

*The Lawrence-Douglas County
Housing Authority*



MOVING TO WORK
Annual Report

Fiscal Year 2010

June 2, 2011 Revision



The Lawrence-Douglas County Housing Authority

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The City of Lawrence and Douglas County, Kansas

The Lawrence-Douglas County Housing Authority (LDCHA) is located in Lawrence, Kansas. The county includes four incorporated towns and cities- Lawrence, Baldwin City, Eudora and Lecompton. The county has a total population of 116,383. All but 56 of the LDCHA's 1065 units leased are in the city of Lawrence. All LDCHA owned housing, including its 367 public housing units, are located in Lawrence.

Lawrence, with a population of about 90,000, has long been recognized as a leader in the cultural and educational affairs of the Midwest and has gained prominence for its planning and commitment to quality of life. Lawrence is a friendly, active and culturally diverse community with the perfect combination of small-town hospitality and big city attractions. The city lays claim to its share of national recognitions and historical significance.

Lawrence boasts one of the most vibrant downtown shopping, dining, and entertainment districts in the Midwest. It ranks 15th on John Villani's "The Best 100 Small Arts Towns in America". The National Endowment for the Arts ranks Lawrence 12th among cities in the U.S. with the largest percentage of professional artists in the workforce. The National Historic Trust named Lawrence one of its Dozen Distinctive Destinations, calling the city an example of the "best preserved and unique communities in America". U.S. News and World Report lists Lawrence as one of the best places to retire in 2011 and as one of the least segregated cities in the U.S. Lawrence is also cited as the 4th best place among small metro areas for military retirement by the USAA and Military.com's 2010 survey.

Lawrence is also home to two universities: the University of Kansas and Haskell Indian Nations University. The University of Kansas is consistently ranked as one of the best public universities in the country with its Special Education and Masters of Public Administration programs each listed as the best programs of all U.S. colleges and universities. Approximately 30,000 students attend KU, which is ranked as one of the nations' most beautiful campuses. Haskell Indian Nations University is the nation's only inter-tribal university for Native Americans, representing more than 150 tribes from across the country. Baldwin City is home to Baker University, the oldest university in Kansas.

Lawrence was the boyhood home of the writer and poet Langston Hughes, and in his later life the Beat writer William S. Burroughs. James Naismith, inventor of basketball, lived and coached most of his adult life in Lawrence. Dr. Naismith has the distinction of being the only KU basketball coach with a losing record.

Lawrence is located on the Kansas River, 35 east miles from the geographical center of the continental U.S. It is situated 45 minutes west of Kansas City and 35 minutes east of Topeka along Interstate 70. It is the county seat for Douglas County. Lawrence is in the 3rd Congressional District while parts of Douglas County are in both the 2nd and 3rd Congressional Districts.

Ninety-two point eight (92.8) percent of Lawrence residents age 25 and over have graduated high school, 47.7% have college degrees and 20.8% have graduate and professional degrees.

Lawrence's high educational attainment level does not translate into above average salaries. In 2009 the median household income for Lawrence was \$39,496 while the state of Kansas as a whole was \$47,817.

The 10 major employers in the city are the University of Kansas, Vangent, Inc., Lawrence Public Schools, the City of Lawrence, Lawrence Memorial Hospital, Hallmark Cards, Berry Plastics, AAmar Garage Doors, Community Living Opportunities, and Kmart Distribution Center. Education and Government are the largest employers in the city, followed by light manufacturing, retail and service sectors.

The U.S. Census American Factfinder estimates that in 2009 10.9% of all Lawrence families were below the poverty level compared to 25.2% for individuals. The unemployment rate for the city as of the 3rd quarter of 2010 was 6.1%.

Renter households make up 52% of all households in Lawrence. The vacancy rate for rental units is 6.5%.

The Lawrence-Douglas County Housing Authority

The Lawrence-Douglas County Housing Authority (LDCHA) was created in 2001 through the merger of the Lawrence Housing Authority (KS053) and the Douglas County Housing Authority (KS160). The predecessor, Lawrence Housing Authority, was created in 1968 under the Kansas Municipal Housing Act as an independent agent of the City of Lawrence charged with developing, operating and managing low rent housing for the low income population of Lawrence, Kansas. The Douglas County Housing Authority was created in 1983 by the Douglas County Commission for the purposes of administering the Section 8 Certificate Program in Douglas County Kansas. Through an Administrative Agreement between the City of Lawrence and Douglas County, the Lawrence Housing Authority was designated as the administering agency for the Douglas County Housing Authority program. With the passage of the Quality Housing and Work Responsibility Act of 1998, the dual administrative nature of the Lawrence Housing Authority became impractical given the new annual planning and board requirements placed upon housing authorities. Thus on January 1, 2001, through a joint resolution of the City of Lawrence and Douglas County, and with the approval of HUD, the two housing authorities merged as KS053. KS160 was abolished.

The LDCHA is governed by a five member board of commissioners, two appointed by the Douglas County Commission and three by the Mayor of the City of Lawrence. The resident member is an appointee of the City of Lawrence.

The LDCHA is constituted with the powers to:

- Plan, construct, maintain, operate and manage low rent housing developments of the City of Lawrence and Douglas County Kansas;
- Enter into contracts with federal, state, or local governments for funds to plan develop, support, construct, acquire or provide housing and housing developments for the low income;
- Enter into public and private joint ventures; and
- Enter into cooperative agreements with other incorporated jurisdictions of Douglas County to carry out affordable housing plans and developments for the low income in those jurisdictions.

The primary roles of the housing authority are as a housing developer and provider. Presently the LDCHA operates eight different affordable housing programs. Included in the role of housing provider is the responsibility to provide effective and equitable management services and to maintain and steward the agency's real estate portfolio.

The LDCHA partners and collaborates with other local agencies to provide housing assistance to special populations including special needs and homeless populations.

The LDCHA operates programs that support the economic advancement of its tenant population through a comprehensive program of resident services including employ-

ment workshops and homeownership programs. The resident services programs also include services to facilitate healthy families and healthy aging in place.

The LDCHA follows business and fiscal policies that strive to achieve long term financial viability and solvency.

Organizational Structure

The LDCHA is divided into eight departments:

1. Administration and Business;
2. Maintenance Operations;
3. Capital Fund Program;
4. General Housing Program, a creation of the MTW program;
5. Senior Housing Program;
6. Multifamily Housing;
7. Resident Services; and
8. Homeless Prevention and Rapid Re-housing. This department includes the e-Housing Connection, a creation of the MTW program.

The LDCHA employs 44 staff and operates combined budgets in excess of \$8 million.

The LDCHA has been a designated *High Performer* agency by HUD for its public housing program since 1992 and for its Section 8 programs since the inception of the Section 8 Management Assessment Program.

MOVING TO WORK

The LDCHA was selected by HUD as one of twenty-three housing authorities to participate in the Moving to Work Demonstration program in 1998. The Congressionally mandated demonstration was established to test new models for delivering public housing and Section 8 assistance. Congress established three objectives for the demonstration:

1. Reduce cost and achieve greater cost effectiveness in federal expenditures;
2. Give incentives to families with children whose head of household are either working, seeking work, or are participating in job training, education or other programs that assist in obtaining employment and becoming economically self sufficient; and
3. Increase housing choice for low-income families.

The LDCHA signed its first five-year MTW Contract with HUD March 30, 1999. The agency began implementation of the program June 1, 1999.

The agency's objectives that were established to meet the Congressional goals were:

1. Abolish the public housing and Section 8 program administrative structure and create a new program of housing assistance called General Housing Assistance which combines the family housing units of the public housing and Section 8 Tenant Based Rent Assistance (TBRA).
2. Change or eliminate four basic federal rules under the 1937 Housing Act that contradict customary social and economic norms and create administrative expense. The changes include:
 - The institution of suitability criteria as a part of eligibility criteria
 - The definition of countable income and adjusted income
 - The establishment of the concept of annual rent and the abolishment (with some exceptions) of interim re-examinations
 - Sweeping and comprehensive changes in the rent structure
3. Establish a rent structure that provides affordability while it:
 - Values the unit
 - Creates incentives to work
 - Motivates families to work
 - Establishes meaningful minimum and maximum rents
 - Increases PHA income thereby reducing federal subsidy or increasing housing assistance without additional subsidy
4. Increase Housing Choice:
 - For all Section 8 participants increase housing choice by permitting full discretion as to location size and cost without regard to local Fair Market Rents.

- For public housing residents of Edgewood Homes, increase housing choice by vouchering out up to 50 percent of the units over a three-year period freeing units to rent to moderate income families, thus creating a mixed income development. This objective was later dropped.
5. Increase usage of existing federal funds.
 - Increase public housing rental income by \$150,000 per year.
 - Free \$500,000 per year of Section 8 subsidy.
 - Using these amounts to serve an additional 100 low-income families without additional federal subsidy.
 6. Expand by at least 100 percent, the family self-sufficiency program to require participation of non-exempt public housing and Section 8 families.
 7. Provide homeownership opportunities.

The above objectives created a locally driven housing program that continues to reflect community needs and values.

The 1999 MTW agreement established the specific authorizations or activities granted the LDCHA to carry out the above stated objectives.

Established as a five year demonstration, the agency's MTW Agreement was extended three times in 2004, 2005, and 2006. In 2007 HUD restructured the MTW program and standardized the individual agreements that MTW participating agencies each had with HUD. In April 2008 the agency signed a new 10 year standardized agreement extending the program to 2018. The new agreement provided new expanded authorities for LDCHA.

SUMMARY OF MTW INITIATIVES			
ACTIVITY NO.	ONGOING INITIATIVES	DESCRIPTION	FISCAL YEAR IMPLEMENTED
Objective 1: Reduce cost and achieve greater cost effectiveness			
10-1	Biennial recertification for elderly and disabled households	Conduct biennial recertification for elderly and disabled public housing households.	2010
10-3	Energy Conservation Improvements	Provide \$1.5 million from the single fund MTW budget for down payment to finance comprehensive energy improvements under HUD Energy Performance Contracting, resulting in guaranteed annual cost savings sufficient to provide funding for the 20 year investment.	2010
09-1	Single fund budget with full flexibility	The LDCHA combined its public housing operating and Capital fund subsidies and HCV assistance into a single authority source.	2009
09-4	Biennial re-certifications for MTW households	Conduct biennial re-certifications for public housing and Section 8 participants in the MTW rent structure who are at maximum rent or 50% AMI.	2009
09-6	Revised definition of countable income-1	Excluded earned income of adult children between the ages of 18 and 21.	2009
09-6.1	Revised definition of countable income-2	Counted income under previously disallowed 12:12:48 regulation.	2009
99-1	Combined public and Section 8 TBRA programs and operations	Combined public housing family housing units and Section 8 TBRA into one program called General Housing with one waiting list and single organizational program structure.	1999
Objective 2: Increase work and self-sufficiency among residents			
10-2	Expand employment related services to MTW households	Provide \$56,000 in funding for technical training, education, certifications, employment counseling and youth services to permit heads of household to seek, obtain and retain employment.	2010
09-2	Expanded Resident Services	Required mandatory orientation program for all new residents.	2009
09-3	Expand case management services to MTW households	Provided case management for households below 40% AMI to reduce barriers to employment and underemployment to maximize household's potential for securing long-term employment.	2009
99-2	Alternative rent structure	Developed alternative rent structure with minimum and maximum annual rents applied to all non-disabled/non- elderly households in the General Housing program.	1999
99-3	Work requirement	Required all non-elderly/non-disabled adults age 50 and younger to work or be engaged in a work-related activity.	1999

SUMMARY OF MTW INITIATIVES			
ACTIVITY NO.	ONGOING INITIATIVES	DESCRIPTION	FISCAL YEAR IMPLEMENTED
Objective 3: <i>Increase housing choices for low-income families and individuals</i>			
09-5	Homeownership matching grant	Provided up to \$3000 matching grant for MTW households that purchase a home.	2009
09-7	Create temporary housing resource for homeless families	Use \$58,000 from the single fund MTW budget to create the e-Housing Connection program to match homeless families with temporary housing.	2009
09-8	Create a prisoner re-entry housing program	Provided 5 units of TBRA in partnership with Douglas County Corrections for a prisoner re-entry program.	2009

Section I: Overview of the Agency's Ongoing MTW Goals and Objectives

In its 2010 MTW Annual Plan the agency sought and received HUD approval to initiate three new changes to its MTW program under the expanded authorities that were granted under the amended and restated MTW agreement. These are to:

- Conduct biennial recertifications of elderly and disabled households residing in public housing.
- Allocate \$56,000 in funds from the Single Fund MTW budget to provide employment related services to MTW households including activities related to the provision of self-sufficiency and other services, employment counseling, education and training including youth services in conjunction with permitting the head of household to seek, obtain or retain employment.
- Allot up to \$1.5 million in funds from the single fund MTW Budget in Public Housing energy conservation improvements.

In 2010 the LDCHA continued with all its previously approved MTW initiatives. These are:

- Establish a Single Fund MTE Budget with full flexibility to combine public housing operating and Capital Fund subsidies and Section 8 Housing Choice Voucher funds into one budget.
- Conduct biennial re-examinations for public housing and Section 8 participants in the MTW rent structure who are at maximum rent or at 50% AMI.
- Revise the definition of countable income to exclude the income of adult children between the ages of 18 and 21 not enrolled in school full-time. However all able bodied adults between the ages of 18 and 21 must meet the work requirement. Revise the definition of countable income by abolishing the 12-12-48 month income exclusion for affected public housing and Section 8 tenants.
- Revise the homeownership program to create equity between public housing and Section 8 MTW by eliminating the escrow requirement and replacing it with a matching grant of up to \$3000 for all MTW participants that purchase a home.
- Use single fund authority to create a new housing initiative called the e-Housing Connection, a temporary transitional housing referral program for homeless families.
- Use single fund authority to provide 5 units of rental assistance to be used in collaboration with the Douglas County jail for its prisoner Reentry Program.

