

Amended and Restated Moving to Work Agreement

This Amended and Restated Moving to Work Demonstration Agreement (Restated Agreement) is entered into on this 26th day of MARCH, 2008, by and between the United States of America through the U.S. Department of Housing and Urban Development (HUD) and the **Vancouver Housing Authority** (Agency). The term of this Agreement shall begin on the Date of Execution by HUD and shall continue until the end of the Agency's 2018 Fiscal Year, subject to meeting the evaluation criteria described in Section IV, unless such term is otherwise extended by HUD; and

WHEREAS, Section 204 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Pub. L. 104-134) (1996 Appropriations Act) establishes the statutory framework known as the Public Housing/Section 8 Moving to Work (MTW) demonstration program; and

WHEREAS, Section 204(a) of the 1996 Appropriations Act provides that public housing agencies that administer Section 8 and public housing (Agencies) and the Secretary of HUD (Secretary) shall have the flexibility to design and test various approaches for providing and administering housing assistance that: 1) reduce cost and achieve greater cost effectiveness in Federal expenditures; 2) give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and 3) increase housing choices for low-income families (the three statutory objectives); and

WHEREAS, pursuant to Section 204(a) of the 1996 Appropriations Act, HUD may permit Agencies to combine funds appropriated under sections 8 and 9 of the 1937 Act, and may exempt Agencies from provisions of the 1937 Act and implementing regulations thereunder pertaining to Public and Indian Housing and section 8 voucher assistance; and

WHEREAS, the Secretary determined that the Agency satisfies the Secretary's selection criteria and selected the Agency to participate in MTW; and

WHEREAS, on the 21st day of April 1999, HUD and the Agency executed an MTW Agreement, and on the 23rd day of June 2003, HUD and the Agency executed an MTW Amendment, and on the 7th day of May 2004, HUD and the Agency executed an MTW Extension, and on the 30th day of March 2006, HUD and the Agency executed an MTW Extension, (collectively known as the Original MTW Agreement) governing the terms and conditions under which HUD authorizes the Agency to participate in MTW; and

WHEREAS, the parties have previously entered into one or more Annual Contributions Contracts (ACCs) setting forth the terms and conditions under which the Agency participates in the public housing and/or Section 8 Housing Choice Voucher programs administered by HUD; and

WHEREAS, the parties agree to execute this Restated Agreement, which hereby amends and replaces any Original MTW Agreement between HUD and the Agency; and

WHEREAS, it is a goal of the MTW demonstration to design and test innovative methods of providing housing and delivering services to low-income families in an efficient and cost effective manner, and HUD and the Agency agree to fully cooperate with each other in order to make the demonstration a success;

NOW, THEREFORE, in reliance upon and in consideration of the mutual representations and obligations hereunder, the parties do agree as follows:

I. Statutory Authorizations

- A. This Restated Agreement amends and replaces the Original MTW Agreement between HUD and the Agency. This Restated Agreement waives certain provisions of the United States Housing Act of 1937, as amended (1937 Act), and HUD's implementing requirements and regulations thereunder, as are set forth in the Statement of Authorizations (Attachment C), and the Legacy and Community-Specific Authorizations (Attachment D) only to the extent they are necessary to implement the Agency's Annual MTW Plan. Except as noted in Section I.B. below, this Restated Agreement supersedes the terms and conditions of one or more ACCs between the Agency and HUD, to the extent necessary for the Agency to implement its MTW demonstration initiatives as laid out in the Agency's Annual MTW Plan, as approved by HUD.
- B. Notwithstanding the preceding authority waiving certain provisions of the 1937 Act as necessary to implement the Agency's Annual MTW Plan, the following provisions of the 1937 Act, as otherwise applicable, shall continue to apply to the Agency and/or assistance received pursuant to the 1937 Act:
 1. The terms "low-income families" and "very low-income families" shall continue to be defined by reference to Section 3(b)(2) of the 1937 Act (42 U.S.C. § 1437a(b)(2));
 2. Section 12 of the 1937 Act (42 U.S.C. § 1437j), as amended, shall apply to housing assisted under the demonstration, other than housing assisted solely due to occupancy by families receiving tenant-based assistance; and
 3. Section 18 of the 1937 Act (42 U.S.C. § 1437p, as amended by Section 1002(d) of Public Law 104-19, Section 201(b)(1) of Public Law 104-134, and Section 201(b) of Public Law 104-202), governing demolition and disposition, shall continue to apply to public housing notwithstanding any use of the housing under MTW.
- C. This Restated Agreement only waives certain provisions of the 1937 Act and its implementing regulations. Other federal, state and local requirements applicable to public housing shall continue to apply notwithstanding any term contained in this Restated Agreement or any Authorization granted thereunder. Accordingly, if any requirement applicable to public housing, outside of the 1937 Act, contains a provision that conflicts or is inconsistent with any authorization granted in this Restated Agreement, the MTW Agency remains subject to the terms of that requirement. Such requirements include, but are not limited to, the following: Appropriations Acts,

competitive HUD notices of funding availability under which the Agency has received an award, state and local laws, Federal statutes other than the 1937 Act, and OMB Circulars and requirements (including regulations promulgated by HUD thereunder in 24 C.F.R. part 85).

- D. The MTW Agency is authorized to conduct activities in accordance with the Statement of Authorizations (Attachment C) and in accordance with the Legacy and Community-Specific Authorizations (Attachment D), as applicable. In the event of a conflict between Attachment C and Attachment D, the authorizations in Attachment D will supersede those in Attachment C.
- E. Notwithstanding any provision set forth in this Restated Agreement, including without limitations, the term of years and all extensions, renewals and options, and the terms set forth herein otherwise, any federal law that amends, modifies, or changes the aforementioned term of years and/or other terms of this Restated Agreement shall supersede this Restated Agreement such that the provisions of the law shall apply as set forth in the law.

II. Requirements and Covenants

- A. The amount of assistance received under sections 8 or 9 of the 1937 Act by an Agency participating in the demonstration shall not be diminished by the Agency's participation in the MTW demonstration.
- B. The Agency agrees that any HUD assistance that the Agency is authorized to use under the MTW demonstration shall be used in accordance with the Agency's Annual MTW Plans, as may be applicable. The Agency hereby certifies that the Agency's governing board has approved this Restated Agreement, and each Annual MTW Plan issued prior to the date hereof, as applicable, and that a copy of each such board approval has been provided to HUD.
- C. The Agency shall hold at least one public hearing per Annual MTW submission, and make the Annual MTW Plan available for public comment for at least thirty (30) days. The Agency agrees to take into account public comments on the program design, including comments from current tenants/participants, to the extent such comments were provided.
- D. The Agency shall: (i) ensure that at least 75 percent of the families assisted are very low-income families, as defined in section 3(b)(2) of the 1937 Act, (ii) assist substantially the same total number of eligible low-income families under MTW, as would have been served absent the demonstration, and (iii) maintain a comparable mix of families by family size, as would have been served or assisted had the amounts not been used under the demonstration.
- E. When providing public housing, the Agency will ensure that it is safe, decent, sanitary, and in good repair, according to an inspection protocol established or approved by the Secretary. This in no way precludes the Agency from modifying its own inspection

protocol as authorized in Attachments C and/or D as long as such protocol meets the housing quality standards established or approved by the Secretary.¹

- F. The Agency agrees to keep project level budgeting and accounting, report financial statements in the Financial Data Schedule (FDS)², and abide by project level management reviews and fees. The Agency will conform to OMB Circular A-87 and the HUD definition of reasonable fees as defined in 24 CFR part 990, and HUD's Financial Management Guidebook 7475.1 and Supplement, as they may be amended.
- G. HUD will not score the Agency under HUD's Public Housing Assessment System (PHAS) or HUD's Section Eight Management Assessment Program (SEMAP), or their successor systems, unless the Agency elects to be scored. If the Agency elects to be scored, the agency will continue to be scored for the duration of the demonstration.
- H. The Agency agrees to cooperate fully with HUD and its contractors in the monitoring and evaluation of the MTW demonstration, to keep records, and to submit reports and other information to HUD as described in the Restated Agreement.
- I. The Agency shall comply with the requirements of the National Environmental Policy Act (NEPA) and other related federal laws and authorities identified in 24 C.F.R. Part 50 or Part 58, as applicable.
- J. The Agency will comply with all applicable nondiscrimination and equal opportunity requirements set forth in 24 C.F.R. § 5.105(a), and will administer its programs and activities in a manner affirmatively to further fair housing. In particular, the Agency must make reasonable accommodations needed by applicants and residents and must make units accessible in accordance with the Needs Assessment and Transition Plan as required under Section 504 of the Rehabilitation Act of 1973 and its implementing regulations.
- K. The Agency will comply with the terms of any applicable court orders or Voluntary Compliance Agreements that are in existence or may come into existence during the term of the Agreement. The Agency further agrees that it will cooperate fully with any investigation by the HUD Office of Inspector General or any other investigative and law enforcement agencies of the U.S. Government.
- L. Unless otherwise provided herein, this Restated Agreement does not apply to Section 8 assistance that is required:
 - 1. To meet existing contractual obligations of the Agency to a third party (such as Housing Assistance Payment contracts with owners under the Agency's Section 8 Housing Choice Voucher program);
 - 2. For payments to other public housing authorities under Section 8 portability billing procedures; or

¹ Agencies are still subject to state and local building codes, and housing codes, and state and local public housing law on inspections.

² The Agency agrees to comply with FDS submission requirements, including the requirement to submit project level financial data in the FDS.

3. To meet particular purposes for which HUD has expressly committed the assistance to the Agency.

The aforementioned covenants made by the Agency are not exclusive, as the Agency must also comply with all requirements applicable to public housing other than both those provisions of the 1937 Act, as amended from time to time, and its implementing regulations specifically waived by the Authorizations contained in this Restated Agreement.

III. Rent Reform Initiatives

The Agency shall establish a reasonable rent policy that is designed to encourage employment and self-sufficiency by participating families, consistent with the purpose of this demonstration. In developing its rent policy, the Agency must adopt a policy for addressing hardship cases. To meet the Department's purposes of evaluating the MTW demonstration, Agencies may randomly assign new participants into the MTW group, which will provide an alternate program/rent structure, and into a control group, which will continue to operate under the 1937 Act requirements, and collect useful participant data at the point of random assignment.

IV. Evaluation

- A. HUD will consider the following criteria when evaluating whether this Agency shall continue in the MTW Demonstration:
 1. The Agency is in compliance with this Restated Agreement.
 2. The Annual MTW Plans and Reports have been satisfactorily completed and submitted in a timely manner, consistent with this Restated Agreement; and
 3. The Agency has demonstrated, through the Annual MTW Plan and Report, that it has used its MTW designation (i.e., engaged in MTW Activities), as set forth in Section 204 of the 1996 Appropriations Act.
- B. If, after the evaluation during FY 2011 and FY 2014, HUD determines that the Agency fails to meet the above criteria, HUD can terminate this Restated Agreement.

V. Amendments and Continuation of Activities

- A. Amendment of this Restated Agreement. This Restated Agreement may be further amended upon mutual agreement of the Agency and HUD. Proposed amendments by the Agency to the Restated Agreement shall be submitted in writing to HUD's Office of Public and Indian Housing, or its successor, only after the Agency has conducted a public hearing, considered comments from the hearing in drafting the proposed amendment, and obtained an approval from the Agency's Board of Commissioners or Directors, as applicable. HUD will respond to the Agency in writing to either approve and execute or disapprove the amendment request. The Statement of Authorizations (Attachment C) may be unilaterally amended by HUD only in order to add to the existing authorizations. The Legacy and Community-Specific Authorizations (Attachment D) may be amended upon mutual agreement between HUD and the Agency. In the event of a conflict between Attachment C and Attachment D, the authorizations in Attachment D supersede the authorizations in Attachment C.

- B. Amendment of the Annual MTW Plan. Amendments to the Annual MTW Plan only need to be made if the proposed MTW activity falls outside the scope of the HUD-approved Annual MTW Plan. An MTW activity is defined as an activity that an Agency participating in the MTW demonstration is authorized to undertake only by means of invoking an authorization included in Attachment C or Attachment D of this Restated Agreement, as opposed to an activity that a non-MTW agency could undertake pursuant to the conventional public housing and Section 8 Housing Choice Voucher programs' statutory and regulatory requirements. Proposed amendments by the Agency to the Annual MTW Plan shall be submitted in writing to HUD's Office of Public and Indian Housing, or its successor, only after the Agency has conducted a public hearing, considered comments from the hearing in drafting the proposed amendment, and obtained an approval from the Agency's Board of Commissioners or Directors, as applicable. HUD will respond in writing to either approve or disapprove the amendment request.

The letter requesting any amendment to the Annual MTW Plan should include the following information in relation to the proposed MTW Activity:

1. Description of the proposed activity;
2. Description of how the activity relates to at least one of the three statutory objectives;
3. Identification and discussion of the anticipated impact of the proposed MTW activity on the stated objective;
4. Description of the baselines and benchmarks that the Agency will use to measure the performance and progress of the MTW activities;
5. Description of the data collection process and metrics the Agency will use to measure how this activity will achieve one or more of the MTW statutory objectives; and
6. The specific provision of the 1937 Act or regulation that is waived under MTW that authorized the Agency to make this change, when applicable.

C. Continuation of Activities.

1. Not later than one year prior to expiration of this Restated Agreement, the Agency shall submit a transition plan to HUD. It is the Agency's responsibility to plan in such a manner that it will be able to end all features of the MTW Plan upon expiration of the Agreement, as HUD cannot guarantee that it will be able to extend any features of the Plan. The transition plan shall describe plans for phasing out of such authorizations/features. The plan shall also include any proposals of authorizations/features of the Restated Agreement that the Agency wishes to continue beyond the expiration of the Restated Agreement. The Agency shall specify the proposed duration, and shall provide justification for extension of such authorization/features. HUD will respond to the Agency in writing in a timely manner. Only authorizations/features specifically approved for extension shall continue beyond the term of the MTW Restated Agreement.

The extended features shall remain in effect only for the duration and in the manner specified in the approved transition plan.

2. HUD will review and respond to timely-submitted transition plans within 75 days or they are deemed approved. To the extent that HUD has questions or feedback within this 75-day period, HUD will transmit such information within a sufficient time period for the Agency to respond and for HUD to approve a transition plan within 75 days of submission of the plan.

VI. Funding

- A. Funding Methodology. During the term of the MTW demonstration, HUD will provide the Agency with public housing operating subsidies, and modernization or capital funds (including development and replacement housing factor funds), and with tenant-based Section 8 assistance, as provided in Attachment A. If the Agency's Attachment A does not describe the funding methodology for any of these funding streams, the Agency's funding will be calculated according to standard HUD calculations of Agency benefits.
- B. Funding Disbursements. The Agency will receive its public housing operating subsidy and Section 8 tenant-based funding in accordance with the following calculation and disbursement requirements:
 1. Operating Fund subsidies
 - a. HUD shall calculate the allocation of Operating Fund subsidies to the Agency in accordance with Attachment A.
 - b. The Agency may use these funds for any eligible activity permissible under Section 9(e)(1) of the 1937 Act or, if the Agency proposes to use the funding as part of a block grant in its Annual MTW Plan, it may use these funds for any eligible activity permissible under Section 8(o), 9(d)(1) and 9(e)(1) consistent with this MTW Restated Agreement.
 2. Capital Funds and Other Grants
 - a. HUD shall calculate the allocation of Capital Fund grants (including replacement housing factor fund grants) to the Agency in accordance with Attachment A. Capital Funds will be disbursed in accordance with standard HUD procedures for the disbursement of public housing Capital Fund Grants.
 - (i) In requisitioning grant funds, the Agency will not be required to provide line item detail, but will request the funds using a single MTW line item; provided however, that the Agency may not accelerate draw downs of funds in order to fund reserves.

- (ii) The Agency may use these funds for any eligible activity permissible under Section 9(d)(1) of the 1937 Act, or if the Agency proposes to use the funding as part of a block grant in its Annual MTW Plan, it may use these funds for any eligible activity permissible under Section 8(o), 9(d)(1) and 9(e)(1) consistent with this MTW Restated Agreement.
 - (iii) The Agency is subject to the requirements of Section 9(j) of the 1937 Act with respect to its Capital Fund Grants.
- b. Section 8 Tenant-Based Assistance
- (i) HUD shall calculate the allocation of Section 8 Housing Choice Voucher funding to the Agency in accordance with Attachment A.
 - (ii) The Agency may use tenant-based Section 8 funds included in the MTW block grant for any eligible activity permissible under Section 8(o) of the 1937 Act or, if the Agency proposes to use the funding as part of a block grant in its Annual MTW Plan, it may use the funds for any eligible activity permissible under Section 8(o), 9(d)(1) and 9(e)(1) consistent with this MTW Restated Agreement.
- c. The Agency may submit for HUD consideration and approval alternative schedules for disbursement of public housing operating subsidy and Section 8 tenant-based funding to reduce the number of transactions and to address the time lag between making Housing Assistance Payments (HAP) for the large number of Section 8 participants from other jurisdictions (portables) and reimbursement by those jurisdictions. An Agency's request for consideration and approval of an alternative schedule for disbursement shall be subject to certain administrative limitations, such as only one request will be allowed per year.

