

**Commonwealth of Massachusetts
Department of Housing & Community Development**

**Moving To Work Program
Annual Report for Fiscal Year 2012**

**Revision Submitted to
US Department of Housing and Urban Development
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I. Introduction

On June 19, 2008, the Massachusetts Department of Housing and Community Development (DHCD) entered into an Amended and Restated Moving To Work Agreement (MTW Agreement) with the US Department of Housing and Urban Development (HUD) applicable to DHCD's Housing Choice Voucher Program (HCVP). MTW is a demonstration program authorized by Congress, through which participating agencies are given the flexibility to waive certain statutes and HUD regulations in order to design and test approaches for providing housing assistance that:

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

The three objectives listed above are referred to as "MTW statutory objectives".

Through an earlier agreement between HUD and DHCD, DHCD has been a participant in the MTW program since 1999. From 1999 to 2008, the scope of DHCD's MTW participation was limited to a small program that provided a financial assistance package of rent and stipends to participating low-income families. The program, which is ongoing, involves up to 183 families and is administered in the Boston area (61 families) by Metropolitan Boston Housing Partnership and in south Worcester County (122 families) by RCAP Solutions, Inc¹.

The 2008 MTW Agreement replaces the earlier agreement between HUD and DHCD. It provides DHCD with the flexibility to test new approaches to HCVP consistent with the MTW statutory objectives, and to expand the MTW demonstration to include all tenant-based Housing Choice Vouchers administered by DHCD with certain exceptions. Those exceptions are vouchers funded under the 2008 Veterans Affairs Supportive Housing (VASH), Five-Year Mainstream, Family Unification and Moderate Rehab programs - all of which are not covered under the Block Grant funding component of the MTW Agreement. While these special purpose vouchers are not included in MTW Block Grant funding, MTW operating flexibility may be applied to them in accordance with HUD's published guidance. DHCD currently applies MTW operating flexibility to the FUP program.

Under the terms of the MTW Agreement, DHCD is required to prepare and submit to HUD an MTW Annual Plan and Annual Report. The required form and content of the Annual Plan and Report are defined by HUD in HUD Form 50900 "Elements for the Annual MTW Plan and Annual MTW Report". For purposes of this document and the required submission to HUD, an

¹ DHCD subcontracts with eight regional administering agencies (RAA) and one local housing authority to administer its portfolio of vouchers, assuring that all 351 cities and towns in Massachusetts are served by its HCVP. DHCD will undertake a competitive process in FY 2013 to select RAAs for new contracts with effective dates of January 2013.

“MTW activity” is defined as any activity that requires MTW flexibility to waive statutory or regulatory requirements.

This document is DHCD’s MTW Annual Report for Fiscal Year 2012, i.e. the period from July 1, 2011 through June 30, 2012. The Annual Report focuses primarily on describing the outcomes of existing approved and implemented “MTW activities”.

Overview

During Fiscal Year 2012, DHCD undertook a range of MTW-related and other activities in the Housing Choice Voucher Program summarized as follows:

- As of June 30, 2012, DHCD provided rental assistance to a total of 19,260 eligible senior, disabled and other family households through its existing network of RAAs.
- DHCD began full implementation of its MTW biennial recertification program along with a series of related rent simplification initiatives in January 2012. This is a major new initiative that involved a statewide planning and training effort.
- DHCD conducted extensive planning activities to prepare for the planned February 2013 implementation of a new MTW biennial inspections initiative. A working group of RAA and DHCD staff developed new forms, procedures and owner/participant notification materials. Training for RAA staff will be conducted in September 2012.
- The existing, small-scale MTW demonstration program currently administered in the Boston area by Metropolitan Boston Housing Partnership and in south Worcester County by RCAP Solutions, Inc. continued during FY 2012. The program provides case management, supportive services, training and financial assistance to low-income working families. New enrollments were temporarily deferred while changes were made to the program design. In FY 2012, the program supported a total of 138 participants, and graduated 37 families. Although the state of the economy had a negative effect on the ability of many participants to find or maintain employment, the program was successful in increasing the average income of some participants and in preventing homelessness for others.
- The Owner Incentive Fund, which was first implemented in Berkshire Housing Development Corporation’s area in FY 2010, continued during FY 2012. The program is designed to provide incentives to landlords in support of DHCD and Commonwealth goals including: attracting new owners to the program; expanding housing opportunities in underserved areas; improving the quality of housing units under lease; and, increasing the number of units accessible to households with disabled members.
- DHCD’s initiative to implement an MTW pilot program to extend the current eighteen-month time limit for youth aging out of foster care participating in the Family Unification Program (FUP) enrolled the first three participants in FY 2012.

- Planning progressed on a major new program to support the long-term affordability of expiring use properties throughout the Commonwealth through the use of Project Based Vouchers. DHCD worked closely with the HUD Boston office, property owners, Legal Services and other stakeholders to finalize program parameters. HUD subsequently designated DHCD as contract administrator of Enhanced Vouchers for three (3) expiring use developments. Following a tenant education program in FY 2013, these developments will become the first participants in this program. Existing eligible residents will be able to choose to keep the Enhanced Voucher or receive a Project Based Voucher.
- DHCD continued to meet the income targeting requirements for the HCVP established under regulation and through the MTW Agreement. This included assuring that 75% of all applicants selected for assistance were extremely low income, i.e. had incomes that do not exceed 30% of area median income, and that 75% of all participants were very low income, i.e. had incomes that do not exceed 50% of area median income.

Program initiatives that required MTW flexibility to implement are more fully described in Chapter V and VI. Non-MTW initiatives are summarized in Chapter III. DHCD continued to implement the MTW and Non-MTW initiatives proposed in the FY2012 Plan, and as appropriate, the changes have been incorporated into the revised HCV Administrative Plan.

II. General Operating Information

A. Housing Stock

As of June 30, 2012, DHCD was allocated a total of 20,112 vouchers. This represents an increase of 625 vouchers over the prior fiscal year. The increase resulted from awards of an additional 338 Tenant Protection, 100 FUP and 187 VASH vouchers (see detail below).

Table 1A provides information on MTW and Non-MTW vouchers by category. Note that HCV Tenant Based includes 1185 vouchers that have been designated by DHCD as Project Based Vouchers (PBV). Additional details on PBV utilization are provided in Tables 2 and 5.

Table 1A: Vouchers Allocated

MTW	Vouchers Allocated as of 6/30/11	Vouchers Allocated as of 6/30/12
HCV Tenant Based	18,927	19,120
MTW Sub-Total	18,927	19,120
Non-MTW		
FUP *	87	187
VASH	205	392
Five Year Mainstream	75	75
Enhanced Vouchers**	193	338
Non-MTW Sub-Total	560	992
TOTAL ALL PROGRAMS	19,487	20,112

* DHCD will apply MTW operating flexibility to FUP; however, because these are special purpose vouchers which are not fungible under the MTW Block Grant, they are listed in the Non-MTW category.

**Will be transferred into MTW category after first year consistent with the MTW Agreement and HUD guidance.

Tables 1B and 1C provide detail on new Tenant Protection and VASH vouchers awarded to DHCD in FY 2012. An additional 100 FUP vouchers were awarded in FY 2012 with an ACC effective date of 7/01/11.

Table 1B: Tenant Protection Vouchers Awarded in FY 2012

Location	ACC Effective Date	Units
Kings Landing, Brewster, MA	11/1/11	108
Summerhill Glen, Maynard MA	4/1/12	120
Wilkins Glen, Medfield, MA	4/1/12	103
Colonial Estates, Springfield, MA	5/1/12	7
TOTAL		338

Table 1C: VASH Vouchers Awarded in FY 2012

ACC Effective Date	Units
7/1/11	32 (PBV)
8/1/11	50
4/1/12	105
TOTAL	187

Table 2: PBV Developments Under HAP in FY 2012

RAA	Project	Community	AHAP Date	HAP Start Date	HAP End Date	Elderly or Disabled	Description			Total PBV
							Family	Homeless Individ	Supp. Services	
CTI	Salem Harbor	Salem	N/A	10/1/1997	2/28/2017		4			4
HAP	48 Franklin & 348 Chestnut Sts	Holyoke	N/A	4/1/1998	3/31/2013		15			15
CTI	Lincoln Hotel	Salem	N/A	5/1/1998	4/30/2017		63			63
HAP	52 Franklin St	Holyoke	N/A	5/1/1998	4/30/2013		9			9
HAP	580 South Summer St	Holyoke	N/A	6/1/1998	5/31/2013		12			12
HAC	885C State Highway	Eastham	N/A	9/1/2002	9/30/2017		1			1
HAP	451-459 Main St	Holyoke	N/A	10/7/2002	10/6/2012		12			12
MBHP	32 Kent Street	Somerville	N/A	11/1/2002	10/31/2012	2	6			8
MBHP	1129 Dorchester Ave	Dorchester	N/A	11/19/2002	10/31/2012	6	2			8
MBHP	14-24 Roach St	Dorchester	N/A	11/19/2002	10/31/2012		8			8
MBHP	1285 -1291 Mass Ave	Dorchester	N/A	11/19/2002	10/31/2012		4			4
BHDC	YMCA	Pittsfield	N/A	12/16/2002	12/15/2012	28		2		30
RCAP	220 Orchard Hill Dr	Oxford	N/A	1/1/2003	12/31/2012	8	17			25
HAP	342-346 Main & 76 Cabot St	Holyoke	N/A	1/21/2003	1/20/2013		15			15
MBHP	48 Water St	Wakefield	N/A	4/1/2003	3/31/2013			6		6
HAC	979 Falmouth Rd Founders Court	Hyannis	N/A	4/18/2003	4/17/2013		2			2
BHDC	140 East St	Great Barrington	N/A	5/1/2003	4/30/2013	2				2
CTI	Twelve Summer St	Man.by the Sea	N/A	5/1/2003	4/30/2013		4			4
MBHP	1202 Commonwealth Ave	Allston	N/A	8/1/2003	7/31/2013			6		6
MBHP	430-436 Dudley St	Roxbury	N/A	8/1/2003	7/31/2013			3		3
MBHP	28 Mount Pleasant St	Roxbury	N/A	8/1/2003	7/31/2013			2		2
HAP	Westfield Hotel	Westfield	9/1/2002	9/1/2003	8/31/2013				5	5
MBHP	82 Green St	Jamaica Plain	N/A	9/1/2003	8/31/2013			10		10
MBHP	Russell Terrace	Arlington	N/A	10/1/2003	9/30/2013			2		2