- Expand Resident Services to provide a mandatory orientation for all new incoming residents.
- Expand Resident Services to provide individual case management for all households with income below 40% AMI to reduce barriers to employment and underemployment, in order to maximize the household's potential for securing worthwhile long term employment.
- The agency streamlined its family public housing and Section 8 programs and operations by combining all functions into one program called General Housing with one waiting list and single organizational structure. To combine these different housing programs the agency established the same eligibility and suitability criteria for all public housing and Section 8 applicants whether or not they participated in the MTW rent structure.
- The agency developed and applied an alternative rent structure with minimum and maximum **annual fixed** rents applied to all non-elderly, non-disabled households. In conformance with HUD requirements the agency also developed a rent hardship policy. Under the hardship policy a family may be recertified to the minimum rent for their bedroom size if they have a loss of income. The hardship policy does not permit a household in the MTW rent structure to be recertified to income based rents.

In 2010 the minimum and maximum rents for households in the MTW rent structure were:

Bedroom Size	Minimum	Maximum
1 Bdrm.	\$175	\$405
2 Bdrm.	205	465
3 Bdrm.	245	535
4 Bdrm.	265	620

Specific details of the alternative rent structure are provided in Section VI Activity 99-2.

- The agency instituted a work requirement for all non-elderly, non-disabled adults age 50 and younger. This work requirement applies to the General Housing Program in particular. However elderly and disabled resident living senior public housing, or who are General Housing Program participants, may opt into the MTW rent structure if they are employed. In order to limit resident attempts to flee the rent structure and work requirement the agency placed a restriction on Section 8 portability which is described in Section VI - Activity 99-3.

Section II: General Housing Authority Operating Information

A. Housing Stock Information:	
Number of public housing units at the end of the year, discuss any changes over 10%;	The agency has 367 public housing units at the end of the year. This is the same as at the start of the year. Four of these units are approved for non-dwelling purposes. Two properties are designated elderly housing - Babcock Place, 120 units, and Peterson Acres, 25 units.
Description of any significant capital expenditures by development (>30% of the Agency's total budgeted capital expenditures for the fiscal year);	The agency spent \$490,170 in formula capital funds in 2010. No expenditure met the threshold of greater than 30%. The agency spent \$333,957 in ARRA capital funds during the same period.
Description of any new public housing units to be added during the year by development (specifying bedroom size, type, accessible features, if applicable);	The agency added no new public housing units during the year.
Number of public housing units to be removed from the inventory during the year by development specifying the justification for the removal;	The agency temporarily removed one public housing unit during the year for administrative use for the HPRP program.
Number of MTW HCV authorized at the end of the Plan Year, discuss any changes over 10%;	The agency had 592 units authorized under ACC at the end of the fiscal year. In addition to ACC units, 5 units were authorized in 2010 for the Douglas County Prisoner Re-entry program.
Number of non-MTW HCV units authorized at the end of the Plan Year, discuss any changes over 10%; and	None.
Number of HCV units project-based during the Plan Year, including description of each separate project; and	None.
Overview of other housing managed by the Agency, e.g., tax credit, state-funded, market rate.	LDCHA owns a 58 unit multifamily project, 8 below market rate rental units, and administers grants for an estimated 55 units of HOME TBRA, and 6 units of PSH, all of which are outside the MTW contract.
B. Leasing information - Actual	
Total number of MTW PH units leased in Plan Year;	The LDCHA had an average 355 units under lease in the Plan Year for a 98% occupancy rate.
Total number of non-MTW PH unit leased in the Plan Year;	The agency had an average 57 of its 58 multifamily units under lease during the Plan Year and all 8 of its below market rate units under

	lease during the Plan Year for an occupancy rate of 98% , and all 8 of its below market rate units under lease during the Plan Year.
Total number of MTW HCV units leased in Plan Year;	There were an average 593 units under lease during the Plan Year for a utilization rate of 100%.
Total number of non-MTW HCV units leased in Plan Year;	There was one DHAP unit under lease that was added to the agency's ACC effective January 1, 2010.
Description of any issues related to leasing of PH or HCVs; and	For PH units the length of time it took to fill vacancies is related to authorized reasons for vacancy days including vacancy days created by Kansas State Law and multiple vacancies that occur in elderly properties due to conditions beyond the agency's control such as death. In the multifamily development, vacancies were due to planned rehabilitation of units.
Number of project-based vouchers committed or in use at the start of the Plan Year, describe project where any new vouchers are placed (include only vouchers where Agency has issued a letter of commitment in the Plan Year).	None
C. Waiting List Information	
Number and characteristics of households on the waiting lists (all housing types) at the end of the Plan Year; and	See Chart A
Description of waiting lists (site-based, community-wide, HCV, merged) and any changes that were made in the past fiscal year.	See Chart B

Chart A
Waiting List Information

Number and Characteristics of Households on the Waiting Lists (All Housing Types)							
	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	TOTAL
Elderly	17	96	7	0	0	0	120
Near Elderly	0	2	0	0	0	0	2
Disabled	12	144	12	1	0	0	169
Family	22	140	73	62	23	2	322
TOTAL	51	382	92	63	23	2	613

Chart B
Waiting List Descriptions

	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	TOTAL
Public Housing Site Based							
Babcock Place	25	63	2	0	0	0	90
Peterson Acres I	12	56	0	0	0	0	69
Multifamily Housing							
Clinton Place	0	16	0	0	0	0	16
LDCHA Owned Below Market Rate Development							
Peterson Acres II	0	0	5	0	0	0	5
Merged Waiting Lists (PH Family Units / Section 8 TBRA)							
General Housing	11	225	67	57	16	2	378
HOME TBRA							
City HOME	0	15	17	6	7	0	45
State HOME	0	6	0	0	0	0	6
MTW TBRA							
Douglas County Prisoner Reentry	0	1	0	0	0	0	1
Permanent Supportive Housing							
HOPE Building	0	0	0	0	0	0	0
e-Housing Connection							
HPRP	0	3	1	0	0	0	4
	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	
TOTAL	48	385	92	63	23	2	613

Section III: Non-MTW Related Housing Authority Information

The LDCHA operates several other housing programs besides the public housing and Section 8 HCV TBRA programs.

Clinton Place

The largest is a 58-unit Section 8 project based multi-family development for the elderly which was purchased by the agency in late 2006.

Peterson Acres II

The agency owns a second smaller 8-unit senior development that is fully handicapped accessible. This development is unsubsidized and operates with a below market rate rent structure.

HOME - State

LDCHA administers a grant that funds an estimated 15 to 20 unit TBRA program funded by the State of Kansas with state HOME funds. The grantee for this program is the Bert Nash Mental Health agency. The LDCHA administers the program on behalf of the Bert Nash Center. Admission is restricted to Bert Nash clients.

HOME – City – Transitional Housing

The LDCHA also administers an estimated 25 to 30 units of TBRA that is grant funded annually by the City of Lawrence's HOME allocation. This program is restricted to homeless families and individuals who do not otherwise qualify for public housing or Section 8 assistance. In both the Bert Nash program and the City HOME program, participants must enter into a support service agreement and participate in the activities contained in the agreement. Participants have up to two years to meet the qualifications for public housing or Section 8 assistance. At the end of the two year period they are transferred to either public housing or Section 8 assistance if they meet the eligibility qualifications, or, if not, their assistance is terminated.

HOPE Building

The LDCHA also operates 6 units of permanent housing under the Continuum of Care Permanent Supportive Housing program for chronically homeless individuals who are dual diagnosed with mental health and substance abuse problems.

HPRP

The LDCHA is the administrating agency for the City's \$648,000 grant for a Homelessness Prevention and Rapid Re-housing Program (HPRP). This program is funded by the state to provide rent and utility arrearage assistance to households to prevent homelessness and rent and utility subsidies to rapidly re-house homeless families. This program began in November 2009 and was scheduled to operate for a 24 month period or until funds are exhausted. The rapid re-housing program was executed in conjunction with the agency's e-Housing Connection which is funded with MTW funds. In 2010, HPRP provided case management and funds to 167 households composed of 467 people in order to prevent them from becoming homeless or to locate and stabilize them in affordable housing.

Section IV: Long Term MTW Plan

The agency's long term MTW plan is to continue moving families to work and up the economic scale to where household income is at least 50% AMI. In so doing the agency will continue to promote homeownership, and create additional housing opportunities for families. The agency will continue to look for ways to reduce administrative burden and to apply the new and expanded MTW authorities to the elderly and disabled households including the possibility of an alternative rent structure beyond what is included in this plan. A major long term goal will be to pursue an affordable alternative rent structure that decouples rent from income.

Section V: MTW Activities Not Implemented During the Plan Year

There were no MTW Activities not implemented during the 2010 Plan Year.

Section VI: Ongoing MTW Activities: HUD Approval Previously Granted

Activity 10-1 Conduct biennial recertifications of elderly and disabled public housing households.

Year First Approved: 2010

A. Describe each ongoing activity:

LDCHA conducts biennial recertification for elderly and disabled households residing in public housing. In 2010, 203, or 56% of the agency's public housing residents were elderly or disabled heads of households. All households were notified and asked if, under the policy change, they desired to forgo the annual recertification.

While elderly and disabled residents highly favored this change one concern was the issue of increases in medical expenses occurring in the first 12 month period following recertification. This issue was addressed in the agency's ACOP and MOA policies with a hardship policy. Every elderly and disabled household was notified 12 months following their most recent recertification that they may request to be recertified if their medical expenses increased by 10% in the previous 12 months. These households were given the option to undergo a full annual recertification which will include not only counting all medical expenses but increase in annual income and assets as well.

B. Analyze the Actual Impact of the Activity on the Stated Objectives:

This activity was intended to reduce costs and achieve greater cost effectiveness. This change also constitutes a rent reform initiative. In 2010 46% of the eligible households elected biennial re-examination. The agency did not institute a lottery system to reach the 50% target because only 51% of households were recertified in 2010 and the remainder moved out or had another status change.

In 2010 there were 2 households or 1% of the total elderly and disabled households that utilized the hardship policy and requested an interim recertification due to income or medical expense changes.

C. 2010 Accomplishments under this Activity:

Staff time spent on conducting annual recertification, and expenses were significantly reduced. Approximately 294 hours actual staff time was saved for the 94 recertifications not conducted in 2010 which amounted to a savings of \$9,776. Staff actually conducted 103 recertifications utilizing 412 hours of staff time in 2010. The reduction in staff time and expenses was not as much as anticipated because the initial implementation of this program required extra notices and forms to be sent to tenants and extra staff time to explain the biennial option and process to tenants, which took approximately 94 hours. Additionally both a re-certification and an interim re-certification were required for 2 tenants due to the hardship policy which required an extra 8 hours of staff time. Another 24 hours of staff time was spent on move outs and re-certification for other status changes.

This initiative permitted staff to enhance the recertification process by conducting direct in-person interviews with the majority of tenants. These in-person interviews improved accuracy and quality of the information received from tenants.

The reduction in tenant time spent on preparing and gathering information for recertification was 226 hours saved by the 94 households who were not re-certified in 2010. The informal tenant surveys conducted at recertification were inconclusive in documenting the average amount of time spent by residents in the annual recertification process. Most tenants polled did not have an estimate of the amount of time spent on the recertification process, and many residents had assistance from family member and were not able to give an estimate of the family member's time. The tenant survey was discontinued, and replaced with an automated application form which prints the tenant's basic information, eliminating the need for the tenant to fill out approximately 1/5 of the information required unless it has changed.

Metric	Baseline	Benchmark	Outcomes
Households Recertified	In 2009 there were 208 PH elderly/disabled households	Reduce annual recertification by 50%	In 2010 there were 203 PH elderly/disabled households and 103 recertified
Staff Hours	In 2009 staff spent 832 hours, 4 hours per re-certification	Reduce staff hours by 400 or 48%	Staff hours eliminated: 294.
Reduction in Expense	2009 staffing cost for recertification was \$21,707	Reduce staffing costs by \$10,854 or 50 %	Reduced staffing costs by \$9,776
Tenant Hours	In 2009 tenants spent 500 hours for recertification or 2.5 hours per tenant	Reduce tenant time by 250 hours of 50%	Reduced tenant time by 235 hours

D. The benchmarks for this activity were not achieved.

The benchmarks for this activity were not achieved, but the objective was achieved. Although the reduction in staff time spent on conducting annual recertification and the reduced expenses were not as great as anticipated this initiative is deemed successful. The slight discrepancy was due primarily to the initial implementation of this program that required extra notices and forms to be sent to tenants and extra staff time to explain the biennial option and process to tenants. Additionally the number of PH elderly/disabled households went down by 5. In future years the benchmark will be changed to a reduction of the recertifications, staff time, and expense by 50% of the total number of elderly/disabled public housing households.

E. The metrics, benchmarks, and cited authorizations were not changed over the year.

F. Relationship of Activity to Statutory Objective:

This activity relates to statutory objective number 2. Conducting biennial recertifications will reduce costs and achieve greater cost effectiveness. This change also constitutes a rent reform initiative.

G. Statutory Authorization for the Activity and how Waived Section was Necessary to achieve the MTW Activity:

MTW Agreement Attachment C: Section C(6): Initial, Annual and Interim Income Review Process: *This authorization waives certain provisions of sections 3(a)(1) and 3(a)(2) of the 1937 Act and 24 C.F.R. 966.4 and 960.257, as necessary to implement the Agency's Annual MTW Plan.* Without this waiver the LDCHA would not be able to modify the annual review process.

Activity 10-2 Allocate \$56,000 in funds from the Single Fund MTW budget to provide employment related services to MTW households including activities related to the provision of self-sufficiency and other services, employment counseling, education and training including youth services in conjunction with permitting the head of household to seek, obtain or retain employment.