VII. Administrative Responsibilities

A. Annual MTW Planning and Reporting.

1. Annual MTW Plans

- a. If the Agency has ten percent or more of its housing stock in MTW, the Agency will prepare and submit an Annual MTW Plan, in accordance with Attachment B, or equivalent HUD form as approved by OMB, in lieu of the Five (5) year and Annual Plans required by Section 5A of the 1937 Act.
- b. If the Agency has less than ten percent of its housing stock in MTW, the Agency will continue to complete the Five-Year and Annual Plans required by Section 5A of the 1937 Act. The Agency will also complete a Supplemental Annual MTW Plan, based on Attachment B, or equivalent HUD form as approved by OMB. Only information not included in either

the Five-Year Plan or the Annual Plan will need to be included in the Supplemental Annual MTW Plan (herein also referred to as the Annual MTW Plan).

- c. Three (3) copies of the Annual MTW Plan shall be submitted to HUD: one copy will be provided to HUD Headquarters in hard-copy, one copy to HUD Headquarters in electronic format (i.e., PDF, or Word), and one copy to the Agency's local HUD Field Office.
- d. The Annual MTW Plan is due not later than seventy-five (75) days prior to the start of the Agency's fiscal year, unless otherwise approved by HUD, except in the first year of this Restated Agreement the Agency may submit an amendment to its MTW Plan if it wants to implement initiatives prior to the due date of the subsequent MTW Plan.
- e. Attachment B of this Restated Agreement, or equivalent HUD form as approved by OMB, provides a detailed description of the required elements of the Annual MTW Plan.
- f. The Annual MTW Plan will be submitted to HUD only after:
 - (i) The Agency has provided for citizen participation through public hearing and other appropriate means and is approved by the Board of Commissioners or Directors, as applicable, and
 - (ii) The Agency has taken into account public comments on the program design, including comments from current tenants/participants, to the extent such comments were provided. To document the foregoing, the Agency will submit with the Annual MTW Plan documentation that at least one public hearing was held, that the Plan was available for public comment for at least thirty (30) days, and that the Agency took no less than fifteen (15) days between the public hearing and the approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan. The Agency will submit these documents to HUD in accordance with Attachment B, or equivalent HUD form as approved by OMB, and will keep these documents on file for HUD review.
- g. HUD shall notify the Agency in writing if HUD objects to any provisions or information therein. When the Agency submits its Annual MTW Plan seventy-five (75) days in advance of its fiscal year, HUD will respond to the Agency within seventy-five (75) days. If HUD does not respond to the Agency within seventy-five (75) days after an on-time receipt of the Agency's Annual MTW Plan, the Agency's Annual MTW Plan is approved and the Agency is authorized to implement that Plan. If HUD does not receive the Agency's Annual MTW Plan seventy-five (75) days before the beginning of the Agency's fiscal year, the Agency's Annual MTW Plan is

not approved until HUD responds. Reasons that HUD may object to a provision or information in the Annual MTW Plan include, but are not limited to, the following:

- (i) The information required in Attachment B, or equivalent HUD form as approved by OMB, is not provided or is deemed insufficient;
 - (ii) The Agency's planned MTW activities are not permissible under MTW Authority or are inconsistent with requirements outside the 1937 Act³;
 - (iii) The Agency's planned MTW activities do not have a clear connection to the statutory goal of the MTW demonstration, which is to provide Agencies with the flexibility to design and test various approaches for providing and administering housing assistance that: (a) reduce cost and achieves greater cost effectiveness in Federal expenditures; (b) give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and (c) increase housing choices for low-income families; or
 - (iv) There are other good cause factors, such as material misrepresentation, in the submission.
- h. Once HUD approves an MTW Activity, the activity shall remain approved as long as it is included in the Agency's Annual MTW Plan submissions subsequent to the initial approval of the MTW Activity. The approval shall remain in effect until such time as the Agency proposes to modify the activity, initiative, or program.

2. Annual MTW Reports

- a. The Agency will prepare Annual MTW Reports, which will compare the Agency's activities with its Annual MTW Plan. The Annual MTW Report will provide the information necessary for HUD to assess the Agency's activities, in both regular operations and in activities authorized by MTW.
- b. Three (3) copies of the Annual MTW Report shall be submitted to HUD: one copy will be provided to HUD Headquarters in hard-copy, one copy to HUD Headquarters in electronic format (i.e., PDF, or Word), and one copy to the Agency's local HUD Field Office.
- c. The Annual MTW Report will be submitted to HUD for its review annually, no later than ninety (90) days after the end of the Agency's fiscal year.

³ Even if HUD approves a MTW Plan that is inconsistent with an external requirement, such as a state law requirement, the Agency is still subject to the external requirement.

- d. Attachment B of this Restated Agreement, or equivalent HUD form as approved by OMB, provides a detailed description of the required elements of the Annual MTW Report.
 - e. HUD shall notify the Agency in writing if HUD requires additional information or clarifications to the information provided in the Annual MTW Report.
 - f. All HUD forms and other reporting mechanisms required by this Restated Agreement, including any required certifications, will, where appropriate, be included in either the Annual MTW Plan or the Annual MTW Report.
3. HUD reserves the right to request, and the Agency agrees to provide, any information required by law or required for sound administration of the public housing and Section 8 Housing Choice Voucher programs.

B. Other Data Submission Requirements.

1. The Agency will submit HUD-50058 data and/or HUD-50058 MTW (or their replacement forms) data to HUD's Public and Indian Housing Information Center (PIC) system, or its successor. (Note that the use of the HUD-50058 MTW form is restricted to the MTW agencies that have implemented MTW Activities that prevent use of the standard 50058 form.) These submissions will be in compliance with HUD's 50058 and/or 50058 MTW submission requirements for MTW public housing authorities. The Agency will maintain current building and unit information in the development module of the PIC Inventory Management System (IMS).
2. The Agency will provide basic data about the Agency (e.g., address, phone number, e-mail address, etc.) to HUD through the PIC/IMS system, or its successor system.
3. The Agency will complete an annual audit pursuant to the Office of Management and Budget (OMB) Circular A-133 (including the Compliance Supplement, as determined by the auditor to be relevant to MTW). The A-133 Audit must be submitted to HUD in accordance with HUD regulations; a separate copy of the most recently completed audit must be submitted to the Office of Public Housing Investments, or its successor Headquarters Office responsible for national oversight of the MTW demonstration.
4. The Agency will provide data to HUD through FDS, or its successor system, as required by the Public Housing Assessment System (PHAS) regulations and procedures as they may be amended.
5. The Agency will provide HUD with an electronic version of the Admissions and Continued Occupancy Policy and Administrative Plan upon HUD's request.
6. The Agency will provide HUD with a Performance and Evaluation Report for Capital Fund activities not included in the MTW Block Grant by including this

as a supplement to Attachment B, or equivalent HUD form as approved by OMB.

In addition to the reporting requirements listed above, the Agency is required to comply with any and all HUD reporting requirements that are not specifically waived by HUD.

- C. Annual MTW Monitoring Site Visit. HUD and/or its contractors will conduct at least one formal Site Visit to the Agency each year. The purpose of these visits will be to confirm reported Agency activities, to review the status and effectiveness of the Agency's MTW strategies, and to identify and resolve outstanding MTW related issues. The Agency shall give HUD and/or its contractors unimpeded access to all requested sources of information including access to files, access to units, and an opportunity to interview Agency staff and assisted residents.
- D. Single Point of Contact. HUD and the Agency shall each appoint a liaison as a single point of contact in implementing the Restated Agreement.

VIII. Termination and Default

- A. If the Agency violates this Restated Agreement, HUD is authorized to take any corrective or remedial action described in this Article VIII for Agency default. HUD will give the Agency written notice of any default. The Agency will have the opportunity to cure such default within 30 days of the date of said notice, or to demonstrate within said time period, by submitting substantial evidence satisfactory to HUD, that it is not in default. If the default is not susceptible to being cured within said 30 day period, the Agency will demonstrate, to HUD's satisfaction, that the Agency has taken actions necessary to cure the default and that the default is curable within 90 days from the date of the default notice. Additionally, the Agency must covenant to prosecute such cure diligently and complete such cure within the 90 day period, unless HUD, in its sole judgment, determines that immediate action is necessary, and therefore has discretion to institute the remedies under Section VIII.C. of this Restated Agreement.
- B. The following are reasons that HUD may declare the Agency in default of this Restated Agreement:
 1. The Agency has not corrected HUD identified performance deficiencies within a reasonable period of time;
 2. Material misrepresentation in the application process that led to the Original MTW Agreement or this current Restated Agreement;
 3. Use of funds subject to this Restated Agreement for a purpose other than as authorized by this Restated Agreement;
 4. Material noncompliance with legislative, regulatory, or other requirements applicable to this Restated Agreement;
 5. Material breach of this Restated Agreement; and/or

6. Material misrepresentation in the Annual MTW Plan or Report submission by the Agency.
- C. If the Agency is in default, HUD may, among other remedies, undertake any one or all of the following remedies:
1. Suspend payment or reimbursement for any MTW activities affected;
 2. Suspend the Agency's authority to make draws or receive or use funds for affected activities;
 3. Change the method of payment to the Agency;
 4. Require additional reporting by the Agency on the deficient areas and the steps being taken to address the deficiencies;
 5. Require the Agency to prepare and follow a HUD-approved schedule of actions and/or a management plan for properly completing the activities approved under this Restated Agreement;
 6. Suspend the MTW waiver authorization for the affected activities;
 7. Prohibit payment or reimbursement for any MTW Activities affected by the default;
 8. Require reimbursement by the Agency to HUD for amounts used in violation of this Restated Agreement;
 9. Reduce/offset the Agency's future funding;
 10. Terminate this Restated Agreement and require the Agency to transition out of MTW;
 11. Take any other corrective or remedial action legally available; and/or
 12. Implement administrative or judicial receivership of part or all of the Agency.
- D. The Agency may choose to terminate this Restated Agreement at any time. Upon HUD's receipt of written notification from the Agency and a copy of a board resolution approving termination, termination will be effective. The Agency will then begin to transition out of MTW, and will work with HUD to establish an orderly phase-out of MTW activities, consistent with Section IV C of this Restated Agreement.

This Agreement, including all Attachments, is effective upon execution, except as otherwise provided herein.

VANCOUVER HOUSING AUTHORITY

BY: 
ITS: Executive Director
Date: 3/26/08

UNITED STATES DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT

BY: 
ITS: Assistant Secretary
Date: 12.20.07

ATTACHMENT A

CALCULATION OF SUBSIDIES

TO
MOVING TO WORK AGREEMENT
BETWEEN
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
AND
VANCOUVER HOUSING AUTHORITY

Upon execution of the Moving to Work (MTW) Agreement (MTW Agreement) between the U.S. Department of Housing and Urban Development (HUD) and the Vancouver Housing Authority (Agency), HUD will provide the Agency with operating subsidy, capital funds, and Housing Choice Voucher Program assistance as described below.

A. Operating Subsidy

1. The calculation of operating subsidy will continue in accordance with applicable operating subsidy formula law and regulations.

B. Capital Funds Program

1. The Agency's formula characteristics and grant amounts will continue to be calculated in accordance with applicable law and regulations.
2. All funds programmed for MTW purposes will be recorded and drawn from MTW designated line items on relevant HUD forms.

C. Housing Choice Voucher Program (HCVP) Subsidy

1. For purposes of the Housing Choice Voucher Program (HCVP) funding, the Initial Year is calendar year 2008 (January 1, 2008 through December 31, 2008).
2. For purposes of the Housing Choice Voucher program funding, the base period for calculating initial funding is federal fiscal year 2007 (October 1, 2006 through September 30, 2007).
3. Initial year (CY 2008) HCVP housing assistance payments (HAP) subsidy will be based on the greater of actual HAP expenses incurred by the Agency as reported in the Voucher Management System (VMS) in the base period (FFY 2007) or what the Agency received in calendar year 2007. Initial year administrative fees will be based on what the Agency received in calendar year 2007.
4. Funding eligibility for the HCVP HAP in the Initial Year of this agreement will be equal to the amounts determined under the preceding paragraph, adjusted for new units not fully represented in those amounts, and adjusted by the Annual Adjustment Factor (AAF) and by the applicable proration factor. The Administrative Fee funding will be adjusted for new units and by the applicable proration factor. For subsequent years, the HAP subsidy will be equal to the previous year's HAP subsidy eligibility adjusted by the current year's AAF and applicable proration factor percentage. Similarly, the Administrative Fee

funding for subsequent years will be equal to the previous year's Administrative Fee eligibility adjusted by the applicable proration factor. Funding eligibility in any year is subject to the requirements of the applicable Appropriations Act as it applies to MTW Agency.

5. If the Agency receives incremental HCVP funding, the Agency must decide to either apply the incremental funding to their MTW block grant or to keep the incremental funding separate, as provided by law. In some cases, incremental funding may not be eligible for inclusion in the block grant as may be dictated by law.
6. All HCVP funding provided by HUD and not restricted under item 5, above, or otherwise prohibited by law in the Initial Year and subsequent years under this agreement may be eligible for inclusion in the MTW flexible block grant.
7. The Agency will be eligible to receive Family Self Sufficiency coordinator funding in accordance with available appropriations and requirements.
8. There will be no year-end settlement of annual funds provided for the MTW HCVP subsidy. All funds provided through this calculation will remain available for authorized purposes.
9. Any sum held by the Agency in the Net Restricted Assets account resulting from HAP funding that exceeded HAP expenses for the period of January 1, 2005 through December 31, 2007, shall remain available and may be used for authorized purposes, subject to applicable provisions of the MTW Agreement and future appropriations statutes. Any sum held by the Agency as excess administrative funds (Net Unrestricted Assets) shall remain available and may be used for authorized purposes subject to applicable provisions of the MTW Agreement and future appropriations statutes.
10. Funding for five-year mainstream vouchers, one-year mainstream vouchers and moderate rehabilitation vouchers, whether new allocations or renewals of existing vouchers, shall not be included in the MTW Block Grant.
11. The Agency will receive administrative fees to administer any incremental vouchers received, including Family Self Sufficiency funding, in accordance with laws and regulations in effect. Such fees will be calculated assuming all vouchers are in use.
12. The Agency's MTW funding for tenant based voucher assistance shall be based solely on dollars and not units.

Attachment B

TO
AMENDED AND RESTATED MOVING TO WORK AGREEMENT
BETWEEN
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
AND
AGENCY

Elements for the Annual MTW Plan and Annual MTW Report

All MTW Agencies will provide the following required elements in their Annual MTW Plans and Reports, consistent with the requirements of Section VII of the Restated Agreement, and will follow the following order and format.

<u>Annual MTW Plan</u>	<u>Annual MTW Report</u>
I. Introduction	
A. Table of Contents, which includes all the required elements of the Annual MTW Plan; and B. Overview of the Agency's MTW goals and objectives for the year, including new and ongoing MTW activities.	A. Table of Contents, which includes all the required elements of the Annual MTW Report; and B. Overview of the Agency's ongoing MTW goals and objectives.

II. General Housing Authority Operating Information	
<p>Please provide the following:</p> <p>A. Housing Stock Information</p> <ul style="list-style-type: none"> • Number of public housing units planned; • General description of any planned significant capital expenditures by development; • Description of any new public housing units to be added during the year by development (specifying bedroom size); • Number of units to be removed from the inventory during the year by development specifying the justification for the removal; • Number of Housing Choice Vouchers (HCV) units authorized; • Number of HCV units to be project-based, including description of each separate project; • General description of other housing planned to be managed by the Agency, specifying location, number of units, and type of non-public housing/non-HCV assistance (to include tax credit, state funded, project based Section 8, and market rate); and • Description of other properties owned or managed by the Agency. <p>B. Lease Up Information</p> <ul style="list-style-type: none"> • Anticipated number of public housing units planned to be leased; • Anticipated number of HCV planned to be leased; and • Description of anticipated issues relating to any potential difficulties in leasing units (HCV or public housing). <p>C. Waiting List Information</p> <ul style="list-style-type: none"> • Description of anticipated changes in waiting lists (site-based, community-wide, HCV, merged); • Description of anticipated changes in the number of families on the waiting list(s) and/or opening and closing of the waiting list(s); and • Date the waiting list was last purged. 	<p>Please provide the following:</p> <p>A. Housing Stock Information</p> <ul style="list-style-type: none"> • Number of public housing units; • Number of Housing Choice Vouchers utilized; • General description of number and type of other housing managed by the Agency, specifying location, number of units and type of non-public housing/non-HCV assistance (to include tax credit, state funded, project based Section 8, and market rate); and • Description of other properties owned or managed by the Agency. <p>B. Lease Up Information</p> <ul style="list-style-type: none"> • Number of public housing units leased; • Number of HCV under lease; and • Description of issues relating to any difficulties in leasing units (HCV or public housing). <p>C. Waiting List Information</p> <ul style="list-style-type: none"> • Description of waiting lists (site-based, community-wide, HCV, merged) and any changes that were made in the past fiscal year; • Number of families on the waiting list(s), both at the beginning of the fiscal year and at the end of the fiscal year, and if the list(s) are open or closed; and • Date the waiting list was last purged.