RAA	Project	Community	AHAP Date	HAP Start Date	HAP End Date	Description				
						Elderly or Disabled	Family	Homeless Individ	Supp. Services	Total PBV
MBHP	19 Hancock St	Everett	N/A	10/1/2003	9/30/2013			3		3
MBHP	4-6 Ashland St	Medford	N/A	10/1/2003	9/30/2013			3		3
MBHP	1740 Washington St	Boston	N/A	10/10/2003	9/30/2013			8		8
HAC	32 Old Ann Page Way	Provincetown	N/A	11/1/2003	10/31/2013	1	1			2
CTI	Salem Heights (Pope St)	Salem	N/A	12/1/2003	11/30/2013		72			72
CTI	Reviviendo	Lawrence	N/A	12/30/2003	11/30/2013			3		3
HAC	40A Nelson Ave	Provincetown	N/A	2/2/2005	1/1/2015		3			3
HAC	58 Harry Kemp Way	Provincetown	N/A	4/1/2005	3/31/2015		4			4
HAP	Hillside Village	Ware	N/A	4/28/2005	4/27/2015		16			16
SMOC	The Preserve	Walpole	N/A	6/1/2005	5/31/2015		30			30
MBHP	Boston YWCA 140 Clarendon St	Boston	N/A	7/14/2005	6/30/2015			20		20
CTI	Conant Village	Danvers	N/A	10/1/2005	9/30/2015		15			15
MBHP	Zelma Lacey Mishawum	Charlestown	N/A	11/1/2005	10/31/2015				20	20
MBHP	Marshall Place Apts	Watertown	N/A	11/17/2005	10/31/2015	8				8
SMOC	Bethany School Apts	Framingham	N/A	12/1/2005	1/30/2015		10			10
SSHDC	Acushnet Commons	New Bedford	N/A	12/19/2005	12/18/2015		3			3
CTI	Stonybrook	Westford	12/30/2004	1/6/2006	12/31/2016		4			4
HAP	Westhampton Senior	Westhampton	N/A	2/1/2006	1/31/2016	3				3
MBHP	Amory St	Roxbury	N/A	2/1/2006	1/31/2016		10			10
SSHDC	Westport Village Apts.	Westport	N/A	2/1/2006	1/31/2016	12				12
MBHP	Pelham House	Newton	N/A	3/1/2006	2/28/2016	3				3
MBHP	Ruggles Assisted Living	Roxbury	N/A	3/1/2006	2/28/2016				35	35
CTI	Winter Street	Haverhill	9/13/2005	9/1/2006	8/31/2016	13				13
HAP	Paradise Pond Apts	Northampton	N/A	12/8/2006	12/7/2016		8			8
MBHP	Harbor Cove '63 Washington Ave.	Chelsea	8/31/2005	12/21/2006	11/30/2016				24	24

RAA	Project	Community	AHAP Date	HAP Start Date	HAP End Date	Description				
						Elderly or Disabled	Family	Homeless Individ	Supp. Services	Total PBV
HAP	Earle Street	Northampton	11/28/2005	1/1/2007	12/31/2017		3		12	15
MBHP	The Moorings Squantum Gardens	Quincy	12/20/2005	3/7/2007	2/28/2017	39				39
CTI	Cordovan at Haverhill Station	Haverhill	2/10/2006	3/26/2007	3/25/2017		8			8
CTI	Fina House	Lawrence	N/A	4/1/2007	3/31/2017		7			7
CTI	Whipple School Annex	Ipswich	2/6/2006	4/1/2007	3/31/2017	8				8
HAP	Village at Hospital Hill	Northampton	N/A	4/13/2007	4/12/2017	8				8
MBHP	Casa Familias Unidas	Roxbury	6/9/2006	5/14/2007	4/30/2017				8	8
MBHP	Four Addresses in Arlington	Arlington	N/A	6/25/2007	5/31/2012		4			4
HAC	Morgan Woods Pennywise Path	Edgartown	6/12/2006	8/1/2007	7/31/2017		6			6
SMOC	Baker St	Foxboro	8/16/2006	8/1/2007	7/31/2017		20			20
CTI	Layfayette Housing 'Salem Point Rentals	Salem	N/A	8/15/2007	8/14/2017		8			8
SSHDC	Bliss School	Attleboro	N/A	9/1/2007	8/31/2017		8			8
MBHP	Janus Highlands	Chelsea	8/4/2006	11/1/2007	10/31/2017		8			8
BHDC	Pine Woods	Stockbridge	N/A	2/1/2008	1/31/2013	3	2			5
MBHP	TILL Building	Chelsea	5/26/2006	5/1/2008	4/30/2018		5			5
CTI	St Joseph's Apts	Lowell	8/1/2007	8/1/2008	7/31/2018		4			4
MBHP	Grandfamilies	Roxbury	N/A	9/1/2008	8/31/2018				8	8
CTI	Sirk Bld	Lowell	N/A	11/1/2008	10/31/2018		8			8
HAP	Prospect Hill	Westfield	11/15/2007	1/1/2009	12/31/2019		4			4
RCAP	9 May Street	Worcester	9/20/2007	1/30/2009	1/29/2024	5	3			8
HAP	46-48 School St	Northampton	9/14/2007	2/1/2009	1/31/2019		2			2
MBHP	Doe House	Mission Hill	N/A	2/1/2009	1/31/2019			5		5
RCAP	5 Benefit St	Worcester	N/A	2/10/2009	2/9/2024		4			4
HAP	Village at Hospital Hill II	Northampton	3/20/2008	2/11/2009	2/10/2019	8				8
CTI	48-64 Middlesex St	Lowell	N/A	3/1/2009	2/29/2018		6			6

RAA	Project	Community	AHAP Date	HAP Start Date	HAP End Date	Elderly or Disabled	Description			Total PBV
							Family	Homeless Individ	Supp. Services	
CTI	Salem Point LP (Harbor, Ward, Peabody)	Salem	N/A	3/10/2009	3/9/2019		7			7
HAP	Sanford Apts	Westfield	1/7/2008	3/10/2009	3/9/2019		2		3	5
MBHP	The Coolidge	Watertown	11/27/2007	3/30/2009	3/29/2019	4				4
HAC	Barnstable Senior Lombard Farm	W. Barnstable	3/12/2008	5/15/2009	5/14/2024	8				8
CTI	Loring Towers (Loring Ave)	Salem	N/A	7/1/2009	6/30/2019		8			8
HAC	Barnstable Family Kimber Woods	W. Barnstable	3/12/2008	7/1/2009	6/30/2025		7			7
MBHP	Granite St Housing	Quincy	7/25/2008	7/1/2009	6/30/2019				5	5
MBHP	St, Polycarp	Somerville	1/2/2008	7/1/2009	6/30/2019	2	6			8
SMOC	High Rock Homes	Needham	N/A	7/1/2009	6/30/2024		8			8
SSHDC	Kensington Court @ Lakeville Station	Lakeville	7/30/2007	7/7/2009	7/6/2024		8			8
BHDC	Hillside Avenue	Gt. Barrington	3/18/2008	7/13/2009	7/12/2024	2	3			5
RCAP	470 Main St	Fitchburg	1/30/2008	7/24/2009	7/23/2024	2	5			7
MBHP	Spencer Green 113 Spencer Ave	Chelsea	3/3/2008	7/31/2009	7/30/2019	2	6			8
HAC	Residences at Canal Bluff	Bourne	6/23/2008	8/3/2009	8/2/2024		3			3
MBHP	109 Gilman St	Somerville	N/A	10/1/2009	9/30/2019		1			1
MBHP	447 Concord Road	Bedford	1/7/2008	12/1/2009	11/30/2024		4			4
SMOC	Wilber School	Sharon	10/7/2008	3/15/2010	3/14/2025		8			8
CTI	Palmer Cove (Palmer St)	Salem	N/A	3/18/2010	3/17/2025	3	1		2	6
RCAP	1-7 Piedmont St	Worcester	12/5/2008	5/7/2010	5/6/2025	3				3
MBHP	Capen Court	Somerville	10/23/2008	6/1/2010	5/31/2025	8				8
CTI	Hayes Building	Haverhill	7/1/2009	10/1/2010	9/30/2025	3	1			4
HAP	Reed House Annex at 182 Main St.	Westfield	9/15/2009	11/3/2010	11/2/2025				8	8
MBHP	1060 Belmont Street	Watertown	6/1/2009	11/18/2010	11/17/2025	2	5			7
HAC	Main St Ext.- Thankful Chase Path	Harwich	2/1/2010	12/1/2010	11/30/2025	2	3			5
CTI	Sacred Heart	Lawrence	12/16/2009	1/1/2011	12/31/2026	8				8

RAA	Project	Community	AHAP Date	HAP Start Date	HAP End Date	Elderly or Disabled	Description			Total PBV
							Family	Homeless Indiv	Supp. Services	
SSHDC	Village at 815 Main	Wareham	10/19/2008	1/1/2011	12/31/2026		5			5
CTI	Acre High school Apts.	Lowell	2/1/2010	2/7/2011	2/6/2026	3	5			8
RCAP	Tritown Landing I	Lunenburg	2/5/2010	2/14/2011	2/13/2026		8			8
CTI	Saunders School Apartments	Lawrence	6/15/2010	3/1/2011	2/28/2026				16	16
MBHP	Spencer Row 205-221 Spencer Ave	Chelsea	11/23/2009	3/1/2011	2/28/2026	3	5			8
HAP	Villa Borinquent	Springfield	5/1/2010	3/2/2011	3/1/2026	1	7			8
SMOC	Cutler Heights	Holliston	1/15/2010	3/15/2011	3/14/2026	3	4			7
CTI	Cabot St Homes	Beverly	9/21/2009	4/1/2011	3/31/2026	8				8
SSHDC	Ocean Shores	Marshfield	2/2/2010	4/1/2011	3/31/2026	8				8
RCAP	Freedom Village	W. Boylston	8/7/2008	4/29/2011	4/28/2026	2	4			6
RCAP	Southgate Place	Worcester	3/15/2010	6/17/2011	6/16/2026	3	3			6
LHA	Washington Sq.*	Lynn	2/1/2010	7/15/2011	7/14/2026	2	6			8
CTI	Powderhouse Village*	Ipswich	6/7/2010	8/10/2011	8/7/2026	8				8
SSHDC	Ingraham Place*	New Bedford	6/1/2010	9/15/2011	9/16/2026				8	8
HAC	Veterans Park Apts. Schoolhouse Green*	Falmouth	12/24/2010	10/15/2011	10/14/2026	8				8
HAP	King St*	Northampton	9/1/2010	10/24/2011	10/23/2026				5	5
CTI	Union Crossing*	Lawrence	7/2/2010	12/1/2011	11/30/2026		8			8
CTI	Firehouse Place 69 Willow Street*	Hamilton	4/25/2011	12/16/2011	12/15/2026	1	3			4
CTI	Steven's Corner*	North Andover	6/14/2010	12/16/2011	12/15/2026	1	7			8
CTI	478-486 Moody St Unity House*	Lowell	8/2/2010	12/20/2011	12/19/2026		2		6	8
CTI	Holcroft Park Apts. Mill & Grant Street*	Beverly	3/23/2011	12/21/2011	12/20/2026	4	4			8
MBHP	6 Fort Street*	Quincy	11/1/2010	1/5/2012	1/4/2027	3	5			8
SMOC	Mayhew Court*	Hopkinton	10/14/2010	1/27/2012	1/26/2027		12			12
MBHP	St. Polycarp-Phs II 16 Butler Drive*	Somerville	2/9/2011	2/7/2012	2/6/2027		8			8
SSHDC	154-168 Eagle Street*	Fall River	3/31/2011	2/17/2012	2/16/2027		4		4	8

