoperating Contributions	1,453,052
Total Sources	31,048,638

C. The Consolidated Forecasted Statement for FY 2009

Consolidated Statement (All HAP)	Forecasted
Operating Revenues	
Dwelling Rental	12,956,537
Non-dwelling Rental	1,227,889
Total Rental Revenues	14,184,426
HUD Subsidies -Housing Assistance	57,712,594
HUD Subsidies -Public Housing	7,659,079
HUD Grants	3,582,627
Development Fee Revenue, Net	4,474,181
State, Local & Other Grants	1,637,483
Other Revenue	3,525,538
Total Operating Revenues	92,775,928
Operating Expenses	
PH Subsidy Transfer	670,272
Housing Assistance Payments	54,153,102
Administration	16,373,481
Tenant Services	3,418,405
Maintenance	7,313,587
Utilities	3,581,773
Depreciation	4,547,046
General	890,343
Total Operating Expenses	90,948,009
Operating Income (Loss)	1,827,919
Other Income (Expense)	
Investment Income	1,013,526
Interest Expense	(4,149,028)
Change in Derivative Contract Value	46,710
Amortization	(46,402)
Gain (Loss) on Sale of Assets	6,567,303
Net Other Income (Expense)	3,432,108
Capital Contributions	
HUD Nonoperating Contributions	7,481,279
Other Nonoperating Contributions	1,453,052
Net Capital Contributions	8,934,331

D. Benefits of MTW Fungibility

MTW authority enables HAP to combine funds for Public Housing, Capital Fund, and Section 8 housing choice vouchers. HAP is currently utilizing Section 8 subsidy for the benefit of Public Housing capital needs as part of our Public Housing Preservation Initiative.

Section V: Uses of Funds

This section, in accordance with Attachment B of the Amended and Restated MTW Agreement, identifies (A) Previous Year Expenditures; (B) Planned Expenditures; (C) Descriptions & Change; (D) Reserves.

A. Previous Year Expenditures

	Public Housing	Section 8 - MTW	MTW Consolidated
FY 2008 ESTIMATED EXPENDITURES			
PH Subsidy Transfer	657,129	-	657,129
Housing Assistance Payments	(958)	48,041,209	48,040,251
Administration	3,574,898	3,796,354	7,371,253
Tenant Services	64,764	1,829	66,593
Maintenance	4,375,808	48	4,375,857
Utilities	2,052,468	1,248	2,053,716
General	353,639	11,423	365,062
HUD Capital Expenditures	3,378,560	-	3,378,560
Total Expenditures	14,456,309	51,852,112	66,308,422

C. Planned Expenditures

Due to the timing of HAP's annual budget cycle, the forecasts below are only PRELIMINARY. HAP's annual budget is presented to the Board for adoption at the March Board meeting each year. In order to meet HUD guidelines, the annual MTW Plan is presented for initial review in December and then adoption in January. Thus, these preliminary forecasts are projected three months prior to adoption of the budget and often require changes during the budget process.

	Public Housing	Section 8 - MTW	MTW Consolidated
FY 2009 PLANNED EXPENDITURES			
PH Subsidy Transfer	670,272		670,272
Housing Assistance Payments	(977)	49,002,033	49,001,056
Administration	3,646,396	3,872,282	7,518,678
Tenant Services	66,059	1,866	67,925
Maintenance	4,463,325	49	4,463,374
Utilities	2,093,518	1,273	2,094,791
General	360,712	11,651	372,363
HUD Capital Expenditures	3,446,131		3,446,131
Total Expenditures	14,745,435	52,889,155	67,634,590

C. Description of proposed activities/investments and explanation of change from the previously-approved plan.

Proposed Activities:

For FY 2009, the proposed scattered site dispositions would implement change from the previously approved plan.

Proposed Investments:

For FY 2009, the proposed scattered site dispositions would implement change in proposed investments (reference Section V. D. Adequacy of Reserves), from the previously approved plan.

D. Adequacy of Reserves

HAP defines reserves as funds not immediately necessary to support operations or programs. Within HAP’s finance and accounting group, incoming cash transactions are determined to be either funds held in our operating account to support current operations or funds transferred to reserves and invested in sufficiently liquid interest bearing accounts or instruments.

Significant portions of these amounts are obligated for future commitments associated with development activities, program support and the maintenance of a rational level of agency liquidity necessary for a diverse operation of HAP’s size and scope.

The Board-established operating reserve is a \$2.8 million set-aside within our total reserve balance that precludes utilization or commitment of this amount and supports a fiduciary goal of maintaining a level of safety and soundness associated with HAP’s financial position.

The following table represents our FY 2009 reserve estimates:

HAP Liquidity Reserves	FY 2009 Estimated Beginning of Year		FY 2009 Estimated Net Increase/ Decrease		FY 2009 Estimated End of Year
	10,725,992		4,717,500		15,443,492

The Public Housing Preservation Initiative, as outlined in both the FY 2008 & 2009 Plans, includes the disposition and sale of the public housing “scattered sites.” Our FY 2009 end of year reserve estimate includes scattered site sale proceeds, to be used for Public Housing Preservation activities (including capital improvements and development activities).

Section VI: Capital Planning

Overview - During FY 2008, HAP's capital planning process has evolved into two tracts with the following objectives:

- 1) Prioritize immediate needs utilizing currently available funds, and
- 2) Analyze potential geographic groupings of properties needing major renovations as funds become available from the Public Housing Preservation initiative (i.e. portions of the proceeds from the sales of scattered sites leveraging additional financial resources).

Planning that is underway in each tract is summarized below, along with FY 2009 objectives:

1) **Prioritize Immediate Needs**

- a. Slavin Court renovations –With major systems facing the end of their usefulness, this \$2.5 million major renovation with new roofing, new siding and windows, heating improvements, new floors and kitchens will address abatement of asbestos flooring material, improved unit ventilation, and attic mold issues. During FY 2008 design will have been completed and it is anticipated that bids will occur in late winter with construction beginning by the end of the fiscal year.
- b. Dahlke Manor repiping – An engineering study completed in February 2007, identified an immediate need to replace failing hot and cold water distribution systems that are at the end of life-expectancy. Design will start in the spring of 2008 with construction later in the year. Re-piping is budgeted at \$665,800.
- c. Improving operational efficiencies – HAP maintenance crews are scheduled to address the following efficiency measures in 2,018 units between October 2007, and April 2008. Not all measures will be installed at each unit. The estimated cost is \$119,076.
 - i. Energy conservation systems – Installation of approximately 300 water-efficient toilets, and low-flow showerheads and faucet aerators donated to HAP by the City of Portland;
 - ii. Reducing resident lock-outs via replacement of resident entry door hardware;
 - iii. Installation of additional smoke detectors;
 - iv. De-commissioning of nurse-call pull cords.
- d. On-going repairs and abatement – HAP schedules concrete, roofing repairs, sewer work and carpet replacement throughout the year. \$40,000 of Capital Grant funds are budgeted for these repairs.

**Planned Expenditures for Capital Needs (FY 2009)
Public Housing Capital Improvement Schedule FY 2009
(utilizing HUD Capital Grant funds from 2006, 2007 & 2008)**

Projects	Costs (FY 2009)	Status
Improving Operational Efficiencies	119,076	April 08 thru June 08
Concrete Repairs	-	in process
Flooring Abatement (Turnover)	40,000	in process
Slavin Court (Envelope & kitchen update)	2,520,887	April 08 thru Feb 09
Dahlke Manor (Re-piping)	665,800	Feb 08 thru Jun 08
Total FY09 Construction	\$3,345,763	

2) **Bundle properties needing major renovations** – During FY 2008, HAP has developed a capital needs planning tool that prioritizes capital needs according to HAP’s social and fiscal priorities in order to better allocate scarce resources. The matrix developed includes:

- a. Life safety concerns;
- b. Building envelope and major systems needs;
- c. Operational efficiency goals; and
- d. Quality of life values.

These tools are further elaborated in the chart below:

Capital Needs Planning Tool

Life Safety	Building Envelope & Major Systems	Operational Efficiency	Quality of Life
<p><i>Concerns</i></p> <ul style="list-style-type: none"> • Security systems • Fire detectors & alarms • Indoor air quality • Safe exiting • Secure and even surfaces • Ample exterior lighting 	<p><i>Systems</i></p> <ul style="list-style-type: none"> • Water intrusion • External siding • Plumbing systems • Building pressurization • Ventilation systems • Electrical systems 	<p><i>Goals</i></p> <ul style="list-style-type: none"> • Reduction in future capital needs • Durability • Energy conservation • Work order leveling • Increase management efficiencies 	<p><i>Values</i></p> <ul style="list-style-type: none"> • Integration with community • Welcoming design • Open space • Natural light • Landscaping • Curb appeal • Community space • Contemporary surfaces

Site staff has taken the lead in identifying issues needing attention in each of these areas. By the end of FY 2008, HAP will have reviewed potential geographic groupings of projects with attention to management and operational efficiencies.

Early in FY 2009, a review of potential leveraging opportunities presented by the groupings of properties will occur. These potential funds will supplement proceeds anticipated during FY 2009 as a result of sales of the first scattered site units. Preliminary designs for the first group of properties is anticipated to follow later in FY 2009.

3) Demolition and Disposition

Humboldt Gardens Homeownership Program

On-going activities – HAP began the Humboldt Gardens Homeownership Program planning in FY 2007 and will complete the majority of the implementation of the program in FY 2008. The program divided the 21 properties selected for the project into five different disposition groups.

Market Rate Sales - Four of the properties were sold in FY 2007 and FY 2008 on the open market. The proceeds from the sale are being used for the Humboldt Gardens project and future replacement units.

Affordability at 80%MFI and below - The remaining 16 properties will yield 21 affordable for-sale homes.

- a) **Sales for redevelopment** - HAP selected Portland Habitat for Humanity (PHfH) to purchase and redevelop five properties. Four of the properties will yield two new homes and the fifth property will yield one new home with an auxiliary dwelling unit for purchase by a large, multi-generation household. PHfH will complete the purchase of the properties in the third quarter of FY 2008 and will complete the construction and sale of the new homes in FY 2010.
- b) **Sales for renovation** - HAP selected Portland Community Land Trust (PCLT) to purchase and renovate nine properties using the 15-year maintenance free standard established by HAP. PCLT purchased five of the nine properties during the second quarter of FY 2008 and began renovation of the homes. The purchase of the final four properties will be completed during the third quarter of FY 2008. All the renovation work will be completed by the end of the second quarter of FY 2009 with sales anticipated to be complete by the end of the fourth quarter FY 2009.
- c) **Sales to current HAP resident in home** - HAP will complete the sale of three properties to the clients who occupied the home in the third quarter of FY 2008. The homes were renovated to a 15-year major maintenance free standard prior to the sale of the home.

Disposition and Sale of Scattered Site Public Housing

HAP has submitted HUD disposition applications for the sales of scattered sites and anticipates approval in early 2008. As summarized below, proceeds from the sales are a key component in the Public Housing Preservation Initiative.

Three key preservation objectives are underway and will remain a top priority during FY 2009:

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

The following four objectives are designed to reconfigure HAP’s public housing portfolio and begin to meet this high priority initiative.

FY 2009 objectives

Continue disposition of scattered site public housing – A disposition application for the entire 160 unit scattered site portfolio was submitted to HUD in September 2007. Assuming HUD approval is received early in 2008, the first of the vacant homes may be sold during FY 2008. HAP intends to market approximately 60 units during “Phase 1” and estimates 37 houses to be sold during FY 2009. Depending upon market interest and the timing of relocation progress, the number of units sold could increase or decrease in any given year.

Continue efforts to develop replacement housing – HAP has identified three primary tools to assist in implementation of this objective:

- Conversion of units in HAP’s affordable housing portfolio to public housing
- Infill on the site of existing public housing properties
- Pursuit of new development or acquisition rehabilitation

Continue plans to address unmet capital needs in public housing –As proceeds from scattered site sales and leveraging opportunities become available (described in Section VI – Capital Planning), these tools will help prioritize capital needs. HAP intends to investigate mixed financing opportunities as a means to leverage capital investments.

Analyze alternative financing scenarios – As part of our efforts to preserve this valuable resource for very low income households, the agency will consider options other than the public housing operating subsidy and public housing capital fund for the financing of these units. This analysis might lead to converting the financing of public housing units to mixed finance, tax credits, and/or project-based Section 8.

These alternatives are intended to serve as a companion to HAP's efforts to leverage capital investment for this portfolio. We believe this change may improve our ability to create sustainable operating and capital financing for these assets. In addition to financial sustainability, HAP would structure refinancing activities to provide increased resident services at our properties.

D. Homeownership Programs

HAP's GOALS - Homeownership Programs

On-going activities – Both public housing and Section 8 participants are eligible for participation in GOALS (see more detailed descriptions in Section IX – Residents Services.)

HAP will discontinue the “Achieving the American Dream (AAD)” Homeownership Program during FY 2008. The program was established to assist residents purchase HAP's single family homes at below market prices. In order to achieve the goals of the Public Housing Preservation Initiative, including the need to sell scattered sites at market prices, the AAD subsidy program will be eliminated at the end of calendar year 2009. Four sales to residents in FY 2008 are anticipated by the end of the program.

Although GOALS is no longer directly administering homeownership programs, staff maintain connections to community-based and other governmental organizations that provide homeownership opportunities. This includes the Shared Appreciation Mortgage program at the Portland Development Commission Neighborhood Housing Program targeting urban renewal areas as well as programs with the Portland Community Land Trust and Habitat for Humanity.

As a requirement in HAP's purchase and sales agreements with two non profit homeownership groups, current GOALS participants are reaping the benefit of a small number of homes with Portland Community Land Trust and Habitat for Humanity that are being initially marketed only to GOALS families.

In addition, GOALS coordinators work with families to assist them in saving money through the escrow program operated at HAP as well as through Individual Development Account (IDA) opportunities. Combined, the IDA program and escrow resources can be a significant factor in paying for a down payment.

FY 2009 objectives

Continue to utilize GOALS homeownership counseling as a means of outreach to residents about opportunities to purchase public housing scattered-site homes for sale.

Increase collaboration with community partners specializing in first-time homeownership programs. HAP will be considering how to best continue operations of the GOALS homeownership program into the future.

HAP's Partnership with the African American Alliance for Homeownership (AAAH)
Ongoing activities - Households living at New Columbia had the option of working with AAAH to receive one-to-one counseling (coaching) for home buying services. AAAH is a community-based organization comprised of housing resource professionals, business and community leaders. AAAH coordinates an annual Home Buying Fair and the Home Buying Coaching Project.

FY 2009 objective

Continue partnership with AAAH as HAP moves forward with Humboldt Gardens homeownership and affirmative marketing with the public housing scattered site sales.

Section VII: Owned and Managed Units

HAP's Real Estate Services

HAP's major initiative, initiated in FY 2008 and continuing into FY 2009, **Public Housing Preservation**, is summarized below in **Part 1 – HAP's Public Housing Portfolio**. The charts and narrative that follow in the public housing section are proscribed by HUD as a part of the agency's annual MTW planning process.

Following the public housing description, **Part 2 – HAP's Affordable Housing Portfolio** provides a summary of these important elements in HAP's comprehensive real estate portfolio.

Part 1 - HAP's Public Housing Portfolio

Prior to Board adoption in July 2007, HAP met with community stakeholders to discuss three key **Public Housing Preservation** objectives:

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

In July 2007, the HAP Board of Commissioners accepted a set of guiding principles and a staff workplan to further define the need and approach. These are summarized below:

Public Housing Preservation: Guiding Principles

For the sale of scattered site public housing units:

- Scattered sites that are sold will be replaced one for one. The replacement units will be in multi-family properties.
- The homes will be sold for maximum return in order to ensure replacement housing, the preservation of existing public housing units, and the recapture of unused public housing subsidy or banked units.
- HAP will work with the City of Portland in support of Operation Home (closing the minority homeownership gap) as it markets the homes for sale, with the understanding that outreach efforts will target buyers who can afford market rate housing.

For the replacement housing:

- The new housing must be financially sustainable and able to withstand changes in federal support for the public housing operating subsidy.
- Wherever possible, it will be part of mixed-income developments to avoid concentrations of poverty. This also will allow HAP to leverage other development resources to provide more affordable housing units in total.
- HAP will follow its development policy, which embraces the City of Portland's location policy, and seek opportunities to provide replacement housing in areas that are near town centers, job opportunities, and transit and have lower concentrations of poverty and affordable housing.
- HAP will seek to align the programming for these units with community policy priorities, such as permanent supportive housing, and HAP priorities, such as the Opportunity Housing Initiative for self-sufficiency.

For meeting deferred capital needs:

- The overarching goals for this work will be to address life safety issues, building envelope & major systems, reduce operating costs, and improve livability.
- A cost benefit analysis will help guide decision-making in examining options available to achieve these goals.
- HAP will leverage other affordable housing financing, including state and local resources, to supplement the capital grant and proceeds from the sale of scattered sites.

The FY 2008 MTW Report will summarize current key activities in each of these areas. Key areas of work that will continue during FY 2009 are summarized below.

FY 2009 Public Housing Preservation on-going objectives

Continue disposition of scattered site public housing units – As one of the means to accomplish greater cost-efficiencies, HAP will sell and replace approximately 50 units a year over the next several years, with the understanding that new development may have a longer timeframe before it is operational. In the event that a potential offer to sell all or a portion of the total scattered site portfolio is negotiated and resident relocation is expedited, the timing of the “50 per year” might accelerate during FY 2009. (This objective is addressed in Section VI – Capital Planning.)

Continue efforts to develop replacement housing – This objective is addressed in Section XI – Local Strategic Initiatives; Part 1 – Development and Community Revitalization. A quick review of potential tools includes:

- Conversion of existing HAP controlled units (i.e. the affordable housing portfolio) to public housing;
- In-fill on existing public housing property;

- Pursuit of new development or acquisition rehabilitation.

Address unmet capital needs in public housing – This objective is described in more detail in Section VI – Capital Planning. A capital needs planning tool has been developed to help evaluate needs. These include: life safety concerns, building envelope & major systems improvements, operational efficiency and quality of life issues.

