

Keene Housing Authority Moving to Work Annual Report 2010

A Demonstration Program of the
Department of Housing and Urban Development

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*Certification will be submitted following the April 2011 Board of Directors meeting.



Keene Housing Authority Governing Board and Staff

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Tom Moses

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P. Curtis Hiebert

Executive Director

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Bruce Soper, Facilities and Asset Manager

Michelle Young, Accounting Manager

Denise Pratt, Programs and Services Manager

Carol Jue, Housing Manager

Keene Housing Authority Moving to Work Annual Report 2010

Message from the CEO, P. Curtis Hiebert

Once again, the Keene Housing Authority is pleased to report a successful year for the participants in our Moving To Work Program. We are proud of a number of accomplishments which have both moved the program forward and provided significant benefit to the program participants.

- *The Keene Affordable Housing Properties were converted from public housing units to units privately held and then rehabilitated by the Keene Housing Authority, which significantly increased the quality of these units. This project, largely completed, will be finished by June 30, 2011.*
- *Our new partnership with the Keene YMCA, formed in November 2010, provides both a before and after school program to some of our families at no charge.*
- *Our Section 8 MIS was upgraded with the adoption of software from Tracker Systems. This not only made the program more efficient, it provided the flexibility to query the data as we continue to find innovative ways to meet the needs of our program participants.*
- *We are very pleased that 99% of our program participants have rent burdens less than 40% of their incomes, demonstrating the effectiveness of our housing consumer education programs in assisting them to negotiate rent.*
- *Of those RSR recipients that received a waiver last year, 94% of them are employed with 91% being employed full-time.*
- *Earned income, among RSR participants, increased in both the \$20,000-\$30,000 and \$30,000 to \$40,000 income brackets.*

These activities were made possible by the flexibility allowed by our Moving to Work Program. The benefits to our participants, made possible by the MTW program, also gave KHA the financial flexibility to invest in the properties themselves. The KHA hopes the successes described within this report of its Moving to Work Program and what we have learned will help generate ideas for much needed changes in the Public Housing and Section 8 programs elsewhere.

Sincerely,

P. Curtis Hiebert, CEO

Section I. Introduction

A. The Keene Housing Authority

The Keene Housing Authority (KHA) was created by resolution of the City Council for the city of Keene on July 15, 1965 in accordance with Section 4 of Chapter 203, New Hampshire Revised Statutes Annotated. The stated mission of the authority was filling the need for “safe, sanitary dwelling accommodations for the elderly and persons of low-income in Keene.” Pursuant to this resolution the Mayor of Keene, in accordance with NHRSA 203:5, appointed five persons as Commissioners of the Keene Housing Authority, and these appointments have been made regularly in accordance with the law, through and including the present time. The Authority, as a duly created municipal agency of the city, derives extensive powers from RSA 203.8. Among these powers is the authority to:

- Acquire, lease, manage, maintain or operate housing projects.
- Provide for the construction, reconstruction, improvement, and extension of housing projects or any part thereof.
- Lease or rent any dwellings, houses, land, or buildings in any housing project.
- Establish and revise the rents and other charges for use of the property.
- Own, hold, and improve real or personal property.
- Purchase, lease, obtain options upon, and acquire by gift any real or personal property.
- Sell, lease, exchange, transfer or dispose of any real or personal property.

The Authority is governed by a five person Board of Commissioners appointed by the Mayor of the City of Keene. The Board is responsible for the hiring and supervision of the Chief Executive Officer, who is responsible for the day-to-day operation of the agency. The Keene Housing Authority has a staff of approximately 35.

Organization

Keene Housing Authority is a small agency that operates a full diversity of housing programs including HUD Multifamily programs, Low Income Housing Tax Credit programs, USDA Rural Development, HOME and the Community Development Block Grant program. The diverse portfolio of housing and services enables the agency to fulfill its goal of providing affordable and

The Mission of the Keene Housing Authority is, directly or in collaboration with others, to provide and advocate for:

- Decent, safe and affordable housing for individuals, families, elderly and disabled persons of low-income within the Monadnock region;

And, to provide and advocate for;

- Any and all services and programs that will assist in improving the social and economic welfare of such individuals and families.

quality housing in Keene and surrounding communities now and into the future. The diversification of programs, while essential, also poses an administrative challenge for a small agency with limited resources navigating the complexities associated with managing mixed-finance programs.

Organizational Structure

*KHA's organizational structure consists of four major departments as well as administrative positions, which include 1) **Housing**, 2) **Programs and Services**, 3) **Facilities and Asset Management** and 4) **Finance**. In addition there is a **Community Development and Block Grant Administrator**. The entire operation is overseen by the Executive Staff which includes the **Executive Director** and the **CEO**.*

Keene Facts

Keene, New Hampshire is located in Cheshire County in the southwest corner of the state and is the busy hub for several local and interstate roads and highways. At an elevation of 486 feet above sea level, it covers a land area of 37.3 square miles. Population in the year 2000 was 22,563. Industries providing employment include educational, health and social services (24%), retail trade (16.3%) and manufacturing (15.9%). The nearest cities with large populations include Nashua (57 miles), Boston (93 miles) and New York (191 miles). In addition to typical municipal services provided by the city the area is served by the Cheshire Medical Center, Keene State College, Antioch New England Graduate School, River Valley Community College, Keene Public Library and the Dillant Hopkins Airport. Keene is also well known in the region for the quality of service programs available to families with low incomes.

B. Moving to Work Program (MTW) Demonstration Summary

Keene Housing Authority was selected as a Moving to Work participant after responding to HUD's initial request for proposals in 1996. The MTW agreement was executed in 1999 and included all of the agency's Public Housing portfolio and Section 8 allocation with the exception of the Mainstream Voucher program. KHA began implementing the program on October 1, 1999 for all Public Housing residents. The Section 8 program was implemented in 2000.

The three statutory objectives of the Moving to Work demonstration program are to:

1. Reduce cost and achieve greater cost effectiveness in Federal expenditures;
2. Give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in on the job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and
3. Increase housing choices for low-income families.

In accordance with these requirements, the objectives, as cited in Keene's original MTW proposal, of the **Keene Housing Authority's Spectrum MTW Program** include:

- To give financial incentives to families with children to increase their income through employment.
- To provide greater contact and service coordination for all residents.
- To encourage full employment for all residents able to work, while recognizing that many families will need housing assistance even after they achieve full employment.
- Reduce the administrative workload in order that more staff time may be devoted to developing and providing services to our residents which are focused on them helping them enter the workforce.
- Increase financial efficiency of the program, to either serve more participants, or serve the same number less expensively.
- Increase housing choices for participants to include opportunities for site selection, homeownership, and supportive services.

Summary of Keene Housing Authority's MTW Activities and Goals

Rehabilitation of the Keene Affordable Housing Properties started in April of 2009 and was largely completed during 2010 with the exception of our Harper Acres property which still has some unfinished buildings that were not in the scope of the original general contract. These will be finished in 2011 with KHA serving as the general contractor for these final items.

Ongoing MTW strategies include the following results:

- The KHA utilized its MTW flexibility to preserve and expand housing options and services through collaborative projects, partnerships and development with local, regional and national institutions.
- With the exception of some remaining units at Harper Acres, the KHA largely completed the rehabilitation at the Keene Affordable Housing Properties which will accomplish the goal of preserving the majority of the KHA's housing inventory.
- Provided subsidy reform initiatives, through the Section 8 Housing Assistance Coupon program, to provide incentives for working families to achieve and maintain employment.
- Operated the Safety Net Program to provide temporary relief for people who experience an increase in rent burden due to a qualified financial hardship.
- Provided supportive services such as the Resident Self-Reliance Program, before and after school daycare, and the Family Planning Collaborative. These support programs help to increase housing success rates among participants to ensure the long term financial viability of all housing and service programs, including MTW initiatives, operated by the Keene Housing Authority.
- Maximized efficiency of operations and streamlined service delivery through MTW initiatives such as self-certifications, standard deductions and our MIS software.

- Energy Efficiency - The KHA is committed to “Green” technology in maintaining and improving its properties. In completing the rehabilitation of the Keene Affordable Housing Properties, the KHA used “Energy Star” standards when selecting appliances, electrical fixtures and any equipment consuming energy.
- Engaged in regular organizational and staff development initiatives to accommodate the shifting paradigm of how we serve residents and the community.

C. 2010 Operating Goals

Spectrum Housing Choices

Even beyond the MTW demonstration program, the KHA strives to expand housing options. Merging the flexibility of the MTW demonstration with local housing and service programs has expanded housing choices for Monadnock region residents over the past 10 years. The 2010 operating goals continue that process. This section will focus on how the KHA has achieved those goals in the past year.

Complete the rehabilitation of the Keene Affordable Housing Properties. (KAHP)

The rehabilitation of the units in Keene Affordable Housing Properties (KAHP) progressed evenly throughout the year with good progress being made each quarter. The development team estimated KHA needed approximately 60 vacant units to accommodate temporary relocations. As the year progressed the temporary relocations went very well, with tenants being accommodated and moved back into the new units as they were ready. The KHA was very sensitive to the disruption that this relocation causes in a family and had strong staff support to help the tenants through the process.

By the end of the year, the General Contract for North and Gilsum and Forest View was completed. Harper Acres still had two buildings which needed to be completed with 8 units each. All of the completed units were occupied, the project came in under budget and we anticipate that the Harper Acres construction will be completed by the end of June 2011 and expect to close the construction financing by June 30, 2011.

Keene Housing Authority Agency Operating Goals For 2010

- Complete the rehabilitation of the Keene Affordable Housing Properties. (KAHP)
- Maintain and preserve KHA’s existing affordable housing portfolio
- Improve administrative efficiency of the KHA
- Identify region’s housing needs, specifically the needs of special populations, and foster and pursue collaborations to fulfill these needs
- Provide supportive services for KHA’s residents to foster independence and successful tenancy while empowering residents to take ownership of and investment in their neighborhoods

Maintain and preserve KHA's existing affordable housing portfolio

Our Central Square Terrace (CST) property was in need of both window replacement and roof repair. These were completed by the end of the third quarter of the year. The property was also in need of a rent increase to keep it operating effectively. KHA submitted a budget based rent increase to HUD and after supplying some additional information that HUD requested the request was approved. Even with the rent increase, the property is still in need of an influx of capital. Capital Needs Assessments (CNAs) were updated for all properties where the update was more than 5 years old. An RFP was published for sale of Chamberlain Block and a P&S Agreement was executed between KHA and the buyer and the sale was completed in the third quarter.

During the last half of the year, planning for Wedgewood property rehabilitation was well under way and partial funding committed. During the second half of the year the KHA was actively involved in project planning for the rehabilitation of Cheshire Homes.

Improve administrative efficiency of the KHA

The Section 8 Tenant Based Coupon Program was successfully converted to Tracker Systems software on January 1, 2010. The accounting software conversion was moved to the end of 2010 so that we could finish 2010 on one system and start 2011 on the new, Boston Post, system. A just-in-time inventory system and maintenance purchasing controls were fully implemented. This allows for both better monitoring of inventory and reduces the cost of the inventory being held. The Property Management and Maintenance teams meet regularly to coordinate work items, turnovers, and inspections.

The KHA maintenance staff and the KHA itself are now Lead Based Paint removal certified. A new HQS initiative was proposed as a part of the 2010 MTW Plan. Staff is utilizing the property management MIS, Boston Post, with greater efficiency.

To assist us in greater operational efficiency, a reorganization plan was developed and new staff was hired for key positions. Property and Services departments were separated and reorganized. Staff training and cross training continues on an ongoing basis.

Identify region's housing needs, specifically the needs of special populations, and foster and pursue collaborations to fulfill these needs

During the past year the KHA actively participated in the local Homeless Coalition to identify and address the needs of the region's homeless population. This was an opportunity for KHA to work with other organizations concerned about the issue. A CDBG 2nd Chance grant was submitted for Southwestern Community Services (SWCS) to provide housing for offenders being released on parole. This grant was funded. An internal committee was established to analyze and establish priorities for use of Section 8 tenant based vouchers. The KHA Section 8 waiting list now has approximately a 6.5 year wait.

CitySide housing at the Railroad Yard began construction. A proposal to project base more KHA units was submitted to HUD as a part of the 2011 MTW plan and later approved. This will help to stabilize the number of permanently affordable properties in the region and help KHA to better serve the very low and extremely low income program participants we serve.

Provide supportive services for KHA's residents to foster independence and successful tenancy while empowering residents to take ownership of and investment in their neighborhoods

KHA established a committee to review and evaluate the needs of Congregate Program participants and later in the year a request was made to the State of New Hampshire for matching funds. An application was submitted to HUD to fund 2 Resident Services Coordinators for families in the MTW program and subsequently funded. KHA submitted an application for 2 AmeriCorps volunteers which was funded and a grant application for the EPA Healthy Homes Initiatives in partnership with NH Department of Health and Human Services (DHHS).

The Relocation Specialist was active in the design of KAHP and Wedgewood units and has been very helpful to those families who were required to relocate as a result of the rehabilitation projects. KHA applied for and received from HUD 100 new Section 8 Vouchers for non-elderly persons with disabilities. The vouchers will be leased-up evenly throughout the year in 2011, with all vouchers being leased by the end of 2011.

In partnership with the Keene YMCA, the KHA started a daycare operation at the Forest View property. A staff person was hired for our "Building Bridges" after school program.

Promote and increase awareness of KHA's mission, programs, services, initiatives & activities

In 2010 the CEO authored and proposed small PHA reform plan through the Public Housing Authorities Directors Association (PHADA), in partnership with the National Association of Housing and Redevelopment Officials (NAHRO). This article was widely distributed to the field organizations, policy staff at HUD and elected officials. KHA's new website is now open with many pages still under construction. Additionally, quotes have been solicited for development of communication plan including a new logo and marketing materials for KHA.