RAA	Project	Community	AHAP Date	HAP Start Date	HAP End Date	Elderly or Disabled	Description			Total PBV
							Family	Homeless Indiv	Supp. Services	
HAP	Cumber Homes Apts. Cumberland & Dwight*	Springfield	5/4/2011	4/4/2012	4/3/2027		8			8
MBHP	Hearth at Olmstead Green*	Dorchester	3/2/2011	5/1/2012	4/30/2027	15				15
RCAP	Bowers Brook*	Harvard	1/11/2011	6/1/2012	5/31/2027	4				4
SMOC	Old High School Commons*	Acton	6/15/2011	7/1/2012	6/30/2027	3	3			6
TOTALS						286	657	73	169	1185

**Indicates PBV developments placed under HAP contract for the first time in FY2012. These developments are also listed in Table 5 below.*

In addition to low-income households served through the Housing Choice Voucher Program, DHCD serves more than 96,000 households through an array of non-MTW housing programs. Programs include Shelter Plus Care, other Section 8 programs such as New Construction and Substantial Rehab, Rental Vouchers, and State-funded Public Housing. HUD requires that DHCD provide a summary of other housing programs which DHCD manages. This information is provided in Table 3.

Table 3: Other Housing Programs Managed by DHCD (Non-MTW)

Housing Program	# of Units/ Households Served	Program Type
Alternative Housing Voucher Program	434	Tenant-Based Vouchers for low-income clients with disabilities
C.707 Rental Assistance (DMH&DPH)	1285	Project-Based Vouchers for low-income clients with disabilities
MRVP	6476	Tenant – and Project-Based Vouchers for low-income households
Sec 8 Mod Rehab	1139	Project-Based Vouchers for low-income households
Sec 8 New Construction	1111	Project-Based Vouchers for low-income households
Sec 8 Substantial Rehab	776	Project-Based Vouchers for low-income households
Shelter Plus Care	250	Tenant-, Project- and Sponsor-Based Vouchers for homeless clients with disabilities
State-Funded Public Housing	45,365	Public Housing
HOME	7084	Production and preservation of housing for low- and moderate income households
LIHTC	32,271	Tax Credit Affordable Housing
TOTAL	96,191	

B. Leasing Information – Planned vs. Actual

During Fiscal Year 2012, DHCD served 19,260 households which exceeded the Annual Plan’s leasing projection of 19,227. Table 4 provides information on planned versus actual leasing.

Table 4: Planned vs. Actual Leasing for FY 2012

	Vouchers Allocated as of 6/30/12	Planned Leasing on 6/30/12	Actual Leased on 6/30/12	Actual Percentage Leased
MTW				
HCV Tenant Based*	19,120	18,556	18,397	96%
Other Households Served through MTW Broader Uses of Funds Authority**		183	138	N/A
MTW Sub-Total	19,120	18,739	18,535	97%
Non-MTW				
FUP	187	87	140	75%
VASH	392	194	232	59%
Five Year Mainstream	75	75	70	93%
Enhanced Vouchers	338	132	283	40%
Non-MTW Sub-Total	992	488	725	73%
TOTAL ALL PROGRAMS	20,112	19,227	19,260	96%

* Total includes 1185 PBV vouchers under lease. See Table 5 for additional detail.

** Units leased under the Broader Uses of Funds Authority are funded from the overall MTW voucher allocation. DHCD did not establish a specific leasing goal for this category in the Annual Plan.

While the total number of households served exceeded projections, overall leasing was approximately 96% due primarily to the fact that 625 vouchers were added to inventory during FY 2012. Of these newly received voucher increments, 335 were received in the last quarter of the fiscal year and leasing activities will occur primarily in FY 2013. Based on the inventory of vouchers available at the beginning of the Plan year, DHCD’s leasing would be calculated at 99%.

The Kings Landing enhanced vouchers have not been utilized as the conversion action has not yet occurred. Utilization of remaining enhanced vouchers was very low as these vouchers were not awarded to DHCD until the last quarter of FY 2012, i.e. April and May 2012. DHCD exceeded its projection of serving 194 eligible veterans through the VASH program, with a total under lease of 232 by end of the fiscal year. However, overall VASH utilization was at 59% as of June 30, 2012 due to the 187 new VASH increments awarded during FY 2012. Note also that DHCD is dependent on referrals from the designated Veterans Administration Medical Center for leasing of VASH units. DHCD will continue to collaborate closely in the future to maximize utilization of all VASH vouchers.

Leasing was also impacted somewhat by DHCD’s decision to temporarily freeze enrollment in the small-scale MTW pilot programs administered in two of its regions. As existing participants exited the program, new enrollments were put on hold pending changes to the program design.

These changes were discussed in DHCD's MTW Annual Plan. New program policies will go into effect in the fall of 2012, at which time enrollments will begin again.

Utilizing its Tenant Based vouchers, DHCD continued to operate a substantial statewide Project Based Voucher program. In the FY 2012 Annual Plan, DHCD projected a total of 1010 PBV units would be leased by June 30, 2012. As noted in Table 2, DHCD exceeded this projection. A total of 1185 units were under lease at the end of the fiscal year. Table 5 (which is a subset of the Table 2 data) provides a description of only those new PBV units added during FY 2012.

Table 5: New Project Based Voucher (PBV) Developments Placed Under HAP in FY 2012

RAA	Project	Community	AHAP Date	HAP Start Date	HAP End Date	Elderly or Disabled	Description			Total PBV
							Family	Homeless Individ	Supp. Services	
LHA	Washington Sq.	Lynn	2/1/2010	7/15/2011	7/14/2026	2	6			8
CTI	Powderhouse Village	Ipswich	6/7/2010	8/10/2011	8/7/2026	8				8
SSHDC	Ingraham Place	New Bedford	6/1/2010	9/15/2011	9/16/2026				8	8
HAC	Veterans Park Apts. Schoolhouse Green	Falmouth	12/24/2010	10/15/2011	10/14/2026	8				8
HAP	King St	Northampton	9/1/2010	10/24/2011	10/23/2026				5	5
CTI	Union Crossing	Lawrence	7/2/2010	12/1/2011	11/30/2026		8			8
CTI	Firehouse Place 69 Willow Street	Hamilton	4/25/2011	12/16/2011	12/15/2026	1	3			4
CTI	Steven's Corner	North Andover	6/14/2010	12/16/2011	12/15/2026	1	7			8
CTI	478-486 Moody St Unity House	Lowell	8/2/2010	12/20/2011	12/19/2026		2		6	8
CTI	Holcroft Park Apts. Mill & Grant Street	Beverly	3/23/2011	12/21/2011	12/20/2026	4	4			8
MBHP	6 Fort Street	Quincy	11/1/2010	1/5/2012	1/4/2027	3	5			8
SMOC	Mayhew Court	Hopkinton	10/14/2010	1/27/2012	1/26/2027		12			12
MBHP	St. Polycarp-Phs II 16 Butler Drive	Somerville	2/9/2011	2/7/2012	2/6/2027		8			8
SSHDC	154-168 Eagle Street	Fall River	3/31/2011	2/17/2012	2/16/2027		4		4	8
HAP	Cumber Homes Apts. Cumberland & Dwight	Springfield	5/4/2011	4/4/2012	4/3/2027		8			8
MBHP	Hearth at Olmstead Green	Dorchester	3/2/2011	5/1/2012	4/30/2027	15				15
RCAP	Bowers Brook	Harvard	1/11/2011	6/1/2012	5/31/2027	4				4
SMOC	Old High School Commons	Acton	6/15/2011	7/1/2012	6/30/2027	3	3			6
TOTALS						49	70	0	23	142

Table 6 provides a summary of participant demographic data for units under lease. As this is a point in time snapshot, the number of households slightly exceeds the number under lease at the end of the fiscal year. Under the MTW Agreement, DHCD is required to ensure that 75% of participants are Very Low Income, i.e. had incomes that do not exceed 50% of area median income. DHCD exceeded this requirement by having 96% of all participants fall under the Very Low Income threshold, including 84% of households meeting the extremely low income threshold.