Year First Approved: 2010

A. Describe each ongoing activity:

In 2010 there were 411 households participating in the MTW rent structure of which 237 had active Family Self-sufficiency cases with the Resident Services Offices. This activity allowed for funds to be used to provide education and training opportunities in order to reduce the barriers to employment and underemployment to maximize a household's potential for securing worthwhile long time employment.

Training opportunities included certified nursing and medical assistance positions, computer skills and mechanics, technical drafting, welding, and the new field of "green technology" jobs. There have also been a number of training opportunities that focused on soft skills development that include workplace behavior skills such as punctuality, attendance, appropriate attire, customer service, and phone skills.

In addition, this activity provided funding for summer youth programs in order to permit the head of household to retain employment over the summer.

B. Analyze the Actual Impact of the Activity on the Stated Objective:

This activity provided residents both an incentive and opportunity to obtain training, education and employment in order to become economically self-sufficient. It also supported the additional MTW activity of moving families below 40% of Area Median Income (AMI) to above 50% of AMI.

C. 2010 Accomplishments under this Activity:

This activity was implemented in February 2010. Trainings and education were obtained in various areas through paid education and certification trainings at outside institutions; paid employment through a wage match program and office assistant trainings; and in-house workshops and computer classes. Two households participated in wage match training with local employers, 16 households enrolled in or completed train-

ing/education in the arena of health careers, 1 household entered into a year-long LPN certification program, 7 households participated in an office assistant training program and 63 attended workshops sponsored by Resident Services. In 2010, 74 of the families served got a **new** job and 24 reduced or ended their TANF assistance.

Metric	Baseline	Benchmark	Outcomes
Technical Skills Training	0	8 of the 10 households offered training, 8 will complete it in the plan year	In 2010, 26 households started training, 18 completed in 2010
Increase income (AMI) for households receiving technical training	In 2009 the average AMI of MTW participant households was 29%	Of the 8 completing technical training, 5 households will increase their income to 34% AMI within 12 months	Of the 18 households that completed training, all obtained employment. None of these households are 12 months past training completion. Seven households increased their AMI by an overall average of 6%. One household's AMI increased to 61%
Other Families Employed	252	275 employed after completing soft skills training in the plan year	In 2010, 336 are now employed
TANF Families	51 unemployed TANF families	10 households will obtain employment after receiving soft skills training in the plan year	24 households who received TANF during 2010 obtained employment and reduced TANF benefits

This activity also provides for out-of-school programming and assistance for youth, permitting the head of household to seek, obtain, or retain employment. In 2010, programming and assistance for youth included youth sports scholarships, subsidized participation in out-of-school programming held onsite at Edgewood homes through the Lawrence Art Center and Lawrence Community Theatre, camping, pool passes, pre-teen and teen employment soft skills and life skills workshops and childcare for families attending employment workshops. All out-of-school programming and activities for kids enabled parents and guardians to work with the Resident Services Employment Program and/or retain employment while feeling confident their children were in a safe and educational environment.

D. The benchmarks for this activity were achieved. This activity is deemed effective.

E. The metrics, benchmarks, and cited authorizations did not change over the year.

F. Relationship of Activity to Statutory Objective:

This activity relates to objective numbers 1 & 2: reduce cost and achieve greater cost effectiveness and increase work and self-sufficiency.

G. Statutory Authorization for the Activity and how Waived Section was Necessary to achieve the MTW Activity:

MTW Agreement Attachment C: Section B(1)(b)(iii) Single Fund Budget with Full Flexibility. *This authorization waives certain provisions of Section 8 and 9 of the 1937 Act and 24 C.F.R. 982, and 990 as necessary to implement the Agency's Annual MTW Plan.* Without the single fund authority the LDCHA would not be able to use public housing and Section 8 TBRA funds for this activity.

Activity 10-3 Allot up to \$500,000 in funds from the single fund MTW Budget in Public Housing energy conservation improvements.

Year First Approved: 2010

A. Describe each ongoing activity:

The agency contracted with Siemens Industry Inc. Building Technologies Division to carryout comprehensive energy improvements under HUD Energy Performance Contracting and financed the improvements over 20 years using \$1.5 million as a long-term loan from the public housing reserves that are part of the LDCHA's MTW block grant. The original activity proposed \$500,000 as a down payment and a private loan, but this was modified due to difficulties with financing. Siemens performed a detailed study of energy and water use at the agency's nine sites, in order to identify modifications to existing mechanical, electrical and plumbing systems to reduce annual electric, natural gas, water consumption.

Under the Energy Performance Contract, the cost of the improvements will be repaid over 20 years through energy savings. The improvements completed include installation of an energy management system, new chiller and cooling tower, variable speed drive motors on the water circulation pumps, replacement of pneumatic thermostats with electric limiting thermostats, as well as boiler tune-ups at Babcock Place. Lighting retrofits were completed at all public housing projects 001-008 for a total of 367 units, as well as lighting controls in common areas at Babcock Place and Edgewood Homes. Water conservation retrofits were completed in 273 units, located at Edgewood Homes, Babcock Place and Peterson Acres, including low flow shower heads, kitchen and bath faucet aerators, as well as comfort-height gravity flow toilets. Additional blown-in insulation was completed in the attic space was completed at Scattered Sites, Project 006.

The use of agency funds to help support improvements permitted the agency to finance more improvements within the limits of Energy Performance Contracting, as approved by the HUD field office. The Energy Performance Contracts includes evaluation of the energy performance measures and savings certified in the contracts. The use of public

housing reserves for energy improvements is an authorized use of funds outside of MTW under Account 7540.

B. Analyze the Actual Impact of the Activity on the Stated Objectives:

The anticipated guaranteed cumulative annual energy cost savings over the life of the contract based upon the comprehensive audit is \$2,240,201 which will provide sufficient funding for the 20-year \$1,570,334 final investment, and over time will reduce cost and achieve greater cost effectiveness in federal expenditures.

C. 2010 Accomplishments under this Activity:

The contract was 75% complete in 2010.

D. There is no 2010 Benchmark for this activity.

The savings will occur and be documented once improvements are completed. The first complete fiscal year following completion of the improvements will be 2012.

Metrics to Assess Outcomes, including Anticipated Schedule.

Metric	Baseline	Benchmark
Utility (units)	Utility consumption (average)	Utility savings (per year)
Water/sewer (gal)	9,806,667 gal	2,078,000 gal
Electricity (kWh)	1,290,756 kWh	639,985 kWh
Natural Gas (MCF)	11,775 MCF	1057 MCF

E. The metrics, benchmarks, and cited authorizations did not change over the year.

Under Energy Performance Contracting (EPC) Siemens Technologies is required to guarantee the savings that the improvements will yield through a Measurement and Verification Plan that is required to be included in the contract which was approved by the HUD Field Office.

F. Relationship of Activity to Statutory Objective:

This activity relates to statutory objective number 1: Reduce the cost and achieve greater cost effectiveness in federal expenditures.

G. Statutory Authorization for the Activity and how Waived Section was Necessary to achieve the MTW Activity:

MTW Agreement Attachment C: Section B(1)(b)(iii) Single Fund Budget with Full Flexibility. *This authorization waives certain provisions of Sections 8 and 9 of the 1937 Act and 24 C.F.R. 982, and 990 as necessary to implement the Agency's Annual MTW Plan.* Without the single fund authority the LDCHA would not be able to use public housing and Section 8 TBRA funds for this activity.

Activity 09-2 Expand Resident Services to provide mandatory orientation for all new incoming residents.

Year First Approved: 2009

A. Describe each ongoing activity:

The LDCHA expanded its Resident Services program to require all new MTW admissions to attend an orientation program on the services and programs offered by the Resident Services Department. The direct services available to tenants include employment assistance, programs to facilitate healthy families through therapeutic, recreational and educational programs, programs to help families identify and secure community services and resources necessary to maintain lease and program compliance in order to safeguard their housing, and programs to facilitate the transition to homeownership. This activity educates residents about available services to access in times of crisis for families that could lead to termination of their housing assistance, and as a facilitation vehicle for families motivated toward upward mobility, economic self sufficiency and homeownership.

B. Analyze the Actual Impact of the Activity on the Stated Objective:

Mandatory participation in an orientation program reduced costs and achieved greater cost effectiveness by forestalling family crisis that lead to program and lease violations and subsequent terminations. Likewise this activity gave incentives to families with children to work or seek educational opportunities that moved them to self-sufficiency by providing upfront information on jobs, jobs training, educational opportunities, enrichment and personal development activities of the Resident Services Department suitable to their circumstances and conditions.

C. 2010 Accomplishments under this Activity:

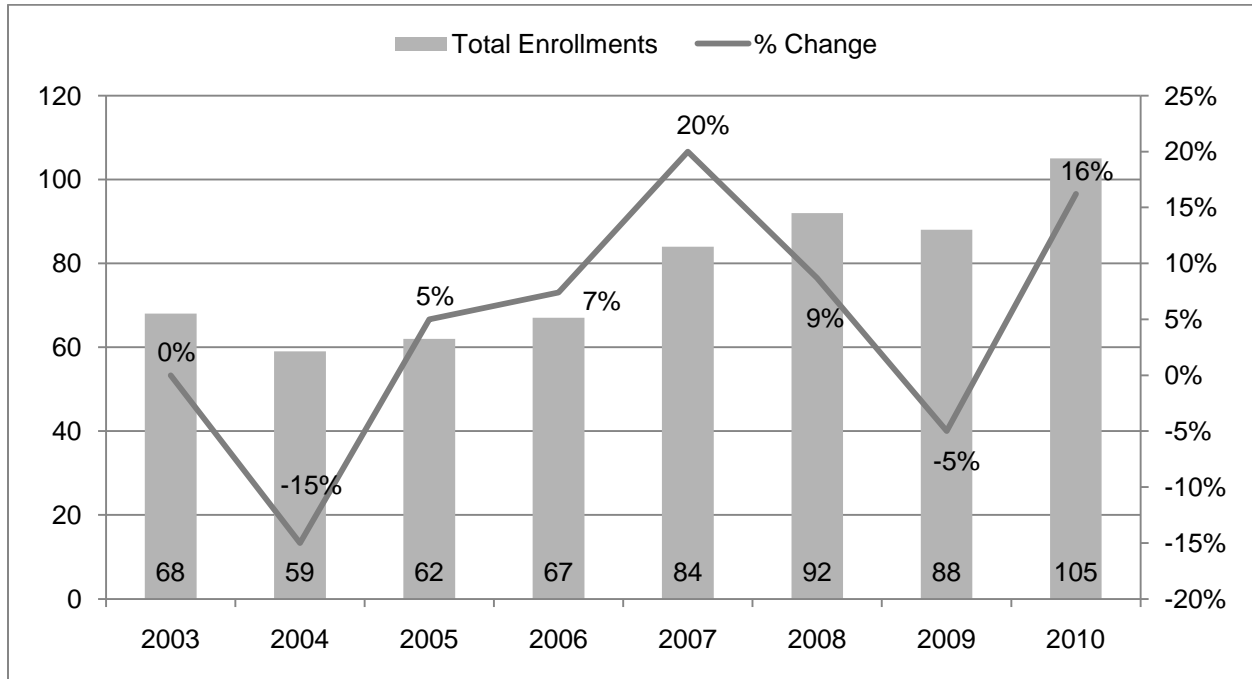
Between January 1 and December 31, 2010, 103 households entered the MTW program from the General Housing waiting list. This is the baseline for this activity. The benchmark was 80% participation. A total of 70 families, from Public Housing and the Voucher program, or 68%, received the orientation.

Of the 70 households that received the orientation, 25 households (17 PH and 8 S8) went on to enter the agency's family self-sufficiency program which grants participants full access to the agency's case management and supportive employment programs. An additional 3 families that received orientation in 2009 have now entered into the agency's family self-sufficiency program.

Of the households that received the orientation, a total 9 families experienced difficulty paying rent for one or more months or 13% of the orientation participants. In 2008, before the implementation of this activity, a monthly average of 17 Public Housing MTW households had difficulty paying rent. It is not known if the cause was attributable to a reduction in income or poor money management which is frequently a factor. In 2009, the monthly average was 21 Public Housing MTW households who had difficulty paying rent. In 2010, this number was 17.

A reduction in terminations reduces turnovers which reduces cost and achieves greater cost effectiveness by reducing extraordinary maintenance and management expenses.

In assessing this outcome, staff did not generalize it to terminations of all MTW households but only those households that participated in the orientation. Of the 70 households receiving orientation, two or 3% of Public Housing households and no Section-8 households were terminated for lease and/or program violations in 2010. In 2009 two of the 25 participants or 8% were terminated for lease and/or program violations



This chart shows the FSS enrollment numbers for Resident Services between 2003-2010. Though Resident Services experienced an increase in FSS enrollment in 2010, it would be difficult to conclusively correlate this increase to the mandatory orientation initiative due to the fact that Activity 09-3, Expand Case Management Services to MTW Households, also began the same year.

D. The benchmark for this activity was not achieved.

Although the benchmark of 80% participation was not achieved, this activity is deemed effective. Significant progress was made in achieving the 80% participation target from the 40% achieved in 2009. The benchmark is not being revised because with a new auditing measure that will be implemented in 2011, the agency believes the benchmark will be achieved.

E. The metrics, benchmarks, and cited authorizations did not change over the year.

F. Relationship of Activity to Statutory Objective:

This activity relates to statutory objectives number 1 and 2: reduce cost and achieve greater cost effectiveness and increase work and self-sufficiency.