<u>Annual MTW Plan</u>	<u>Annual MTW Report</u>
III. Long-term MTW Plan	
Describe the Agency’s long-term vision for the direction of its MTW program, extending through the duration of the MTW Agreement.	Describe the Agency’s long-term vision for the direction of its MTW program, extending through the duration of the MTW Agreement.
IV. Proposed MTW Activities: HUD approval requested (provide the listed items below grouped by each MTW activity)	
<p>A. Describe each proposed MTW activity;</p> <p>B. Describe how each proposed activity relates to at least one of the three statutory objectives;</p> <p>C. Identify and discuss the anticipated impact of each proposed MTW activity on the stated objective;</p> <p>D. Describe the baselines and proposed benchmarks and metrics that the Agency will use to measure the performance and progress of the MTW activities;</p> <p>E. Describe the data collection process and the proposed metrics the Agency will use to measure how this activity will achieve one or more of the MTW statutory objectives;</p> <p>F. Cite the authorization(s) detailed in Attachment C or D of this Restated Agreement that give the Agency the flexibility to conduct the activity, and include the specific citation(s) of the Act or regulation as identified in Attachment C or D of this Restated Agreement that authorize the Agency to make the change; and</p> <p>G. Describe the hardship policy (for rent reform initiatives only).</p>	<p>(All proposed activities that are granted approval by HUD will be reported on in Section V as “ongoing activities.”)</p>

<u>Annual MTW Plan</u>	<u>Annual MTW Report</u>
<p>V. Ongoing MTW Activities: HUD approval previously granted (provide the listed items below grouped by each MTW activity)</p>	
<p>A. Describe each ongoing MTW activity applicable for the coming year;</p> <p>B. Describe how each ongoing activity relates to at least one of the three statutory objectives;</p> <p>C. Identify and discuss the anticipated impact of each ongoing MTW activity on the stated objective, if in the first year of completing this revised Plan; or any anticipated changes in the impact (as applicable), if in subsequent years;</p> <p>D. Describe the baselines and benchmarks that the Agency will use to measure the performance and progress of the MTW activities, if in the first year of completing this revised Plan; or any changes in benchmarks (as applicable), if in subsequent years;</p> <p>E. Describe the data collection process and metrics the Agency will use to measure how this activity will achieve one or more of the MTW statutory objectives, if in the first year of completing this revised Plan; or any changes in data collection (as applicable), if in subsequent years;</p> <p>F. Cite the authorization(s) detailed in Attachment C or D of this Restated Agreement that give the Agency the flexibility to conduct the activity, and include the specific citation(s) of the Act or regulation as identified in Attachment C or D of this Restated Agreement that authorize the Agency to make the change; and</p> <p>G. Describe the hardship policy (for rent reform initiatives only).</p>	<p>A. Describe any activities that were proposed in the Plan, approved by HUD, but not implemented, and discuss why these were not pursued;</p> <p>B. Describe each ongoing and completed (within the FY) MTW activity;</p> <p>C. Describe how each ongoing activity relates to at least one of the three statutory objectives;</p> <p>D. Analyze the actual impact of each ongoing MTW activity on the stated objective;</p> <p>E. Evaluate the actual performance versus the target benchmark goals, the originally established baseline, and the previous year's performance;</p> <p>F. If benchmarks were not achieved or if the activity was determined ineffective provide a narrative explanation of the challenges, and, if possible, identify potential new strategies that might be more effective;</p> <p>G. Using the metrics proposed in the Plan, evaluate the effectiveness of the activity in achieving the statutory objectives it relates to; and</p> <p>H. Cite the specific provision(s) of the Act or regulation that is waived under MTW (as detailed in Attachment C or D of this Restated Agreement) that authorized the Agency to make the change, and briefly describe if and how the waived section of the Act or regulation was necessary to achieve the benchmark.</p>

<u>Annual MTW Plan</u>	<u>Annual MTW Report</u>
VI. Sources and Uses of Funding	
<p>A. Provide Consolidated Budget Statement in the same format and level of detail as the unaudited financial statement;</p> <p>B. Planned sources and expenditures by development;</p> <p>C. Description of changes in sources and uses of MTW funding from previously-approved plan; and</p> <p>D. Description of how funding fungibility is planned to be used, if applicable.</p>	<p>A. Unaudited Financial Statement;</p> <p>B. Planned vs. actual financial information by development with a narrative discussion and explanation of the differences;</p> <p>C. Planned vs. actual for all capital activities presented in the Annual MTW Plan with a narrative discussion and explanation of differences;</p> <p>D. Explanation of how funding fungibility was used and narrative explanation of the difference, if applicable.</p>
VII. Administrative	
<p>The Agency will provide the following:</p> <p>A. Board Resolution adopting 50077-MTW, or equivalent form;</p> <p>B. Documentation that at least one public hearing was held, that the Plan was available for public comment for at least thirty (30) days, and documentation that the Agency took into consideration public and resident comment before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan;</p> <p>C. Description of any planned or ongoing Agency-directed evaluations of the demonstration, if applicable;</p>	<p>The Agency will provide the following:</p> <p>A. Results of latest Agency-directed evaluations of the demonstration, as applicable;</p> <p>B. Performance and Evaluation Report for Capital Fund activities not included in the MTW Block Grant, as an attachment to the Report; and</p> <p>C. Description of progress on the correction or elimination of observed deficiencies cited in monitoring visits, physical inspections, submissions to REAC, or other oversight and monitoring mechanisms, if applicable.</p>

VIII. Reporting Compliance with Statutory MTW Requirements																																																	
<u>Annual MTW Plan</u>	If the Agency has been out of compliance with any of the required statutory MTW requirements listed in Section II(C) of the Restated Agreement, as determined by HUD in its review of the previous fiscal year’s Annual MTW Report, the Agency will provide a narrative discussion and a plan as to how it will return to compliance. If the Agency is currently in compliance, no discussion or reporting is necessary in this section.																																																
<u>Annual MTW Report</u>	<p>The Agency will provide the following:</p> <p>A. In order to demonstrate that the statutory objective of “assuring that at least 75 percent of the families assisted by the Agency are very low-income families” is being achieved, the Agency will provide information in the following format:</p> <p style="text-align: center;">Initial Incomes of Families Assisted by MTW</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Fiscal Year:</th> <th>2008</th> <th>2009</th> <th>2010</th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Total number of newly admitted families assisted¹</td> <td></td> </tr> <tr> <td>Number of families with incomes below 50% of area median</td> <td></td> </tr> <tr> <td>Percentage of families with incomes below 50% of area median</td> <td></td> </tr> </tbody> </table>	Fiscal Year:	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total number of newly admitted families assisted ¹												Number of families with incomes below 50% of area median												Percentage of families with incomes below 50% of area median											
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¹ “Total number of newly admitted families assisted” is defined as all families that have been admitted to federal housing assistance during the fiscal year in question. Therefore, this does not mean that all families assisted by the housing authority will be captured in this figure. Instead, the figure only captures the initial admittees’ income, just as they begin to receive housing assistance.

VIII. Reporting Compliance with Statutory MTW Requirements, Continued

**Annual
MTW
Report,
cont.**

B. In order to demonstrate that the statutory objective of “continuing to assist substantially the same total number of eligible low-income families as would have been served had the amounts not been combined” is being achieved, the Agency will provide information in the following formats:

Baseline for the Number of Eligible Low-Income Families to Be Served

	Number of families served when Agency entered MTW	Non-MTW adjustments to the number of families served ²	Baseline number of families to be served	Explanations for adjustments to the number of families served
Number of public housing families served				
Number of tenant-based Section 8 families served				
Total number of families served				

Number of Low-Income Families Served

Baseline number of families to be served (total number of families) ³	
Total number of families Served this Fiscal Year ⁴	
Numerical Difference ⁵	
Percentage Difference	

Justification for variations in excess of 10% below the baseline number of families to be served (total number of families):

² “Non-MTW adjustments to the number of families served” are defined as factors that are outside the control of the Agency. Acceptable “non-MTW adjustments” include, but are not limited to, influences of the economy and of the housing market. If the Agency includes non-MTW adjustments, HUD expects the explanations of the factors to be thorough and to include information substantiating the numbers used.

³ This number will be the same number in the chart above, at the cross-section of “total number of families served” and “baseline number of families served.”

⁴ The methodology used to obtain this figure will be the same methodology used to determine the “Number of families served when Agency entered MTW” in the table immediately above.

⁵ The Numerical Difference is considered “MTW adjustments to the number of families served.” This number will reflect adjustments to the number of families served that are directly due to decisions the Agency has made. HUD expects that in the course of the demonstration, Agencies will make decisions that may alter the number of families served.

VIII. Reporting Compliance with Statutory MTW Requirements, Continued

**Annual
MTW
Report,
cont.**

C. In order to demonstrate that the statutory objective of “maintaining a comparable mix of families (by family size) are served, as would have been provided had the amounts not been used under the demonstration” is being achieved, the Agency will provide information in the following formats:

Baseline for the Mix of Family Sizes to Be Served

Family Size	Occupied number of Public Housing units by family size when Agency entered MTW	Utilized number of Section 8 vouchers by family size when Agency entered MTW	Non-MTW adjustments to the distribution of family sizes ⁶	Baseline number of family sizes to be maintained	Baseline percentages of family sizes to be maintained
1 person					
2 people					
3 people					
4 people					
5 people					
6+ people					
Totals					100%

Explanations for Baseline adjustments to the distribution of family sizes utilized

Mix of Family Sizes Served

	1 person	2 people	3 people	4 people	5 people	6+ people	Total
Baseline percentages of family sizes to be maintained ⁷							100%
Number of families served by family size this Fiscal Year ⁸							
Percentages of families served by family size this Fiscal Year ⁹							100%
Percentage Difference							

Justification and explanation for family size variations of over 5% from the Baseline percentages:

⁶ “Non-MTW adjustments to the distribution of family sizes” are defined as factors that are outside the control of the Agency. Acceptable “non-MTW adjustments” include, but are not limited to, demographic changes in the community’s population. If the Agency includes non-MTW adjustments, HUD expects the explanations of the factors to be thorough and to include information substantiating the numbers used.

⁷ These numbers in this row will be the same numbers in the chart above listed under the column “Baseline percentages of family sizes to be maintained.”

⁸ The methodology used to obtain these figures will be the same methodology used to determine the “Occupied number of Public Housing units by family size when Agency entered MTW” and “Utilized number of Section 8 Vouchers by family size when Agency entered MTW” in the table immediately above.

⁹ The “Percentages of families served by family size this fiscal year” will reflect adjustments to the mix of families served that are directly due to decisions the Agency has made. HUD expects that in the course of the demonstration, Agencies will make decisions that may alter the number of families served.

ATTACHMENT C

STATEMENT OF AUTHORIZATIONS

TO
AMENDED AND RESTATED MOVING TO WORK AGREEMENT
BETWEEN
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
AND
AGENCY

A. General Conditions

1. This Statement of Authorizations describes the activities that the Public Housing Authority (Agency) may carry out under the Moving to Work (MTW) Demonstration program, subject to the terms and conditions of the Amended and Restated Moving to Work Demonstration Agreement (Restated Agreement) between the Agency and the U.S. Department of Housing and Urban Development (HUD).
2. Unless otherwise provided in Attachment D of the Restated Agreement, the Agency's MTW Demonstration Program applies to all of the Agency's public housing assisted units (including Agency-owned properties and units comprising a part of mixed-income, mixed finance communities) tenant-based Section 8 voucher assistance (hereinafter referred to as the "Housing Choice Voucher Program"), Section 8 project-based voucher assistance under Section 8(o) and Homeownership units developed using Section 8(y) voucher assistance.
3. The purpose of the Statement of Authorizations is to delegate to the Agency the authority to pursue locally driven policies, procedures and programs with the aim of developing better, more efficient ways to provide housing assistance and incentives to self-sufficiency to low, very-low, and extremely low-income families. The authorizations listed in this Attachment C are granted fully without requiring any additional HUD authorizations, as necessary to implement the activities described in the Annual MTW Plan. The Agency may proceed with activities based upon these authorizations once the activity has been included in the Annual MTW Plan, in accordance with Attachment B, and HUD has approved the Plan and activities. HUD will review and approve these documents to ensure that the Annual MTW Plan has provided meaningful citizen participation, taking into account comments from a public hearing and any other comments on the proposed program, as well as providing for, receiving, and meaningfully considering comments from current and prospective residents who would be affected. HUD will also review in order to ascertain that these activities are within the MTW authorizations provided by HUD.
4. The Agency reaffirms that it will comply with all applicable nondiscrimination and equal opportunity requirements set forth in 24 CFR 5.105(a), and will administer its programs and activities in a manner affirmatively to further fair housing. In particular, the Agency

ATTACHMENT C**STATEMENT OF AUTHORIZATIONS****TO
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4. The Agency reaffirms that it will comply with all applicable nondiscrimination and equal opportunity requirements set forth in 24 CFR 5.105(a), and will administer its programs and activities in a manner affirmatively to further fair housing. In particular, the Agency

must make reasonable modifications and accommodations needed by applicants and residents and must make units accessible in accordance with the Needs Assessment and Transition Plan as required under Section 504 of the Rehabilitation Act of 1973 and its implementing regulations.

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

1. Single Fund Budget with Full Flexibility

This authorization waives certain provisions of Sections 8 and 9 of the 1937 Act and 24 C.F.R. 982, and 990 as necessary to implement the Agency's Annual MTW Plan.

- a. The Agency may combine funding awarded to it annually pursuant to Section 8(o), 9(d) and 9(e) of the 1937 Act into a single, authority-wide funding source ("MTW Funds"). However, section 9(d) funds are still subject to the obligation and expenditure deadlines and requirements provided in section 9(j) despite the fact that they are combined in a single fund. The funding amount for the MTW Funds may be increased by additional allocations of housing choice vouchers to which the Agency is entitled over the term of the Agreement. Special purpose vouchers will not be included in the MTW Funds during their initial term, though some may be included in the MTW Funds upon renewal.
- b. The Agency may use MTW Funds for any eligible activity under Sections 9(d)(1), 9(e)(1) and Section 8(o) of the 1937 Act. Within the scope of the permissible eligible activities, the Agency can carry out the purposes of the MTW Demonstration Program to provide flexibility in the design and administration of housing assistance to eligible families, to reduce cost and achieve greater cost effectiveness in Federal expenditures, to 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, and to increase housing choices for low-income families, through activities that would otherwise be eligible under sections 8 and 9 of the 1937 Act, including, but not limited to, the following activities:
 - i. Provision of Capital funds or operating assistance to housing previously developed or operated pursuant to a contract between HUD and the Agency or newly acquired or developed pursuant to section ii below.
 - ii. The acquisition, new construction, reconstruction or moderate or substantial rehabilitation of housing (including, but not limited to, assisted living, or other housing as deemed appropriate by the Agency, in accordance with its mission), or commercial facilities consistent with the objectives of the demonstration. Such activities may include but are not limited to real property acquisition, site improvement, development of utilities and utility services and energy efficiency systems, conversion, demolition, financing, administration and planning costs, relocation and other related activities; provided, however, that prior HUD

approval is required for the development of any incremental public housing units, pursuant to Section 9(g)(3) of the 1937 Act.

- iii. The provision of housing or employment-related services or other case management activities, such as housing counseling in connection with rental or homeownership assistance, energy auditing, activities related to the provision of self-sufficiency and other services, employment counseling, education, training and other services related to assisting tenants, owners, contractors, and other persons or entities participating or seeking to participate in other housing or training and educational activities assisted pursuant to this section.
 - iv. The provision of management services, including preparation of work specifications, loan processing, inspections, tenant selection, management of tenant and project-based rental assistance and management of housing projects or other facilities or operations developed under this program.
 - v. The provision of safety, security, and law enforcement measures and activities appropriate to protect residents of housing from crime.
 - vi. The provision of Housing Choice Voucher assistance or project-based rental assistance (under Section 8(o)), alone or in conjunction with other private or public sources of assistance.
 - vii. The preservation of public housing and/or Housing Choice Voucher units currently serving people of low income or the acquisition and/or development of new units for people of low income, provided that all rehabilitation and construction is done in accordance with the requirements of Section 504 of the Rehabilitation Act and where applicable, the design and construction requirements of the Fair Housing Act.
 - viii. If the Agency chooses to establish single fund flexibility, the Agency is authorized to use housing assistance payments for purposes other than payments to owners, so long as these purposes are consistent with other eligible uses of section 8 and section 9 funds.
- c. These activities may be carried out by the Agency, by an entity, agent, or instrumentality of the Agency, a partnership, a grantee, contractor, or other appropriate party or legal entity.
 - d. The Agency's expenditures must comply with OMB Circular A-87, which provides basic guidelines for the use of federal funds, and with this MTW Agreement.
 - e. The Agency may use capital funds (including development and replacement housing factor funds) in accordance with this Agreement.