Table 6: Participant Information for DHCD Housing Choice Voucher Program*

	# of participants	% of total participants
Household Served Total	19,296	100%
Income		
Extremely low income <30% AMI	16,288	84%
Very low income >30% but <50%	2,410	12%
Low income >50% but < 80%	348	2%
Above Low Income >80%	53	0%
Income Data Not Available	197	1%
Family Type		
Elderly, No Children, Non-Disabled	518	3%
Elderly, with Children, Non-Disabled	54	0%
Non-Elderly, No Children, Non-Disabled	1,880	10%
Non-Elderly, with Children, Non-Disabled	6,886	36%
Elderly, No Children, Disabled	1,891	10%
Elderly, with Children, Disabled	177	1%
Non-Elderly, No Children, Disabled	5,378	28%
Non-Elderly, with Children, Disabled	2,512	13%
Race for Head of Household		
White Only	13,643	71%
Black/African American Only	5,023	26%
American Indian or Native Alaska Native Only	130	1%
Asian Only	341	2%
Native Hawaiian/Other Pacific Islander Only	39	0%
White, Native Hawaiian/Other Pacific Islander	13	0%
White, Black/African American Only	46	0%
White, Asian Only	19	0%
Any Other Combination	42	0%
Ethnicity for Head of Household		
Hispanic or Latino	6,259	32%
Non-Hispanic or Latino	13,037	68%
Household Size		
1 person	6,414	33%
2 persons	4,717	24%
3 persons	3,858	20%
4 persons	2,508	13%

	# of participants	% of total participants
5 persons	1,169	6%
6 persons	394	2%
7 persons	126	1%
8 persons	46	0%
9 persons	16	0%
10+ persons	8	0%
Voucher Size		
0 bedrooms	435	2%
1 bedroom	5,925	31%
2 bedrooms	6,144	32%
3 bedrooms	5,314	28%
4 bedrooms	1,257	7%
5+ bedrooms	221	1%

**Data from DHCD central database on 9/11/12.*

C. Waiting List Information

As of June 30, 2012 there were 72,093 households on the Housing Choice Voucher Program waiting list as summarized in Table 7. A partial update of the waiting list was completed in June 2012 which resulted in a net reduction in the total number of active applicants due to applicants that did not respond to the update notice. Applicants on the regular HCV waiting list that applied on or before December 31, 2007 received a notice of the waiting list update process. The exception is BHDC whose entire list received a notice. The waiting list was last updated in 2009 for the project-based voucher program only and previously in 2007.

As was described in the FY 2012 Annual Plan, DHCD is in the process of making changes to the waiting list methods used for Project Based Voucher (PBV) developments. The changes will allow PBV owners to maintain their own site-based waiting lists. Some or all PBV waiting lists may be closed during the transition period. DHCD will issue public notices of waiting list openings and closings.

Table 7: Waiting List Information for DHCD Housing Choice Voucher Program

	As of 6/30/11		As of 6/30/12 (5)	
	# of families	% of total families	# of families	% of total families
Waiting List Total	98,551	100%	72,093	100%
Income (1)				
Extremely low income <30% AMI	89,410	90.7%	65,810	91.3%
Very low income >30% but <50%	6988	7.1%	5138	7.1%
Low income >50% but < 80%	723	0.7%	520	0.7%
Family Type				
Families with children (2)	63,100	64.0%	45,252	62.8%
Elderly families (3)	4667	4.7%	3614	5.0%
Families with disabilities (3)	30,750	31.2%	22,444	31.1%
Race/ethnicity (4)				
White/Hispanic	11,330	11.5%	7608	10.6%
White/non-Hispanic	31,824	32.3%	22,515	31.2%
White/no ethnicity specified	4322	4.4%	3272	4.5%
Black/African American/Hispanic	1615	1.6%	1251	1.7%
Black/African American/non-Hispanic	17,569	17.8%	13,153	18.2%
Black/African American/no ethnicity specified	3901	4.0%	2663	3.7%
American Indian/Alaskan Native/Hispanic	221	0.2%	165	0.2%
American Indian/Alaskan Native/non-Hispanic	1138	1.2%	839	1.2%
American Indian/Alaskan Native/no ethnicity specified	171	0.2%	110	0.2%
Asian or Pacific Islander/Hispanic	141	0.1%	101	0.1%
Asian or Pacific Islander/non-Hispanic	1662	1.7%	1278	1.8%
Asian or Pacific Islander/no ethnicity specified	483	0.5%	342	0.5%
Native Hawaiian/Other Pacific Islander/Hispanic	811	0.8%	637	0.9%
Native Hawaiian/Other Pacific Islander/non-Hispanic	591	0.6%	390	0.5%
Native Hawaiian/Other Pacific Islander/no ethnicity specified	122	0.1%	80	0.1%
Hispanic, no race specified	20,660	21.0%	16,101	22.3%
Non-Hispanic, no race specified	2728	2.8%	1880	2.6%
No race or ethnicity specified	1495	1.5%	1441	2.0%

(1) Based on HUD income limits effective 5/31/11 and 12/1/11

(2) This number represents households with more than one member

(3) Includes households with only one member

(4) Applicants may specify more than one race therefore an applicant may be counted more than once

(5) A partial purge of the waiting list was completed in June 2012, thus the reduction in numbers from previous years.

III. Non-MTW Information

In Fiscal Year 2012, DHCD continued to administer non-MTW programs including VASH, Five Year Mainstream, FUP, Enhanced Voucher and Moderate Rehab programs. Note that DHCD applies MTW operating flexibilities to FUP, consistent with HUD’s published guidance on use of special purpose vouchers. MTW operating flexibility will also be applied to Enhanced Vouchers pursuant to the Expiring Use Preservation Initiative to the extent allowed by HUD.

A. Sources and Uses of Non-MTW Funds

Table 8 compares projected versus actual Non-MTW sources and uses for Fiscal Year 2012.

Table 8: Non-MTW Sources and Uses: Projected vs. Actual

Sources	Estimated Amount	Actual Amount
HUD Subsidy – VASH	\$1,436,168	\$1,803,775
HUD Subsidy – FUP	\$925,128	1,068,708
HUD Subsidy – Five Year Mainstream	\$715,000	713,239
HUD Subsidy Enhanced Vouchers	\$2,062,606	2,242,573
HUD Administrative	\$624,960	730,429
Non-MTW Sources Total	\$5,763,862	\$6,558,724
Uses		
HAP Payments	\$5,138,902	\$4,436,589
Administrative	\$624,960	730,429
Non-MTW Uses Total	\$5,763,862	\$5,167,018

Variations between budgeted and actual sources of non-MTW funds can be attributed to various factors including but not limited to the following:

- An additional allocation of VASH vouchers resulting in an increased HAP subsidy.
- An additional allocation of Enhanced Vouchers resulting in increased HAP subsidy

B. Description of Non-MTW Activities

The following Non-MTW activities were continued in FY 2012:

VASH

Established by Housing and Urban Development (HUD) and the Department of Veterans Affairs (VA), this program serves homeless veterans with disabilities and/or severe psychiatric and/or substance abuse disorders. The program combines an allocation of Section 8/HCVF rental vouchers from HUD with ongoing case management and clinical services provided by Veterans Administration Supportive Housing (VASH). Services include: housing search assistance; community-based management services; outpatient health services; hospitalization; and other

services on a regular basis. As of the end of FY 2012, DHCD has an allocation of 392 VASH vouchers of which 187 were awarded during the fiscal year.

Five Year Mainstream

The Mainstream Housing Program provides tenant-based housing assistance in the form of a Section 8/HCVP Voucher to very low- income disabled families and individuals. Households are directly referred by disability and homeless service providers, who in turn provide supportive services to the household. DHCD administers 75 Five Year Mainstream Vouchers.

FUP

The Family Unification Program (FUP) is a collaborative effort between the DHCD and the Department of Children and Families (DCF). The Family Unification program provides housing assistance to: (1) battered women and their children who have been displaced because of the battering situation and have not secured permanent, standard, replacement housing; and (2) families with children in placement who have substantially complied with all the DCF service plan tasks, but do not have permanent or adequate housing to which their children can be returned.

In 2009 DHCD and DCF expanded their partnership to include the FUP Adolescent Outreach program. This program serves DCF-affiliated youth, 18-22 who have aged out of the foster care program but who wish to receive additional services to support their transition to independent living. The FUP-AOP vouchers are limited to 18 months.

DHCD administers a total of 187 FUP vouchers including 100 new vouchers awarded to DHCD in FY 2012. While FUP is not part of the MTW block grant, DHCD applies MTW operating flexibility to FUP.

Section 8 Mod Rehab

The Section 8 Moderate Rehabilitation Single Room Occupancy (SRO) program provides project-based rental assistance for homeless individuals. Tenants pay no more than 30% of their adjusted income for rent and utilities. Supportive services are generally required to be made available to the tenants; and a project sponsor arranges for the provision of these services. Acceptance of these services, however, is not a tenant eligibility requirement.

DHCD administers five Section 8 Moderate Rehabilitation SRO developments, as follows: In Bedford, 56 units targeted to homeless veterans; in Worcester, 38 units for homeless individuals; in Gardner, 15 units targeted to homeless veterans; in Haverhill, 19 units targeted to homeless veterans; and in Springfield 44 units targeted to homeless individuals.

FSS

In FY 2012, DHCD continued to operate its Family Self-Sufficiency (FSS) Program, which served a total of 876 families. Of those families, 378 (43%) had positive escrow balances. The average escrow balance at graduation was \$8,791 as of December 31, 2011. The average increase in earned income over the term of the FSS Contract of Participation was \$9,602.

IV. Long Term MTW Plan

DHCD's MTW Annual Plan includes the following summary of the agency's long-term MTW plans:

The MTW Agreement offers a unique and important opportunity to improve and enhance the HCV program. Building on lessons learned and successes of the existing small-scale MTW demonstration programs, DHCD intends to utilize MTW flexibility to test out the efficacy of new approaches in support of MTW statutory objectives and the Commonwealth's housing goals.

DHCD intends to fully explore the potential benefits of MTW: 1) to demonstrate that housing stabilization can be the foundation for economic self-sufficiency for extremely and very low-income households; and, 2) to demonstrate that administrative costs savings can be redirected to provide meaningful assistance and, potentially, subsidies to additional program participants and owners. DHCD believes that affordable housing can provide the foundation that allows extremely and very low-income households to enter the economic mainstream and access good jobs and education. Maximizing the value of limited federal program dollars to help families achieve important economic goals, enabling them to move on so that program dollars can help serve additional families is a key goal.

Additional principles that guide MTW planning for the long term include:

- All MTW activities must relate to one or more of the three MTW statutory objectives, i.e. reducing cost and/or promoting administrative efficiency, increasing housing choice, and supporting families in achieving economic self-sufficiency.
- MTW flexibility will be utilized to promote tighter linkages and synergy between the HCV program and other related Commonwealth programs and policy goals such as preventing or reducing homelessness, supporting self-sufficiency and economic independence initiatives; supporting project-based affordable housing for extremely low income households; supporting those who have one or more disabilities and stabilizing neighborhoods.
- By identifying and addressing administrative efficiency opportunities, MTW flexibility will be used wherever feasible to increase the number of extremely and very low-income households served and the overall quality of leased housing units.
- New MTW program initiatives will respond to differences among regional and local housing markets.