G. Statutory Authorization for the Activity and how Waived Section was Necessary to achieve the MTW Activity:

MTW Agreement Attachment C: Section B(1)(b)(iii) Single Fund Budget with Full Flexibility. This authorization waives certain provisions of Sections 8 and 9 of the 1937 Act and 24 C.F.R. 982, and 990 as necessary to implement the Agency's Annual MTW

Plan. Without the single fund authority the LDCHA would not be able to use public housing and Section 8 TBRA funds for this activity.

Activity 09-3 Expand Resident Services to provide individual case management for all households with income below 40% AMI to reduce barriers to employment and underemployment, in order to maximize the household's potential for securing worthwhile long term employment.

First Year Approved: 2009

A. Describe each ongoing activity:

The LDCHA expanded its Resident Services programs by adding two case managers to work with MTW households to help each household member age 18 and older develop the skills and competencies required to qualify for the education or employment they desire to pursue. This activity focused on identifying family and individual issues that act as barriers to gainful education and employment, applying strategies to mitigate those barriers while at the same time participating in employment counseling, preparation, training or educational activities. The expanded activities had a strong outreach component to local employers and educational institutions. The intent of this activity was to work directly with MTW individuals to move them to their highest income producing potential over time through consistent and ongoing job and life coaching, counseling, training and placement.

B. Analyze the Actual Impact of the Activity on the Stated Objective:

This initiative helped many of the individuals participating to identify and work toward securing jobs of interest as a means of creating economic stability for the family, and to move them toward becoming economically self sufficient. This activity will continue to be measured over time.

C. 2010 Accomplishments under this Activity:

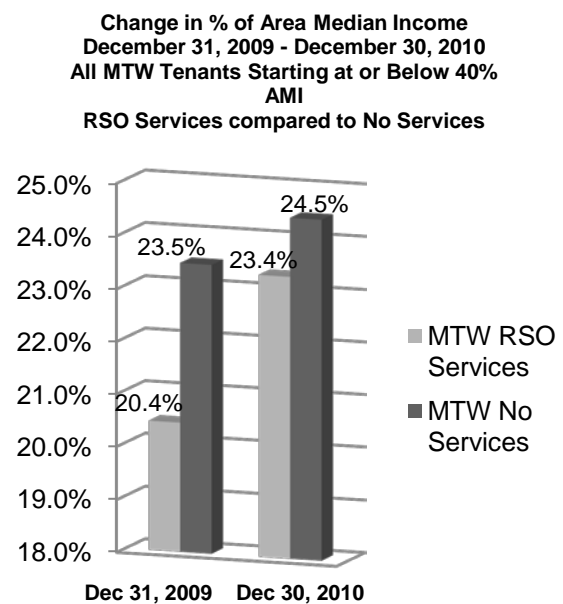
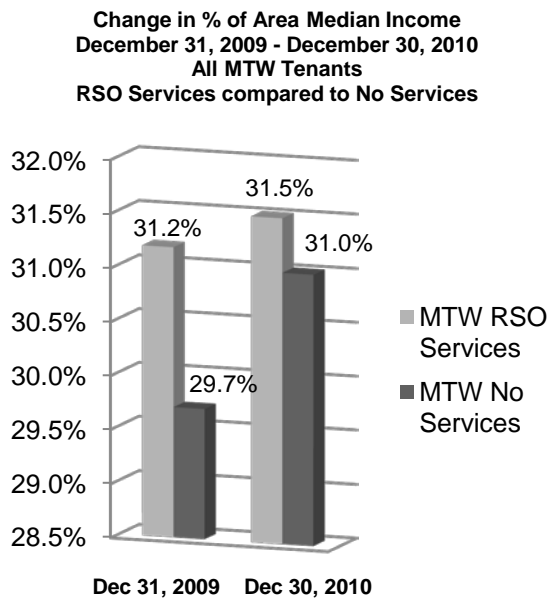
The number of households at or below 40% AMI participating in the MTW rent structure during the 2010 plan year was 283. This is the baseline. The benchmark is set at 50% participation of the number of households that compose the baseline. In 2010, 155 tenants or 54.5% with income at or below 40% of AMI received case management through Resident Services, exceeding the benchmark. During 2010, tenants receiving case management achieved the following successes: 57 obtained a job, 25 retained a job secured in 2009 or before; 6 were in GED or diploma completion programs; 17 obtained short-term trainings; 18 were enrolled in a 2-4 year program; 2 completed their 2-4 year education program; 3 were in graduate school; and 7 families purchased homes. Of the 155 participating households, 61 also were served in 2009, and 94 participants began receiving services in 2010. Of the 155 households, 74 were public housing and 81 Section 8 households.

The average AMI of these 155 households on January 1, 2010 was 20%. During 2010, 60 of the 155 (39%) experienced an increase in income ranging from 1% to a high of 77%. Actual AMI for this group now range from a low of 3% to a high of 83%. Eighteen households moved to above 40% AMI, which includes 9 households that are now above

50% of AMI. The average increase in rent that these families paid is 9%, exceeding the benchmark to increase rent of these tenants by 5%. Eight of these households moved to the maximum rent for their bedroom size.

The remaining households experienced no increase in income, with 53 experiencing income stability and 42 experiencing a decrease. However the increases in income for the 60 households had an overall impact of raising the AMI for all 155 households by 3%. The households under 40% of AMI who received no services experienced an overall decrease of 1% in their AMI.

Of the 106 families who were reported on in the 2009 MTW Report, 82 continued to receive housing assistance in some or all of 2010. Of these 82, 4 remain at above 40% of AMI, 17 no longer participate in ongoing support services. Six families no longer receive housing assistance, (one death, one portable, two moved to market rent, and two were evicted). Of the 11 remaining households, 6 experienced a 2% average increase of their AMI, but 5 households experienced an average decrease in AMI of 6%.



The benchmark is set at 50% of the number of households that compose the baseline, or 142 households. In 2010, 155 tenants with income at or below 40% of AMI received case management through Resident Services, exceeding the benchmark. An additional benchmark was to reduce public housing turnovers due to termination by 10%. This benchmark was met during the 2010 Year, 17 MTW households living in public housing were terminated for non-payment of rent or other lease violations. The baseline was set at the 23 turnovers from 2008. This is a 24% reduction.

The 2009 Annual Report introduced the following new benchmarks for this activity: to increase the LDCHA's overall income from rent from these public housing households by 5%, to reduce subsidy for the participating Section 8 tenants by 5%; to move 3% more tenants to maximum rent; and to increase the total percentage of tenants at maximum rent to 28%. These benchmarks were not accomplished in 2010 most likely due to

the economic downturn and the reduction in overall tenant income, especially for tenants who were already above 40% AMI, which was not offset by the 3% increase by the families below 40% AMI.

Metric	Baseline	Benchmark	Outcomes
Number of MTW households with income at or below 40% AMI receiving individual case management	Number of households at or below 40% AMI receiving case management in 2008 - 77	Provide case management for 50% of MTW households with income below 40% AMI	2010 - 155 households with income below 40% AMI or 54.5 % receive case management
Average AMI of households receiving case management	Average AMI of 155 households on Jan. 1, 2010 - 20.4 %	Increase in AMI	By end of 2010 the average AMI of 155 households increased to 23.4%
Reduce public housing turnover	23 turnovers in 2008	Reduce turnovers due to terminations by 10%	17 turnovers in 2010 - a 24% reduction

E. The metrics, benchmarks, and cited authorizations did not change over the year.

While the original benchmark did not change, staff has revisited the benchmarks and metrics added in 2009 and determined that a revision is in order because they do not adequately or accurately measure or evaluate this activity. The 2009 benchmarks were eliminated. AMI can change year to year, as in 2010, and the inability to control a large number of variables makes measuring reduction in subsidy and increase in rent based on improvement in AMI more difficult. However, AMI does provide a good macro view over a multi-year analysis, and LDCHA will continue reporting on AMI changes, trainings/education completed, TANF reduced and employment obtained because these provide a better year-to-year analysis of the activities outcomes and will return to the original benchmark.

F. Relationship of Activity to Statutory Objective:

This activity relates directly to statutory objective number 2: Give incentives to families with children whose head of households are either working, seeking work, or are participating in job training, education, or other programs that assist in obtaining employment and becoming economically self sufficient.

G. Statutory Authorization for the Activity and how Waived Section was Necessary to achieve the MTW Activity:

MTW Agreement Attachment C: Section B(1)(b)(iii) Single Fund Budget with Full Flexibility. *This authorization waives certain provisions of Sections 8 and 9 of the 1937 Act and 24 C.F.R. 982, and 990 as necessary to implement the Agency's Annual MTW Plan.* Without the single fund authority the LDCHA would not be able to use public housing and Section 8 TBRA funds for the case management provided by this activity.

Activity 09-4 Allow the election of biennial recertifications for MTW households at maximum rent or at 50% AMI.

First Year Approved: 2009 - First Year Implemented 2010

A. Describe each ongoing activity:

LDCHA allows for the voluntary election of biennial recertifications for MTW households that are at maximum rent or 50% AMI. Since the stated goal of this plan is to move MTW families to 50% AMI over time, establishing biennial recertifications for households that have achieved this, as well as those at the maximum rent, is an incentive to motivate MTW households to economic self sufficiency.

B. Analyze the Actual Impact of the Activity on the Stated Objective:

LDCHA projected that conducting biennial recertifications would reduced costs and achieve greater cost effectiveness. Each annual recertification takes an average 4 hours staff time to process and another 2-3 hours of resident time to gather and organize information. However, the anticipated saving was not realized because staff was still required to: access EIV income and discrepancy information; meet with tenants to collect updated release of information forms, HUD Privacy Act forms, and contact information forms; conduct annual HQS inspections; provide notifications; apply contract rent increases requested by owners and provide various notice to tenants. This resulted in reducing by half the staff time and expense savings anticipated.

C. 2010 Accomplishments under this Activity:

There was some reduction in staff time spent on conducting annual recertification and a corresponding reduction in expense, however the reduction was not as significant as anticipated. This activity also had a stated objective that serves as an incentive for families to focus on their employment and job skills development to help move them to self sufficiency. Whether this objective was accomplished is inconclusive because such a small number elected biennial recertification.

Metric	Baseline	Benchmark	Outcomes
Households Recertified	In 2008 there were 82 eligible households	Reduce annual recertification by 20%	In 2010 there were 78 eligible households and 18 or 23% elected biennial
Staff Hours	In 2008 staff spent, 4 hours per recertification	Reduce staff hours by 20% or 66 hours	Staff hours actually eliminated: 36
Reduction in Expense	2008 staffing cost for recertification was \$21,707	Reduce staffing costs by 20% or \$4,341	Reduced staffing costs by \$ 2,382

D. The benchmarks for this activity were achieved, but this activity is deemed ineffective.

In 2010 there were 78 households that were at 50% AMI for their family size or at maximum rent which made them eligible to participate in this initiative. The benchmark for this initiative is that 20% of the eligible MTW households will elect biennial recertification. A total of 18 households or 23% of the eligible group elected to skip recertification in 2010. There were 33 household recertified in 2010, 13 moved out before recertification deadline, 13 ended up ineligible due to a change in income and 1 initially skipped but then requested interim recertification.

E. The metrics, benchmarks, and cited authorizations did not change over the year.

While the above did not change, it seems apparent that staff should revisit this activity, after one year of experience to determine if this activity should be eliminated. General Housing staff will review the implementation process and determine if process changes can be made that will improve the effectiveness of this activity or the 2012 Plan will address elimination of the activity.

F. Relationship of Activity to Statutory Objective:

This activity relates to statutory objective number 1, to reduce cost and achieve greater cost effectiveness in federal expenditures. It also relates to statutory objective number 2, to give an incentive to families with children that are working to become economically self-sufficient.

G. Statutory Authorization for the Activity:

MTW Agreement Attachment C: Section C(4) The Initial, Annual and Interim Review Process:

This authorization waives certain provisions of sections 3(a)(1) and 3(a)(2) of the 1937 Act and 24 C.F.R. 966.4 and 960.257, as necessary to implement the Agency's Annual MTW Plan. &, Attachment C: Section D(1)(c) Operational Policies and Procedures: To define, adopt, and implement a reexamination program that differs from the reexamination program currently mandated in the 1937 Act and its implementing regulations.

Without the single fund authority the LDCHA would not be able to use public housing and Section 8 TBRA funds for the case management provided by this activity.

Activity 09-5 Revise the Homeownership program to create equity between public housing and Section 8 TBRA MTW households by eliminating the escrow requirement and replacing it with a matching grant up to \$3000 for all MTW households that purchase a home.

First Year Approved: 2009

A. Describe each ongoing activity:

The agency revised its Homeownership Program in 2009 to create equity between the public housing and Section 8 households by eliminating the escrow requirement and replacing it with a matching grant of up to \$3000 for down payment assistance.

In general the contract rents for Section 8 units are higher than the contract rents for public housing units. The effect of this was that the escrow accounts of Section 8 tenants grew at a faster pace than that of public housing tenants. However the more inequitable effect was that under the Section 8 program the funds being escrowed were HAP funds where under the public housing program the money being escrowed was actually the tenant's money. This activity corrected this inequity and standardized the homeownership program for both public housing and Section 8 MTW households participating in the homeownership program.

B. Analyze the Actual Impact of the Activity on the Stated Objective:

This activity provided limited funds to assist MTW households to purchase a home and served as an incentive and motivator for families to achieve economic self-sufficiency. Secondly, when families purchase a home it increases housing choice. In addition it opens up public housing and Section 8 assistance for other income eligible households thus perpetuating the objectives of the MTW program.

C. 2010 Accomplishments under this Activity:

In 2010, 7 MTW families purchased a home. Six purchases were made under the new matching grant program. Three were public housing and three Section 8 TBRA participants. One household made a purchase under the former escrow provisions. Households who began the homeownership program under the escrow provisions were allowed to retain that feature. Of the 6 households that made purchases under the matching grant initiative, the matching grants ranged from \$1,370 to \$3,000 with 5 households receiving the full \$3000 match.