2. Partnerships with For-Profit and Non-Profit Entities

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

3. Definition of Elderly Family

The Agency is authorized to amend the definition of elderly to include families with a head of household or family member who is at least 55 years old, and must be in compliance with the all Fair Housing Requirements, in particular the Housing for Older Persons Act of 1995. *This authorization waives certain provisions of Section 3 (b)(3) and (G) of the 1937 Act and 24 C.F.R. 5.403 as necessary to implement the Agency's Annual MTW Plan.*

4. Transitional/Conditional Housing Program

The Agency may develop and adopt new short-term transitional housing programs, consistent with an eligible use of section 8 and 9 funds, with supportive services in one or more buildings in collaboration with local community-based organizations and government agencies. Successful participants in these programs will be eligible for transfer to the Agency's public housing or housing choice voucher programs. The Agency will ensure that these programs do not have a disparate impact on protected classes, and will be operated in a manner that is consistent with the requirements of Section 504 of the Rehabilitation Act. More specifically, under no circumstances will residents of such programs be required to participate in supportive services that are targeted at persons with disabilities in general, or persons with any specific disability. In addition, admission to any of the programs developed under this section will not be conditioned on the presence of a disability or a particular disability. This section is not intended to govern the designation of housing that is subject to Section 7 of the 1937 Act. *This authorization waives certain provisions of Sections 3, 4, 5, 8, and 9 of the 1937 Act and 24 C.F.R. 941, and 960 Subpart B as necessary to implement the Agency's Annual MTW Plan.*

5. Investment Policies

Subject to HUD approval, the Agency is authorized to adopt investment policies consistent with state law to the extent such policies are in compliance with applicable OMB circulars and other federal laws. The Agency shall invest only in securities authorized under state law that will allow the flexibility to invest productively and efficiently. *This authorization waives certain provisions of Section 6(c)(4) of the 1937 Act and 24 C.F.R. 982.156 as necessary to implement the Agency's Annual MTW Plan.*

C. Authorizations Related to Public Housing Only

1. Site Based or Geographic Area Waiting List System

The Agency is authorized to implement a locally designed waiting list system in lieu of the specific procedural requirements of 24 C.F.R. Part 903 provided that it provides applicants with a reasonable choice of location in accordance with title VI of the Civil Rights Act, the Fair Housing Act, and other applicable civil rights requirements. The Agency may implement additional site-based waiting lists under this MTW Agreement. Such additional site-based waiting lists will be developed, at the Agency's option, to address various situations, including, but not limited to the following: (1) any existing or new or mixed-income, mixed finance communities; (2) any on-site and/or off-site public housing replacement units developed in support of the Agency's redevelopment or HOPE VI efforts, if any; (3) any specially designated public housing or project-based communities; and (4) combining or separating waiting lists for Section 8 tenant-based or project-based assistance, public housing rental communities, homeownership opportunities, and mixed-income, mixed-finance communities. *This authorization waives certain provisions of Section 6(r) of the 1937 Act and 24 C.F.R. 903.7 as necessary to implement the Agency's Annual MTW Plan.*

2. Local Preferences and Admission and Continued Occupancy Policies and Procedures

The Agency is authorized to develop and adopt local preferences and admission policies and procedures for admission into the public housing program in lieu of HUD statutes, regulations or other requirements based in the 1937 Act so long as the families assisted qualify as low income, and that the total mix of families assisted meets the requirements of part I.C of the Amended and Restated MTW Agreement. The Agency is required to revise the Admissions and Continued Occupancy Policy (ACOP), to implement changes in public housing occupancy policy as a result of the MTW program. Regardless of changes to the Agency's adopted ACOP policies and procedures, the Agency must comply with Sections I(B)(1) and II(D) of this Agreement. The Agency is subject to state and local preferences law. *This authorization waives certain provisions of Section 3 of the 1937 Act and 24 C.F.R. 960.206 as necessary to implement the Agency's Annual MTW Plan.*

3. Deconcentration Policy

The Agency is authorized to develop and adopt a local policy designed to provide for deconcentration and income mixing in public housing communities. *This authorization waives certain provisions of Section 16(3)(B) of the 1937 Act and 24 C.F.R. 903.2 as necessary to implement the Agency's Annual MTW Plan.*

4. Initial, Annual and Interim Income Review Process

The Agency is authorized to restructure the initial, annual and interim review process in the public housing program in order to affect the frequency of the reviews and the methods and process used to establish the integrity of the income information provided. In addition, the Agency is expressly authorized to adopt a local system of income verification in lieu of the current HUD system. For example, the Agency may implement alternate time frames for validity of verification or adopt policies for verification of income and assets through sources other than those currently allowed under the 1937 Act. *This authorization waives certain provisions of sections 3(a)(1) and 3(a)(2) of the 1937*

Act and 24 C.F.R. 966.4 and 960.257, as necessary to implement the Agency's Annual MTW Plan.

5. Use of Public Housing as an Incentive for Economic Progress

The Agency is authorized to modify current public housing occupancy policies to use housing as an incentive for making economic progress, as long as Section II.C. of the MTW Agreement is adhered to. Such modifications may include revising maximum income limits for admission or continued occupancy. Families denied admission or continued occupancy shall continue to be entitled to the right to an informal hearing. *This authorization waives certain provisions of Section 6(c) of the 1937 Act and 24 C.F.R. 960.201, as necessary to implement the Agency's Annual MTW Plan.*

6. Incentives for Underutilized Developments

The Agency is authorized to develop and offer incentives that will attract applicants to developments, or portions thereof, which have been difficult to market. *This authorization waives certain provisions of Section 3(a)(2) and 3(a)(3)(A) of the 1937 Act and 24 C.F.R. 960 subpart B as necessary to implement the Agency's Annual MTW Plan.*

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

This authorization waives certain provisions of Sections 4, 5, 9, 24, 32 and 35 of the 1937 Act and 24 C.F.R. 941 as necessary to implement the Agency's Annual MTW Plan.

- a. The Agency may, at its own discretion, allow any authorizations and regulatory relief granted to the Agency pursuant to this MTW Agreement to inure to the benefit of the Agency's Partners with respect to MTW eligible activities, and HUD hereby agrees to the amendment of any and all evidentiaries necessary to implement the least restrictive regulatory requirements allowable.
- b. The Agency is authorized to establish reasonable low-income homeownership programs, such as a lease-to-own program, that are not limited by the existing public housing homeownership requirements, provided that units can only be sold to current public housing residents and that any disposition of current public housing units must be approved in advance by HUD. Any disposition application will be submitted and processed in accordance with this Agreement.

8. Streamlined Demolition and Disposition Procedures

The Agency may choose to follow HUD's "Streamlined Processing Instructions for Disposition, Demolition, and Disposition/Demolition Applications from MTW Agencies."

9. Simplification of Property Management Practices

The Agency is authorized to simplify property management practices as follows:

- a. The Agency is authorized to deploy a risk management approach in establishing property and system inspection protocols and frequencies in lieu of the HUD requirements of annual inspections by Agencies, as long as these protocols assure that housing units assisted under the demonstration meet housing quality standards approved or established by the Secretary. *This authorization waives certain provisions of Section 6 (f) of the 1937 Act and 24 C.F.R. 902-Subpart B as necessary to implement the Agency's Annual MTW Plan.*

- b. The Agency is authorized to develop and adopt a new form of local lease and establish community rules, grievance procedures, tenant self-sufficiency requirements and reasonable tenant fees based on proven private management models (subject to State and local laws), provided that no-cause evictions are not permitted. *This authorization waives certain provisions of Section 6 (l) of the 1937 Act and 24 C.F.R. 966 Subparts A and B as necessary to implement the Agency's Annual MTW Plan.*

10. Special Admissions and Occupancy Policies for Certain Public Housing Communities

The Agency is authorized to involve a broad spectrum of community stakeholders, including advocacy groups, in a process to explore and adopt reasonable restrictions for occupancy of specific public housing buildings in the Agency's inventory. Buildings, or portions of buildings (floors, units), may be designated as Smoke-Free, Pet-Free or Assisted Living (or other similar reservations). The Agency may establish admissions preferences in order to establish these special occupancy requirements. A key goal of this initiative will be to ensure that the Agency is able to maintain and improve the quality of life in the Agency communities. These reservations or policies must not have a disparate impact on protected classes and must be operated in a manner that is consistent with the requirements of Section 504 of the Rehabilitation Act. Any such designations or policies will include adequate safeguards for the disabled, including protections for disabled persons who are Agency residents and those seeking housing assistance. Residents can voluntarily participate in any of the services provided. Once adopted, the designations or policies will be updated and reviewed as part of the Annual MTW Plan and Report submitted by the Agency for HUD's review. In particular, the Agency will review the demographic make-up of its current resident population and applicants to assess the need for and support any changes to its designations or policies. *This authorization waives certain provisions of Sections 3, 6, 7, 16, and 31 of the 1937 Act and 24 C.F.R. 945 subpart C, 960 Subparts B, D, E and G as necessary to implement the Agency's Annual MTW Plan.*

11. Rent Policies and Term Limits

The Agency is authorized to determine family payment, including the total tenant payment, the minimum rent, utility reimbursements and tenant rent. The Agency is authorized to adopt and implement any reasonable policies for setting rents in public housing including but not limited to establishing definitions of income and adjusted income, or earned income disallowance that differ from those in current statutes or regulations. The Agency is authorized to adopt and implement term limits for its public housing assistance. Such policies must include provisions for addressing hardship cases. *This authorization waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 C.F.R. 5.603, 5.611, 5.628, 5.630, 5.632, 5.634 and 960.255 and 966 Subpart A as necessary to implement the Agency's Annual MTW Plan.*

12. Design Guidelines

The Agency is authorized to establish reasonable and modest design guidelines, unit size guidelines and unit amenity guidelines for development and redevelopment activities that will replace HUD guidelines with guidelines that reflect local marketplace conditions for quality construction in its locality so long as all units meet housing quality standards approved by the Secretary. *This authorization waives certain provisions of Sections 4, 5, and 9 of the 1937 Act and 24 C.F.R. 941.202, 941.203, 941.401, and 941.403 as*

necessary to implement the Agency's Annual MTW Plan.

13. Site Acquisition

The agency is authorized to acquire sites without prior HUD approval, provided that the agency certifies that HUD site selection requirements have been met. *This authorization waives certain provisions of 24 C.F.R. 941.401 as necessary to implement the Agency's Annual MTW Plan.*

14. Commercial Business Venture

The Agency is authorized to enter into commercial business ventures as part of its neighborhood revitalization or affordable housing strategies or other strategies designed to serve as catalysts for revitalization of public housing or surrounding communities. Any venture must be consistent with eligible uses of funds under Sections 8 and 9 of the 1937 Act. *This authorization waives certain provisions of 24 C.F.R. 941 subpart F as necessary to implement the Agency's Annual MTW Plan.*

15. Available Property

The Agency is authorized to make available public housing property including dwelling and non-dwelling spaces and vacant land for the purpose of providing services, programs and capital improvements that benefit residents and program participants. *This authorization waives certain provisions of Section 9 of the 1937 Act and 24 C.F.R. 990 Subpart B as necessary to implement the Agency's Annual MTW Plan.*

16. Total Development Cost (TDC) limits

The agency is authorized to establish reasonable cost formulas for development and redevelopment activities that will replace HUD's TDC limits in order to reflect local marketplace conditions for quality construction in its locality. *This authorization waives certain provisions of Section 6(b) of the 1937 Act and 24 C.F.R. 941.306 as necessary to implement the Agency's Annual MTW Plan.*

D. Authorizations Related to Section 8 Housing Choice Vouchers Only

1. Operational Policies and Procedures

The Agency is authorized to determine the following basic operational policies and procedures for all Section 8 assistance the Agency is provided under section 8(o) of the 1937 Act:

- a. The Agency is authorized to determine the term and content of Housing Assistance Payment (HAP) contracts to owners during the term of the MTW demonstration. However, any revised HAP contract must include language noting that the funding for the contract is subject to the availability of Appropriations. *This authorization waives certain provisions of Section 8(o)(7) of the 1937 Act and 24 C.F.R. 982.162 as necessary to implement the Agency's Annual MTW Plan;*
- b. The Agency is authorized to determine the length of the lease period, when vouchers expire and when vouchers will be reissued. *This authorization waives certain provisions of Sections 8(o)(7)(a), 8(o)(13)(F) and 8(o)(13)(G) of the 1937 Act and 24 C.F.R. 982.303, 982.309 and 983 Subpart F as necessary to implement the Agency's Annual MTW Plan;*

- c. The Agency is authorized to define, adopt and implement a reexamination program that differs from the reexamination program currently mandated in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Section 8(o)(5) of the 1937 Act and 24 C.F.R. 982.516 as necessary to implement the Agency's Annual MTW Plan;*
- d. The Agency is authorized to determine a damage claim and/or vacancy loss policy and payment policy for occupied units that differs from the policy requirements currently mandated in the 1937 Act and its implementing regulations. Damage and vacancy authority are subject to state and local laws. *This authorization waives certain provisions of Section 8(o)(9), of the 1937 Act and 24 C.F.R. 982.311 as necessary to implement the Agency's Annual MTW Plan;*
- e. The Agency is authorized to determine the percentage of housing voucher assistance that it is permitted to project-base, and criteria for expending funds for physical improvements on those units that differs from the percentage and criteria requirements currently mandated in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Section 8(o)(13) of the 1937 Act and 24 C.F.R. 983 as necessary to implement the Agency's Annual MTW Plan;*
- f. The Agency is authorized to determine property eligibility criteria, including types of units currently prohibited by Section 8 regulations, as well as shared living facilities. If the Agency chooses to use this authorization, it will need to provide a transition plan to both the affected residents and HUD prior to the end of the demonstration. *This authorization waives certain provisions of Section 8(p) of the 1937 Act and 24 C.F.R. 983.53-54 and 982 Subparts H and M as necessary to implement the Agency's Annual MTW Plan; and*
- g. The Agency is authorized to establish its own portability policies with other MTW and non-MTW housing authorities. *This authorization waives certain provisions of Section 8(r) of the 1937 Act and 24 C.F.R. 982 Subpart H as necessary to implement the Agency's Annual MTW Plan.*

2. Rent Policies and Term Limits

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

- b. The Agency is authorized to determine contract rents and increases and to determine the content of contract rental agreements that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Sections 8(o)(7) and 8(o)(13) of the 1937 Act and 24 C.F.R. 982.308, 982.451 and 983 Subpart E as necessary to implement the Agency's Annual MTW Plan;*
- c. The Agency is authorized to develop a local process to determine rent reasonableness that differs from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Section 8(o)(10) of the 1937 Act and 24 C.F.R. 982.507 as necessary to implement the Agency's Annual MTW Plan;* and
- d. The Agency is authorized to implement term limits for HCV units designated as part of the MTW demonstration. *This authorization waives certain provisions of Sections 8(o)(7) and 8(o)(13)(F)-(G) of the 1937 Act and 24 C.F.R. 982 Subpart L and 983 Subpart E as necessary to implement the Agency's Annual MTW Plan.*

3. Eligibility of Participants

- a. The Agency is authorized to determine income qualifications for participation in the rental assistance program that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations, as long as the requirements that i) at least 75 percent of those assisted under the demonstration are "very low-income" as defined in section 3(b)(2) of the 1937 Act, ii) substantially the same number of low-income persons are assisted under the demonstration as would be without the MTW authorizations contained herein, and iii) a comparable mix of families are assisted under the Agreement as would have been otherwise in Section I.C. of the MTW Agreement are met. *This authorization waives certain provisions of Sections 16(b) and 8(o)(4) of the 1937 Act and 24 C.F.R. 5.603, 5.609, 5.611, 5.628, and 982.201 as necessary to implement the Agency's Annual MTW Plan;* and
- b. The Agency is authorized to adopt and implement any reasonable policy for verifying family income and composition and for determining resident eligibility that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of 24 C.F.R. 982.516 and 982 Subpart E, as necessary to implement the Agency's Annual MTW Plan.*

4. Waiting List Policies

The Agency is authorized to determine waiting list procedures, tenant selection procedures and criteria and preferences, including authorizing vouchers for relocation of witnesses and victims of crime that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Sections 8(o)(6), 8(o)(13)(J) and 8(o)(16) of the 1937 Act*

and 24 C.F.R. 982 Subpart E, 982.305 and 983 Subpart F as necessary to implement the Agency's Annual MTW Plan.

5. Ability to Certify Housing Quality Standards

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

6. Local Process to Determine Eligibility

The Agency is authorized to adopt a local process for determining whether units meet certain eligibility requirements, provided such requirements are part of the 1937 Act. *This authorization waives certain provisions of Section 8(o)(13) of the 1937 Act and 24 C.F.R. 983 Subpart D as necessary to implement the Agency's Annual MTW Plan.* This includes, but is not limited to, the following:

- a. The minimum expenditure requirement and the timing of rehabilitation and construction of units.
- b. The type of funds that may be used to rehabilitate or construct units.
- c. Procedures to determine whether or not units meet the Agency's requirements regarding rehabilitation and construction, including what information is required to be submitted by owners to the Agency.