Additional FY 2009 public housing objectives –

In addition to the agency-wide effort to take a fresh look at admissions policies (including preferences, priorities and set-asides outlined in Section II – Occupancy Policies), Real Estate Services is considering a specific occupancy policy for HAP properties:

Consider a smoke-free housing policy for a portion of public housing and affordable housing units – HAP will consider policy changes to implement a no smoking policy within living units and interior common areas at additional properties in our Real Estate Operations portfolio (public housing and affordable housing properties).

Moving to smoke-free housing has the potential to reduce costs related to smoking damages and improve community livability. Implementing a smoke-free policy would reduce costs related to property damage from smoking related fires and would reduce unit turnover costs. The unit turnover costs of a smoking unit are often significantly greater than non smoking units.

Community livability will also be positively impacted by this change. Residents in the Portland metro area and nationally who were surveyed about moving to smoke-free housing welcomed it and indicated that they would prefer to live in a smoke-free environment. Furthermore, given the health issues associated with second hand smoke exposure, smoke-free housing will likely improve the quality of living for all residents.

Continue improving upon the asset management model – Continued improvements to HAP's public housing asset management model will occur during FY 2009. These will include best practices that will result in continued high occupancy rates, continued timely responses for maintenance issues, quarterly reporting of property performance indicators, and increased collaboration with local law enforcement professionals in Portland, Gresham, Fairview and Multnomah County.

Public Housing Vacancy Rates

On-going activities – Public housing site staff have continued to improve upon their ability to manage a site-based admissions process under an asset management model. The public housing portfolio's targeted occupancy rate of 97% or better has consistently been met and exceeded with average monthly YTD portfolio occupancy at 98.30%.

FY 2009 objective

Continue to achieve a 97% or better occupancy rate (the rate projected in the accompanying table is 97.58%).

	Vacancy Rate	ACC Units	Units Available	Vacancy Rate	Projected Vacancy Rate
Property	12/1/2006			10/31/2007	FY 09
*ph103 - Iris Court	100.00%	51	47	100.00%	100.00%
ph104 - Northwest Tower	0.57%	174	174	1.15%	0.86%
ph105 - Hillsdale Terrace	5.00%	60	60	5.00%	5.00%
ph106 - Hollywood East	2.80%	286	286	0.35%	1.58%
*ph107 - Royal Rose Court	100.00%	36	36	100.00%	100.00%
ph108 - Peaceful Villa	1.43%	70	70	0.00%	0.72%
*ph109 - Royal Rose Annex	100.00%	9	9	100.00%	100.00%
*ph110 - Sumner Court	100.00%	9	8	100.00%	100.00%
ph111 - Dekum Court	2.50%	40	40	0.00%	1.25%
ph113 - Tamarack	1.67%	120	120	1.67%	1.67%
ph114 - Dahlke Manor	1.74%	115	115	1.74%	1.74%
ph115 - Holgate House	0.00%	80	80	1.25%	0.63%
ph116 - Sellwood Center	0.91%	110	110	2.73%	1.82%
ph117 - Schrunck Riverview Tower	2.54%	118	118	0.00%	1.27%
ph118 - Williams Plaza	1.98%	101	101	0.00%	0.99%
ph121 - Fir Acres	0.00%	32	32	3.12%	1.56%
ph122 - Townhouse Terrace	0.00%	32	32	0.00%	0.00%
ph123 - Stark Manor	3.33%	30	30	0.00%	1.67%
ph124 - Lexington Court	10.00%	20	20	0.00%	5.00%
ph125 - Eastwood Court	0.00%	32	32	0.00%	0.00%
ph126 - Carlton Court	4.17%	24	24	4.17%	4.17%
ph131 - Slavin Court	8.33%	24	24	12.50%	10.42%
ph132 - Demar Downs	5.56%	18	18	5.56%	5.56%
ph137 - Gallagher Plaza	2.35%	85	85	1.18%	1.77%
ph138 - Eliot Square	6.67%	30	30	0.00%	3.34%
ph139 - Medallion Apts.	0.00%	90	90	1.11%	0.56%
ph140 - Ruth Haefner Plaza	1.37%	73	73	4.11%	2.74%
ph142 - Celilo Court	0.00%	28	28	0.00%	0.00%
ph151 - Tillicum South	0.00%	12	12	16.67%	8.34%
ph152 - Harold Lee Village	0.00%	10	10	0.00%	0.00%
ph153 - Floresta	0.00%	20	20	5.00%	2.50%
**ph203 - Maple Mallory	43.75%	48	48	33.33%	9.17%
ph232 - Bel Park	0.00%	10	10	0.00%	0.00%
ph236 - Winchell Court	0.00%	10	10	0.00%	0.00%
ph237 - Powellhurst Woods	2.94%	34	34	0.00%	1.47%
ph251 - Tillicum North	0.00%	18	18	0.00%	0.00%
ph252 - Hunter's Run	0.00%	10	10	10.00%	5.00%
ph332 - Camelia Court	14.29%	14	14	0.00%	7.15%
ph336 - Cora Park Apartments	0.00%	10	10	0.00%	0.00%
ph337 - Alderwood	5.00%	20	20	0.00%	2.50%
ph436 - Chateau Apartments	10.00%	10	10	0.00%	5.00%
***ph701 - North Area A" Scattered Sites"	0.00%	20	20	10.00%	5.00%
***ph702 - North Area B" Scattered Sites"	3.45%	29	19	26.32%	14.89%
***ph703 - North Area C" Scattered Site"	16.67%	24	21	9.52%	13.10%
***ph704 - West Area A" Scattered Sites"	0.00%	8	8	12.50%	50.00%
***ph705 - East Area A" Scattered Sites"	0.00%	35	34	5.88%	50.00%
***ph706 - East Area B" Scattered Sites"	0.00%	50	49	4.08%	2.04%
***ph707 - East Area C" Scattered Sites"	0.00%	17	17	5.88%	50.00%

***ph705 - East Area A" Scattered Sites"	0.00%	35	34	5.88%	50.00%
***ph706 - East Area B" Scattered Sites"	0.00%	50	49	4.08%	2.04%
***ph707 - East Area C" Scattered Sites"	0.00%	17	17	5.88%	50.00%
tc305 - Haven	2.27%	29	29	3.44%	2.86%
tc310 - Cecelia	2.08%	72	72	1.38%	1.73%
tc315 - Trouton	2.00%	125	125	6.40%	4.20%
tc325 - Woolsey	2.00%	71	71	1.40%	1.70%
TOTALS	7.23%	2,603	2,583	11.49%	13.29%
					690.91%
Vacancy Rate excluding HOPE VI and Capital Fund vacancies noted below (2007 and FY09 vacancy rates also exclude scattered sites).	1.97%			2.25%	2.42%
*These communities are undergoing redevelopment through HOPE VI and vacancies are not being reoccupied					
**PH 203/Maple Mallory is experiencing temporary vacancies related to Capital Fund revitalization.					
<i>The last four properties are new this year, representing public housing at completed HOPE VI projects.</i>					
***Scattered site vacancies are not being reoccupied due to PH Preservation Initiative					

B. Public Housing Rent Collections

	FY 2008 Budgeted	Budget pro-rated for 6 months (4/1/2007- 9/30/2007)	Actual collected as of 9/30/2007
Dwelling Rent Billed	\$4,336,076.00	\$2,168,038.00	\$2,325,303.00
Dwelling Rent Collected			\$2,301,974.00
Collection Percentage			98.99%

On-going activities –Site staff continue to perform site-based rent collections and address non-payment issues accordingly. HAP continues to utilize a strict lease enforcement policy to maintain a very high level of rent collections.

FY 2009 objective

By the 10th of each month rents have been collected or late fees have been posted and appropriate notifications have been delivered regarding delinquency. Achieve a minimum of 98% rent collections.

C. Public Housing Work Orders

On-going activities - Residents contact their site manager directly to report maintenance issues. Site-based maintenance workers then respond to these work orders. Additionally, HAP has integrated its preventive maintenance program within the site-

based model. Each site team has developed and scheduled preventive maintenance items that are site specific.

FY 2009 objectives

- Achieve 98% response rate for emergency work orders (responding to needs within 24 hours)
- Respond and complete routine work orders within five days.
- Implement preventative maintenance plans resulting in approximately 50% of all completed work orders completed in this manner.
- Additional work will be done with site staff in how best to schedule and balance the completing needs generated through vacancy turns, resident requests and preventative/routine work.

Response Times for Emergency Work Orders

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual (7 month)	FY 2008 Projection (12 month)	FY 2009 Projection
Total Number	487	741	422	337	297	153	262	300
Percent Meeting 24 Hour Response Goal	99.9%	91.7%	98.3%	99.1%	98.3%	92%	95%	98%

Note: FY 2008 actual (7-month) emergency work order response time of 92% is not indicative of HAP's actual performance. The 92% response time represents 141 of 153 emergency work orders completed within 24 hours. Many "emergency" work orders were not actually emergencies but were categorized as such incorrectly (thus leading to a response time of less than 24 hours). HAP will continue to work on accurately categorizing work orders and improving response time to true emergencies to 98% or better.

Response Times for Routine Work Orders

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual (7 months)	FY 2008 Projection (12 months)	FY 2009 Projection 4-1-08 to 3-31-09
Total Number	12,282	11,373	9,315	9,188	9,287	5,747	9,852	10,216
Average Completion Days	5.5	6.2	5.7	3.5	6.0	4.92	4.5	4.0
% of Routine Work Orders Completed within 30 days	--	--	--	--	94.5%	96.9%	98%	99%

HAP continues to perform a large amount of routine work orders. While performing this work the average days to complete continues to decrease while HAP continues to perform a large amount of routine work orders. While the percentage of routine work orders completed within 30 days continues to increase.

Preventative maintenance plans - HAP has recently instituted preventative maintenance plans for each individual public housing property. In addition, performance benchmarks have been established for each maintenance work group in an effort to better plan and implement a proactive maintenance approach for HAP's apartment communities. Through these efforts HAP intends to incorporate 50% of all completed work orders through the preventative maintenance plans. (Since preventative maintenance work activity will have a work order generated and completed it will be captured in the overall work order statistics.)

D. Public Housing Inspections

On-going activities - The inspection plan for public housing has changed to better address the needs of a site-based management system. In FY 2007, HAP returned to an annual UPCS inspection model: inspectors complete unit maintenance and facility inspections once a year.

FY 2009 objective

Continue to implement site-based inspections for public housing units – To further the asset management model allowing for direct control and responsibility by staff at the site level, annual inspections have been moved from a centralized function to a site-based function.

This annual UPCS inspection will be completed for all public housing units and common areas. In addition, site staff will complete periodic house keeping inspections to ensure lease compliance. HAP will achieve high performer status on REAC scores (HUD's Real Estate Assessment Center).

Public Housing Inspections

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual
	Number Inspected / Total				
Development/Project	40 / 50	37 / 50	32 / 49	34 / 48	37 / 48
Housing Units	2,262	2,413	1,464	1,954	2,012
Site Staff Projects Inspected	18	22	21	22	12
Site Staff Units Inspected	917	538	762	765	358
Total Projects/Units Inspected	58/3,179	57/2,951	53/2,226	56/2,719	49/2,370

Table continued below

	FY 2007	FY 2008 Actual (7 months)	FY 2008 Projected (12 months)	FY 2009 Projected
	Number Inspected / Total			
Development/ Project	43 / 44	44 / 44	44 / 44	41 / 44
Housing Units	2178	2208	2208	2149
Site Staff Projects Inspected	25	44	44	41
Site Staff Units Inspected	254	873	1496	2149
Total Projects/Units Inspected	43/2,462	44/2,208	44/2,208	41/2149

FY 2004 figures eliminate two developments that were demolished for HOPE VI

FY 2009 projected inspections includes 59 units located in 3 developments/projects scheduled to be sold through PH Preservation

E. Public Housing Security

On-going activities – As detailed each year in the MTW Annual Report, resident training, security monitoring, lease enforcement, contracting with security patrols as needed, and coordination with law enforcement and crime prevention specialists are all elements which continue to be utilized to address security and community livability issues.

FY 2009 objective

Continue to increase positive working relationships with law enforcement officials in Portland, Gresham, Fairview and Multnomah County. Establish

monthly and/or quarterly meetings with each jurisdiction to ensure on-going communication. Host community activities for Public Housing residents to participate in National Night Out.

Part 2 – HAP’s Affordable Housing Portfolio

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 is an essential tool in achieving this healthy mix of properties. 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.*

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 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.

As of November 2007, **3793 units** are included at **67 properties** in HAP’s affordable and special needs housing portfolio (excluding public housing units).

HAP's Affordable Housing Communities as of November 2007

	Total Units	% of Total Units	Income Distribution by Median Family Income (MFI) Maximum Incomes Allowed			(Project- Based Section 8)
			0% - 30% MFI	31% - 50% MFI	51% - 80% MFI*	
<u>HAP Owned Properties</u>						
1 Ainsworth Court	88		0	0	88	0
2 Ashcreek Commons	21		5	0	16	(5)
3 Fairviews (328 – 40 to Public Housing)	288		0	0	288	0
4 Fenwick Apts.	27		8	0	19	(8)
5 Grace Peck Terrace	95		95	n/a	n/a	(95)
La Tourelle (sold November 2007)	80		0	0	80	0
6 Multnomah Manor	53		23	30	0	(23)
7 Pine Square	143		0	0	143	0
8 Plaza Townhomes	68		68	n/a	n/a	(68)
9 Rockwood Station	195		20	0	175	(20)
10 Rosenbaum Plaza	76		76	n/a	n/a	(76)
11 Schiller Way	24		12	0	12	0
12 St. John's Woods	124		124	n/a	n/a	(124)
13 University Place	28		0	0	28	0
14 Unthank Plaza	80		80	n/a	n/a	(80)
15 Willow Tree	7		0	7	0	0
subtotal HAP owned	1317	40%	511	37	769	(499)
<u>Tax Credit Partnerships</u>						
16 Dawson Park	67		0	9	58	0
17 Fountain Place	80		20	10	50	(20)
18 Gateway Park	144		0	13	131	0
19 Gladstone Square	48		27	14	7	(3)
20 Gretchen Kafoury	129		10	29	90	(10)
21 Hamilton West	152		5	73	74	(5)
22 Helen Ann Swindells	105		0	105	0	0
23 Kelly Place	20		0	20	0	0
24 Lovejoy Station	181		0	72	109	0
New Columbia - Cecelia LP	59		****	0	59	0
New Columbia - Haven LP	15		****	0	15	0
25 New Columbia - Woolsey LP	60		****	0	60	0
New Columbia - Trouton LP***	125		****	0	125	(73)
subtotal New Columbia	259					

26	Pearl Court	199	1	110	88	(1)
27	Peter Paulson	93	0	92	1	0
28	Rockwood Landing	36	0	36	0	0
29	Sequoia Square	62	18	26	18	0
30	The St. Francis	132	100	6	26	0
31	The Morrison (opened Nov 07)	140	45	0	95	(30)
32	Yards at Union Station	158	0	72	86	0
subtotal tax credit 2005 60%		226	687	1092	(142)	
Total as of November 2007		3322	737	724	1861	(641)
		22%	22%	56%		

Affordable Housing – Special Needs - The Special Needs portfolio includes an additional 35 properties that provide 471 housing units for populations needing specialized care. These include households with developmental disabilities, chronic mental illness, alcohol & drug-free environments, HIV/AIDS, and homelessness. The properties range in size from three apartments to facilities with 90 beds.

Special Needs Properties as of November 2007	0% to 30% of AMI in Special Needs	31% to 50% of AMI in Special Needs	51% to 80% of AMI in Special Needs	PBS8 units in Special Needs (included in previous columns)	TOTAL UNITS
35 Special Needs Properties - includes sale of Chautauqua (5 units) and opening of Clark Center Annex (22 units, including 10 PBS8) and purchase of The Grove (70 units)	389	82	0	(30)	471
4 Affordable Properties with Special Needs included – These are already included in the total AH property counts above (45 of The Morrison’s units have been added to this category, including 30 PBS8.)	73	0	0	(58)	73
Total Special Needs Units (includes duplicates with 4 HAP Affordable Housing developments)	462	82	0	(88)	544

On-going activities

Opportunities for additional repositioning of the affordable housing portfolio – HAP has undertaken an analysis of a number of properties for potential repositioning. These efforts will continue into the coming year.

FY 2009 objective

Public Housing Preservation

Continue efforts to develop replacement housing including conversion of units in HAP's affordable housing portfolio to public housing - As an initial trial in the effort to reconfigure our public housing portfolio, the FY 2008 Fairview Conversion Project illustrates potential linkages between public housing and our affordable housing portfolio. Two additional projects are anticipated for conversion during FY 2009:

- Rockwood Station – Consists of 195 one and two-bedroom units located in Gresham in a three-story apartment community. Initial financial projections indicate approximately 20 units with public housing subsidy might be possible under current financial structure.
- Pine Square – Consists of 142 one and two-bedroom units located in Gresham. Cash from the sale of La Tourelle will enable bonds to be paid off and the property separated from University Place. (bonds currently are tied with 88% Pine Square and 12% University Place.)

Along with the infusion of proceeds from the sales of the first public housing scattered sites, preliminary financial projections indicate that roughly 25 units could be converted to public housing at Pine Square, while also addressing capital needs.

Planning for Low Income Housing Tax Credit (LIHTC) “Year 15” transitions - HAP is undertaking an analysis of the affordable LIHTC portfolio to create individual project assessments for Year 15 transition strategies with Limited Partner investors. This includes review of existing exit options within each partnership agreement or might include refinancing to terminate an existing partnership that leads to either HAP's sole ownership or to the creation of a new tax credit partnership. Consideration of potential needs for capital improvements will also be factored into each strategy.

FY 2009 objective

Analyze and formulate LIHTC Year 15 transition strategies - implement a tracking and evaluation tool for all affordable LIHTC properties in the affordable portfolio.