D. The benchmark for this activity was achieved. This activity is deemed highly effective.

The baseline for this activity was 5 since historically an average of 5 MTW families purchase a home annually. The benchmark was set at 10 families over a three year period from 2009-2011, and this benchmark has been achieved in two years. In 2009 and 2010 14 families purchased a home.

E. The metrics, benchmarks, and cited authorizations changed over the year.

The original benchmark was 10 families purchasing a home over a three-year period after which the benchmark would be reset. This benchmark is being revised upward to 16 families purchasing a home over a three year period, due to the success of this program.

F. Relationship of Activity to Statutory Objective:

This activity relates to objective number 2 - to give incentives to families with children who are working to become economically self sufficient and objective number 3 - to increase housing choice for low income families.

G. Statutory Authorization for the Activity and how Waived Section was Necessary to achieve the MTW Activity:

MTW Agreement Attachment C: Section (B)(1)(b)(iii) Single Fund Budget with Full Flexibility. *This authorization waives certain provisions of Sections 8 and 9 of the 1937 Act & 24 C.F.R. 982, and 990 as necessary to implement the Agency's Annual MTW Plan.*

Without the single fund authority the LDCHA would not be able to use public housing and Section 8 TBRA funds for this homeownership activity.

Activity 09-6 Revise the definition of countable income under the LDCHA's existing MTW plan to exclude the earned income of adult children between the ages of 18 and 21. This activity pertains to adult children who are not full time students.

First Year Approved: 2009

A. Describe each ongoing activity:

Historically the earned income of adult children between the ages of 18 and 24 who are enrolled full-time in school is excluded under the agency's MTW plan, however, for those not in school, the income was counted and the work requirement applied. This activity provides for the exclusion of income of this group while retaining the work requirement.

This 18-21 year old population that is not in school frequently places their family at risk for being terminated when the adult child fails to go to work, or to retain employment after their income is factored into their household's rent. This latter situation results in an increased rent burden for the heads of household which it cannot then meet when the adult child quits employment. It also results in an MTW work requirement violation. The entire household is subject to action under the violations. In addition, it was frequently reported that in cases where an adult child works the head of household has no control over the child's willingness to contribute to the rent. In most cases these households are headed by single females.

B. Analyze the Actual Impact of the Activity on the Stated Objective:

This activity reduced the amount of time staff spent on program enforcement activities; and reduced the number of housing and program terminations that resulted through program enforcement. In addition, by not counting this income it provided an incentive to the adult child to work.

C. 2010 Accomplishments under this Activity:

In 2010, 68 households, 20 in public housing and 48 in Section 8 TBRA, had adult children between the ages of 18 and 21 not in school or students aged between 18 and 24 whose employment income was excluded under this initiative. Of the 68 households, 50 were in the MTW rent structure. A total of \$99,584 in wage income was excluded from use in the calculation of rent for these 68 households.

There were 11 work requirement actions (3 in public housing and 8 in TBRA) taken against this population for failure to meet the work requirement. All complied by getting a job, enrolling in school, or participating in LDCHA Resident Services Office self-sufficiency activities.

Metric	Baseline	Benchmark	Outcomes
Staff hours and expense by eliminating rent recalculations for income of 18-21 adult children	0 - no hours were saved prior to implementation	[Average hours per rent re-calculation (.50) x number of households with adult children x staff cost (\$26)]	2010 - 68 x .50 x \$26 per hour = \$884 saved
Encourage work for 18-21 adult children to work without creating risk of the family losing housing	2008 - 4 work requirement actions for 18-21 adult children and 2 eviction or termination actions	Reduce the number of eviction / termination actions	2010 - 11 work requirement actions and no eviction or termination actions

D. In 2010 the benchmark for this activity was achieved. This activity is deemed effective:

The benchmark for this activity was the elimination of all staff time and expense attributable to rent re-calculation for income earned by adult children, and all adult children meeting the work requirement while not increasing the number of terminations. The agency will continue to keep data on the number of MTW households that have adult children between the ages of 18 and 24 as to their employment, educational, and income status. The agency is interested in the impact of this population on low income households, particularly those that are headed by a single female head of household.

E. The metrics, benchmarks, and cited authorizations were not changed over the year.

F. Relationship of Activity to Statutory Objective:

This activity relates to statutory objective number 1, to reduce cost and achieve greater cost effectiveness in federal expenditures. It also relates to statutory objective number 2, to give an incentive to families with children that are working to become economically self-sufficient.

G. Statutory Authorization for the Activity and how Waived Section was Necessary to achieve the MTW Activity:

MTW Agreement Attachment C Section C(11). Rent Policies and Term Limits. *This authorization waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 C.F.R. 5.603, 5.611, 5.628, 5.630, 5.632, 5.634 and 960.255 and 966 Subpart A as necessary to implement the Agency's Annual MTW Plan. &, Section D. 2. a. Rent Policies and Term Limits. 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. Without the waiver the LDCHA cannot modify the definition of income.*

Activity 09-6.1 Revise the definition of countable income to include income presently disallowed under the 12:12:48 regulations.

First Year Approved: 2009

A. Describe each ongoing activity:

In 2009 the LDCHA began to count as income wages from employment for disabled residents, eliminating the income disallowance for disabled public housing and Section 8 tenants under the 12:12:48 month income disallowances rule. This exclusion has a direct result of increasing the federal contribution to housing and housing assistance by disallowing earned income that can be counted toward the household's contribution toward rent. The tracking for this disallowance was extremely burdensome and added between 1.5 and 2 hours additional processing time per month for every household with disallowed income under this regulation.

In 2009 19 households participated in the 12:12:48 income exclusion. The total of their excluded income was \$85,500. Staff spent 253 hours annually tracking and processing income changes under this regulation.

B. Analyze the Actual Impact of the Activity on the Stated Objective:

This activity eliminated the processing time that it took to track and record this income exclusion. It also resulted in a decrease HAP subsidy paid to the landlords on the behalf of these households. Please see comments under *E*.

C. 2010 Accomplishments under this Activity:

During 2010 ten (10) households changed from the income based to the MTW rent structure, 8 in TBRA and 2 in project based units. Six (6) of those 10 would have qualified for the employment income disregard as being households with a head or spouse who is a person with disability status. Because the LDCHA no longer applies the 12:12:48 employment income disregard, we do not verify if the household would qualify under the prior employment income restrictions. The total income verified by EIV and counted that might have been excluded if the household qualified both under the disability status and the prior earned income criterion was \$44,945.

Another eight (8) households in 2010 participated voluntarily in the MTW rent structure. The counted wage income of these households might have been excluded under the mandatory employment disregard for persons with disabilities. This income verified by EIV and counted totaled \$70,538.

Because we do not know if these 14 households would have been eligible for the income exclusion that we are no longer applying under our MTW rent structure, we cannot determine the impact on rents during 2010. We do know that, at the rate of 1.5 staff hours per household per month to track excluded income under this activity, the LDCHA experienced a reduction of 252 staff hours during 2010 by not applying the 12-12-48 employment income disallowance if all 14 would have been eligible or 126 staff hours if only 7 would have been eligible.

Metric	Baseline	Benchmark	Outcomes
Number of staff hours and cost saved	2009 - 19 households x 1.5 hrs x 12 months = 342 hrs x \$26 = \$18,892 cost	Staff time and cost saved for all potentially eligible household	2010 - 14 households x 1.5 hrs x 12 months = 252 hrs x \$26 per hour = \$6,552 saved
Reduction in subsidy measured by estimate of previously excluded income	\$85,500 excluded income	Reduction in subsidy based on projected income not excluded	2010 - \$115,483 income not excluded

D. The benchmark for this activity was met. This activity is deemed effective.

E. The metrics, benchmarks, and cited authorizations did not change over the year.

The metric for this activity was the reduction of subsidy and staff processing time. Tracking under this activity is very labor intensive given the complexities of the rule and the declining income percentage that is counted over a 48 month period. In addition each change has to be tracked, not only on an annual basis, but on an intermittent basis throughout the year every time there is a reduction in earned income. Besides tracking the households that were covered by this rule at the time the change was adopted, staff must also track those that would have been covered by the rule had the change not been adopted. Exact tracking for MTW reporting purposes eliminates the cost savings in staff time, therefore the tracking is based on those households that voluntarily participate in the MTW rent structure. In addition since elderly and disabled households may join the MTW rent structure they can choose which rent structure is of greatest benefit to them. The agency will continue to attempt to measure the reduction in staff processing time annually at the time of the individual's annual recertification.

F. Relationship of Activity to Statutory Objective:

This activity relates to statutory objective number 1: to reduce cost and achieve greater cost effectiveness in federal expenditures.

G. Statutory Authorization for the Activity and how Waived Section was Necessary to achieve the MTW Activity:

MTW Agreement Attachment C: Section C(11) Rent Policies and Term Limits. *This authorization waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 C.F.R. 5.603, 5.611, 5.628, 5.630, 5.632, 5.634 and 960.255 and 966 Subpart A as necessary to implement the Agency's Annual MTW Plan; &, Section D(2)(a) Rent Policies and Term Limits. 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. Without the single fund authority LDCHA would not be able to adopt this different definition of income.*

Activity 09-7 Use up to \$58,000 from the single fund MTW budget to fund a new housing initiative called the e-Housing Connection, a temporary transitional housing program for homeless families and individuals.

First Year Approved: 2009

A. Describe each ongoing activity:

In 2009 the LDCHA created the e-Housing Connection as a voluntary temporary housing program that matches landlords with vacancies with homeless families for whom the local emergency homeless shelter is not an appropriate placement. The LDCHA enacted and maintained a data base of landlords willing to work with e-Housing clients for three months. The LDCHA determined eligibility based upon residency and federal housing prohibitions only, and then facilitated the match. All participants were involved with case management services with local social service providers as part of the client's participation requirements. The program permitted assistance of up to \$500 in HOME funds for security deposit assistance, and \$300 in rental assistance for up to three months. In 2010, assistance was provided for 10 families with \$3,849 in MTW funds.

B. Analyze the Actual Impact of the Activity on the Stated Objective:

This program expanded the amount of affordable temporary housing in Lawrence, Kansas at no cost to the taxpayer. In addition, the case management requirement included goals and activities to help the family and individual overcome the barriers that led to their homeless condition. The objective is to start moving the family and individual to employment.

C. 2010 Accomplishments under this Activity:

The agency continued to utilize these funds to outreach to homeless families through local social service agencies as expressed in the benchmarks listed in the 2009 MTW Annual Plan. In 2010, three families applied, were determined to be eligible and were leased up in affordable housing. The remaining 7 families that received funds toward rental assistance in 2010 had been determined eligible in 2009. All 10 families that received rental assistance funds in 2010 were involved in leases and resided in affordable housing. The 24 landlords who signed up to participate in the program in 2009 continued to be available in 2010.

In November of 2009, LDCHA began serving families with Homelessness Prevention and Rapid Re-Housing Program (HPRP) funds in lieu of e-Housing funds when possible and this allowed a more comprehensive approach helping families that were homeless or who would become homeless if not for the assistance. MTW funds continued to fund an administrator which allowed for a more complete approach to helping families and built upon the structure of the e-Housing Connection. Some examples are: increasing the landlord database with 112 having participated in the e-Housing Connection or HPRP by the end of 2010; utilizing the Homelessness Management Information System (HMIS) and partnering with other agencies to advocate for the increased implementation of the HMIS which documents the provision of case management and other services and helps improve efficiency and coordinate services; participating in the Community Commission on Homelessness; and other collaborative efforts which promote an improved continuum of housing assistance programs and services.

Metric	Baseline	Benchmark	Outcomes
Create database of landlords with vacancies	0 - No participation prior to this initiative	Create database and increase landlord participation	2010 - database of 112 landlords participating, 88 of them new
Match homeless families and landlords with vacancies, resulting in lease up	0 - No matches or leases prior to this initiative	2010 - 35 [set by HPRP goals]	2010 - 10 e-Housing families were served, 33 Rapid Re-Housing families were housed, for a total of 43 lease ups
Provide case management to participants	0 - No case management for homeless families	100% of participants	2010 - <u>43</u> households provided case management - 100%

* Merged e-Housing with the Rapid Re-Housing portion of a special ARRA funding for Homelessness Prevention and Rapid Re-Housing (HPRP). The HPRP program case management was provided by LDCHA. The HPRP funding will expire in April 2012 and the e-Housing program will be re-evaluated.

D. The benchmark for this activity was met. This activity is deemed very effective.

E. The metrics, benchmarks, and cited authorizations did not change over the year.

F. Relationship of Activity to Statutory Objective:

This objective relates to statutory objective number 3: Increase housing choice for low-income families.

G. Statutory Authorization for the Activity and how Waived Section was Necessary to achieve the MTW Activity:

MTW Agreement Attachment C: Section B(4). Transitional/Conditional Housing Program. *This authorization waives certain provisions of Sections 3, 4, 5, 8, and 9 of the 1937 Act and 24 C.F.R. 941, and 960 Subpart B as necessary to implement the Agency's Annual MTW Plan.* Without the single fund authority LDCHA would not be able to use public housing and Section 8 TBRA funds for this short-term transitional housing activity.

Activity 09-8 Allocate funds from the Single Fund MTW budget to provide five units of TBRA to be used in partnership with the Douglas County Sheriff's Department Corrections Division for their prisoner re-entry program.

First Year Approved: 2009

A. Describe each ongoing activity:

In January 2009 the LDCHA set aside funding for 5 units of TBRA to be used in collaboration with the Douglas County Corrections Department to provide housing assistance

for five inmates being released from Douglas County jail under their Prisoner Re-entry Program. To be eligible for referral the inmate must meet performance criteria established by the Department of Corrections. To qualify for assistance the inmate must be a Douglas County resident and must not be excluded under the federal housing mandatory prohibition rules.