Collaborations with the Keene YMCA and ACCESS for daycare and afterschool programs at our family sites was negotiated and approved. KHA's smoke free housing policy in all the units owned and managed by the KHA in partnership with the Dartmouth Hitchcock Cheshire Medical Center (CMC) and Breathe NH was implemented and has been very successful. The Railroad Yard development is generating a positive image of the KHA as an active partner in helping Keene grow successfully with both participation in funding and the development of the property.

A new KHA newsletter has started publication to keep our tenants and program participants better informed about the KHA, good housing practices and other useful information. Presentations were made on WKBK radio and articles were released to the local newspaper, the Keene Sentinel. KHA is participating in Vision 2020 sponsored by the Dartmouth Hitchcock Cheshire Medical Center, which is designed to promote the healthy community for which we all strive.

Section II. General Housing Authority Operating Information

A. Housing Portfolio

Section 8			
Program	Units Allocated	Project-Based Units 12/2010	
Moving To Work (MTW)	587	294	
Mainstream-5 (MS)	50	0	
Non-Elderly/Disabled (NED)	100	0	
Special Programs - Conventional, HOME Like			
Main Developments	Number of Units	Housing Type	Description
Keene Affordable Housing Properties (KAHP)*	213	Family/Project-based subsidy	Range of units and building styles from efficiencies to 4 bedrooms – 14 accessible units
Cottage St. (managed, not owned)	3	Family	2 and 3 bedroom units – 3 accessible units
Multi-Family Section 8 New Construction			
Meadow Road	18	Family	2 and 3 bedroom townhouse style units – 2 accessible units
Wedgewood Duplexes	30	Family	2 and 3 bedroom duplex units
Central Square Terrace	90	Senior and Disabled	Efficiencies and 1 bedroom units in high rise with elevator – 9 accessible units
Low Income Housing Tax Credit			
Riverbend (Includes HOME Units)*	24	Family/Project-based subsidy	2 and 3 bedroom townhouse style units – 2 accessible units . Heat and hot water (propane) are included in rent. Tenants pay electric for cooking and other electric. Full basements, washer/dryer hook-ups in each unit.
Evergreen Knoll (Includes HOME units and USDA Subsidy)	32	Family	2 and 3 bedroom townhouse style units – 4 accessible units
Stone Arch Village Senior Housing*	33	Senior/Project-based subsidy	1 and 2 bedroom units in high rise with elevator – 3 accessible units . All utilities included in rent. On-site meals program. 27 units must be rented to person with at least one adult age 55 or older in the household.
Stone Arch Village Family Housing*	24	Family/Project based subsidy	2 and 3 bedroom townhouse style units – 2 accessible units . Utility allowance for electricity. Private back patios, 1.5 baths in 3-bedroom units. Heat is propane.
Total Units Section 8 Portfolio		737	
Total Units Residential Portfolio		467	
Total Accessible Units Residential Portfolio		39	
Total Units Project-Based Subsidy Residential Portfolio		294	

Figure 2 *Designates Properties Utilizing Project Based Coupons

KHA's Section 8 MTW Coupon allocation includes 587 Section 8 Coupons, of that 294 (50%) are project based in KHA owned properties as of 12/31/2010.

Keene Affordable Housing Properties (KAHP) Occupancy

The Keene Housing Authority owns and manages 467 units of housing. 228 of these units were operated as Public Housing. Fifteen of the Public Housing scattered sites units were sold in June 2009 in accordance with KHA’s approved Disposition Plan. Ownership of the remaining 213 units transferred to the Monadnock Affordable Housing Corporation (MAHC), KHA’s 501 (c) 3 affiliate organization, when the Disposition was concluded in September of 2009. The properties and units are now called the Keene Affordable Housing Program (KAHP) instead of Public Housing. As of the end of September 2009, Keene Housing Authority no longer operated a Public Housing program.

As of December 31, 2010 the KHA had completed rehabilitation of 72 units and there were still 40 units remaining to be finished. The units included under the contract of the original general contractor will be completed by June of 2011. Sixteen units are being rehabilitated with the Keene Housing Authority serving as the general contractor and they will be completed by March 30, 2011. We anticipate that all units will be completed by June 2011.

Occupancy Trend Report for Keene Affordable Housing Properties 12/31/2010

Property	J	F	M	A	M	J	J	A	S	O	N	D	Avg
Bennett Block	88%	88%	88%	94%	94%	100%	100%	100%	100%	100%	94%	94%	95%
Harper Acres	72%	73%	72%	72%	72%	72%	77%	77%	75%	74%	74%	74%	74%
Forest View	59%	56%	56%	64%	64%	67%	67%	64%	67%	67%	67%	72%	64%
North/Gilsum	43%	43%	47%	47%	47%	57%	60%	77%	77%	80%	80%	83%	62%
Scattered Sites	100%	100%	100%	95%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Average All KAHP Properties													74%

Figure 1

+ Keene Affordable Housing Properties
 Modernizing the Properties - Work Completed in 2010

Harper Acres

- New windows, roofing and siding were replaced
- Created 6 fully accessible units
- Converted studios to 1 bedroom units
- Bathrooms and kitchens were modernized, including new stoves and cabinets.
- Flooring was replaced
- Improved the bathroom ventilation and air circulation
- New heating units were installed where needed
- Replaced light fixtures



Forest View

- Roofing and siding were replaced*
- Created 2 fully accessible units
- Kitchen cabinets, counter tops and sinks were replaced
- Unit interiors were painted
- Improved bathroom ventilation and air circulation
- Replaced range hoods and stoves
- Replaced light fixtures
- New heating units were installed where needed



Lessons Learned –
Materials need to be ordered earlier in the process.

**Note – The original plan called for windows to be replaced at Forest View and North and Gilsum. The final budget did not allow for this.*

North and Gilsum

- Roofing and siding were replaced*
- Created 2 fully accessible units
- Replaced kitchen cabinets, counter tops and sinks
- Painted the interior of the units
- Improved bathroom ventilation and air circulation
- Replaced range hoods and stoves
- Replaced light fixtures
- New heating units were installed where needed



Challenges – *Time, weather, contractor problems, work force shortage, keeping to schedule*

Moving to Work (MTW)

KHA created the Housing Assistance Coupon program (HAC) in 2000 as an alternative to HUD’s Housing Choice Voucher program (HCV). All of KHA’s Section 8 assistance, with the exception of the 50 Mainstream Vouchers, is administered under the MTW program as a HAC or project-based coupon (PBC), including the newly allocated Non-Elderly Disabled vouchers. Housing Choice Vouchers administered in the KHA owned and managed LIHTC properties of Riverbend, Stone Arch Village Family, and Stone Arch Village Senior were converted to Project-based Coupons (PBC) in November 2010. Some of the tenant-based subsidy administered under MTW still follows traditional HCV rules because the household was “grandfathered” at MTW inception. These HCVs are converted to HACs when the family chooses to move from the ‘grandfathered’ unit to another private market unit. Regardless, they are still considered part of the Section 8 MTW allocation.

KHA’s December 2010 Voucher Management System reports utilization of 509 MTW coupons.

Demographics of Section 8 Tenants 12/31/2010	
Total Households	524
Income Levels	
30% ELI	58%
50% VL	32%
80% L	10%
Family Type	
Families w/Children	24%
Elderly	32%
Disabled	49%
Ethnicity	
White	100%
Hispanic	0%
Black	0%
Asian	0%
A. American	0%
	Fig.5

Figure 3

Mainstream-5 (MS)

KHA has operated the Mainstream Housing Opportunities for Persons with Disabilities HCV program for over 10 years. Extensive partnerships with local social services agencies brings direct support and services to families receiving vouchers from KHA; such as live-in aides, resources for physical alterations to apartments, case management, therapy, service coordination, respite care, transportation, nursing and personal care support. Through information sessions and issuance briefings, connection to the agency is made directly available to the client.

Non-Elderly Persons Disabilities (NED)

In July of 2010, KHA submitted its application to HUD for Category 1 voucher funding under the Rental Assistance for Non-Elderly Persons Disabilities NOFA. Based on its current allocation, KHA was eligible to request up to 100 vouchers. Applicant eligibility criteria included PHAs currently administering a voucher program and who also met threshold criteria related to PIC reporting, SEMAP leasing indicator, unresolved management findings and litigation. October 1, 2010, brought the good news that KHA was awarded the maximum number of vouchers for which it was eligible. The NOFA language allows the vouchers to be administered in accordance with MTW agreements unless MTW provisions are inconsistent with the appropriations act or requirements of the NOFA. However, the NED funds are not eligible for fungibility under the MTW agreement. While the KHA

intends to administer the NED vouchers as income-based coupons under its MTW approved rules, it will only use the NED funding to administer the NED coupons and not to support the other MTW program efforts. This incredibly valuable resource will help ease the burden on this population, who are already faced with many challenges in daily living and nicely complements the work we are doing in the MTW Program.

Conventional, CDBG, Multi-Family, LIHTC

KHA's owned and managed properties are a mix of programs and funding sources. The KAHF project utilizes conventional financing and project-based subsidy. Income eligibility criterion is restricted to 80% of MAI. Subsidy is calculated using either the income-based method for elderly/disabled households using HUD's standard formula of 30% of tenant's monthly adjusted gross income or the step subsidy method.

The Multi-Family portfolio is governed through HUD and income eligibility is restricted to 50% of the MAI at Central Square Terrace and Wedgewood, and up to 80% MAI at Meadow Road (HUD 4350 Rev 1 Chg 2, 3.6.D.1.c). Tenant portion of rent is calculated using standard HUD formula of 30% of tenant's monthly adjusted gross income.

Remaining properties are financed through state tax credits, USDA, HOME and CDBG sources and governing regulations are dictated by the funding source/s. Riverbend, Stone Arch Senior and Stone Arch family are LIHTC properties. The units at these properties receive project-based subsidy. Riverbend and Stone Arch Senior also contain HOME units. Income eligibility criterion is restricted to 50 and 60% of MAI. Rents are based on the unit size with limits restricted by the LIHTC and HOME programs. Evergreen Knoll is subsidized through USDA. Rents are based on unit size and are restricted by the LIHTC and HOME programs. Income eligibility criterion is restricted to 50 and 60% of MAI.

KHA also owns and manages approximately 28 commercial spaces disbursed among several different properties in Keene. Most of these spaces are rented to local non-profit agencies providing essential services to residents of the KHA.

KHA has contractual affiliations with two local non-profit housing organizations. In the case of Cheshire Homes, KHA has a contract to manage the properties and reports to the Cheshire Homes Board of Directors. In the case of Cheshire Housing Trust, KHA has a contract to provide the services of an Executive Director who is a KHA employee; it also provides after-hours emergency maintenance services by the same contract.

B. Leasing Information (Section 8)

In November of 2010, KHA project-based 81 units in LIHTC properties, bringing total project-based units to 294, or 50% of its 587 unit allocation.

The demographics of MTW participants have changed over the duration of the program. There used to be an even distribution of coupons among families with children and elderly and disabled households. A higher percentage of elderly and disabled households now constitute the tenant

Section 8 Utilization Report for 2010												
PROGRAM	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec
Homeownership	12	12	12	12	12	12	12	13	13	13	13	12
MTW	472	473	478	478	474	475	486	490	495	491	503	509
Mainstream	53	53	53	50	49	49	48	48	50	50	49	50
2008 & 2009 Non-elderly Disabled	0	0	0	0	0	0	0	0	0	0	1	5
Tenant Protection	17	16	14	15	15	14	13	13	13	12	10	10
Voucher Allocations												
MTW	587	587	587	587	587	587	587	587	587	587	587	587
Mainstream	50	50	50	50	50	50	50	50	50	50	50	50
Non-Elderly Disabled	0	0	0	0	0	0	0	0	0	100	100	100
Total	587	687	687	687								

Figure 4

population. This is due to higher attrition rates among the families than elderly or disabled. Since the current tenant demographics also reflect the demographics on the waiting list, it may not be a problem but a reality of the need in the region. Keene Housing Authority continues to explore the housing needs of the region. As probably is true across the country, there is a growing need for housing for the disabled veteran and homeless populations. KHA staff continue to participate in the Homeless Coalition in Keene to identify and help respond to the housing needs for homeless people.

Managing multiple subsidy programs has forced the KHA to develop new ways of thinking and processes that put policies and procedures in place that reduce the burden of oversight and reporting. Department reorganization and revisions to job descriptions to address our unique needs, has helped to more effectively utilize available resources and has promoted better efficiency in program administration, data gathering and file organization processes. Establishing and maintaining consistency in administrative guidance documents such as the MTW Administrative Plan, Leases, Tenant Selection Plans, and Occupancy Rules and Regulations has been challenging, as well as time consuming, with the limited resources available to a small agency. Staff must learn to navigate two database systems to effectively manage KHAs MIS, due to the limited availability and cost associated with obtaining a product that can meet both our property management and MTW needs. In administering the NED coupons, some of the eligible households on the Section 8 waiting list reside in KHA owned units, which may initially result in higher turnovers, turnover costs, and additional administrative burden on staff resources. Looking into the future, KHA will need to continue to look for ways to adequately identify and monitor the various program requirements to ensure regulatory compliance within an industry requiring a multitude of reporting and oversight requirements.

C. Waiting List Information

KHA operates a MTW waiting list, Mainstream HCV waiting list, and site-based waiting lists for KAHF, Multifamily, and LIHTC properties. The NED coupons are issued from the MTW wait list.

