



Opening Doors to Self-Sufficiency

Lexington-Fayette Urban County Housing Authority

Moving to Work Demonstration

FY 2012 Annual Plan



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Table of Contents

I. Introduction	4
II. General Housing Authority Operating Information	7
A. Housing Stock Information	7
B. Leasing Information	9
C. Waiting List Information	10
III. Non-MTW Related Housing Authority Information	13
A. Sources and Uses of Other HUD and Federal Funds	13
B. Non-MTW Activities	13
IV. Long-Term MTW Plan	15
V. Proposed MTW Activities: HUD Approval Requested	24
Activity 1) Management Team I Rent Reform Controlled Study – Increase Minimum Rent at Pimlico to \$150	24
Activity 2) Management Team III Rent Reform Controlled Study – No Rent Reduction Requests for 6 Months After Initial Occupancy for Bluegrass HOPE VI Public Housing Residents	28
Activity 3) Management Team IV Rent Reform – Triennial Recertification of Griffith Tower Households	32
Activity 4) Housing Choice Voucher Rent Reform Controlled Study – No Rent Reduction Requests for 6 Months After Initial Occupancy	35
Activity 5) Streamlined HQS Inspection Policy for Housing Choice Voucher Units	38
Activity 6) Biennial Housekeeping Inspections for Public Housing Residents	41
Activity 7) Public Housing Acquisition Without Prior HUD Approval	43
Activity 8) Conversion of Appian Hills and Pimlico Public Housing to Project-Based Vouchers	44
Activity 9) Development of Project-Based Voucher Units in Spiegel Heights	47
Activity 10) HCV Special Partner Programs	48
VI. Ongoing MTW Activities: HUD Approval Previously Granted	51
VII. Sources and Uses of Funding	52
A. Operating, Capital, and HCV Funds	52
B. State and Local Funds	53
C. Central Office Cost Center (COCC)	54
D. Variations in Cost Allocation / Fee-For-Service Approach	55
E. Uses of Single-Fund Flexibility	55

F. Reserve Balances	56
VIII. Administrative	58
A. Board Resolution	58
B. Agency-Directed Evaluations of the MTW Demonstration	62
Appendix A. Documentation of Public Hearing.....	63
Appendix B. MTW Rent Reform Random Assignment Process.....	78
Appendix C. MTW Rent Reform Hardship Policy.....	80
Appendix D. MTW Rent Reform Evaluation.....	81
Appendix E. Annual Statements / Performance Evaluation Reports	87
Appendix F. Sources and Uses of Funds by AMP	95
Appendix G. Other Administrative Documents Required by HUD.....	97

I. Introduction

The Lexington-Fayette Urban County Housing Authority (LHA), formerly known as the Lexington Municipal Housing Commission, was established in 1934 to provide safe and desirable affordable housing to low and moderate-income individuals and families while partnering with community agencies to promote increased self-sufficiency and a higher quality of life for its residents.

LHA presently manages 1,303 public housing units and 2,555 Housing Choice Voucher (HCV) properties throughout the Lexington community. In total, LHA can serve 3,858 households at full occupancy.

The Authority is governed by a Board of Commissioners, a group of dedicated citizens and local officials appointed in accordance with state housing law, who establish and monitor agency policies and are responsible for preserving and expanding the Authority's resources and ensuring the Authority's ongoing success.

In November 2010, LHA submitted a formal application to the federal U.S. Department of Housing and Urban Development (HUD) seeking admittance to the Moving to Work (MTW) demonstration program. HUD announced LHA's selection for program admittance in March 2011, and the Authority formally entered the MTW program on November 10, 2011 with the execution of an MTW Agreement between HUD and LHA.

The MTW program, authorized by Congress and signed into Law as part of the Omnibus Consolidated Rescissions and Appropriations Act of 1996, offers public housing authorities the opportunity to design and test innovative, locally designed housing and self-sufficiency strategies for low-income families. The program allows exemptions from existing low-income public housing and tenant-based HCV rules and permits public housing authorities to combine operating, capital, and tenant-based assistance funds into a single funding source.

MTW is a demonstration program that allows public housing authorities to design and test ways to achieve three statutory goals. The activities and policies designed by the Authority must further at least one of these goals:

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

MTW agencies are also required to implement at least one rent reform initiative designed to encourage employment and self-sufficiency by participating families.

Under the MTW program - prior to the beginning of each fiscal year - housing authorities create and adopt an MTW Annual Plan that describes new and ongoing activities that utilize the authority granted to them through the program. At the end of each fiscal year, the housing authority then prepares an MTW Annual Report to share the status and outcomes of these activities.

To ensure LHA's participation in the MTW demonstration program meets the specific needs of the Lexington-Fayette community, the agency has carefully crafted an additional list of local objectives, which are community-driven refinements of the program's federal objectives:

1. Increase the number and quality of affordable housing choices throughout the Lexington-Fayette community;
2. Increase the number of families moving toward self-sufficiency;
3. Increase and strengthen the number of community partnerships benefitting residents with special needs, especially those not adequately served elsewhere in the community and those requiring a "service-enriched" housing environment; and
4. Reduce the agency's administrative costs while limiting the administrative burdens placed on staff and residents.

To further both the federal and local MTW objectives listed above, LHA is proposing ten new MTW activities for FY 2012. An MTW activity is defined as any initiative that LHA would not be able to implement without the statutory and regulatory flexibility in public housing and HCV program rules provided by the MTW program.

The following table summarizes LHA's proposed FY 2012 MTW activities and their relation to the MTW program's statutory objectives. Detailed descriptions of each activity can be found in Section V of this Plan, "Proposed MTW Activities: HUD Approval Requested."

Proposed FY 2012 MTW Activities

Activity #	Activity Description	Statutory Objective Furthered
1	Management Team 1 Rent Reform Controlled Study: Increase Minimum Rent at Pimlico to \$150	(2) Promote self-sufficiency
2	Management Team 3 Rent Reform Controlled Study: No Rent Reduction Requests for 6 Months After Initial Occupancy for Bluegrass HOPE VI Public Housing Residents	(1) Reduce costs; (2) Promote self-sufficiency
3	Management Team 4 Rent Reform Controlled Study: Triennial Recertification of Griffith Tower Households	(1) Reduce costs
4	HCV Rent Reform Controlled Study: No Rent Reduction Requests for 6 Months After Initial Occupancy	(1) Reduce costs; (2) Promote self-sufficiency
5	Streamlined HQS Inspection Policy for HCV Units	(1) Reduce costs
6	Biennial Housekeeping Inspections for Public Housing Residents	(1) Reduce costs
7	Public Housing Acquisition Without Prior HUD Approval	(3) Increase housing choices
8	Conversion of Pimlico and Appian Hills Public Housing Units to Project-Based Vouchers	(3) Increase housing choices
9	Development of Project-Based Voucher Units in Spiegel Heights	(3) Increase housing choices
10	HCV Special Partner Programs	(3) Increase housing choices

II. General Housing Authority Operating Information

A. Housing Stock Information

1. Number of public housing units at the beginning of the plan year: 1,303

2. General description of any planned significant capital expenditures by development:

The Lexington-Fayette Urban County Housing Authority (LHA) plans to expend \$895,396 on physical improvements to its developments during FY 2012 as follows:

Development Name	Unit Count	Estimated Cost	Description
12 th Street	40	\$21,761	Exterior / interior repair / replacement / upgrades
Connie Griffith	150	\$202,761	Replace heat pumps & distributors; replace apartment door locks
Georgetown	17	\$21,761	Exterior repair / upgrades
Pimlico	32	\$215,761	HVAC upgrade / installation
Pine Valley	139	\$115,069	Site repairs; building interior / exterior repair / upgrade
Russell Cave	26	\$21,761	Exterior / interior repair / replacement / upgrade
Satellite	102	\$214,761	Mechanical / electrical upgrade; hardscape & site repair; repair & seal parking lots / driveways; roof repair / replacement; site repairs; building interior / exterior repair
Sugar Mill	46	\$81,761	Parking lot repair; exterior repair; security camera installation
Totals	552	\$895,396	

3. Description of any new public housing units to be added during the year by development:

LHA does not have any specific plans to add new public housing units to its inventory during FY 2012. However, the agency is continually working to acquire and develop additional public housing in order to increase the number of affordable choices available to low-income families and will continue to do so during FY 2012.

4. Number of public housing units to be removed from the inventory during the year by development:

LHA's Appian Hills and Pimlico public housing developments both need significant rehabilitation. Depending on its ability to secure financing to modernize these sites, LHA will request HUD approval to remove between 44 and 250 public housing units from its

inventory during FY 2012. This includes 44 units at Appian Hills and zero to 206 units at the Pimlico development.

Disposition Site	1-Bed	2-Bed	3-Bed	4-Bed	Total Units
Appian Hills	0	8	9	27	44
Pimlico	0-44	0-112	0-50	0	0-206
Total Units	0-44	8-120	9-59	27	44-250

Should HUD grant approval for this disposition, LHA will sell both properties to one or more non-profit affiliate entities and use the flexibilities permitted under MTW to convert all affected units to project-based voucher assistance.

These dispositions will reduce LHA’s public housing inventory from 1,303 units to 1,053 – 1,259 by the end of FY 2012.

5. Number of MTW Housing Choice Vouchers (HCV) units authorized:

LHA currently has 2,405 tenant-based vouchers authorized through its HCV program. The Authority plans to include all 2,405 units in its MTW program.

6. Number of non-MTW HCV units authorized:

As of July 1, 2011, LHA had 150 HCV units authorized through special purpose programs. These units will not be included in the agency’s MTW program.

On July 14, 2011, the Authority received notification from HUD that it had been awarded an additional 25 VASH vouchers. These units have not yet been leased, but will also remain outside of the MTW program.

Non-MTW HCV Program	Units Authorized As of July 1, 2011
Mainstream Program	25
Shelter Plus Care	30
Veterans Affairs Supportive Housing (VASH)	95
Total Non-MTW Vouchers	150

7. Number of HCV units to be project-based during the Plan year:

LHA plans to project-base 55 to 269 units during FY 2012 as follows:

Site	Type of Project	Project-Based Units
Appian Hills	Conversion from Public Housing	50 – 55*
Pimlico	Conversion from Public Housing	0 - 206
Spiegel Heights Lot	New Construction	5 - 8

*Additional units will be created at Appian Hills by converting a number of the site’s 27 four-bedroom homes into multiple one-bedroom or flexible-floor plan units (see Activity 11 for project description).

LHA is considering several options to finance the new construction in Spiegel Heights. The Authority may allocate dollars from its program income fund, which in turn was

funded through property sales and the collection of development fees associated with the implementation of its previous HOPE VI grants for Charlotte Court and Bluegrass-Aspendale. Alternatively, LHA may seek outside funds from a non-federal source.

All 55 to 269 of the newly project-based units at Appian Hills, Pimlico, and Spiegel Heights will be included in the agency's MTW program.

B. Leasing Information

1. Anticipated total number of MTW PH units leased in the Plan year:

LHA anticipates it will maintain a 97% public housing occupancy rate during FY 2012, leasing approximately 1,264 of the agency's current 1,303 units.

2. Anticipated total number of non-MTW PH units leased in the Plan year:

Not applicable. LHA plans to include all 1,303 of its current public housing units in its MTW program.

3. Anticipated total number of MTW HCV units leased in the Plan year:

As of July 1, 2011, LHA's tenant-based voucher lease rate was 114%. The Authority expects leasing levels will slowly fall during FY 2012, stabilizing at approximately 105% (or 2,535 of 2,405 units) by June 2012.

In addition, LHA expects to lease 100% of the 5 – 8 newly constructed Spiegel Heights project-based units by June 30, 2012.

Finally, LHA may not be ready to lease any project-based units at Appian Hills or Pimlico by the end of FY 2012.

4. Anticipated total number of non-MTW HCV units leased in the Plan year:

During the Plan year, LHA anticipates it will lease 100% of the 150 non-MTW HCV units authorized as of July 1, 2011. This includes 95 VASH units, 30 Shelter Plus Care units, and 25 Mainstream units.

After the initial lease-up period, LHA also estimates it will lease at least 95% of the 25 VASH vouchers it was awarded on July 14, 2011.

5. Description of anticipated issues relating to any potential difficulties in leasing units (HCV or PH):

LHA has traditionally maintained high occupancy rates in both its public housing and HCV programs, and does not anticipate any difficulties leasing units during FY 2012.

6. Number of project-based vouchers in-use at the start of the Plan year

LHA has no project-based vouchers.

Table II-B.1 Leasing Information

Housing Program	As of July 1, 2011		
	Units Available	Units Leased	Occupancy Rate
Public Housing	1,303	1,257	96%
Housing Choice Voucher Program			
MTW Housing Choice Vouchers	2,405	2,659	111%
Non-MTW Housing Choice Vouchers			
Veterans Affairs Supportive Housing (VASH)	95	88	93%
Shelter Plus Care	30	40	133%
Mainstream Program	25	26	104%
Total Housing Choice Voucher Program	2,555	2,813	110%
Total Units	3,858	4,070	105%

C. Waiting List Information

1. Description of anticipated changes in waiting lists:

The proportional composition of LHA’s public housing and HCV waiting lists by bedroom-size and household income level is not expected to vary significantly during FY 2012.

Please see tables II.C-1 and II.C-2 below for waiting list composition as of July 1, 2011.

2. Description of anticipated changes in the number of families on the waiting lists and opening and closing of waiting lists:

Public Housing

The number of families on LHA’s public housing waiting list is expected to remain relatively constant during FY 2012.

In early Calendar Year 2012, LHA will move to a paperless public housing application process. All families requesting housing assistance will be asked to fill in an application online via the Authority’s website; application assistance will be available at the agency’s main office as well as at the offices of several local service providers.

Housing Choice Voucher Program

Due to the extraordinary demand for HCV assistance in the Lexington community, LHA’s tenant-based HCV waiting list was closed when it reached more than 4,000 families in August 2004. By October 2010, the number of remaining families had been reduced to the point that LHA began accepting new HCV applications through an online process for a brief 5-day window that month. Applicants could request assistance with the electronic application at several local churches or from LHA staff at the Authority’s main office. A random, electronic lottery conducted by an outside, third party technology firm was then held to determine the order that would be used to verify applicant eligibility and add the 1,343 newly-applying families to the existing waiting list.

During FY 2012, LHA will continue this new lottery-based approach to its HCV waiting list. Rather than watch the length of the list slowly creep back up into the thousands while the likely wait time of newly-added families gradually stretches from months to years, LHA will generally keep the waiting list closed, accepting new online applications for brief windows of time only when the waiting list again dwindles to a small number of families. A random, electronic lottery system will then be used to determine the order in which applicant eligibility will be verified and newly-applying families added to the existing waiting list.

This new approach will better serve families as wait times will be decreased significantly, allowing them to make more informed decisions regarding their housing choices. This approach will also increase the accuracy of waiting list data as household information will be more recent and the families on the list more likely to still need HCV assistance by the time their name reaches the top of the list.

Table II-C.1 Waiting List Households by Unit Size

Housing Program	As of July 1, 2011					Total
	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed	
Public Housing	780	426	246	73	18	1,543
Housing Choice Voucher Program	86	130	96	24	3	339
<i>Total Households on All Waiting Lists</i>	866	556	342	97	21	1,882

Table II-C.2 Waiting List Households by Income Level

Housing Program	As of July 1, 2011					Total
	Extremely Low	Very Low	Low	Moderate	High	
Public Housing	1,271	120	23	81	48	1,543
Housing Choice Voucher Program	258	43	13	0	25	339
<i>Total Households on All Waiting Lists</i>	1,529	163	36	81	73	1,882

III. Non-MTW Related Housing Authority Information

A. Sources and Uses of Other HUD and Federal Funds

A list of planned FY 2012 sources of MTW-ineligible HUD funds follows. The uses of the funds are evident given the sources.

HUD-Shelter Plus Care Vouchers:	\$ 209,496
HUD-Mainstream Vouchers:	\$ 146,320
HUD-VASH Vouchers:	\$ 105,586
Public Housing FSS Coordinator	\$ 54,000
<u>HCV FSS Coordinator:</u>	<u>\$ 50,028</u>
TOTAL SOURCES	\$ 565,430

B. Non-MTW Activities

LHA offers a number of resident programs that fall outside of the scope of the MTW demonstration program. These programs encourage self-sufficiency and increase the housing choices available to families.

Bluegrass HOPE VI Homeownership Counseling

Housing Authority partner REACH serves as lead homeownership counseling agency at Equestrian View, the neighborhood of 102 single-family homes created as part of the Bluegrass HOPE VI revitalization. REACH employs a full-time Housing Counselor to work exclusively to meet the pre-purchase and homebuyer education needs of clients interested in purchasing one of these homes. REACH helps homebuyers qualify for mortgage financing and government down-payment assistance.

HCV Family Self-Sufficiency (FSS) Program

In partnership with the Community Action Council for Lexington-Fayette County, LHA offers self-sufficiency activities for 50 families who have received FSS HCV vouchers. Each participating family works with an FSS Coordinator to develop a personalized family self-sufficiency plan, which includes a list of family strengths and barriers to self-sufficiency; a list of goals for each family member (both children and adults) and for the family as a whole; and a list of tasks the family plans to undertake in order to reach these goals.

HCV Homeownership Program

This program is designed to provide homeownership opportunities for low and moderate-income families who ordinarily would not be able to afford to purchase their own home. Administered by REACH (a local non-profit affordable housing development agency), the program requires potential homebuyers to be both income and mortgage eligible, with eligibility determined by the mortgage lender.

Mainstream HCV Program

LHA maintains 25 HCV vouchers as part of HUD's Mainstream Program. These vouchers enable families including a person with disabilities to lease affordable private housing of their choice. Mainstream program vouchers also assist persons with disabilities who often face difficulties in locating suitable and accessible housing on the private market.

Self-Sufficiency Public Housing

LHA has 845 self-sufficiency public housing units throughout the Lexington community. Designed to reward working families, these units have features that tend to make them more desirable than the rest of the Authority's more traditional public housing stock - they are newer or newly renovated; they contain more amenities; and the buildings are much smaller (generally duplexes or single-family dwellings). Typical amenities not found in the rest of LHA's public housing stock include dishwashers, wall-to-wall carpeting, ceramic floors, icemakers, and multiple bathrooms in larger units.

To qualify for Self-Sufficiency I units, the family's head-of-household or spouse must work at least 37.5 hours a week. A family with a single head-of-household, who is enrolled as a full-time student in an accredited college, university or vocational school, is also eligible. To qualify for Self-Sufficiency II units the head-of-household or spouse must work 20 hours a week, although a family with a single head-of-household, who is enrolled as a full-time student, is also eligible.