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

The Agency is authorized to develop and adopt a reasonable policy and process for project-basing Section 8 tenant-based leased housing assistance, which includes the components set forth below:

- a. The Agency is authorized to project-base Section 8 assistance at properties owned directly or indirectly by the Agency that are not public housing, subject to HUD's requirements regarding subsidy layering. If the Agency chooses to project-base Section 8 assistance at such properties, the Agency recognizes and accepts that such units would no longer be eligible for operating subsidy provided under Section 9(e) of the 1937 Housing Act or for future capital funds provided under section 9(d) for those units if it chooses to use this authorization. Project-based assistance for such owned units does not need to be competitively bid, nor are the owned units subject to any required assessments for voluntary conversion. *This authorization waives certain provisions of Sections 8(o)(13)(B and D) of the 1937 Act and 24 C.F.R. 982.1, 982.102 and 24 C.F.R. Part 983 as necessary to implement the Agency's Annual MTW Plan;*
- b. The Agency is authorized to establish a reasonable competitive process or utilize an existing local competitive process for project-basing leased housing assistance at units that meet existing Housing Quality Standards, or any standards developed by the Agency pursuant to this MTW Agreement and approved by the Secretary, and that are owned by non-profit, or for-profit housing entities. *This authorization waives certain provisions of 24 C.F.R. 983.51 as necessary to implement the*

Agency's Annual MTW Plan;

- c. The Agency is authorized to duly adopt, according to the requirements of local law, alternate standards for determining the location of existing, newly constructed or substantially rehabilitated housing to receive subsidy; provided, however, *that in lieu of the Site Selection Standards currently set forth in 24 C.F.R. Section 983.57*, the agency will comply with the following requirements:
 - i. The Agency will comply with the Fair Housing Act and Title VI of the Civil Rights Act of 1964, and implementing regulations thereto, in determining the location of newly constructed or acquired public housing units.
 - ii. Units may be located in the agency's jurisdiction, including within, but not limited to, the following types of urban areas: (1) an area of revitalization that has been designated as such by the governing jurisdiction, including Redevelopment Areas and Enhanced Enterprise Communities, (2) an area where public housing units were previously constructed and were demolished, (3) a racially or economically impacted area where the agency plans to preserve existing affordable housing, (4) in connection with a HOPE VI or other HUD funded master planned development, (5) in areas where a needs analysis indicates that subsidized housing represents a low percentage of the total number of housing units in the area, or (6) relocating units to an area with a lower concentration of public housing units.
 - iii. Conduct a housing needs analysis indicating that there is a real need for the housing in the area; and
 - iv. When developing or substantially rehabilitating six or more Section 8 project-based units, the agency will: (1) advise current residents of the subject properties and representative community groups in the vicinity of the subject property by letter to resident organizations and by public meeting, of the agency's revitalization plan; and (2) certify to HUD in its Annual MTW Report that the comments from Residents and representative community groups have been considered in the revitalization plan. Documentation evidencing that the agency has met the stated requirements will be maintained at the housing authority and submitted to HUD in its Annual MTW Report.
- d. All units that receive project-based Section 8 assistance must meet either (i) existing HQS standards established by the Secretary or (ii) a local standard for communities receiving project-based Section 8 assistance developed by the Agency and approved by the Secretary pursuant to this MTW Agreement, as applicable. *This authorization waives certain provisions of Section 8(o)(8) of the 1937 Act and 24 C.F.R. 982 Subpart I as necessary to implement the Agency's Annual MTW Plan.*

8. Homeownership Program

- a. The Agency is authorized to establish reasonable Section 8 homeownership programs that are not limited by the existing Section 8 homeownership requirements. *This authorization waives certain provisions of Section 8(o)(15) and 8(y) of the 1937 Act and 24 C.F.R. 982.625 through 982.643 inclusive as necessary to implement the Agency's Annual MTW Plan; and*
- b. The Agency is authorized to permit current public housing residents who are on a merged waiting list to obtain a Section 8 homeownership voucher. *This authorization waives certain provisions of Sections 8(o)(15) and 8(y) of the 1937 Act and 24 C.F.R. 982.625 through 982.643 inclusive as necessary to implement the Agency's Annual MTW Plan.*

E. Authorizations Related to Family Self Sufficiency

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

ATTACHMENT D

LEGACY AND COMMUNITY-SPECIFIC AUTHORIZATIONS

**TO
AMENDED AND RESTATED MOVING TO WORK AGREEMENT
BETWEEN
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
AND THE
VANCOUVER HOUSING AUTHORITY**

[The Agency does not have any legacy and community-specific authorizations. If, upon review by the Agency or as a result of public comments in the public process, changes are required to this section, HUD will work with the Agency to add language to ensure that this Attachment D serves the interests of all concerned parties.]

**Certificate of Resolution Approval
Amended and Restated Moving to Work Agreement**

I, Roy Johnson, Executive Director of Vancouver Housing Authority, do hereby certify that the attached Resolution No.2748 was presented to the Board of Commissioners of the Vancouver Housing Authority at its meeting held on March 26, 2008 and approved.

IN TESTIMONY, WHEREOF, I have hereunto set my hand and the seal of said Housing Authority this 26th day of March 2008.



Executive Director (Seal)



Recording Secretary

**HOUSING AUTHORITY OF THE CITY OF VANCOUVER
CLARK COUNTY, WASHINGTON**

**RESOLUTION NO. 2748
March 26, 2008**

**TO APPROVE THE AMENDED AND RESTATED MOVING TO
WORK AGREEMENT**

A RESOLUTION – APPROVING THE HOUSING AUTHORITY OF THE CITY OF VANCOUVER TO ENTER INTO THE STANDARD AMENDED AND RESTATED MOVING TO WORK AGREEMENT WITH THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO SIGN THE AMENDED AND RESTATED AGREEMENT AND TO SUBMIT IT TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR EXECUTION.

WHEREAS, on April 21, 1999, United States Department of Housing and Urban Development (HUD) and the Vancouver Housing Authority (VHA) executed a Moving to Work (MTW) demonstration Agreement, and on July 30, 2003, HUD and the VHA executed an MTW Amendment, and on May 27, 2004, and most recently on March 30, 2006, HUD and the VHA executed MTW Extensions, (collectively known as the Original MTW Agreement) governing the terms and conditions under which HUD authorizes the VHA to participate in MTW; and

WHEREAS, on December 21, 2007, HUD submitted to, and the VHA received an Amended and Restated MTW Agreement that would revise the terms and conditions of the Demonstration program and extend said program until December 31, 2018; and

WHEREAS, HUD and the VHA, the parties, agree to execute this Amended and Restated MTW Agreement (Restated Agreement), which hereby amends and replaces any Original MTW Agreement between HUD and the VHA; and

WHEREAS, the VHA has made available the Amended and Restated MTW Agreement for public review from February 7, 2008, to March 10, 2008, (minimum of thirty (30) days) and was the subject of public Hearing on March 10, 2008; and

WHEREAS, the VHA gave full consideration to all comments received regarding the Restated Agreement;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the VHA;

Section 1. The Board of Commissioners of VHA approves of the Amended and Restated Moving to Work Agreement and authorizes the Executive Director to execute the Restated Agreement and return it to the United States Department of Housing and Urban Development.

Section 2. The Board of Commissioners of the VHA certifies that the public review and public hearing requirements applicable to the Moving to Work Demonstration program as stated in the Original MTW Agreement and the Amended and Restated Moving to Work Agreement have been met.

The "Ayes" and "Nays" were as follows:

"AYES" –

"NAYS" –

The Chairman then declared the motion carried and the resolution approved.

DATED: March 26, 2008

ATTEST:



Roy A. Johnson, Secretary-Treasurer



Ronald K. Kawamoto, Chair



**VANCOUVER
HOUSING AUTHORITY**

**Certifications of Compliance with the Amended and Restated MTW
Agreement
Requirements and Related Regulations**

Acting on behalf of the Board of Commissioners of the Housing Authority of the City of Vancouver (VHA), as its Chair, I approve the submission of the Amended and Restated MTW Agreement, hereinafter referred to as the new Agreement of which this document is a part, and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the new Agreement and implementation thereof:

1. The VHA made the Amended and Restated MTW Agreement and all information relevant to the public hearing available for public inspection at least 30 days before the hearing, published several notices that a hearing would be held and conducted a hearing to discuss the new Agreement and invited public comment. The new Agreement was made available for public comment on February 7, 2008 and the public hearing was held on March 10, 2008.
2. VHA will carry out the new Agreement and the 2008 MTW Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, and Title II of the Americans with Disabilities Act of 1990.
3. VHA will affirmatively further fair housing by examining its programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdiction to implement any of the jurisdiction's initiatives to affirmatively further fair housing that requires the VHA's involvement and maintain records reflecting these analyses and actions.
4. VHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
5. VHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
6. VHA will comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low- or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
7. VHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended and implementing regulations at 49 CFR Part 24 as applicable.
8. VHA will comply with 24 CFR 5.105(a), Nondiscrimination and Equal Opportunity and take appropriate affirmative action to award contracts to minority and women's business enterprises.

9. VHA will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities, in accordance with 24 CFR Part 58.
10. With respect to public housing, VHA will comply with Davis-Bacon of HUD determined wage rate requirements under Section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
11. VHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
12. VHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
13. VHA will comply with the policies, guidelines and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 25 CFR part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).
14. VHA certifies compliance with requirements of a drug free workplace, 24 CFR Subpart F.
15. VHA certifies compliance with restrictions related to lobbying, 24 CFR Part 87.
16. VHA will undertake activities and programs included in the Agreement in a manner consistent with its MTW Plan and the MTW Agreement executed by VHA and HUD and will utilize funds made available under the Capital Fund, Operating Fund and Section 8 tenant-based assistance only for activities that are allowable under applicable regulations as modified by the MTW Agreement and included in the VHA's MTW Plan.
17. All attachments to the new Agreement have been and will continue to be available at all times and all locations that the new Agreement is available for public inspection. All required supporting documents have been made available for public inspection along with the new Agreement and additional requirements at the primary business office of the VHA and at all other times and locations identified by the VHA and will continue to be made available at least at the VHA's primary business office at 2500 Main Street, Vancouver, WA 98660.

Housing Authority of the City of Vancouver
PHA Name

WA-008
PHA Number



Ronald K. Kawamoto, Chair
Board of Commissioners

March 26, 2008
Date

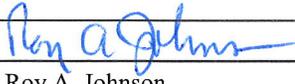
DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

Approved by OMB

0348-0046

(See reverse for public burden disclosure.)

1. Type of Federal Action: <input type="checkbox"/> B a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	2. Status of Federal Action: <input type="checkbox"/> A a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	3. Report Type: <input type="checkbox"/> A a. initial filing <input type="checkbox"/> b. material change For Material Change Only: year _____ quarter _____ date of last report _____
4. Name and Address of Reporting Entity: <input checked="" type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, <i>if known:</i> Congressional District, if known: Washington, 3rd	5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: Housing Authority of the City of Vancouver 2500 Main Street Vancouver, WA 98660 Congressional District, if known: Washington, 3rd	
6. Federal Department/Agency: HUD, Office of Public and Indian Housing	7. Federal Program Name/Description: MTW, Public Housing, Capital Grant, Housing Choice Vouchers CFDA Number, <i>if applicable:</i> _____	
8. Federal Action Number, if known:	9. Award Amount, if known: \$ 13,672,777 CY2007	
10. a. Name and Address of Lobbying Registrant <i>(if individual, last name, first name, MI):</i> NOTE: VHA is not involved in lobbying activities pursuant to 31 U.S.C. 1352.	b. Individuals Performing Services <i>(including address if different from No. 10a)</i> <i>(last name, first name, MI):</i> Not Applicable	
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.	Signature: <u></u> Print Name: <u>Roy A. Johnson</u> Title: <u>Executive Director</u> Telephone No.: <u>360-993-9500</u> Date: <u>03/26/2008</u>	
Federal Use Only:		Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)

Certification of Payments to Influence Federal Transactions

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

Applicant Name

Housing Authority of the City of Vancouver

Program/Activity Receiving Federal Grant Funding

Moving to Work, Public Housing, Capital Grant, Housing Choice Vouchers

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

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)

Name of Authorized Official

Roy A. Johnson

Title

Executive Director

Signature

Date (mm/dd/yyyy)

03/26/2008

Certificate of Resolution Approval and Completion of Public Review and Public Hearing Requirements

Amended and Restated Moving to Work Agreement

I, Ronald K. Kawamoto, Chair of the Board of Commissioners of Vancouver Housing Authority, and I, Roy A. Johnson, Executive Director of Vancouver Housing Authority, do hereby certify that:

1. The attached Resolution No.2748 was presented to the Board of Commissioners of the Vancouver Housing Authority at its meeting held on March 26, 2008, and approved.
2. The Amended and Restated Moving to Work Agreement was made available for public comment. All notices included the availability of the Amended and Restated Moving to Work Agreement, the public comment period, and date/time/place for the public hearing.
 - a. On February 6 a notice of the public comment period and date of the public hearing was included in the legal notices section of the *Columbian*.
 - b. On February 7 the Amended and Restated Moving to Work Agreement and notices of the public comment period and public hearing were posted on the VHA's web site and sent to a list of stakeholders; including advisory committees, human service providers, Continuum of Care participants, legal services and others. Copies of the Amended and Restated Moving to Work Agreement were made available at the VHA's Main Street office and at the RISE & STARS Community Center.
 - c. On March 5 a notice of the public comment period and the date of the public hearing was included in the legal notices section of the *Columbian*.
 - d. On March 7 a short article appeared on the front page of the Business Section of the *Columbian*.
 - e. On March 8 a paid advertisement was published in the Clark County Section of the *Columbian*.
 - f. On March 9 a notice of the public hearing and public comment period was included in the Public Meetings section of the *Columbian*.
 - g. A notice of the public comment period and public hearing were also included in *Neighbor to Neighbor*, the VHA's newsletter for residents.
 - h. VHA staff met with the Clark County Residents Council at their February meeting to review the Amended and Restated Moving to Work Agreement.

- i. A public hearing was held March 10, 2008, to receive public comment on the proposed Annual Plan as well as the proposed Amended and Restated MTW Agreement with HUD.
- 3. The Board of Commissioners of the VHA certifies that the public review and public hearing requirements applicable to the Moving to Work Demonstration program as stated in the Original MTW Agreement have been met.
- 4. The Board of Commissioners of the Vancouver Housing Authority have authorized Roy A. Johnson, Executive Director, to execute and submit all required documents to the U.S. Department of Housing and Urban Development.

IN TESTIMONY, WHEREOF, I have hereunto set my hand this 26th day of March 2008.

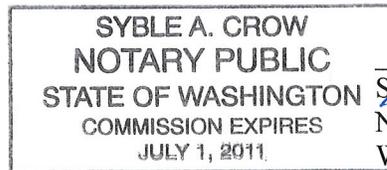

 Ronald K. Kawamoto, Chair


 Roy A. Johnson, Executive Director

STATE OF WASHINGTON)
) ss.
 COUNTY OF CLARK)

I certify that I know or have satisfactory evidence that Ronald K. Kawamoto, Chair of the Board of Commissioners, and Roy A. Johnson, Executive Director, of the Housing Authority of the City of Vancouver, Washington, appeared before me on the 26th day of March, 2008, that each signed this instrument and on oath stated each was authorized to execute the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 26th day of March, 2008.




 Syble A. Crow
 Notary Public in and for the State of
 Washington, residing in Vancouver
 My appointment expires July 1, 2011

Amended and Restated Moving to Work Agreement Summary Record of Public Comments & VHA Response

The VHA held a public hearing on March 10, 2008 at which it received public comment. The VHA also received written comments from two organizations and one Housing Choice Voucher participant. Copies of the March 10 meeting notes and the three letters are attached. The following is a summary of the comments received and the VHA's response.

Issue	Response
Concern about the potential impacts of the proposed 10-year Amended and Restated Agreement and adopting the Agreement before SEVRA or other legislation reauthorizes the MTW Demonstration Program	VHA believes that HUD is authorized to extend the MTW Agreement. Moreover, HUD has been working on a 10-year Agreement for several years and was almost ready to launch it in December 2006. Because Congress was working on legislation that included a MTW-like program, HUD waited all of 2007 for Congress to act. Absent such action, HUD published the Amended and Restated MTW Agreement in late December 2007.
Objection to the new Attachment A, particularly including Section 8 funding in the block grant.	VHA received the new Attachment A from HUD in March and it was posted on the VHA's website and distributed to a list of stakeholders. VHA's request to HUD for a revised Attachment A, including the request for including Section 8 funding in the block grant, was included in the Revised 2008 MTW Annual Plan, which was published for comment on February 7, 2008. By including Section 8 funding, the VHA is afforded greater flexibility and greater predictability in the funding level so that we are better able to use scarce resources to meet the growing housing needs of this community. The VHA's Director of Finance worked with HUD staff to thoughtfully develop the block grant formula and we do not believe that it will in any way adversely impact the VHA or the community we serve. To the contrary we believe that it will provide us with the flexibility to adapt to changing community needs.

Comment that SEVRA precludes the need for a New Agreement.

Last year SEVRA passed the House of Representatives but not the Senate. This year the Senate has introduced a bill without HIP – the House proposed replacement for MTW. In addition it is highly unlikely that SEVRA in any form will pass Congress this year. The Amended and Restated MTW Agreement provides stability and the opportunity to plan strategically over a longer period of time to best meet the affordable housing needs of this community.

Support for New Agreement and the flexibility it provides.

VHA appreciates the support and agrees that the New Agreement will provide flexibility and new opportunities to meet the housing needs of this community.