B. Analyze the Actual Impact of the Activity on the Stated Objective:

This program provided housing to individuals who otherwise would not be eligible for housing assistance. It permits the individual to have affordable, decent and sanitary housing so that they can focus on attaining their re-entry goals which includes obtaining employment.

C. 2010 Accomplishments under this Activity:

In 2010, 3 individuals were leased up in this program. A total of \$11,258 in monthly subsidy was paid on behalf of these individuals and another \$1,441 in security deposits.

Metric	Baseline	Benchmark	Outcome
Number housed	0	Number housed - 3	2010 - 3 housed
Number achieving mainstream income or employment	0	50% participants achieving mainstream income / employment	<ul style="list-style-type: none"> • 1 - employed • 1 - receiving SS • 1 - receiving TANF FS

D. The benchmark for this activity was met. This activity is under evaluation.

The baseline for this activity was zero and the benchmark was the number housed, which for 2010 was three. There were not a sufficient number of referrals by Corrections to fill all 5 vacancies. The LDCHA continues to work with Corrections on filling this program. Currently there are two referrals in progress and two tenants under contract and one tenant's lease from 2010 was terminated.

E. The metrics, benchmarks, and cited authorizations changed over the year.

A new metric of 50% of participants achieving the re-entry goal of obtaining employment or other mainstream income was added.

F. Relationship of Activity to Statutory Objective:

This objective relates to statutory objective number 3: Increase housing choice for low income families.

G. Statutory Authorization for the Activity and how Waived Section was Necessary to achieve the MTW Activity:

MTW Agreement Attachment C: Section B(4). Transitional/Conditional Housing Program. *This authorization waives certain provisions of Sections 3, 4, 5, 8, and 9 of the 1937 Act and 24 C.F.R. 941, and 960 Subpart B as necessary to implement the Agency's Annual MTW Plan.* Without the single fund authority the LDCHA would not be able to use public housing and Section 8 TBRA funds for this inmate re-entry activity and collaboration with the Sheriff's office.

Activity 99-1 Combined Public Housing Family Housing Units and Section 8 TBRA into One Program Called General Housing with one Waiting List and Single Program Organizational Structure

Year First Approved: 1999

A. Describe each ongoing activity:

The LDCHA combined 591 units of the Section 8 TBRA program and 210 units of family public housing program into one program called General Housing Assistance with a combined waiting list. In determining eligibility for this program the agency adopted the same suitability criteria as used in the public housing program. Applicants on the General Housing waiting list are offered the first available form of assistance, either a public housing unit or Section 8 TBRA. For all waiting lists, including site based waiting lists for senior public housing, and the General Housing waiting list, an applicant who rejects two offers of assistance is dropped from the waiting list. Families who accept an offer of assistance are removed from all waiting lists.

The General Housing program is organized functionally into two units. One unit is responsible for all functions from initial housing inquiry to applications processing eligibility determinations, initial examinations, annual or biennial re-examinations, program enforcement relative to income reporting and HAP processing. The second unit is responsible for all program and property management functions including lease enforcement of the public housing units and program enforcement of Section 8 TBRA tenant and landlord contracts. All physical property inspections are carried out by this unit.

B. Analyze the Actual Impact of the Activity on the Stated Objective:

This activity has had the effect of standardizing eligibility criteria, maintaining high occupancy rates in family public housing units, decreasing the waiting time for an affordable housing unit, and streamlining administrative program functions.

C. 2010 Accomplishments under this Activity:

Suitability Criteria

During 2010, 805 households applied for housing assistance with the LDCHA. All applications were screened under the LDCHA MTW screening criteria which contain the following restrictions.

- History of violent or drug related criminal activity as evidenced by repeated arrests and/or convictions within five years of the date of application and/or the date assistance is offered.
- Residential history reflecting a pattern of property damage, willful disregard for the safety and well being of others, disregard for the peaceful enjoyment of neighbors, and/or inability to comply with contractual obligations of the lease within three years prior to the date of application and/or date assistance is offered.

A total of 104 applicants were denied under the suitability criteria, 43 could not be processed because of incomplete or inconsistent information. Another 347 did not complete the final application interview.

General Housing Merged Waiting List

Of the 570 households found eligible, 339 were eligible for placement on the General Housing merged waiting list to be offered the first form of housing assistance that became available, either public housing or Section 8 tenant-based assistance. The remaining 231 requested and were placed on the Elderly, Transitional, or Supported Housing waiting lists. Those eligible for elderly housing who were also eligible for general housing were placed on either or both waiting lists if they so requested on their application. Thus some households had placement on multiple waiting lists. Regardless, LDCHA MTW procedure provides that an applicant will be made two offers of housing assistance before being dropped from the waiting list after which they must reapply.

On January 1, 2010, there were 377 households on the General Housing combined waiting list. During the year 339 additional households were added to the list. Of the households placed on the General Housing waiting list, 213 offers of housing assistance were made during the Plan Year, 32 passed on two offers of assistance and were eventually dropped from the General Housing waiting list. During this period 52 housing vouchers were offered, 48 were issued Section 8 assistance, and 161 offers of public housing assistance were made. A total of 103 households from the General Housing waiting list entered into leases. Another 29 households were admitted under portability from other public housing agencies or through inter-program transfer from LDCHA Elderly or Transitional Housing programs, for a total of 132 admissions to the General Housing program during 2010. Of this number 74 were MTW rent structure participating households, 50 moved into public housing units, and 24 leased using tenant-based housing vouchers.

D. The benchmark for this activity was met. This activity is deemed effective.

The benchmark for this activity was reducing vacancy rate by measuring turnaround time and the 2010 occupancy rate for public housing and Section 8 TBRA. There was an average occupancy rate of 98% for public housing and 100% for Section 8 TBRA, and the average unit turnaround was 12.65 days.

Metric	Baseline	Benchmark	Outcomes
Reduce vacancy rate of public housing units by reducing unit turnaround time	1999 - <u>23 days</u>	Reduce unit turnaround time.	2010 - 12.65 days
Occupancy rate public housing and Section 8	1999 - Public Housing - 98% Section 8 - 104%	Yearly occupancy rate	2010 - Public Housing - 98% Section 8 - 100%

E. The metrics, and cited authorizations did not change over the year.

F. Relationship of Activity to Statutory Objective:

This activity relates to statutory objective number 1: to reduce cost and achieve greater cost effectiveness in federal expenditure. This activity also is in keeping with the purpose of the MTW program to devise locally driven housing solutions.

G. *Statutory Authorization for the Activity and how Waived Section was Necessary to achieve the MTW Activity:*

MTW Agreement Attachment C: Section C(1) Site Based or Geographic Area Waiting List System. *This authorization waives certain provisions of Section 6(r) of the 1937 Act and 24 C.F.R. 903.7 as necessary to implement the Agency's Annual MTW Plan.* &, Attachment C: Section D. 4. Waiting List Policies. *This authorization waives certain provisions of Sections 8(o)(6), 8(o)(13)(J) and 8(o)(16) of the 1937 Act and 24 C.F.R. 982 Subpart E, 982.305 and 983 Subpart F as necessary to implement the Agency's Annual MTW Plan.* The locally designed merged waiting list and adoption of suitability criteria requires MTW authorization.

Activity 99-2 Alternate Rent Policy

Year First Approved: 1999

A. *Describe each ongoing activity:*

MTW Rent Structure

The agency developed a rent structure that requires all able-bodied adults to pay a significant minimum amount of rent regardless of their income. To reward work, the agency set a maximum or ceiling rent for each size house or apartment. To encourage employment advancement the agency established a system of income deductions that increase as hours of work increase.

Under the standard federal housing assistance rent formula tenants pay 30% of their adjusted gross income for rent. (The 1998 Reform Act now permits housing agencies to deviate from this by requiring agencies to offer the options of flat rents along with income-based rents for public housing residents.) Income-based rent is a system that discourages work and encourages fraud, because the less income a household has, the less rent it pays. The LDCHA's MTW rent structure requires a significant minimum payment regardless of income and caps rent as income rises to encourage upward economic mobility.

In 2010 the minimum and maximum rents for households in the MTW rent structure were:

Bedroom Size	Minimum	Maximum
1 Bdrm.	\$175	\$405
2 Bdrm.	205	465
3 Bdrm.	245	535
4 Bdrm.	265	620

Besides household income, the other factor that determines a household's rent payment is a system of income deductions awarded to working households. These include:

- 10% earned income deduction for those working at least 35 hours/week
- \$2,000 medical deduction for those working at least 35 hours/week
- full out-of-pocket dependent care deduction necessary to allow work or school attendance

- utility allowance as an annual income deduction, not as a monthly deduction from rent
- increase in the child dependent deduction to \$840 per child capped at \$1680 per family

Actual monthly rent is determined by:

- annualizing total household income
- subtracting allowable deductions
- multiplying the sum by 30%
- dividing the amount by 12

If the final amount is less than the minimum rent for the bedroom size occupied by the household, the annual rent is increased to the minimum. If it is higher than the maximum rent, it is lowered to the maximum. If it falls between the minimum and maximum, it is set where it falls. Families that receive tenant-based assistance may pay a rent higher than the maximum if they select a unit with a contract rent that exceeds the payment standard.

Application of MTW Rent Structure

The alternative MTW rent policy and work requirement apply to all households in the General Housing program which contain a non disabled adult age 50 or younger in the household. Exempt households may elect to participate in the alternate rent policy if they meet the work requirement.

Annual Rent

An important component of the LDCHA's MTW rent structure is the feature of Annual Rent or Fixed Rent. Rent is fixed for one year and does not change, regardless of changes in household income or composition except in instances where a household permanently loses income through death, divorce, or when an income producing adult child moves out of the household.

Other Approved Rent Reform Elements of the Rent Structure

Section 8 portability is restricted. MTW families may not move outside the LDCHA's jurisdiction except if the family applies for and receives an exception from this rule as a reasonable accommodation for a disability or other good cause, such as to take a job in a different city. In 2010 LDCHA approved portability for 5 LDCHA voucher holders, 4 under reasonable accommodation for a person with disabilities and 1 for employment. Households porting into the LDCHA's jurisdiction must participate in the MTW program.

Initially rent loss protection was available to private sector landlords in cases where an MTW household is evicted for nonpayment of rent equal to up to two months unpaid tenant rent in the event that the security deposit is not sufficient to cover the unpaid rent. This element has been eliminated beginning in 2011 as no landlords are requesting rent loss protection.

Families who have an annual gross income that exceeds 50% of the Area Median Income (AMI) are offered an opportunity to join the homeownership program. Families who do not join the homeownership program may remain in their rental unit until their

gross annual income reaches 80% AMI at which time they become responsible for paying the full contract rent without subsidy. When a public housing family's gross annual income reaches 100% AMI they must pay rent under income based regulations so that the rent acts as a flexible term limit and increases housing choice. The flat rent option under the public housing regulations does not apply.

Households that have both elderly/disabled members and able bodied adult members are considered mixed eligibility households and are placed in the MTW rent structure.

Discretionary Exemptions are exemptions from the MTW rent structure and work requirements reserved for older able-bodied adults who fit the MTW participation criteria. They are adults with undiagnosed mental or emotional disabilities who, through their behavior, demonstrate limited skills level or capacity, or have been determined to be incapable of acquiring or maintaining employment.

Rent Hardship Policy

The MTW Agreement required the LDCHA to develop a Rent Hardship Policy. The LDCHA's policy permits a degree of rent relief if the household experiences a loss in income due to lay-offs, plant closing, or medical illness. Under the policy, a family may be re-certified to the MTW minimum rent based on the nature and amount of the income loss. The rent reduction is for a period not to exceed three months. A family may have a hardship rent reduction only once every 12 months.

If the family's income loss is due to a condition that then qualifies the individual for a disability under ADA, the household's designation is changed from MTW to income based and they are then recertified under the income base rent structure.

B. Analyze the Actual Impact of the Activity on the Stated Objective:

The MTW Rent Structure serves as an incentive to work by requiring the household to pay a significant minimum rent. In addition the maximum rent options and the income deductions reward individuals that seek to move up the economic ladder by encouraging them to seek employment advancement. The number of households that purchase homes annually is evidence of the impact of this objective as well as the small number of termination that are done annually for nonpayment of rent.

C. 2010 Accomplishments under this Activity:

MTW Rent Impact Analysis

The following analysis looks at the amount of rent MTW participants were paying during Plan Year and compares it to the rent they would have paid if operating under standard federal regulations using the 30% income-based rent model with mandatory income exclusions. This analysis does not take into consideration the impact the "flat rent" option that public housing residents would have in the absence of the MTW Program. This option would cap public housing rent at a fixed ceiling as determined by the agency.

There were 411 households that participated in the MTW rent structure during the Plan Year; 182 in project-based units and 229 in tenant-based vouchers. This evaluation does not draw comparisons between project-based and tenant-based rents because of

the effect that local rental market conditions have on tenant-based rents. The MTW rent formula for tenant-based participants includes a maximum subsidy based on the voucher payment standard. Tenant-based participants that rent a unit costing more than the maximum subsidy have an additional rent responsibility.

Public Housing Participants

One hundred eighty-two (182) public housing households are included in this analysis, 61, or 34 %, were at the minimum rent for their bedroom size, 48 or 26%, were at the maximum rent. The remaining 73 or 40% were paying a rent equal to 30% of their adjusted gross income as determined by MTW factors.

Eighty-one (81,) or 45%, of the 182 MTW households were paying a higher monthly rent under MTW than they would pay under standard federal regulations. This population includes households with income that would have been excluded under other federal statutes. Therefore a conclusion cannot be drawn as to the true impact of the rent structure on this population except to say that these households with income now have a rent obligation where they otherwise did not under standard federal regulations.

The rents for this group ranged from an average of \$38 more for a one bedroom household to a high of an average of \$172 more in monthly rent for a four bedroom.