DHCD is committed to continuing to provide opportunities for broad-based input both from its regional administering agencies and other stakeholders to inform the design of DHCD's MTW initiatives.

V. Proposed MTW Activities

DHCD is required to report on MTW activities proposed in the Plan year, but not yet implemented. Table 9 below provides summary descriptions and status updates for each of these activities.

Table 9: MTW Activities to Be Implemented

No.	Activity	Summary Description**	Status
2012-4	Expiring Use Preservation Initiative	<p>DHCD will implement an initiative designed to ensure long-term affordability of expiring use properties. The program will make use of Enhanced Voucher and Tenant Protection Voucher resources provided by HUD to extend affordability by converting eligible units immediately to Project-Based Units with a 15 year affordability period. Projects are only eligible for this initiative if they meet the criteria established by DHCD in its approved Annual Plan. There must be substantial community and tenant support for units to be converted to Project-Based Units. Prior to HUD designation of DHCD as Enhanced or Tenant Protection Voucher Administrator, an initial survey of residents of each development will be conducted to gauge interest in participating in the PBV program. Survey results will be forwarded to HUD and used to decide whether to assign Administrator duties to DHCD or to a Local Housing Authority.</p> <p>Tenants of each development who are eligible to receive vouchers will be given the option to receive an Enhanced Voucher or to have their unit converted to a Project-Based voucher. DHCD will require that tenants are well-educated about the choices they have and what the impact will be on their families.</p> <p>In order to make this initiative feasible for a larger number of projects, DHCD will waive the limitation on the number of units per project generally applied to PBV developments and allow up to 100% of units in all types of developments to be Project-Based.</p>	<p>During FY 2012, DHCD conducted extensive planning activities in anticipation of full implementation during FY 2013. To finalize various components of the program, DHCD consulted with HUD and numerous stakeholders including the Preservation Advisory Committee, the Community Economic Development Corporation, Legal Services representatives, project owners and others. Tenant education and other relevant materials were developed. Also in FY 2012, DHCD was designated by HUD as contract administrator for three developments (Wilkins Glen, Summer Hill, and Kings Landing). DHCD anticipates that all three sites will participate in the Expiring Use Preservation Initiative in FY 2013 including the required tenant education and choice components.</p>
2012-5	FSS Enhancements	<p>DHCD will use its MTW budgetary flexibility to enhance the existing Family Self-Sufficiency (FSS) Program to encourage participation and successful completion of the program. Features of this initiative</p>	<p>Over the past year, a significant amount of time and resources were devoted to the implementation of other MTW initiatives described herein, including statewide roll-out of the biennial recertification initiative and the</p>

No.	Activity	Summary Description**	Status
		<p>include: providing escrow funds for clients who would otherwise be ineligible for the escrow component due to their level of earned income at the time they join the program; establishing a discretionary fund to assist participants with short term assistance to enable household members to participate in employment or educational activities; providing set aside funding to reward families who choose to delay full-time employment in order to pursue education and/or training that will better prepare them to attain long-term self-sufficiency than immediate entry into the work force; and, establishing goal-specific incentive payments to be awarded when a family attains an established goal. DHCD anticipates that this policy will encourage more clients to participate in the FSS program, and will increase graduation rates by creating more incentives for participating families.</p>	<p>development of policies and procedures, changes to the Trackers system and preparation of training materials in anticipation of the FY 2013 statewide roll-out of the biennial inspections initiative. These implementation efforts were greater and more complex than originally anticipated, resulting in the temporary deferral of program implementation for this initiative.</p>

*** Summary descriptions are provided. More detailed information on each approved initiative can be found in the applicable MTW Annual Plan(s).*

VI. Ongoing MTW Activities

This section of the MTW Annual Report provides information and updates on MTW activities that have been previously approved by HUD.

Activity 2000-1: Family Economic Stability Program

A. Description and Update of Approved Activity

DHCD's original MTW Agreement and Plan focused on implementation of a small-scale program administered in the Boston area by Metropolitan Boston Housing Partnership (MBHP) and in Worcester County by RCAP Solutions, Inc. (RCAP). This MTW activity tests an assistance model which provides a fixed annual stipend to eligible families, regardless of future income or family composition changes. Families exercise considerable decision-making in the utilization of the funds, within some guidelines. Case management and program coordination is provided by designated MTW Advisors at each agency. Families may select any housing unit which they deem affordable and appropriate for their needs and which meets the occupancy requirements of the local Board of Health and Massachusetts Lead Laws where applicable. There is no HUD Housing Quality Standards inspection or rent-reasonableness test.

Eligibility is targeted to low-income working families who meet the following criteria:

- 1) Receive, or have received in the past 12 months, public assistance: TAFDC, EA, Food Stamps, and
- 2) Are committed to maintaining employment and agree to provide information to assess the effectiveness of the program, and
- 3) In the Boston component only, are currently homeless in a shelter, hotel, or motel placement.

Families participating in the south Worcester County component received the following:

- Financial assistance package of \$5,500 per year, of which up to \$250/month can be applied toward the rent and, in some cases security/upfront costs, for the apartment (paid directly to owner), up to \$158/month is available for work-related, utility, or emergency expenses, and \$50/month is set aside in an escrow account that is receivable upon successful program completion.
- If the contract rent for the unit is less than the shallow rent subsidy provided, the participant must pay 30% of their adjusted income toward rent. The participant can opt to pay an increased amount for rent and transfer the remaining subsidy amount to their escrow account.
- Case management support to assist the family in addressing employment, housing, or other issues.
- Financial literacy training and homebuyer preparation workshops.
- Support and resources to assist in home-buying, where desired and appropriate. In FY 2010, the homeownership matching fund program was revised to fund a one-time \$500 first-time homebuyer grant for eligible participants provided DHCD had available funds.

Families participating in the Boston component received the following:

- Financial assistance package of \$10,000 per year, of which up to \$700/month can be applied toward the rent and, in some cases, security/upfront costs for the apartment (paid directly to owner), up to \$83/month is available for work-related, utility, or emergency expenses, and \$50/month is set aside in an escrow account that is receivable upon successful program completion. Higher assistance levels may be approved for larger families requiring a 3 bedroom unit or larger if they have a compelling reason for the increased subsidy.
- If the contract rent for the unit is less than the shallow rent subsidy provided, the participant must pay 30% of their adjusted income toward rent. The participant can opt to pay an increased amount for rent and transfer the remaining subsidy amount to their escrow account. Currently, there are no participants enrolled in the program for which the contract rent of the unit is less than the rent subsidy of \$700.
- Case management support to assist the family in addressing employment, housing, or other issues.
- Financial literacy training.
- Support and resources to assist in home-buying, where desired and appropriate. In FY 10, the homeownership matching fund program was revised to fund a one-time \$500 first-time homebuyer grant for eligible participants provided DHCD had available funds.

Participating families recertify once annually. The term of participation was increased from the original three-year maximum to an initial three-year term with up to two one-year extensions, for a total possible term of five years. The term of participation may be fewer than three years if a family exceeds the low-income limit for the Boston MSA (80% of area median income), fails to meet ongoing program requirements, or the demonstration is concluded by HUD.

In FY 2012, DHCD worked to revise and update the program. During this process, existing participants continued to receive supports and services, but no new applications were accepted. A new program budget, administrative plan and goals/outcomes have been drafted, and these new changes will be implemented in FY 2013. These changes do not modify the scope or uses of the funding, but they do reflect the current housing market conditions as well as new service providers and support structures. DHCD is also reviewing program metrics and benchmarks in light of pending program changes, and anticipates that revisions may be proposed in the next Annual Report.

DHCD reviews on an ongoing basis the amount of subsidy/stipend levels and the number of program participants.

Although DHCD has not yet authorized additional RAAs to implement small scale programs using this program model, DHCD may, at its option, expand the program to other areas of the state in subsequent program years.

B. Impact of Activity and Progress in Meeting Benchmarks

Although this initiative was first implemented in 2000, benchmarks and evaluation metrics for the program were not developed until the 2010 MTW Report. The chart below provides a summary of program metrics, benchmarks and FY 2012 results.

Metric	Baseline	Benchmarks	FY 2012 Results – MBHP	FY 2012 Results – RCAP
Average earned Income Increase– Year 1 of Participation	0	5% increase over enrollment income	+43%	+9.7%
Average earned Income Increase– Year 2 of Participation	0	3% over prior year earned income	+12%	+27.3%
Average earned Income Increase– Year 3 of Participation	0	2% over prior year earned income	-14%	-2%
Average earned Income Increase – Year 4 of Participation	0	1% over prior year earned income	-9%	N/A
Average earned Income Increase – Year 5 of Participation	0	1% over prior year earned income	+33%	N/A
Participants who complete GED or High School Diploma	0	MBHP – 2 RCAP - 4	0	2
Participants who enroll in college or vocational training courses	0	MBHP – 2 RCAP - 10	7	47
Participants who achieve increases in assets (savings) or engage in credit repair activities compared to enrollment status	0	50%	100%	100%
Participants who graduate from program annually*	0	MBHP – 6 RCAP – 18	12	25
Participants who become homeowners each year (RCAP only)	0	RCAP - 2	N/A	1

* Includes both voluntary graduation and program termination because the household had reached the program time limit.

C. Explanation if Benchmarks Were Not Achieved

The majority of benchmarks were achieved as shown above. At both RCAP and MBHP, third year participants experienced a decrease in income, while first and second year participants exceeded the earned income increase benchmarks. The reasons for this are not entirely clear but are likely related to regional economic conditions. The RCAP homeownership benchmark (n=2) was not achieved, although one participant achieved homeownership. The assumption is that underlying economic and housing market conditions made the goal of homeownership more difficult to achieve.

D. Revisions to Metrics or Benchmarks

As noted above, DHCD intends to review and, as needed, revise metrics and benchmarks next year to reflect revisions to the program design.

E. Revisions to Data Collection Methodology

DHCD’s software system has been updated to include a tracking module for this program. This feature enables closer monitoring and expanded reporting on this initiative’s activities. Prior to the implementation of the monitoring feature in Tracker, the majority of program data was maintained in Excel spreadsheets with hard copies of documentation maintained in client files. Both MBHP and RCAP have maintained records of family composition, income, educational achievement, rent and participation in outside programs for participating clients.