Revised 2008 VHA Moving to Work Annual Plan Summary Record of Public Comments & VHA Response

The VHA held a public hearing on March 10, 2008 at which it received public comment. The VHA also received written comments from two organizations and one Housing Choice Voucher participant. Copies of the March 10 meeting notes and the three letters are attached. The following is a summary of the comments received and the VHA's response.

Issue	Response
No action should be taken until HUD provides VHA with the financial resources and technical assistance needed to rigorously evaluate MTW initiatives.	Although funding has not kept up with demand over the past few years, HUD has awarded VHA the funds authorized by Congress. Although the VHA endeavors to evaluate initiative outcomes it also strives to achieve a balance between resources expended for evaluation and value added. During 2008 the VHA does intend to review its evaluation processes and determine the type of data and reports that would be useful.
VHA needs to seek more stakeholder input .	The Amended and Restated MTW Agreement was signed by HUD on December 21, 2007 and received in the VHA offices on January 7, 2008. The VHA published the Agreement on February 7, 2008 for a 30-day comment period. Copies of the new Agreement were available at the VHA Main Street offices and at the RISE & STARS Community Center. Copies of the new Agreement were e-mailed to stakeholders during late January and early February. The new Agreement was also available on the VHA's website beginning on February 7, 2008. Four notices (February 6, March 5, March 8 and March 9) and one short article (March 7) appeared in the <i>Columbian</i> , the daily newspaper for Vancouver and Clark County. A public hearing was held on March 10, 2008. The VHA Board of Commissioners received public comment and took action at their regularly scheduled March 26, 2008 meeting.

The VHA needs a Resident Advisory Board

The VHA uses the Clark County Residents Council (CCRC) as its resident advisory board. During 2008 the VHA will work with the CCRC or its successor to review by-laws and to establish membership appointment by nomination. The CCRC or its successor will be open to all residents of public housing and all participants in the Housing Choice Voucher (HCV) program. Membership on the CCRC or successor board will include both public housing and HCV residents. To ensure a greater likelihood of success, VHA will assist the resident board with administrative support and provide leadership training opportunities.

VHA needs to make sure any new MTW initiatives are consistent with the Clark County Ten-Year Homeless Housing Plan and other state, regional and local housing plans.

The VHA participates in the Continuum of Care and the 10-Year Plan to End Homelessness planning processes. We have worked collaboratively with these planning processes since their inception. The VHA also participates in other state, regional, and local housing planning processes and is perceived as a willing partner in carrying out this community's goals for providing affordable housing.

Support for a "Transitional" FY 2008 MTW Plan

In the sense that 2008 is the year VHA will make the transition from its original MTW Agreement signed in 1999 to the Amended and Restated MTW Agreement this is a transition year. However, the VHA intends to fully participate in the MTW program and carry out the initiatives described in the Revised 2008 MTW Annual Plan.

Support for several innovative uses of MTW authority that will benefit program participant.

We appreciate the support for project-based Section 8, first-time homebuyer programs, and local admission preferences. We intend to design the implementation of these initiatives to benefit program participants and the larger community.

Concern over excessive rent burden.

During 2008, the VHA will evaluate the impact of its rent policies to determine the causes for and extent of rent burden and determine if current practices should be changed. During this evaluation process we will consider input from stakeholders, particularly residents. The current policy of allowing tenants to spend 45% of their income for rent has been very popular and has afforded greater housing choice. We will particularly seek input from Housing Choice Voucher participants on this policy.

Concern about limitation of number of interim eligibility reviews.

VHA will assess impacts and determine appropriateness of interims under various circumstances, including changes in payment standard.

Concern about mandatory self sufficiency requirements.

The VHA has proposed reviewing current program policies to determine if some elements of the Self Sufficiency or other Resident Programs should be mandatory for residents who are employable but currently unemployed. We believe such a review will help us to better serve our residents and encourage them on the path to self sufficiency. Such a review will include input from stakeholders, particularly residents.

Fear of losing units of subsidy if public housing units are demolished or converted.

Currently the VHA plans to evaluate the inventory of single family public housing units to determine if some of these units should appropriately be offered to residents for home ownership. If the decision is made to convert these units, then either a replacement unit or a replacement voucher will be sought. We will provide relocation assistance if the VHA is responsible for displacing a tenant due to demolition or conversion of a public housing unit.

Concern over small size of FSS program.	The VHA currently operates a small FSS program in its Housing Choice Voucher program. The VHA intends to review this program to determine the appropriate size and configuration. The VHA also offers self sufficiency activities through other programs and we will also review the outcomes for these programs.
Concerns about the community service requirement.	HUD requires that public housing residents not exempt from the community service requirement participate in community service or self sufficiency activities. To comply with this requirement VHA intends to offer residents the opportunity to participate in community service and/or self sufficiency activities/opportunities. We will seek stakeholder input to assist with identification of opportunities for community service or training that meets the requirements.
Comment thanking the VHA for the extensive outreach provided to the community to comment and provide input on the Revised Annual Plan and the New Agreement.	We appreciate the positive comment and recognize that for some the outreach more than met their needs but for others they may have wished for more outreach.
Support creating a Move to Work Advisory Committee to work collaboratively with VHA staff.	The VHA appreciates the support and believes that working with a well defined MTW Advisory Committee will result in excellent outcomes for the community.
VHA has been instrumental in creating the Clark County 10-Year Plan to End Homelessness – would welcome the opportunity for future collaboration.	VHA intends to include 10-Year Plan representation on its MTW Advisory Committee and to continue to work with the Continuum of Care planning process.
Support rent policies that encourage renters to rent homes within their means.	As the VHA reviews its rent policies and tenant rent burden it will take this proposition into consideration.
Support Section 8 voucher holders to move to responsible home ownership.	Any homeownership program implemented by the VHA will contain education and counseling elements and follow up to promote responsible home ownership.

Support for self sufficiency activities but concern over making any activities mandatory.

We will consult with stakeholders as we develop new self sufficiency activities or programs.

Concern about the lack of progress in implementing the MTW program.

This comment appears to relate to the decision not to go forward with the flat subsidy proposal at this time. The commenter appears to equate flat rents with MTW. The VHA is progressing with implementation of its MTW authority and in the Revised 2008 MTW Plan makes broader use of this authority than in past years. The VHA does not intend to penalize people for working, rather it is our intent to provide programs and policies that incentivize work. VHA staff will meet with the resident who provided this comment to discuss her concerns.

March 10, 2008 Public Meeting regarding the Moving to Work Annual Plan and the Amended and Restated Moving to Work Agreement

Meeting Notes

Roy Johnson, VHA Executive Director, introduced himself and the other VHA staff in attendance: LaVon Holden, Alice Doyle, Saeed Hajarizadeh, Diane Stites, Mike McGuire, David Overbay, and Connie Sherrard. He asked people to sign in on the attendance sheet circulating around the room and pointed out that agendas were available on the back table.

Mr. Johnson explained the purpose of the meeting was to present the MTW Annual Plan, and the 10-year extension to the MTW contract. He reviewed the various sections of the Plan and pointed out the page numbers in the plan that contain the specific MTW initiatives. Mr. Johnson said he wanted to draw special attention to a number of the proposed initiatives.

The VHA may look at project basing a number of vouchers and Mr. Johnson explained how that might work and how it would serve special populations or locations. He also noted the proposal for both Section 8 Homeownership and Public Housing. Public Housing homeownership could involve taking scattered units and making them available for homeownership by tenants. Section 8 homeownership may involve using the housing assistance to pay for part of a mortgage.

Mr. Johnson noted a clarification in the section stating VHA would apply for any Vouchers that become available. Veterans Vouchers (VASH), if available, would not be available to the VHA and would have to be administered by the Portland Housing Authority, who could use them in Clark County.

Mr. Johnson stated that he wants the VHA to be consistent with community goals and that VHA will use a community stakeholders group to help identify some of the best practices in using authority under MTW. He stated that MTW provides a lot of opportunities and that VHA staff want to maximize the capacity we have and that will be through involvement of stakeholders in the community.

Mr. Johnson pointed out that this plan does not carry forward the flat rent proposal from the earlier plan. He stated that VHA will be reviewing some different strategies, but that nothing definite has been put in place and that a lot more examination will be done before something is put in place.

Mr. Johnson noted the provision in the plan for smoke-free housing, and the community service requirements. He stated that the VHA was not exempt from the community service requirements but that they would only apply to Public Housing residents who were not exempt.

Mr. Johnson stated that the new contract will allow for a block grant of Section 8 funding and that would lead to more flexibility in meeting local need for affordable housing.

Mr. Johnson again stated the purpose for the meeting is to receive comments and that the VHA would compile them and make any changes to the plan the VHA felt were necessary. The Plan will go to the Board on March 26th. He asked that comments be limited to three minutes and that the comments, along with the written comments would be presented to the Board.

A question was asked about whether, under project basing, would any existing tenants be required to move. Mr. Johnson stated that only a portion of a building's units would be changed over to project based and the majority would stay the way they are now.

Mr. Johnson introduced Mike McGuire to talk about the Capital Fund and asked people to hold their comments until both he and Alice Doyle were finished.

Mr. McGuire explained that the Capital Fund is for major construction and remodeling of Public Housing units and was for items above and beyond regular maintenance covered by the operating fund. He stated that an elevator modernization was planned for Van Vista that will cost \$312,000. A sewer clean out is planned for Skyline Terrace, and at some scattered sites some kitchen, bath, and electrical upgrades are planned. Some fence replacement is also planned at some scattered sites where the current fencing is 30 years old. Also included in the Capital Fund is program administration and support for the Community Center.

Alice Doyle stated that she wanted to expand on a few of the points already presented. The rent simplification proposals include a limit on the number of interim reviews a person could have, limits on the amount of a rent increase from earned income, maybe to \$100. VHA may exclude assets under \$30,000 when computing rent and would probably include the income earned from assets over \$30,000.

A question was asked about what would a person do if they had more than \$30,000. Ms. Doyle explained that only the income earned, the interest, would be included.

Ms. Doyle stated that the VHA would be transitioning to asset-based management of Public Housing and that this was a HUD requirement. The VHA has divided the 515 units of Public Housing into four groups, each one of which will be managed as an asset.

Ms. Doyle stated that the smoke-free housing proposal will be going to the board on March 26th and the effective date will be July 1st. and that it only effects a few Public Housing Projects; Skyline Crest, Van Vista, Columbia House (a Section 8 New Construction project), and units on 54th street. After July 1st any new person moving into those properties would have to agree to not smoke in the unit or anywhere on the property.

A question was asked about smoking on balconies. Ms. Doyle said not on balconies.

Ms. Doyle explained the community service requirements. A person who is not exempt would have to work 8 hours per month on a public service project or on a self sufficiency program.

A question was asked about the start date of community service. Ms. Doyle said there was not a start date yet.

A question was asked about the smoke-free policy; would it affect existing tenants? Ms. Doyle said it would affect them when they renew their leases.

A question was asked about the proposed limit on the number of interim reviews a person could have. Ms. Doyle stated that hadn't been decided yet and was just one possible proposal

Greg Provenzano asked about the bi-annual review process, how it was transitioned in, and how does it effect the payment standards. Ms. Doyle asked David Overbay to answer the question. Mr. Overbay explained that the proposal for every-other year reviews made in 2006 anticipated being under the new MTW contract before implementation. As the new MTW contract is only now completed, the VHA implemented every-other year reviews in accordance with the provision to do so in the original MTW contract. The population of tenants was divided in two based on the first letter of the last name of the head of household. The first group will have an annual review in 2008 and the second group will not have an annual review until 2009. It's at the annual review that adjustments are made to the payment standard and utility allowance. Mr. Provenzano asked, did that mean then, that some people who did not have a change in the payment standard in 2007 would not then get another adjustment to the payment standard until 2009. Mr. Overbay said that was correct, but they also would not have any other change in their rent until then either.

Ms Doyle said that VHA was now ready for comments on the plan.

Marguerite Carbone asked if what Alice stated was true that the rent would not go up by more than \$100 if her grandson, for instance, went to work since his last review. Ms Doyle said yes.

Greg Provenzano from Columbia Legal Services stated that he sent in written comments and would not have time to go through all of his concerns but wanted to highlight a couple things. First, he applauded the VHA for dropping the last plan and providing a transitional plan with a menu of items to look at, and he applauds the Housing Authority for including stakeholders which he defines as Public Housing residents, Voucher holders, and other community partners. He's particularly pleased that VHA moved away from flat subsidies at least for this fiscal year. He is still concerned about the fact that some Voucher holders are paying far in excess of 40% of their monthly income for rent and he was hoping that there would be something in the plan to at least look at that. The new every-other-year policy is delaying an increase in the new payment standard for up to 4 years and that's a problem. He has concerns and reservations about the other document, the 10-year contract. He has serious questions about HUD's authority to extend participation for 10 years. Under the current contract, if the Housing Authority makes changes in the rent calculation they are required to prepare an impact analysis, a hardship policy, and a transition plan. In the new contract only the hardship policy is required. He wants to see those provisions back in the contract. He also wants to see language that VHA will use a controlled trial if they make any changes. The last concern is that VHA is going back into a block grant for the Voucher subsidy. The VHA was under a block grant before and in the first 4 years it caused a number of fiscal problems. The VHA had to under-lease and adopt lower payment standards and cut back on some of the financial incentives such as the earned income disregard and a cap was placed on escrow funds. He is concerned that is going to happen again and he needs assurances that VHA will receive enough funding. There's a lot of information that he has not seen and he will be in touch and will ask more questions later.

Ms. Carbone asked that if people get a rent increase limited to \$100, would they still get medical deductions. Ms. Doyle said yes.

Amy McCullough from the NW Justice Project asked and encouraged the Housing Authority to start publishing information on it's website on a regular basis so that stakeholders and tenants could see it's progress and see just what the housing authority is actually doing with it's authority. She also asked if the homeownership program would have a replacement Voucher for people who need rental vouchers. Mr. Johnson explained that the Voucher was still used for the assistance to pay the mortgage and there is no replacement until it's not used for mortgage assistance anymore. The Board may place limits on how many Voucher are used for homeownership per year and there are HUD limits on how long a voucher lasts. Ms. McCullough then asked if the VHA would be considering how the homeownership program would impact the waiting list, it's really large, and she is concerned that if VHA goes down this path that we will still get people off the wait list.

A question was asked that now we have to 60 day notice to raise rent, would we still have to do that. Mr. Johnson said there would still be a need to give a rent change notification to give people time to make a decision to stay or go.

Mr. Johnson asked if there were any other comments and thanked everyone for coming.



March 10, 2008

VIA EMAIL AND FIRST CLASS MAIL

Roy A. Johnson
Executive Director
Vancouver Housing Authority
2500 Main Street, Suite 200
Vancouver, WA 98660-2697

Re: Revised Annual MTW Plan for FY 2008 & Amended and Restated MTW Agreement

Dear Mr. Johnson:

I am writing this letter on behalf of my clients who participate in the Vancouver Housing Authority's Section 8 Housing Choice Voucher Program. Please include this letter in the record of the hearing and share it with your Board of Commissioners and staff. I also ask that the Board and staff take our comments, concerns, and recommendations into consideration before finalizing the draft Revised Annual MTW Plan for FY 2008 or entering into the Amended and Restated MTW Agreement with HUD.

As a preliminary matter, we are pleased to support VHA's decision to adopt a transitional annual MTW plan for FY 2008 and to more thoroughly evaluate what MTW initiatives will work best for our community. As will be discussed in further detail below, however, we are concerned about the potential impact of the proposed ten year Amended MTW agreement, the proposed block grant funding, and VHA's failure to engage in the type of meaningful public process mandated by these kinds of changes. Furthermore, as discussed in detail in my October 22, 2007 letter to the Board, we believe that VHA should not undertake any new MTW initiatives until:

1. Congress, through the Section 8 Voucher Reform Act (SEVRA) or other legislation, reauthorizes the MTW Demonstration Program or replaces it with another demonstration program;

2. Congress and HUD provide VHA with the financial resources and technical assistance needed to rigorously evaluate whatever new MTW initiative it chooses to pursue;
3. VHA has made a significant effort to seek and consider stakeholder input, and adequately considers the recommendations of a properly appointed Resident Advisory Board that includes Section 8 Voucher participants; and
4. VHA has made sure that any new MTW initiative is consistent with the Clark County Ten-Year Homeless Housing Plan and other state, regional and local housing plans.

I. THE REVISED ANNUAL MTW PLAN

A. We Support a "Transitional" FY 2008 Annual MTW Plan

As we discussed at our meeting on Thursday, February 28, 2008, we are pleased that VHA has drafted the type of "transitional" Annual MTW Plan for FY 2008 that we and others originally suggested last October. As we read the revised Annual MTW Plan, VHA plans to consider a wide array of new MTW initiatives during the coming fiscal year, but will not embark upon any particular MTW initiative without significant stakeholder input. We are hopeful that through such stakeholder input, we can ensure that future MTW initiatives further the purposes of the MTW Demonstration program, address the needs and concerns of Public Housing residents and Section 8 Voucher participants, and are consistent with our state and local homeless and affordable housing plans.