Shelter Plus Care HCV Program

LHA maintains 30 HCV vouchers as part of HUD's Shelter Plus Care Program. These vouchers provide long-term housing for homeless people with disabilities, primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and AIDS or related diseases. The program targets individuals and families who are living in places not intended for human habitation (i.e., living on the street) or in emergency shelters.

Veterans Affairs Supportive Housing (VASH) HCV Program

LHA maintains 95 HCV vouchers as part of HUD's VASH program, which combines HCV rental assistance for homeless veterans with case management and clinical services provided by Veterans Affairs. In July 2011, HUD notified LHA that the agency had been awarded 25 additional VASH vouchers, which the Authority plans to begin leasing in early 2012.

Revitalization of Appian Hills and Pimlico

The HOPE VI revitalizations of Charlotte Court and Bluegrass-Aspendale leave Appian Hills and Pimlico as LHA's last large and aging family public housing developments, and the Authority is currently examining several alternative strategies for revitalizing these sites. Should HUD issue a NOFA during FY 2012 that would aid the redevelopment of either of these sites – for instance a Choice Neighborhoods Implementation NOFA - LHA may apply for these funds.

IV. Long-Term MTW Plan

The mission of the Lexington-Fayette Urban County Housing Authority (LHA) is to provide safe and desirable affordable housing to low and moderate-income individuals and families while partnering with community agencies to promote increased self-sufficiency and a higher quality of life for its residents.

LHA's long-term vision for its participation in the MTW demonstration program integrates this local mission with the federal statutory objectives of the MTW program. The result is a carefully crafted list of local goals, which tailor the federal objectives to the specific needs of the Lexington-Fayette community.

1. Increase the number and quality of affordable housing choices throughout the Lexington-Fayette community.
2. Increase the number of families moving toward self-sufficiency.
3. Increase and strengthen the number of community partnerships benefitting residents with special needs, especially those not adequately served elsewhere in the community and those requiring a "service-enriched" housing environment.
4. Reduce the Agency's administrative costs while limiting the administrative burdens placed on staff and residents.

The following sections describe how LHA plans to leverage the MTW program to achieve each of these goals.

Goal 1: Increase the number and quality of affordable housing choices throughout the Lexington-Fayette community.

By the 1990s, unchecked development in Fayette County was accelerating the loss of Lexington's famous bluegrass pastures and horse farms to such an extent that public outcry launched legislative initiatives to limit growth including a moratorium on rural lot creation for subdivision development. These efforts succeeded in saving Lexington's bucolic surroundings but at a price; land costs within the city boundaries increased significantly as did housing prices in general. Affordable housing creation became much more difficult and the waiting lists for subsidized housing programs grew.

Today, over 1,500 Lexington families are waiting for one of LHA's 1,303 public housing units to become available. Due to stiff competition with the community's large number of university students for other non-public-housing options, one-bedroom units are in particularly short supply.

Meanwhile, the demand for Housing Choice Voucher (HCV) units so outstrips supply that the Authority's waiting list was closed from August 2004 to October 2010. When LHA decided to briefly open the list to new applicants in October, the agency received 1,343 applications in five

days. The message is clear – Lexington desperately needs additional housing choices for low-income families.

And LHA has been working tirelessly to fulfill this need. Thanks to a significant infusion of federal HOPE VI funds over the last decade, the agency has demolished two large, obsolete family public housing developments – Charlotte Court and Bluegrass-Aspendale - and created vibrant mixed-income communities in their place. These large-scale revitalization projects created hundreds of new rental and homeownership units, both on the original sites and scattered throughout the community.

Now, as LHA winds up the last of the Bluegrass HOPE VI construction, it is evaluating its past development strategies and synthesizing new approaches. Only two large, aging family developments are left – 44-unit Appian Hills and the 206-unit Pimlico site. LHA is eager to develop alternative strategies besides competitive grant applications that don't leave the Authority possibly waiting for years for its turn at highly competitive and extremely limited funds. The flexibilities provided by MTW are a natural fit for LHA; the program will allow the Authority to leverage the stable income stream provided by project-based vouchers to attract the additional financing necessary to modernize these sites.

As part of the Appian Hills rehabilitation, LHA will explore the concept of “flexible floor plans.” The site has a large number of 4-bedroom units, and the agency is currently in desperate need of 1-bedroom apartments. Converting these units to flexible floor plans would allow LHA to seamlessly adapt to the constantly changing demographics of residents without expensive unit reconfigurations, using these units alternately as either multi-bedroom homes or one-bedroom apartments.

Looking beyond the rehabilitation needs of sites like Pimlico and Appian Hills, the agency is focusing on the acquisition and development of smaller sites, typically only a half-dozen units or less. This kind of work requires a more nimble strategy; the Authority must be able to adjust to continuously shifting local market conditions and act swiftly when a promising site becomes available. The flexibilities provided by the MTW demonstration, including single-fund fungibility and a streamlined acquisition process, will better position LHA to take advantage of opportunities as they appear.

But creating these new affordable housing units is not enough. The entire exercise is moot if low-income households remain unaware of the full range of their housing choices. According to the *2009 Analysis of Impediments to Fair Housing Choice in Lexington-Fayette County, Kentucky*, “Individuals and/or households in the Lexington-Fayette County, Kentucky jurisdiction may not consider housing opportunities across a broad range of neighborhoods and communities that provide a desired quality of life and contain quality affordable housing.” The Analysis of Impediments further found that “while income disparities across racial and ethnic groups contribute to segregated residential patterns, our analysis suggests that households across all income groups live in racially and ethnically segregated neighborhoods. In particular, black households of all incomes live in neighborhoods with disproportionately fewer whites... To the extent that such decisions are a matter of choice, households may not be making decisions with information about the full range of options available throughout the Lexington-Fayette County

area, and so restrict their housing searches to a subset of neighborhoods. These search patterns reinforce segregation in the city of Lexington and the county of Fayette.”

In short, information is a key component to furthering fair housing choice in the Lexington community – and communicating this information is a key goal of LHA staff. During its recent five-year planning process, the Authority re-committed itself to this goal, instituting a number of new initiatives designed to enhance LHA’s ability to communicate with residents and the wider community.

Perhaps the most important of the agency’s new initiatives is the creation of five resident advisory panels – one for each of its four property management teams plus an additional panel for its HCV program. These residents advise LHA staff on the most effective ways to reach their neighbors, while serving as a conduit to disseminate information to the rest of the community. These panels will also provide real-time feedback on MTW initiatives, allowing the Authority to course-correct as soon as issues arise.

Other new communications initiatives include the publication of an annual report and calendar, a more robust “News” section on the agency’s website, separate resident newsletters for each of the Authority’s four property management teams, free internet training available to all tenants, and a plan to increase broadband internet access in partnership with the Lexington Urban League.

LHA is also pleased to have Art Crosby of the Lexington Fair Housing Council on its MTW Stakeholders Committee. His continued presence will ensure that the promotion of fair housing choice remains a principal goal of the MTW program over the long-term.

Goal 2: Increase the number of families moving toward self-sufficiency.

Providing additional affordable housing stock – while critical – isn’t the only way to help low-income families increase their housing choices. Initiatives that raise or stabilize household income also boost the number and variety of housing types a family can afford.

Therefore, the second prong of LHA’s long-term MTW approach involves moving more families toward self-sufficiency.

Rent Reform

One of the founding goals of MTW was to have the demonstration serve as a laboratory to test alternative rent models that encourage employment and self-sufficiency. In fact, rent reform is currently the **only** policy innovation that MTW agencies are required to implement.

MTW rent reform policies typically fall into one of six categories, which can be implemented as stand-alone initiatives or in combination:

- Flat or tiered rent structures;
- Modifications to current exclusion/deduction requirements;
- Alternate income verification procedures;
- Alternate utility allowance policies;
- Alternate minimum/maximum rents; and/or
- Alternate recertification schedules.

LHA is particularly interested in the ability the MTW program provides to tailor rent reform initiatives to the needs of specific resident populations. One initiative might target families with young children, while another focuses on elderly residents with fixed-incomes, and a third is specifically designed to help residents already living in self-sufficiency units.

Embracing the idea of MTW as laboratory, LHA's Executive Director challenged the managers of each of its four property management teams and its Housing Choice Voucher program to design their own pilot rent reform initiative targeting the residents served by their team. Why this approach to rent reform? The idea is to implement the reforms front-line LHA staff believes will be the most effective as soon as possible. By the end of Year 2 LHA expects to have a full year's worth of data measuring the success of these programs. By Year 3, managers are expected to be ready to expand pilots that worked or implement an alternative strategy if necessary.

With input from their team members, senior staff, and the MTW Stakeholders Committee, each manager crafted the rent reform pilot he or she thought would best serve their resident population:

- Management Team I: Increase Minimum Rent at Pimlico from \$50 to \$150;
- Management Team II: Implement a Tiered Rent Structure at 12th Street (To allow for additional planning, this reform will be implemented in FY 2013);
- Management Team III: Prohibit Rent Reduction Requests for 6 Months After Initial Occupancy for Bluegrass HOPE VI Public Housing Residents;
- Management Team IV: Move to Triennial Recertification for Griffith Tower Households; and
- Housing Choice Voucher Program: Prohibit Rent Reduction Requests for 6 Months After Initial Occupancy for Housing Choice Voucher Households.

LHA's property management team structure will greatly facilitate staff's ability to effectively implement these four separate rent reform initiatives simultaneously. While a housing authority that processes applications and recertifications centrally would need to train Admissions and Management Specialists to effectively handle distinct control and treatment protocols for all rent reform initiatives, LHA Specialists will have the much simpler task of adjusting their current procedures to reflect the single rent reform initiative that applies exclusively to their property management team.

LHA has also been working closely with its software provider, Tenmast, to identify system changes necessary to accommodate these initiatives. Together, they have determined that the rent reforms proposed for Management Team III and the Housing Choice Voucher Program will not require software changes, and that the system changes required for Management Teams I and IV are feasible. Tenmast will provide appropriate training to Team I and IV staff once system modifications have been made. Property Team Managers will work with their respective staff to ensure that they understand the full impact of the policy changes related to their individual teams.

In order to rigorously test the effects of alternate rent structures, HUD requires that at least one of these rent reform initiatives be implemented as a controlled study. That means each household will be randomly assigned to a treatment or control group. Only the treatment group will be subject to the initiative requirements. The control group will continue to be governed by LHA's current policies. After consultation with HUD and the Authority's MTW Evaluation Team, LHA has decided to implement the rent reform initiatives for Management Teams I and III and the Housing Choice Voucher Program as controlled studies.

LHA will report on the results of each of these rent reform initiatives annually in its MTW Annual Report. The report will summarize initiative results using the benchmarks and metrics detailed for each activity in Section V of this report, "Proposed MTW Activities: HUD Approval Requested."

Furthermore, an impact analysis will be conducted annually for each initiative. This analysis will verify that the rent reform initiative does not disparately impact the rent burden faced by protected classes of households by race, color, national origin, disability, age, or gender. These results will also be included in the MTW Annual Report.

Changes to these initiatives will be included each year in the Authority's MTW Annual Plan. Each year's Plan will have a 30-day public comment period, which will include a public hearing.

Incentivizing Educational Achievement for Households with Children in Elementary School

Beyond rent reform, one the most promising and exciting initiatives included in LHA's long-term MTW Plan is an initiative that will reward parents and guardians who become more involved in their child(ren)'s education. The program will be piloted at Pimlico, LHA's last large family public housing site in FY 2013 and will operate on a point system, with the Authority and Fayette County Public Schools working together to encourage and verify parents' participation and children's achievement. Should the pilot prove successful, LHA would like to eventually extend the program to all of its public housing sites.

Adult members of the child’s household will earn points by engaging in activities that demonstrate their dedication to their child’s education. Possible options include becoming active in the Parent Teacher Organization and volunteering at their child’s school on a regular basis. The household can also earn points when children meet achievement measures like maintaining regular school attendance; earning good grades; and displaying consistently good behavior at school.

Households can then redeem points using a menu of incentives offered at a variety of different points levels. Families may select items with a low points value that they can earn quickly like books and gift cards, or save their points for more long-term goals – perhaps a bicycle for a child or a free month’s rent for the household.

Goal 3: Increase and strengthen the number of community partnerships benefitting residents with special needs, especially those not adequately served elsewhere in the community and those requiring a “service-enriched” housing environment.

The ability of public housing authorities to provide direct services for residents has traditionally been limited by the scope and funding provisions of the primary federal programs that facilitate resident services - FSS (Family Self-Sufficiency), ROSS (Resident Opportunity and Self-Sufficiency), and HOPE VI. These programs provide funding to hire service coordinators who manage activities or refer residents to other non-profit or local government agencies, but do not provide the type of intense, direct intervention populations with special needs often require.

The MTW program provides housing authorities with regulatory flexibilities that allow them to forge stronger partnerships with service providers, creating housing the partner can manage as service-enriched housing – in other words, partnerships that allow residents to receive the help they need in the place where they live.

The possibilities are almost endless - housing authorities have used MTW to help many different populations. Examples include women and children leaving abusive environments; families dealing with mental illness or other health issues like HIV/AIDS; and mothers returning from prison who want to reunite with their children.

LHA is eager to use available MTW flexibilities to both strengthen its current partnerships with local social service agencies and to forge new affiliations to help underserved populations with special needs in the Lexington community. The Authority currently has 11 such partners, who together are allocated 437 vouchers. These agencies serve victims of domestic violence; individuals with mental illness and/or substance abuse issues; individuals recently released from prison or jail; families in need of financial literacy, credit management, and homeownership resources; single parents enrolled full-time in higher education; and homeless individuals and families.

These partnerships provide service-enriched housing to households while they participate in a program offered by the non-profit organization. LHA will allocate a set number of Housing Choice Vouchers to these initiatives each year. Voucher recipients will be required to reside in designated housing as long as they are participating in the non-profit's program.

LHA looks forward to pursuing additional partnerships in upcoming years, and will continuously seek input from its resident advisory panels, the MTW Stakeholders Committee, and the community at large regarding the best places to pursue this type of programming.

Goal 4: Reduce the Agency's administrative costs while limiting the administrative burdens placed on staff and residents.

MTW is in part a deregulation demonstration, designed to relieve public housing authorities from excessive regulatory burden. This means housing authorities have the opportunity – with prior HUD approval – to streamline their processes by waiving onerous regulations that do not serve their local needs.

LHA has decided to focus its efforts in this area on the inspections processes used in the Housing Choice Voucher and public housing programs.

Housing Choice Voucher (HCV) Inspections

HUD regulations currently mandate that housing authorities inspect every HCV unit at least annually to ensure it meets Housing Quality Standards (HQS). While LHA intends to uphold HUD's high standards of decent, safe, and sanitary housing maintained in good repair for all HCV households, the Authority believes it can achieve this outcome more cost-effectively through a new *Star Rating System* for HCV property owners.

Over the course of the MTW demonstration, LHA will develop a risk-based inspection process that evaluates owners on multiple factors including:

- Past inspection scores;
- Age of units, age of mechanical systems and/or date of last major renovation;
- Severity of past HQS violations; and
- Past complaints reported by voucher holders and their general satisfaction with their housing unit.

Points will be assigned to each of these factors and tallied to result in a *Star Rating* from one ★ through four ★ ★ ★ ★ stars, which will be used to determine the quantity and frequency of future inspections.

During Year 1 of its participation in the MTW Demonstration, LHA will begin overhauling its existing inspection process into a streamlined, cost-effective approach that aggressively enforces

HQS at the most at-risk/problematic properties, while reducing inspection frequency at high-quality properties.

Initial steps planned for FY 2012 for all privately owned and partner-based HCV units include:

- A randomly selected inspection of 25% of dwellings for units owned by service provider partners or owners with an excellent inspection track record who have 10 or more HCV units;
- A written self-certification process for the correction of minor fail items for owners with excellent HQS performance; and
- An inspection schedule based on geographic clustering of units within specified locations in Lexington, instead of the current method of automatically scheduling annual inspections on the move-in anniversary date for each individual unit.

These strategies will result in considerable cost and timesavings, while improving the City's air quality by reducing travel time.

During Year 1, the Authority plans to examine the feasibility of conducting HQS inspections on agency-owned units in preparation for a possible FY 2013 initiative. During Year 2 of its MTW participation, LHA plans to more fully develop its risk-based inspection process, including the factors it will use to evaluate HCV property owners.

Public Housing Inspections

LHA will also develop a streamlined approach to its public housing inspection process during its participation in the MTW Demonstration. During FY 2012, the Authority will begin conducting public housing housekeeping inspections biennially for households that maintain an excellent rating. LHA staff will review past inspection records, and anyone with two prior consecutive excellent ratings will automatically have their next inspection scheduled for FY 2013. Other households will be switched to the biennial inspection schedule once they achieve two consecutive excellent ratings. Subsequent housekeeping inspections will remain on a biennial schedule, as long as the household maintains an excellent rating.

Evaluation

If the MTW demonstration program is a laboratory to test innovative approaches in public housing and the HCV program, a strong research-based, outcome-focused evaluation component is the only way to determine which of these new approaches actually work. Otherwise, claims of success are often anecdotal and difficult to verify.

That is why LHA has sought the participation of an objective, third party evaluator, Kentucky State University (the state's only historically black college and an 1890 land-grant institution), to continually monitor and report on the effects of its MTW initiatives.

For each MTW initiative implemented by the Authority, the evaluation team will help determine appropriate baselines, benchmarks, and metrics to assess outcomes affecting residents, LHA, and HUD statutory objectives. Kentucky State will work with the agency to collect all relevant data,

which the evaluation team will then analyze, so they can regularly report on progress against baselines and benchmarks, recommending initiative modifications where appropriate. At the end of each Plan year, they will help LHA determine which MTW activities should be continued or expanded, which should be modified, and which should be dropped.

At the completion of the MTW demonstration or upon renewal of the MTW Agreement with HUD, they will create a final report summarizing the outcomes of all the agency's MTW initiatives - including their impact at the local and national level - and describing how successful activities could serve as replicable program models.

The evaluation team will be particularly helpful as the agency attempts to implement multiple rent reform initiatives. As appropriate for each initiative, Kentucky State will help LHA set up and track a controlled study where residents are randomly assigned to treatment and control groups. They will also perform an annual impact analysis to make sure the Authority's rent reforms do not have any unintended disparate impacts on protected classes of residents.