Approximate Waiting List Times as of 12/2010			
Waiting List	Current		Current Length
	Households		
Mainstream	156		3 yrs
MTW	384		6.5 yrs
KHA OWNED AND MANAGED			MIN BASED ON BEDROOM
KAHP	347		6 mo 4 yrs
Multifamily Section 8	189		6mo 2 yrs
New Construction			
LIHTC	275		1 yr 4 yrs

Figure 5

Demographics on the Section 8 waitlists have remained largely the same in regard to income levels and ethnicity. There has been some change in the breakdown of family types. 60% of the waitlist consists of elderly or disabled households.

Demographics of Applicants on the Section 8 Waitlist 12/31/2010		
Total Households	424	
Income Levels	# of HHs	% of HHs
30% ELI	287	68%
50% VL	102	24%
80% L	35	8%
Family Type		
Families w/Children	151	36%
Elderly	82	19%
Disabled	172	41%
Single/Non-elderly or disabled	19	4%
Ethnicity		
White	411	97%
Black	1	0%
American Indian/Alaskan Native	7	2%
Asian	4	1%

Section III. Non-MTW Related Information

Reporting in this section is optional.

A. Homeownership Program

The Heading for Home Program (H4H) offers eligible participants the option of buying a home with mortgage payment assistance through the Section 8 Housing Assistance Coupon (HAC). Eligible applicants for H4H must be eligible for a HAC. H4H participants are required to participate in the Homeownership Seminars facilitated by Cheshire Housing Trust, a HUD approved homeownership counseling agency. Cheshire Housing Trust also administers Individual Development Accounts (IDA), which serves as an additional resource for those who want to save money for homeownership. Participants are required to participate in counseling sessions and financial management workshops. Participants receive a match from the IDA program up to certain limits for contributions they make to their savings accounts. The money can then be used for eligible homeownership expenses.

KHA used its' MTW authority to permit households who graduated from the Resident Self-Reliance program to remain eligible for a flat rate of assistance if they were over the income limits but below 140% of the AMI. The purpose was to provide an incentive and reward for RSR families who were successful in the program. KHA didn't want to penalize families who were able to increase their income during the program by denying them homeownership vouchers.

KHA has been administering the Heading for Home homeownership program for five years. The highest participation to date is 13 homeowners; there were 12 participants in the program as of 12/31/2010. Program enrollment has been level since 2008. Two families voluntarily left the program in 2010. The first family was able to sell their home to pursue better employment opportunities out of state. The second informed KHA that due to the deteriorating condition of the home and consequent repair expenses, combined with the loss of employment, the family could no longer afford the home. This led the family to default on their mortgage and move from the premises. This family had been struggling for 5-months before KHA was made aware of the family's circumstances. Our experience has shown us that earlier intervention is more likely to resolve a problem successfully.

Given that and feedback from participants in 2010 the KHA identified several families who were struggling to meet the expenses of homeownership due to loss of employment/changes in household composition, unanticipated repairs, and higher fuel costs. As stated in the 2010 Annual Plan, KHA implemented a policy change which allows families to request an interim reexamination when household circumstances change. In these instances, the subsidy was converted from flat rate assistance to the income-based calculation. In December 2010, KHA staff met with the Housing Counselor for Cheshire Housing Trust to brainstorm possible post-purchase education/support sessions for new homeowners. While Cheshire Housing has held post purchase educational sessions in the past, historically, new buyer participation has been low. We plan to continue working with the Cheshire Housing Trust to get more families into this program and

hopefully find creative ways to avoid circumstances which force families into foreclosure. While foreclosure **cannot** be prevented in all cases, it is far more likely that we will find a successful resolution if the problem is identified early.

Seven families are former Resident Self-Reliance participants. Two families are former Public Housing tenants. Two families are disabled. Three families receive a flat rate subsidy; the subsidy for the remaining families is calculated using the income-based method.

Families Achieving Homeownership					
2005	2006	2007	2008	2009	2010
0	5	6	1	1	1

Figure 6

B. Youth Services

KHA executed a Memorandum of Understanding with the Keene Family YMCA in November of 2010, bringing before and after school day care services to the KAHP family properties. In exchange for facility use, the YMCA provides free day care slots to families residing at the properties. The slots are filled on a first come, first served basis. All children, regardless of their enrollment in the daycare, receive a free membership from the YMCA. Families will be surveyed near the expiration of the MOU in 2011 to help guide future programming.

KHA was able to re-hire a Youth Services Coordinator (60% FTE) with \$19,000 from the Cheshire County's Division of Children Youth and Families Incentive Fund Program (DCYF) awarded in November of 2010, an increase of \$4,000 from the previous year. This has enabled KHA to again offer drop-in after school programming to youth ages 5 to 18 residing at the KAHP family properties. Regardless of future grant funding, KHA is committed to funding this position in the future. Staff continue to brainstorm on possible sustainability plans.

The BUILDING BRIDGES program uses several strategies to influence youth development, family and community to prevent juvenile delinquency. On average about 25 youth are served by the program annually. The program operates from the Family Activity Center located at the North Street family property. The center has been the hub of the community, attracting and encouraging positive interaction with all youth, adults and staff. Program components include:

- Daily after-school and summer program for youth ages 5 through 10 (open to all youth up to age 18)
- Life skill workshops for teens and adults
- Community events and improvement projects

All families that move to either Forest View or North Street are automatically referred to the Building Bridges Youth Services programs by Keene Housing Authority staff. The Building Bridges program is integrated with the Resident Self-Reliance program for adults so all members of the family are served. After a family has signed the lease, they are required to participate in the RSR

assessment that identifies the family's assets and risk factors associated with the following categories:

- Employment
- Financial management
- Parenting and Family Planning
- Education
- Wellness
- Household management
- Interpersonal skills

The family then creates a plan to develop their skills to achieve competency in each of these areas for a three year period. The plans outline specific steps they must take within a given quarter to make progress in achieving the competencies. The plan includes required skill development activities they must complete in order to achieve a competency. Adults participate in group quarterly goal meetings to discuss and problem-solve ways to overcome obstacles in meeting their goals. Participants benefit from not only the facilitation and knowledge of the Resident Services Coordinator but they also benefit from their peers. Participants are likely to listen to others who are experiencing similar situations, offer advice and support and gain self-confidence when they have the opportunity to share an idea, offer advice or help someone problem solve and find themselves in an 'expert' role.

The Youth Service Program's main focus is to serve youth ages 5 through 10, but youth up to age 18 may participate. Many teens are able to participate as volunteers, in the program. Middle school age youth are referred to the local MANY Options program by staff; all fees are paid by Keene Housing Authority.

BUILDING BRIDGES Youth Services Program seeks to build community connections by offering events that encourage positive interactions and build a sense of ownership and responsibility. Youth coordinate community service events focusing on their neighborhood such as community beautification projects, cooking and delivering meals for families. The Family Activity Center hosts family events, and meals at the activity center are cooked and prepared by youth and parent volunteers.

Daily homework labs facilitate academic assistance and encourage youth to complete their school assignments in an organized and efficient fashion; thereby developing positive and productive attitudes towards education. Volunteers from Keene State College help facilitate daily homework labs.

With the KHA Building Bridges programming and the implementation of the YMCA program, the agency is well on its way to meeting long term youth and family services goals.



C. Family Planning Collaborative

KHA and other social service and health care providers recognized that unintended pregnancies (which result in about half of the births in the United States) are a major threat to the health and financial well being of children and families. They are also responsible for enormous social service and health costs. These agencies formed the FPC to coordinate their education and case management efforts.

With limited funding, the FPC:

- Keeps records of pregnancy intentions and other characteristics of women giving birth at Cheshire Medical Center .
- Provides education and support to social service providers to help them discuss family planning and birth control. Also provides educational materials.
- Coordinates efforts with Dartmouth Hitchcock and Planned Parenthood to provide birth control education.
- Provides free condoms in some social service restrooms.
- Provides birth control education at KHA's transitional housing programs and other sites.

KHA staff meets twice a year with other social service providers to address issues relative to family planning and train staff.

Section IV. Long Term Vision for KHA's Moving to Work Program

Keene Housing Authority's long term vision for the Moving to Work Program includes preservation of affordable housing and services for residents. Flexibility granted under MTW is critical in helping KHA maintain affordable housing options for applicants. KHA has been able to increase the number of affordable housing units in the Monadnock region by coupling Section 8 assistance with other affordable housing programs managed by local non-profit entities. KHA's ability to create alternatives to the regulations governing Project-Based Coupons is critical in developing and prioritizing partnerships with non-profit housing providers that would otherwise not be feasible or result in conflicting program regulations. The PBCs also allows KHA to maximize the impact of its subsidy dollars by designating them in units where rents are already restricted for households with very low to extremely low-incomes. Project-Basing the coupons results in affordable rents for the tenant and provides a stable source of revenue for affordable housing entities. KHA will continue to evolve the Housing Assistance Coupon and use of Section 8 funds to adapt to the housing needs of the region. As an MTW agency, KHA has the ability to request a change in policy, in cooperation with local stakeholders, more expeditiously than policies are changed on a federal level. This allows KHA to adapt more swiftly and efficiently to rapid changes on the local level.

Keene Housing Authority's mission supports the integration of services, as a critical component, in the successful management of housing operations. However, as operating budgets are tight and grants limited, it has become increasingly difficult to fund services. Determining the level and types of services KHA can offer, while weighing affordability, is an ongoing and ever changing process. KHA has been innovative in its partnership with local social service agencies but these partnerships often require a monetary contribution or fee for service provided to the resident. Staff is working on developing a sustainability plan to preserve service coordination for residents and expand it to other properties owned and managed by the Keene Housing Authority. KHA's two Resident Services Coordinator positions are funded by HUD through the Housing Choice Voucher/Family Self Sufficiency grant. The Youth Services Coordinator position funding is supplemented by a grant from DCYF. KHA's focus in 2010 was completing the KAHF renovations and getting families relocated to their permanent units. RSR participants were granted exemption from program requirements to allow families to adjust to the relocation and the disruption the construction project brought to their communities. Resident services were limited to referrals and case by case management on an as needed basis. Full programming will resume in 2011.

Keene's Moving to Work Vision

- Preservation of housing
- Affordability for residents
- Permanency and availability of housing
- Flexibility to meet local and changing needs
- Easily accessed and efficiently delivered services
- Emphasis on resident self-sufficiency and independent living
- Collaborative service delivery
- Green and energy efficient housing

Section V. Proposed MTW Activities

All activities proposed in the Moving to Work Annual Plan for 2010 were implemented and are included in *Section VI. Ongoing MTW Activities*, as required by Attachment B of the MTW Agreement. Proposed activities in 2010 included the following Initiatives:

- A. Alternative Recertification Schedule
- B. Resident Self-Reliance Program (RSR)

Section VI. Ongoing MTW Activities

A. Project-Based Coupons

(This section was titled Project Based Vouchers in the plan, but HUD has requested we not use Coupon and Voucher interchangeably, because they are not the same.)

Statutory Objective(s): Increase housing options
Baseline: Zero PBC units as of 1/2009.
Benchmarks: 213 units of PBCs by 12/2010
Measures: Number of housing units added to PBC inventory; Supplemental measures: Income distribution of Section 8 tenants; Average time spent on the waiting list; Number of coupons issued vs. utilized
Plan Year Proposed: 2008
Plan Year Implemented: 2008 Annual Plan

The ability to determine the policy to select owners and percentage of project-base vouchers created an important opportunity for housing authorities in the MTW program to increase the number of affordable housing units in their communities. KHA has designated properties managed by partnerships of which KHA is a part to receive a portion of the project-based vouchers. A majority of the Project-Based Vouchers have been placed with the Keene Affordable Housing Project. As of December 2010, 208 units were leased with Project-Based Coupons. The KAHP properties utilize the majority of the PBCs at 127 units. Low Income Housing Tax Credit (LIHTC) properties owned and/or managed by KHA comprise the remaining 81 units, where tenant-based coupons were formerly in use.

Evaluation

Number of housing units added to PBC inventory in 2010:

208 Project-based coupons have been utilized as of December 2010. Unanticipated construction delays with the KAHP properties resulted in a higher number of vacancies at year end than was initially anticipated. 62 families were leased up in project-based units in 2010.

Program	PBC Units Leased 2009	PBC Units Leased 2010
KAHP	0	127
LIHTC	0	81
Total		208

Figure 7

Income Distribution of Section 8 tenants:

Income Distribution of Project-based Coupons in 2010	
	Percentage of Households
Extremely Low Income	41%
Very Low Income	53%
Low Income	6%
Total	100%

Figure 8

Total percentage of very low and extremely low admissions in 2010: 94%

Average Time Spent on Waitlist:

PBC waitlist times increased in 2010 from the overall average of 6 months - 4 years to 1.5 years - 4.75 years. The increase is attributed to construction delays. Time spent on the waitlist is expected to decrease and level out at the average in 2011 as construction is completed.