It is also our understanding that VHA will not undertake any of the new MTW initiatives mentioned in the Revised Annual Plan without holding at least one public hearing and amending the MTW Annual Plan. If this is not your intention, we ask that you state this in writing prior to any Board action on the plan.

For all the reasons mentioned in my October 22, 2007 letter to the Board of Commissioners, we were particularly pleased to see that VHA is no longer planning to implement flat subsidies in its Section 8 Voucher program this fiscal year. We are also excited to see that VHA plans to form a Move to Work Advisory Committee to consider all options available to VHA as a MTW participant. We hope that VHA will involve tenants, those on its waiting lists, their advocates, and other interested stakeholders in its decision making process.

B. VHA Has Identified Several Innovative Uses of Its MTW Authority That Will Benefit Program Participants

Regarding the Revised Annual Plan, we have few substantive concerns at the present time. As we read the Revised Annual MTW Plan, it does nothing more than set forth a menu of possible MTW initiatives that VHA and its stakeholders will consider during the remainder of this fiscal year. There are several MTW areas for innovation that, if properly designed and implemented, we will eagerly support. These include:

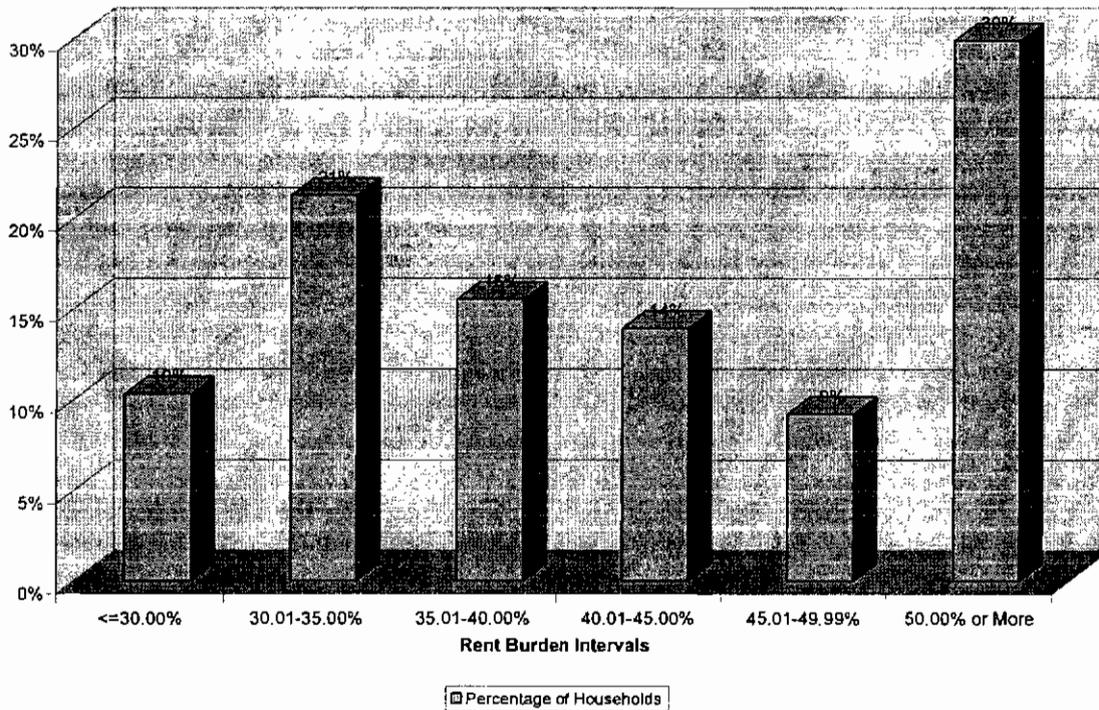
- A plan for using project-based Section 8 Vouchers to meet local housing needs.
- Development of first-time home buyer opportunities for both Public Housing and Section 8 Voucher families, provided these programs are designed so that as these families become home owners, their federal housing subsidies can be used to serve extremely low-income households now in desperate need of such assistance.
- Adoption of additional local admission preferences for those served by transitional housing programs for the homeless, domestic violence victims and other special needs populations, consistent with our local Ten-Year Plan to End Homelessness.

C. The Annual Plan Fails to Address Excessive Rent Burdens

At the same time, we remain apprehensive about any new MTW initiatives that might result in fewer federal housing dollars flowing into our community, diversion of these resources from those with the lowest incomes and greatest housing needs to those with relatively higher incomes or less need, excessive rent burdens, fewer housing choices, the displacement of current Public Housing tenants or Section 8 Voucher participants, or that are inconsistent with community efforts to eliminate homelessness and address the affordable housing needs of our lowest income residents in Clark County.

Of particular concern is the lack of any indication in the Revised Annual Plan that VHA will be taking steps to address the excessive rent burdens that now exist in its Section 8 Voucher program. As we discussed last week, VHA failed to regularly adjust its Section 8 Voucher payment standards from January 1, 2005 through July 31, 2007. As a result, a very large number and percentage of households are paying significantly more than thirty percent of their monthly adjusted income towards their share of housing and utility costs.

**Percentage of Vancouver Housing Authority
Section 8 Voucher Households Rent Burdened
As Defined by Congress and HUD Using July 2007 Dataset**



As shown by the above chart, more than ninety percent (90%) of VHA's Section 8 Voucher participants pay more than thirty percent (30%) of their adjusted monthly income toward their share of rent and utilities. Fifty-three percent (53%) pay more than forty percent (40%) of their monthly adjusted income towards their housing costs. In fact, some thirty percent (30%) pay more than half their monthly adjusted income for housing. This occurred despite the fact that during this same time period, VHA accumulated more than \$2.3M in unspent Section 8 housing assistance funds.

We recommend that VHA use its MTW authority to immediately address these excessive rent burdens by adjusting the housing assistance payments of households overly rent burdened because of its failure to previously increase its payment standards. VHA should also reconsider whether it was a mistake to waive the 40% rent burden cap set forth in 24 C.F.R. §982.508.

D. Other MTW Initiatives Could Be Problematic.

There are a number of other MTW initiatives in the Revised Annual Plan that could be problematic:

- Limitations on the number of interim eligibility reviews that a program participant may request in a 12 month period.
- Mandatory FSS requirements.
- Demolition or conversion of Public Housing units without one for one replacement and relocation assistance for affected tenants.

Additionally, the Revised Annual Plan does not address the relatively small size of its voluntary FSS program (41 families). VHA should use its MTW Authority to increase the size of this program. Rather than mandating participation, it should look for ways to put together a program that families want to join.

Finally, it is our understanding that HUD has instructed VHA to take steps to implement the Public Housing community service requirement mandated by Section 12 of the Housing Act of 1937. We look forward to the opportunity to work with you as you put together a plan to do so.

E. VHA Must Appoint a Resident Advisory Board That Includes Section 8 Voucher Participants

VHA is legally obligated to make a real effort to involve both Public Housing residents and Section 8 Voucher participants in its annual MTW planning process. This means that VHA must: 1) appoint a Resident Advisory Board (RAB) that includes Section 8 Voucher participants; 2) actively involve program participants and the RAB in its annual MTW Plan and annual MTW Report process; and 3) conduct outreach activities to promote comprehensive participation in its planning process by program participants and the community at large.¹

Based on the information that VHA has provided us to date, we do not believe that the Clark County Resident's Council (CCRC) has any Voucher members on its board or is adequately representing Voucher families' interests. IF CCRC is unable to meet the needs of Voucher families, we request that VHA form a separate RAB comprised of Voucher members.

¹ I am in receipt of your March 4, 2008 letter acknowledging the concerns I raised my March 3, 2008 letter. I am hoping that we can discuss these issues further and reach some concrete agreement on what efforts VHA will make in the future to appoint an adequate Resident Advisory Board and involve them and other stakeholders in its annual planning process. In the meantime, I am afraid we will have to respectfully disagree on whether VHA has done enough to foster Voucher holder participation and to publicize the March 10, 2008 Public Hearing or the documents now under consideration.

F. VHA Must Broaden its Efforts to Involve Program Participants and Other Community Stakeholders.

As we have discussed, we are concerned that VHA's efforts to publicize the March 10, 2008 public hearing and the two documents now under consideration are inadequate. VHA should not rely on legal notices in the classified section of *The Columbian* or its own website as the sole methods of reaching tenants. And although VHA did include an article in its March Neighbor to Neighbor newsletter, this was not distributed until recently, giving tenants far less than thirty days notice as required by federal law. Equally important, this article provided very little information about the significance of the actions being proposed by VHA.

The importance of a meaningful public discussion of the import of the Revised MTW Agreement and Revised Annual Plan cannot be sufficiently underscored. Through this Agreement, HUD is offering to extend the Vancouver Housing Authority's participation in the MTW Demonstration Program for an additional ten (10) years. This agreement also contemplates that HUD will block grant VHA's Section 8 Voucher funding, which will have a long term impact on the level and numbers of subsidies VHA will be able to offer in the future. The magnitude of these proposals require a thorough public discussion of the cost, benefits, and risk of further participation in this demonstration program and of block granting Section 8 Voucher funding.

Regrettably, however, VHA has not engaged in the type of outreach needed to secure meaningful public involvement. VHA staff only notified its community partners of this issue by email on March 5, 2008. In doing so, it clearly left the impression that HUD's recent agreement to block grant VHA's Section 8 Voucher funding was "good news" without mentioning any of the risks involved in such a subsidy calculation. It also left us with the impression that VHA plans to extend its MTW participation for ten more years and block grant its Section 8 Voucher funding regardless of any concerns that we or others might raise.

In light of the above facts, we respectfully request that VHA make additional efforts to publicize the Amended MTW Agreement and Revised Annual Plan and hold another public hearing before asking the Board to take any action on these documents.

II. THE AMENDED MTW AGREEMENT

As demonstrated below, we have significantly greater concerns, questions and reservations about the Amended MTW Agreement.

A. Whether HUD Has the Legal Authority to Extend VHA's MTW Participation Beyond March 31, 2009 is Questionable.

First, there is a serious legal question whether HUD has the legal authority to extend VHA's participation in the MTW Demonstration program beyond the expiration of its current MTW Agreement on March 31, 2009 as contemplated by the Amended and Restated MTW Agreement. As your staff may recall, VHA's current MTW Agreement was last extended until

March 31, 2009 as a direct result of Congress's decision to enact Section 320 of the HUD Appropriation Bill for FY 2006, Pub. L. No. 109-115, 119 Stat. 2396, 2465-2466 (November 30, 2005). As part of this bill, however, Congress placed explicit limits on how long HUD could extend MTW Agreements that would otherwise expire on or before September 30, 2006. The statute was explicit:

SEC. 320. (a) EXTENSION.—The Secretary of Housing and Urban Development shall extend the term of the Moving to Work Demonstration Agreement entered into between a public housing agency and the Secretary under section 204, title V, of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104-134, April 26, 1996) if--

- (1) the public housing agency requests such extension in writing;
- (2) the public housing agency is not at the time of such request for extension in default under its Moving to Work Demonstration Agreement; and
- (3) the Moving to Work Demonstration Agreement to be extended would otherwise expire on or before September 30, 2006.

(b) TERMS.—Unless the Secretary of Housing and Urban Development and the public housing agency otherwise agree, the extension under subsection (a) shall be upon the identical terms and conditions set forth in the extending agency's existing Moving to Work Demonstration Agreement, except that for each public housing agency that has been or will be granted an extension to its original Moving to Work Agreement, the Secretary shall require that data be collected so that the effect of Moving to Work policy changes on residents can be measured.

(c) EXTENSION PERIOD.—The extension under subsection (a) shall be for such period as is requested by the public housing agency, **not to exceed 3 years from the date of expiration of the extending agency's existing Moving to Work Demonstration Agreement.**

(d) BREACH OF AGREEMENT.—Nothing contained in this section shall limit the authority of the Secretary of Housing and Urban Development to terminate any Moving to Work Demonstration Agreement of a public housing agency if the public housing agency is in breach of the provisions of such agreement.

119 Stat at 2465 -2466. (Emphasis Added). While HUD has apparently decided to ignore the limitations on its authority, it has not provided any sound rationale for doing so. In our view, the statute is clear and unequivocal. Unless Congress enacts further legislation, HUD may not extend VHA's participation in the MTW Demonstration program beyond March 31, 2009.

In light of the above provisions, VHA should not execute the Amended MTW Agreement or embark upon any new MTW initiatives unless and until Congress through SEVRA or other legislation reauthorizes or replaces the MTW Demonstration program or gives HUD authority to extend VHA's MTW Agreement beyond March 31, 2009. Given the history of the MTW Demonstration Program and all the criticism that has revolved around the program (See our October 22, 2007 letter), Congress must clarify whether this demonstration program is to continue, and if so, spell out clearly what its expectations are for the program.

If Congress does not authorize HUD to extend VHA's participation in the MTW Demonstration program beyond March 31, 2009, its authority to continue to operate any MTW initiatives beyond this date will be suspect. If VHA moves forward now on any new MTW initiatives, it may have to start over once such legislation is enacted. In our view, it makes no sense to devote scarce resources on designing and implementing a new MTW initiative that may have to be abandoned or significantly revised to meet any new statutory requirements imposed by Congress. And, as you are well aware, no one can predict with any certainty what this Congress or a new Congress or future administration is likely to do.

B. At a Minimum, VHA Should Renegotiate the Terms and Conditions of the Agreement

To the extent that VHA decides to accept HUD's offer to extend its participation in the MTW Demonstration program before Congress decides on the future of the program, VHA should at a minimum renegotiate several terms and conditions of the Amended and Restated MTW Agreement. As explained below, the Section 8 Voucher funding subsidy calculation provisions should be reworked to minimize the risk that the community will lose scarce federal housing funds that would otherwise go to Clark County. Furthermore, language should be added to ensure that Public Housing and Section 8 Voucher tenants will not be excessively rent burdened should VHA decide to simplify rent calculations or adopt an alternate rent structure.

C. VHA Should Not Block Grant Its Section 8 Voucher Funding Without A Provision in the MTW Agreement that VHA will Not Get Less Funding Than It Would Get Under the Funding Formula Applicable to Non-MTW Jurisdictions

We are particularly concerned about the VHA staff recommendation to block grant VHA's Section 8 Voucher funding, rather than rely on the Voucher funding formula applicable to non-MTW jurisdictions. During the first four years that VHA participated in the MTW Demonstration program, its Section 8 Voucher funding was block granted, which led to a fiscal crisis. VHA's funding fell far short of what it would have otherwise gotten from HUD under the Section 8 funding rules applicable to non-MTW public housing agencies nationwide. This occurred despite assurances in the MTW statute itself and in VHA's MTW Agreement that its Section 8 Voucher funding would not be diminished by its decision to participate in the demonstration program.²

Because of this funding shortfall, VHA found that its Section 8 funding did not keep pace with its needs or the funding that it would have otherwise received under the rules applicable to non-MTW jurisdictions. In response, VHA:

² The MTW statute provides: The amount of assistance received under section 8, section 9, or pursuant to section 14 by a public housing agency participating in the demonstration under this part shall not be diminished by its participation. Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104-134, 110 Stat 1321), dated April 26, 1996. The statute can be found at: http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=104_cong_public_laws&docid=f:publ134.104.pdf.

- Chose not to reissue vouchers upon turnover, serving fewer households than it was authorized to do so. In FY 2003, its utilization rate dropped to 85%.³
- Lowered or refused to increase its Section 8 Voucher payment standards despite increases in the applicable Section 8 Fair Market rents. In October 2001, the payment standards for two bedroom and larger units dropped to 83% of the applicable Section 8 Fair Market rents in violation of a federal mandate that they not be below 90%.⁴
- Repealed a discretionary earned income disregard that it had originally made available to both Public Housing and Section 8 Voucher participants.
- Placed a cap on rent escrow accounts that would not otherwise apply to the Family Self-Sufficiency program.

Eventually, VHA (like several other MTW jurisdictions, including the Housing Authority of Portland) negotiated an amendment to its MTW Agreement that took effect April 1, 2003 going back to the Section 8 Voucher funding methodology applicable to non-MTW jurisdictions. See, Amendment No.1 to MTW Agreement.

Given the above history, we think it is a mistake to once again block grant VHA's Section 8 Voucher funding. We understand that VHA staff has taken steps to negotiate a different subsidy formula than used previously that they believe will not result in any funding shortfalls. We remain unconvinced. As we understand it, staff has recommended that VHA block grant its Section 8 Voucher funding for two stated reasons. First, staff believes that block granting will protect VHA from the Section 8 funding formula crises of the last four years. Second, staff has indicated that block granting VHA's Section 8 Voucher funding will allow it to serve more households than it might otherwise be permitted to do so. In our view, these claims do not withstand scrutiny. First, in the last two appropriation bills, Congress has taken steps to restore financial stability to the Section 8 Voucher program. It has rejected HUD's funding formula and moved back to a predictable funding formula that takes into account increases in a public housing agency's average per unit HAP costs during the previous calendar year, adjusted for inflation. All indications are that Congress will permanently adopt these changes through the enactment of the Section 8 Voucher Reform Act of 2007 (SEVRA) sometime after the upcoming election and change in administrations.