V. Proposed MTW Activities: HUD Approval Requested

As outlined in Section IV, “Long-Term MTW Plan,” LHA would like to explore several small rent reform pilots during the first year of its MTW participation. Three separate pilots will correspond to the specific needs of residents served by the Authority’s property management teams. In addition, LHA will conduct a fourth rent reform initiative targeting its Housing Choice Voucher population.

LHA believes this highly targeted and customized approach will most effectively meet the needs of its residents.

Activity 1) Management Team I Rent Reform Controlled Study – Increase Minimum Rent at Pimlico to \$150

A. Description

The HOPE VI revitalizations of Charlotte Court and Bluegrass-Aspendale leave Pimlico as LHA’s largest, aging family public housing development. While residents of the HOPE VI sites have benefitted from targeted self-sufficiency and case management initiatives, funding has not been available to provide the same level of services for Pimlico families. The Authority is exploring various financing mechanisms to rehabilitate these 206 units, including conversion to project-based vouchers coupled with low-income housing tax credits, but feasibility, timing, and the depth of services that could be funded are all uncertain.

This reality has left LHA looking for alternative ways to increase resident services and maintain the quality of the units while residents wait for complete rehabilitation. Raising the minimum rent from \$50 to \$150 is a first step in this process. The initiative will promote self-sufficiency by encouraging heads-of-household to work, while raising much-needed revenue. This revenue can then be put directly back into the development – allowing LHA to complete long-deferred maintenance projects.

To ensure this initiative targets heads-of-household who are able to work, elderly and disabled families will be exempt. Of the 185 units currently occupied, 33 are occupied by elderly or disabled families who would be exempt from this initiative. Of the 152 non-disabled / non-elderly households residing at the site, 121 (80%) pay less than \$150 in rent. Seventy-three families currently pay the \$50 minimum rent, while 48 pay somewhere between \$50 and \$150.

Households currently paying less than \$150 per month will be given ninety days notice of the increase in their family’s rent. Hardship requests will be processed per LHA’s MTW Rent Reform Hardship Policy, which can be found in Appendix C.

Affected families did not voice any concerns regarding this activity during either the Authority’s public hearing or public comment period.

As required by HUD, this rent reform initiative will be implemented as a controlled study. The residents directly affected by this activity, households living at the Pimlico public housing development, will make up the treatment group while the residents of the Appian development, whose minimum rent will continue to be \$50, will serve as the control group.

It's important to note that a second initiative that will financially reward parents and guardians who become more involved in their child's education will be piloted at Pimlico in FY 2013. Family members will earn points by engaging in specific, education-affirming behaviors; these points can then be redeemed from a menu of incentives, including a free month's rent. For a complete description of this initiative, see "Uses of Single-Fund Flexibility" in Section VII.

B. Relation to Statutory Objectives

This activity will increase family self-sufficiency.

C - E. Impacts, Metrics, and Data Collection

	<i>Control Group</i>	<i>Treatment Group</i>
	Appian	Pimlico
Units	44	206
Occupied Units	40	185
Elderly / Disabled Households	4	33
Non-Elderly / Non-Disabled Households	36	152

Impact to Measure	Metric	Study Group	FY 2011 Baseline	FY 2012 Benchmark	Data Source
Encouraging non-disabled / non-elderly adult household members to work	Number (Percent) of families paying at least \$150 per month in rent	Control:	17 (43%)	17 (43%)	WinTen2
		Treatment:	31 (20%)	147 (97%)	
	Average (Median) amount of earned income reported by families per month	Control:	\$454 (\$0)	\$454	WinTen2
		Treatment:	\$181 (\$0)	\$272	
	Average (Median) total income reported by families	Control:	\$1,358 (\$1,172)	\$1,358	WinTen2
		Treatment:	\$694 (\$592)	\$785	
	Average (Median) monthly rent payment of families	Control:	\$200 (\$94)	\$200	WinTen2
		Treatment:	\$105 (\$55)	\$150	
	Number (Percent) of families requesting hardship exemptions	Control:	N/A	N/A	MTW Coordinator Log
		Treatment:	N/A	15 (10%)	
	Number (Percent) of families granted	Control:	N/A	N/A	MTW Coordinator
		Treatment:	N/A	4 (3%)	

Impact to Measure	Metric	Study Group	FY 2011 Baseline	FY 2012 Benchmark	Data Source
	hardship exemptions				or Log
	Number (Percent) of residents requesting transfer	Control:	3 (8%)	3 (8%)	Property Manager Log
		Treatment:	2 (1%)	5 (3%)	
	Number (Percent) of residents who: a) transfer, b) move out of LHA housing, c) are evicted	Control:	A = 0 (0%) B = 10 (25%) C = 2 (5%)	A = 0 (0%) B = 10 (25%) C = 2 (5%)	Property Manager Log and WinTen2
Treatment:		A = 0 (0%) B = 35 (19%) C = 8 (4%)	A = 2 (1%) B = 37 (20%) C = 8 (4%)		
Assessing the costs of this activity for LHA	Total monthly rent revenue (Rent less utility subsidy) from non-elderly / non-disabled households	Control:	\$6,896 (\$401)	\$6,896 (\$401)	WinTen2
		Treatment:	\$15,958 (\$4,449)	\$29,790 (\$18,281)	
	Number of initiative-related complaints reported to Management Team staff	Control:	N/A	N/A	Property Manager Log
		Treatment:	N/A	16	
	Staff time spent handling complaints	Control:	N/A	N/A	Property Manager Log
		Treatment:	N/A	5.5 hours	
Assessing the impact of this activity on residents	Resident satisfaction (Likert scale – 5=Low; 10=Medium; 15=High)	Control:	N/A	Medium (10)	Survey / Focus Group Results
		Treatment:	N/A	Low (5)	

F. Authorizations Cited

Attachment C, Section C.11. Rent Policies and Term Limits, which 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 966 Subpart A.

G. Rent Reform Information

Agency’s Board approval of policy:

See Board Resolution documentation in Section VIII.A of this Plan.

Impact Analysis:

KSU conducted an initial analysis of the likely impacts of this initiative on protected classes of household by race, ethnicity, age, disability, and gender. For more detail on this analysis, see Appendix D.

LHA will continue to conduct an impact analysis annually to ensure that this rent reform initiative does not unintentionally increase the rent burden of treatment group households. In addition, this analysis will verify that there is no disparate impact on the rent burden faced by protected classes of households by race, color, national origin, disability, age, or gender.

Annual reevaluation of rent reform initiative:

This rent reform initiative will be reevaluated annually by LHA using the benchmarks and metrics discussed above and the results of the annual impact analysis. LHA will also seek public comment annually during the public hearing for its MTW Annual Plan.

Hardship case criteria:

Elderly and disabled households will be exempt from this initiative. Treatment group households will be subject to LHA's MTW Rent Reform Hardship Policy (see Appendix C).

Transition period:

Immediately following the signing of the *Amended and Restated MTW Agreement* between LHA and HUD, LHA will mail 90-day notices informing affected households that their rent will be raised to \$150. The minimum rent at Pimlico will be raised to \$150 approximately 90 days after the Agreement is signed.

Documentation of public hearing:

This rent reform initiative was discussed at two public hearings for the MTW Annual Plan. See Appendix A for public hearing documentation.

Activity 2) Management Team III Rent Reform Controlled Study – No Rent Reduction Requests for 6 Months After Initial Occupancy for Bluegrass HOPE VI Public Housing Residents

A. Description

The 292 apartments this activity will apply to were created as part of LHA's Bluegrass HOPE VI Revitalization; they are the Authority's newest – and perhaps most desirable – public housing. In order to live in one of these units, a family must make a commitment to become more self-sufficient. The head-of-household or spouse must work at least 20 hours a week, or - if there is a single head-of-household - this person may be enrolled as a full-time student in an accredited college, university or vocational school.

Unfortunately, the Housing Authority has found that households – understandably eager to qualify for the highest quality housing for their families – sometimes take a job just to qualify for one of these units, knowing they can reduce their hours or quit entirely after they move in and immediately apply for a rent reduction.

Thus these units are not boosting self-sufficiency to the degree LHA originally hoped they would. Twenty-three of the 194 non-elderly/non-disabled households (12%) residing in these units currently do not meet the work/education requirement.

To ensure these highly desirable units serve their original intended purpose to further family self-sufficiency, LHA will restrict families moving into these units from requesting a rent reduction for six months after their initial move-in date. Instead, these families will be subject to the MTW Rent Reform Hardship Policy as stated in Appendix C.

Elderly and disabled households – including the 92 elderly / disabled families currently living in these units - will be exempt from this rent reform initiative, and remain eligible to request a rent reduction according to LHA's current policies.

LHA believes this initiative will encourage families to firmly commit to their self-sufficiency goals before applying to live in one of these housing units, and help to create a community where self-sufficiency is a shared and mutually re-enforced goal among public housing residents. This activity will essentially remove a current disincentive to maintaining household income - the ability to request a rent reduction immediately after move-in - thereby encouraging public housing residents who are already working to maintain their current level of employment.

As required by HUD, this rent reform initiative will be implemented as a controlled study. Households moving into public housing units at Bridlewood, Grand Oaks, The Shropshire, The Shropshire East, and Twin Oaks will form the treatment group. Residents of LHA's Self-Sufficiency Level II public housing units in the Russell Cave and Sugar Mill developments will serve as the control group. Control group households will be governed by LHA's current policy regarding the request of rent reductions, while treatment group households will be prohibited from requesting a rent reduction for six months after their initial move-in date.

Five-Year Residency Limitation

Residency in these apartments is currently limited to five years, after which time families may transfer to another public housing unit or seek a unit on the private real estate market. The Authority chose to adopt this five-year residency limitation (which was a rating factor in the FY2005 HOPE VI NOFA) as a way to encourage housing self-sufficiency and to recycle highly desirable and limited affordable housing to other persons in need.

Knowing that the first cohort of residents to occupy the site will begin to reach this five-year limit in late FY 2012, the Authority recently undertook a thorough re-evaluation of this policy. Given the depressed state of the current economy; a shortage of available public housing units to which families could transfer; and management concerns over a rise in unit turnover costs and the possibility of large numbers of temporarily vacant units as homes are turned over and reoccupied, the Authority decided to request permission from HUD to lift this 5-year residency limitation, and is now actively seeking this exemption.

B. Relation to Statutory Objectives

This activity will promote family self-sufficiency in households where the head-of-household (or spouse) is already working or preparing to work by participating in an educational program. It will also reduce costs and achieve greater cost effectiveness in federal expenditures.

C-E. Impacts, Metrics, and Data Collection

	<i>Control Group</i> Russell Cave + Sugar Mill	<i>Treatment Group</i> Bluegrass HOPE VI Public Housing
Units	87	292
Occupied Units	71	286
Elderly / Disabled Households	19	92
Non-Elderly / Non-Disabled Households	52	194

Impact to Measure	Metric	Study Group	FY 2011 Baseline	FY 2012 Benchmark	Data Source
Encouraging non-disabled / non-elderly adult household members to work	Number (Percent) of families meeting the self-sufficiency work / education requirement	Control:	47 (90%)	47 (90%)	Management Team Records
		Treatment:	171 (88%)	184 (95%)	
	Average (Median) amount of earned income reported by families per year	Control:	\$7,566 (\$6,022)	\$7,566	WinTen2
		Treatment:	\$11,381 (\$11,222)	\$11,950	
	Number (Percent) of families reporting \$0 earned income per year	Control:	20 (38%)	20 (38%)	WinTen2
		Treatment:	49 (25%)	25 (13%)	WinTen2
Average (Median) amount reported by families who report any earned income per year	Control:	\$12,691 (\$10,730)	\$12,691	WinTen2	
	Treatment:	\$15,226 (\$14,040)	\$15,987	WinTen2	

Impact to Measure	Metric	Study Group	FY 2011 Baseline	FY 2012 Benchmark	Data Source
	Average (Median) total income reported by families per year	Control:	\$11,241 (\$10,324)	\$11,241	WinTen2
		Treatment:	\$15,263 (\$14,868)	\$15,832	
	Average (Median) monthly rent payment of families	Control:	\$210 (\$197)	\$210	WinTen2
		Treatment:	\$300 (\$286)	\$315	
	Number (Percent) of families requesting rent reductions (control group) or hardship exemptions (treatment group) within 6 months of move in	Control:	2 (67%)	2 (67%)	Property Manager and MTW Coordinator or Logs
		Treatment:	47 (44%)	15 (15%)	
	Number (Percent) of families granted rent reductions (control group) or hardship exemptions (treatment group) within 6 months of move in	Control:	2 (67%)	2 (67%)	WinTen2 and MTW Coordinator or Log
		Treatment:	47 (44%)	10 (10%)	
Assessing the cost / savings of this activity for LHA	Total monthly rent revenue from non-elderly / non-disabled households	Control:	\$10,918	\$10,918	WinTen2
		Treatment:	\$58,131	\$61,038	
	Dollar value of staff time spent processing rent reduction requests (control group) or hardship exemptions (treatment group) within 6 months of move in	Control:	\$45	\$45	Payroll System, Staff Interviews
		Treatment:	\$1,050	\$535	

F. Authorizations Cited

Attachment C, Section C.4. Initial, Annual and Interim Income Review Process, which 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.

G. Rent Reform Information

Agency’s Board approval of policy:

See Board Resolution documentation in Section VIII.A of this Plan.

Impact Analysis:

KSU conducted an initial analysis of the likely impacts of this initiative on protected classes of household by race, ethnicity, age, disability, and gender. For more detail on this analysis, see Appendix D.

LHA will conduct an impact analysis annually to ensure that this rent reform initiative does not unintentionally increase the rent burden of treatment group households. In addition, this analysis will verify that there is no disparate impact on the rent burden faced by protected classes of households by race, color, national origin, disability, age, or gender.

Annual reevaluation of rent reform initiative:

This rent reform initiative will be reevaluated annually by LHA using the benchmarks and metrics discussed above and the results of the annual impact analysis. LHA will also seek public comment annually during the public hearing for its MTW Annual Plan.

Hardship case criteria:

Elderly and disabled households will be exempt from this initiative. Treatment group households will be subject to LHA's MTW Rent Reform Hardship Policy, which can be found in Appendix C.

Transition period:

LHA plans to implement this activity within 30 days following the signing of the *Amended and Restated MTW Agreement* between LHA and HUD. Following implementation, households moving into a public housing unit at Bridlewood, Grand Oaks, The Shropshire, The Shropshire East, or Twin Oaks will be assigned to the treatment group, while public housing families moving into Self-Sufficiency Level II units will be assigned to the control group. Control group households will be governed by LHA's current policy regarding the request of rent reductions, while treatment group households will be prohibited from requesting a rent reduction for six months after their initial move-in date. Elderly and disabled households will be exempt from this initiative.

Documentation of public hearing:

This rent reform initiative was discussed at two public hearings for the MTW Annual Plan. See Appendix A for public hearing documentation.

Activity 3) Management Team IV Rent Reform – Triennial Recertification of Griffith Tower Households

A. Description

Griffith Tower, a 183-unit high-rise building, is LHA’s only public housing development dedicated solely to the needs of near-elderly and elderly residents (ages 55 and over).

As the vast majority of these households rely on fixed-income sources, there is little variation in household income on an annual basis. 60% (110 households) receive Social Security benefits, 42% (77 households) receive SSI, and 20% (39 households) rely on fixed pensions.

Recertifying these families once every three years instead of annually will result in significant administrative relief for both residents and housing authority staff. Between triennial recertifications, whenever the federal government adjusts benefits paid through fixed-income programs like Social Security and SSI, resident household incomes and rent payments will be adjusted accordingly.

Households who experience a significant loss of income, an increase in allowable medical expenses, or a change in family composition may request an interim recertification at any time.

B. Relation to Statutory Objectives

This activity will help reduce costs and achieve greater cost effectiveness in federal expenditures.

C-E. Impacts, Metrics, and Data Collection

	<i>Connie Griffith Tower</i>
Units	183
Occupied Units	181

Impact to Measure	Metric	FY 2011 Baseline	FY 2012 Benchmark	Data Source
Reducing costs and achieving greater cost effectiveness in federal expenditures	Total number of annual recertifications per year	181	61	WinTen2
	Number (Percent) of families requesting interim recertifications	14 (8%)	18 (10%)	WinTen2
	Average total staff time per unit spent processing annual recertifications	2 hours	2 hours	Management Specialist Interview
	Estimated staff hourly rate (wage +fringe)	\$22.35	\$22.35	Payroll System
	Dollar value of staff time spent processing annual +	\$8,717	\$3,531	Management Specialist

Impact to Measure	Metric	FY 2011 Baseline	FY 2012 Benchmark	Data Source
	interim recertifications			Interview / Payroll System
Assessing the costs / benefits of this activity for residents	Average (Median) gross annual earned income reported by families	\$1,490 (\$0)	\$1,490	WinTen2
	Average (Median) gross annual non-earned income reported by families	\$9,847 (\$9,144)	\$9,847	WinTen2
	Average (Median) total income reported by families	\$11,337 (\$9,480)	\$11,337	WinTen2
	Resident satisfaction with change (Likert scale – 5=Low; 10=Medium; 15=High)	N/A	Medium (10)	Focus Group
	Average (Median) monthly rent payment of families	\$223 (\$198)	\$223	WinTen2
Assessing the costs / benefits of this activity for LHA	Total monthly rent revenue	\$40,416	\$40,416	WinTen2
	Estimated costs savings from fewer recertifications	N/A	\$5,364	Management Specialist Interview / Payroll System
	Employee satisfaction with change (Likert scale – 5=Low; 10=Medium; 15=High)	N/A	Medium to High (10-15)	Focus Group

F. Authorizations Cited

Attachment C, Section C.4. Initial, Annual and Interim Income Review Process, which 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.

G. Rent Reform Information

Agency’s Board approval of policy:

See Board Resolution documentation in Section VIII.A of this Plan.

Impact Analysis:

As Griffith Tower households will continue to be able to request an interim recertification if they experience a significant loss of income, an increase in allowable medical expenses, or a change in household composition, LHA does not anticipate that this rent reform initiative will increase the rent burden of treatment group households or have a disparate impact on protected classes of households. For detail regarding KSU’s initial impact analysis of this activity, see Appendix D.

LHA will conduct an impact analysis annually to ensure that this rent reform initiative does not unintentionally increase the rent burden of treatment group households. In addition, this analysis will verify that there is no disparate impact on the rent burden faced by protected classes of households by race, color, national origin, disability, age, or gender.

Annual reevaluation of rent reform initiative:

This rent reform initiative will be reevaluated annually by LHA using the benchmarks and metrics discussed above and the results of the annual impact analysis. LHA will also seek public comment annually during the public hearing for its MTW Annual Plan.