Property management planning for Humboldt Gardens (on-going activities) - In coordination with development staff, affordable housing staff has been developing the property management plan for Humboldt Gardens.

FY 2009 objective

Select qualified private property management firm, and coordinate all elements of the successful opening and re-occupancy of Humboldt Gardens.

Asset management for the public housing portfolio - In coordination with the public housing property management and development staff, affordable housing staff will assist in identifying asset management oversight that will be needed if the public housing capital program includes leveraging of new funds like LIHTC, bonds and other financing tools that have additional compliance and reporting requirements.

FY 2009 objective

Design an asset management oversight program for mixed finance public housing properties – Develop a compliance and reporting structure that will complement and further the operations of site-based management of public housing properties.

**Section VIII: Leased Housing –
HAP’s Section 8
And Short-term Rent Assistance Programs**

This section provides information on Section 8 lease-ups, rent reasonableness, housing opportunity, deconcentration of poverty, inspections, security, and short-term rent assistance.

Overview - With the benefit of fresh management perspective at the helm during FY 2008, HAP’s Section 8 program is implementing changes in order to increase efficiency and customer service, to both participants and landlords. Two major changes are currently underway:

- 1) Restructuring of the Rent Assistance Department – In contrast to four teams that formerly specialized in specific portions of the program, the new structure has transitioned to a case management model for applicants and participants, complemented by a Landlord Services Team.
- 2) Transition to electronic files – Section 8 is the first HAP department to pilot a transition to electronic files. This will enable higher levels of efficiency as well as better security around client confidentiality. Implementation is anticipated to begin during January 2008 and will be completed during FY 2009.

In conjunction with the agency-wide effort to address rent policies during FY 2009, the Section 8 program will be looking closely at occupancy policies including preferences, priorities and set-asides for specific populations (see Section II Occupancy Policies).

A. Leasing Information

Section 8 Units Under Lease and Target Lease-ups

HAP Fiscal Year	Vouchers	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	5,961	99.0%
2004	6,142	6,167	100.4%
2005	6,142	6,019	98.0%
2006*	7,365	7,220	98.0%
2007	7,516	7,451	99.13%
2008 Projection (MTW vouchers only)	7476	7503	100.4%
2009 Projection (MTW vouchers only)	7476	7476	100%

*Note: Data from 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. The increased number of units between 2006 and 2007/08 is due to the addition of 98 HOPE VI relocation vouchers for the Iris Court/Humboldt Gardens redevelopment.

Voucher Utilization

Analysis of voucher utilization for calendar year 2007 (actuals through October and projections for November-December) project a utilization of 100.4%. Yet it is important to note a distinction between the tenant-based vouchers (100.9%) and the project-based vouchers (96.8%).

Of HAP's 7,476 MTW-vouchers (November 2007), 6,490 are tenant-based vouchers administered from HAP's centralized waiting list. Another 986 are Project-Based Assistance (or PBA vouchers), administered from site-based waiting lists. The majority of these PBA's have services attached for specific client groups, reflecting the original intent of the PBA program "to provide certainty rather than choice" for populations that have historically struggled in the private rental market.

Many of the PBA households, typically living in studio or one bedroom rentals, move more frequently than other Section 8 households. Because of this constant turnover, HAP's PBA partnering agencies (those providing social services and managing leases) have often struggled to maintain high lease up rates. Yet with the need for voucher subsidies so great, HAP will be working with partner agencies during FY 2009 to increase performance standards for utilization of PBA vouchers.

FY 2009 objective – Increase PBA voucher utilization to a minimum of 98%.

Waiting list management

On-going activities - HAP is beginning the second year of the current waiting list which was anticipated to last two to three years. Of 3,000 names selected to remain on the waiting list through the lottery process, 200 were initially pulled in early 2007, 400 names were pulled in October 2007, and it is anticipated that an additional 400 names will be pulled by the end of March (FY 2008). The remaining 2000 names will be utilized to maintain lease up through FY 2009.

FY 2009 objective – HAP intends to maintain 100% lease up for all MTW vouchers through ongoing purging and utilization of the waiting list.

Ensuring rent reasonableness

On-going activities continuing into FY 2009 - HAP takes several steps to ensure that rents paid for units on the Section 8 voucher program are reasonable and comparable with the local rental market. The rent reasonableness process is automated through the utilization of the www.GoSection8.com data base. Each assisted unit is compared to three unassisted units based upon the nine HUD-required indicators. In most cases, the comparable units are located within a 2-mile radius of the assisted or to-be assisted unit. The market information is never more than 12 months old and is continuously updated by participating landlords and staff.

FY 2009 objectives

Continue to ensure units rented by Section 8 participants have comparable rents with unassisted units within the community.

Provide in-house expertise to HAP's Real Estate Operations department to establish and conduct rent reasonableness testing for the affordable housing portfolio. Because HAP-owned properties are managed by outside property management companies, HAP's Section 8 department staff conduct rent reasonableness tests on HAP-owned properties rented by Section 8 participants.

Expanding housing opportunities with expanded landlord participation

On-going activities - HAP publishes a periodic newsletter for landlords and tenants. HAP's Landlord Committee finds ways to market the program and improve landlord relations. HAP created a comprehensive landlord manual explaining the program and procedures. Landlord trainings and conferences are held throughout the year on topics such as tenant screening, lead abatement, and property maintenance. HAP has a Landlord Hotline and e-mail address to solicit landlord feedback or request information. HAP is also a partner in the "Ready to Rent," rent-readiness education program. A Landlord Service Team is being implemented in January 2008 to deal efficiently with landlord questions and to ensure timely inspections and rental payments.

During FY 2009, bi-annual landlord trainings will be offered to new landlords to ensure they have the knowledge to effectively and successfully participate in the program.

FY 2009 objective - ***HAP will conduct bi-annual trainings for new landlords, publish two Section 8 newsletters, attend a minimum of two industry trade shows, and participate in at least two annual meetings of the larger property management associations.***

Deconcentration of low-income families

On-going activities to continue into FY 2009 - HAP evaluates its voucher payment standards twice a year, and all payment standards are set between 90% and 110% of fair market rent. HAP uses time in its briefing sessions to discuss the benefits of moving to neighborhoods with a low rate of poverty, and also encourages participants to explore areas of the county outside of the City of Portland. HAP will be conducting landlord training and is considering offering incentives to encourage the participation of new landlords in areas outside of dense poverty.

FY 2009 objectives -HAP is considering implementing the following policies in an attempt to deconcentrate the utilization of Section 8 vouchers within areas of dense poverty.

- 1. Offer incentives to landlords who are not participating within areas outside of dense poverty.***
- 2. Increase payments standards as needed above 100% for areas of greater opportunity outside of dense poverty.***

3. Link payment standards to actual rents within the county so participants can afford to move to all areas within the county.

Rent Simplification and Administrative Efficiencies

On-going activities to continue into FY 2009 include biennial reviews – Biennial scheduling for clients on fixed incomes (primarily senior and disabled households) began implementation in October 2007. This has resulted in a reduction of approximately 110 annual re-certifications per month. (Additional simplification measures identified in the FY 2008 Plan will be summarized in the FY 2008 Report, May 2008.)

FY 2009 Objectives

Section 8 will participate in the agency-wide review of admissions policies (including preferences, priorities and set-asides). This initiative is outlined in Section II – Occupancy Policies.

Port-out requirements – In order to ensure HAP’s focus remains on households who choose to live within our jurisdiction (plus increase administrative efficiency), participants will not be allowed to port-out of HAP’s jurisdiction until they have successfully completed 12-months on the voucher program within HAP’s jurisdiction of Multnomah County.

Limits to move-in deposits/payments – In order to help reduce the number of evictions facing families that choose rentals beyond their means, HAP will consider changing the percentage of funds that a household is allowed to pay out-of-pocket for utilities and rent at initial move-in. The percentage has been at 70% and the proposed change is to set the upper limit at 50%.

Reduce the administrative burden on participating landlords – HAP will not require owners to enter into a new Housing Assistance Payment Contract in the event of a utility or rent change for a unit already under contract. A new contract will only be required at the time a resident moves into a new unit.

B. Inspection Strategy

On-going activities - HAP performs four major inspections for units receiving Section 8 rental assistance:

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

HAP’s Section 8 program continues to refine its building inspection program. In accordance with the Year One MTW plan, HAP began conducting whole building inspection each year rather than going out to the building multiple times. This program has been very successful and has resulted in savings in staff time, allowing increased

services in other areas. HAP has expanded this program to include complexes where there is a large concentration of Section 8 tenant-based voucher holders.

HAP's 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 Housing Quality Standard (HQS) failures, HAP has developed "tip sheets" (one for tenants and one for landlords) that help them prepare for the inspection. HAP's goal is to continually improve the number of successful inspections. HAP will continue to actively monitor family-caused HQS breaches.

During FY 2008, HAP has implemented biennial inspections for Section 8 households with a record of good tenancy. Any Section 8 participant with a two-year record of good tenancy (and who has not moved within the past two years), who rents at a property with a history of good landlord maintenance, can be placed on an every-other-year inspection schedule. (Additional inspections will be available upon request.)

Originally this change was anticipated to result in approximately 100 households qualifying for biennial inspections. However, the revised estimate now totals 1600 qualified participants.

Section 8 Inspections for FY 2009 (April 2007 through March 2008)

Inspection Type	Performed during FY 2007	Projected FY 2008 YTD *Actuals + Projected	FY 2009 Plan
Initial/Transfer	2,716	3972 + 530 = 4502	960 Transfers 840 Initials = 1800
Annual	6,530	9088 + 1212 = 10,300	All vouchers 7476 Minus transfers – 960 Minus biennial qualified clients – 1600 = 4916
Quality Control	57	128 + 77 = 205	3% of all vouchers = 225
Special (Complaint)	91	147 + 20 = 167	167
Totals	9,394	13,335 + 1839 = 15,174	7108

* FY 2008 actuals as of November 15, 2007.

FY 2009 projected decrease in annual inspections – With the change to biennial inspections for households with a good record of tenancy during FY 2008, the projected number of inspections within any one fiscal year is forecasted to decrease.

FY 2009 objectives

In order to increase efficiency, HAP will decrease the number of units inspected at properties with high performing landlords - HAP is analyzing the possibility of selecting high performing landlords who have an excellent record of maintenance and adherence to guidelines within the Section 8 program. Upon identification of these landlords only a percentage of their units would be required for annual inspection. This would serve as an incentive for landlords as well as an administrative savings.

Ensure timely payments and prompt response in order to continue to attract high performing landlords - During FY 2008, the wait time for an initial inspection has decreased from ten to five working days. HAP's goal is to get this response time down to three working days. HAP is continuing to reduce the time it takes to process a contract and remit payments for new move-ins, with a goal of completing this process within two to three weeks. Rent increases for landlords are being approved and allowed up to what the market will bear and is deemed reasonable. During FY 2008, streamlining the process has enabled rent increase requests to be analyzed and completed within one week from a landlord's request.

Utilize in-house expertise of HAP's Section 8 HQS inspectors to inspect HAP-owned properties with Section 8 participants - Because HAP-owned properties are managed by outside property management companies, HAP's Section 8 department staff conduct inspections on HAP-owned properties rented by Section 8 participants.

C. Security

On-going activities to continue into FY 2009

Law enforcement and crime prevention - 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.

Preventing fraud - Section 8 maintains a fraud tip hotline for complaints. Procedures around households reporting zero income help to reduce fraud and provide staff the opportunity to offer additional assistance to those who need service referrals to help them obtain an income.

D. Short Term Rent Assistance Program

On-going activities – 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.

HAP began the administration of funds in January of 2006, but continued allocations to social service agencies based on the formulas, selection process, and systems previously utilized by the administrator of each funding source.

During FY 2007, in conjunction with the City of Portland, the City of Gresham, and Multnomah County, HAP oversaw a competitive procurement process to redistribute funds in order to best serve the citizens of Multnomah County. Three percent of available funds are considered a reserve for “severe weather shelter” and other emergencies. Of the remaining available funds, 55% were allocated to serve families and 45% to serve “singles” (adults and unaccompanied youth). Funds were awarded in a manner that ensured broad access, including a focus on specific geographic, cultural, and special needs populations (including domestic violence victims, families living on the streets, the medically needy, the severely mentally ill, pregnant/parenting youth, and the disabled).

A total of 19 agencies received funding to provide rent assistance services. Awards will be renewed for two additional years pending satisfactory performance by the funded agencies.

FY 2009 objectives

- 1) The outcome goals for the entire Short Term Rent Assistance system are:
 - a) **90% of households will remain housed throughout rent assistance provision**
 - b) **90% of households will retain housing 3 months after rent assistance ends**
 - c) **80% of households will retain housing 6 months after rent assistance ends**
 - d) **70% of all households will retain housing 12 months after rent assistance ends**

- 2) Each agency funded through the Short Term Rent Assistance system will have its outcomes compared against the system’s housing retention goals as described above. Since these goals may not be appropriate for all populations, each agency’s outcomes will also be compared against other agencies serving similar populations.

E. Schools/Housing Program (SFH)

The SFH program is a joint program with the City of Portland, Multnomah County and the Housing Authority of Portland to provide housing stability to families in need. This is a pilot program that provides housing assistance to families in seven target schools in order to keep the family in stable housing and therefore the child enrolled in the school.

Each identified family is allowed up to \$5000 to use towards their housing costs, which may include: rent or mortgage assistance, moving assistance, hotel/motel costs, etc. Multnomah County's Touchstone Workers are working in the schools and identifying the families in need. The Housing Authority processes the payment and monitors the spending of the grant. From 9/10/07 to 11/15/07, the SFH program served 31 families and have provided \$42,895.00 in housing assistance.

FY 2009 objective

Under the umbrella of our Short Term Rent Assistance program, continue to offer additional assistance to encourage stability for families with children.

Section IX: Resident Services

Resident services activities in FY 2008 are grouped into four main categories underlined below.

Implement Opportunity Housing Initiative (OHI) pilot projects

The Opportunity Housing Initiative (OHI) focuses on providing support to participants of Public Housing, Section 8, and a limited number of affordable housing portfolio residents, in order to

help more working-able people who live in HAP housing or receive rent assistance reach greater economic independence, so that these scarce resources can be turned over more quickly for others in need.

OHI is an outgrowth of HAP's successful Family Self-Sufficiency (FSS) program, known locally as HAP's GOALS program, described in more detail below. The changes to the GOALS graduation requirements are essential to the implementation of the OHI pilot projects.

FY 2009 objectives

Eligible HAP residents will be encouraged to:

- 1) ***become active participants in the OHI-GOALS program*** (described below) that includes opportunities for:
 - one-to-one support
 - peer support and mentoring
 - training in financial literacy and budgeting, basic education opportunities, career advancement and retention techniques, and understanding of options for housing mobility;
- 2) ***create an asset building escrow account utilizing their incremental increases in rent that result from increased income;***
- 3) ***participate in the Individual Development Account program so that they can benefit from state matching resources for a savings account,*** and,
- 4) ***transition off HAP public housing or Section 8 subsidies at the end of five years.***

HAP will continue to implement various models to serve as OHI-GOALS pilot projects.

- 1) ***Continue to build upon successful collaborations with Oregon Department of Human Services (DHS) and other partnering agencies***

This program-based model with DHS, utilizing a service enriched Section 8 voucher, is being designed to begin during FY 2008. By aligning systems and

breaking down silos between organizations, this model will help to ensure shared accountability of outcomes for individual clients.

Unique to this pilot is the use of a program-based, Section 8 voucher. DHS will select potential clients to be screened by HAP's Section 8 staff for program eligibility. Up to 25 term-limited vouchers will be available for the participants in this pilot. Once a voucher has been returned to HAP, DHS will be able to "recycle" it for a new client. After three years of program implementation, HAP will conduct an evaluation to determine interim program results and assess the availability of funds to support the revolving voucher pool.

DHS staff will take the lead in case management for the first two years; GOALS staff will serve as case managers for the remaining three years. Training from WorkSystems Inc. will begin immediately along with support from Portland and Mt. Hood Community Colleges.

Escrow savings will occur over the course of the five-year term and graduation from GOALS is a requirement to access the full escrow account. If a family is not prepared to graduate from the program, their OHI voucher will convert to a non-program tenant-based Section 8 voucher. Successful participation in this pilot also includes the ability for clients to adhere to all DHS rules and regulations. HAP and DHS will identify shared outcomes and goals and Portland State University interns will be available to assist with research and evaluation

2) *Continue to implement the OHI services component of the Fairview Conversion Project for 40 working-able participants –*

Forty eligible households have been selected for the Fairview OHI pilot and are receiving the added incentive of public housing subsidy (anticipated to begin in early FY 2008). They begin to accumulate funds in an escrow account when their portion of the rent reaches \$350/month (rather than being triggered by increases in their income.)

Participants understand from the outset that OHI is a five-year window of opportunity, with an ultimate goal to graduate from the OHI program and successfully move off public housing subsidy. If, after five years of service-enriched housing, a participant has not yet achieved his/her self-sufficiency goal, they will have the option of maintaining their public housing subsidy at a different property or staying at Fairview but paying tax-credit ("workforce") rents similar to those that they were paying at the beginning of the OHI pilot. However, their escrow account will be forfeited.

3) *Implement the Humboldt Gardens OHI pilot*

During FY 2008, Resident Services and Real Estate Operations staff collaborated to develop operational plans for OHI at Humboldt Gardens in preparation for

occupancy of the property. This included defining the lease addendum requirements and developing the waitlist management plan to ensure a meaningful cohort of working-able participants live at the property.

Similar to Fairview, OHI residents will understand from the outset that OHI is a five-year window of opportunity, with an ultimate goal to graduate from the OHI program and successfully move off public housing subsidy. If, after five years of service-enriched housing, a participant has not yet achieved his/her self-sufficiency goal, they will have the option of maintaining their public housing subsidy at a different property or staying at Humboldt Gardens in a tax-credit (“workforce”) unit. However, their escrow account will be forfeited.