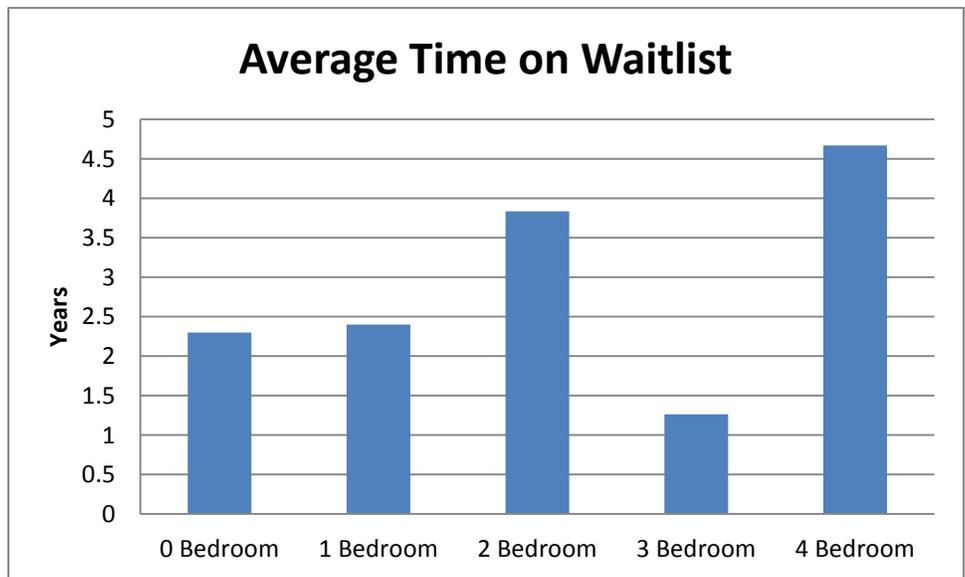


Figure 9

Number of Coupons Issued vs. Utilized:

100% of coupons issued in 2010 were Project Based Coupons (PBCs) and were utilized by eligible applicants from the waitlists.

Data Collection: Data will be maintained in the MIS Tracker Systems (as of 1/1/2010 implementation date) which is used to administer all of KHA Section 8 coupon and voucher (Mainstream) programs.

Authorization (s): Attachment C. Section D.7 Establishment of an Agency MTW Section 8 Project-Based Program. 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 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 they owned units subject to any required assessments for voluntary conversion. This authorization waives certain provisions of Section 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. Housing Assistance Coupons (HAC) Stepped Subsidy

(This section was titled Housing Assistance Coupon in the plan. The title was changed to be more descriptive of the activity.)

Statutory Objective(s): Incentive for self-sufficiency; Increase cost effectiveness/efficiency

Baseline: 100% voucher utilization or 359 vouchers in 2001. 47% of MTW households employed in 1999; 29% MTW households exiting program in 2004 evicted for non-payment of rent; \$26,000 in administrative expense 2010

Benchmarks: 20% Reduction in administration costs, 12/2011; Increase of 15% in share of households working, 6/2012; 10% or less of households exiting the program due to program termination for non-payment of rent, 12/2011; 98% coupon utilization, 12/2011.

Measures: Increase in number of households served and vouchers utilized; Increase share of households working; Number of households leaving program due to eviction for non-payment of rent or rent burden

Plan Year Proposed: Proposed in KHA's original application in response to 1996 RFP

Plan Year Implemented: Original MTW Agreement executed in 1999

The Keene Housing Authority provides Section 8 Voucher assistance, paid on behalf or directly to the household, in the form of a Housing Assistance Coupon. The HAC can be used to pay for rent in the private housing market. KHA calculates subsidy based on one of two methods; (1) Step subsidy method or (2) Income-based subsidy method. Elderly and disabled households are allowed to choose either the step subsidy method of calculation, which includes required participation in the Resident Self-Reliance Program, or the income-based method of subsidy calculation. All non-elderly/disabled households are required to participate in the Step subsidy method and Resident Self-Reliance Program.

The Step subsidy method provides a flat rate subsidy that is based on unit size and the number of years in the program. The subsidy is gradually reduced over a five year period. The first year's tenant portion of rent is determined by subtracting 20% of gross income (or welfare rent) from the VPS. If, when calculating the first year subsidy, a family's subsidy would be less than the 2nd step but more than the 3rd step, the subsidy would begin at the 2nd step (65% of the VPS) and remain at that step for three years. After 3 years, the subsidy would then drop down to the 3rd step (45% of the VPS) for as long as the family remains eligible. If the family's subsidy would be less than the 3rd step, the subsidy would begin at the 3rd step and remain at that step for as long as the family remains eligible. There is a minimum rent of \$50. The second and third step subsidies are based

on a percentage of the local Fair Market Rents. Utility rebates are not paid as part of the program as a minimum rent has been established.

Housing Assistance Coupon Program Subsidies Effective 1/1/2010

1 st Step (1 st year)	2 nd Step at 65% of FMR (2 nd year)	3 rd Step at 45% of FMR (4 th year)	Bedroom Size
Lower of Welfare rent or VPS - 20% of Gross Income	\$551	\$381	1 Bedroom
Lower of Welfare rent or VPS - 20% of Gross Income	\$690	\$477	2 Bedroom
Lower of Welfare rent or VPS - 20% of Gross Income	\$832	\$576	3 Bedroom

Figure 10

The subsidy is directly deposited into the family's bank account on the 1st of the month. The family is then responsible for paying their rent in full and on time. In the case of elderly and disabled households, they may choose to receive the subsidy directly or have it paid to the landlord as in traditional Section 8 HCV programs. The subsidy is paid to the tenant rather than the landlord to teach the participant to manage their money and serve as a regular reminder of the full cost of rent for their unit. It complements the goals of the Resident Self-Reliance program teaching financial responsibility and removing paternal overtones of program administration.

Upon a participant's entry into the program, landlords are sent letters detailing the family's obligation for paying their rent. In addition, the letter states that if the family does not pay the contract rent in full by the fifth of month, then the landlord should contact Keene Housing Authority who will work with the family to address issues preventing timely payment.

KHA has been operating the HAC Step Rent program for over 10 years. As previous reports and data have demonstrated, it has provided incentives for families to move to work. Families who are not working receive a strong incentive to gain employment and take advantage of the employment programs. Since the family portion of rent does not increase in the step subsidy program when their income increases, the family may use their savings to finance other costs of living necessities, reduce debt or build assets. The RSR program is designed to help tenants gain the personal financial management skills and knowledge to make decisions that best help them achieve their goals. These strategies help the family stabilize and advance their financial and employment base before the subsidy is reduced at years two and four of the program. Percentages of the Fair Market Rents upon which the subsidies are based remained level in 2010.

Cases of hardship are referred to the Safety Net program. The ability to adjust the percentages of the Voucher Payment Standard on which the step subsidies are based allows KHA to adapt the

program to changing economic circumstances and maximize the use of subsidy while maintaining rent affordability for participants.

Evaluation

Increase in number of households served and vouchers utilized:

At the end of 2010, 509 coupons were utilized out of a total allocation of 587 MTW coupons, a decrease of 10 coupons from FYE 2009. The utilization rate is lower than the number of vouchers allocated because there were vacant units not leased due to the rehabilitation of the KAHP units. Once the remaining vacancies are leased, utilization is expected to reach 587 units or higher. KHA continues to serve more families than at the start of the demonstration.

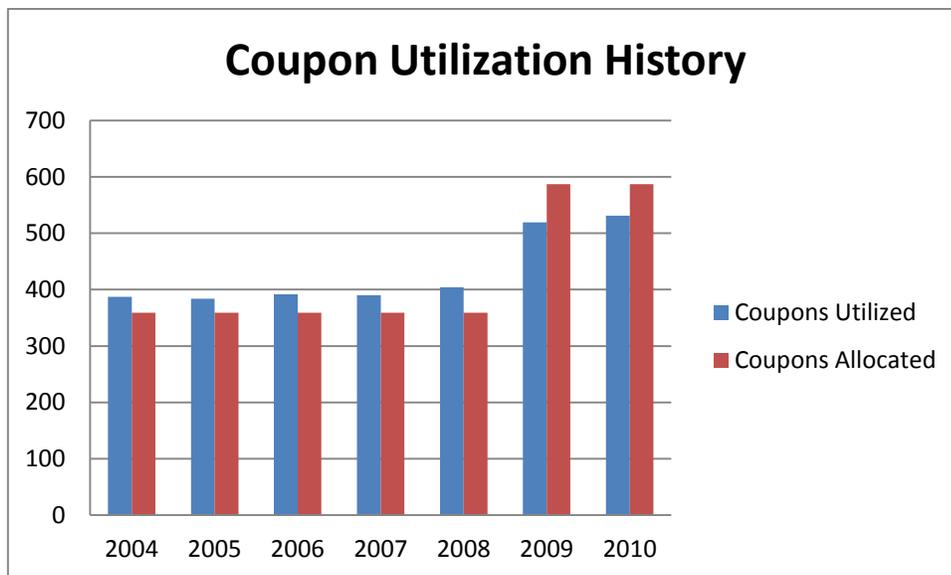


Figure 11

Figure 12, provides a comparison between FYE 2009 and 2010 of average HAP costs by bedroom size. HAP funds utilized in December of 2010 was \$404,476, including administrative expenses. Average HAP in 2010 was \$613, not including costs for administration of the coupons; an increase of \$20 from 2009. In 2009 KHA increased the percentages used to calculate Step 2 and Step 3 subsidy for RSR families from 55% and 35% to 65% and 45%, respectively. This change resulted in fewer families served, but those served received deeper subsidy. It also contributed to the increase in average HAP expense. Increases in contract rents in unit sizes with the most utilization have, and will continue to have, the most impact on HAP expenses.

Average HAP									
Bedroom	Coupons 2010	Coupons 2009	+/- Difference	HAP 2010	HAP 2009	+/- Difference	Contract Rent 2010	Contract Rent 2009	+/- Difference
SRO	8	9	(1)	\$316	\$302	\$14	\$514	\$514	\$0
0	42	48	(6)	\$461	\$505	(\$44)	\$690	\$771	(\$81)
1	204	225	(21)	\$528	\$505	\$23	\$796	\$771	\$25
2	146	165	(19)	\$619	\$624	(\$5)	\$949	\$932	\$17
3	111	101	10	\$785	\$756	\$29	\$1127	\$1092	\$35
4	11	13	(2)	\$969	\$999	(\$30)	\$1115	\$1382	(\$267)
Averages (HAP & CR)	522	561	(39)	\$613	\$593	\$20	\$1066	\$886	\$180

Figure 12

Increase share of households working:

2010 employment statistics show a decrease in families working either full-time or part-time from 2009; and an increase of 6% in unemployed families. This data supports KHA’s action of increasing the percentages of the VPS on which the step subsidies are based. The inference is that the deeper subsidy had a positive impact on families further demonstrated by a decrease in eviction for non-payment of rent or rent burden.

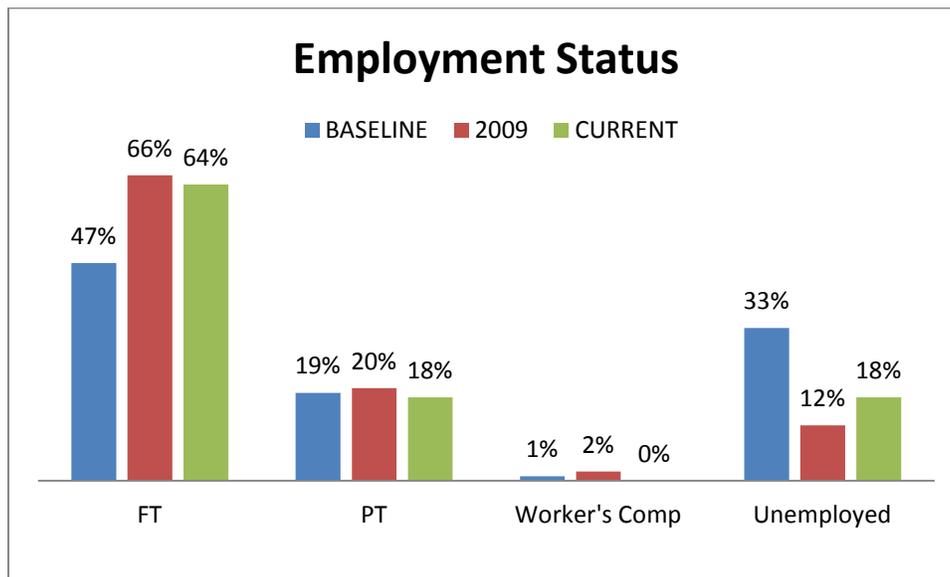


Figure 13

Number of households leaving program due to eviction for non-payment of rent or rent burden:

The rent burdens for Public Housing families in September 2009 at issuance of the project-based coupons were all at 20% (calculated as new admissions to the program). Over the course of 2010, all families experienced a decrease in subsidy from Step 1 to Step 2 (65% of VPS) resulting in most families with rent burdens in the range of 30% to 40%.

As stated in the 2010 Annual Plan, the increase in the percentage of the FMR on which the step subsidies were based meant fewer families would be served, but those served would remain stable in their housing. Fourteen families left programming in 2010. While evictions decreased by 11%, there was a dramatic increase in families, 5 of the 14, leaving for various medically related disability reasons.