F. Describe Authorizations Used if Different than Proposed in Plan

N/A

G. MTW Waivers Utilized

Prior approval was granted by HUD for this initiative as part of the original MTW Agreement. Subsequently, DHCD has utilized the Broader Uses of Funds Authority amendment authority to implement this activity.

Activity 2010-1: PBV Site Based Waiting Lists

A. Description and Update of Approved Activity

Owner/managers of Project Based Voucher (PBV) developments authorized by DHCD will be responsible for all PBV waiting list intake and management functions. Applicants will contact the owner/manager of a specific development in order to file an application. Application files and the waiting list itself will be maintained at the development site. Owner/managers will be responsible for contacting and screening applicants who come to the top of the waiting list, collecting all needed information from the applicant, and then forwarding the applicant to the RAA for eligibility determination and processing. The transition to site-based waiting lists will occur in stages, with new PBV projects being the first to assume waiting list management responsibilities. All current applicants will maintain their waiting list places; however, the waiting list will be updated prior to transitioning to the owner/managers. DHCD will either use existing staff or contract with a Fair Housing organization to conduct periodic reviews of the system to ensure compliance with DHCD's approved tenant selection plan and conformance to fair housing guidelines. Participating PBV developments will be required to modify their tenant selection plans and related documents as needed.

DHCD projects that three (3) new developments will be approved for implementation of site-based waiting lists in FY 2013. Focus groups have been conducted with management companies which currently oversee PBV units. Subsequently, DHCD reviewed pending new PBV contracts to determine appropriate locations for site-based waiting list implementation.

B. Impact of Activity and Progress in Meeting Benchmarks

DHCD has not implemented this activity to date. As noted, DHCD projects that implementation will begin in FY 2013.

C. Explanation if Benchmarks Were Not Achieved

Implementation activities have not yet begun.

D. Revisions to Metrics or Benchmarks

N/A

E. Revisions to Data Collection Methodology

N/A

F. Describe Authorizations Used if Different than Proposed in Plan

N/A

G. MTW Waivers Utilized

MTW Agreement, Attachment C, paragraph D.4

Activity 2010-2: Payment Standard Exceptions

A. Description and Update of Approved Activity

Under this MTW initiative, DHCD may approve any documented and reasonable exception to payment standards as a reasonable accommodation for HCV households with disabled household members without HUD approval.

Additionally, DHCD may approve other documented and reasonable exceptions to payment standards without seeking HUD approval if such requests will support participants' ability to find suitable rental housing in "low poverty, high-opportunity" neighborhoods, and clearly achieves the statutory objectives of the MTW program.

Implementation began in July 2009 and is ongoing. In FY2012, three (3) exception payment standard requests were received and all were processed in three days or less.

B. Impact of Activity and Progress in Meeting Benchmarks

This policy is projected to expedite the approval and processing of reasonable accommodation requests by eliminating HUD review. The policy is also projected to increase the number of units leased in non-impacted areas.

A benchmark of 3 business days from RAA request to DHCD final action (approval or disapproval) on reasonable accommodation-related payment standard exceptions has been established. The current baseline is approximately 10 business days, including time currently required for HUD final action on the request. The table below indicates that 3 requests were received during FY 2012 and all were processed within the established benchmark timetable.

Metric	Baseline	Benchmark	FY 2012 Results
Time to approve reasonable accommodation-related payment standard exception requests	10 business days	3 business days	3 requests received and all processed in 3 days or less
Time to approve other payment standard exception requests associated with moves to low poverty areas	10 business days	3 business days	No requests received

C. Explanation if Benchmarks Were Not Achieved

N/A

D. Revisions to Metrics or Benchmarks

N/A

E. Revisions to Data Collection Methodology

N/A

F. Describe Authorizations Used if Different than Proposed in Plan

N/A

G. MTW Waivers Utilized

MTW Agreement, Attachment C, paragraph D.2.a waivers are utilized to implement this activity.

Activity 2010-3: Owner Incentive Fund

A. Description and Update of Approved Activity

Beginning in January 2010, an Owner Incentive Fund pilot initiative was established to promote upgrades to the housing stock in areas of the state with a large percentage of older, deteriorated housing stock. DHCD's goals for this activity are: leasing higher quality units including incentivizing owners to upgrade existing housing at least one grade level, i.e. from a "C" to a "B" grade, or from a "B" to an "A" grade; increasing the number of units that are accessible to persons with disabilities; expanding the number of units leased in currently underserved neighborhoods, and, encouraging new owner participation.

The program has been piloted by the Berkshire Housing Development Corporation (BHDC) since inception. Participating owners are eligible for a flat fee financial incentive (initially established at \$900 or \$1,200) payable in 4 quarterly installments over the first year of the HAP contract. At the end of the first year under HAP contract, owners are eligible for an additional one-time payment (initially established at \$500) if one or more of the following applied: the owner was not previously part of the HCV program; the unit was not previously under contract to an HCV participant; the unit was new construction or substantial rehabilitation; or, the unit was a foreclosed property prior to leasing and at least a "B" grade level. In the first year of the pilot, BHDC waived the requirement that the tenant remains in occupancy, or that the owner has agreed to lease to another HCVP referral from the RAA to receive the \$500 bonus payment in order to attract a higher level of interest. In the second year of the pilot, starting January 1, 2011, this requirement was implemented due to the strong response from owners in the first year.

In order to be eligible for incentive payments, the unit must be compliant with HQS at all times during the HAP term. An agreement is signed certifying that the incentive payments are not part of the monthly rent to owner. BHDC has established caps on the overall number of units and the number of units per owner.

DHCD has the flexibility to adjust the program criteria and payment amounts as needed to respond to local market conditions, particularly when planning an expansion of this program to additional RAAs.

B. Impact of Activity and Progress in Meeting Benchmarks

As shown on the chart below, DHCD has established benchmarks related to increasing the number of higher quality units including units that move up at least one grade; increasing the percentage of accessible unit in BHDC's portfolio; and, increasing the percentage of units that are leased in underserved areas (defined as units located outside of Pittsfield, MA). The goal of achieving 12 units with upgraded conditions by the third year of the program has been exceeded, i.e. a total of 14 units have been leased under the program. The goal of leasing units outside of Pittsfield has been substantially exceeded; however, this gain is not entirely attributable to the Owner Incentive Fund initiative.

Metric	Baseline	Benchmarks	FY 2010 Results	FY 2011 Results	FY 2012 Results
Upgrade unit from "C" to "B" grade	0	3 units increase grade by year 1 12 units increase grade by year 3 15 units increase grade by year 5	2	4	2
Upgrade unit from "B" to "A" grade	0		0	0	1
Upgrade unit from "C" to "A" grade	0		0	1	0
Units leased as "A" grade	0		0	0	4
Accessible units as a % of BHCD portfolio	<1%	3% by year 5	>1%	>1%	<1% (n=5)
Units leased in underserved areas (outside of Pittsfield) as % of BHCD portfolio	13%	14% by year 1 16% in year 3 18% in year 5	16%	17%	42%* (n=323)

**BHDC leased portfolio consists of 759 units as of 6/30/12.*

C. Explanation if Benchmarks Were Not Achieved

N/A

D. Revisions to Metrics or Benchmarks

DHCD is reviewing metrics and benchmarks for this initiative and may propose changes over the next year in order to align them more closely with expected program outcomes. For example, the measurement of both accessible units and units leased in underserved areas as a percentage of the overall leased portfolio is problematic due to the relatively small size of the Owner Incentive Fund relative to the overall portfolio.

E. Revisions to Data Collection Methodology

N/A

F. Describe Authorizations Used if Different than Proposed in Plan

N/A

G. MTW Waivers Utilized

MTW Agreement, Attachment C, paragraph D.2.a waivers are utilized to implement this activity.

Activity 2010-4: Modifications to HUD Standard Forms

A. Description and Update of Approved Activity

Under this initiative, required standard HCV program forms published by HUD may be modified by DHCD as needed to streamline processing, utilize “plain language”, and address local housing market features. New forms are rolled out to RAA contractors as they are completed. As required under the MTW Agreement, any changes to the HAP form will include language noting that funding for the contract is subject to the availability of appropriations.

DHCD has not implemented this activity to date. It is anticipated that changes may be needed to PBV-related forms to support implementation of the Expiring Use Preservation Initiative and that these changes will be implemented in FY 2013.

B. Impact of Activity and Progress in Meeting Benchmarks

DHCD has not implemented this activity to date. As noted, DHCD projects that implementation will begin in FY 2013.

C. Explanation if Benchmarks Were Not Achieved

Implementation has not yet begun.

D. Revisions to Metrics or Benchmarks

N/A

E. Revisions to Data Collection Methodology

N/A

F. Describe Authorizations Used if Different than Proposed in Plan

N/A

G. MTW Waivers Utilized

MTW Agreement, Attachment C, paragraph D.1.

Activity 2011-1: Value Vouchers

A. Description and Update of Approved Activity

DHCD plans to implement a new “MTW value voucher” targeted to the homeless and those with disabilities. This initiative will provide a lower cost subsidy than a conventional voucher. Participants will be offered units in privately assisted housing developments where the rental costs are lower (generally by 25% or more) than current HUD published FMRs but still not affordable to very-low and extremely low-income households. These would generally be units in LIHTC, 236, and certain state funded developments, for example, where rents are generally set at or below 60% of AMI.

For value voucher units, the rent reasonableness determination process will consist of verification of the regulated rent amount, which will always be at or below the Payment Standard. Other HCV program rules may also be waived for these vouchers. The value voucher will make up the difference between the rent and 30% of the tenant’s adjusted income.

Partner agencies will include MassHousing, a quasi- public agency that promotes housing opportunities for low and moderate income households, and various management companies that have a solid track record of providing assisted units to vulnerable populations. MassHousing will make units available to clients of the Massachusetts Departments of Mental Health (DMH) and Developmental Disabilities (DDS) under their 3% set-aside program for this target population in effect since 1978. DHCD may also identify and establish partnerships with agencies that provide services to homeless individuals, regardless of disability status, and may also make units available to clients of the identified agencies.

Clients of the Massachusetts Departments of Mental Health (DMH) and Developmental Disabilities Services (DDS) will be provided with continuing services and support from these two respective agencies. DHCD’s partnership with MassHousing and certain private management companies will make it possible for the participants to live in good quality housing. DHCD will work with its partner agencies to establish realistic time limits for these vouchers within the time permitted by its MTW Agreement with HUD, currently in effect until June 2018.

