

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

**Moving To Work Program
Annual Report for Fiscal Year 2013**

**Submitted to US Department of Housing and Urban Development
September 30, 2013
Revised submission September 12, 2014**

Table of Contents

I. Introduction	3
Overview	4
II. General Operating Information	6
A. Housing Stock	6
C. Waiting List Information	17
III. Non-MTW Information	19
A. Sources and Uses of Non-MTW Funds	19
B. Description of Non-MTW Activities	19
IV. Long Term MTW Plan	22
V. Proposed MTW Activities	24
VI. Ongoing MTW Activities	25
VII. Sources and Uses of Funding	61
VIII. Administrative Requirements	62

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 130 families and is administered in the Boston area (60 families) by Metropolitan Boston Housing Partnership and in south Worcester County (70 families) by RCAP Solutions, Inc.¹

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

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.

This document is DHCD's MTW Annual Report for Fiscal Year 2013, i.e. the period from July 1, 2012 through June 30, 2013. The Annual Report focuses primarily on describing the outcomes of existing approved and implemented "MTW activities".

Overview

During Fiscal Year 2013, DHCD undertook a range of MTW-related and other activities in the Housing Choice Voucher Program summarized as follows:

- As of June 30, 2013, DHCD provided rental assistance to a total of 20,093 eligible senior, disabled and other family households through its existing network of RAAs.
- DHCD completed full implementation of its MTW biennial recertification program along with a series of related rent simplification initiatives during FY 2013. This is a major new initiative that involved a statewide planning and training effort.
- DHCD began implementation of its new MTW biennial inspection initiative commencing in February 2013. A working group of RAA and DHCD staff developed new forms, procedures and owner/participant notification materials. Full implementation is projected by February 2014.
- The existing, small-scale MTW demonstration program administered in the Boston area by Metropolitan Boston Housing Partnership and in south Worcester County by RCAP Solutions, Inc. continued during FY 2013. The program, renamed the Family Economic Stability Program (FESP) provides case management, supportive services, training and financial assistance to low-income working families. In FY 2013, DHCD began planning changes to the program budget, administrative plan and goals/outcome for the FES program, some of which were implemented during the year. New enrollments were temporarily deferred while changes were made to the program design. In FY 2013, the program supported a total of 98 participants, and graduated 24 families. It is anticipated that program design changes will be completed and fully implemented during FY 2014.
- The Owner Incentive Fund, which was first implemented in Berkshire Housing Development Corporation's (BHDC) area in FY 2010, continued during FY 2013. 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. The benchmark to improve the grades of units in BHDC's area, which was slated for Year 5, was realized by the end of Year 4.
- DHCD's 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 seven additional participants in FY 2013.

- DHCD began implementation of 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. In FY 2013, three expiring use projects were put under HAP contract. Existing eligible residents were 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 VI. Non-MTW initiatives are summarized in Chapter III. DHCD continued to implement the MTW and Non-MTW initiatives proposed in the FY2013 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, 2013, DHCD was allocated a total of 20,589 vouchers. This represents an increase of 477 vouchers over the prior fiscal year. The increase resulted from awards of an additional 294 Tenant Protection and 183 RAD vouchers (see detail below).

Table 1A provides information on MTW and Non-MTW vouchers by category. DHCD operates an extensive Project Based Voucher (PBV) program utilizing a portion of its tenant-based vouchers. Information on the PBV program is provided in Tables 2 and 5.

Table 1A: Vouchers Allocated

MTW	Vouchers Allocated as of 6/30/12	Vouchers Allocated as of 6/30/13
MTW Vouchers	19,120	19,458
RAD PBVs		183
MTW Sub-Total	19,120	19,641
Non-MTW		
FUP *	187	187
VASH	392	392
Five Year Mainstream	75	75
Tenant Protection**	338	294
Non-MTW Sub-Total	992	948
TOTAL ALL PROGRAMS	20,112	20,589

* DHCD will apply MTW operating flexibility to FUP and Tenant Protection vouchers to the extent allowed under HUD guidance; 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 RAD vouchers awarded to DHCD in FY 2013.