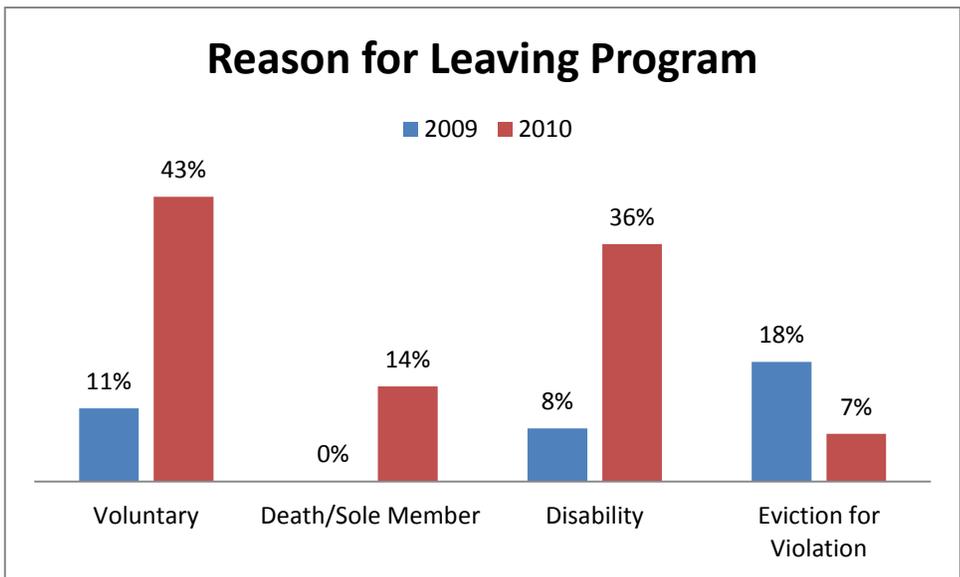


Figure 14

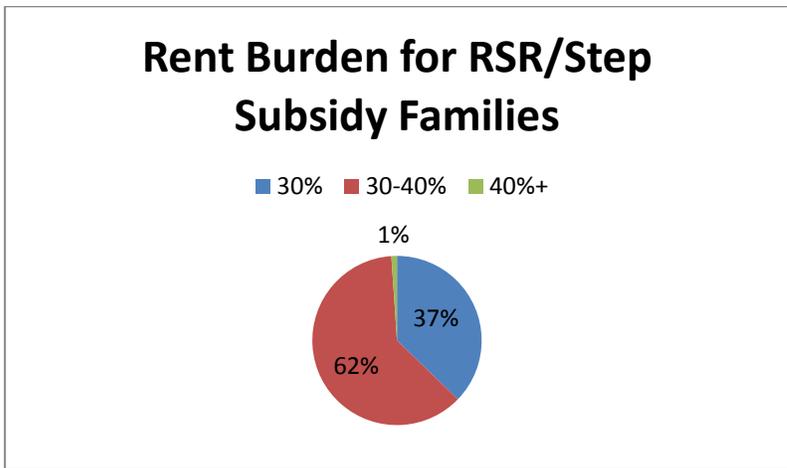


Figure 15

Safety Net Hardship Program

(The Safety Net Program was a separate activity in the plan, but based on feedback from HUD it has been incorporated into the HAC Stepped Subsidies activity, rather than being identified separately. This changes the section lettering (not the topics) from the plan from this point forward.)

The Safety Net program provides temporary relief to households experiencing a financial hardship. The Safety Net program allows participants to work off the additional subsidy by completing jobs for the Keene Housing Authority, following a payment arrangement, or requesting Keene Housing Authority allow an increase in subsidy for a specified period of time by conducting an interim adjustment.

Participants who work to pay off the additional subsidy receive an hourly credit toward the additional subsidy balance. Safety Net is not meant to take the place of full-time employment for the participants who are able to work. Participants are encouraged to find employment rather than use the Safety Net program. It is meant to be temporary assistance during times of economic hardship.

Information on the Safety Net program is distributed during lease-up and/or issuance and during annual certifications and self-certifications to remind housing recipients that they are entitled to apply for assistance.

Unemployment at 43% and decreased income at 36% remained the primary reasons families applied for financial relief through the Safety Net program in 2010. Medical/Health reasons reflect the most dramatic increase with a difference of 16% from 2009. This statistic can be compared to the increase in **Disability** as a reason for leaving the program (Fig. 15); as participants, who experience this type of hardship, after seeking initial relief from the SN program, may eventually move to housing that better accommodates the participant.

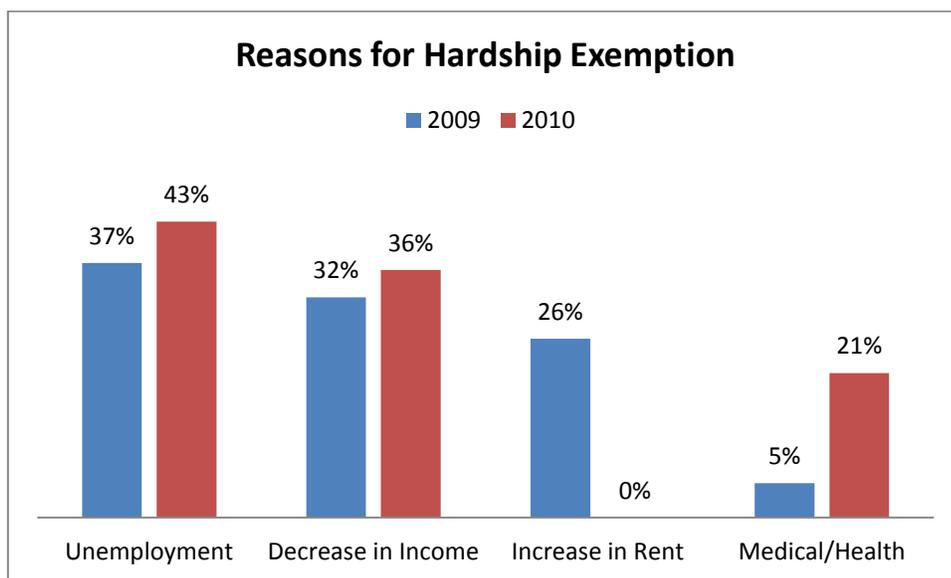


Figure 16

In 2010, 14 households requested subsidy adjustment (a decrease of 5 households from 2009) through the Safety Net program. The length of assistance provided to each household ranged from 1 to 2 months. Two requests out of the 14 were denied.

Safety Net Eligibility Guidelines

Anyone who receives assistance under the MTW program may apply for assistance through the Safety Net program. Applicants must meet all three of the following criteria to be eligible for Safety Net:

- In good standing with the Keene Housing Authority
- In compliance with the RSR program
- Income eligible: resident pays more than 30% of their monthly income toward rent

Once an applicant meets the basic eligibility criteria, the Safety Net Committee will consider additional criteria such as:

1. Applicant presents a valid, verifiable reduction in income by job loss, change in household composition of income earners or other extraordinary circumstances
2. Applicant has lost their job for good cause or is unable to work
3. Flat, Minimum or Step Rent Level is not affordable (more than 30% of the Resident's monthly income)
4. Extraordinary circumstances (such as an increase in qualified expenses)
5. Applicant applies by the 20th of the month prior to the month for which they are requesting assistance or within ten days of the effective date of their income or expense change (with exception of unexpected occurrences such as loss of job or illness).

Once an applicant has been accepted into the Safety Net program, they must sign an amendment to the Family Obligations Contract that adjusts their rent/subsidy for a specified period.

The intention of the Safety Net program is to provide a temporary hardship policy for participants who cannot afford to pay rent due to circumstances beyond their control. KHA understands that circumstances such as loss of job, death of a partner or other factors can create hardships that require additional assistance. Safety Net has also served as an opportunity for participants to develop job skills. Many of the participants who have been given a work assignment in exchange for rental credits have achieved employment through the Keene Housing Authority and other local businesses as a result of the skills and experience gained while participating in a Safety Net job assignment.

Safety Net is an indicator of the health of the rent reform activity. If KHA observes a large percentage of HAC Step Subsidy participants requesting or receiving Safety Net assistance, the agency would need to reevaluate its activities and external factors to determine if changes are necessary in its policies. The number of participants has been steady over the years with highest

participation in 2009 of 19 households. This will continue to serve as the benchmark as KHA monitors the number of Safety Net cases over the next year, especially as utility costs are shifted from landlords to the tenants.

Data Collection: Data will be maintained in the Section 8 MIS. Keene has traditionally monitored rent burdens of active participants over the years to evaluate this initiative. Keene will continue to monitor rent burdens, employment status, and local economic factors such as rents, utility costs, unemployment rates and costs of living as they impact rent affordability. Safety Net cases are tracked in an Excel spreadsheet. They are recorded as applications are received. The number of participants who request Safety Net, the reasons for their requests and the type of assistance received in Safety Net are monitored to track the impact of external factors and MTW policies.

Authorizations: Attachment C. Section D.2 Rent Policies and Term Limits.

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.

C. Eligibility Administration

Statutory Objective(s): Increase housing options

Baseline: 1 household achieved homeownership in 1999. See previous reports for baseline of income for new admissions

Benchmarks: 10 households achieving and maintaining homeownership, 12/2011; Maintain 75% of new admissions with incomes at or below the VLI, ongoing.

Measures: Number of households achieving homeownership; Number of households in KHA's Section 8 homeownership program; Income distribution of new admissions.

Plan Year Proposed: Proposed in KHA's original application in response to the 1996 RFP.

Plan Year Implemented: Original MTW Agreement executed in 1999 for Section 8. 2008 Plan Year for Homeownership

Plan Year Proposed: This was proposed in the original 1999 MTW agreement with the Homeownership program changes proposed in the 2008 Annual Plan

Plan Year Implemented: Implemented as part of the Original MTW Agreement Executed in 1999 for Section 8; Homeownership plan changes implemented in 2008

When the Section 8 Homeownership program was created in 2006, KHA realized that residents who progressed in the Resident Self-Reliance program and increased their incomes over 80% would be penalized by losing eligibility for the homeownership program. As a result, KHA used its MTW authority to permit households who graduated from the Resident Self-Reliance program to remain eligible for a flat rate of assistance if they were over the income limits but below 140% of the AMI. The purpose was to provide an incentive and reward for RSR families who were successful in the program. KHA didn't want to penalize families who were able to increase their income during the program by denying them homeownership vouchers.

In 2007, when the housing market and economy started to tremble, KHA needed to address foreclosure potential among this population of participants. A policy change was added permitting households who entered the program at the flat rate subsidy to request an interim re-examination if their income changed.

The Heading for Home Program (H4H) offers eligible participants the option of buying a home with mortgage payment assistance through the Section 8 Housing Assistance Coupon (HAC). Eligible applicants for H4H must be eligible for a HAC. H4H participants are required to participate in the Homeownership Seminars facilitated by Cheshire Housing Trust, a HUD approved homeownership counseling agency. Cheshire Housing Trust also administers Individual Development Accounts (IDA), which serves as an additional resource for those who want to save money for homeownership. Participants are required to participate in counseling sessions and financial management workshops. Participants receive a match from the IDA program up to certain limits for contributions they make to their savings accounts. The money can then be used for eligible homeownership expenses.

Evaluation

Number of households achieving homeownership:

One new household achieved homeownership in 2010. Participation in the Heading for Home program at the close of 2010 remained level at 12 households.

Income distribution of new admissions:

Income Distribution of New Admissions in 2010	
	Percentage of Households
Extremely Low Income	41%
Very Low Income	53%
Low Income	6%
Total	100%

Figure 17

Total percentage of very low and extremely low admissions in 2010: 94%

The KHA did, in fact, experience a utilization success rate lower than expected. However, we also believe that this was a temporary phenomenon caused by the conversion of our Public Housing Units to Keene Affordable Housing Properties (KAHP). As HUD is aware as a result of this conversion the KHA was able to generate approximately \$5,000,000 in funds to substantially rehabilitate these deteriorating units. This required units to be empty on a rolling basis in order to complete the rehabilitation. The KHA went to extraordinary lengths to make this process as smooth as possible for the tenants. We committed a full time staff member to work with the tenants on temporary relocation issues and ultimately returning to a newly rehabilitated unit when it was finished. This staff person worked on the logistics of the moves and attended to unanticipated issues that were created for the families by the relocation. This process required

the KHA to intentionally keep units empty during this process, in order to preserve the subsidy for the completed unit. As reported elsewhere, the work is substantially complete now and we no longer have to keep units empty. We are confident that next year's report will show a return to KHA's historically high utilization rates.

Data Collection: Data on new admissions is tracked in the Section 8 MIS. Data can be tracked separately for homeownership and Section 8 participants.

Authorization(s): Attachment C Section D.3. Eligibility of Participants. 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 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 otherwise in Section C.I. of the MTW Agreement are met. This authorization waives certain provisions of Sections 16(b) and 8(o) (40 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.

Authorization(s): Attachment C. Section C.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 include provisions for addressing hardship cases. This authorization waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(1) of the 1937 Act and 24 C.F.R. 5.603, 5.611, 5.6238, 5.630, 5.632, 5.634 and 960.255 and 966 Subpart A as necessary to implement the Agency's Annual MTW Plan.

Authorization(s): Section D.2 (a) Rent Policies and Term Limits. 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 Section 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24C.F.R. 982.508, 982.503 and 982.518, as necessary to implement the Agency's Annual MTW Plan.

D. HQS Inspections

Statutory Objective(s): Increase cost effectiveness/efficiency

Baseline: 100 % HQS inspections conducted by KHA in 2001. 0% conducted by Landlords in 2001. 20% HQS QC fail rate 12/2010.

Benchmarks: 75% Reduction in HQS inspections conducted by KHA staff, 12/2011. 5% reduction in HQS QC fails, 12/2012.

Measures: Number of inspections conducted annually by KHA; Number of units failing HQS QC

Plan Year Proposed: Proposed in KHA's original application in response to the 1996 RFP

Plan Year Implemented: Original MTW Agreement executed in 1999

Evaluation

Keene Housing Authority conducted initial, annual, and Interim (complaint driven) inspections for all non-KHA owned and managed units in 2010 and contracts an independent inspector to inspect the units in its own housing stock.

Out of the 536 inspections conducted in 2010, 39 failed upon initial inspection. However, all of the violations were corrected by the Landlord and assistance was not abated or denied for any unit.

46% of all inspections were conducted by KHA staff, 32% by the contracted inspector and 22 % by landlords. Landlords can opt to inspect and self-certify HQS compliance for annual inspections.