4) ***Develop an OHI Pilot for New Columbia***

HAP is working on a proposal to designate approximately 50 OHI households at New Columbia (public housing, plus project-based and tenant-based Section 8 participants).

Continue to expand partnerships and increase program effectiveness for the GOALS program and the new OHI-GOALS pilot programs

Ongoing activities - HAP’s GOALS (Greater Opportunities to Advance, Learn and Succeed) program, initiated in 1994 with HUD Family Self-Sufficiency (FSS) funds, provides staffing support for the new OHI initiative and continues to serve close to 500 low-income households. Of these participants, approximately 15% are public housing residents and 85% utilize Section 8 vouchers. GOALS will be adding approximately 100 new families onto the program over the next year to fill current vacancies and to fill vacancies that will be created as families graduate.

In the two site-based OHI models described above, on-going funding will be included in the individual property’s projected operating budget.

The OHI 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.
- if applicable, agree to cease participation in Temporary Aid to Needy Families (TANF), a state welfare program.

To graduate from the GOALS program a participant must participate in key program elements including

- one-on-one support

- peer support/mentoring
- asset-building
- activities that expose adults to: financial literacy, basic education opportunities, career advancement and retention techniques, and strategies that support expanded housing choices.

Also, program participants must leave public housing or Section 8 assistance in order to successfully graduate. Participants who do not graduate are not required to leave Public Housing or Section 8, but they will be unable to access their HAP-sponsored escrow account.

FY 2009 objectives

Intensify collaboration with partnering agencies (such as employment services and Department of Human Services) and leverage resources to extend the reach of the GOALS program to additional participants.

Monitor self-sufficiency outcomes connected to OHI participation.

Continue to leverage partnerships for delivery of specialized resident services

On-going activities – In order to achieve greater cost-efficiencies, HAP has moved away from direct service to clients in two major program areas: Congregate Housing Services Program and the Evening Trades Pre-Apprenticeship Program (ETAP). Both of these services are now provided under contract with non profit service providers in the local community.

FY 2009 objectives

Continue to contract with service provider(s) to expand the meals program and provide increased Resident Services coordination in order to increase the number of residents served.

Continue to contract with CAWS (the newly formed regional service provider) to ensure continued pre-employment services in the construction trades.

Continue to provide HOPE VI Community and Supportive Services (CSS) at New Columbia and Humboldt Gardens

On-going activities – HAP’s HOPE VI physical redevelopment activity is complete at New Columbia and actively underway at Humboldt Gardens. The “people-side” of the redevelopment is 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 have 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 and Girls Club to extend programs to New Columbia residents. Activities underway which will continue into FY 2009 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 full time staff (2.0 FTE). 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, ongoing 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.

- 1) *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.
- 2) *Employment*: CSS staff is 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.
- 3) *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.

FY 2009 objectives

Continue community-building activities at New Columbia including integration of services between community partners and support from CSS endowment activities.

Continue to provide CSS case management for HOPE VI residents relocated from Iris Court and support the process of occupancy / re-occupancy of the property.

CSS will continue to assist former Iris Court residents understand their rights and responsibilities as they choose to return to Humboldt Gardens, and to navigate the leasing process. Particularly for the working-able, CSS will ensure they understand the commitment of the 5-year lease agreement, as well as the supports that will be available to help them succeed. These staff members will also work in partnership with property management to ensure a smooth process for all new residents to the property.

Section XI:

Additional Local Strategic Initiatives Strategic Initiatives Not Identified by HUD as Specific MTW Objectives

Part 1 - Development and Community Revitalization

HAP's development efforts will be focused on the following objectives. The agency will pursue including public housing replacement units in new development undertakings:

Complete the construction of Humboldt Gardens (a HOPE VI redevelopment)

- Construction is well underway and the first residents are scheduled for return in August 2008.

Continue development and redevelopment efforts that support local initiatives to end homelessness – HAP responded to the City of Portland's request for assistance on two properties in the Old Town area during the fall of 2007 and is developing plans for the redevelopment of another downtown property. These activities will continue into FY 2009:

- Acquisition of the Grove Hotel – The City of Portland requested that HAP purchase this downtown property in order for immediate health and safety concerns to be addressed and the location is preserved for affordable housing. In the near term (i.e. the next three to five years), plans call for Permanent Supportive Housing; longer term, the location could present a range of affordable housing redevelopment opportunities. Building renovations will continue into FY 2009 in preparation for the Bridgeview Program to begin on-site operations on July 1, 2008 (described in more detail in Section XI – Additional Local Strategic Initiatives).
- Development of the Resource Access Center - The City also requested HAP to serve as the master developer of the downtown resource access center, a critical component in the plan to end homelessness. As currently envisioned, the center, which would provide daytime services to persons who are homeless, would be combined with a shelter and more permanent housing in a multi-story, multi-purpose building.
- Redevelopment of University Place – HAP intends to redevelop this 28-unit building located in downtown's west end near Portland State University. The apartments were purchased in 2002 as a redevelopment opportunity, given the age of the building (1908), and the magnitude of its deferred capital needs. After an analysis of options, staff determined that razing the building and replacing it with a six story building with 50 units of permanent supportive housing was the most feasible strategy. Current financing projections support housing for a very low income population (potentially 15 public housing units and 35 units of project-based Section 8).

Continue to pursue potential redevelopment of sites in southwest Portland – Two large redevelopment opportunities are currently planned in southwest Portland

- Sears military base redevelopment – HAP understands that the Portland Development Commission (lead agency for the Department of Defense redevelopment) will make recommendations to the Portland City Council by June 2008. If HAP's proposal is selected, work will proceed on a more extensive design. Actual construction is not anticipated until September 2011 when the current military operations vacate the site.
- Redevelopment of Hillsdale Terrace - HAP's public housing development, Hillsdale Terrace, is within a mile of the military base closure site and also is at the top the agency's list for redevelopment. HAP's initial concept includes a redevelopment effort that might include both properties. If HOPE VI grant applications are accepted during FY 2009, HAP anticipates submitting a collaborative proposal to redevelop and expand affordable housing opportunities.

Part 2 - Organizational Effectiveness

Other key initiatives over the next five years are related to the ways that HAP's Board and staff approach the work we do: thinking strategically, acting collaboratively, and providing leadership in the creation and operation of social housing.

Examine opportunities for increased systems alignment in social housing -

The agency is participating in a study of the social housing delivery system sponsored by the cities of Portland and Gresham, Multnomah County, Portland Development Commission and HAP. The resulting analysis will examine whether further alignment around social housing programs and policies could result in a more efficient service delivery system and more effective use of available resources.

Institutionalize HAP's emergency preparedness system – Although HAP residents would participate in city, county and regional disaster relief programs in the event of a regional emergency, access to HAP's services would remain a key concern. An interdepartmental team with representatives from Real Estate Operations, Finance and Accounting, and Information Technology is developing plans to respond to disasters that affect the agency's ability to house residents and/or conduct necessary operations.

Continue to expand human resources and administrative initiatives to increase overall effectiveness - Activities already under development for further implementation in FY 2009 include: a series of essential information technology (IT) improvements; continued agency wide focus on training and diversity development; and contract talks with both AFSCME and Trades bargaining groups.

Section XI:
Other Information Required by HUD

See Appendix B

Resolution adopting Year 10 Moving to Work Annual Plan (FY 2009) on January 22, 2008

See Appendix D – Public Review Process

- 1) Affidavit for notice(s) of public hearing published in the Oregonian on December 9 and December 16, 2007

- 2) Letters of public testimony from:

- 3) Minutes from the public hearing held at the HAP Board of Commissioners' meeting on December 18, 2007

See Appendix E - Copies of Forms Submitted to HUD for Funding

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 HAP program that offers housekeeping, meal preparation, and other in-home services to 90 elderly and disabled residents annually.

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.

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 (PSH) Unit

As defined by the City of Portland, a PSH unit of permanent housing is:

- 1) Subject to restrictive covenants requiring that the unit be affordable to
 - a. single individual households with incomes at or below 30% MFI, or
 - b. multiple individual households below 50% MFI,as defined by HUD and the restrictive covenants applicable to the unit;
- 2) With supportive services from a Partnered Service Provider; and
- 3) Occupied by a person or household who is, or was at the time of initial occupancy of the unit, a PSH tenant.

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

Housing Choice Vouchers

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

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.

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.

Stop Loss

An opportunity to limit financial loss to housing authorities that stand to lose resources under HUD's new rules for the Public Housing Operating Subsidy.

Youth Services

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

Appendix B



MEMORANDUM

SUBJECT: RESOLUTION 08-01-01 AUTHORIZING THE HOUSING AUTHORITY OF PORTLAND (HAP) TO SUBMIT THE MOVING TO WORK (MTW) TENTH YEAR ANNUAL PLAN (FY 2009) TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

TO: BOARD OF COMMISSIONERS

**FROM: STEVEN D. RUDMAN 503.802.8501 stever@hapdx.org
Contact: Shelley Marchesi 503.802.8492 shelleym@hapdx.org**

DATE: January 15, 2008

ISSUE:

Resolution 08-01-01 authorizes the Housing Authority of Portland (HAP) to submit the Moving to Work (MTW) Tenth Year Annual Plan to the Department of Housing and Urban Development (HUD). This Plan corresponds to HAP's coming fiscal year (FY 2009 from April 1, 2008 through March 31, 2009).

BACKGROUND:

HAP has been operating as a MTW agency since April 1, 1999. During that time, HAP has been allowed to intermingle operating subsidies and capital allocations, providing HAP with flexibility in the design and administration of housing assistance. HAP has also been able to waive certain HUD regulations in favor of locally developed policies aimed at the needs of our residents, participants, and community. In March 2006, Resolution 06-03-04 authorized HAP the opportunity to extend this contract for three years, with one year now remaining.

HAP's FY 2009 MTW plan includes objectives to help us better align with local initiatives, including the Portland/Multnomah County *Ten Year Plan to End Homelessness*. The MTW Plan suggests changes that HAP may consider to occupancy policies and the ways rents are calculated. Continuing efforts in Public Housing Preservation (initiated during FY 2008), resident services, and on-going development activities are also summarized. In order to provide a more comprehensive overview of agency activities, initiatives occurring in HAP's affordable housing portfolio and administrative areas have been included although they are not recognized by HUD as MTW-activities.

HAP met with interested community stakeholders in early December to review the tenth year MTW plan. HAP will continue to work with the community as the initiatives contained

in this plan move forward, especially additional planning related to potential changes in rent and occupancy policies.

RECOMMENDATION:

Staff recommends approval of resolution 08-01-01.



RESOLUTION 08-01-01

RESOLUTION 08-01-01 AUTHORIZES HOUSING AUTHORITY OF PORTLAND STAFF TO SUBMIT THE MOVING TO WORK (MTW) TENTH YEAR ANNUAL PLAN TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

WHEREAS, this agreement provides HAP 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, on December 7, 2007, HAP staff met with community partners to review the draft MTW plan; and

WHEREAS, on December 18, 2007, the HAP Board of Commissioners conducted a public hearing on the draft MTW plan; and

WHEREAS, HUD has requested that the Housing Authority of Portland Board of Commissioners authorize the execution of its MTW Tenth Year Annual Plan.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing Authority of Portland that the Chair of the Housing Authority of Portland is authorized to enter into and execute the MTW Tenth Year Annual Plan with the Department of Housing and Urban Development.

Adopted: January 22, 2008

HOUSING AUTHORITY OF PORTLAND

Jeff Bachrach, Chair

Attest:

Steven D. Rudman, Secretary

Appendix C – Public Housing Scattered Sites – Sales Phasing

SCATTERED SITE SALES - 160 Units

Phase 1				Phase 2				Phase 3			
HUD#	AMP	Address	Count	HUD#	AMP	Address	Count	HUD#	AMP	Address	Count
050	ph704	1404 SW Carson St	1	036	ph701	9523 N Allegheny St	1	049	ph706	821 SE Bush St	1
049	ph704	5814 SW Florida St	1	049	ph701	3101 N Arlington Pl	1	048	ph706	6538 SE Carlton St	1
048	ph704	9710 SW 49th Ave	1	036	ph701	3702 N Arlington Pl	1	032	ph706	8037 SE Duke St	1
048	ph704	5735 SW 53rd Ave	1	036	ph701	7210 N Armour St	1	036	ph706	10005 SE Ellis St	1
048	ph704	8805 SW 53rd Ave	1	048	ph701	5276 N Bowdoin St	1	049	ph706	6721 SE Harold St	1
048	ph704	11005 SW 58th Ave	1	036	ph701	9020 N Chautauqua Blvd	1	049	ph706	6855 SE Lexington St	1
048	ph704	10828 SW 63rd Ave	1	049	ph701	8606 N Curtis St	1	048	ph706	4214 SE Long St	1
049	ph705	11021 NE Thompson St	1	049	ph701	8920 N Drummond Ave	1	048	ph706	4412 SE Mitchell St	1
049	ph705	201 NE 75th Ave	1	049	ph701	8216 N Fox St	1	048	ph706	1806 SE Nehalem St	1
049	ph705	3148 NE 81st Ave	1	049	ph701	3309 N Halleck St	1	048	ph706	1816 SE Nehalem St	1
050	ph705	4916 SE Brooklyn	1	049	ph701	3325 N Halleck St	1	048	ph706	1836 SE Nehalem St	1
049	ph705	6832 SE Center	1	036	ph701	3107 N Houghton St	1	049	ph706	10105 SE Pardee St	1
048	ph705	6705 SE Gladstone	1	036	ph701	3220 N Hunt St	1	049	ph706	7509 SE Raymond St	1
032	ph705	3410 SE Grant Ct	1	049	ph701	10223 N Hudson St	1	049	ph706	6550 SE Reedway St	1
049	ph705	7243 SE Harrison St	1	049	ph701	9536 N Mohawk Ave	1	032	ph706	8730 SE Rural St	1
050	ph705	4113 SE Ivon St	1	036	ph701	10019 N Mohawk St	1	032	ph706	8732 SE Rural St	1
050	ph705	6206 SE Sherman St	1	048	ph701	7454 N Montith St	1	048	ph706	7533 SE Schiller St	1
048	ph705	7540 SE Taggart	1	036	ph701	9132 N Pier Park Place	1	049	ph706	6047 SE Tolman St	1
048	ph705	7650 SE Taggart	1	036	ph701	9406 N Tioga St	1	049	ph706	7916 SE 15th Ave*	1
048	ph705	5316 SE Washington St	1	049	ph702	1637 NE Ainsworth	1	049	ph706	8215 SE 16th Ave	1
048	ph705	2727 SE 48th Ave	1	049	ph702	4815 NE Alberta St	1	050	ph706	3126 SE 23rd Ave	1
049	ph705	4004 SE 48th Ave	1	049	ph702	2505 N Baldwin St	1	049	ph706	5024 SE 58th Ave	1
048	ph705	4420 SE 51st Ave	1	032	ph702	2908 NE Killingsworth St	1	049	ph706	4719 SE 59th Ave	1
050	ph705	3554 SE 62nd Ave	1	049	ph702	5734 NE Mallory Ave	1	048	ph706	4815 SE 59th Ave	1
048	ph705	3614 SE 62nd Ave	1	049	ph702	1630 NE Mason St	1	032	ph706	5406 SE 62nd Ave	1
049	ph705	3712 SE 64th Ave	1	032	ph702	6830 NE Roselawn St	1	032	ph706	5410 SE 62nd Ave	1
050	ph705	3603 SE 68th Ave	1	049	ph702	68 NE Russet St	1	032	ph706	5414 SE 62nd Ave	1
032	ph705	2503 SE 76th Ave	1	049	ph702	4323 NE 18th Ave	1	050	ph706	6622 SE 63rd Ave	1
032	ph705	2504 SE 76th Ave	1	049	ph702	5226 NE 21st Ave	1	049	ph706	7958 SE 64th Ave	1
032	ph705	2507 SE 76th Ave	1	049	ph702	5925 NE 24th Ave	1	049	ph706	7855 SE 66th Ave	1
032	ph705	2519 SE 76th Ave	1	050	ph702	4928 NE 36th Ave	1	032	ph706	6535 SE 68th Ave	1
032	ph705	2528 SE 76th Ave	1	050	ph702	5418 NE 36th Ave	1	032	ph706	6547 SE 68th Ave	1
032	ph705	2605 SE 76th Ave	1	032	ph703	3550 N Albina Ave	1	036	ph706	6536 SE 69th Ave	1

032	ph705	2606 SE 76th Ave	1
032	ph705	530 SE 88th Ave	1
049	ph705	18 SE 89th Ave	1
044	ph707	19757 NE Everett Ln	1
044	ph707	18919 NE Flanders	1
050	ph707	14535 NE Knott Ct	1
050	ph707	4009 NE 133rd Ave*	1
050	ph707	3810 NE 136th Pl	1
044	ph707	111 NE 197th Ave	1
044	ph707	12634 SE Cora St	1
044	ph707	16931 SE Haig St	1
044	ph707	13934 SE Mill St	1
044	ph707	16827 SE Rhine St	1
044	ph707	14217 SE Salmon St	1
044	ph707	4125 SE 138th Ave	1
032	ph707	2608 SE 141st Ave	1
044	ph707	1804 SE 154th Ave	1
044	ph707	731 SE 170th Dr	1
044	ph707	2027 SE 184th	1
048	ph704	9624 SW 52nd Ave	1
036	ph705	6304 NE Hoyt St	1
036	ph705	6306 NE Hoyt St	1
036	ph705	6310 NE Hoyt St	1
036	ph705	6312 NE Hoyt St	1
050	ph705	3736 SE 68th Ave	1
044	ph707	907 NE 198th Ave	1
			59

032	ph703	3552 N Albina Ave	1
032	ph703	4036 N Albina Ave	1
032	ph703	4038 N Albina Ave	1
032	ph703	3535 N Borthwick Ave.	1
032	ph703	3537 N Borthwick Ave	1
032	ph703	3544 N Borthwick Ave	1
032	ph703	3546 N Borthwick Ave	1
032	ph703	3624 N Borthwick Ave	1
032	ph703	3626 N Borthwick Ave	1
032	ph703	3916 N Borthwick Ave	1
032	ph703	3918 N Borthwick Ave	1
032	ph703	305 N Mason St	1
032	ph703	307 N Mason St	1
036	ph703	911 N Sumner St	1
036	ph703	917 N Sumner St.	1
032	ph703	3827 N Vancouver Ave	1
032	ph703	3829 N Vancouver Ave	1
049	ph703	4404 NE 20th Ave	1
036	ph701	9464 N Richmond St	1
			52

049	ph706	5309 SE 70th Ave	1
050	ph706	6739 SE 75th Ave	1
048	ph706	4906 SE 76th Ave	1
032	ph706	6410 SE 81st Ave	1
050	ph706	6111 SE 86th Ave	1
049	ph706	6325 SE 86th Ave	1
032	ph706	6719 SE 86th Ave	1
032	ph706	6801 SE 86th Ave	1
049	ph706	6317 SE 89th Ave	1
049	ph706	6109 SE 90th Ave	1
049	ph706	6936 SE 91st Ave	1
050	ph706	7739 SE 101st Ave	1
048	ph706	7816 SE 103rd Ave	1
048	ph706	6625 SE Knight St	1
049	ph706	6629 SE Knight St	1
048	ph706	1126 SE Marion St*	1
			49

Note: Units shaded are HOLD for Special needs, AAD sale, etc

Appendix D Public Review Process

- 1) Discussion notes from Community Stakeholder meeting December 7, 2007
- 2) Affidavit for notice(s) of public hearing published in the Oregonian on December 9 and December 16, 2007
- 3) Letters of public testimony from:
 - Micky Ryan, Oregon Law Center
- 4) Minutes from the public hearing held at the HAP Board of Commissioners' meeting on December 18, 2007

MTW FY2009 Annual Plan
Community Stakeholder Meeting
December 7, 2007

Discussion Notes

Community members present:

Jeff Reingold, Income Property Management;
Stephen Fulton, City of Portland, BHCD;
Rebecca Childs, NW Pilot Project;
Heather Ficht, WorkSystems Inc;
Amy Corbett, Metropolitan Family Services;
Deborah Mann and Joy McCray, HUD Portland Field Office;
Vince Chiotti, Oregon Housing & Community Services;
Mary Li, Multnomah County;
Christina Dirks, Legal Aid; and
Tom Cusak, retired from HUD Portland Field Office.