Due to the substantial level of activity associated with other MTW initiatives described herein, implementation of this initiative has not begun. DHCD may begin implementation in FY 2014.

B. Impact of Activity and Progress in Meeting Benchmarks

DHCD has not implemented this activity to date. As noted, DHCD projects that implementation may begin in FY 2014.

C. Explanation if Benchmarks Were Not Achieved

Implementation has not begun.

D. Revisions to Metrics or Benchmarks

N/A

E. Revisions to Data Collection Methodology

N/A

F. Describe Authorizations Used If Different than Proposed in Plan

N/A

G. MTW Waivers Utilized

MTW Agreement, Amendment on Broader Uses of Authority; Attachment C, paragraphs B.2, D.1.a, D.2.a, D.2.b, D.4.

Activity 2011-2: Opportunity Neighborhoods

A. Description and Update of Approved Activity

DHCD plans to establish an “Opportunity Neighborhoods” program in one or more selected neighborhoods in different regions throughout the Commonwealth. The majority of academic research and literature indicates that where a person lives determines (to various degrees), the opportunities afforded to them.

The purpose of DHCD’s “Opportunity Neighborhood” MTW initiative is to provide significant supports and encouragement to existing voucher participants and/or new voucher holders who wish to move to areas with empirically-documented improved educational systems, job opportunities, social services and other opportunities in the expectation that over time their need for housing and other subsidies will abate or diminish. Existing participants and/or voucher holders moving into these areas will be provided with case management support both before and after the move through the participating regional administering agencies. Other incentives may be provided based on family needs and budget availability such as transportation assistance, child care referrals, training stipends, etc. Families will be encouraged or required to develop a family plan to access opportunities in their new neighborhoods with a special focus on positive outcome educational programs for children and available jobs for adults. Where appropriate, participants will also be encouraged to participate in the Family Self Sufficiency Program.

In the spring of 2012 DHCD completed the first stage of the plan (feasibility study, data gathering, and analysis) based on a working definition of opportunity neighborhoods. The resulting report included research on best practices nationally in this area of housing choice, and an analysis of 100 Boston Metropolitan Area cities and towns to assess neighborhood poverty rate and local school quality. Additionally, the proposal advocates the use of crime statistics to guide families to areas of low crime/poverty and high educational opportunity. In preparation for implementation, DHCD plans to focus on the potential receiving neighborhoods (including housing markets and identification of institutional and community supports for new families); creating materials to market the program to potential community partners and funders, and clients; developing a training curriculum for the program staff; writing implementation guidelines; and operationalizing the proposed evaluation strategy. An implementation timetable will be determined in FY 2013.

B. Impact of Activity and Progress in Meeting Benchmarks

DHCD has not begun to implement the program. See discussion above.

C. Explanation if Benchmarks Were Not Achieved

Implementation has not begun.

D. Revisions to Metrics or Benchmarks

N/A

E. Revisions to Data Collection Methodology

N/A

F. Describe Authorizations Used if Different than Proposed in Plan

N/A

G. MTW Waivers Utilized

MTW Agreement, Attachment C, paragraphs B.1.iii, D.2.a, D.4; Broader Uses of Authority amendment.

Activity 2011-3: Biennial Inspections

A. Description and Update of Approved Activity

DHCD will modify its inspection policies to provide owners with incentives to maintain their units in compliance with Housing Quality Standards. If a unit passes the annual inspection the first time the inspector conducts the HQS inspection, it will be placed on a biennial HQS inspection schedule. If a unit does not pass HQS on the first attempt at the annual inspection, it will remain on an annual HQS inspection schedule until the next annual inspection. Units belonging to new HCV landlords will be retained on an annual HQS inspection frequency until the unit passes the annual HQS inspection on the first inspection attempt. PBV units will be placed on a biennial inspection frequency. If 50% or more of the PBV units do not pass the annual inspection on the first inspection attempt, the site will remain on annual inspection frequency until 75% or more of the units pass HQS on the first inspection attempt. The inspection frequency policy relates both to owner and tenant caused HQS failures. The severity of the repair, owner, tenant and unit/site history will also be considered when establishing inspection frequency. DHCD reserves the right to change any HQS unit inspection frequency based upon management discretion. Owners and tenants may request a complaint inspection at any time. DHCD will conduct audit inspections on a sample of units.

In tandem with these initiatives, DHCD intends to expand the use of inspectors to provide tenant and landlord training related to HQS standards, unit upkeep, and other related maintenance matters.

Full implementation is projected to occur in FY 2013. In FY 2012, a working group developed new forms and procedures, and changes were made to automated systems and management reports to support this initiative. Training materials were developed, and a statewide RAA training initiative and pilot program will be conducted in FY 2013. Statewide implementation is projected for regular inspections taking place in the first quarter of calendar year 2013 and beyond.

B. Impact of Activity and Progress in Meeting Benchmarks

Implementation has not yet begun. See progress discussion above. DHCD will commence implementation in FY 2013.

C. Explanation if Benchmarks Were Not Achieved

Implementation has not yet begun.

D. Revisions to Metrics or Benchmarks

N/A

E. Revisions to Data Collection Methodology

N/A

F. Describe Authorizations Used if Different than Proposed in Plan

N/A

G. MTW Waivers Utilized

MTW Agreement, Attachment C, paragraph D.5.

Activity 2011-4: Biennial Recertifications

A. Description and Update of Approved Activity

DHCD has modified its initial, annual and interim recertification policies to: 1) allow biennial recertifications for all households; 2) establish a limit of two voluntary interim reexams between regular recertifications; and, 3) allow household self-certification of assets valued up to \$50,000. The policy allows any household to request an annual income recertification if they believe it would be beneficial. Also, the limit on interim reexams does not apply to elderly or disabled households, and any household that has exceeded its interim limit may request an emergency interim reexam when faced with a loss of income that is greater than 30%.

The original plan was to apply the biennial recertification policy only to households on fixed income; however, DHCD subsequently modified the initiative in the FY 2012 Annual Plan to include biennial recertification for all households in its portfolio to further the original goal of administrative efficiencies.

Draft policies, procedures and forms were developed in FY 2011. In FY 2012, statewide training for RAA contractors was conducted. Implementation commenced in January 2012, and is being phased in incrementally over the year to coincide with recertification anniversary dates.

B. Impact of Activity and Progress in Meeting Benchmarks

DHCD has established combined metrics and benchmarks for this initiative and the Rent Simplification initiative as shown below. Note that the projected savings are for a full year, while implementation did not begin until six months into the fiscal year. Numbers reported below are estimates.

Metric	Baseline	Benchmark	FY 2012 Results
Average number of hours per participant required by staff to process recertifications annually	Estimate of 2.5 hours of staff time per participant per year	30% reduction in staff time, i.e. 1.75 hours average per participant per year estimated upon full implementation of policy	15% reduction estimated, i.e. 2.1 hours average per participant per year based on partial year implementation
Total hours to process all recertifications annually	Estimate of 48,000 hours based on 19,200 caseload	30% reduction, i.e. 33,600 staff hours annually estimated to process all recertifications	15% reduction estimated, i.e. 40,800 total hours estimated to process all recertifications

C. Explanation if Benchmarks Were Not Achieved

The new policy was implemented for only one-half of the year and, therefore, estimated savings were limited to approximately one-half the caseload statewide.

D. Revisions to Metrics or Benchmarks

DHCD intends to work with RAA contractors to review and, if needed, revise metrics and benchmarks in light of actual experience implementing the new policies. Discussions regarding improved methods to capture this data will take place.

E. Revisions to Data Collection Methodology

N/A

F. Describe Authorizations Used if Different than Proposed in Plan
N/A

G. MTW Waivers Utilized

MTW Agreement, Attachment C, paragraph D.1.c. are used to implement this activity.

Activity 2011-5: Youth Transition to Success

A. Description and Update of Approved Activity

Among the most often cited concerns for youth aging out of foster care is the lack of adequate and affordable housing. Youth who lack housing may have difficulty staying in school and/or maintaining employment. These youth are expected to succeed on their own long before a vast majority of their peers. By the time they receive their FUP voucher, they have already experienced more challenges than many people experience in a lifetime.

DHCD has designed and commenced implementation of a time-limited MTW pilot program to provide continued support to, and build upon the successes of, youth currently participating in its Family Unification Program Aging Out of Foster care program that are facing the current 18 month expiration date. Designed similarly to the stipend program DHCD currently administers in MBHP and RCAP’s region, this initiative provides a shallow short-term and time-limited subsidy, supportive services funds for education, training and employment related expenses, an escrow account and case management. Up to 25 current participants facing the expiration date for the Family Unification Program Aging Out of Foster care program will be eligible to participate in the extension. Eligible participants for the extension must be in good standing and be making progress toward their education and employment goals. Program components that were developed prior to FY 2012 include:

- A rent subsidy, which will be time limited for 36-months and will be stepped down each year. The rent subsidy will be based on regional costs.
- An Escrow Account- up to \$800 per year leveraged by individual savings.
- Support Account—up to \$500 per year available to support the completion of Service Plan Goals. These funds are reverted back to DHCD if they are not used by the participant.

In April 2012, DHCD and the Department of Children and Families (DCF) signed a Memorandum of Understanding which opened the door for the Youth Transition to Success Program to enroll its first participants.

B. Impact of Activity and Progress in Meeting Benchmarks

As shown in the chart below, DHCD enrolled three participants in the program since the April 2012 program launch.

Metric	Baseline	Benchmark	FY 2012 Results
Number of FUP AOP participants who continue or complete their progress in post-secondary education and/or complete a job training program	0 participants	100% of participants	All 3 current participants are currently enrolled in post-secondary education programs
Percentage of participants who increase earned income	Earned income of participants at enrollment	80% of participants will increase their earned income	No data available due to recent enrollments (since April 2012)
Number of participants who establish and/or maintain savings accounts with balances	0 participants	70% will establish and/or maintain savings accounts with balances sufficient to	All 3 current participants (100% of participants) have established or maintained

Metric	Baseline	Benchmark	FY 2012 Results
sufficient to leverage maximum of escrow		leverage maximum of escrow (\$600 savings/\$2400 escrow)	savings accounts.
Number of participants who improve credit score	Credit score at enrollment	70% will establish or improve their credit score	No data available due to recent enrollments.