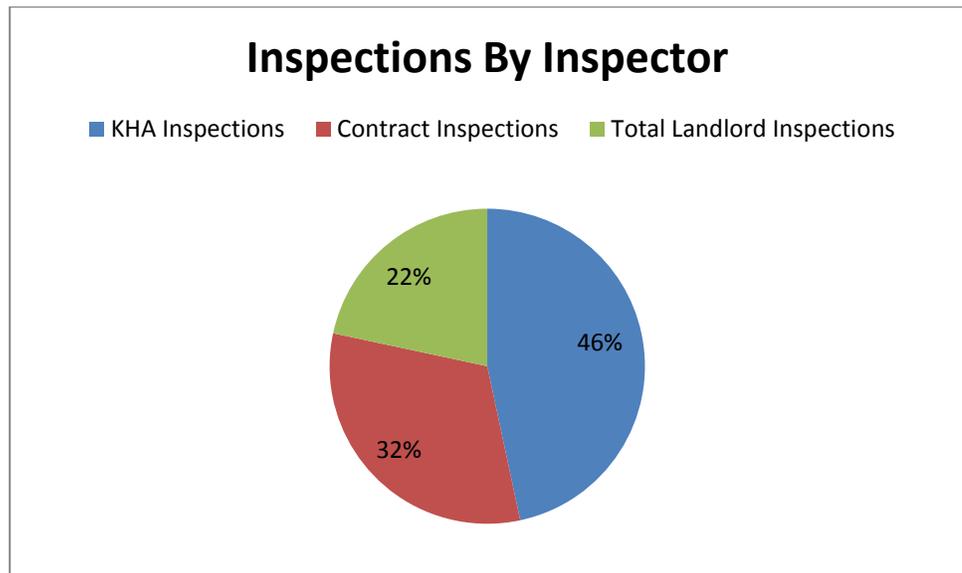


Figure 18

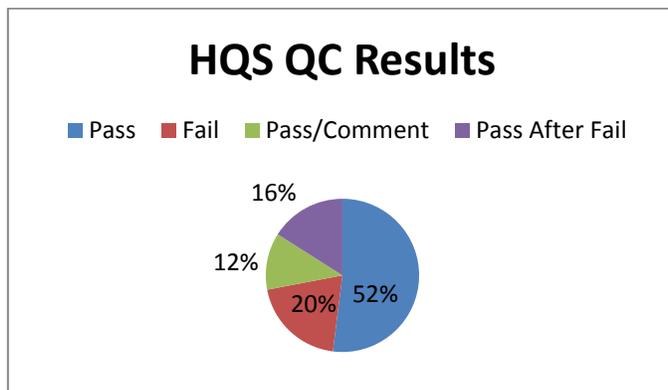


Figure 19

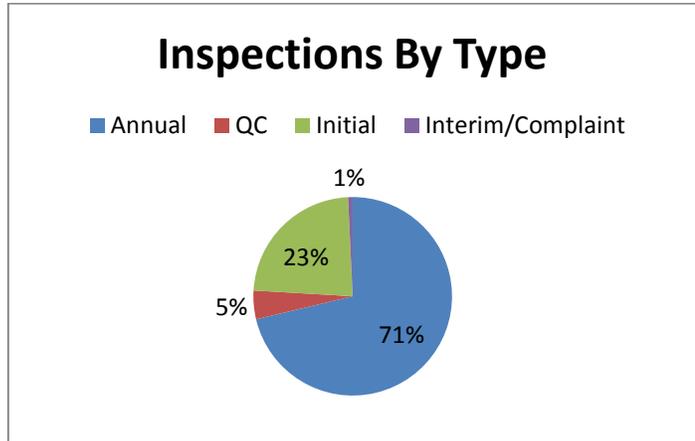


Figure 20

Data Collection: Results of quality control inspections are tracked in the Section 8 MIS. Quality control inspections are conducted monthly.

Authorization(s): *Attachment C. Section D.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.*

E. Standard Deductions

Statutory Objective(s): Increase cost effectiveness/efficiency

Baseline: 100% of eligible households reporting medical or disability expenses require verification.

Benchmarks: 75% Reduction in number of households claiming medical expense deduction higher than standard deduction, 12/2012; 25% Reduction in staff time to process annual certifications, 12/2011.

Measures: Number of households claiming medical/disability expenses: Reported decrease in processing annual certifications; Difference between reported expenses and expenses provided by the standard deduction.

Plan Year Proposed: 2005 Annual Plan

Plan Year Implemented: 2005

A standard deduction of \$1718 was provided for all elderly and disabled households effective 1/1/2010. This deduction includes any qualifying medical, disability assistance expenses, childcare expenses and the elderly household deduction of \$400. It does not include the \$480 deduction per household dependent. Households with qualifying dependents receive \$480 per qualifying dependent in the household in addition to the standard deduction of \$1718. KHA applies the HUD 3% medical/disability threshold, which is subtracted from the standard deduction. Households that would experience a rent burden of 30% or higher of their adjusted income would be eligible to receive a full deduction based on their actual qualifying expenses plus the standard \$400 deduction. In these cases, staff follows the standard procedures for calculating adjusted income, including verification procedures.

The standard deduction is reviewed annually and adjusted based on Medicare increases, as approved by HUD in an amendment to the 2007 annual plan. No change was applied in 2010.

The verification process consumes a tremendous amount of staff time. By implementing a standard deduction, a large portion of administrative costs is reduced without removing the benefit for a family. If a family has extraordinary medical/disability costs not covered by the standard deduction, they may request their deduction be based on actual expenses through our Safety Net hardship policy. It is a win-win situation for both parties. It also limits the intrusiveness in tenant's lives. The requirement for a family to track their individual expenses causes a tremendous amount of anxiety on a yearly basis for elderly and disabled families.

Evaluation

The number of elderly and disabled households eligible for deductions in 2010 was approximately 398. Staff normally would have to process verifications for all these households but as a result of the standard deduction only had to process expense deductions for 66 of the eligible households. Using the median processing time of 1.75 hours, this resulted in a savings of 581 processing hours.

The average deduction received per household is \$2014. There were 17% of the households who had expenses higher than the standard deduction. As a result, staff verified the medical expenses for these households and provided a deduction based on their actual expenses rather than the standard deduction. The highest deduction claimed was \$11,625.

As part of this activity, KHA isn't verifying expense deductions unless a household requests it because their actual expenses are more than the standard deduction. KHA doesn't yet have a mechanism in place to measure if we are spending too much HAP providing a deduction for families who normally do not have qualifying expenses. However, at this time the savings in administrative expense is significant as evidenced by the few households requiring the verification process.

Originally, this activity was intended to reduce administrative costs as well as benefit the family by reducing the amount of medical expense tracking/reporting required during the annual process. In 2010, reduction in time required for processing resulted in approximate annual administrative cost savings of \$8,662. In 2010, eligible households increased by 45%, however, the percentage of households with medical expenses higher than the standard deduction increased by only 5% over 2009. KHA is working on a way to monitor the impact of the deduction on subsidy funds expended through the new Section 8 software and is hopeful data reports will be available for 2011.

Data Collection: This information is collected annually during the tenant's certification, whether it is a self-certification or full certification and tracked in the Section 8 MIS. Keene will monitor the impact of the deduction on subsidy funds expended and number of participants requesting Safety Net because their medical expenses are higher than the standard deduction. This information will help us evaluate whether or not the standard deduction is high enough to cover the median medical expenses of households yet not so high that the program is using more funds for subsidy than necessary.

F. Resident Self Reliance Program (RSR)

Statutory Objective(s): Give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in on the job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient.

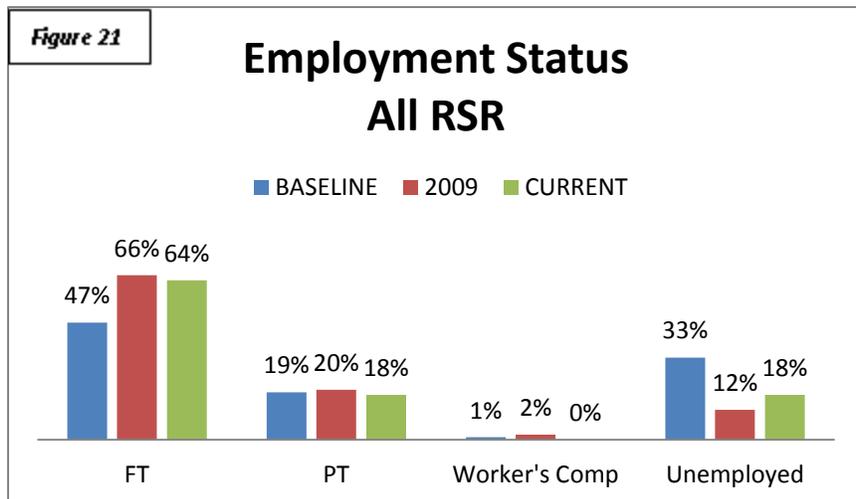
Baseline: 47% households employed FT in 1999; 56 out of 110 households increased earned income in 2008; 39% households exiting the program in 2005 left because they achieved self-sufficiency

Benchmarks: 15% increase in number of households employed, 6/2012; 75% increase in earned income among households reporting no income, 6/2012; 10% of households exiting program annually attributed to self-sufficiency.

Measures: Percentage of households employed; Earned income of households; number of waiver households

Plan Year Proposed: Proposed in Keene’s original application in response to the 1996 RFP

Plan Year Implemented: Original MTW Agreement executed in 1999



All families participating in the Step Subsidy program are required to participate in the RSR program. An expansion of the Keene Housing Authority’s former Family Self-Sufficiency program, RSR provides service coordination and case management to help families become economically self-sufficient, recognizing that self-sufficiency will vary widely

based on individual participant’s abilities. Every family in the program is assigned a Resident Services Coordinator who is responsible for coaching the participant to make progress toward stated goals.

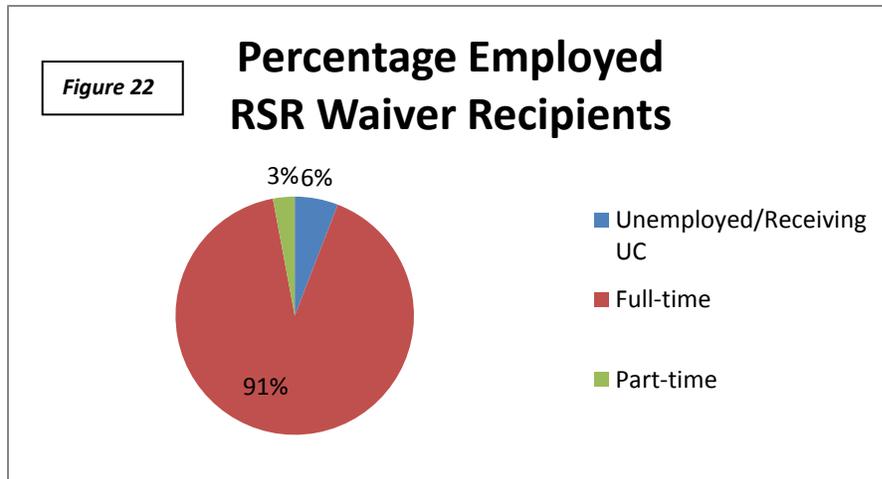
In 2010 KHA reduced the Resident Self-Reliance Program participation requirements for non-elderly and disabled families from 5 years to 3 years. Families wanting to continue after 3 years may do so but on a voluntary basis. Families may be required to participate in RSR activities after 3 years if they enter the Safety Net program. The required RSR activities will be listed as a condition on their Safety Net Contract Amendment.

Evaluation

Percentage of Households Employed

A total of 84 families participated in the Resident Self Reliance program in 2010 and the program continues to be successful with the majority of families. As was the case in 2009, the economy continues to be a challenge for RSR program participants trying to find and maintain employment. Employment status decreased by 4% overall and fell slightly below baseline for the part-time employed. Given this information, it was not surprising to see unemployment rise by 6% from year end 2009. Fifteen or 18% of households in the program reported no earned income. Sources of unearned income for these households included child support, social security on behalf of a minor, and/or TANF.

Reducing the participation requirement resulted in 34 families, or 40% of participants achieving waiver status in 2010. Of these families, 94% were employed; 91% full-time. Two families were receiving unemployment benefits and were actively seeking employment as of the effective date of their waiver. Families residing at Riverbend and Stone Arch Village Family, participation being required as of the effective date of project-basing the subsidy, will be phased into the RSR program in 2011 as of the effective date of the family’s re-certification. This will result in total households participating resuming to approximately 85.



Earned Income of Households

Significant gains have been made in earned income from baseline. Income brackets \$20,000-\$30,000 and \$30,000-\$40,000 increased 11% and 7%, respectively. Families earning \$40,000+ decreased slightly in 2010; but are still well above baseline with a gain of 7%.