HAP staff members present: Steve Rudman, Margaret Van Vliet, Todd Salvo, Shelley Marchesi, Jill Riddle, Mike Andrews, Julie Satterwhite, Dena Ford-Avery, Betty Dominquez, Erik Fabian, Pamela Kambur

MTW Planning Process - Steve Rudman provided an overview of the planning process and emphasized that the meeting today was only the kick off. A public hearing will occur at the HAP Board meeting on December 18th. A Review Draft of the full FY 2009 Plan will be on the website next week. A "Recommended Plan" will incorporate changes and be presented for Board approval at their January 22nd meeting.

Many of the items in the Summary of Key Initiatives (e-mailed earlier this week) are simply a signal to HUD that HAP is considering these options. A Community Task Force is proposed in 2008 to discuss the Rent and Occupancy Policy items: i.e. ***How should HAP and our jurisdictional partners prioritize who lives in our public housing and Section 8 housing resources? How can we best align services with the housing resource to increase the positive benefit for residents?***

Local Initiatives

Steve R. summarized the agency's efforts to support local jurisdictions in their housing goals, especially the Ten Year Plan to End Homelessness. Tom C. praised HAP on the use of project-based vouchers in this area.

The proposed look at additional set asides in Section 8 and public housing will be part of the Community Task Force process. Steve R. explained the 20% for housing with supportive services, 60% for general population, and 20% for assisting those with economic opportunities/self-sufficiency can be seen as a continuum. These targets would serve as goals to be phased in over the next 3-5 years.

Mary L. (Multnomah County) expressed her support for this initiative. County administrators are also looking at ways to be more intentional about the alignment of resources with other service providers, especially HAP, the state, Portland and Gresham. The alignment would help

to layer resources for households rather than simply spreading a little bit of funding out to as many households as possible (which is never enough).

Tom C. suggested we insert a new initiative in this section that would support the City of Gresham's efforts in code enforcement and rental inspections. Something like:

“Explore opportunities to coordinate HAP’s inspection programs with the City of Gresham.”

Public Housing Preservation

Steve R. and Margaret VV. summarized the first of these initiatives as a continuation of last year's planning efforts. The new objective to ***analyze alternative financing scenarios*** will have the goal to keep the same people housed that are currently living in our public housing buildings. However, the funding stream and ownership mechanisms could be different.

If HAP's preliminary analysis would be to make a significant change in these financing methods, an extensive outreach process would be undertaken with current residents to gather their input and ensure them of their continued access to housing.

Rent and Occupancy Policies

Margaret VV. summarized the goals these potential changes would accomplish and guidelines to minimize potential negative impacts.

Minimum rents – Rebecca Childs (NW Pilot Project) and Christina Dirks (Legal Aid) both responded with concerns about an effort to establish minimum rents.

The following concerns were raised:

- Perception that such a policy would not be consistent with the Ten Year Plan to End Homelessness
- It didn't work in the past. Rebecca C. presented a copy of a letter written in 1997 by Denny West (former HAP Director) that summarized HAP's negative experience with a minimum rent policy.
- It would not be consistent with goals to simplify paperwork.
- We no longer have general assistance programs to help people with no income so the impacts could even be greater.

HAP staff responded with a few remarks and assured community partners that this would be a part of the Community Task Force discussion in February. In particular:

- It's been 11 years since the trial and now HAP is one of the only housing authorities with MTW in the country without a minimum rent. HAP would like to find out how other housing authorities make it work.
- Other tenant advocacy groups with a national focus support this effort.
- The goal is less financial than it is to help residents develop a tangible sense of investment in their housing.
- Currently, about 900 public housing and Section 8 residents pay zero rent.
- Hardship policies would recognize and assist those who are waiting for disability (often 2-3 years wait)
- Often HAP ends up sending a check to residents for utility allowances. This effort would help offset the amount of money HAP would send out.

Christina D. asked for confirmation that tenants would be included in the Community Task Force and Steve R. assured her that is HAP's intent to include residents in the group.

Mary Li from Multnomah County expressed the County's interest and nervousness about this issue. She is aware of situations where a full rent subsidy has created disincentives for residents to seek greater economic opportunity.

Non smoking policy at select properties – HAP's intent is to phase this into new properties or those with major renovations. Careful consideration for relocation of existing residents would be taken if an entire property were to be identified for a change to non smoking.

Working family preferences – A small number of working family set asides are being considered.

Additional comments regarding potential rent policy changes – Tom C. asked if HAP has considered for ***preferences or outreach for younger, returning veterans***. Margaret VV. responded that HAP is working with the City of Portland and the Veteran's Administration on potential project-based vouchers for a building in the South Waterfront. There is also the potential for short term vouchers for National Guard families (either left behind or upon a vet's return). Jeff R. mentioned that the Metropolitan Multifamily Council is working on a returning veteran's program.

Opportunity Housing Initiative – In addition to the three OHI pilots started during FY 2008, a ***pilot is proposed at New Columbia for approx. 50 households.***

Organizational Effectiveness

Jeff R. from IPM expressed his support for the work to ***institutionalize HAP's emergency preparedness systems***. He encouraged HAP to closely integrate their plans with government and private partners (such as private management firms). During the recent flooding on the Oregon coast, IPM has found alternative communications systems and fuel supplies are key.

Steve R. thanked everyone for their time and comments. He then encouraged them to remain engaged in the planning process.

Debra M. (HUD) volunteered to serve on the Community Task Force about rent policy and supports the redevelopment of Hillsdale Terrace in the Development section.

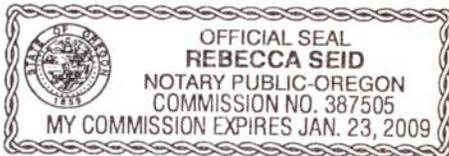
1320 SW Broadway, Portland, OR 97201-3499

Affidavit of Publication

S. KALHAR

I, _____, duly sworn depose and say that I am the Principal Clerk Of The Publisher of The Oregonian, a newspaper of general circulation, as defined by ORS 193.010 and 193.020, published in the city of Portland, in Multnomah County, Oregon; that the advertisement, (the printed text of which is shown below or shown in the attached tear sheet) was published without interruption in the entire and regular issue The Oregonian or the issue on the following dates:

12/9/2007, 12/16/2007



Principal Clerk of the Publisher:

DEC 20 2007

Subscribed and sworn to before me this date:

Notary:

Ad Order Number: 0002412009

PUBLIC HEARINGThe Housing Authority of Portland (HAP) will hold a public hearing on Tuesday, December 18, 2007 @ 6:15 pm at the Multnomah County Building, 501 SE Hawthorne Blvd., Portland, OR. The purpose of this meeting is to inform and seek input from the public, including current and potential residents, concerning initiatives that HAP is proposing under the Federal Department of Housing and Urban Development's national demonstration program called "Moving to Work" (MTW). HAP's proposed initiatives, including changes to rent and occupancy policies, public housing preservation, development, and changes to resident services programs, are outlined in the "Draft MTW Annual Plan." On December 11, the draft plan will be located on HAP's website at

<http://www.hapdx.org/newsroom/pdfs/MTW-FY2009-DRAFT-Plan.pdf>

Federal regulations under MTW authority emphasize cost-efficiency, resident self-sufficiency, and increased housing choices.

OREGON LAW CENTER

MICKY RYAN
(503) 473-8319 (direct)
mryanolc@yahoo.com

December 18, 2007

HAP Board of Commissioners
Housing Authority of Portland
135 SW Ash
Portland, Oregon

RE: Year 10 HUD's "Moving to Work" (MTW) Demonstration Program
Annual Plan FY 2009

Dear Commissioners,

The draft of the FY 2009 MTW Annual Plan presents a number of new issues of concerns to tenants and persons eligible for HAP housing but not yet admitted. As the introduction advises, some of those new ideas lack specifics because they have yet to be explored.

General Concerns

It is important that HAP be clear how each of those issues will be explored, so that interested persons can understand how to learn more and give input on those ideas. HAP should directly communicate proposals for change with current tenants, those on the waiting list and people who are homeless or marginally housed about these issues. HAP has mailing addresses for all of those in the first two categories and HAP should mail information on changes to those people, and provide various ways for them to communicate their input.

In terms of community partners, HAP should be clear on what agencies will receive notice and make sure sufficient notice is given to those agencies and any other groups that ask to be notified. Both the current priority system and the project basing of Section 8 vouchers, for example, were only adopted after several months of study by a broad range of advocates. In the last few years, HAP has adopted major changes with much less public input.

Specific Issues

1. Minimum rents- I would ask that the Board oppose any proposals to enact minimum rents. Such a proposal can cause homelessness for those who are the most in need, as well as great hardship for those persons who are physically or mentally unable to work and have not yet been granted any kind of disability

income. I am attaching several recent newspaper articles that illustrate the lengthy delays that people with disabilities suffer due to problems in the federal government. And Oregon, unlike many other states, provides no state income program for people with disabilities.

The purpose stated in the Plan is to "encourage residents to work to obtain earned income or assistance for which they are eligible, and to increase the personal investment residents and participants have in their housing".

I don't know if HAP has surveyed those persons who pay no rent or below a proposed minimum. It would be interesting to see if they are already working to earned income or assistance for which they are eligible. And more important might be making sure they have assistance in receiving legal help with their disability income application, or job training- a carrot rather than a stick.

2. HAP for the first time lists numerical goals in terms of who they house (20% receiving supportive services, 20% actively engaged in self-sufficiency programs). It is unclear from the report what will be considered eligible supportive services or self-sufficiency programs, what percentage of tenants and participants are now in these categories, or the purpose for these goals.
3. I believe HAP made a commitment to study the results of current OHI projects before introducing others. The plan says that one is being considered at New Columbia.
4. Local preferences- it is unclear that local preferences for applicants in a specific program (Bridges to Housing) rather than a specific eligibility category (homeless) are legal under HUD's federal regulations governing local preferences.
As I have testified to the Board in the past, I am concerned that setting aside housing for participants in specific programs not only makes the wait for those on the waiting lists longer, but sets up additional barriers for applicants to surmount in order to access housing. HAP does not have control over those barriers to assure that those applying to an agency have a fair chance to access this extraordinary ability to pass ahead of others on the list. HAP should not delegate the application and placement of those on the waiting list.
5. Changes in demographics noted in the report- There appear to be two changes to the demographics of those housed and applying for public housing. There has been an increase in household income of those in public housing. There are also less people with disabilities on the public housing waiting list. The first is a concern because HAP made a commitment to HUD and the community that it would continue to serve the same income levels if HAP was allowed to become a MTW program. That commitment is not being fulfilled.

December 18, 2007

Page 3

It is unclear what is driving the second change but it is critical that HAP examine it, including whether utilizing a site-based waiting list system has caused less persons with disabilities to apply for public housing.

6. Working family preferences- Again, it is difficult to see how HAP could keep its commitment to serving the same income levels if there is a working family preference adopted.
7. Rent Simplification- This is a very difficult issue and deserves intense study and a great deal of input for tenants. There has been much work done nationally on this issue, and HAP should investigate that work and make it available to interested tenants and advocates before asking their input.
8. Refinancing of public housing- HAP has done an amazing job of preserving public housing despite decreases in federal funding. All efforts should be made to continue to keep this housing debt-free so that it is not threatened by expiring use provisions that come with debt.
9. Smoke free buildings- It is clear that HAP wants to provide safe and habitable housing for all of its tenants, and many of them desire smoke-free housing. However, some applicants and tenants may not be able to quit their addiction to smoking. HAP is likely to provide those people with help to end that addiction, but HAP should provide some housing for those who cannot control their addiction.

Sincerely,



Micky Ryan
Attorney at Law

OREGON LAW CENTER

MICKY RYAN
(503) 473-8319 (direct)
mryanolc@yahoo.com

January 22, 2008

HAP Board of Commissioners
Housing Authority of Portland
135 SW Ash
Portland, Oregon

RE: Additional Comments to Year 10 HUD's "Moving to Work" (MTW) Demonstration Program Annual Plan FY 2009

Dear Commissioners,

These comments are in addition to my comments submitted on December 18, 2007.

I continue to have the following concerns about the document and HAP policy.

1. I could not find anything in the MTW Annual Plan about how the community and the tenants will be involved as HAP studies the new or expanded proposals listed in the MTW Annual Plan.

It is important that HAP be clear how each of those issues will be explored, so that interested persons can understand how to learn more and give input on those ideas. HAP should directly communicate proposals for change with current tenants, those on the waiting list and people who are homeless or marginally housed about these issues. HAP has mailing addresses for all of those in the first two categories and HAP should mail information on changes to those people, and provide various ways for them to communicate their input.

In terms of community partners, HAP should be clear on what agencies will receive notice and make sure sufficient notice is given to those agencies and any other groups that ask to be notified. Both the current priority system and the project basing of Section 8 vouchers, for example, were only adopted after several months of study by a broad range of advocates. In the last few years, HAP has adopted major changes with much less public input.

2. HAP lists numerical goals in terms of who they house (20% receiving supportive services, 20% actively engaged in self-sufficiency programs). It is unclear from the report what will be considered eligible supportive services or self-sufficiency programs, what percentage of tenants and participants are now in these categories, or the purpose for these goals.

3. As I said in my prior written testimony, I believe HAP made a commitment to study the results of current OHI projects before introducing others. The plan says that one is being considered at New Columbia. I do not think there is an explanation as to why HAP is expanding this program when the "pilot" programs at Fairview and Humboldt Gardens are in their infancy and have provided no data as to the effectiveness of these efforts, nor the actual cost of these efforts.
4. Local preferences- I do not think that the local preferences for applicants in a specific program (Bridges to Housing) rather than a specific eligibility category (homeless) are legal under HUD's federal regulations governing local preferences under 24 CFR 960.206. I also think that this regulation substantially limits HAP's ability to have a working preference.

Title 24: Housing and Urban Development

PART 960—ADMISSION TO, AND OCCUPANCY OF, PUBLIC HOUSING

Subpart B—Admission

§ 960.206 *Waiting list: Local preferences in admission to public housing program.*

(a) *Establishment of PHA local preferences.* (1) The PHA may adopt a system of local preferences for selection of families admitted to the PHA's public housing program. **The PHA system of selection preferences must be based on local housing needs and priorities as determined by the PHA. In determining such needs and priorities, the PHA shall use generally accepted data sources. Such sources include public comment on the PHA plan (as received pursuant to §903.17 of this chapter), and on the consolidated plan for the relevant jurisdiction (as received pursuant to part 91 of this title).**

(2) The PHA may limit the number of applicants that qualify for any local preference.

(3) PHA adoption and implementation of local preferences is subject to HUD requirements concerning income-targeting (§960.202(b)), deconcentration and income-mixing (§903.7), and selection preferences for developments designated exclusively for elderly or disabled families or for mixed population developments (§960.407).

(4) The PHA must inform all applicants about available preferences and must give applicants an opportunity to show that they qualify for available preferences.

(b) *Particular local preferences —(1) Residency requirements or preferences.* (i) Residency requirements are prohibited. Although a PHA is not prohibited from adopting a residency preference, the PHA may only adopt or implement residency preferences in accordance with non-discrimination and equal opportunity requirements listed at §5.105(a) of this title.

(ii) A residency preference is a preference for admission of persons who reside in a specified geographic area ("residency preference area"). A county or municipality may be used as a residency preference area. An area smaller than a county or municipality may not be used as a residency preference area.

(iii) Any PHA residency preferences must be included in the statement of PHA policies that govern eligibility, selection and admission to the program, which is included in the PHA annual plan (or

supporting documents) pursuant to part 903 of this chapter. Such policies must specify that use of a residency preference will not have the purpose or effect of delaying or otherwise denying admission to the program based on the race, color, ethnic origin, gender, religion, disability, or age of any member of an applicant family.