Hardship case criteria:

No hardship exemption is needed for this initiative as households who experience a significant loss of income, an increase in allowable medical expenses, or a change in family composition may request an interim recertification at any time between scheduled triennial recertifications.

Transition period:

LHA plans to phase in this initiative over a three-year period beginning approximately 30 days following the signing of the *Amended and Restated MTW Agreement* between LHA and HUD. Beginning 30 days after Agreement signing, recertifications for all eligible new households will be scheduled three years after their move-in date. For existing households, LHA plans to recertify one third of eligible families in each FY 2012, FY 2013, and FY 2014, conducting triennial recertifications for these households thereafter.

Documentation of public hearing:

This rent reform initiative was discussed at two public hearings for the MTW Annual Plan. See Appendix A for public hearing documentation.

Activity 4) Housing Choice Voucher Rent Reform Controlled Study – No Rent Reduction Requests for 6 Months After Initial Occupancy

A. Description

Households sometimes take a new job or increase the number of hours they work just before requesting a Housing Choice Voucher (HCV) or moving with an HCV, so they will qualify to rent a unit whose gross rent exceeds LHA’s payment standard without violating the statutory requirement that the rent they pay may not exceed 40% of their monthly adjusted income. Shortly after moving into a unit, they then reduce their hours or quit their job and apply for a reduction in their portion of the payment standard (i.e., a rent reduction, which leaves LHA paying an increased portion of the payment standard).

LHA would like to encourage families to carefully consider what kind of rent their household can truly afford to pay on an ongoing basis. To ensure that families base this decision on an accurate depiction of their expected income, LHA will prohibit families from requesting a rent reduction for six months after their initial move-in date. Instead, these families will be subject to the MTW Rent Reform Hardship Policy as stated in Appendix C.

Elderly and disabled households will be exempt from this rent reform initiative, and remain eligible to request a rent reduction according to LHA’s current policies.

As required by HUD, this rent reform initiative will be implemented as a controlled study. Following implementation of this activity, households moving into an HCV unit will be randomly assigned to a treatment or control group. Control group households will be governed by LHA’s current policy regarding the request of rent reductions, while treatment group households will be prohibited from requesting a rent reduction for six months after their initial move-in date.

B. Relation to Statutory Objectives

This activity will 1) increase family self-sufficiency by removing a current disincentive to maintaining household income (the ability to request a rent reduction immediately after move-in) and 2) reduce costs and achieve greater cost effectiveness in federal expenditures by limiting the number of rent reduction requests the Authority processes.

C-E. Impacts, Metrics, and Data Collection

Impact to Measure	Metric	FY 2011 Baseline	FY 2012 Benchmark by Study Group		Data Source
Encouraging non-disabled / non-elderly adult household members to work	Average amount of earned income reported by families at initial occupancy	TBD ¹	Control:	TBD ¹	WinTen2
			Treatment:	TBD ¹	
	Average monthly rent payment at initial occupancy	TBD ¹	Control:	TBD ¹	WinTen2
			Treatment:	TBD ¹	
	Average amount of earned	\$4,645	Control:	\$4,645	WinTen2

Impact to Measure	Metric	FY 2011 Baseline	FY 2012 Benchmark by Study Group		Data Source
	income reported by families		Treatment:	\$4,877	
	Average total income reported by families	\$12,602	Control:	\$12,602	WinTen2
			Treatment:	\$13,232	
	Average monthly rent payment of families	\$141	Control:	\$141	WinTen2
Treatment:			\$148		
Number (Percent) of families requesting within 6 months of move in: a) rent reduction (control) OR b) hardship exemption (treatment)	81 (10%)	Control:	40 (10%)	Management Team Log and MTW Coordinator Log	
		Treatment:	8 (2%)		
Assessing the cost / savings of this activity for LHA	Total monthly Housing Assistance Payments (HAP) from non-elderly / non-disabled households	\$1,320,599	Control:	\$660,300	WinTen2
			Treatment:	\$660,300	
	Dollar value of staff time spent processing within 6 months of move in: a) rent reduction requests (control group) OR b) hardship exemptions (treatment group)	\$1,358	Control:	\$670	Management Specialist Interviews and Payroll System
			Treatment:	\$134	
Assessing resident and staff response to activity	Resident satisfaction with change (Likert scale – 5=Low; 10=Medium; 15=High)	N/A	Control:	Medium (10)	Annual Recertification Questionnaire
			Treatment:	Low (5)	
	Employee satisfaction with change (Likert scale – 5=Low; 10=Medium; 15=High)	N/A	Medium (10)		Focus Group Results

¹Historical data at time of initial occupancy is not currently available via LHA’s computerized reporting system. LHA plans to have customized reports developed that will allow staff to track these indicators.

F. Authorizations Cited

Attachment C, Section D.1.c., which authorizes agencies to define, adopt, and implement a reexamination program that differs from the reexamination program currently mandated in the 1937 Act and its implementing regulations. This authorization waives certain provisions of Sections 8(o)(5) of the 1937 Act and 24 C.F.R. 982.516.

G. Rent Reform Information

Agency’s Board approval of policy:

See Board Resolution documentation in Section VIII.A of this Plan.

Impact Analysis:

KSU conducted an initial analysis of the likely impacts of this initiative on protected classes of household by race, ethnicity, age, disability, and gender. For more detail on this analysis, see Appendix D.

LHA will conduct an impact analysis annually to ensure that this rent reform initiative does not unintentionally increase the rent burden of treatment group households. In addition, this analysis will verify that there is no disparate impact on the rent burden faced by protected classes of households by race, color, national origin, disability, age, or gender.

Annual reevaluation of rent reform initiative:

This rent reform initiative will be reevaluated annually by LHA using the benchmarks and metrics discussed above and the results of the annual impact analysis. LHA will also seek public comment annually during the public hearing for its MTW Annual Plan.

Hardship case criteria:

Elderly and disabled households will be exempt from this initiative. Treatment group households will be subject to LHA's MTW Rent Reform Hardship Policy, which can be found in Appendix C.

Transition period:

LHA plans to implement this activity within 45 days following the signing of the *Amended and Restated MTW Agreement* between LHA and HUD. Following implementation, households moving into an HCV unit will be randomly assigned to a treatment or control group. Control group households will be governed by LHA's current policy regarding the request of rent reductions, while treatment group households will be prohibited from requesting a rent reduction for six months after their initial move-in date. Elderly and disabled households will be exempt from this initiative.

Documentation of public hearing:

This rent reform initiative was discussed at two public hearings for the MTW Annual Plan. See Appendix A for public hearing documentation.

Activity 5) Streamlined HQS Inspection Policy for Housing Choice Voucher Units

A. Description

HUD regulations currently mandate that housing authorities inspect every HCV unit at least annually to ensure they meet Housing Quality Standards (HQS). While LHA intends to uphold HUD's high standards of decent, safe, and sanitary housing maintained in good repair for all HCV households, the Authority believes it can achieve this outcome more cost-effectively through a new *Star Rating System* for HCV property owners.

Over the course of the MTW demonstration, LHA will develop a risk-based inspection process that evaluates owners on multiple factors including:

- Past inspection scores;
- Age of units, age of mechanical systems and/or date of last major renovation;
- Severity of past HQS violations; and
- Past complaints reported by voucher holders and their general satisfaction with their housing unit.

Points will be assigned to each of these factors and tallied to result in a *Star Rating* from one ★ through four ★ ★ ★ ★ stars, which will be used to determine the quantity and frequency of future inspections.

During Year 1 of its participation in the MTW Demonstration, LHA will begin overhauling its existing inspection process into a streamlined, cost-effective approach that aggressively enforces HQS at the most at-risk/problematic properties, while reducing inspection frequency at high-quality properties.

Initial steps planned for FY 2012 for all privately owned and partner-based HCV units include:

- A randomly selected inspection of 25% of units for units owned by service provider partners or owners with an excellent inspection track record who have 10 or more HCV units. If the 25% random sample passes inspection on the first attempt, the owner will be given the opportunity to self-certify that the remaining units also meet HQS standards and no further inspections will be performed in that year unless a complaint inspection is requested by the family, landlord, or other third parties (Any certification form created by LHA will be submitted to HUD for approval before this portion of the activity is implemented.). Although some units may not be inspected every year, every unit must meet HQS at all times while under contract;
- A written self-certification process for the correction of minor fail items for owners with excellent HQS performance (Any certification form created by LHA will be submitted to HUD for approval before this portion of the activity is implemented.). The following HQS violations are some of the items that may be classified as minor fail items:
 - Presence of a cracked switch plate/outlet cover;
 - Chipped/peeling/cracked paint when no child under 6 resides in the unit and the unit was built after 1978;

- Stove burners that do not work and/or knobs that are missing or broken;
- Fail items for which the owner provides a receipt verifying the repair item is on order or has been installed;
- A yard area surrounding the building that is overgrown with weeds; and
- A smoke detector that needs a replacement battery;
- An inspection schedule based on geographic clustering of units within specified locations in Lexington, instead of the current method of automatically scheduling annual inspections on the move-in anniversary date for each individual unit.

These strategies will result in considerable cost- and timesavings, while improving the City’s air quality by reducing the number of miles driven.

LHA plans to submit any new self-certification forms to HUD within 60 days following the signing of the *Amended and Restated MTW Agreement* between LHA and HUD. The Authority anticipates this activity will be implemented within 30 days following receipt of HUD approval of these documents.

B. Relation to Statutory Objectives

This activity will help reduce costs and achieve greater cost effectiveness in federal expenditures.

C-E. Impacts, Metrics, and Data Collection

Impact to Measure	Metric	FY 2011 Baseline	FY 2012 Benchmark	Data Source
Reducing costs and achieving greater cost effectiveness in federal expenditures	Number of Landlords with 10 or more units	51	51	WinTen2
	Number of annual HQS inspections completed	5,515	4,457	WinTen2
	Number of HQS inspections completed on units eligible to have a 25% random sample of their units inspected	1,435	377	WinTen2
	Dollar value of staff time spent conducting HQS inspections	\$18.68 per hour	\$18.68 per hour	Staff Interviews / Payroll System
	Total dollar value of staff time spent conducting annual HQS inspections (salary + fringe)	\$ 103,020	\$83,257	Staff Interviews / Payroll System
Assessing the costs / benefits of this activity for residents	Number (Percent) of units receiving complaint inspections	127 (8.8%)	127 (8.8%)	WinTen2
	Number (Percent) of units receiving:	A = 3,425 (62%)	A = 2,768 (62%)	WinTen2
	a) Pass	B = 1,024 (19%)	B = 828 (19%)	

Impact to Measure	Metric	FY 2011 Baseline	FY 2012 Benchmark	Data Source
	inspection designations	C = 1,066 (19%)	C = 861 (19%)	
Assessing the costs / benefits of this activity for LHA	Total amount of hours total (Average per unit) spent on HQS inspections	5,515 (1)	4,457 (1)	Staff Interviews

F. Authorizations Cited

Attachment C, Section D.5. Ability to Certify Housing Quality Standards, which waives certain provisions of Section 8(o)(8) of the 1937 Act and 24 C.F.R. 982, Subpart I.

G. Rent Reform Information

Not applicable.

Activity 6) Biennial Housekeeping Inspections for Public Housing Residents

A. Description

LHA will reduce administrative costs and reward residents for maintaining their units by conducting public housing housekeeping inspections biennially instead of annually for households that maintain an excellent rating for at least two years. In order to achieve an excellent rating, no deficiencies can be found during the unit inspection.

The following items are checked for general cleanliness during the housekeeping inspection:

- Kitchen: stove, refrigerator, cabinets, exhaust fans, sink, food storage areas, trash bins
- Bathroom: toilet, tub, exhaust fan
- Other Interior Items: walls, floors, ceilings, windows, woodwork, doors, trash bins, litter boxes
- Exterior: yards, porches, steps, sidewalks, storm/screen doors, parking lots, hallways, stairways, and storage sheds

In addition, none of the following hazards may be present:

- Non-operational or missing smoke detectors
- Blocked egress
- Tripping hazards
- Electrical hazards
- Pest infestation

Finally, the unit may not be in need of any maintenance repairs beyond what would be caused by normal wear and tear to the unit.

During FY 2012, LHA staff will review past inspection records, and anyone with two prior consecutive excellent ratings will automatically have their next inspection scheduled for FY 2013. Other households will be switched to the biennial inspection schedule once they achieve two consecutive excellent ratings. Subsequent housekeeping inspections will remain on a biennial schedule as long as the household sustains an excellent rating.

LHA plans to implement this activity within 30 days following the signing of the *Amended and Restated MTW Agreement* between LHA and HUD.

B. Relation to Statutory Objectives

This activity will help reduce costs and achieve greater cost effectiveness in federal expenditures.

C-E. Impacts, Metrics, and Data Collection

Impact to Measure	Metric	FY 2011 Baseline	FY 2012 Benchmark	Data Source
Reducing costs and achieving greater cost effectiveness in federal expenditures	Number of public housing units	1,303	1,303	WinTen2
	Number of housekeeping inspections conducted	1,303	1,173	Staff Interviews
	Dollar value of staff time spent conducting housekeeping inspections	\$18.68 per hour	\$18.68 per hour	Staff Interviews / Payroll System
	Total cost of staff time spent conducting housekeeping inspections	\$18,255	\$16,437	Staff Interviews / Payroll System
Assessing the costs / benefits of this activity for residents	Number (Percent) of households receiving an excellent rating	130 (10%)	195 (15%)	Staff Interviews
	Number (Percent) of households requiring a second inspection to correct deficiencies	75 (6%)	65 (5%)	Staff Interviews
Assessing the costs / benefits of this activity for LHA	Average amount of time spent on a housekeeping inspection	45mins	45mins	Staff Interviews
	Employee satisfaction (Likert scale – 5=Low; 10=Medium; 15=High)	N/A	Medium (10)	Staff Interviews / Focus Group

F. Authorizations Cited

Attachment C, Section C.9.a. Simplification of Property Management Practices, which waives certain provisions of Section 6(f) of the 1937 Act and 24 C.F.R. 902-Subpart B.

G. Rent Reform Information

Not applicable.

Activity 7) Public Housing Acquisition Without Prior HUD Approval

A. Description

Relief from HUD approvals prior to the acquisition of property will enhance LHA’s ability to respond quickly to unique market conditions, making the Authority more competitive with other purchasers in the tight real estate markets typical of low poverty areas of the city. For example, sellers are not always willing to provide the agency with an option of long enough duration to cover the typical amount of time LHA requires to obtain HUD approval for site acquisition.

This relief will apply only to the acquisition of public housing units or vacant land purchased for the development of public housing units in non-impacted areas of the city.

All acquired properties will meet HUD’s site selection requirements. Approval from the local HUD office will be sought when a pending real estate acquisition deviates from the selection requirements. Copies of all required forms and appraisals will be maintained at the Authority’s main office. After acquisition, all required documentation will also be provided to the HUD field office so HUD officials can ensure that site selection requirements were met and establish records for these new public housing properties in the agency’s data systems.

LHA plans to implement this activity immediately upon signature of the *Amended and Restated MTW Agreement* between LHA and HUD.

B. Relation to Statutory Objectives

This activity will help increase housing choices for low-income families.

C-E. Impacts, Metrics, and Data Collection

Impact to Measure	Metric	FY 2011 Baseline	FY 2012 Benchmark	Data Source
Increasing housing choices for low-income families	Number of sites purchased in non-impacted areas	1	2	Acquisition records
	Number of additional public housing units available (or to be developed) in non-impacted areas as a result of site acquisitions	1	2	Acquisition records
Assessing the benefits of this activity for LHA	Average number of days from purchase agreement signing to closing	120	60	Acquisition records

F. Authorizations Cited

Attachment C, Section C.13. Site Acquisition, which waives certain provisions of 24 C.F.R. 941.401.

G. Rent Reform Information

Not applicable.

Activity 8) Conversion of Appian Hills and Pimlico Public Housing to Project-Based Vouchers

A. Description

The HOPE VI revitalizations of Charlotte Court and Bluegrass-Aspendale leave Appian Hills and Pimlico as LHA’s last large and aging family public housing developments. Both sites are in need of significant rehabilitation, and the Authority is currently examining several alternative strategies to finance these efforts.

Depending on its ability to secure financing to modernize these sites, LHA will request HUD approval to remove between 44 and 250 public housing units from these developments during FY 2012; request tenant protection vouchers for residents of affected units; and allocate project-based vouchers to the rehabilitated dwellings. The allocation of project-based vouchers to these units will provide long-term, stable funding that can be leveraged to finance a portion of this rehabilitation work. These efforts will affect 44 units at Appian Hills and zero to 206 units at the Pimlico development as follows:

Disposition Site	1-Bed	2-Bed	3-Bed	4-Bed	Total Units
Appian Hills	0	8	9	27	44
Pimlico	0-44	0-112	0-50	0	0-206
Total Units	0-44	8-120	9-59	27	44-250

Appian Hills

While Appian Hills recently received \$500,000 in ARRA-funded energy improvements (cool roofing materials, new doors, and high-efficiency furnaces and water heaters), this 1970’s turnkey development still needs extensive capital improvements – including façade improvements, new windows, insulation in the exterior walls, and soundproofing between units.

As part of this renovation, LHA will explore various ways to reconfigure the site’s 27 four-bedroom homes. While LHA currently has an adequate number of multi-bedroom homes in its housing stock, the agency is in desperate need of one-bedroom units. The waiting list for one-bedroom public housing units is currently longer than the combined waiting lists for all other unit sizes. A number of the four-bedroom units may simply be converted into multiple one-bedroom apartments, but the agency is also interested in exploring the concept of “flexible floor plans,” which would give them the opportunity to use these units as either multi-bedroom homes or one-bedroom apartments. While more and more Americans are delaying or choosing never to marry and/or have children (pointing to a long-term trend towards smaller units), Lexington also has a fairly large and growing number of immigrant and international families, who often have very different bedroom needs than typical U.S. households. Having housing stock that can “flex” as local demographic trends change over time will allow LHA to better serve its resident population.

Pimlico

Pimlico is the oldest large, family development left in LHA’s inventory, and the renovations needed at this site are too extensive to be funded solely through the use of public housing capital

funds. While the site needs multiple energy-efficiency upgrades, new roofs, façade work, and additional insulation in the exterior walls and attics, recently discovered foundation issues are currently of greatest concern. The buildings at this site are two-story, wood-framed structures with brick veneer that are constructed on a concrete slab on grade. The foundation of at least two buildings appears to have dropped 1 to 2 inches resulting in an out of plane movement of the brick veneer. The settlement issue appears to be concentrated in areas where fill was used to construct the building pad and are likely the result of the fill material consolidating over time. The areas in question also correspond to downspout locations, which are collected in an underground pipe emptying into the parking lot. Failure of the drainage system could result in water collecting at the base of the foundation system, resulting in a weak point in the soil and settlement in the building foundation.