Second, under SEVRA as enacted by the House of Representatives, Congress has repealed the current prohibition on "overleasing" and in the future is likely to allow public housing agencies to assist additional households within the constraints of each agency's funding. See, Section 6 of Section 8 Voucher Reform Act of 2007, H.R. 1851 which can be found at: <http://thomas.loc.gov/cgi-bin/query/F?c110:4:/temp/~c110Mlm9Jy:e38851>.

³ VHA FY 2004 MTW Annual Report at 15.

⁴ See 42 U.S.C. 1437f(o)(1)(B); 24 C.F.R. §982.503.

It appears that the real reason that VHA has asked HUD to block grant its Section 8 Voucher funding is because VHA has accumulated almost \$2.3M in unspent housing assistance funds (as a result of its failure to adjust its payment standards for over two years) from January 1, 2005 through December 31, 2007 that it hopes to avoid losing under the Section 8 funding formula included in the HUD appropriation bill for FY 2008. I have asked VHA to confirm this but am still waiting for a response to my inquiry.

To the extent that VHA would benefit in the short term from block granting its Section 8 Voucher funding, it must weigh this against the long-term risk associated with the proposed block grant, subsidy calculation. A block grant subsidy calculation is problematic for a number of reasons. Under the two most recent HUD appropriation bills (and under SEVRA, if enacted), a public housing agency basically controls its future funding. If it decides to deepen per-voucher subsidies, to reduce rent burdens, or to offset rapid increases in local housing or utility costs, it will get the additional funding it needs to do so from HUD the following year. By contrast, a public housing agency whose Section 8 funding is block granted cannot respond to excessive rent burdens or increasing housing or utility costs, except within the constraints of HUD's typically out-of-date inflation factor.

Under the funding formula applicable to non-MTW jurisdictions, public housing agencies have a financial incentive fully utilize their funding and to assist as many households as possible. They also have the ability to provide assisted families with a deep enough housing subsidy to avoid excessive rent burdens. Under the proposed block grant, VHA no longer will have a financial incentive to fully utilize its funding or assist as many households as possible. More importantly, they will be under no pressure to reduce rent burdens and may not have the ability even if they wish, to do so. We are particularly concerned about the proposed block grant subsidy calculation because in a rapidly growing community like Clark County, housing and utility costs may rise faster than HUD's annual adjustment factor for inflation.

While VHA might lose some of their unspent housing assistance funds under the current Section 8 funding methodology, they should be able to recoup this loss in future years by using their remaining reserves to increase payment standards and to serve additional households.

There is one remaining financial issue that we have not yet had an opportunity to discuss with you: administrative fees. We are not able to determine whether or not VHA will get more or less administrative fees under the proposed subsidy calculation than it would get under the rules governing non-MTW jurisdictions. This is an important question that could have bearing on the long-term financial stability of the program.

While we would prefer not to see HUD recapture any of VHA's unspent housing assistance funds because these are needed to reduce severe rent overburden, we do not think VHA should risk future funding shortfalls (either in its housing assistance funds or administrative fees) by block granting its funding. At a minimum, VHA should bargain for a provision in its MTW Agreement that ensures that Clark County does not receive less Section 8 Voucher funding than it would if it was not a MTW participant. As noted above, the MTW

statute states that MTW agencies will not have their funding diminished because of participation in the program.⁵ **In other words, VHA should negotiate a provision in Attachment A, Calculation of Subsidies, that states that for subsequent years, the HAP subsidy will be equal to the previous year's HAP subsidy eligibility adjusted by the current year's AAF and applicable proration factor percentage or the funding it would receive in accordance with the funding methodology applicable to non-MTW housing authorities, whichever is larger.** If HUD will not agree to such a provision, VHA should refuse to enter into the Amended and Restated MTW Agreement.

If the Board makes a decision to block grant VHA's Section 8 Voucher funding, it should state on the record that (1) it will not assist fewer households than currently assisted or authorized; and (2) that it will provide deep enough rental subsidies so that program participants are not excessively rent burdened as that term has been historically defined by HUD. In other words, no more than a modest percentage of its Section 8 Voucher families should spend more than thirty or forty percent of their monthly adjusted income towards their share of the rent and utility costs.

D. VHA Should Include Protections In the Amended Agreement To Ensure That Section 8 Participants Are Not Excessively Rent Burdened.

In reviewing the Amended MTW Agreement, we discovered that this document eliminated two of three critical tenant protections contained in VHA's current MTW agreement, which are clearly intended to ensure that any alternative rent policy must be reasonable as required by the MTW statute. These provisions required that before VHA's board authorizes any new rent policy, VHA would complete a rent impact analysis and adopt a rent transition plan for existing residents. The current MTW Agreement provides:

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

1. the Agency's board approves of the policy, and any material changes, and approved an analysis of the impact of the policy on current households, and households on the waiting list, including an analysis of the severity of rent burdens on such households (such as an estimate of the number of households that would have rent burdens greater than 30 percent of adjusted income);
2. the Agency reevaluates its rent and subsidy level policies annually, including preparing a revised impact analysis;
3. the Agency adopts a policy for addressing hardship cases;

⁵ See footnote 2.

4. the Agency provides a reasonable transition period for rent increases for existing tenants; and,

5. a public hearing is held regarding the policy; provided however, that in the first year of the demonstration, this may be the same public hearing that was held regarding the Agency's MTW application, as long as the policy was included in the MTW application.

The rent policy, or any material changes to the rent policy will be effective upon submission to HUD of a board resolution as provided above. In the first year of the MTW demonstration this may be the same board resolution as that approving the MTW Agreement.

By contrast, the Amended MTW Agreement, while retaining the requirement that there be a policy for addressing hardship cases, omits any requirement that there be a rent impact analysis or transition plan.⁶ We ask that VHA enter into negotiations with HUD to reinsert these provisions into the Amended MTW Agreement.

We would also like to see the Amended MTW Agreement strengthened in two additional respects. First, we think VHA should again borrow from H.R. 1851 and agree that it will consider alternative rent structures only to the extent that they protect extremely low-income families from excessive rent burdens. Secondly, we think that VHA should modify the Agreement to include a commitment to rigorously evaluate future alternative rent structures through the use of a randomized controlled trial. Utilization of such a trial is essential if VHA is to generate results that could be used for evidence-based policy making nationwide. See, *The Importance of Integrating Rigorous Research Objectives into any Reauthorization of the "Moving to Work" Demonstration*, by Jeffrey Lubell and Jon Baron (March 2, 2007) which can be found at: http://www.nhc.org/pdf/pub_chp_mtw_0307.pdf; *Subsidized Housing and Employment: Building Evidence About What Works to Improve Self-Sufficiency*, by James A. Riccio, Joint Center for Housing Studies, Harvard University (March 2007) at http://www.jchs.harvard.edu/publications/rental/revisiting_rental_symposium/papers/rr07-6_riccio.pdf.

E. VHA Should Strengthen the MTW Annual Report Requirements and Regularly Publish Performance Measurement Information on its Website

As part of any new MTW Agreement, VHA should also agree to strengthen the MTW Annual Reporting requirements to ensure that Public Housing tenants and Section 8 Voucher participants are able to effectively monitor VHA's performance. We also ask that VHA agree to publish on its website, on at least a quarterly basis, what some refer to as a "dashboard" of defined performance measures. For example, VHA should regularly report on the tenant

⁶ Notably, the House of Representatives included a rent impact analysis requirement in Section 36 of the Section 8 Voucher Reform Act of 2007, H.R. 1851.

characteristics, including income levels, of newly housed Public Housing tenants and those families getting newly issued Vouchers. VHA should also report on its efforts to meet its obligation to allocate at least 75% of all newly issued vouchers to extremely low-income households. VHA should also provide information (by family size and type) on its efforts to comply with federal law and its MTW Agreement to maintaining a comparable mix of families under the MTW Demonstration program as it would have had it not been participating in the program.

We are also interested in monitoring VHA's performance in operating the Section 8 Voucher program. At the present time, we are concerned that there is a high number and percentage of Section 8 Voucher families who are excessively rent burdened and want to ensure that this problem is addressed and does not occur again. We think performance measurement and dissemination of program information is particularly important if VHA decides to block grant its Section 8 Voucher funding. We ask that, as a minimum, VHA regularly report on:

1. The amount of Section 8 Voucher housing assistance funds it gets under its block grant subsidy calculation and what it would get if it was funded under the same funding methodology as non-MTW jurisdictions nationwide;
2. The number of authorized Section 8 Vouchers;
3. The number and characteristics of Voucher households under lease;
4. Its Section 8 voucher utilization rate;
5. The amount and percentage of housing assistance funds that have been expended;
6. The available Section 8 Voucher reserves;
7. The number of Section 8 Voucher terminations;
8. The Section 8 voucher turnover rate;
9. The number of families newly issued vouchers, together with their income levels and other household characteristics;
10. The voucher success rate, i.e. the number and percentage of families issued vouchers who successfully lease housing under the program, preferably by voucher size assigned;
11. The average length of Section 8 lease up from issuance of the voucher to execution of a housing assistance payments contract;
12. The average time to inspect a unit once a family makes a request for lease approval;
13. The current payment standards and how they compare to the most recently published Section 8 Fair Market Rents;
14. The current Section 8 utility allowances and date last revised;
15. The actual rent burdens of Section 8 Voucher participants as historically measured by HUD, i.e. tenant rent and utility allowance as a percentage of monthly adjusted income;
and
16. Other agreed upon performance measures.

III. CONCLUSION

In summary, we recommend that the Board approve the draft Revised Annual Plan. This should be done with the understanding that during the remainder of this fiscal year VHA staff, together with agency stakeholders and a properly appointed Resident Advisory Board, will look

Roy A. Johnson
Vancouver Housing Authority
March 10, 2008
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at a variety of options that VHA has under the MTW Demonstration program. The Board should state, however, on the record, that it will not move forward with any new MTW initiatives until Congress has reauthorized the HUD MTW Demonstration Program and the federal government provides VHA with the financial resources and technical assistance needed to design and rigorously evaluate any MTW initiatives that it chooses to ultimately undertake.

We also respectfully ask that the Board not approve the Amended MTW Agreement or any subsequent MTW extension until Congress authorizes HUD to enter into such program extensions. At a minimum, the Board should insist that VHA staff renegotiate several provisions of the Agreement to ensure that VHA does not forego scarce federal housing funds that would otherwise go to Clark County and that Section 8 Voucher households are not harmed by excessive rent burdens. It should not agree to block grant its Section 8 Voucher funding unless HUD agrees to provide VHA with at least as much funding as it would get under the funding methodology applicable to non-MTW jurisdictions. VHA should also insist that the tenant protections in its current MTW agreement be included in any Amended and Restated MTW Agreement. It should also include in any new Agreement provisions to ensure that its tenants and Section 8 Voucher participants are not left excessively rent burdened. Lastly, VHA should strengthen the Annual MTW Reports and agree to publish performance information on its website regularly to keep community stakeholders informed of its MTW performance.

We look forward to working with you and other interested stakeholders during the coming year to put together new MTW initiatives that we can all support.

Sincerely,

Columbia Legal Services

Gregory D. Provenzano
Attorney at Law

Northwest Justice Project

Amy McCullough
Attorney at Law

March 10, 2008

Ray Johnson, Executive Director of the Vancouver Housing Authority

RE: Moving to Work Program

Dear Mr. Johnson:

This is the third letter I have written to the VHA. This letter shares my deep concern regarding the lack of progress in implementing the MTW program. As you know, this plan would help some individuals in our community who are striving to live independently and improve their lives despite having disabilities ranging from mild to severe.

I have been actively involved in promoting the MTW program for the past 1-1/2 years, but it appears that the program has stopped due to indecision and the inability to work through various issues. Unfortunately, individuals who could benefit from this program will now be negatively impacted. As you know, individuals who choose to work lose food, energy, and perhaps medical supplements or a portion thereof, and now their rent.

Here are the questions and issues that I would encourage you to address at our meeting today.

1. What has changed at the VHA from where your organization started progressively supporting the MTW Program to a place where the program implementation has virtually stopped?
2. Why do we have to penalize those working individuals with less rent subsidy as their income increases when our ultimate goal is to have them become self sufficient and leave the program? How can they increase their income, build savings, and improve their standard of living by reducing their rent subsidy over time?
3. Please explain the obstacles certain individuals on Section 8 have that prevent them from working at least three hours per week to supplement the increase in rent that they might incur if MTW is implemented. By working only three hours a week at \$8.07 would give them \$104.10 per month minus a few dollars for taxes enough to cover any rent increase.
4. I am deeply disappointed. It seems that any program the government is involved in behaves in a dysfunctional way – it gives on one hand and takes away with the other, constantly keeping people in poverty. Discouraging incentives to work is irresponsible.
5. How can we, as concerned members of the community, assist VHA in implementing this very important program?

Mr. Johnson, thank you very much for your time, consideration, and support. I would like to take this time to thank the staff that has worked very hard on this program. I look forward to working with you as we move forward.

Sincerely,



Marguerite Carbone
(360) 695-4752



COUNCIL for the HOMELESS

*Working to end
homelessness in
Clark County*

Council for the Homeless Board of Directors

Slerk Braam, President
National City Mortgage

Sharon Wylie, Vice President
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Gaity Akizuki, Secretary/Treasurer
The Standard

Barbara Baldus
Community Volunteer

Craig Brown
Vancouver Church of Christ

Scott Firstenburg
First Independent Bank

Jennifer Gallagher
*Program Director, Support for Early
Learning and Families*

Jerry King
Retired City Attorney

Ralph J. Parker, Vice President
Underwriters Laboratories

Cheryl Pfaff
Community Advocate

Beryl Robison
Community Advocate

Local Government

Marc Boldt
*Clark County
Board of Commissioners
Alternate: Peter Munroe or Vanessa
Gaston*

Christopher Pazen
*Vancouver Housing Authority
Board of Commissioners
Alternate: LaVon Holden*

Larry Smith
*Vancouver City Council
Alternate: Laura Hudson*

March 18, 2008

Roy A. Johnson
Executive Director
Vancouver Housing Authority
2500 Main Street, Suite 200
Vancouver, WA 98660-2697

Re: Revised Annual MTW Plan for FY 2008 & Amended and Restated MTW Agreement

Dear Mr. Johnson:

The Council for the Homeless is pleased to provide input for your public comment record with respect to your FY 2008 Revised MTW Plan and the Amended and Restated MTW Agreement. Thank you and your Board of Commissioners for considering our thoughts regarding this plan.

First, the Council for the Homeless wants to recognize the extensive outreach the Vancouver Housing Authority (VHA) has provided to the community to comment and provide input into the Revised Plan and the Amended Agreement. This revised plan clearly shows amendments and changes that reflect the input of the public.

It is clear from the variety of options that are laid out for consideration in this plan that the VHA recognizes there are issues that need to be resolved. Primarily, a closed waitlist for Section 8 vouchers and a 4-year wait for those on the list do not represent a program that is moving people quickly into self-sufficiency.

With change also comes push-back and fear. With this expectation, it is important to recognize that you wisely suggest the creation of a Move to Work Advisory Committee. We expect that with a strongly facilitated process, a Move to Work Advisory Committee and your staff will be able to work collaboratively to make the best use of HUD funds.

The VHA has been instrumental in creating the Clark County 10-Year Plan to End Homelessness. Through the Clark County Coalition of Homeless Service Providers, we intend to ensure those strategies are considered through the 10-Year plan work group. We would welcome the opportunity to support the work of the VHA in achieving the goals of the 10-plan. To that end, we would appreciate having our voice included on the Move to Work Advisory Committee.

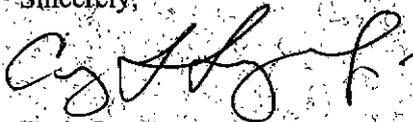
One of the most fervent discussions being held within the Coalition and that has been noted in other public record to this new agreement is the issue of "Rent Burden." Presently, the VHA allows tenants to choose the rental unit that best suits the family's needs. This practice can, in some cases, create undue rent burden and the Council for the Homeless would like to see some form of revision to this current structure that encourages all renters to rent homes within their means.

Similarly, we know that many new home buyers in the past few years overextended themselves and are unable to maintain their mortgages resulting in foreclosures and increased burden on the low-income housing rental reserve. The Coalition, consistent with the 10-Year Plan priorities, is working to prevent homeowners from losing their homes. Proposals within this plan that encourage present Section 8 voucher holders to move to responsible home ownership we support.

The self-sufficiency activities in the plan can be a strong means for creating this possibility and at the very least create opportunities for families to become self-sufficient renters. Though we are not in favor of mandating this program, we would like to collaborate to build incentives for tenants to utilize this program to its full extent. The utilization of this program is consistent with other 10-Year Plan initiatives within the community, including the much touted Bridges to Housing Program initiatives that are geared toward raising family incomes while providing subsidy opportunities.

Again, thank you for the opportunity to comment on your new Plan and Amended Agreement. We have great hope that the flexibility you have built into this Plan and the Amended Agreement will give all of your stakeholders ample opportunities to develop a new strategy to providing much needed Section 8 vouchers to our neighbors, and providing these neighbors with opportunities to be self-reliant. We look forward to execution of this Agreement so we can join with your fellow stakeholders in creative and collaborative planning.

Sincerely,



Craig Lyons
Executive Director, Council for the Homeless