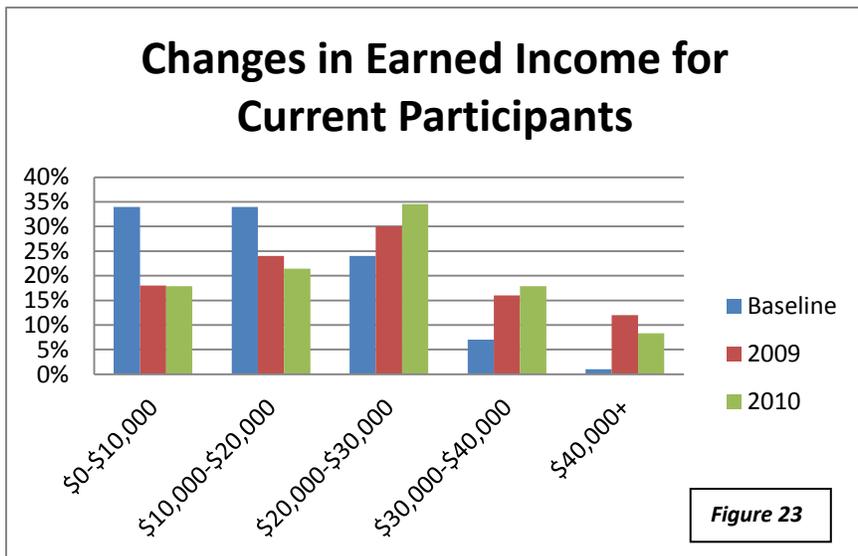


Figure 23

The RSR program defines competencies for self-sufficiency. These competencies outline the skills necessary to achieve economic self-sufficiency. Each family's needs are identified during an initial assessment. The competencies families must work on are identified by the RSC and participant working together. In order to be exempt from required activities, families must

demonstrate they have developed the skills associated with each competency. Competency categories include the core skill groups of financial management, employment, education, and family planning in addition to the self-development groups of interpersonal skills, wellness, healthy relationships and household management. The program is uniquely tailored to the family's skills, resources and goals. Each family works to achieve competencies specific to their circumstances, since the abilities and backgrounds of participants are diverse and one plan would not be suitable for all families. Median earned income for all RSR households was \$24,603. Median earned income for employed RSR waiver households was \$31,094.

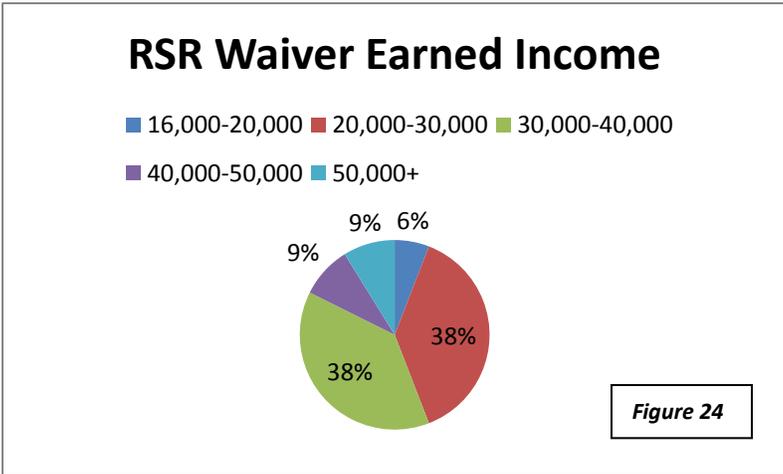


Figure 24

Program Requirements

There are four main program requirements participants must engage in to remain active in the Spectrum program and maintain their housing assistance:

- Develop a financial plan
- Participate in quarterly goal setting meetings
- Participate in required skill development activities

- Make reasonable progress toward ISTP goals

Develop a Financial Plan

Each family receives extensive counseling in financial management from the moment they lease-up in the program. They are taught how to track their income and expenses, develop a financial plan, calculate their net worth, read and interpret their credit score and manage debt.

Quarterly Goal Meetings

Families meet on a quarterly basis to review progress on their goals in small groups of up to 20 people. The intention of these meetings is to provide an opportunity for program participants to network, problem solve, share successful strategies and learn about new resources, programs, and financial management and employment strategies. Topics may include tax filing, job search strategies, saving for a financial goal, etc. At the end of every meeting, participants update their Individual Service and Training Plan (ISTP). An ISTP outlines the family's goals and the steps and resources required to meet them.

Skill Development Activities

Families who need to achieve competencies are required to accomplish take home activities or workshops that will assist them in developing the associated skills. There are numerous workshops facilitated by Keene Housing Authority staff, as well as programs run by outside agencies.

Goal Setting

Every person is required to develop and update his or her ISTP every quarter. The ISTP helps families identify a goal and break it down into simple steps. Participants are taught how to write SMART goals (Specific, measurable, achievable, resources, and time lines). They are required to document and track their progress on these forms and revise them as their goals change or new goals are added once significant milestones have been achieved.

The RSC acts as a coach and mentor guiding their participants to self-sufficiency. All RSCs are trained in financial management programs and are available to meet one on one to provide additional assistance to participants.

RSR Waiver

In 2005, the RSR waiver was implemented for those who have achieved all of their required competencies. The waiver removes certain RSR required activities with the exception of an annual meeting with their RSC to review progress toward their goals. KHA anticipates a majority of families who qualify for this waiver will move into the Homeownership program but not all.

In order to receive the waiver, the family must present a portfolio that demonstrates how they have achieved the required competencies and the progress they have made on their goals. This process provides recognition for families for their accomplishments in the program. The skills they learn in creating and presenting the portfolio also helps them gain valuable public speaking and presentation skills valuable in the workplace.

Quarterly Goal Meetings

Two Tracks, Employment and Finance, are offered every quarter. Within each Track, there are three groups from beginner to advanced skill level from which participants can elect to attend. Each of the groups is offered twice every quarter for a total of 12 meetings every quarter. Agendas are based on need identified from data collected from families in the program and their ideas.

Employment Track Meetings

- Track A Career and Life Planning
- Track B Surviving the Job
- Track C Management and Advancement

Financial Track Meetings

- Track A Financial Management
- Track B Credit and Debt Management
- Track C Homeownership and Long Term Financial Planning

First year families must participate in Goal Setting at a Glance and Developing Your Financial Plan which serve as the foundation for developing skills they will build upon as they move through the different tracks throughout their participation in the program.

The purpose of the program is to provide families with the knowledge, skills and resources they need to achieve economic self-reliance. This task has become more difficult for families over the past several years with dramatic increase in costs of basic needs such as food, clothing, shelter and transportation. In addition to affordable housing and livable wages, families will continue to need the support of the program to navigate the turbulent economy. Participants receive free employment and financial counseling to help them achieve their goals.

Data Collection: Data is collected from families during quarterly goal meetings reported on a case management form and tracked in the Section 8 MIS. Keene has tracked since the inception of the demonstration, a wide variety of data on families in the program including public benefits, income, employment and job benefits, education level, service needs, child care, savings, assets and credit issues to name a few. Prior to 2010, this information was stored in an Access database. The information is used by the RSC to evaluate the ability of participants to achieve self-reliance and the obstacles they may face in reaching the goal.

Authorization(s): *Attachment C Section E. Authorizations Related to Family Self-Sufficiency. The Agency is authorized to operate any of its 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.

G. Alternative Recertification Schedule

Statutory Objective(s): Increase cost effectiveness/efficiency

Baseline: Estimated baseline of 575 certifications conducted annually. Estimated 3 hours per certification. Approximately 141 certifications processed quarterly.

Benchmarks: 30% reduction in required annual certifications, 12/2011; 15% reduction in coupon administrative costs, 12/2012

Measures: Number of certifications required under traditional HUD rules vs. MTW rules; Decrease in administrative costs of coupons; Changes in monthly HAP

Plan Year Proposed: 2004 (initiative was not proposed through the plan process, but rather through a direct request in writing to HUD which was approved by the Deputy Assistant Secretary for Public Housing and Indian Housing.)

Plan Year Implemented: 2004

KHA conducts re-certifications every 3 years for families in the income-based subsidy program. In the two interim years, KHA recalculates subsidy based on information families provide in self-certifications. Families in the step subsidy program are required to participate in a recertification with every step change and then every 3 years once they reach the final step.

Evaluation

Self-certifications have proved challenging for tenants, with mostly elderly and disabled families who are confused about their sources of income and how to report it. In 2010 KHA recalculated subsidy during the interim, or self-certification years, by using EIV data to verify available income information in addition to self-certifications. Information not available through EIV was provided by the tenant using hand delivered documents. Income derived from assets was verified using copies of the most recent statements provided by the residents.

509 households were leased-up in the MTW program as of FYE 2010. Full certifications require 2 to 3 hours of processing time compared to 1 to 1.5 hours for self-certifications. During the 2 interim years, staff will save 1 to 1.5 hours per re-certification by applying this MTW activity.

Tracking the number of self-certifications versus full re-certifications conducted in a calendar year will be available with new releases of the MIS in 2011. Using this data, in combination with the average administrative costs per HAP, we should be able to provide a reliable figure on the amount of time and dollars saved using self-certifications. It is inevitably quite obvious that self-certifications are more time efficient and cost effective than full re-certifications.

Data Collection: See Initiative Ongoing Eligibility.

Authorization(s): Attachment C. Section D.2 Rent Policies and Term Limits.

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.

H. Rent Reasonableness

Statutory Objective(s): Increase housing options; Increase cost effectiveness/efficiency

Baseline: 1 hour of staff time allocated to creating a rent reasonableness chart in 2009 (adopted NHHFA's table); 95% utilization rate

Benchmarks: 100% reduction in staff time conducting RR, 12/2011; Less than 25% of households lease-up with rent over 40% of their gross monthly income, 12/2011

Measures: Number of vouchers utilized vs. vouchers issued; Number households with high rent burdens and rents over the VPS; Range of rents and apartment types in Section 8 software.

Plan Year Proposed: Proposed in KHA's original application in response to the 1996 RFP.

Plan Year Implemented: Original MTW Agreement executed in 1999.

Keene Housing Authority removed rent reasonableness as a requirement in the MTW Section 8 program. When approving a unit, potential voucher holders do not have to meet the 40% rule. The responsibility of determining affordability is left to the participant. The program assumes participants are capable of making these decisions and provides education to every household member. Participants are trained to consider factors such as location, quality, size, number of bedrooms, age, amenities, housing services, maintenance and utilities. These factors are a better gauge of determining rent affordability than the 40% rule, as they are adjustable to individual circumstances and local market conditions. Additionally, participants are trained to negotiate rents with landlords.

Evaluation

Number of vouchers utilized vs. vouchers issued

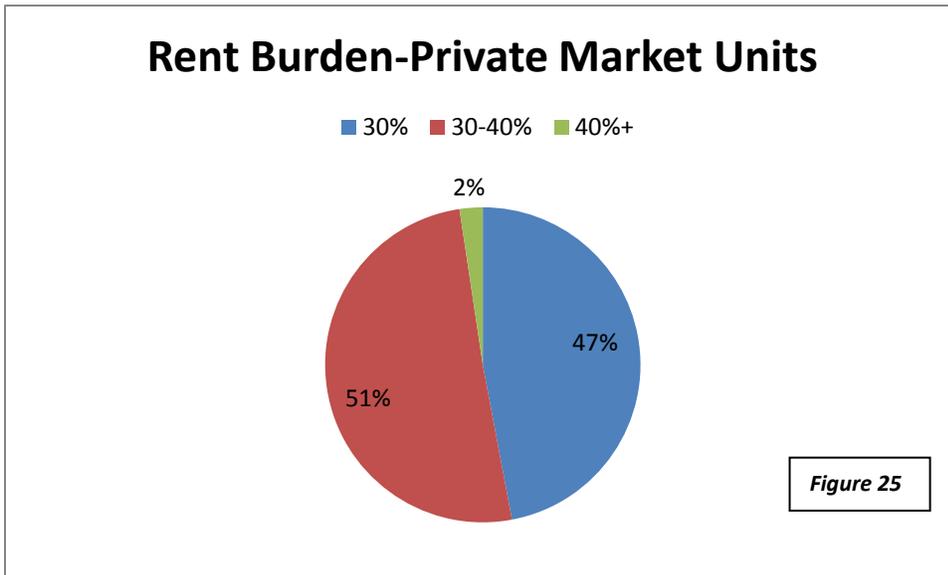
All coupons newly leased in 2010 were project-based and utilized by eligible households from the waitlist.

Less than 25% of households lease-up with rent over 40% of their gross monthly income

These households were leased using either the income based method of subsidy calculation with tenant portion no more than 30% of adjusted monthly income; or the step subsidy method with

tenant portion 20% of gross monthly income. Therefore all households were leased with rent burdens less than 40%.

Only 2% of households leased on the private market as of 12/2010 have rent burdens at 40% or higher.