(iv) A residency preference must not be based on how long an applicant has resided or worked in a residency preference area.

(v) Applicants who are working or who have been notified that they are hired to work in a residency preference area must be treated as residents of the residency preference area. The PHA may treat graduates of, or active participants in, education and training programs in a residency preference area as residents of the residency preference area if the education or training program is designed to prepare individuals for the job market.

(2) Preference for working families. The PHA may adopt a preference for admission of working families (families where the head, spouse, or sole member, is employed). However, an applicant must be given the benefit of the working family preference if the head and spouse, or sole member is age 62 or older, or is a person with disabilities.

(3) *Preference for person with disabilities.* The PHA may adopt a preference for admission of families that include a person with disabilities. However, the PHA may not adopt a preference for persons with a specific disability.

(4) *Preference for victims of domestic violence.* The PHA should consider whether to adopt a local preference for admission of families that include victims of domestic violence.

(5) *Preference for single persons who are elderly, displaced, homeless or a person with disabilities.* The PHA may adopt a preference for admission of single persons who are age 62 or older, displaced, homeless, or persons with disabilities over other single persons.

(c) *Selection for particular unit.* In selecting a family to occupy a particular unit, the PHA may match characteristics of the family with the type of unit available, for example, number of bedrooms. In selection of families to occupy units with special accessibility features for persons with disabilities, the PHA must first offer such units to families which include persons with disabilities who require such accessibility features (see §§8.27 and 100.202 of this title).

(d) *Housing assistance limitation for single persons.* A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a resident family may not be provided a housing unit with two or more bedrooms.

(e) *Selection method.* (1) The PHA must use the following to select among applicants on the waiting list with the same priority for admission:

- (i) Date and time of application; or
- (ii) A drawing or other random choice technique.

(2) The method for selecting applicants must leave a clear audit trail that can be used to verify that each applicant has been selected in accordance with the method specified in the PHA plan. **(Emphasis added)**

Aside from the legal issues, and as I have testified to the Board in the past, I am concerned that setting aside housing for participants in specific programs not only makes the wait for those on the waiting lists longer, but sets up additional

January 22, 2008

Page 4

barriers for applicants to surmount in order to access housing. HAP does not have control over those barriers to assure that those applying to an agency have a fair chance to access this extraordinary ability to pass ahead of others on the list. HAP should not delegate the application and placement of those on the it's waiting list.

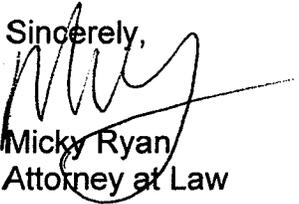
5. Changes in demographics noted in the report- HAP made a commitment to HUD and to the community, as part of becoming a MTW agency, to continue to serve persons at the same income level as before they became an MTW agency. The first problem appears to be that HAP does not have data on income levels of tenants or recipients prior to March 2000 in the public housing or prior to April 2001 in Section 8. It is unclear why this data is unavailable, when it was collected and presumably transmitted to HUD at the time.

There appear to be two changes to the demographics of those housed and applying for public housing. There has been an increase in household income of those in public housing. There are also less people with disabilities on the public housing waiting list. HAP is not serving the persons at the same income level, despite it's stated commitment.

It is unclear what is driving the second change but it is critical that HAP examine it, including whether utilizing a site- based waiting list system has caused less persons with disabilities to apply for public housing.

6. Working family preferences- Aside from the legal issues described above, it is difficult to see how HAP could keep it's commitment to serving the same income levels if there is a working family preference adopted.

Sincerely,



Micky Ryan
Attorney at Law



**HOUSING AUTHORITY OF PORTLAND
BOARD OF COMMISSIONERS MEETING MINUTES
December 18, 2007
Housing Authority of Portland
135 SW Ash, Portland, OR**

COMMISSIONERS PRESENT:

Chair Jeff Bachrach, Treasurer Katie Such, Commissioners: Harriet Cormack, Gretchen Kafoury, Nathan Teske, Chris Lassen, Gavin Thayer

STAFF PRESENT:

Steve Rudman, Mike Andrews, Brenda Carpenter, Shelley Marchesi, Veronica Sherman, Dianne Quast, Todd Salvo, Julie Satterwhite, Jill Riddle, Rachael Duke, Margaret Van Vliet, Peter Beyer, Michael Havlik, Dena Ford-Avery, Jerry Walker, Cinna'mon Williams, Celia Strauss, Pamela Prideaux

LEGAL COUNSEL:

Steve Abel

Chair Bachrach opened the meeting at 6:19pm, acknowledging Commissioner Lassen's last meeting as board member and presented him with a plaque, thanking him for his service and commitment. Commissioner Lassen said that the last four years on the board have been very good for him and he was pleased to honor HAP staff's compassion and commitment.

MEETING MINUTES

Chair Bachrach called for a motion to adopt the minutes of the November 20, 2007 Board of Commissioners meeting. Commissioner Lassen made a motion to adopt the minutes and Commissioner Cormack seconded the motion.

The vote was as follows:

**Chair Bachrach – Aye
Treasurer Such – Aye
Commissioner Cormack – Aye
Commissioner Thayer – Aye
Commissioner Teske – Aye
Commissioner Lassen – Aye
Commissioner Kafoury – Aye**

REPORTS

Executive Director's Report

Executive Director Rudman welcomed everyone to the meeting and reviewed his report for December, focusing on HAP's 2009 MTW Report. HAP is one of only 24 MTW agencies in the country and this is HAP's 10th year as a MTW agency. He explained the purpose of the plan as a blueprint for what the agency would like to try and accomplish during the next year. Executive Director Rudman said that HUD looks at our goals, and referred to page two of the plan. HAP's key initiatives are another important focus of the plan. Executive Director Rudman

reviewed the process for the MTW plan development and review, as well as additional opportunities for public participation. He said that more work is needed on the plan and it will be a subject of discussion at the January work session or the board retreat in February.

The date for the retreat is February 8-9, 2008. He added that the budget for 2009 looked the same as for 2008. Executive Director Rudman walked through the update on The Grove Hotel saying that HAP would like to use a CM/GC approach for the construction that will take place there, saying that bringing on the contractor in the development phase will save both money and time. Regarding The Resource Access Center, Executive Director Rudman said that Holst Architecture had been selected as the A&E team because of their experience and desire to work with the entire community.

PUBLIC HEARING **FY 2009 Moving to Work Annual Plan**

Shelley Marchesi began with an overview of the MTW Plan for 2009 by saying that the report is a requirement of HUD and that this year we will be finishing it on time for the first time. She said in the last year MTW plans are being more thoroughly reviewed by HUD and that it is important to submit in a timely manner and share with them what we are exploring or undertaking.

Deputy Executive Director Van Vliet then talked about HAP's local initiatives and how the organization is looking at a holistic alignment with our jurisdiction's goals. We are aware of a movement of poverty into East County and understand the work that lies ahead, as well as positioning ourselves to preserve our existing properties. HAP will be looking at converting affordable units into public housing, new development opportunities, and planning around capital needs, referring to page six of the MTW Plan. Deputy Executive Director Van Vliet reviewed further sections of the plan, beginning with rent and occupancy policies, saying that HAP has learned from other agencies that this helps residents understand exactly what they are expected to pay. Regarding minimum rents, she explained that HAP will need to do more data gathering in order to create a rational policy; encouraging tenants to feel as if they have an investment in their housing, encouraging tenants to seek employment, or apply for SSI if they are not able to work. She said we realize there are many holes in the current system, but that most PHA's have a minimum rent policy and that it is a requirement of non-MTW agencies. The smoke-free housing option outlined in the report would apply to new buildings or substantially renovated properties. Another policy HAP is exploring is the preference for working households. Regarding development, Van Vliet pointed out that all new developments will have a Public Housing component.

Chair Bachrach asked if HAP is planning any PH units at The Grove and Deputy Executive Director Van Vliet said we were not. He then reminded the group that no decisions would be made tonight. We will welcome what we hear this evening and that this meeting will not be the last opportunity to bring the community before the Board of Commissioners.

PUBLIC COMMENT

Will White (BHCD) and Mary Li (Multnomah County) were the first to issue public comment. Mary Li began by saying that her presence at HAP's Board meeting reinforces Multnomah County's willingness to work together. She said the county supports set-asides and she has an interest in talking about all of the county's support and participation in walking through the

process. Li said the county wants to look at ways that these issues can be brought to bear and they applaud the initiative. She ended by saying, "Thank you, we will be here for the ride."

Will White discussed the City's intent to work in partnership with HAP, to look at the broader context of systems alignment with the City, PDC, BHCD and HAP to work on the 10-year plan to end homelessness. He said he hopes the HAP Board recognizes and appreciates the partnership that is essential in order to accomplish the broader goals. He then went on to discuss examples of what such partnerships can accomplish, such as the project based Section 8 commitment to use 150 vouchers, of which two-thirds have been used with good results. About housing development, White said he is glad to have HAP's staff ability to be flexible in order to get things done quickly, citing the recent Grove Hotel purchase as an example. He realizes the Resource Access Center will be accomplished at a slower pace, but that it is picking up. Regarding public housing, he said rent assistance and helping the most vulnerable population is not being matched with HAP's needs. White said there needs to be an overall systems alignment with PDC, Gresham and BHCD; a social housing delivery system. He recognizes there are not enough resources to take care of everyone and hopes to see an improvement in the next two years.

White talked about the 10-year plan to end homelessness, saying that 5-6 years ago he thought it was a pie in the sky idea, but that folks have stepped up and created an amazing program in just two and half years. He said he hopes to see a combination of agencies, breaking out of silos to better support individuals and families to reach for self-sufficiency and to open up opportunities for them.

Chair Bachrach commented that he hopes we can meet his optimism.

Micky Ryan (Oregon Law Center), Rachel Post (Central City Concern), and Steve Weiss (President, 504 Board) were next to approach the Board. Micky Ryan submitted her comments in writing and began by saying that although she had not yet thoroughly read through the MTW plan, she had some general concerns she wanted to address. She said Executive Director Rudman's idea of creating a task force is a great idea, but she feels HAP has gotten away from the process. She went on to review her written comments and pointed out two recently published New York Times articles addressing disability and homelessness.

Rachael Post began by saying she is a big fan of HAP and appreciates our collaboration and partnership with Central City Concern (CCC). She attended the meeting to address the issue of minimum rents. She said that CCC is the largest employer of formerly homeless individuals, and out of 2400 individuals they have served, presently, there are 800 people enrolled in their program and 500 have secured employment. She said it is critical to provide supportive services and that there is a large population with criminal justice problems that provide barriers to employment and housing. Post believes that people should pay a portion of their rent if they are working. She ended by saying that CCC has received a grant this month to help provide more SSI services and access to those services.

Steve Weiss recommended not adopting minimum rents without looking at specific numbers. He said the disability system is very difficult to get through saying that 70% of the people who apply for benefits are denied the first time and that 90% of those who are reconsidered are turned down causing them to give up. Weiss said that 50% of all applicants who are turned down the first time never appeal, but that two-thirds of all appeals are overturned. He said that

in order to understand how many households fit that picture we need to know what number are waiting through the process, which can take up to two years. Weiss strongly urged a look at all the data before making a final determination.

Chair Bachrach thanked the group for the eye opening information.

Susan Emmons and Rebecca Childs with Northwest Pilot Project were next providing public comment. Susan Emmons began by saying she is incredibly disappointed and angry to see HAP proposing minimum rents. She disagrees with the report and urged HAP to remove this as a Board focus. Emmons cited that HAP looked at minimum rents in 1997 and it didn't work. She also felt it was not a good comparison to use other housing authorities. TPI and NW Pilot Project participants would be most affected by this. Emmons said it would amount to spending money to collect money and it doesn't merit further discussion.

Rebecca Childs followed up Emmon's comments saying that no one wants to have zero income; rather, they want to be on the path to making more income. Establishing minimum rents has been tried and we should have learned from those lessons. Minimum rents resulted in higher homelessness.

Commissioner Thayer asked Micky Ryan, Steve Weiss and Rachael Post if they agreed with Emmons and Childs that HAP should remove minimum rents from the MTW report and they all agreed.

Treasurer Such asked Susan Emmons about a minimum rent subsidy so that the money would not have to come from the tenant. Emmons said that we have mounted this before, she thought it had been put to rest and that any future study would prove to be exploitative to the tenant. Emmons ended by asking if this is really what we want to be spending our time on.

Treasurer Such asked Micky Ryan if the problem was ambiguity about the goals and she answered that there was no clarity.

Commissioner Thayer asked for Will White and Mary Li's opinions on the subject. Mary Li said that from what they've heard tonight, the only interest that Multnomah County has would be to know that for certain populations, would minimum rent fit? Will White ask if there are other numbers that could be looked at?

Commissioner Teske asked Deputy Executive Director Van Vliet and Shelley Marchesi about the non-smoking policy, saying he is worried that it might invade the privacy of HAP's tenants, asking how strict the policy would be. Van Vliet said HAP could soften the language and do some more work on this idea, citing those tenants who want a smoke-free environment due to chemical sensitivities. Commissioner Thayer affirmed there are residents who want a smoke-free environment. Treasurer Such added that people have a right to live in a smoke-free environment, but people also need to live.

Deputy Executive Director Van Vliet said today there are 7,800 Section 8 voucher holders, 1,000 are zero income and out of that 109 are elderly or disabled and there are a number of folks who are working able. We aren't trying to push on the fragile parts of system, but feel there are areas to look at.

Executive Director Rudman said that other residents have brought this to HAP's attention. There are hardship concerns, but there are also underground incomes out there. The minimum rent policy is only one of many other policies. We remember 1997, but today our household demographics have changed.

Chair Bachrach said the solution may not be minimum rent, but would like to find a way to avoid this again in January. Treasurer Such asked if there were any common goals on paper to look at. Deputy Executive Director Van Vliet said there weren't, but we intend to understand our data better. The question is should we spend community resources pursuing this issue. Executive Director Rudman said that we will not have the data by January and that we need to better explain what we are trying to do recognizing we may know the numbers, but not the reasons. Commissioner Kafoury asked what has changed since 1997, and Shelley Marchesi said we probably need to reach out to staff that are still at HAP. Chair Bachrach said we will need a more persuasive case by January. Deputy Executive Director Van Vliet said during the next 30 days we need to do the next level of homework without getting ahead of the public process, adding that we will give our best effort. Chair Bachrach said there needs to be a higher comfort level before the January Board meeting and he would like a preview at the work session. He thanked staff for the great work on the MTW plan. Marchesi said that a special thank you should go to Pamela Kambur for weaving the information together and creating the plan.

RESOLUTIONS

07-12-01

Exemption from Procurement Rule & Authorization to Use CM/GC Form of Contracting for The Grove Hotel

Mike Andrews opened by saying the purchase of The Grove Hotel closed in November 28, 2008. IPM has been selected as the property manager and William Wilson was selected as the architect. We are now looking at the City and PDC for funding. He then reviewed the resolution saying that the approval for using a CM/GC will facilitate the completion of the project in a timely and cost effective manner.

Jerry Walker reported on the public hearing, saying all rules and statutes were followed. The hearing took place on December 10, 2007, and the notice was published in the Daily Journal of Commerce on November 26, 2007. No one attended the hearing or contacted HAP.

Chair Bachrach asked for a timeline of events and Andrews said we have a high level schedule that will be shared with the Board. Andrews said we have started replacing furniture and bedding, fire alarms will all be operating in a few weeks and the Fire Marshall has looked at the fire suppression system. Chair Bachrach asked about relocating the residents and Andrews said 33 residents are being relocated. Andrews said the contractor will begin in February and the project should be completed in June. Bridgeview will move into the building in July 2008. Andrews said an RFP for the property manager will be issued in 2008.

Chair Bachrach called for a motion. Treasurer Such moved to adopt and Commissioner Teske seconded the motion.

The vote was as follows:

Chair Bachrach – Aye
Treasurer Such – Aye
Commissioner Cormack – Aye
Commissioner Thayer – Aye
Commissioner Teske – Aye
Commissioner Lassen – Aye
Commissioner Kafoury – Aye

Commissioner Cormack asked about The Morrison and Andrews said we have a temporary certificate of occupancy and that all Public Housing units are spoken for and 40 units are yet to be leased. He added that we are meeting all our goals and the trend seems to be ahead of schedule. We expect to lease the entire building and are in the conversion phase with GED noting construction was completed in November 2007.

ADJOURN

There being no further business, Chair Bachrach adjourned the meeting at 7:55pm.

EXECUTIVE SESSION:

The Board of Commissioners of the Housing Authority of Portland did not meet in Executive Session pursuant to ORS 192.660(2)(c).

Attached to the Official Minutes of the Housing Authority of Portland are all Resolutions adopted at this meeting, together with copies of all memoranda and material submitted to the Commissioners and considered by them when adopting the foregoing Resolutions. A taped recording of the proceedings is also kept on file.

Celia M. Strauss
Recorder, on behalf of
Steven D. Rudman, Secretary

ADOPTED: January 22, 2008

HOUSING AUTHORITY OF PORTLAND

ATTEST:

Jeff Bachrach, Chair

Steven D. Rudman, Secretary

Appendix E

Copies of Forms Submitted to HUD for Funding



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Portland Office; Northwest/Alaska Area
400 SW Sixth Avenue, Suite 700
Portland, Oregon 97204-1632

OFFICE OF PUBLIC HOUSING

October 22, 2007

Steve Rudman, Executive Director
Housing Authority of Portland
135 SW Ash
Portland, OR 97204-3540

Dear Mr. Rudman:

SUBJECT: Project OR00200107D

Your Calculation of Operating Subsidy for subject project for calendar year ending December 31, 2007 is approved. Subsidy was calculated using the MTW agreement alternate formula, revised submission. The following modifications were made:

HUD 52723

In Part A of Section 3, Subsidy For Units Eligible To Receive Funding For Last Quarter of 2007, was increased as discussed.

In Part F, line 9, Operating Subsidy Approvable For This Year, is \$7,732,238.