C. Explanation if Benchmarks Were Not Achieved

N/A

D. Revisions to Metrics or Benchmarks

DHCD will periodically review these and other metrics and benchmarks and, as needed, propose revisions to reflect lessons learned in administering the program and measuring its outcomes.

E. Revisions to Data Collection Methodology

N/A

F. Describe Authorizations Used if Different than Proposed in Plan

N/A

G. MTW authorization and waived provisions:

MTW Agreement, Broader Uses of Funds Authority amendment waivers are used to implement this activity.

Activity 2012-1: MTW Utility Allowances

A. Description/Update of Approved Activity

Under this initiative, DHCD will establish a simplified Utility Allowance schedule and cease making Utility Assistance Payments (UAP) of \$25 or less.

As of June 30, 2012, the revised Utility Allowance schedules are still under development. While the new format has not been finalized, DHCD expects that changes to the Utility Allowance schedule will modify existing schedules by, for example, removing or simplifying multiple building types and fuel type categories.

In January 2012, DHCD implemented the new policy limiting UAPs to amounts over \$25. DHCD has found that clients receiving UAPs for very small amounts are less likely to deposit or cash the checks that they receive. This results in bookkeeping issues for the finance staff at the RAA and DHCD level which demand time and resources out of proportion to the relatively small amounts of money. By terminating the issuance of UAPs of \$25 or less, DHCD hopes to reduce the incidence of outstanding checks, and alleviate the need for finance staff to spend time and resources reconciling these accounts.

B. Impact of Activity and Progress in Meeting Benchmarks

DHCD projects that implementation of simplified Utility Allowance schedules will result in reduced errors related to Utility Allowances. Approximately 5% of files reviewed during internal audits are found to contain Utility Allowance-related errors which in turn can impact the accuracy of rent calculations. DHCD anticipates a reduction in this type of error by 10% in the year following implementation of the new schedule, and 20% in the second year of implementation. As this component has not been implemented, no data is presently available.

Limiting UAPs to payments of \$25 or more is projected to reduce the incidence of un-deposited payments to clients which must then be reconciled by agency staff. DHCD pays an estimated \$1.9 million in Utility Allowance Payments to a total of approximately 1,911 participant households. On average, 85 Utility Allowance Payment checks per month (approximately 1,020 checks annually) are not cashed or deposited by recipients. DHCD anticipates a reduction by 50% in the number of outstanding checks upon the discontinuance of UAPs of \$25 or less. DHCD is working to obtain relevant data from its RAA contractors.

Metric	Baseline	Benchmarks	FY 2012 Results
Utility Allowance related errors found during file reviews	5% of participant files reviewed (estimate) have errors	4.5% of files reviewed (first year) have errors 4% of files reviewed (second year) have errors	Not implemented
Outstanding (uncashed) checks requiring follow up reconciliation by Finance staff	1020 annually (estimate)	50% reduction (n=510)	Data not currently available

C. Explanation if Benchmarks Were Not Achieved

N/A

D. Revisions to Metrics or Benchmarks

DHCD is currently reviewing metrics and benchmarks for this initiative and, if needed, may propose modifications in the future.

E. Revisions to Data Collection Methodology

N/A

F. Describe Authorizations Used if Different than Proposed in Plan

N/A

G. MTW Waivers Utilized

MTW Agreement, Attachment C, paragraph D.2.a waivers are used to implement this activity.

Activity 2012-2: Rent Simplification

A. Description and Update of Approved Activity

In tandem with the biennial recertification policy initiative, DHCD established a series of related rent simplification policy changes. These policy changes include:

- Using the Payment Standard in effect at the effective date of the regular recertification regardless of any change in the Payment Standard.
- Using the Utility Allowance and Payment Standard in effect at the effective date of the last regular recertification to calculate rents at interim recertifications.
- Discontinuing the standard Earned Income Disregard and replacing it with a similar disallowance that is more straightforward for staff to administer.
- Excluding all Full-time student income for household members other than the Head, Spouse or Co-Head

In FY 2012, DCHD implemented all of the rent simplification policies above for all recertifications with effective dates on or after January 2012. The Earned Income Disallowance policy was modified somewhat from the initial plan to allow for 100% income exclusion for the entire twenty-four month disallowance period. The exclusion starts on the first of the month following the date of hire. The EID has a twenty-four consecutive month lifetime maximum. If an eligible member loses their qualifying employment during the twenty-four month period, they will no longer be eligible for the EID upon commencement of new employment.

B. Impact of Activity and Progress in Meeting Benchmarks

DHCD has established combined metrics and benchmarks for this initiative and the biennial recertification initiative. Note that the projected savings are for a full year, while implementation did not begin until six months into the fiscal year.

Metric	Baseline	Benchmark	FY 2012 Results
Average number of hours per participant required by staff to process recertifications annually	Estimate of 2.5 hours of staff time per participant per year	30% reduction in staff time, i.e. 1.75 hours average per participant per year estimated upon full implementation of policy	15% reduction estimated, i.e. 2.1 hours average per participant per year based on partial year implementation
Total hours to process all recertifications annually	Estimate of 48,000 hours based on 19,200 caseload	30% reduction, i.e. 33,600 staff hours annually estimated to process all recertifications	15% reduction estimated, i.e. 40,800 total hours estimated to process all recertifications

C. Explanation if Benchmarks Were Not Achieved

The new policy was implemented only one-half of the year and, therefore, estimated savings were limited to approximately one-half the caseload statewide.

D. Revisions to Metrics or Benchmarks

DHCD intends to work with RAA contractors to review and, if needed, revise metrics and benchmarks in light of actual experience implementing the new policies. Discussions regarding improved methods to capture this data will occur.

E. Revisions to Data Collection Methodology

N/A

F. Describe Authorizations Used if Different than Proposed in Plan

N/A

G. MTW Waivers Utilized

MTW Agreement, Attachment C, paragraph D.2.a are used to implement this activity.

Activity 2012-3: PBV Discretionary Moves

A. Description and Update of Approved Activity

Beginning in FY 2012, DHCD modified its Project Based Voucher (PBV) program guidelines to establish reasonable limits on discretionary moves. DHCD believes that this policy will promote efficiency in the operation of the PBV program, while also ensuring that tenant-based vouchers continue to be available to eligible households on the waiting list. Except as noted below, PBV participant households in good standing are able to terminate the assisted lease and receive priority for an available tenant-based voucher only after the second year of occupancy. In addition, DHCD establishes an annual target number of vouchers available to PBV participant households within each RAA area who have requested a tenant-based voucher. If demand exceeds supply over the course of the year, those additional PBV participants who wish to move will remain at the top of the waiting list until the following year.

The new guidelines do not apply to PBV households who meet one or more of the following criteria:

- Households which are over or under-housed;
- Households which are victims of domestic violence pursuant to the VAWA policy;
- Households which require tenant-based voucher to address an approved reasonable accommodation request;
- Non-disabled households that occupy an accessible unit and that have been requested to move to allow a disabled household to move into the accessible unit; and,
- Households that can document the need to move in order to obtain or maintain employment.
- Households that can document that a household member has been accepted into a higher education institution and can document the need to move in order to attend the institution.

PBV households who meet one or more of these criteria will continue to receive a priority for an available tenant-based voucher and these vouchers will not be counted towards the annual target limit.

B. Impact of Activity and Progress in Meeting Benchmarks

DHCD projects that this policy will reduce the costs associated with processing turnover units including vacancy prep and applicant/participant processing costs. RAA staff process a high number of applicants in order to fill one vacant PBV unit. This policy will reduce the level of effort needed to process discretionary moves, while ensuring that essential moves take place expeditiously.

DHCD has established a benchmark of issuing 5% of turnover vouchers statewide to PBV households. The current baseline is estimated at 5.5%.

Metric	Baseline	Benchmark	FY 2012 Results
Percent of statewide turnover vouchers issued to PBV household	5.5%	5%	N/A

C. Explanation if Benchmarks Were Not Achieved

N/A

D. Revisions to Metrics or Benchmarks

N/A

E. Revisions to Data Collection Methodology

N/A

F. Describe Authorizations Used if Different than Proposed in Plan

N/A

G. MTW Waivers Utilized

MTW Agreement, Attachment C, paragraph D.1.b are utilized to implement this activity.

VII. Sources and Uses of Funding

DHCD's operates an MTW program that involves only Housing Choice Vouchers. Table 10 provides projected and actual sources and uses for the MTW program for Fiscal Year 2012.

Table 10: MTW Sources and Uses: Estimated and Actual

Sources	Estimated Amount	Actual Amount
HUD Subsidy – MTW Tenant Based	\$206,341,101	\$206,247,023
Administrative	19,193,000	17,805,260
Agency Reserves	5,547,899	0
MTW Sources Total	\$231,082,000	\$224,052,283
Uses		
HAP Payments	\$211,020,861	\$196,346,277
Single Fund Flexibility/Broader Uses	-	1,227,038
Administrative	20,061,139	19,085,723
MTW Uses Total	\$231,082,000	\$216,659,038
Reserve Contribution	-	\$7,393,245

Explanation for Variance between Estimated and Actual Sources and Uses –Variances between estimated and actual revenue sources resulted from a combination of factors including: 1) DHCD prepared and submitted these estimates almost one year before full information was available from HUD on the funding available for CY 2012; 2) Pro-rations were applied to DHCD's CY 2012 funding; 3) Variances occurred in the projected rate of increase to HAP expenses; and, 4) In light of anticipated additional funding cuts including sequestration related cuts, DHCD held back on some leasing activities. DHCD anticipated that it would need to use agency reserves to cover costs; however, this was not necessary.

State and Local Sources and Uses - No state or local funds are used in the program.

Single Fund Flexibility – DHCD used its single fund flexibility to fund Broader Uses activities described under MTW Activity 2000-1 including payments to participants. This line item also supported other costs associated with MTW Activity 2010-3 (payments to owners under the Owner Incentive Fund) and MTW Activity 2011-5 for support accounts and related costs for the Youth Transition to Success program.

VIII. Administrative Requirements

- A. Description of progress on the correction or elimination of observed deficiencies cited in monitoring visits, physical inspections, or other oversight and monitoring mechanisms, if applicable.**

Not applicable.

- B. Results of latest Agency-direct evaluations of the demonstration, as applicable.**

Not applicable.

- C. Performance and Evaluation Report for Capital Fund activities.**

Not applicable.

- D. Certification that agency has met the three MTW statutory requirements.**

See attached certification.