Ninety-eight (98) households or 54% of public housing participants paid lower monthly rents under MTW than they would pay under the standard income-based formula rents. Their rents ranged from an average low of \$93 less in monthly rent for a one bedroom unit to an average high of \$229 less for a four bedroom unit. Three (3) or 1%, paid the same.

The aggregate average MTW rent paid for each bedroom size unit was less than the average that would have been paid under the income-based formula during the Plan Year. The differences are shown below:

	<u>Avg. MTW Rent</u>	<u>Avg. Income-based Rent</u>
1 Bedroom	\$231	\$236
2 Bedroom	293	299
3 Bedroom	379	439
4 Bedroom	447	492

Section 8 TBRA Assistance

In the public housing analysis above, the starting and primary element affecting a tenant's rent amount is total household income. This is not the case in tenant-based assistance where rent subsidies are capped at the payment standard and tenants pay the difference between the cap and actual rent charged. An illustration of this from two actual cases follows:

Case 1: Family "X" rents a three-bedroom apartment in Edgewood Homes, a public housing development. The family has \$7,100 in adjusted gross income. Under the MTW rent formula the family pays \$245 monthly rent for the unit.

Case 2: Family “Y” rents a three-bedroom apartment from a private landlord with a contract rent of \$1250. The payment standard or subsidy cap is \$1209. The family has adjusted gross income of \$7,100, which places the family’s monthly MTW rent obligation at \$245, the same monthly rent as the public housing resident above. The LDCHA will pay \$964 in rent subsidy to the landlord (\$1209 cap less the tenant’s \$245 MTW share of rent). The tenant must pay the \$41 overage. Thus the same similarly situated tenant-based assisted resident will pay \$286 rent under the MTW program because they selected an apartment with rent in excess of the payment standard. The LDCHA payment standard is set at 110% of the local Fair Market Rent. (FMR) This payment standard is used as the maximum subsidy for MTW rent calculations. MTW households that select a unit with a contract rent that exceeds the payment standard, thereby choosing to pay an overage, skew the data related to rent averages.

In the 2010 there were 16 households that paid an overage. Of those households, 8 paid a rent higher than the maximum rent for their bedroom size. The average overage ranged from a low of \$30 more a month for a two-bedroom unit to a high of \$169 more for a four-bedroom unit.

There were 229 Section 8 tenant-based assisted households that participated in the MTW rent structure during the Plan Year. Of this number 46, or 19%, were at the maximum rent for their unit size, and 69, or 29%, were at the minimum rent. One hundred six (106) or 44% were paying 30% of their monthly income for rent under the MTW rent formula. Eight families were paying over the MTW maximum rent due to voucher payment standard overage being included in their rent.

Of the 229, 44% or 107 were paying a higher monthly rent under MTW than they would pay under conventional income-based rent formula, 116 families, 48%, paid lower monthly rents under the MTW formula and 3, or 1%, paid the same.

The aggregate average MTW rent was less than the average that would have been paid under the income-based formula.

	<u>Avg. MTW Rent</u>	<u>Avg. Income-based Rent</u>
1 Bedroom	\$320	\$338
2 Bedroom	312	327
3 Bedroom	366	370
4 Bedroom	428	469

Changes in Gross Income of MTW Participating Households

Of the 411 families participating in the MTW rent structure in the 2010 Plan Year, 322 (78%) were also participants in 2009.

Public Housing Participants

Of the 322 participants, 132 (41%) were in public housing. Of this number 57 or 43% had an increase in gross household income; 44 or 33% had a decrease in household income and 31 or 23% experienced no change in household income. Of the 57 households that had an increase in household income, the average increase was \$9,196 per household. This average increase was \$1,526 per household more than the previous

year. Of the 44 who experienced a decrease the average decrease was \$7,241 per household. This average loss is \$3,690 less per household than for the same population in the previous year.

Tenant Base Rent Assistance

Of the 322 participants, 190 (59%) were Section 8 tenant based voucher participants. Of this number 95 or 50% had an increase in household income, 66 or 35% had a decrease in household income and 29 or 15% experienced no change in household income. Of the 95 households that had an income increase, the average increase was \$6,638 per household. This is \$1,032 less per household than the previous year. Of the 66 who experienced a decrease, the average decrease in household income was \$9,047. This loss is a \$1,884 less than the previous year.

For both public housing and Section 8 TBRA participants in the MTW rent structure the change in household income was taken between 2009 and 2010.

The economy is the primary reason for the loss of income. In the last quarter of 2008 and first three quarters of 2009 more LDCHA residents, with long stable work histories, lost jobs than in any previous period. This continued in 2010. For those who were able to find reemployment the new jobs came with a salary that was significantly less than the previous jobs. Resident Services provides job counseling and employment assistance with households in this category. In addition the hardship policy is frequently applied in these cases. Other reasons for loss or reduction of income are changes in household composition that is due to divorce, separation, or adult children leaving the household. Another reason is that the head of household goes back to school and the household income is reduced and no longer countable. This occurred in two (2) households during 2010 that took advantage of an interim MTW rent change to return to school.

Maximum Rent Households

There were a total of 102 households at maximum rent for their bedroom size for both public housing and Section 8 TBRA participants. This equals 25% of the MTW participants.

Discretionary Exceptions

During 2010, 25 discretionary exemptions from the rent structure and work requirement were granted, 10 in public housing and 15 in Section 8 TBRA.

Re-Examinations of Annual Rent

During the 2010 25 households, 13 in public housing and 12 in Section 8 TBRA, were granted rent recalculations under the Annual Rent requirement and were re-certified to a lower rent because of death, divorce, or where an income producing adult child left the household. Another two (2) households were recertified to lower rents because they lost employment income to return to school.

Hardships

During the Plan Year, 46 hardships were requested and 24 hardships were granted, 10 from public housing and 14 from Section 8 TBRA. Twenty (20) of the hardships were

granted for loss of employment and four (4) for medical reasons. A household may remain at the hardship minimum rent for up to 90 days after which they are returned to their previous rent amount. Hardship requests are denied when there is no loss of employment income being counted in the calculation of the MTW rent, when the tenant has had a hardship rent reduction in the past 12 months, or when the tenant refuses to complete intensive re-employment activities through Resident Services.

Terminations for Failure to Pay Rent

During 2010, 17 MTW households were terminated for failure to pay rent, 16 in public housing and 1 in Section 8 TBRA

D. The benchmark for this activity was met. This activity is deemed effective.

METRIC Avg Gross In- come / Partici- pants / Homeownership	MTW YEAR	AVG GROSS INCOME	AVG TENANT RENT	AVG HAP TO OWNER	AVG CON- TRACT RENT	AVG FAMILY SIZE	MTW RENT PARTI- CIPANTS	HOME- OWNER- SHIP
BASELINE YR 2	2000 - 2001 YR 2	16434	296	213	622	3	391	
	2001 - 2002 YR 3	16660	303	223	653	3	401	1
	2002 - 2003 YR 4	17967	288	375	676	3	517	5
BENCHMARK Increase metrics over time	2003 - 2004 YR 5	19564	329	378	731	3	492	5
	2004 - 2005 YR 6	19901	332	403	737	3	479	5
	2005 - 2006 YR 7	19274	324	436	768	3	450	2
	2006 - 2007 YR 8	20372	349	422	786	3	456	9
	2007 - 2008 YR 9	21625	368	439	814	3	440	5
	2008 - 2009 YR 10	20446	367	499	874	3	426	7
OUTCOME	2010 YR 11	19776	358	510	872	3	411	7
	OVER ALL AVERAGE	19202	331	390	753	3	446.3	5.1

E. The metrics, benchmarks, and cited authorizations did not change over the year.

F. Relationship of Activity to Statutory Objective

These activities relate to statutory objectives numbers 1 and 2; Reduce the cost and achieve greater cost effectiveness in federal expenditures, and give incentives to families to become economically self sufficient.

G. Statutory Authorization for the Activity and how Waived Section was Necessary to achieve the MTW Activity:

MTW Agreement Attachment C: Section C(11) Rent Policies and Term Limits. *This authorization waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 C.F.R. 5.603, 5.611, 5.628, 5.630, 5.632, 5.634 and 960.255 and 966 Subpart A as necessary to implement the Agency’s Annual MTW Plan; &, Section D(2)(a). 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; &, Section D(1)(g). This authorization waives certain provisions of Section 8(r) of the 1937 Act and 24 C.F.R. 982 Subpart H as necessary to implement the Agency’s Annual MTW Plan;*

&, Section D(1)(d). *This authorization waives certain provisions of Section 8(o)(9), of the 1937 Act and 24 C.F.R. 982.311 as necessary to implement the Agency's Annual MTW Plan;* &, Section E. Authorizations Related to Family Self Sufficiency. *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.* This waiver is necessary because federal regulations do not permit deviations from federal rent rules.

Activity 99-3 Work Requirement

Year First Approved: 1999

A. Describe each ongoing activity:

The agency established a work requirement as part of its MTW program. The work requirement mandates that all able-bodied adults age 18 and older work a minimum of 15 hours a week. For a two-adult household with minor children, the work requirement can be met if one adult works 35 hours per week. Enrollment in a post secondary education program or work training program satisfies the work requirement. An adult child in the household is also subject to the work requirement. Failure to meet the work requirement is a major program breach that can lead to termination of housing assistance.

A household's housing assistance is suspended and they must pay the full contract rent for their public housing or Section 8 TBRA unit if the household fails to meet the work requirement. Households that have their housing assistance suspended are given 30 days to correct the violation before termination action begins. Termination actions are in conformance with the agency's lease policy.

B. Analyze the Actual Impact of the Activity on the Stated Objective:

The work requirement mandate has been demonstrated to move families to work in order to maintain their housing assistance.

C. 2010 Accomplishments under this Activity:

Of the 411 households that participated in the MTW program during the Plan Year there were 48 work requirement enforcement actions. All households came into compliance. Of the 48, 31 were in Section 8 TBRA and 17 in public housing.

Of the 411 households 200 were working full time and 136 were working part time.

During the Plan Year, 80 (19%) of the households were meeting the work requirement by being enrolled full time in a post secondary educational institution.

D. The benchmark for this activity was met.

This activity is deemed effective

Metric	Baseline	Benchmark	Outcomes
Number of non-elderly/disabled adults meeting work requirement	Percentage of non-elderly/disabled employed or enrolled in school prior to MTW initiatives - 1999 - 70%	100% meeting work requirement	2010 - 100% <ul style="list-style-type: none"> • 200 worked full time • 136 worked part time • 80 enrolled in school (8 also worked part time)

E. The metrics, benchmarks, and cited authorizations did not change over the year.

F. Relationship of Activity to Statutory Objective:

This activities relate to statutory objectives number 1 and 2; Reduce the cost and achieve greater cost effectiveness in Federal expenditures, and give incentives to families.....to become economically self sufficient.

G. Statutory Authorization for the Activity and how Waived Section was Necessary to achieve the MTW Activity:

MTW Agreement Attachment C: Section C(11) Rent Policies and Term Limits. *This authorization waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 C.F.R. 5.603, 5.611, 5.628, 5.630, 5.632, 5.634 and 960.255 and 966 Subpart A as necessary to implement the Agency's Annual MTW Plan. &, Section D(2)(a). 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. &, Section D(1)(g). This authorization waives certain provisions of Section 8(r) of the 1937 Act and 24 C.F.R. 982 Subpart H as necessary to implement the Agency's Annual MTW Plan. &, Section D(1)(d). This authorization waives certain provisions of Section 8(o)(9), of the 1937 Act and 24 C.F.R. 982.311 as necessary to implement the Agency's Annual MTW Plan. &, Section E. 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. This waiver is necessary because standard federal regulations do not permit the institution of a work requirement.*

Section VII: Sources and Uses of Funding

2010 Consolidated Revenues and Expenditure

The Consolidate Revenues and Expenditures lists all the sources of funds that the agency received in 2010. These sources remain unchanged over previous years with the exception of ARRA Capital Funds. For ongoing previously approved HUD ROSS grants, only 2010 allocations for multi-year grants are presented.

Uses of Funds

The uses operated by account and not by program as required by the MTW Plan requirements.

Administrative and Management Salaries included all the salaries for all positions except those salaries which provide direct resident and social services to tenants.

Other Operating Administrative Expenses represents the costs of all administrative expenses including legal, staff training, communication, accounting services, sundry, etc.

General Expenses include the cost of insurance, PILOT, collection losses.

Resident and Social Services represents the direct costs associated with providing resident services to all residents whether or not they are participants in the MTW program.

Extraordinary/Capital Improvements/ Equipment includes costs associated with physical improvements to the agency's public housing developments. It also includes costs for purchase of computers and software.

The LDCHA used funds in 2010 for the intended purposes of the specific federal, state, local and resident services programs even though it operated the Public Housing, Section 8 assistance, and Capital Fund as a single fund budget with full flexibility. The agency did not reduce the number of public housing and Section 8 assisted units in 2010. Public Housing, Section 8 and capital funds were used to pay for the administrative, operational, and maintenance costs and capital fund improvements of the respective programs which included previously approved MTW Initiatives.

Since all the agency's public housing and Section 8 TBRA units/ households are in the MTW program, even though not all households participate in the alternative rent structure and work requirement, these programs are listed as MTW activities in the Consolidated Revenue and Expense Statement.

While the LDCHA operates as a single fund budget, in 2010 it used its capital funds for the intended and authorized purposes of the regulations governing this program. However this program is also included under the MTW budget.