This year's proration is 83.4 percent.

If you have questions, please contact Betsy Marsh, 971 222-2664.

Sincerely,

A handwritten signature in cursive script, appearing to read "Deborah Mann".

Deborah Mann, Acting PC Coordinator
Office of Public Housing

Enclosure

**Operating Fund
Calculation of Operating Subsidy**
PHA-Owned Rental Housing

**U.S. Department of Housing and
Urban Development
Office of Public and Indian Housing**

OMB Approval No. 2577-0029 (exp.10/31/2008)

Public Reporting Burden for this collection of information is estimated to average .75 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. This information is required by Section 9(a) of the U.S. Housing Act of 1937, as amended, and by 24 CFR Part 990 HUD regulations. HUD makes payments for the operation and maintenance of low-income housing projects to PHAs. The Operating Fund determines the amount of operating subsidy to be paid to PHAs. PHAs provide information on the Project Expense Level (PEL), Utilities Expense Level (UEL), Other Formula Expenses (Add-ons) and Formula Income - the major Operating Fund components. HUD reviews the information to determine each PHA's Formula Amount and the funds to be obligated for the Funding Period to each PHA based on the appropriation by Congress. HUD also uses the information as the basis for requesting annual appropriations from Congress. Responses to the collection of information are required to obtain a benefit. The information requested does not lend itself to confidentiality.

Section 1

1. Name and Address of Public Housing Agency: Housing Authority of Portland 135 SW Ash Street Portland, OR 97204		2. Funding Period: 01/01/2007 to 12/31/2007	
4. ACC Number: SF-160		3. Type of Submission: <input checked="" type="checkbox"/> Original <input type="checkbox"/> Revision No. _____	
5. Fiscal Year End: <input type="checkbox"/> 12/31 <input checked="" type="checkbox"/> 3/31 <input type="checkbox"/> 6/30 <input type="checkbox"/> 9/30		6. Operating Fund Project Number: O R 0 0 2 0 0 1 0 7 D	
7. DUNS Number: 83643098		HUD Use Only	
8. ROFO Code: 1016		Financial Analyst: Betsy Marsh	

Section 2

Calculation of ACC Units for the 12-month period from July 1 to June 30 that is prior to the first day of the Funding Period:

ACC Units on 7/1/2005	+	Units Added to ACC	-	Units Deleted from ACC	=	ACC Units on 6/30/2006
2,407		45		0		2,452

Line No.	Category	Column A Unit Months	Column B Eligible Unit Months(EUMs)	Column C Resident Participation Unit Months
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Categorization of Unit Months:

Occupied Unit Months

01	Occupied dwelling units - by public housing eligible family under lease	0	0	0
02	Occupied dwelling units - by PHA employee, police officer, or other security personnel who is not otherwise eligible for public housing	0		0
03	New units - eligible to receive subsidy during the funding period but not included on Lines 01, 02, or 05-13	0	0	0
04	New units - eligible to receive subsidy from 10/1 to 12/31 of previous funding period but not included on previous Calculation of Operating Subsidy	0	0	0

Vacant Unit Months

05	Units undergoing modernization	0	0	
06	Special use units	0	0	
06a	Units on Line 02 that are occupied by police officers and that also qualify as special use units		0	
07	Units vacant due to litigation	0	0	
08	Units vacant due to disasters	0	0	
09	Units vacant due to casualty losses	0	0	
10	Units vacant due to changing market conditions	0	0	
11	Units vacant and not categorized above	0		

Other ACC Unit Months

12	Units eligible for asset repositioning fee and still on ACC (occupied or vacant)	0		
3	All other ACC units not categorized above	0		

Calculations Based on Unit Months:

14	Limited vacancies		0	
15	Total Unit Months	0	0	0
16	Units eligible for funding for resident participation activities (Line 15C divided by 12)			0

Special Provision for Calculation Of Utilities Expense Level:

17	Unit months for which actual consumption is included on Line 01 of form HUD 52722 and that were removed from Lines 01 through 11, above, because of removal from inventory, including eligibility for asset repositioning fee		0	
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Section 3

Line No.	Description	Requested by PHA	HUD Modifications
Part A. Formula Expenses			
Project Expense Level (PEL)			
01	PUM project expense level (PEL)	\$278.67	\$278.67
02	Inflation factor	1.02600	1.02600
03	PUM inflated PEL (Part A, Line 01 times Line 02)	\$285.92	\$285.92
04	PEL (Part A, Line 03 times Section 2, Line 15, Column B)	\$0	\$0
Utilities Expense Level (UEL)			
05	PUM utilities expense level (UEL) (from Line 26 of form HUD-52722)	\$0.00	\$0.00
06	UEL (Part A, Line 05 times Section 2, Line 15, Column B)	\$0	\$0
Add-Ons			
07	Self-sufficiency	\$0	\$0
08	Energy loan amortization	\$0	\$0
09	Payment in lieu of taxes (PILOT)	\$0	\$0
10	Cost of independent audit	\$0	\$0
11	Funding for resident participation activities	\$0	\$0
12	Asset management fee	\$0	\$0
13	Information technology fee	\$0	\$0
14	Asset repositioning fee	\$0	\$0
15	Costs attributable to changes in federal law, regulation, or economy	\$0	\$0
16	Total Add-Ons (Sum of Part A, Lines 07 through 15)	\$0	\$0
17	Total Formula Expenses (Part A, Line 04 plus Line 06 plus Line 16)	\$0	\$0
Part B. Formula Income			
01	PUM formula income	\$0.00	\$0.00
02	PUM change in utility allowances	\$0.00	\$0.00
03	PUM adjusted formula income (Sum of Part B, Lines 01 and 02)	\$0.00	\$0.00
04	Total Formula Income (Part B, Line 03 times Section 2, Line 15, Column B)	\$0	\$0
Part C. Other Formula Provisions			
01	Moving-to-Work (MTW)	\$8,881,598	\$9,271,269
02	Transition funding	\$0	\$0
03	Other	\$0	\$0
04	Total Other Formula Provisions (Sum of Part C, Lines 01 through 03)	\$8,881,598	\$9,271,269
Part D. Calculation of Formula Amount			
01	Formula calculation (Part A, Line 17 minus Part B, Line 04 plus Part C, Line 04)	\$8,881,598	\$9,271,269
02	Cost of independent audit (Same as Part A, Line 10)	\$0	\$0
03	Formula amount (greater of Part D, Lines 01 or 02)	\$8,881,598	\$9,271,269
Part E. Calculation of Operating Subsidy (HUD Use Only)			
01	Formula amount (same as Part D, Line 03)		\$9,271,269
02	Adjustment due to availability of funds		(\$1,539,031)
03	HUD discretionary adjustments		\$0
04	Funds Obligated for Period (Part E, Line 01 minus Line 02 minus Line 03)		\$7,732,238

Section 4

Remarks (provide section, part and line numbers):

The Housing Authority of Portland's CY07 Operating Subsidy was based on our MTW formula and prepared on the old form HUD-52723. was then transferred from the old form to the new form. Due to differences between forms, not all line items on the new form will exactly describe what the funds on that line item are for. HUD will need to cross-reference back to the old form.

Section 5

Certifications

- In accordance with 24 CFR 990.215, I hereby certify that Housing Authority of Portland is in compliance with the annual income reexamination requirements and that rents and utility allowance calculations have been or will be adjusted in accordance with current HUD requirements and regulations.
- In accordance with 24 CFR 990.190(f), I hereby certify that Housing Authority of Portland has fewer than 250 units and has elected to transition to asset management and therefore is eligible to receive an asset management fee.
- I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Authorized PHA Representative & Date:

Signature of Authorized HUD Representative & Date:

x *Ann Brandt* 7/16/07

x *Elizabeth Hanson* SEP 21, 2007
Elizabeth Hanson, Director
 Real Estate Assessment Center

**Operating Fund
Calculation of Operating Subsidy**

**U.S. Department of Housing
and Urban Development**

OMB Approval No 2577-0029 (exp. 10/31/2004)

PHA-Owned Rental Housing

Office of Public and Indian Housing

0

Section 1

a) Name and Address of Public Housing Agency Housing Authority of Portland 135 SW Ash Street Portland, Oregon 97204				b) Budget Submission to HUD required <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
				Type of Submission <input type="checkbox"/> Original <input checked="" type="checkbox"/> Revision No. 1	
d) ACC units 2,641	e) Unit Months Available (UMAs): 30,420	f) Subject CY 01/01/07-12/31/07	g) ACC Number: SF-160	h) Operating Fund Proj No. OR00200107D	i) DUNS Number 83643098

Section 2

Line No.	Description	Requested by PHA (PUM)	HUD Modifications (PUM)
Part A. Allowable Expenses and Additions			
01	Previous allowable expense level (Part A, Line 08 of form HUD-52723 for previous year)	184.30	
02	Part A, Line 01 multiplied by .005 MTW: CY06 Line 02 1.39 x 1.005 = 1.40	1.40	
03	Delta from form HUD-52720-B, if applicable (see instructions)		
04	"Requested" year units from latest form HUD-52720-B (see instructions)		
05	Add-ons to allowable expense level from previous fiscal year (see instructions)		
06	Total of Part A, Lines 01, 02, 03 and 05	185.70	
07	Inflation factor	1.026	
08	Revised allowable expense level (Part A, Line 06 times line 07)	190.53	
09	Transition Funding		
10	Increase to AEL		
11	Allowable utilities expense level from form HUD-52722-A	96.64	
12	Actual PUM cost of Independent Audit (IA) (Through FYE)		
13	Costs attributable to deprogrammed units		
14	Total Allowable Expenses and Additions (Sum of Part A, Lines 08 thru 13)	287.17	
Part B. Dwelling Rental Income			
01	Total Rent Roll		
02	Number of occupied units as of rent roll date		
03	Average monthly dwelling rental charge per unit for current budget year (Part B, Line 01 / Line 02)		
04	Average monthly dwelling rental charge per unit for prior budget year		
05	Average monthly dwelling rental charge per unit for budget year 2 years ago		
06	Three-year average monthly dwelling rental charge per unit ((Part B, Line 03 + Line 04 + Line 05) / 3)		
07	50/50 Income split ((Part B, Line 03 + Line 06) / 2)		
08	Average monthly dwelling rental charge per unit (lesser of Part B, Line 03 or Line 07)		
09	Rental income adjustment factor		
10	Projected average monthly dwelling rental charge per unit (Part B, Line 08 times Line 09)		
11	Projected occupancy percentage from form HUD-52728		
12	Projected average monthly dwelling rental income per unit (Part B, Line 10 times Line 11)		
Part C. Non-dwelling Income			
01	Other income		
02	Total operating receipts (Part B, Line 12 plus Part C, Line 01)		
03	PUM deficit or (income) (Part A, Line 14 minus Part C, Line 02)	287.17	
		Requested by PHA (Whole dollars)	HUD Modifications (Whole dollars)
04	Deficit or (income) before add-ons (Part C, Line 03 times Section 1,e)	8,735,711	

Line No.	Description	Requested by PHA (Whole dollars)	HUD Modifications (Whole dollars)
Part D. Add-ons for changes in Federal law or regulation and other eligibility			
01	FICA contributions		
02	Unemployment compensation		
03	Family Self Sufficiency Program EDSS No. OR02RSV002P0022 \$221,011 x 1.026	226,757	
04	Energy Add-On for loan amortization		
05	Unit reconfiguration 21 - ADA Merged Units @ \$356.11 PUM	89,740	
06	Non-dwelling units approved for subsidy		
07	Long-term vacant units		
08	Phase Down for Demolitions (eliminated) Asset Reposition Fee - Iris/Humbolt	98,553	
09	Units Eligible for Resident Participation:		
	Occupied Units (Part B, Line 02)		
10	Employee Units		
11	Police Units		
12	Total Units Eligible for Resident Participation (Sum of Part D, Lines 09 thru 11)		
13	Funding for Resident Participation (Part D, Line 12 x \$25)		
14	Other approved funding, not listed (Specify in Section 3) New Units Elig 10/1/06-12/31/06	120,508	
15	Total add-ons (sum of Part D, Lines 01-08, 13 and 14)	535,558	
Part E. Calculation of Operating Subsidy Eligibility Before Year-End Adjustments			
01	Deficit or (income) before adjustments (Total of Part C, Line 04 and Part D, Line 15)	9,271,269	
02	Actual cost of Independent Audit (IA)		
03	Operating subsidy eligibility before adjustments (greater of Part E, Line 01 or Line 02) (If less than zero, enter zero (0))	9,271,269	
Part F. Calculation of Operating Subsidy Approvable for Subject Fiscal Year (Note: Do not revise after end of subject FY)			
01	Utility Adjustment for Prior years-FY05 (No utility adjustment will be made. For reporting only)		
02	Additional subject fiscal year operating subsidy eligibility (specify)		
03	Unfunded eligibility in prior fiscal years to be obligated in subject fiscal year		
04	HUD discretionary adjustments		
05	Other (Specify)		
06	Other (Specify)		
07	Unfunded portion due to proration		
08	Net adjustments to operating subsidy (total of Part F, Lines 01 thru 07)		
09	Operating subsidy approvable for subject fiscal year (total of Part E, Line 03 and Part F, Line 08)	9,271,269	
HUD Use Only (Note: Do not revise after the end of the subject FY)			
10	Amount of operating subsidy approvable for subject fiscal year not funded		
11	Amount of funds obligated in excess of operating subsidy approvable for subject fiscal year		
12	Funds obligated in subject fiscal year (sum of Part F, Lines 09 thru 11) (Must be the same as line 690 of the Operating Budget, form HUD-52564, for the subject fiscal year) Appropriation symbol(s):		
Part G. Memorandum of Amounts Due HUD, Including Amounts on Repayment Schedules			
01	Total amount due in previous fiscal year (Part G, Line 04 of form HUD-52723 for previous fiscal year)	0	
02	Total amount to be collected in subject fiscal year (Identify individual amounts under Section 3)	0	()
03	Total additional amount due HUD (include any amount entered on Part F, Line 11) (Identify individual amounts under Section 3)	0	
04	Total amount due HUD to be collected in future fiscal year(s) (Total of Part G, Lines 01 thru 03) (Identify individual amounts under Section 3)	0	

Line No.	Description	Requested by PHA (Whole dollars)	HUD Modifications (Whole dollars)
Part H. Calculation of Adjustment for Subject Fiscal Year			
This part to be completed only after the subject fiscal year has ended.			
01	Indicate the types of adjustments that have been reflected on this form: <input type="checkbox"/> Utility Adjustment <input type="checkbox"/> HUD discretionary adjustment (Specify under Section 3)		
02	Utility adjustment from form HUD-52722-B		
03	Deficit or (Income) after adjustments (total of Part E, Line 01 and Part H, Line 02)		
04	Operating subsidy eligibility after year-end adjustments (greater of Part E, Line 02 or Part H, Line 03)		
05	Part E, Line 03 of latest form HUD-52723 approved during subject FY (Do not use Part E, line 03 of this revision)		
06	Net adjustments for subject fiscal year (Part H, Line 04 minus Part H, Line 05)		
07	Utility adjustment (enter same amount as Part H, Line 02)		
08	Total HUD discretionary adjustments (Part H, Line 06 minus Line 07)		
09	Infunded portion of utility adjustment due to proration		
10	Unfunded portion of HUD discretionary adjustment due proration		
11	Prorated utility adjustment (Part H, Line 07 plus Line 09)		
12	Prorated HUD discretionary adjustment (Part H, Line 08 plus Line 10)		

Section 3

Remarks (provide part and line numbers)

Part D Line 03 Elderly/Disabled PIH 2004-14: EDSS previously received through ROSS will now be received through Operating
FY02 \$193,564 x 5% = FY03 \$203,242 x 3% = FY04 \$209,339/12 x 7mo = FY05 \$122,114
FY06 = \$209,339 x 1.028 = \$215,201 CY06 = \$215,201 x 1.027 = \$221,011
CY07 = \$221,011 x 1.026 = \$226,757

Part D Line 05 Unit Configuration **ADA Merged Units (Units x NonDwell PUM x months)**

NW Towers	6
Hollywood East	13
Medallion	2
<u>Total Units</u>	<u>21</u>
NonDwell PUM	356.11
<u>Months</u>	<u>12</u>
	89,740

Non-Dwelling PUM Calculations:

267.45+1.31x1.028=276.29 (1999)	310.92+1.36x1.012=316.03 (2004)
276.29+1.32x1.029=285.66 (2000)	316.03+1.37x1.023=324.70 (2005)
285.66+1.33x1.031=295.89 (2001)	324.70+1.38x1.028=335.21 (2006)
295.89+1.34x1.022=303.77 (2002)	335.21+1.39x1.027=345.69 (CY06)
303.77+1.35x1.019=310.92 (2003)	345.69+1.40x1.026=356.11 (CY07)

Part D Line 08 Asset Reposition Fee **Demo/Dispo Units Eligible for Asset Reposition Fee (Units x NonDwell PUM x 75% x months)**

Iris	105
Scattered	18
<u>Total Units</u>	<u>123</u>
NonDwell PUM	356.11
Year 1	75%
<u>Months</u>	<u>3</u>
Fee	98,553

Part D Line 14 Other Approved Funds **New Units Eligible for Subsidy 10/01/06 - 12/31/06**

Trouton/Woolsey units	125
AEL	291.08
<u>Months</u>	<u>varied</u>
Subsidy	120,508 (calculated per HUD)

I hereby certify that all of the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.
Warning: HUD will prosecute false claims and Statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Authorized HA Representative & Date:  Ann Brandt, Treasury/Revenue Manager 16-Jul-07 X	Signature of Authorized Field Office Representative & Date:
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**CALCULATION OF ALLOWABLE
UTILITIES EXPENSE LEVEL**

PHA/IHA-Owned Rental Housing
Operating Fund

**U.S. Department of Housing
and Urban Development**
Office of Public and Indian Housing

OMB Approval No. 2577-0029 (exp 8/31/2001)

a) Public Housing Agency HOUSING AUTHORITY OF PORTLAND 135 SW ASH STREET PORTLAND, OREGON 97204	b) Operating Fund Project Number OR00200107D Moving To Work - 1998 Base Year	c) New Project Numbers	d) Calendar Year 01/01/07-12/31/07	f) Type of submission <input type="checkbox"/> Original <input checked="" type="checkbox"/> Revision No. (1)
			e) ACC number SF-160	g) Energy Performance Contract <input type="checkbox"/> h) Utility Rate Incentive <input type="checkbox"/>

Line No	Description	Unit Months Available	Sewerage and Water Consumption	Electricity Consumption	Gas Consumption	Fuel (Specify type e.g. oil, coal, wood)		
						Sewer	Street Lighting	(9)
	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
01	UMA and actual consumption for old projects for 12 month period which ended 12 months before the Requested Budget Year. (March 1996)	30,420	236,755	11,299,839	213,144.0			
02	UMA and actual consumption for old projects for 12 month period which ended 24 months before the Requested Budget Year. (March 1995)	30,420	232,520	11,415,727	232,669.0			
03	UMA and actual consumption for old projects for 12 month period which ended 36 months before the Requested Budget Year. (March 1994)	30,420	189,387	11,619,338	248,627.0			
04	Accumulated UMA and actual consumption of old projects (sum of lines 01, 02, 03).	91,260	658,662	34,334,904	694,440			
05	Estimated Unit Months available for old projects for Requested Budget Year.	30,420						
06	Ratio of Unit months available for old projects (line 04 divided by line 05 of column 3).	3						
07	Estimated UMA and consumption for old projects for the Requested Budget Year (Each figure on line 04 divided by line 06).	30,420	219,554	11,444,968	231,480			
08	Estimated UMA and consumption for new projects.		1,617	39,447	1,618.0			
09	Total estimated UMA and consumption for old and new projects for Requested Budget Year (line 07 + line 08).	30,420	221,171	11,484,415	233,098			
10	Estimated cost of consumption on line 09 for Requested Budget Year (Line 13 times Line 09).	Current Rates Current Cost	7.6365 1,688,972	0.0858 985,363	1.1383 265,335			
11	Total estimated cost for Requested Budget Year (sum of all columns of line 10).	2,939,671						
12	Est. PUM cost of consumption for Requested Budget Year (Allowable Utilities Expense Level) (line 11 divided by line 09, col. 3).	96.64						
13	Rate		3	various	various			
14	Unit of Consumption		100 cu ft	kwh	therms			

Remarks: Per MTW: (1) Utility consumption is frozen for the life of the demo, based on the 3 yr rolling base in effect in the FY98 base year (2) Current utility rates & UMAs will be used.