LHA staff has met with architects, local building inspectors, structural engineers, and HUD personnel to inspect the existing conditions, and will contract with a geotechnical engineer to perform soil testing at the entire site. To ensure public safety, LHA has had temporary shoring installed against the exterior walls of the two affected buildings to prevent the brick veneer from falling away from the building and has vacated eight apartments in these buildings.

Conversion Process

LHA continues to work diligently to secure adequate funding to revitalize both the Appian Hills and Pimlico public housing developments. These sites may be rehabilitated in their entirety or in phases, as determined by the Authority. Once a plan for revitalization is agreed upon that includes the substitution of project-based vouchers for public housing subsidies, LHA will submit an appropriate application for disposition of the affected portion(s) of the site(s) as well as a request for tenant protection vouchers for residents of affected units.

Once the disposition has been approved, LHA plans to sell disposed units to one or more non-profit affiliate entities and use its MTW flexibilities to:

1. Exceed the 25% cap on the number of project-based units allowed at a property and project-base 100% of the units at this site and
2. Waive the requirement to assign project-based assistance to these units through a competitive bidding process, as is allowable using MTW flexibilities in instances where the housing authority is project-basing units at properties owned by the authority or an affiliate entity.

To allow units converted from public housing to project-based vouchers to remain affordable to current residents, LHA may make rent or occupancy policy adjustments that allow the Authority to treat future project-based voucher households in a manner more consistent with the way they were treated as public housing residents than project-based voucher rules would otherwise permit. Rent or occupancy policies affected may include providing more flexibility to allow under-housed or over-housed residents to stay in their current units; taking steps to mitigate potential rent increases that would otherwise affect households currently paying public housing flat rents, including possibly allowing families now paying flat rents to continue to pay such rents or transitional higher rents not exceeding 30% of adjusted income; defining market rents for mixed families containing eligible and ineligible (non-citizen) members in the manner currently used in the public housing program; or other necessary steps. Prior to implementation,

such changes would require additional MTW authorizations and would be vetted through a public process that would either amend the current MTW Annual Plan activity or comprise a new, stand-alone activity.

B. Relation to Statutory Objectives

This activity will help increase housing choices for low-income families.

C-E. Impacts, Metrics, and Data Collection

Appian Hills:

Impact to Measure	Metric	FY 2011 Baseline	FY 2012 Benchmark ¹	Data Source
Increasing housing choices for low-income families	Number of units revitalized	0	0	IMS/PIC
Assessing the benefits / costs of this activity for LHA	Leveraged funding	\$0	\$1.6 million	Duvernay + Brooks, LLC

¹Rehabilitation of these units is expected to be underway as of June 30, 2012.

Pimlico:

Impact to Measure	Metric	FY 2011 Baseline	FY 2012 Benchmark	Data Source
Increasing housing choices for low-income families	Number of units revitalized	0	0	IMS/PIC
Assessing the benefits / costs of this activity for LHA	Leveraged funding	\$0	\$5.5 million	Duvernay + Brooks, LLC

F. Authorizations Cited

Attachment C, Section D.7.a. Establishment of an Agency MTW Section 8 Project-Based Program, which waives certain provisions of Sections 8(o)(13)(B and D) of the 1937 Act and 24 C.F.R. 982.1, 982.102, and 24 C.F.R. Part 983.

G. Rent Reform Information

Not applicable.

Activity 9) Development of Project-Based Voucher Units in Spiegel Heights

A. Description

LHA will develop between five and eight project-based 3-bedroom townhomes on a vacant lot owned by the agency on Edmond Street. The property is adjacent to an existing 3-unit public housing site and close to the Authority's Pine Valley Management Office.

LHA is considering several options to finance the new construction in Spiegel Heights. The Authority may allocate dollars from its program income fund, which in turn was funded through property sales and the collection of development fees associated with the implementation of its previous HOPE VI grants for Charlotte Court and Bluegrass-Aspendale. Alternatively, LHA may seek outside funds from a non-federal source.

Although unit construction is set to begin during FY 2012, LHA does not expect construction to be complete until FY 2013. At that time, LHA plans to project-base 100% of the site's units through a non-competitive process, as is allowable using MTW flexibilities in instances where the housing authority is project-basing units at a property owned by the authority or an affiliate entity.

B. Relation to Statutory Objectives

This activity will help increase housing choices for low-income families.

C-E. Impacts, Metrics, and Data Collection

Impact to Measure	Metric	FY 2011 Baseline	FY 2013 Benchmark	Data Source
Increasing housing choices for low-income families	Number of units built	0	5-8	IMS/PIC
Assessing the benefits / costs of this activity for LHA	Leveraged funding	\$0	\$133,500	Duvernay + Brooks, LLC

F. Authorizations Cited

Attachment C, Section D.7.a. Establishment of an Agency MTW Section 8 Project-Based Program, which waives certain provisions of Sections 8(o)(13)(B and D) of the 1937 Act and 24 C.F.R. 982.1, 982.102 and 24 C.F.R. Part 983.

G. Rent Reform Information

Not applicable.

Activity 10) HCV Special Partner Programs

A. Description

LHA maintains Memoranda of Understanding with 11 social service agencies in the Lexington area to provide stable housing to low-income families while they participate in programming provided by the partner agency. Participants are issued tenant-based vouchers, but they are required to reside in designated housing provided by the partner agency as long as they remain enrolled in social service programming.

Under this activity, once a participant graduates from or otherwise leaves the program offered by the special partner, they will be required to relinquish their tenant-based voucher, so another family may benefit from the housing and programming offered by the special partner. While LHA hopes the majority of these families will subsequently seek unsubsidized housing in the private market, these households will also be eligible to apply for public housing or another HCV voucher (including Family Self-Sufficiency vouchers) through the Authority's normal application procedures. Once this activity is implemented, existing residents will be transitioned to the new requirement during their next re-examination.

Requiring families to surrender their voucher upon exiting the special partner's programming will maximize the number of families these programs can serve, ultimately increasing both the self-sufficiency of families and the number of housing choices available to low-income families.

This activity will affect the HCV special partner programs listed below:

HCV Special Partner	Description of Households Served	Vouchers Allocated to Agency
Bluegrass Domestic Violence Program, Inc.	Victims of domestic violence, dating violence, sexual assault, and stalking	25
Bluegrass Regional Mental Health - Mental Retardation Board, Inc.	Persons with severe mental illness or substance abuse diagnoses who have completed treatment and are involved in recovery services	22
Canaan House	Individuals who have been diagnosed with a mental illness	17
Chrysalis House	Women with children: 1) who have recently been released from jail or are homeless and 2) who are substance abuse treatment program graduates	40
Hope Center (Barbara H. Rouse Apartments)	Individuals recovering from substance abuse	44
Hope Center for Men (Privett Center)	Men who have a substance abuse problem and are in need of voluntary or court-mandated treatment	29
Hope Center for Men (Shepherd's) House	Men who have a substance abuse problem	10
Hope Center for Women	Women who have a substance abuse problem and are in need of voluntary or court-mandated treatment	32
New Beginnings Bluegrass, Inc.	Individuals who have been diagnosed with a mental illness	26
OASIS Rental Assistance Housing Program	Families in need of financial literacy, credit management, and homeownership resources	20
One Parent Scholar House	Single parents who are full-time students in a post-secondary educational institution	80
Serenity Place	Women with children: 1) who have recently been released from jail or are homeless and 2) who are substance abuse treatment program graduates	40
Urban League of Lexington-Fayette County	Elderly individuals	17
Volunteers of America	Homeless individuals and families	35
Total Special Partner Vouchers		437

B. Relation to Statutory Objectives

This activity will help increase housing choices for low-income families.

C-E. Impacts, Metrics, and Data Collection

Impact to Measure	Metric	FY 2011 Baseline	FY 2012 Benchmark	Data Source
Increasing housing choices for low-income families	Number of HCV Special Partners	11	11	MOU Documentation
	Number (Percent) of HCV vouchers allocated to special partners	437 (17%)	437 (17%)	WinTen2
	Number (Percent) of HCV households enrolling in special partner program	197 (24%)	197 (24%)	WinTen2
	Number (Percent) of participants served through special partner program	552 (17%)	552 (17%)	WinTen2
	Number of families served through special partner program who: a) move to unsubsidized housing, b) apply for another HCV voucher, c) move to public housing, d) move to another type of subsidized housing	Not currently tracked	A = TBD ¹ B = TBD ¹ C = TBD ¹ D = TBD ¹	Special Partner Monthly Census Survey

¹LHA currently has a monthly reporting process in place that requires HCV special partners to report information regarding current participants. The Authority recently updated its reporting templates to include information regarding the destination of participants leaving special partner programming. Once several months of data are available, the Authority will extrapolate FY 2012 benchmarks.

F. Authorizations Cited

Attachment C. Section D.1.b. The Agency is authorized to determine the length of the lease period, when vouchers expire and when vouchers will be reissued, which waives certain provisions of Section 8(o)(7)(a), 8(o)(13)(F) and 8(o)(13)(G) of the 1937 Act and 24 C.F.R. 982.303, 982.309 and 983 Subpart F.

Attachment C. Section D.2.b. The Agency is authorized to determine contract rents and increases and to determine the content of contract rental agreements that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations, which waives certain provisions of Sections 8(o)(7) and 8(o)(13) of the 1937 Act and 24 C.F.R. 982.308, 982.451, and 983 Subpart E.

G. Rent Reform Information

Not applicable.

VI. Ongoing MTW Activities: HUD Approval Previously Granted

Not applicable.

VII. Sources and Uses of Funding

For a complete list of Sources & Uses by AMP, please see Appendix E.

A. Operating, Capital, and HCV Funds

Consolidated Sources and Uses of MTW-Eligible Funds (Fiscal Year 2012)	
REVENUE (SOURCES OF MTW FUNDS)	
Public housing rental income	\$ 1,372,069
Public housing subsidy	\$ 2,415,540
Public housing capital funding	\$ 1,921,926
HCV subsidy and fees (Excluding Mainstream, Shelter Plus Care)	\$ 16,775,834
Investment / interest income	\$ 38,015
Non-rental income	\$ 1,706,488
Reserves	\$ 0
Total MTW-Eligible Revenue	\$ 24,229,872
EXPENSE (USES OF MTW FUNDS)	
HCV housing assistance payments	\$ 15,196,814
HCV administration (Excluding Mainstream, Shelter Plus Care)	\$ 1,363,997
Agency-managed housing operations	\$ 4,797,178
Privately-managed housing operations	\$ 0
Utilities	\$ 1,083,626
Public housing rehabilitation activities	\$ 972,425
Development activities	\$ 461,319
Resident services activities	\$ 0
Protective services	\$ 50,000
Debt service repayment	\$ 0
Total MTW-Eligible Expenses	\$ 23,925,359
Net Income / Loss	\$ 304,513

B. State and Local Funds

LHA does not receive or administer state or local funds.

LHA does maintain strong, mutually beneficial relationships with a variety of state and local partners, several of whom will have significant involvement in LHA's proposed FY 2012 MTW activities. These partners include the Authority's MTW evaluation partner (Kentucky State University), its 11 special referral HCV program partners (See table in Section V under Activity 10), and its educational achievement partners (Fayette County Public Schools and Parent Teacher Organization).

C. Central Office Cost Center (COCC)

Central Office Cost Center (COCC) FY 2012 Budget

Account Description	FY 2012 Budget
REVENUE:	
Management Fee (Property)	788,811
Asset Management Fee	162,240
Bookkeeping Fee	338,130
Other Fees (BPLLC Mgmt Fees + LHOC fees)	559,221
Investment Income - Unrestricted	2,964
TOTAL REVENUE	1,851,366
EXPENSES:	
Administrative:	
Administrative Salaries + Tenant Services Salaries	831,121
Auditing Fees	2,430
Compensated Absences	19,823
Employee Benef Contr - Administrative + TS	290,858
Advertising & Marketing	3,116
Office Expenses	79,026
Legal Expense	51,808
Travel	11,224
Other	125,000
Utilities:	
Water	5,538
Electricity	29,976
Gas	4,452
Sewer	0
Other Utilities Expense	1,656
Ordinary Maintenance & Operation:	
Ordinary Maintenance & Operation - Labor	0
Ordinary Maintenance & Operation - Materials & Other	7,480
Heating & Cooling	3,515
Snow Removal	4,343
Elevator Maintenance	1,789
Landscape and Grounds	1,434
Unit Turnaround	0
Electrical	311
Plumbing	1,514
Extermination	1,217
Routine	17,090
Miscellaneous	46,752
Insurance Premiums:	
Property Insurance	23,385
Liability Insurance	12,000
Workmen's Compensation	25,000
All Other Insurance	5,000
Gen Adm Exp/FSS Coord/Contingency	3,796
TOTAL EXPENSES	1,610,652
SURPLUS/DEFICIT	240,714

D. Variations in Cost Allocation / Fee-For-Service Approach

Not applicable. LHA policies follow 1937 Act requirements.

E. Uses of Single-Fund Flexibility

LHA will use its single-fund flexibility in accordance with Attachment C of the “Amended and Restated Moving to Work Agreement.” LHA will exercise its authority to move funds and project cash flow among projects and programs as the Authority deems necessary to further its mission and cost objectives.

LHA anticipates it will use this flexibility primarily for the preservation of public housing, the acquisition and/or development of new units for low-income families, and in FY 2013, the implementation of an educational achievement incentive program for Pimlico families with children in elementary school (as described below). Such use will be done in consultation with the agency’s Board of Directors.

Educational Achievement Incentive Program

LHA firmly believes that there is a direct connection between the quality of a child’s home life and their ability to do well in school. Children need a safe, secure, and consistent place to call home and steady, affirming parental involvement. Parent involvement can come in many forms from ensuring a child is well rested and regularly attending classes, to helping with homework and volunteering at school.

In FY 2013, LHA will initiate a unique MTW program designed to strengthen this school-home connection. Parents, guardians, and other caregivers will be rewarded for creating and maintaining strong, positive commitments to their child and their child’s school. Families with elementary school students will initially be targeted as the Authority believes parents who get involved with their child’s education early on are more likely to stay involved as their child gets older.

The voluntary program will operate on a point system with the Authority and Fayette County Public Schools working together to encourage and verify parents’ participation and children’s achievement. As an elected member of the Fayette County Public Schools Board, LHA Executive Director Austin Simms has a strong existing relationship with school system leadership that will serve as a robust foundation for this partnership.

Adult members of the child’s household will earn points by engaging in activities that demonstrate their dedication to their child’s education. Possibilities include becoming active in the Parent Teacher Organization and volunteering at their child’s school on a regular basis.

The household can also earn points when children meet achievement measures like maintaining regular school attendance; earning good grades; and displaying consistently good behavior at school.

Households can then redeem points using a menu of incentives offered at a variety of different point levels. Families may select items with a low points value that they can earn quickly like books and gift cards or save their points for more long-term goals – perhaps a bike for a child or a free month’s rent.

Although LHA would eventually like to see this program expanded to all of its public housing, it will pilot the program at the Pimlico development during FY 2013. While the majority of LHA’s public housing stock is now self-sufficiency housing that carries a work/education requirement for adults, Pimlico is the Authority’s largest conventional family development, and it has no such requirement. Parents at this site may not be working or in school. This program will encourage them to find other ways to model success for their children.

LHA will use the funding fungibility provided through the MTW Demonstration to finance this program. The Authority will also seek additional matching and/or grant funding from outside agencies, such as the state Department of Education and local financial institutions.

The Authority has decided to hold implementation of this initiative until FY 2013 to allow adequate time to fully develop participation criteria, the planned point system, and a list of rewards; to create information-sharing protocols with the school system; and to seek additional funding from outside sources.

F. Reserve Balances

Lexington-Fayette Urban County Housing Authority Estimated Reserves* FYE 6/30/2012		
	Restricted Net Assets 511.1	Unrestricted Net Assets 512.1
AMP 1	\$ -	\$ 449,942
AMP 2	\$ -	\$ 450,936
AMP 3	\$ -	\$ 608,300
AMP 4	\$ -	\$ 544,544
AMP 5	\$ -	\$ 1,563,512
AMP 12	\$ -	\$ 300,616
HCV	\$ 1,813,857	\$ 988,285
COCC	\$ -	\$ 1,309,683
Total Reserves	\$ 1,813,857	\$ 6,215,818

*Reserve figures are based on 6/30/2011 unaudited numbers, and do not include

any impact of HUD's proposed operating reserve offset.

Given the uncertain impact of HUD's operating reserve offset proposal, LHA cannot describe fully how it will use its reserve funds during FY 2012, except to say that HCV reserves will continue to fund the over-leasing of the HCV program as the Authority works to bring lease rates down to 99% by April 2012.

VIII. Administrative

A. Board Resolution

Board Resolution to Approve Submission of FY 2012 MTW Annual Plan (Version 2)

CERTIFICATE OF RECORDING OFFICER

I, Austin J. Simms, the duly-appointed, qualified acting Secretary-Treasurer of Lexington-Fayette Urban County Housing Authority, do hereby certify that the attached extract from the minutes of the Regular Meeting of the Board of Commissioners of the Lexington-Fayette Urban County Housing Authority, held on August 18, 2011, is a true and correct copy of the original minutes of such meeting on file and of record, insofar as they relate to the matters set forth in the attached extract;

I, further, certify that each Resolution appearing in such extract is a true and correct copy of a Resolution adopted at such meeting and on file and of record.

IN TESTOMY WHEREOF, I have hereunto set my hand and the seal of said Housing Authority, this 30^h day of August, 2011.


Austin J. Simms, Secretary-Treasurer

(SEAL)

**EXTRACT FROM THE MINUTES OF THE REGULAR MEETING
OF THE BOARD OF COMMISSIONERS OF THE
LEXINGTON-FAYETTE URBAN COUNTY HOUSING AUTHORITY
HELD AUGUST 18, 2011**

The Board of Commissioners of the Lexington-Fayette Urban County Housing Authority met at 8:30 a.m., Thursday, August 18, 2011 at the Lexington Housing Authority's Central Office, 300 West New Circle Road, Lexington, Kentucky.

Ms. Marie Davis was absent from the meeting.