Range of Rents and Apartment Types

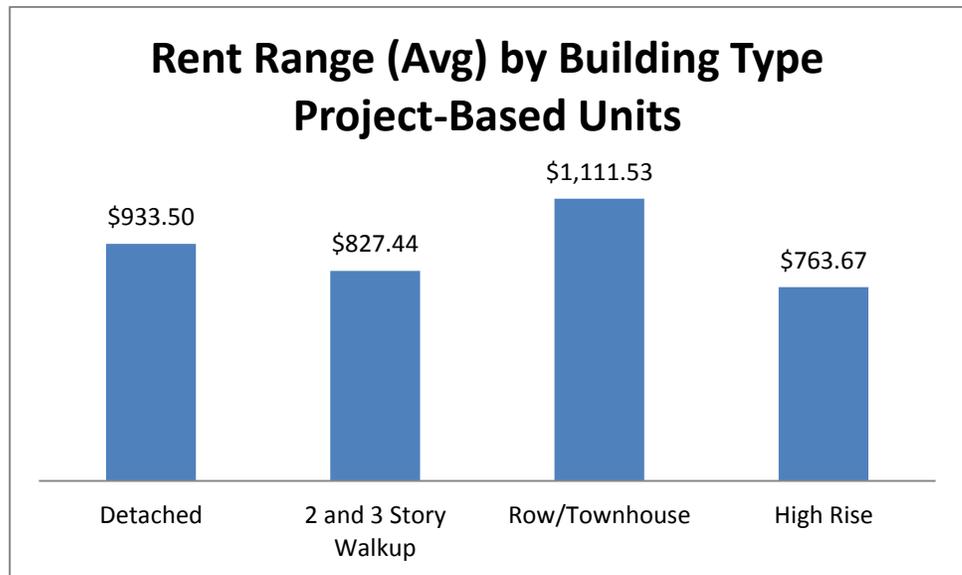
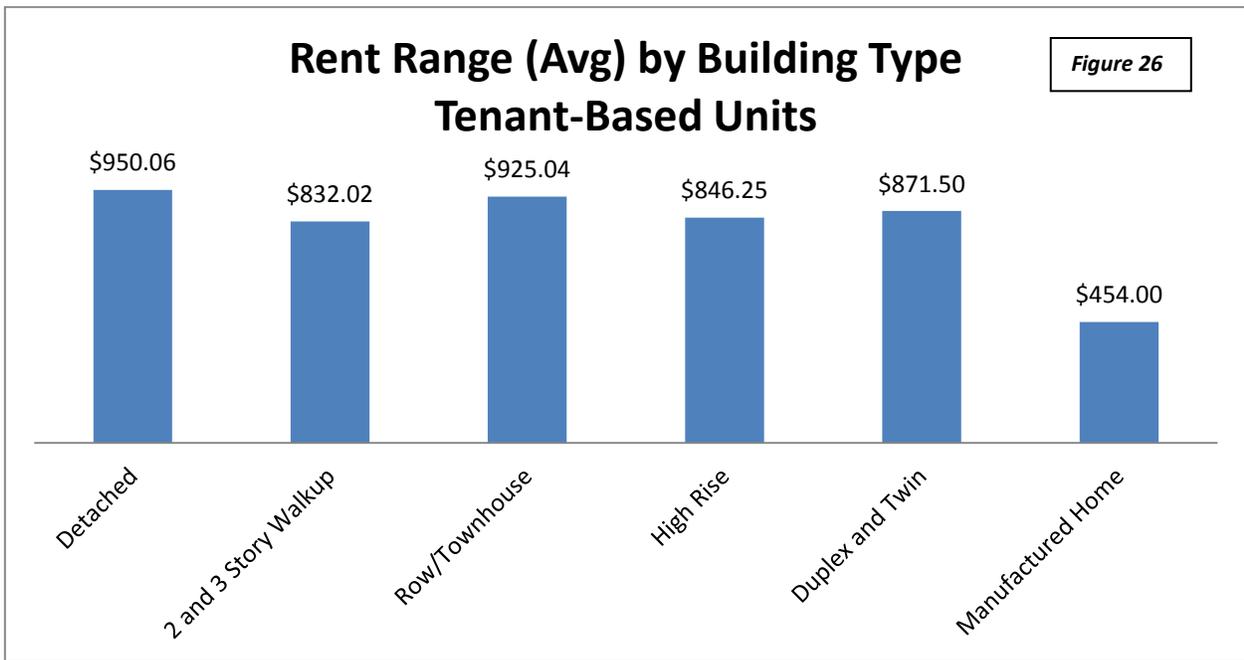


Figure 27

Data Collection: Keene does not conduct rent reasonableness, one of the exceptions granted as part of its original MTW agreement. Therefore, Keene does not tabulate the rental data on an annual basis nor does KHA determine if the rents in Keene are appropriate for the Section 8 MTW program. It is up to the household to determine rent reasonableness and select their unit. Keene tracks utilization rate, success rates of tenants issued coupons, reasons tenants do not find housing and rent burdens.

Authorization(s): *Attachment C Section D.2.(c) Rent Policies and Term Limits. 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*

I. Restrictions on Section 8 Portability

Statutory Objective(s): Increase cost effectiveness/efficiency

Baseline: 3 ports as of 12/2009

Benchmarks: Less than 5% of funds spent on ports, annually.

Measures: Number and dollar amount of coupons utilized locally vs. KHA ports administered by other Housing Authorities.

Plan Year Proposed: Proposed in KHA's original application in Response to the 1996 RFP.

Plan Year Implemented: With original MTW Amendment executed in 1999 -- Revision implemented in 2008 Annual Plan

As part of MTW, KHA allows portability as a reasonable accommodation to disabled households as well as in cases of documented domestic violence. KHA's main reason for restricting ports is to keep voucher funding in the Keene community for use by those who intend to live in the Monadnock region.

Evaluation

KHA reported one ported MTW household in December 2010 with HAP expense of \$1008 vs. the 509 MTW households with HAP expense of \$309,141 administered within the jurisdiction.

Data Collection: Ports are tracked in the Section 8 MIS. No reasonable accommodation requests to port were received in 2010.

Authorization(s): *Attachment C Section D.1.(g) Operational Policies and Procedures. 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*

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MTW Activity	Statutory Objective	Impact on Statutory Objective	Baseline	Benchmarks	Metrics
Determination of percentage and process for Project Basing Housing Assistance Coupons	Increase housing options	Increase availability, quantity and quality of assisted housing	Zero units of PBC's on 1/1/2009. Supplemental Measures: Income distribution of Section 8 tenants (See report for baseline); Average time spent on waiting list (baseline will be established when lease-up resumed) Number of vouchers issued vs. utilized (baseline will be established when issuance resumes)	213 units of PBV's by 12/31/2010 Income distribution of Section 8 tenants; Average time spent on waiting list; Number of vouchers issued vs. utilized	Number of housing units added to PBC inventory; <i>Supplemental Measures:</i> Income distribution of Section 8 tenants; Average time spent on waiting list; Number of vouchers issued vs. utilized
Housing Assistance Coupon	Incentive for self-sufficiency; Increase cost effectiveness/efficiency	Provide incentives for families to move to work; Reduce administrative burden for KHA and reporting requirements for participants	100% Coupons utilized in 2001. 47% of MTW households employed in 1999. 29% MTW household exiting program in 2004 evicted for non-payment of rent. \$617 average HAP as of 12/2009.	Increase in 15% of Coupons utilized; Increase of 15% in number of households working within first five years of demonstration; 20% or less of households evicted due to non-payment of rent annually.	Increase in percentage of coupons utilized; Percentage of households working; Number of household evicted due to non-payment of rent and their rent burden. Average dollar amount of HAP paid per Coupon.
Eligibility Administration for Section 8 and Homeownership Programs	Increase housing options	Increase number of households moving to homeownership; Provide increased housing choices for applicants	1 household achieved homeownership in 1999; 100 % of applicants lease-up after issuance in 2009. 100 private landlords and 7 waiting lists for the Section 8 program	10 households active in KHA's homeownership program by 4/2008; 95% of applicants lease-up after issuance on an annual basis.	Number of households in KHA's Section 8 homeownership program; Percentage of applicants issued Coupons who lease-up in Section 8 program.
HQS Initiative: Landlord Option to Self-Certify HQS	Increase cost effectiveness/efficiency	Reduce number required HQS inspections.	100 % HQS inspections conducted by KHA in 2001. 0% conducted by Landlords in 2001. 130 units failed initial HQS	75% reduction in HQS inspections conducted by KHA staff within first year of demonstration. Number of units failing HQS in a fiscal	Percentage of HQS Inspections conducted by the Landlord vs. KHA staff. Number of units failing HQS

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			inspection in 2009 with 0 resulting in subsidy abatements	year resulting in subsidy abatement.	
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MTW Activity	Statutory Objective	Impact on Statutory Objective	Baseline	Benchmarks	Metrics
Standard Deductions	Increase cost effectiveness/efficiency	Reduce administrative burden and reporting requirements for residents	Percentage of eligible households receiving the standard medical/disability expense deduction. Baseline will need to be established in 2010. Baseline in number of hrs saved TBA.	75% of households receive standard deduction within a fiscal year. Number of staff time verifying expenses saved per year per household.	Percentage of households receiving the standard deduction. Staff time saved.
Resident Self-Reliance Program	Give incentives to families with children to obtain employment and self-sufficiency	Increase number of families working; Increase share of residents making progress toward self-sufficiency	47% households employed full-time in 10/1999; 51% of households increased their earned income in 2008 (% of increase over 5 yr period baseline will be established in 2010); 39% households exiting the program achieved self-sufficiency in 2005.	15% Increase in number of households employed; 75% of households increase their earned (by 25% over a 5 year period). 75% of households leaving the program over the course of the demonstration due to achievement of self-sufficiency competencies.	Number of households employed; Earned income of households; Reasons participants leave the program
Alternative Recertification Schedule	Increase cost effectiveness/efficiency	Reduce administrative burden;	Estimated baseline of 359 certifications conducted annually in 1999. Staff time spent on annual recertifications (baseline in 2010). Reduction in coupon administrative costs per HAP (baseline in 2010).	30% reduction in number of required full recertifications on an annual basis; 50% reduction in staff time spent on annual recertifications. 25% reduction in coupon administrative costs per HAP.	Number of full recertifications conducted annually; Staff time; Changes in administrative costs per HAP on a monthly basis.

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Rent Reasonableness	Increase housing options; Increase cost effectiveness/efficiency	Reduce administrative burden; Reduce barriers for tenants leasing up in Section 8	1 hr of staff time allocated to creating a Rent Reasonableness Table in 2009 (adopt NHHFA's table) Percentage of households receiving exemption to lease-up with rents over 40% of their gross monthly income (new measure in 2010)	100% reduction in staff time on rent reasonableness for MTW vouchers on an annual basis Less than 25% of households lease-up with rent over 40% of gross monthly income.	Staff time spent on rent reasonableness charts annually; Number of households with rent burdens over 40% at initial lease-up.
Restrictions on Section 8 Portability	Increase cost effectiveness/efficiency	Preserve ability to administer vouchers locally;	Less than 1% of coupons were issued as ports as of 12/31/2009; Average Hap of \$373 paid per port.	Less than 5% of coupons paid as ports; Average HAP cost per port on a monthly basis.	Number of ports paid. Average HAP paid per port.

Section VII. Sources and Uses of Funding

A. Planned vs. Actual Sources (MTW and Mainstream Vouchers)

SOURCES	2010 Budget MTW Coupons	2010 Unaudited Actuals MTW Coupons	2010 Budget Mainstream Vouchers	2010 Unaudited Actuals Mainstream Vouchers	2010 Budget Non Elderly Disabled Vouchers	2010 Unaudited Actuals Non Elderly Disabled Vouchers
Section 8 Funds	\$4,895,580	\$5,254,121	\$370,360	\$371,461	\$219,072	\$219,072
HCV-FSS		129,900				
Interest Income	5,000	1,592	200	322		
Other Income		534		61		
TOTAL SOURCES	\$4,900,580	\$5,386,147	\$370,560	\$371,844	\$219,072	\$219,072
USES						
Audit Fees	\$8,000	\$17,265	\$1,000	\$1,000		
Office Expenses	196,478	143,677	2,560			
Salaries - Admin	354,034	240,888	6,000	9,923		
Salaries - Programs & Services	418,239	292,651	19,600	31,079		
Tenant Services	50,000	5,000	1,000			
Other Expense		10,265				
Total Administrative Expenses	\$1,026,751	\$709,746	\$30,160	\$42,002	\$0	\$0
HAPs Disbursed	\$3,873,829	\$3,997,808	\$340,400	\$320,144	\$219,072	\$1,682
TOTAL USES	\$4,900,580	\$4,707,554	\$370,560	\$362,146	\$219,072	\$1,682

Figure 28

In July of 2010, the KHA was notified they had been awarded \$129,900 for FY2009 Administrative Fee Funding for the HCV Family Self Sufficiency Program Coordinator Salaries. This funding supports two (2) Resident Services Coordinator positions. The funding term for this award ends December 31, 2010.

In October of 2010, the KHA received notice they were selected to receive \$876,288 for the FY2009 Rental Assistance for Non-Elderly Persons with Disabilities program. This funding award supports one hundred (100) vouchers.

B. Planned vs. Actual Sources (State and Local Funds)

The Keene Housing Authority was not a recipient of state or local funds.

C. Planned vs. Actual Sources (COCC)

COCC is not applicable to The Keene Housing Authority.

D. Cost Allocation

Not applicable.

E. Planned vs. Actual Use of Single Fund Flexibility

In 2010, funding fungibility was not applicable as the KHA no longer received operating or capital funds. The loss of operating and capital funds due to the disposition of the KHA's public housing stock is offset by 228 project based coupons and 359 original coupons. The coupons will allow the KHA to continue MTW activities and initiatives which in turn will assist tenants and participants to maintain housing and achieve economic self-sufficiency.

F. Optional: List Planned vs. Actual Reserve Balances

Not applicable.

Section VIII. Administrative

A. Progress Report on Deficiencies

Keene Housing Authority has not been cited for observed deficiencies in the Moving to Work Program.

B. Agency Directed Evaluation of the Demonstration

KHA has not engaged any outside evaluators to review the program. The agency will be continuing to evaluate the impact of its proposed and ongoing activities in 2011.

Implementation of new MIS for the Section 8 program has proved to be a wise investment and was invaluable in collecting data as well as providing data extraction capabilities to evaluate the MTW activities. Policy discussions are scheduled with key staff as well as regular strategic planning sessions to help monitor and redirect demonstration activities as needed.

KHA values the opportunity to participate in the demonstration and the benefits it affords not only the recipients of its services but the organization. The perception of MTW staff and their roles has changed with the flexibility granted under the demonstration prompting more inquiry into the impact of its policy and activities on the community. KHA continues to nurture and cherish this growth as it tries to address the impact of a national housing crisis on the local community.

C. Performance and Evaluation Report for Capital Fund Activities not Included in the MTW Block Grant

This section no longer applicable.

D . Certification that KHA Meets the 3 Statutory Requirements of the MTW Program The 3 statutory requirements of the MTW program include:

1. Assuring that at least 75% of the families assisted by the agency are very low-income
2. Continuing to assist substantially the same total number of eligible families as would have been served had the amounts not been combined
3. Maintaining a comparable mix of families (by family size) served, as would have been provided had the amounts not been used under the demonstration.

Keene Housing Authority continues to exceed these requirements and the certification is provided as Appendix I to this report.