Previous editions are obsolete

Facsimile HUD 52772-A (01/24/01)

**Capital Fund Program
(CFP) Amendment**

To The Consolidated Annual Contributions
Contract (form HUD-53012)

**U.S. Department of Housing
and Urban Development**
Office of Public and Indian Housing

MTW 1 of 5

Whereas, (Public Housing Authority) Housing Authority of Portland (OR002) (herein called the "PHA")
and the United States of America, Secretary of Housing and Urban Development (herein called "HUD") entered into Consolidated Annual Contributions

Contract(s) ACC(s) Number(s) SF-160

dated: 6/26/1959

Whereas, HUD has agreed to provide CFP assistance, upon execution of this Amendment, to the PHA in the amount to be specified below for the purpose of assisting the PHA in carrying out capital and management activities at existing public housing developments in order to ensure that such developments continue to be available to serve low-income families:

\$ 4,380,990 for Fiscal Year 2007 to be referred to under Capital Fund Grant Number OR16P00250107

PHA Tax Identification Number (TIN) -On File

Whereas, HUD and the PHA are entering into the CFP Amendment Number _____

Now Therefore, the ACC(s) is (are) amended as follows:

1. The ACC(s) is (are) amended to provide CFP assistance in the amount specified above for capital and management activities of PHA developments. This amendment is a part of the ACC(s).

2. The capital and management activities shall be carried out in accordance with all HUD regulations and other requirements applicable to the Capital Fund Program.

3. (Check one)

a. In accordance with the HUD regulations, the Annual PHA Plan has been adopted by the PHA and approved by HUD, and may be amended from time to time. The capital and management activities shall be carried out as described in the Annual PHA Plan Capital Fund Annual Statement.

OR

_____ b. The Annual PHA Plan has not been adopted by the PHA and approved by HUD. The PHA may use its CFP assistance under this contract for work items contained in its 5-Year Plan, before the Annual PHA Plan is approved.

For cases where HUD has approved a Capital Fund Financing Amendment to the ACC (CFF Amendment attached), HUD will deduct the payment for amortization scheduled payments from the grant immediately on the effective date of this CFP Amendment. The payment of CFP funds due per the amortization scheduled will be made directly to a designated trustee (Trustee Agreement attached) within 3 days of the due date.

Whether 3.a or 3.b is selected above, the 24 month time period in which the PHA must obligate this CFP assistance pursuant to section 9(j)(1) of the United States Housing Act of 1937, as amended, (the "Act") and 48 month time period in which the PHA must expend this CFP assistance pursuant to section 9(j)(5) of the Act starts with the effective date of this CFP amendment (the date on which CFP assistance becomes available to the PHA for obligation).

4. Subject to the provisions of the ACC(s) and paragraph 3. and to assist in the capital and management activities, HUD agrees to disburse to the PHA or the designated trustee from time to time as needed up to the amount of the funding assistance specified herein.

5. The PHA shall continue to operate each development as low-income housing in compliance with the ACC(s), as amended, the Act and all HUD regulations for a period of twenty years after the last disbursement of CFP assistance for modernization activities and for a period of forty years after the last distribution of CFP assistance for development activities. However, the provisions of Section 7 of the ACC shall remain in effect for so long as HUD determines there is any outstanding indebtedness of the PHA to HUD which arose in connection with any development(s) under the ACC(s) and which is not eligible for forgiveness, and provided further that, for a period of ten years following the last payment of assistance from the Operating Fund to the PHA, no disposition of any development covered by this amendment shall occur unless approved by HUD.

6. The PHA will apply for the entire CFP assistance amount for this FY. If the PHA does not comply with any of its obligations under this Amendment and does not have its Annual PHA Plan approved within the period specified by HUD, HUD shall impose such penalties or take such remedial action as provided by law. HUD may direct the PHA to terminate all work described in the Capital Fund Annual Statement of the Annual PHA Plan. In such case, the PHA shall only incur additional costs with HUD approval.

7. Implementation or use of funding assistance provided under this Amendment is subject to attached corrective action order(s).

(mark one) : Yes No

8. The PHA acknowledges its responsibility for adherence to this Amendment by subgrantees to which it makes funding assistance herein available.

The parties have executed this Agreement, and it will be effective on 9/13/2007. This is the date on which CFP assistance becomes available to the PHA for obligation.

U.S. Department of Housing and Urban Development
By _____ Date: _____

Title

PHA Executive Director

By _____

Date: 9/5/07

Title

Executive Director

CAPITAL FUND PROGRAM TABLES START HERE

Annual Statement/Performance and Evaluation Report						
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part I: Summary						
PHA Name: Housing Authority of Portland		Grant Type and Number Capital Fund Program Grant No: OR16P00250107 Replacement Housing Factor Grant No:			Federal FY of Grant: 2007	
<input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/ Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:) <input type="checkbox"/> Performance and Evaluation Report for Period Ending: <input type="checkbox"/> Final Performance and Evaluation Report						
Line No.	Summary by Development Account	Total Estimated Cost		Total Actual Cost		
		Original	Revised	Obligated	Expended	
1	Total non-CFP Funds					
2	1406 Operations					
3	1408 Management Improvements					
4	1410 Administration					
5	1411 Audit					
6	1415 Liquidated Damages					
7	1430 Fees and Costs					
8	1440 Site Acquisition					
9	1450 Site Improvement					
10	1460 Dwelling Structures					
11	1465.1 Dwelling Equipment—Nonexpendable					
12	1470 Nondwelling Structures					
13	1475 Nondwelling Equipment					
14	1485 Demolition					
15	1490 Replacement Reserve					
16	1492 Moving to Work Demonstration	4,380,990				
17	1495.1 Relocation Costs					
18	1499 Development Activities					
19	1501 Collaterization or Debt Service					

Annual Statement/Performance and Evaluation Report

Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part I: Summary

PHA Name: Housing Authority of Portland	Grant Type and Number Capital Fund Program Grant No: OR16P00250107 Replacement Housing Factor Grant No:	Federal FY of Grant: 2007
--	---	-------------------------------------

Original Annual Statement
 Reserve for Disasters/ Emergencies
 Revised Annual Statement (revision no:)
 Performance and Evaluation Report for Period Ending: Final Performance and Evaluation Report

Line No.	Summary by Development Account	Total Estimated Cost		Total Actual Cost	
		Original	Revised	Obligated	Expended
20	1502 Contingency				
21	Amount of Annual Grant: (sum of lines 2 – 20)	4,380,990			
22	Amount of line 21 Related to LBP Activities				
23	Amount of line 21 Related to Section 504 compliance				
24	Amount of line 21 Related to Security – Soft Costs				
25	Amount of Line 21 Related to Security – Hard Costs				
26	Amount of line 21 Related to Energy Conservation Measures				

**Capital Fund Program
(CFP) Amendment**

To The Consolidated Annual Contributions
Contract (form HUD-53012)

**U.S. Department of Housing
and Urban Development**
Office of Public and Indian Housing

Development 1 of 5

Whereas, (Public Housing Authority) Housing Authority of Portland (OR002) (herein called the "PHA") and the United States of America, Secretary of Housing and Urban Development (herein called "HUD") entered into Consolidated Annual Contributions

Contract(s) ACC(s) Number(s) SF-160

dated: 6/26/1959

Whereas, HUD has agreed to provide CFP assistance, upon execution of this Amendment, to the PHA in the amount to be specified below for the purpose of assisting the PHA in carrying out capital and management activities at existing public housing developments in order to ensure that such developments continue to be available to serve low-income families:

\$ 441,921

for Fiscal Year 2007 to be referred to under Capital Fund Grant Number OR16R00250107

PHA Tax Identification Number (TIN). On File

Whereas, HUD and the PHA are entering into the CFP Amendment Number _____

Now Therefore, the ACC(s) is (are) amended as follows:

1. The ACC(s) is (are) amended to provide CFP assistance in the amount specified above for capital and management activities of PHA developments. This amendment is a part of the ACC(s).

2. The capital and management activities shall be carried out in accordance with all HUD regulations and other requirements applicable to the Capital Fund Program.

3. (Check one)

a. In accordance with the HUD regulations, the Annual PHA Plan has been adopted by the PHA and approved by HUD, and may be amended from time to time. The capital and management activities shall be carried out as described in the Annual PHA Plan Capital Fund Annual Statement.

OR

b. The Annual PHA Plan has not been adopted by the PHA and approved by HUD. The PHA may use its CFP assistance under this contract for work items contained in its 5-Year Plan, before the Annual PHA Plan is approved.

For cases where HUD has approved a Capital Fund Financing Amendment to the ACC (CFF Amendment attached), HUD will deduct the payment for amortization scheduled payments from the grant immediately on the effective date of this CFP Amendment. The payment of CFP funds due per the amortization scheduled will be made directly to a designated trustee (Trustee Agreement attached) within 3 days of the due date.

Whether 3.a or 3.b is selected above, the 24 month time period in which the PHA must obligate this CFP assistance pursuant to section 9(j)(1) of the United States Housing Act of 1937, as amended, (the "Act") and 48 month time period in which the PHA must expend this CFP assistance pursuant to section 9(j)(5) of the Act starts with the effective date of this CFP amendment (the date on which CFP assistance becomes available to the PHA for obligation).

4. Subject to the provisions of the ACC(s) and paragraph 3. and to assist in the capital and management activities, HUD agrees to disburse to the PHA or the designated trustee from time to time as needed up to the amount of the funding assistance specified herein.

5. The PHA shall continue to operate each development as low-income housing in compliance with the ACC(s), as amended, the Act and all HUD regulations for a period of twenty years after the last disbursement of CFP assistance for modernization activities and for a period of forty years after the last distribution of CFP assistance for development activities. However, the provisions of Section 7 of the ACC shall remain in effect for so long as HUD determines there is any outstanding indebtedness of the PHA to HUD which arose in connection with any development(s) under the ACC(s) and which is not eligible for forgiveness, and provided further that, for a period of ten years following the last payment of assistance from the Operating Fund to the PHA, no disposition of any development covered by this amendment shall occur unless approved by HUD.

6. The PHA will apply for the entire CFP assistance amount for this FY. If the PHA does not comply with any of its obligations under this Amendment and does not have its Annual PHA Plan approved within the period specified by HUD, HUD shall impose such penalties or take such remedial action as provided by law. HUD may direct the PHA to terminate all work described in the Capital Fund Annual Statement of the Annual PHA Plan. In such case, the PHA shall only incur additional costs with HUD approval.

7. Implementation or use of funding assistance provided under this Amendment is subject to attached corrective action order(s).

(mark one) : Yes No

8. The PHA acknowledges its responsibility for adherence to this Amendment by subgrantees to which it makes funding assistance herein available.

The parties have executed this Agreement, and it will be effective on _____ This is the date on which CFP assistance becomes available to the PHA for obligation.

U.S. Department of Housing and Urban Development
By _____

Date:

PHA Executive Director

By _____

Date: 9/5/07

Title

Executive Director

Title

CAPITAL FUND PROGRAM TABLES START HERE

Annual Statement/Performance and Evaluation Report					
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part I: Summary					
PHA Name: Housing Authority of Portland		Grant Type and Number Capital Fund Program Grant No: OR16P00250107 Replacement Housing Factor Grant No:			Federal FY of Grant: 2007
<input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/ Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:) <input type="checkbox"/> Performance and Evaluation Report for Period Ending: <input type="checkbox"/> Final Performance and Evaluation Report					
Line No.	Summary by Development Account	Total Estimated Cost		Total Actual Cost	
		Original	Revised	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations				
3	1408 Management Improvements				
4	1410 Administration				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Nondwelling Structures				
13	1475 Nondwelling Equipment				
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration				
17	1495.1 Relocation Costs				
18	1499 Development Activities	441,921			
19	1501 Collateralization or Debt Service				

Annual Statement/Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part I: Summary

PHA Name: Housing Authority of Portland	Grant Type and Number Capital Fund Program Grant No: OR16P00250107 Replacement Housing Factor Grant No:	Federal FY of Grant: 2007
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Original Annual Statement Reserve for Disasters/ Emergencies Revised Annual Statement (revision no:)
 Performance and Evaluation Report for Period Ending: Final Performance and Evaluation Report

Line No.	Summary by Development Account	Total Estimated Cost		Total Actual Cost	
		Original	Revised	Obligated	Expended
20	1502 Contingency				
21	Amount of Annual Grant: (sum of lines 2 – 20)	441,921			
22	Amount of line 21 Related to LBP Activities				
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24	Amount of line 21 Related to Security – Soft Costs				
25	Amount of Line 21 Related to Security – Hard Costs				
26	Amount of line 21 Related to Energy Conservation Measures				

Annual Statement/Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF)
Part III: Implementation Schedule

PHA Name: Housing Authority of Portland		Grant Type and Number Capital Fund Program No: OR16P00250107 Replacement Housing Factor No:				Federal FY of Grant: 2007	
Development Number Name/HA-Wide Activities	All Fund Obligated (Quarter Ending Date)			All Funds Expended (Quarter Ending Date)			Reasons for Revised Target Dates
	Original	Revised	Actual	Original	Revised	Actual	
Development Activities	9/12/09			9/12/11			

From: Financial Management Center [mailto:FinancialManagementCenter@hud.gov]

Sent: Wednesday, January 23, 2008 9:29 AM

Subject: PHA Requests to Revise VMS Data for CY 2008 Voucher Renewal Funding Calculations

The Department notified all agencies, by letter of December 31, 2007, of the opportunity to request revisions to the VMS data previously validated by the agencies for the period of October 1, 2006 through September 30, 2007. This data will be used to calculate each agency's CY 2008 Voucher renewal funding eligibility. The administrative deadline established by HUD for receipt of the requests was Tuesday, January 15. In reviewing the responses, HUD has identified that many agencies appear to have misunderstood the instructions for some data items. The purpose of this message is two-fold:

1. To advise agencies of these typical issues and offer the opportunity to make needed corrections; and
2. To offer agencies who have not made a submission in response to the December 31, 2007 letter the opportunity to do so

To accomplish this, agencies are advised that the deadline for corrections and new submissions has been set as 5:00 pm on Tuesday, January 29, 2008. Be aware that the submissions must be RECEIVED BY HUD, not mailed, by the deadline. Submission must be original, not sent via fax or electronic mail.

Please review the following issues and ensure that your submission is in accordance with the instructions:

- A. Deposits to FSS participant's escrow accounts are to be reported as HAP expenses. Forfeitures for participants who fail to meet their contracts are NOT to be deducted from HAP expenses
- B. The box at the top of Enclosure A titled "First of Month Expenses" should be marked "Yes" if the VMS expenses reported by the HA are expenses as of the first of the month only, rather than expenses for the entire month
- C. If an agency is requesting credit vouchers withheld from leasing in support of a project-based AHAP, the agency should be certain to submit the signed AHAP, specifically included Exhibits A and C (rents and approved units)
- D. Many agencies did not sign and return the certification for Enclosure A (separate page from the data); without the certification HUD cannot accept the submission, so be sure it has been sent
- E. Some agencies have reported portable vouchers as transfers; transfers occur only when the number of vouchers in an agency's ACC is permanently reduced.
- F. Amounts realized by the agency via fraud recovery should not be deducted from HAP expenses
- G. Please remember that the VMS data presented for your review for the period of January to September 2007 was the data previously submitted and validated by the agency; it does not reflect any subsequent changes you made in VMS – those changes must be reported.

We hope this opportunity will assist your agency as we strive to ensure we have the most accurate data available in support of CY 2008 Voucher renewal funding calculations.