2010 Consolidated Revenues and Expenditures

2010 Consolidated Revenues: January - December 2010

Sources of Funds (MTW Revenues)	Planned	Actual
Public Housing Operating Subsidy	\$ 651,017	\$ 774,011
Public Housing Rental Income	1,244,202	1,223,459
Capital Fund	635,567	631,081
Public Housing Investment Income	52,400	10,105
Other Public Housing Income – Cell Tower, Vending, Bus Receipts	33,490	115,283
Public Housing Non Dwelling Rent	400	800
Other Public Housing Income – Tenant Late Fees/Tenant Damages	38,000	40,156
Section 8 TBRA Funding Allocation	3,869,290	3,971,163
Section 8 TBRA Investment Income	66,748	19,726
Section 8 TBRA Fraud Recovery	0	26
Section 8 TBRA Administrative Fees (Portables & Building Independence III)	0	893
MTW Fund (Section 8 and Reserves)	\$ 1,301,790	1,232,035
TOTAL MTW REVENUES:	\$ 7,892,904	\$ 8,018,738
Sources of Funds (Non-MTW Revenues)	Planned	Actual
HUD Resident Services Grants (HCV/FSS; State & Local Grants)	\$ 290,857	\$ 398,127
Section 8 Multi Family Operating Subsidy and Rental Income	332,580	367,263
Section 8 Multi Family Investment Income	900	781
Section 8 Multi Family Other Income – Vending, Laundry	3,300	3,806
Section 8 Multi Family Other Income – Tenant Late Fees/Damages	400	1,640
HOME Investment Partnership Program TBRA	250,000	392,941
HOME Investment Partnership Program TBRA Interest Income	420	379
Continuum of Care: Permanent Supportive Housing	100,804	109,601
Continuum of Care: Permanent Supportive Housing Tenant Rental Income	3,078	6,662
Component Unit: Peterson Acres II Tenant Rental Income	49,424	46,583
Component Unit: Peterson Acres II Investment Income	150	236
Component Unit: Peterson Acres II Tenant Late Fees/Damages	0	611
Capital Fund (ARRA)	387,140	333,957
Homelessness Prevention & Rapid Re-Housing (HPRP)	324,000	345,242
TOTAL NON MTW REVENUES:	\$ 1,743,053	\$ 2,007,829
TOTAL REVENUES ALL SOURCES:	\$ 9,635,957	\$ 10,026,567

2010 Consolidated Expenditures: January - December 2010

Uses of Funds (MTW Expenditures)	Planned	Actual
Administration & Management Salaries	\$ 881,630	\$ 880,254
Employee Benefits	262,470	161,413
Auditing Fees	10,000	11,045
Other Operating – Administrative	217,520	265,183
General Expenses	284,180	248,592
Utilities	393,970	312,873
Protective Services	12,930	11,808
Resident & Social Services	126,720	106,414
Ordinary Maintenance & Operations (Labor)	430,730	428,898
Maintenance Materials & Other Operations	34,020	153,338
Maintenance Contract Costs	32,340	25,331
Extraordinary Maintenance/Capital Improvements/Equipment	423,947	347,712
Debt Service/Replacement Reserve	0	0
HAP/Leasing	2,900,000	2,984,898
2010 MTW Initiatives (Continued)	304,231	211,219
2010 MTW Initiatives (New)	1,000,000	1,020,816
TOTAL MTW EXPENDITURES:	\$ 7,314,688	\$ 7,169,794
Uses of Funds (Non-MTW Expenditures)	Planned	Actual
Administration & Management Salaries	\$ 173,782	\$ 369,846
Employee Benefits	41,837	76,869
Auditing Fees	3,110	1,968
Other Operating – Administrative	80,598	51,843
General Expenses	49,350	21,638
Utilities	45,390	31,769
Protective Services	0	0
Resident & Social Services	552,512	492,801
Ordinary Maintenance & Operations (Labor)	48,370	41,882
Maintenance Materials & Other Operations	8,000	8,214
Maintenance Contract Costs	7,200	7,719
Extraordinary Maintenance/Capital Improvements/Equipment	445,120	330,451
Debt Service/Replacement Reserve	68,927	91,102
HAP/Leasing	260,208	391,441
TOTAL NON MTW EXPENDITURES:	1,784,404	\$ 1,917,543
TOTAL EXPENDITURES ALL SOURCES:	\$ 9,099,092	\$ 9,087,337

2010 Moving To Work Revenues and Expenditures

All public housing and Section 8 units (954 combined) are in the MTW program. Of this number 815 units comprised the General Housing Program which was created under the MTW program. Of this number 411 households participated in the MTW alternative rent structure and work requirement during 2010. The consolidated MTW budget includes the costs associated with the public housing, Section 8 TBRA programs, the Capital Fund Program and the specific new 2010 MTW initiatives. The new 2010 initiatives were Energy Improvement and Development.

MTW Funds

Sources of Funds	Planned	Actual
Public Housing Operating Subsidy	\$ 651,017	\$ 774,011
Section 8 TBRA Allocation	3,869,290	3,971,163
Public Housing Rental Income	1,244,202	1,223,459
Capital Fund	635,567	631,081
MTW Reserves	1,301,790	1,232,035
TOTAL SOURCES OF FUNDS	\$ 7,701,866	\$ 7,831,749
Uses of Funds	Planned	Actual
Previously Approved Initiative	\$ 5,623,121	\$ 5,659,208
2010 New Initiative	1,056,000	1,020,816
2010 Capital Fund	635,567	490,170
TOTAL USES OF FUNDS	\$ 7,314,688	\$ 7,170,194

*Includes expenditures made under 2008, 2009, and 2010 Capital Fund Grants

Non MTW Budget

2010 SOURCE OF FUNDS - ACTUAL								
	PHSG/ HCV ROSS Federal / Local Grants	Section 8 Multi-Family	HOME City/State	Continuum of Care	Component Unit Peterson Acres II	Capital Fund ARRA Stimu- lus	HPRP ARRA Stimu- lus	Non-MTW Budget Totals
Federal Grant/Local Grant /Subsidy	398,127	233,643	0.00	109,601	0.00	333,957	345,242	1,420,570
Tenant Revenue	0.00	133,620	0.00	6,662	46,583	0.00	0.00	186,865
State Grants	0.00	0.00	392,941	0.00	0.00	0.00	0.00	392,941
Investment Income	0.00	781	379	0.00	236	0.00	0.00	1,396
Other Income	0.00	3,806	0.00	0.00	0.00	0.00	0.00	3,806
Other Income (Tenant Damage/Late Fees)	0.00	1,640	0.00	0.00	611	0.00	0.00	2,251
2010 Source of Funds Totals	398,127	373,490	393,320	116,263	474,30	333,957	345,242	2,007,829

2010 USE OF FUNDS - ACTUAL								
Administration & Management Salaries	147,688	58,288	34,064	0.00	2,754	31,264	95,788	36,9846
Employee Benefits	31,537	16,881	5,079	0.00	937	5,423	17,012	76,869
Auditing Fees	0.00	588	720	0.00	660	0.00	0.00	1,968
Other Operating Administrative	23,450	20,886	0.00	6,731	737	39	0.00	51,843
General Expenses	0.00	18,435	0.00	0.00	3,203	0.00	0.00	21,638
Utilities	0.00	31,428	0.00	0.00	341	0.00	0.00	31,769
Protective Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Resident & Social Services	195,852	0.00	0.00	64,507	0.00	0.00	232,442	492,801
Ordinary Maintenance & Operations (Labor)	0.00	39,646	0.00	0.00	2,236	0.00	0.00	41,882
Maintenance Materials & Other Operations	0.00	7,586	0.00	0.00	628	0.00	0.00	8,214
Maintenance Contract Costs	0.00	5,611	0.00	0.00	2,108	0.00	0.00	7,719
Extraordinary Maintenance/Capital Improvements	0.00	33,220	0.00	0.00	0.00	297,231	0.00	330,451
Debt Service / Replacement Reserve	0.00	87,356	0.00	0.00	3,746	0.00	0.00	91,102
HAP / Leasing	0.00	0.00	353,078	38,363	0.00	0.00	0.00	391,441
Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2010 Use of Funds Totals	398,527	319,925	392,941	109,601	17,350	333,957	345,242	1,917,543

Single Fund MTW Budget with Full Flexibility

2010 SOURCE OF FUNDS - ACTUAL								
	Operating	Capital Fund	HCV	2009 Initiative RSO Expansion / Home- ownership	2009 Initiative e-Housing Connection	2009 Initiative Douglas Coun- ty Prisoner Re-Entry	2010 Initiative Energy Per- formance Con- tract	Single Fund Budget Totals
Federal Grants & Subsidy	774,011	631,081	3,971,163	0.00	0.00	0.00	0.00	5,376,255
Tenant Revenue	1,223,459	0.00	0.00	0.00	0.00	0.00	0.00	1,223,459
Investment Income	10,105	0.00	19726	0.00	0.00	0.00	0.00	29,831
Other Income	115,283	0.00	919	0.00	0.00	0.00	0.00	116,202
Non-Dwelling Rent	800	0.00	0.00	0.00	0.00	0.00	0.00	800
Other Income (Tenant Damages/ Late Fees)	40,156	0.00	0.00	0.00	0.00	0.00	0.00	40,156
MTW Reserves	0.00	0.00	0.00	135,550	62,630	13,039	1,020,816	1,232,035
2010 Source of Fund Totals:	2,163,814	631,081	3,991,808	135,550	62,630	13,039	1,020,816	8,018,738

2010 USE OF FUNDS - ACTUAL								
Administration & Management Salaries	460,964	42,101	377,189	73,715	47,186	0.00	0.00	1,001,155
Employee Benefits	84,398	7,553	69,462	13,439	11,170	0.00	0.00	186,022
Auditing Fees	4,230	0.00	6,815	0.00	0.00	0.00	0.00	11,045
Other Operating Administrative	64,948	114,209	86,026	3,200	425	240	100	269,148
General Expenses	236,266	875	1,1451	0.00	0.00	0.00	0.00	248,592
Utilities	312,873	0.00	0.00	0.00	0.00	0.00	0.00	312,873
Protective Services	11,808	0.00	0.00	0.00	0.00	0.00	0.00	11,808
Resident & Social Services	101,008	0.00	5,406	45,196	0.00	0.00	0.00	151,610
Ordinary Maintenance & Operations (Labor)	428,898	0.00	0.00	0.00	0.00	0.00	0.00	428,898
Maintenance Materials & Other Operations	153,338	0.00	0.00	0.00	0.00	0.00	0.00	153,338
Maintenance Contract Costs	25,331	0.00	0.00	0.00	0.00	0.00	0.00	25,331
Extraordinary Maintenance / Capital Improvements	22,280	325,432	0.00	0.00	0.00	0.00	1,020,716	1,368,428
Debt Service / Replacement Reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HAP / Leasing	0.00	0.00	2,984,898	0.00	3,849	12,799	0.00	3,001,546
Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2010 Use of Funds Totals	1,906,342	490,170	3,541,247	135,550	62,630	13,039	1,020,816	7,169,794

Single fund budget with full flexibility.

Beginning in 2009 the LDCHA was approved to combine its public housing operating subsidies, public housing capital funds and its Section 8 Housing Choice Voucher Program assistance into a single authority-wide funding source (MTW Funds).

Specifically the agency sought this approval in order to have maximum local flexibility to carry out any and all of the following approved activities:

- Provision of capital funds or operating assistance to housing previously developed, or operated pursuant to a contract between HUD and LDCHA, or newly acquired or developed.
- The acquisition, new construction, reconstruction or moderate or substantial rehabilitation of housing (including, but not limited to, assisted living, or other housing as deemed appropriate by LDCHA, in accordance with its mission), or commercial facilities consistent with the objectives of the demonstration, provided, however, that prior HUD approval is required for the development of any incremental public housing units, pursuant to Section 9(g)(3) of the 1937 Act.
- The provision of housing or employment-related services or other case management activities, such as housing counseling in connection with rental or home ownership assistance, activities related to self-sufficiency, and other employment counseling, education, and training.
- The provision of management services, including preparation of work specifications, loan processing, inspections, tenant selection, management of tenant and project-based rental assistance and management of housing projects or other facilities or operations developed under this program.
- The provision of safety, security, and law enforcement measures and activities appropriate to protect residents of housing from crime.
- The provision of Section 8 tenant-based assistance or project-based rental assistance, alone or in conjunction with other private or public sources of assistance.
- The preservation of units currently serving people of low income or the acquisition and/or development of new units for people of low income, provided that all rehabilitation and construction is done in accordance with the requirements of Section 504 of the Rehabilitation Act and where applicable, the design and construction requirements of the Fair Housing Act.
- The use of housing assistance payments for purposes other than payments to owners, so long as these purposes are consistent with other eligible uses of section 8 and section 9 funds.
- Hiring staff as necessary to assist with administering the program to ensure that activities are in line with the agreement. LDCHA also makes necessary technological en-

hancements to benefit the organization and the residents as ideas and concepts are tested during the demonstration.

By utilizing a Single Fund Budget with full flexibility, LDCHA was able achieve local flexibility in the design and administration of housing assistance to eligible families, to reduce cost and achieve greater cost effectiveness in Federal expenditures. None of the activities described in Section VI would have been possible without the funding flexibility granted by the above waiver.

Section VIII: Administrative

A. Progress on Corrections of Observed Deficiencies Cited in Monitoring Visits

The agency has had no deficiencies cited from monitoring visits, physical inspections, or other oversight and monitoring mechanisms, other than:

- ARRA on-site monitoring review which had two deficiencies that have been corrected.

B. Results of Agency-Directed MTW Demonstration Evaluations

The agency's evaluation of the demonstration is outlined in Section VI, including monitoring and tracking of pertinent information relative to each approved MTW initiatives.

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

The Performance and Evaluation Report for Capital Fund activities were presented with the 2011 Annual Plan Statement and are not presented in this document. Please indicate if Capital Fund ARRA reports are requested.

D. Certification that LDCHA has Met Statutory Requirements

The Certification of Compliance with the Statutory Requirements is attached.