The following members of the Board of Commissioners were present:

Kyna Koch	Richard Moloney
Larry Isenhour	Austin J. Simms, Secretary-Treasurer
Daryl Smith	

Housing Authority personnel present were:

John Thompson	Barry Holmes	Kim Jent	Tonya Christopher
Dot LeSage	Carolyn Fish	Tom Smith	Deena Booker Dunn
Sean Cooper	Andrea Wilson	Carolyn Smith	
Greg LaRue	Bill Garr	Rodes Perkins	

The August 18, 2011 Board Meeting was called to order by Ms. Koch with the following business being transacted.

**REQUEST APPROVAL OF THE REVISED LEXINGTON HOUSING AUTHORITY MOVING
TO WORK (MTW) ANNUAL PLAN, FOR THE INITIAL MTW YEAR**

Ms. Andrea Wilson and Ms. Sarah Howard discussed the proposed initial MTW Annual Plan and its proposed changes to activities for the first year. They explained that as a result of discussions with HUD and LHA staff after LHA's selection to participate in the MTW program, LHA staff recommended a number of changes to the initially-submitted MTW Annual Plan. LHA published notice of a public hearing to review the proposed revisions and invited public comment. The public hearing was held August 2, 2011. The Board of Commissioners also received a copy of the proposed changes prior to the Board meeting for review.

The following recommendation was approved.

Mr. Moloney moved, Mr. Smith seconded and the Board of Commissioners unanimously voted to approve the revised Moving to Work Annual Plan for the initial MTW year, including the implementation of MTW rent reform policies as outlined in the Plan, allowing for reasonable modifications based on the receipt of impact analysis results from the PHA's MTW evaluation team; and for other reasonable modifications or corrections that do not significantly alter the Plan or as needed to fulfill HUD requirements. Furthermore, Austin J. Simms be authorized to execute all documents related to submission of the revised Moving To Work Plan.

Board Resolution to Approve Submission of MTW Demonstration Application and FY 2012 MTW Annual Plan (Version 1)

Annual Moving to Work Plan Certifications of Compliance

Certifications of Compliance with Regulations: Board Resolution to Approve Submission of Moving to Work Application and Accompany the Annual Moving to Work Plan

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of both the PHA's application for admission to the Moving to Work Demonstration program and the Annual Moving to Work Plan for the PHA fiscal year beginning July 1, 2012, hereinafter referred to as "the Plan", of which this document is a part, including the implementation of MTW rent reform policies as outlined in the Plan. I further make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the PHA and conducted a public hearing to discuss the Plan and invited public comment.
2. The Agency took into consideration public and resident comment before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan;
3. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and Title II of the Americans with Disabilities Act of 1990.
4. The PHA will affirmatively further fair housing by examining its programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
5. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
6. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
7. The PHA will comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
8. The PHA will comply with requirements with regard to a drug free workplace as required by 24 CFR Part 24, Subpart F.
9. The PHA will comply with requirements with regard to compliance with restrictions on lobbying as required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.
10. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24, as applicable.
11. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
12. The PHA will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58.
13. With respect to public housing the PHA will comply with Davis -Bacon or HUD determined wage rate requirements under section 12 of the United States 1937 Act and the Contract Work Hours and Safety Standards Act.
14. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.

15. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
16. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.).
17. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
18. All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.

Lexington-Fayette Urban County Housing Authority
PHA Name

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

Austin J. Simms, Executive Director
Name of Authorized Official


Signature

Action taken during Regular Board of Commissioners meeting conducted Monday, November 29, 2010. Ms. Kyna Koch moved, Mr. Anthony Wright seconded and the Board of Commissioners voted unanimously to approve submittal of the Moving to Work Application and Annual Plan. **Resolution No. 3**

B. Agency-Directed Evaluations of the MTW Demonstration

No agency-directed evaluations of LHA's MTW demonstration are planned. Rather, the Authority plans to use Kentucky State University as a neutral, third party evaluator of its efforts. A copy of the commitment letter from the university follows:



Hume Hall, Suite 202
400 East Main Street
Frankfort, Kentucky 40601
(502) 597-6442
Fax: (502) 597-6409
WWW.KYSU.EDU

OFFICE OF THE
PROVOST/VICE PRESIDENT
FOR ACADEMIC AFFAIRS

23 November 2010

Mr. Austin Simms
Executive Director
Lexington-Fayette Urban County Housing Authority
200 West New Circle Road
Lexington, Kentucky 40505

Dear Mr. Simms:

This letter confirms Kentucky State University's (KSU) commitment to work with the Lexington-Fayette Urban County Housing Authority (LHA) to evaluate the social, economic, and educational outcomes of the agency's Moving to Work (MTW) demonstration program. KSU strongly supports LHA's proposal to test innovative approaches in public housing and the Housing Choice Voucher program, and is happy to partner with the Authority to gauge the ability of these approaches to increase housing choices for low-income families, promote family self-sufficiency, and achieve greater cost effectiveness in federal expenditures.

Over the course of the demonstration, KSU will work jointly with LHA to determine appropriate baselines, benchmarks, and metrics for each MTW initiative, providing a solid framework for our evaluation team to successfully assess outcomes affecting residents, the housing authority, and HUD statutory objectives. We will report regularly on progress against benchmarks, recommending initiative modifications where appropriate. For each rent reform initiative proposed by LHA, we will help the Authority establish an effective methodology to implement and track a controlled study where residents are randomly assigned to treatment and control groups and perform an annual impact analysis to ensure these reforms do not have any unintended disparate impacts on protected classes of residents.

At the end of the demonstration or upon renewal, we will prepare a final report summarizing outcomes of all MTW initiatives - including their impact at the local and national level - and describing how successful activities could serve as replicable program models.

We wish you success with your application for the MTW demonstration program, and look forward to working with you to enhance the lives of low-income families in Lexington.

Sincerely,

James P. Chapman, Ph.D.
Interim Provost, Vice President for Academic Affairs



Appendix A. Documentation of Public Hearing

Public Hearing for FY 2012 MTW Annual Plan (Version 2)

On August 2, 2011, LHA held a public hearing at its central office to discuss proposed revisions to its FY 2012 MTW Annual Plan and the MTW rent reform initiatives contained therein. The Authority was especially pleased to have more than 45 residents present, a new record for attendance at an LHA public hearing. A copy of the public hearing announcement published in the *Lexington Herald-Leader* on July 21, 2011, letters sent to residents and MTW Stakeholders informing them of the public hearing, and the public hearing sign-in sheet follow a brief summary of topics discussed during the hearing.

Executive Director Austin Simms gave a brief welcome and overview of the MTW Demonstration to those in attendance, explaining that the purpose of the hearing was to explain and get feedback from the public on revisions made to LHA's proposed FY 2012 MTW activities since the agency's last public hearing on November 11, 2010. MTW Coordinator Andrea Wilson then described the proposed changes to each MTW activity, with input from Housing Managers and LHA's Chief Operating Officer as necessary to answer attendee questions. The following is a summary of attendee questions / comments and staff responses; it is not a transcript.

Question: A resident asked for clarification that the five-year residency time limit currently in place for Bluegrass HOPE VI public housing residents does not apply to other LHA public housing units.

Response: No, this limit only applies to Bluegrass HOPE VI; however, the Authority is currently considering asking HUD to allow the agency to remove this limitation, and would welcome any feedback residents may have.

Question: What are control and treatment groups?

Response: LHA staff explained that as part of the MTW Demonstration the Authority will be testing new policies related to public housing and Section 8, and that rent reform initiatives, specifically, will be implemented as research studies with the help of Kentucky State University, so LHA will know whether or not these initiatives really work. Some residents will be affected by these policy changes; they will be members of the treatment group. Others will not be affected by these changes; they will be members of the control group. KSU can then compare what happens to these two groups over time to figure out whether the rent reform measures really work.

Question: An HCV property manager asked how MTW would affect her and whether or not there were any special incentives for landlord participation.

Response: HCV landlords who maintain high-quality housing will benefit by having fewer inspections.

Question: An Appian resident wanted to know if Appian and Pimlico households would have to move.

Response: Although LHA is eager to revitalize these sites and is seeking funding to do so, it does not currently have any firm plans. When the time comes to rehab these sites, residents who need to move will be given plenty of notice and relocation assistance.

Question: Does the fact that you are no longer planning to allocate project-based vouchers to the Hope Center mean you will not continue to support its work?

Response: No, for now LHA plans to continue its current relationship with the Hope Center very much the way it is today. If anything, the Authority is looking to strengthen its relationships with its partners through use of the MTW Demonstration.

Question: A resident asked if the proposed educational achievement incentive program could be offered to families containing high school and college students as well.

Response: The initiative planned at Pimlico next year is just a pilot. We hope the program will be successful and can be expanded in future years to students in a variety of age groups.

Follow-up Comments: A resident noted that it is important to offer incentives to high school students who may be at risk for dropping out of school. Another resident suggested awarding points to students for attending after-school tutoring sessions or additional reading classes after school.

Question: A resident asked in there were any plans to help residents with homeownership through MTW.

Response: LHA currently has resources that can help residents with homeownership including down payment assistance in the Equestrian View subdivision, but we don't currently have specific homeownership resources built into our current MTW Plan, although we are hoping the program will increase the self-sufficiency of participants, which can help families afford their own home. Additionally, staff offered to speak with the resident about homeownership resources currently available to residents – including Section 8 Homeownership Vouchers and the OASIS program – after the hearing.

Question: Several residents indicated that the name of the demonstration program, “Moving to Work,” was confusing as the program wasn't really about job training or getting people jobs.

Response: LHA staff agreed that the name could be confusing and re-iterated the purpose of the program.

Question: What happens if HUD doesn't approve the MTW Annual Plan?

Response: LHA and HUD will work together to resolve any concerns HUD may have about the Plan, making changes as necessary until they approve it. This is more of a collaborative effort – instead of an all-or-nothing approval of the Plan.

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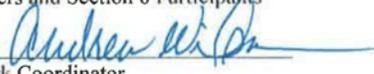
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Executive Director

LEXINGTON-FAYETTE URBAN COUNTY HOUSING AUTHORITY

300 West New Circle Road • Lexington, KY 40505 • Phone: (859) 281-5060 • Fax: (859) 281-5055

To: LHA Leaseholders and Section 8 Participants

From: Andrea Wilson 
Moving To Work Coordinator

Date: July 15, 2011

Re: Moving To Work Award Notice and FY 2012 Proposed Initiatives

The Lexington Housing Authority (LHA) applied for the U.S. Department of Housing & Urban Development's (HUD) Moving To Work (MTW) Program last November. It is my pleasure to inform you that the LHA was selected to participate in HUD's MTW Program. This program allows housing agencies to design and test innovative strategies to strengthen the delivery of services to families living in public housing or those families assisted through HUD's Housing Choice Voucher Program.

MTW is a demonstration program that allows public housing authorities to design and test ways to achieve three statutory goals. The activities and policies designed by the Authority must further at least one of these goals:

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

MTW agencies are also required to implement at least one rent reform initiative designed to encourage employment and self-sufficiency by participating families.

The LHA is anxious to begin testing the proposed activities for Year One of our participation in the MTW demonstration, including rent reform initiatives designed to address specific resident needs that were identified by our Section 8 manager and each of our four public housing management teams. We anticipate HUD approval of our plan and implementation of MTW by October 2011. We propose modification to the original 16 initiatives, fine tuning some initiatives and some initiatives have been eliminated after determining that they are not feasible.

A copy of the MTW plan and a summary of the changes to the Year One initiatives are available for public comment (**July 15 - August 15**) at the Housing Authority Central Office, Housing Authority Management Offices, LHA website (www.lexha.org) or by mail as requested. Should you require a copy of the plan and cannot access it through the previously mentioned alternatives you may contact your Housing Management Office or Section 8 Specialist to receive a copy.

A public hearing is scheduled for Tuesday, August 2, 2011 at 5:30 p.m. at the LHA central office located at 300 West New Circle Road. The subject of the meeting will be proposed modifications to LHA's FY 2012 Moving to Work (MTW) Annual Plan and associated rent reform initiatives. We look forward to updating you on our MTW plans and receiving your feedback. Your comments or questions can be directed to Andrea Wilson, MTW Coordinator at (859) 281-5063, via email at wilsona@lexha.org or by mail to: 300 West New Circle Road, Lexington, KY 40505.

visit our website at
www.lexha.org



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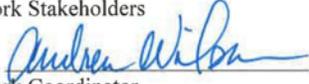
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Executive Director

LEXINGTON-FAYETTE URBAN COUNTY HOUSING AUTHORITY

300 West New Circle Road • Lexington, KY 40505 • Phone: (859) 281-5060 • Fax: (859) 281-5055

To: Moving To Work Stakeholders

From: Andrea Wilson 
Moving To Work Coordinator

Date: July 18, 2011

Re: Moving To Work Award Notice and FY 2012 Proposed Initiatives

As you are aware the Lexington Housing Authority (LHA) applied for HUD's Moving To Work (MTW) Program last November. I am excited to inform you that HUD Assistant Secretary Sandra B. Henriquez announced that the Lexington Housing Authority was selected to participate in HUD's MTW Program. This program allows housing agencies to design and test innovative strategies to strengthen the delivery of services to families living in public housing or those families assisted through HUD's Housing Choice Voucher Program.

MTW is a demonstration program that allows public housing authorities to design and test ways to achieve three statutory goals. The activities and policies designed by the Authority must further at least one of these goals:

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

MTW agencies are also required to implement at least one rent reform initiative designed to encourage employment and self-sufficiency by participating families. So that you are aware of the implementation plans, the following must occur before actual MTW participation begins:

- *LHA must receive HUD approval of MTW agreement (anticipated - August 2011)*
- *Public comment/hearing process (July/August)*
- *LHA Board approval (August or September)*

The LHA is anxious to begin testing the proposed activities for Year One of our participation in the MTW demonstration, including rent reform initiatives designed to address specific resident needs that were identified by our Section 8 manager and each of our four public housing management teams. We anticipate HUD approval of our plan and implementation of MTW by October 2011.

After extensive staff review, we propose modification to the original 16 initiatives, fine tuning some initiatives and determining that some were not feasible. Attached for your review are the proposed first year initiatives with modifications. A copy of the MTW plan and a summary of the changes to the Year One initiatives are available for public comment (**July 18 - August 17**) at the Housing Authority Central Office, Housing Authority Management Offices, LHA website (www.lexha.org) or by mail as requested.

visit our website at
www.lexha.org

July 18, 2011
Page 2

We hope that you will be able to join us for an MTW Stakeholders meeting on **Tuesday, August 2, at 2:00 p.m.** at the LHA Central Office located at 300 West New Circle Road. The subject of the meeting will be the proposed modifications to LHA's FY 2012 Moving to Work (MTW) Annual Plan and associated rent reform initiatives. We look forward to updating you on our MTW plans and receiving your feedback on the proposed modifications to our MTW initiatives.

In addition to the Stakeholders meeting, a **public hearing is scheduled for Tuesday, August 2, 2011 at 5:30 p.m.** to discuss the proposed modifications to LHA's FY 2012 Moving to Work (MTW) Annual Plan and associated rent reform initiatives at the LHA Central Office located at 300 West New Circle Road.

Your comments or questions can be directed to Andrea Wilson, MTW Coordinator at (859) 281-5063, via email at wilsona@lexha.org or by mail to: 300 West New Circle Road, Lexington, KY 40505.

Moving To Work
 Public Hearing
 Sign-In Sheet

5:30 p.m. – Tuesday, August 2, 2011

Name	Address	Email Address
Bessie Mickens	320 Elm tree Lane Sex 154 40508	
Judy Hill	320 Elm tree Ln. 103	N/A
Dana Berry	1840 McCullough Dr	
Siberana W. Soler	1302 Village Dr 202	
Carsee D. Chism	625 Thoroughbred Way* 202	chism.carsee@gmail.com
Sumary Johnson	645 Thoroughbred Way #102	Sum, Ky 40508
Naquashia Williams	517 Georgetown St.	naquashia.williams4@myaol.com
Royie A. Faulkner	1301 Centre Hwy #72	
Sacore Banks	1301 Centre Pkwy ⁶⁸	NoVA
Danell Banks	1301 Centre Hwy 68	
Hunk August	1023 James	
S. Rashid	734 Triple Crown Cr	sumary9988@aol.com
Kim Weather	645 Thoroughbred ^{WAY} 101	
Bellitha Torres	650 Tower Plaza ^{#906}	
Joyce Whitigat	534 Hollow Cr. Rd. #22	N/A
Donna Smith	534 Hollow Creek Rd.	Idonnasmith@aol.com

Moving To Work
 Public Hearing
 Sign-In Sheet

5:30 p.m. – Tuesday, August 2, 2011

Name	Address	Email Address
Danisha Campbell	212 Ellis Park Lex, Ky 40516	
Juanita Birch	650 Tower Plz AB Lex Ky 40508	
Maween Meant	605 lex ky 40508	Fiestylex@gmail.com
Marian Ragan		
Sina Hampton	⁴⁰⁵⁰⁹ 226 SIMBWAY	
J. Harris	226 SIMBWAY	
Susan Hampton	650 Tower Plaza Apt 903	susan-hampton001@yahoo.com
Sakiesha Smallwood	1333 Centre PKwy #65	smallwoodsakiesha@capico.com
Jacqueline Burgess	1195 Hill Rise Dr #1	
Delyna Osborne	184 Versailles Rd #102	
Audilia Robertson	1301-Centreey #49	
Thomas Bates	2855 Altamont St #12	
Vicky Lopez	127 Chantilly St	
THOMAS W BURRAHIS	1333 Centre PKwy APT 9 40517	
Barbara Lewison	574 Hollowcreek Rd #11	
Lillian Liley	157 London rd	

**Moving To Work
 Public Hearing
 Sign-In Sheet
 5:30 p.m. – Tuesday, August 2, 2011**

Name	Address	Email Address
<u>Bill Gam</u>	<u>LHA</u>	<u>_____</u>
<u>JESSICA CARRAGHER</u>	<u>1589 HILLVIEW PLACE</u>	<u>_____</u>
<u>SHARON M. CLAY</u>	<u>398 Luma Dr</u>	<u>_____</u>
<u>COURTNEY FELT</u>	<u>405 Bain Bridge Ct</u>	<u>_____</u>
<u>Kim Jent</u>	<u>LHA</u>	<u>jentk@lexha.org</u>
<u>SEAN COOPER</u>	<u>LHA</u>	<u>COOPERS@LEXHA.ORG</u>
<u>Emilio Hill</u>	<u>1333 Centre Pkwy</u>	<u>SUAVEHOUSE922000@gmail.com</u>
<u>Michele Lee</u>	<u>LHA</u>	<u>_____</u>
<u>Whitney Leath</u>	<u>246 Willard St #2</u>	<u>_____</u>
<u>Kayla Leach</u>	<u>175 N Locust Hill RR1002</u>	<u>_____</u>
<u>Ada Rivera</u>	<u>2712 Goldenrod Ln</u>	<u>_____</u>
<u>Laura Renslow</u>	<u>1317 Centre Pky #13</u>	<u>_____</u>
<u>Kisha Copeland</u>	<u>2705 Golden Rod Ln</u>	<u>_____</u>
<u>Elanda Warren</u>	<u>510 Eureka Springs</u>	<u>_____</u>
<u>Patricia Canada</u>	<u>734 Hillbree Ct. Apt 7</u>	<u>_____</u>
<u>Shelby Campbell</u>	<u>806 Ward Dr.</u>	<u>_____</u>

**Moving To Work
 Public Hearing
 Sign-In Sheet**

5:30 p.m. – Tuesday, August 2, 2011

Name	Address	Email Address
Edward J. George	3820 Nicholasville apt. 1202	edellaz@yudso.com
MARY C. JAMES	320 Elm Trl Rd. LANE #207	
Doree Hui	LHA	
Andrew Williams	LHA	
Austin Simms	LHA	
Dot LeSage	LHA	
Greg LaRue	LHA	
Tom Smith	LHA	
Rodes Perkins	LHA	
Barry Holmes	LHA	
Sarah Howard	Schiff Group	

Public Hearing for MTW Demonstration Application and FY 2012 MTW Annual Plan (Version 1)

On November 11, 2010, LHA held a public hearing at its central office to discuss the proposed MTW application, the original draft of the FY 2012 MTW Annual Plan, and MTW rent reform initiatives. A copy of the public hearing announcement published in the *Lexington Herald-Leader* on October 28, 2010, the public hearing sign-in sheet, and a follow-up email received from a member of the District 1 Councilwoman's staff, who attended the hearing, are also provided at the end of this section.

After Director of Asset Management Dot LeSage staff gave a brief overview of the MTW demonstration program and application process, each Housing Manager described the rent reform initiative planned for their management team. Ms. LeSage then re-capped the remaining proposed MTW activities before the floor was opened for questions. The following is a summary of attendee questions and staff responses; it is not a transcript.

Question: Will proposed public housing acquisition compete with non-profit developers like Habitat or low-income households looking to purchase a home?

Response: LHA is more interested in small, multi-family structures than single-family homes individual households are likely to be looking for. LHA regularly talks to organizations like Habitat and Urban League about possible purchases to ensure agencies don't compete with each other.

Question: What size lots is LHA looking to acquire?

Response: LHA is not actively seeking infill lots. Authority is more interested in sites where they can achieve economy of scale by developing 5-10 units.

Question: Will there be a cap on the educational achievement pilot payout? Why did you change the initiative to go from escrow accounts as incentive to a rewards booklet?

Response: LHA has not yet determined how much funding they will be able to dedicate to the program. The Authority also plans to seek matching or grant funds from other sources. Additional dialogue ensued regarding the value of short-term vs. long-term incentives for adults and children. Staff referenced concerns of MTW Stakeholders that children and some parents would likely respond better to short-term incentives. North Carolina Saves was given as an example of an innovative government program that has encouraged households to save by matching their savings. A past LHA Section 5(h) homeownership program that allowed participants to earn points that were then converted to dollars was also discussed as a potential model.

Question: Do you think people will leave Pimlico rather than pay the additional minimum rent? Do you think residents really have the income to pay the \$150? What percent of these families do you think will apply for a hardship? What will happen to these families if they can't pay their utilities?

Response: No, LHA does not believe families will leave Pimlico as a result of the initiative. The Authority does believe residents have the financial resources to pay the increased minimum rent. LHA has never had a resident apply for a hardship exception under its current minimum rent

policy, and does not anticipate there will be many under the new policy. Having your utilities cut off due to failure to pay your utility bill is a rent violation.

Question: Are you concerned that you may not have a true control group at Pimlico, since you will essentially have two experiments going on there at the same time – the increase in minimum rent and the educational achievement pilot?

Response: LHA will take that your concern into consideration. The Evaluation team was present at several meetings where these initiatives were discussed, but did not indicate that there would be a conflict. LHA will continue to consult with the evaluators as the initiatives are planned to ensure there is no conflict.

Question: Will raising the minimum rent at Pimlico really help families become more sufficient?

Response: The families affected are not disabled or elderly; they should be able to work. Most are in 2- and 3-bedroom units, parents with children.

Question: How much are families at Pimlico really spending on utilities in comparison to the utility allowances?

Response: It is difficult to know, but the utility allowances at Pimlico are based on the Kentucky Housing Corporation's Section 8 utility allowance guidelines. These allowances were raised significantly in July 2009.

Question: What will the average rent burden of Pimlico families be after the minimum rent goes up?

Response: Almost everyone has some income coming in. Families who really can't work should be eligible for some sort of assistance – Social Security, SSI, or TANF. If they don't receive assistance, that raises suspicions, because they should be able to qualify if they really can't work. These are the families LHA is targeting; the Authority wants to create pride by encouraging people to work.

Question: Do you have any concerns about reducing the number of inspections?

Response: LHA will still be in those units doing routine maintenance, and maintenance staff can request an inspection if they are concerned about conditions in the unit. There are also numerous other inspectors who view these units – HUD sends REAC inspectors and investors like the Kentucky Housing Corporation inspect units. In some ways, this is a privacy issues; LHA is trying to cut down on the number of times units are inspected.

Question: Regarding the biennial housekeeping inspections, are you concerned a new tenant might pass just because the unit is new and then not maintain the unit?

Response: LHA will change the wording so that two initial excellent inspections are required before biennial inspections can be scheduled. It's important to note that LHA does housekeeping inspections more frequently than once per year - and will continue to do so – if the condition of the unit merits it. Residents who are having difficulty maintaining their units appropriately may have their units inspected monthly – or even weekly – if the unit is in really bad shape.

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From: Sarah Brown [mailto:sbrown2@lexingtonky.gov]
Sent: Friday, November 12, 2010 10:09 AM
To: Simms, Austin
Subject: MTW application

Austin,

Thank you for your time last night. I appreciated your staff being so patient to thoroughly explain their new initiatives. It was very helpful.

I wish you luck on the application process.

Sarah Brown
200 E. Main
Lexington, KY 40508
859-258-3205

Appendix B. MTW Rent Reform Random Assignment Process

As outlined in Section V (Proposed MTW Activities: HUD Approval Requested), the Lexington-Fayette Urban County Housing Authority (LHA) will conduct three of its four proposed rent reform initiatives as controlled studies in FY2012. After receiving input from HUD that sufficient empirical evidence already exists to substantiate the assertion that triennial recertifications for elderly and disabled households effectively reduce administrative costs, LHA decided not to conduct a controlled study in conjunction with Activity 3 (Triennial Recertification of Griffith Tower Households).

For Activities 1 (Increase Minimum Rent at Pimlico to \$150) and 2 (No Rent Reduction Requests for 6 Months After Initial Occupancy for Bluegrass HOPE VI Public Housing Residents), complementary groups of public housing residents residing in demographically similar developments will be used as randomized control and treatment groups.

In the case of Activity 4 (No Rent Reduction Requests for 6 Months After Initial Occupancy for Housing Choice Voucher Residents), Housing Choice Voucher residents will be randomly assigned to either a control or treatment group at the time they sign their initial lease for a unit.

Structure of Controlled Study Control and Treatment Groups

Note: All control and treatment groups described below will exclude elderly and disabled households.

Activity 1: Increase Minimum Rent at Pimlico to \$150

Control Group = Pimlico Households
Treatment Group = Appian Households

Activity 2: No Rent Reduction Requests for 6 Months After Initial Occupancy for Bluegrass HOPE VI Public Housing Residents

Control Group = Households Moving to Russell Cave and Sugar Mill
Treatment Group = Households Moving to Bridlewood, Grand Oaks, The Shropshire, The Shropshire East, and Twin Oaks (collectively known as Bluegrass HOPE VI Public Housing)

Activity 4: No Rent Reduction Requests for 6 Months After Initial Occupancy for Housing Choice Voucher Residents

At the time a resident signs their lease either upon joining the Housing Choice Voucher Program or transferring to a new unit within the program, LHA's computer system will randomly generate a number that will determine whether the household is placed in the

control or treatment group. Management Specialists will then explain the implications of this determination to the family and supply the head of household with a lease appropriately describing whether or not the family will be eligible to apply for a rent reduction during the first six months of occupancy. Families will thus have a randomized, 50% chance of being placed in either the control or treatment group.

Appendix C. MTW Rent Reform Hardship Policy

Lexington-Fayette Urban County Housing Authority (LHA) Proposed Hardship Policy for MTW Initiatives

LHA's MTW Hardship Policy addresses the following types of rent reform initiatives:

1. Increases in Minimum Rent
2. Elimination of Rent Reduction Requests for 6 Months Following Initial Occupancy

1. Increases in Minimum Rent

In order to qualify for a hardship exemption, households must meet both criteria listed below:

1. The household must experience an increase in rent as the direct result of an MTW rent reform initiative.
2. The household must request the hardship waiver before the deadline provided with the family's 90-day notice of an increase in minimum rent.

Households who meet the criteria listed above may mail or fax their request to LHA, stating both the reason for the hardship and its expected duration.

Requests will be considered on a case-by-case basis and weighed against other local resources available to the family.

Households granted a waiver to the increase in minimum rent would continue to pay pre-reform minimum rent until their next recertification, at which time the household will be subject to the rent reform initiative.

2. Elimination of Rent Reduction Requests for 6 Months Following Initial Occupancy

In order to qualify for a hardship exemption, a household must experience a loss of income due to circumstances beyond the household's control. Examples of such circumstances include:

- A temporary medical condition that prevents an adult family member from working when loss of employment is not covered by paid medical benefits
- Loss of employment due to reduction in work force or closure of the place of employment where employment income loss is not covered by severance or separation benefits

Households, who experience an increase in medical expenses, such that these expenses exceed 15% of gross income, will also be eligible for a hardship exemption.

Households who meet the above criterion may mail or fax their hardship request to LHA, stating both the reason for the hardship and its expected duration.

Each request will be reviewed and weighed against other local resources available to the family.

Households granted a hardship exception would immediately be allowed to request a rent reduction following LHA's standard policies. No more than one such exception will be granted to any given family during the six months following initial occupancy.

Appendix D. MTW Rent Reform Evaluation

As part of the agency's Moving to Work (MTW) demonstration program, the Lexington-Fayette Urban County Housing Authority (LHA) has proposed four activities which are rent reform initiatives (Section V-Proposed MTW Activities: HUD Approval Requested), for implementation within its jurisdiction. These activities are as follows:

- 1) Activity 1: \$150 Minimum Rent at Pimlico
- 2) Activity 2: No Rent Reduction Requests for Bluegrass HOPEVI Residents
- 3) Triennial Recertifications at Connie Griffith
- 4) No Rent Reduction Requests for HCV Households

An evaluation team from the Kentucky State University (working jointly with LHA) will have oversight of the MTW program evaluation process, with an overall mandate to assess, monitor and report on the effects of MTW initiatives, including the four proposed rent reform initiatives to be undertaken in FY2012. The central goal of the rent reform evaluation is to measure the overall effectiveness of the rent reform in accomplishing HUD's stated goals of: increasing the number and quality of affordable housing choices throughout the Lexington-Fayette community, increasing the number of families moving toward self-sufficiency, strengthening the number of community partnerships benefitting residents with special needs, and reducing administrative costs while limiting administrative burdens placed on staff and residents. In addition, the evaluation will consider potential disparate impacts on protected classes of residents as determined by sex, race, ethnicity, age and disability.

Plan of action

In order to facilitate mapping of program effects on protected classes of residents arising out of rent reform initiatives, the evaluation team has determined baselines which capture the status quo for each initiative, interim benchmarks to track progress, and metrics to facilitate the measurement of subsequent changes and/or impact. An ongoing data collection process will inform periodic analysis and reports on program effects and outcomes, following a timeline (quarterly schedule). A comprehensive program evaluation report will be completed at the end of each fiscal year.

For each activity, the team has identified protected classes within the target population, and detailed their current status regarding metrics of interest. Impact analyses also present an understanding of how the various classes are affected by the status quo, as well as projections for future effects. By providing a picture of the status quo, downstream evaluation activities will have a baseline against which changes may be measured and monitored, as well as evaluating the scope of said change or effect, which may accrue as a result of any of the rent reform initiatives. In particular, outcomes will be scrutinized for the extent to which they signal which classes, if any, suffer disproportionate negative effects and hardships. Impact analyses also considered appropriate protocols for informing residents about the initiative, the use and structure of control

and treatment groups as appropriate, as well as random assignment procedures for participants. The impact analysis tables for each activity are presented below.

1) Activity 1: \$150 Minimum Rent at Pimlico

Impact Analysis – Projection

Test group – Residents with rent payments of \$50 – 149 per month

		Head of Household	Average earned income per month	Average total income per month	Average gross rent	Average increased rent burden
Gender						
	Male	15	213.56	4633.79	65.46	84.54
	Female	106	495.09	6593.36	57.55	92.45
Race						
	White	38	484.28	6675.92	60.81	89.19
	Black	79	441.45	6216.76	57.44	92.56
	American Indian/ Native Alaskan	1	0	5992	50	100
	Asian/Pacific Islander	0	-	-	-	-
	Native Hawaiian/ Other Pacific Islander	0	-	-	-	-
	Other	3	800	5867	50	100
Ethnicity						
	Hispanic	1	0	4548	50	100
	Non-Hispanic	120	437.28	6250.32	58.6	91.4
Age						
	18 - 31	76	478.42	6580.73	58.20	91.80
	32 - 46	30	493.37	6749.43	62.43	87.57
	47 - 61	15	301.06	4385.6	52.40	97.60
	≥62	0	-	-	-	No change
Disabled		0	-	-	-	No change

This activity will be evaluated on its overall effectiveness in accomplishing HUD’s goal of promoting self-sufficiency by encouraging heads of households to work.

This rent reform initiative will be implemented as a controlled study (Structure: Pimlico = Treatment; Appian= Control). Eligible participants are residents at Pimlico and Appian. To increase similarity in the target population, the initial phase of the study will involve one-bedroom units in both control and treatment groups. Participants will be provided information on the initiative and available community resources. Elderly and disabled residents will be excluded. A participant consent protocol will require signature of informed consent forms to participate in the Resident Satisfaction Survey.

2) Activity 2: No Rent Reduction Requests for Bluegrass HOPEVI Residents

Impact Analysis – Projections

Test group – All new incoming residents

		Head of Household	Average earned income per month	Average total income per month	Average gross rent	Average target rent rate	Average increased rent burden
Gender							
	Male	26	15943.55/13 28.6	1454	379		
	Female	168	10674.32/88 9.52	1244.	287		
Race							
	White	24	10226.36/85 2.20	1002	255		
	Black	166	11368.32/94 7	1296.25	303		
	American Indian/ Native Alaskan	0	-	-	-		
	Asian/Pacific Islander	0	-	-	-		
	Native Hawaiian/ Other Pacific Islander	1	38554.4/321 3	3238	621		
	Other	3	12130/1011	1429	378		
Ethnicity							
	Hispanic	1	605	972	268		
	Non-Hispanic	193	9727.53/811	1273.45	300		
Age							
	18 - 31	122	846	117.1	272		
	32 - 46	55	1128	1507	346		
	47 - 61	17	1101	1227	347		
	≥62	28	14292.74/11 91.1	1277	313	NA	No change
Disabled		64	11532.52/96 1	1006.5	254	NA	No change

This activity will be evaluated on its overall effectiveness in accomplishing HUD’s goal of promoting family self-sufficiency by encouraging heads of households to work, and achieve greater cost effectiveness in federal expenditures by reducing costs.

This rent reform initiative will be implemented as a controlled study (Structure: Bluegrass HOPE VI = Treatment; Russell Cave and Sugar Mill = Control). Participants in Stage 1 of the study will include all one-bedroom units at both treatment and control locations. Participants will be provided information on the initiative and available community resources. Elderly and

disabled residents will be excluded. A participant consent protocol will require signature of informed consent forms to participate in the Resident Satisfaction Survey.

3) Triennial Recertifications at Connie Griffith

Impact Analysis – Projections

Test group: Connie Griffith

		Head of Household	Average earned income per month	Average earned income per month	Average total income per month	Average gross rent	No of interim recertifications
Gender							
	Male	93	1557.01	10373.38	11930.88	230.89	7
	Female	88	1418	9291	10709.60	215.26	7
Race							
	White	59	1253.08	10200	11453	229.42	6
	Black	120	1630.76	9691	11321.89	220.92	8
	American Indian/ Native Alaskan	-	-	-	-	-	-
	Asian/Pacific Islander	-	-	-	-	-	-
	Native Hawaiian/ Other Pacific Islander	2	0	8826	8826	184.5	0
	Other	-	-	-	-	-	-
Ethnicity							
	Hispanic	2	0	11064	11064	255.5	0
	Non-Hispanic	179	1506.28	9833.88	11340.16	222.93	14
Age							
	≤ 59	59	1539.53	7296.82	8836.52	119.42	6
	60 – 79	113	1582.23	10849.14	12431.38	248.79	8
	≥ 80	9	0	13991.92	13991.92	237.55	0
Disabled							
	Yes	3	0	9348	9348	209.33	0
	No	178	1514	9856	11370.64	223.53	14

	Number of recertifications	Satisfaction	Financial Impact	
			Gain	Loss
Residents	Decrease	Increase	↔	↔
Employees	2/3rds decrease workload	Increase	NA	NA
LHA	Decrease		Increase	↔

This activity will be evaluated on its overall effectiveness in accomplishing HUD’s goal of easing administrative burdens for LHA staff and its residents, as well as reducing costs.

This rent reform initiative will be NOT implemented as a controlled study. All residents will be participants, and receive information about the initiative and its implications. Participant consent protocol will require signature of informed consent forms to participate in the Resident Satisfaction Focus group. LHA does not anticipate that this rent reform initiative will increase the rent burden of the treatment group households or have a disparate impact on protected classes of households.

4) No Rent Reduction Requests for HCV Households

Impact Analysis – Projections

Test group: New Incoming HCV tenants

n = 2795

		Head of House hold	Average earned income at initial occupancy	Average gross annual income	Average gross monthly income	Average monthly rent payment	Average Housing assistance Payments (HAP)	Average increased rent burden
Gender								
	Male	344	?	8161.41	638.3	158.17	386.43	
	Female	2451		9950.13	738.99	138.59	532.7	
Race								
	White	874		8923.84	671.72	132.51	479.88	
	Black	1898		10129.43	754.07	145.57	530.57	
	American Indian/ Native Alaskan	4		5370	369.17	1.75	610.75	
	Asian/Pacific Islander	4		8991	680.96	115.5	567	
	Native Hawaiian/ Other Pacific Islander	2		12852.5	1011.04	205.5	544	
	Other	13		6690.77	-	84.6	487.69	
Ethnicity								
	Hispanic	26		13065.42	993.01	185.96	520.92	
	Non-Hispanic	2769		9698.64	724.1	140.57	514.64	
Age								
	<61	2567						
	>62	233						No Change
Disabled								
	Yes	782						No Change
	No	2018						

This activity will be evaluated on its overall effectiveness in accomplishing HUD’s goal of increasing family self-sufficiency by encouraging heads of households to maintain household income level, reduce costs, and achieve greater cost effectiveness in federal expenditures.

This rent initiative will be implemented as a controlled study. All incoming households moving into an HCV unit will be randomized using a computer-based program to either control or treatment groups. Participants’ lease information packets will reflect conditions of control or treatment group as appropriate. Participants in the treatment group will be provided information on the initiative, hardship policy, and available community resources. Elderly and disabled residents will be excluded. A participant consent protocol will require signature of informed consent forms before participation in satisfaction surveys, if administered.

Appendix E. Annual Statements / Performance Evaluation Reports

Annual Statement/Performance and Evaluation Report Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary					
PHA Name: Lexington-Fayette Urban County Housing Authority		Grant Type and Number: Capital Fund Program Grant No: KY36-P004-501-10 Replacement Housing Factor Grant No:		Federal FY of Grant: 07/2010	
<input type="checkbox"/> Original Annual Statement		<input type="checkbox"/> Reserve for Disasters/Emergencies		<input type="checkbox"/> Revised Annual Statement (revision no:)	
<input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending:		<input type="checkbox"/> Final Performance and Evaluation Report			
Line No.	Summary by Development Account	Total Estimated Costs		Total Actual Cost	
		Original	Revised	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations	270,160.00	\$270,112.80	\$270,112.80	\$270,112.80
3	1408 Management Improvements	36,000.00	\$180,000.00	\$51,411.95	\$51,411.95
4	1410 Administration	135,056.00	\$135,056.00	\$135,056.00	\$135,056.00
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures	84,157.00	\$765,395.20	\$108,074.50	\$108,074.50
11	1465.1 Dwelling Equipment -- Nonexpendable				
12	1470 Nondwelling Structures				
13	1475 Nondwelling Equipment				
14	1485 Demolition				
15	1490 Replacement Reserves				
16	1492 Moving to Work Demonstration				
17	1495.1 Relocation Costs				
18	1499 Development Activities	825,191.00	\$0.00	0.00	\$0.00
19	Amount of Annual Grant (sum of lines 2-19)	1,350,564.00	\$1,350,564.00	564,655.25	\$564,655.25
20	Amount of line ? Related to LBP Activities				
21	Amount of line ? Related to Section 504 Compliance				
22	Amount of line ? Related to Security - Soft Costs				
23	Amount of line ? Related to Security - Hard Costs				
24	Amount of line ? Related to Energy Conservation Measures				
25	Collateralization Expenses or Debt Service				

Lexington-Fayette Urban County Housing Authority
 FY 2012 Moving to Work Annual Plan – Version 3

Annual Statement/Performance and Evaluation Report Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary					
PHA Name: Lexington-Fayette Urban County Housing Authority		Grant Type and Number: Capital Fund Program Grant No: Replacement Housing Factor Grant No: KY36-R004-501-10		Federal FY of Grant: 2010	
<input type="checkbox"/> Original Annual Statement		<input type="checkbox"/> Reserve for Disasters/Emergencies		<input type="checkbox"/> Revised Annual Statement (revision no:)	
<input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending:		7/31/11		Final Performance and Evaluation Report	
Line No.	Summary by Development Account	Total Estimated Costs		Total Actual Cost	
		Original	Revised	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations				
3	1408 Management Improvements				
4	1410 Administration				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment -- Nonexpendable				
12	1470 Nondwelling Structures				
13	1475 Nondwelling Equipment				
14	1485 Demolition				
15	1490 Replacement Reserves				
16	1492 Moving to Work Demonstration				
17	1495.1 Relocation Costs				
18	1499 Development Activities	313,705.00		313,705.00	278,194.09
19	Amount of Annual Grant (sum of lines 2-19)	313,705.00		313,705.00	278,194.09
20	Amount of line ? Related to LBP Activities				
21	Amount of line ? Related to Section 504 Compliance				
22	Amount of line ? Related to Security - Soft Costs				
23	Amount of line ? Related to Security - Hard Costs				
24	Amount of line ? Related to Energy Conservation Measures				
25	Collateralization Expenses or Debt Service				

Capital Fund Program Tables Page 1

Annual Statement/Performance and Evaluation Report Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part II: Supporting Pages							
PHA Name: Lexington-Fayette Urban County Housing Authority		Grant Type and Number: Capital Fund Program Grant No: Replacement Housing Factor Grant No: KY36-R004-501-10			Federal FY of Grant: 2010		
					7/31/11		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost	Total Actual Cost		Status of Work
					Obligated	Expended	
LHA WIDE	LHA - Wide	1499		313,705.00	313,705.00	278,194.09	
	Development Activities - BGA				313,705.00	278,194.09	

Capital Fund Program Tables Page 2

Lexington-Fayette Urban County Housing Authority
 FY 2012 Moving to Work Annual Plan – Version 3

Annual Statement/Performance and Evaluation Report Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary					
PHA Name: Lexington-Fayette Urban County Housing Authority		Grant Type and Number: Capital Fund Program Grant No: Replacement Housing Factor Grant No: KY36-R004-502-10		Federal FY of Grant: 2010	
<input type="checkbox"/> Original Annual Statement		<input type="checkbox"/> Reserve for Disasters/Emergencies		<input type="checkbox"/> Revised Annual Statement (revision no:)	
<input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending:		7/31/11		Final Performance and Evaluation Report	
Line No.	Summary by Development Account	Total Estimated Costs		Total Actual Cost	
		Original	Revised	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations				
3	1408 Management Improvements				
4	1410 Administration				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment -- Nonexpendable				
12	1470 Nondwelling Structures				
13	1475 Nondwelling Equipment				
14	1485 Demolition				
15	1490 Replacement Reserves				
16	1492 Moving to Work Demonstration				
17	1495.1 Relocation Costs				
18	1499 Development Activities	594,807.00		357,247.35	\$357,247.35
19	Amount of Annual Grant (sum of lines 2-19)	594,807.00		357,247.35	\$357,247.35
20	Amount of line ? Related to LBP Activities				
21	Amount of line ? Related to Section 504 Compliance				
22	Amount of line ? Related to Security - Soft Costs				
23	Amount of line ? Related to Security - Hard Costs				
24	Amount of line ? Related to Energy Conservation Measures				
25	Collateralization Expenses or Debt Service				

Capital Fund Program Tables Page 1

Annual Statement/Performance and Evaluation Report Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part II: Supporting Pages							
PHA Name: Lexington-Fayette Urban County Housing Authority		Grant Type and Number: Capital Fund Program Grant No: Replacement Housing Factor Grant No: KY36-R004-502-10			Federal FY of Grant: 2010		
					7/31/11		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost	Total Actual Cost		Status of Work
					Obligated	Expended	
LHA - WIDE	LHA - Wide	1499		594,807.00	357,247.35	357,247.35	
	Development Activities - BGA				357,247.35	357,247.35	

Capital Fund Program Tables Page 2

Lexington-Fayette Urban County Housing Authority
 FY 2012 Moving to Work Annual Plan – Version 3

Annual Statement/Performance and Evaluation Report Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary					
PHA Name: Lexington-Fayette Urban County Housing Authority		Grant Type and Number: Capital Fund Program Grant No: KY36-S004-501-09 Replacement Housing Factor Grant No:		Federal FY of Grant:7/2008	
<input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:)					
<input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending:		<input type="checkbox"/> 7/31/11 Final Performance and Evaluation Report			
Line No.	Summary by Development Account	Total Estimated Costs		Total Actual Cost	
		Original	Revised	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations				
3	1408 Management Improvements				
4	1410 Administration	295,001.00	\$157,340.10	\$58,580.85	\$21,436.01
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs	100,000.00	\$100,000.00	\$100,000.00	\$100,000.00
8	1440 Site Acquisition				
9	1450 Site Improvement	233,109.00	\$211,465.40	\$211,465.40	\$196,523.40
10	1460 Dwelling Structures	2,321,902.00	\$2,481,206.50	\$2,579,965.75	\$2,539,365.59
11	1465.1 Dwelling Equipment -- Nonexpendable				
12	1470 Nondwelling Structures				
13	1475 Nondwelling Equipment				
14	1485 Demolition				
15	1490 Replacement Reserves				
16	1492 Moving to Work Demonstration				
17	1495.1 Relocation Costs				
18	1499 Development Activities				
19	Amount of Annual Grant (sum of lines 2-19)	2,950,012.00	\$2,950,012.00	2,950,012.00	\$2,857,325.00
20	Amount of line ? Related to LBP Activities				
21	Amount of line ? Related to Section 504 Compliance				
22	Amount of line ? Related to Security - Soft Costs				
23	Amount of line ? Related to Security - Hard Costs				
24	Amount of line ? Related to Energy Conservation Measures				
25	Collateralization Expenses or Debt Service				

Appendix F. Sources and Uses of Funds by AMP

Lexington-Fayette Urban County Housing Authority
 FY 2012 Moving to Work Annual Plan – Version 3

Account Description	Budget FYE 2012					
	AMP 1 180	AMP 2 139	AMP 3 102	AMP 4 183	AMP 12 206	HCV
REVENUE:						
Net Tenant Rental Revenue	246,797	285,242	237,528	481,771	8,680	
Tenant Revenue - Other	23,761	25,774	17,996	31,538	12,982	
Total Tenant Revenue	270,558	311,016	255,524	513,310	21,661	0
HUD PHA Grants - Operating Subsidy	542,283	375,663	198,654	364,953	933,987	
HUD PHA Grants - All Other	0	0	0			16,775,834
Management Fee (Property)	0	0	0			
Asset Management Fee	0	0	0			
Bookkeeping Fee	0	0	0			
Front Line Service Fee	0	0	0			0
Other Fees (BPLLC Mgmt Fees + LHOC fees)	0	0	0			
Investment Income - Unrestricted	6,421	4,934	3,622	6,965	7,304	5,804
Other Revenue - Non Dwelling Rent	0	0	0		0	
Other Revenue	0	0	0	960	570	2,616
Proceeds from disposition of assets held for sale	0	0	0			
TOTAL REVENUE	819,262	691,613	457,800	886,188	963,523	16,784,254
EXPENSES:						
Administrative:						
Administrative Salaries + Tenant Services Salaries	87,097	53,899	27,051	92,722	123,371	431,016
Auditing Fees	4,877	3,982	3,047	5394	5,863	14,500
Management Fees to LHA	0	0	0			346,320
Management Fee (Property)	105,019	81,098	59,511	106,770	120,189	0
Bookkeeping Fee	16,200	12,510	9,180	16,470	18,540	216,450
Asset Management Fee	21,600	16,680	12,240	21,960	24,720	
Compensated Absences	1,757	1,087	546	1,870	2,489	0
Employee Benef Contr - Administrative + TS	30,481	18,862	9,467	32,449	43,175	150,839
Advertising & Marketing	272	214	1,942	618	313	5,778
Office Expenses	17,994	17,176	18,328	24,040	22,270	83,012
Legal Expense	755	422	166	426	3,679	158
Travel	390	361	542	200	438	1,943
Other	3,590	2,843	1,714	1,763	4,420	30,614
Total Operating-Administrative		0	0			
Utilities:						
Water	227,232	148,135	82,597	87,823	178,136	
Electricity	17,830	11,405	1,315	184,195	29,689	
Gas	8,364	5,999	1,963	27,692	13,844	
Sewer	0	0	0	0	0	
Other Utilities Expense	2,892	3,776	2,802	0	6,313	
Total Utilities		0	0			
Ordinary Maintenance & Operation:						
Ordinary Maintenance & Operation - Labor	148,120	100,922	62,319	109,037	128,762	
Ordinary Maintenance & Operation - Materials & Other	32,054	53,737	25,907	35,597	39,830	3,803
Ordinary Maintenance & Operation - Contract Costs	0	0	0			
Ordinary Maintenance & Operations Garbage & Trash Removal	476	277	992	3,406		0
Ordinary Maintenance & Operations Miscellaneous	0	0	0			0
Heating & Cooling	21,792	6,022	320	23,106	9,384	0
Snow Removal	8,312	1,710	61	3,190	4,757	0
Elevator Maintenance	0	0	0	12,587	0	0
Landscape and Grounds	12,270	12,961	5,906	3,038	9,888	0
Unit Turnaround	52,072	48,710	10,801	10,788	32,927	0
Electrical	4,852	1,771	0	1,402	4,320	0
Plumbing	7,139	15,126	1,661	36,000	16,471	0
Extermination	33,116	20,878	6,762	41,597	35,839	0
Routine	6,066	14,314	2,579	18,000	11,630	6,612
Miscellaneous	5,852	7,672	2,707	9,600	10,906	4,374
Employee Benefit Contributions - Ordinary Maintenance	51,836	35,319	21,809	38,159	45,061	
Total Maintenance	0	0	0	0	0	0
Protective Services	0	0	0			
Insurance Premiums	0	0	0	0		15,807
Property Insurance	34,449	27,357	21,417	35,144	39,749	4,747
Liability Insurance	1,212	1,136	1,280	1,400	1,655	17,528
Workmen's Compensation	13,189	12,367	13,933	15,228	17,986	26,375
All Other Insurance	1,299	1,100	1,371	1,500	1,772	2,599
Total Insurance Premiums	0	0	0	0	0	0
Gen Adm Exp/FSS Coord/Contingency	0	5,705	4,751	9,635		1,523
Compensated Absences	0	0	0			
Payments in Lieu of Taxes	13,228	22,300	24,884	19,960	(7,092)	0
Bad Debt - Tenant Rents	20,448	5,648	50	0	6,553	
Reserve for Replacement	0	0	0			
Housing Assistance Payments	0	0	0			15,196,814
Debt Service	0	0	0			
TOTAL EXPENSES	1,014,134	773,482	441,922	1,032,766	1,007,848	16,560,811
SURPLUS/DEFICIT BEFORE CAPITAL FUND	(194,871)	(81,869)	15,878	(146,578)	(44,325)	223,443
Capital Fund Allocation	194,871	0	0	15,878	97,250	
Inter-AMP Excess Cash Transfer In	0		0	15,878		
Inter-AMP Excess Cash Transfer Out	0		15,878			
Transfers from Program to AMP	0	81,869	0	33,450	44,325	(159,644)
Transfers from AMP to Program	0		0			
From Reserves	0		0			
TOTAL SURPLUS/DEFICIT	(0)	(0)	(0)	(0)	(0)	63,799

Appendix G. Other Administrative Documents Required by HUD

Certification for a Drug-Free Workplace

U.S. Department of Housing
and Urban Development

Applicant Name

Lexington-Fayette Urban County Housing Authority

Program/Activity Receiving Federal Grant Funding

Moving to Work (MTW) Demonstration Program

Acting on behalf of the above named Applicant as its Authorized Official, I make the following certifications and agreements to the Department of Housing and Urban Development (HUD) regarding the sites listed below:

I certify that the above named Applicant will or will continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

b. Establishing an on-going drug-free awareness program to inform employees ---

(1) The dangers of drug abuse in the workplace;

(2) The Applicant's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph a.;

d. Notifying the employee in the statement required by paragraph a. that, as a condition of employment under the grant, the employee will ---

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

e. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph d.(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federalagency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph d.(2), with respect to any employee who is so convicted ---

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs a. thru f.

2. **Sites for Work Performance.** The Applicant shall list (on separate pages) the site(s) for the performance of work done in connection with the HUD funding of the program/activity shown above: Place of Performance shall include the street address, city, county, State, and zip code. Identify each sheet with the Applicant name and address and the program/activity receiving grant funding.)

300 West New Circle Road
Lexington, Kentucky 40505-1428

Fayette County

Check here if there are workplaces on file that are not identified on the attached sheets.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

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

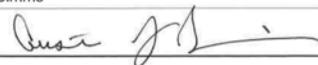
Name of Authorized Official

Austin Simms

Title

Executive Director

Signature

X 

Date

August 30, 2011

form HUD-50070 (3/98)
ref. Handbooks 7417.1, 7475.13, 7485.1 & .3

**Certification of Payments
to Influence Federal Transactions**

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

Applicant Name

Lexington Fayette Urban County Housing Authority

Program/Activity Receiving Federal Grant Funding

Moving to Work (MTW) Demonstration Program

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

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

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

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

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

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

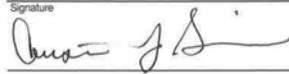
Name of Authorized Official

Austin Simms

Title

Executive Director

Signature



Date (mm/dd/yyyy)

08/30/2011

Previous edition is obsolete form HUD 50071 (3/98)

ref. Handbooks 7417.1, 7475.13, 7485.1, & 7485.3

DISCLOSURE OF LOBBYING ACTIVITIES		Approved by OMB 0348-0046
Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352 (See reverse for public burden disclosure.)		
1. Type of Federal Action: <input checked="" type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	2. Status of Federal Action: <input checked="" type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	3. Report Type: <input checked="" type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For Material Change Only: year _____ quarter _____ date of last report _____
4. Name and Address of Reporting Entity: <input checked="" type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known: Congressional District, if known: KY-6	5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: Congressional District, if known:	
6. Federal Department/Agency: Department of Housing & Urban Development	7. Federal Program Name/Description: Moving to Work (MTW) Demonstration Program CFDA Number, if applicable: _____	
8. Federal Action Number, if known: PIH 2010-29	9. Award Amount, if known: \$	
10. a. Name and Address of Lobbying Registrant <i>(if individual, last name, first name, MI):</i> The Lexington-Fayette Urban County Housing Authority does not pursue lobbying activities.	b. Individuals Performing Services <i>(including address if different from No. 10a)</i> <i>(last name, first name, MI):</i>	
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.	Signature:  Print Name: Austin Simms Title: Executive Director Telephone No.: (859) 281-5083 Date: 08/30/2011	
Federal Use Only:		Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)