Table 1B: Tenant Protection Vouchers Awarded in FY 2013

Location	ACC Effective Date	Units
Woods at Wareham, Wareham, MA	2/1/13	22
Spring Meadows, Springfield, MA	3/1/13	98
Edmands House, Framingham, MA	6/1/13	68
Commonwealth Housing, Allston, MA	6/1/13	106
TOTAL		294

Table 1C: RAD Vouchers Awarded in FY 2013

Location	ACC Effective Date	Units
North Village, Webster, MA	5/1/13	134
Hope in Action, Lawrence, MA	6/1/13	49
TOTAL		183

There were two RAD conversions awarded in FY 13, North Village, Webster, MA and Hope in Action, Lawrence, MA. North Village is an existing family housing development which includes twelve town house style buildings. Prior to conversion, North Village was funded under the Rent Supplement Program. The vouchers for North Village are Project-Based Vouchers. Hope in Action is also an existing family housing development and includes seven scattered site buildings in two neighboring communities. Prior to conversion, Hope in Action was funded under the Rent Supplement Program. The vouchers for HOPE in Action are Project-Based Vouchers. DHCD, as applicable, will apply its approved MTW activities to the RAD PBVs.

Table 2: PBV Developments Under HAP in FY 2013

RAA	Project	Community	AHAP Date	HAP Start Date	HAP End Date	Elderly or Disabled	Family	Homeless Indiv.	Supp. Services	Total PBV
CTI	Salem Harbor	Salem	N/A	10/1/1997	2/28/2017		4			4
HAP	48 & 52 Franklin St & 348 Chestnut St	Holyoke	N/A	4/1/1998	3/31/2018		24			24
CTI	Lincoln Hotel	Salem	N/A	5/1/1998	4/30/2017		63			63
HAP	580 South Summer St	Holyoke	N/A	6/1/1998	5/31/2018		12			12
HAC	885C State Highway	Eastham	N/A	9/1/2002	9/30/2017		1			1
HAP	451-459 & 342-246 Main & 76 Cabot St	Holyoke	N/A	10/7/2002	10/6/2017		27			27
MBHP	32 Kent Street	Somerville	N/A	11/1/2002	10/31/2017	2	6			8
MBHP	1129 Dorchester Ave	Dorchester	N/A	11/19/2002	10/31/2017	6	2			8
MBHP	14 - 24 Roach St	Dorchester	N/A	11/19/2002	10/31/2017		8			8
MBHP	1285 -1291 Mass Ave	Dorchester	N/A	11/19/2002	10/31/2017		4			4
BHDC	YMCA	Pittsfield	N/A	12/16/2002	12/31/2017	28		2		30
RCAP	220 Orchard Hill Dr	Oxford	N/A	1/1/2003	12/31/2017	8	17			25
MBHP	48 Water St	Wakefield	N/A	4/1/2003	3/31/2018			6		6
HAC	979 Falmouth Rd	Hyannis	N/A	4/18/2003	4/17/2018		2			2
CTI	Founders Court	Man.by the Sea	N/A	5/1/2003	4/30/2018		4			4
BHDC	Twelve Summer St	Great Barrington	N/A	5/1/2003	4/30/2018	2				2
MBHP	140 East St	Allston	N/A	8/1/2003	7/31/2018			6		6
MBHP	1202 Commonwealth Ave		N/A	8/1/2003	7/31/2018			3		3
MBHP	430-436 Dudley St	Roxbury	N/A	8/1/2003	7/31/2018			2		2
MBHP	28 Mount Pleasant St	Roxbury	N/A	8/1/2003	7/31/2018			2		2
HAP	Westfield Hotel	Westfield	9/1/2002	9/1/2003	8/31/2018				5	5
MBHP	82 Green St	Jamaica Plain	N/A	9/1/2003	8/31/2018			10		10
MBHP	Russell Terrace	Arlington	N/A	10/1/2003	9/30/2018			2		2
MBHP	19 Hancock St	Everett	N/A	10/1/2003	9/30/2018			3		3
MBHP	4-6 Ashland St	Medford	N/A	10/1/2003	9/30/2018			3		3
MBHP	1740 Washington St	Boston	N/A	10/10/2003	9/30/2018			8		8
HAC	32 Old Ann Page Way	Provincetown	N/A	11/1/2003	10/31/2018	1	1			2
CTI	Salem Heights (Pope St)	Salem	N/A	12/1/2003	11/30/2018		72			72
CTI	Reviviendo	Lawrence	N/A	12/30/2003	10/30/2018			3		3

RAA	Project	Community	AHAP Date	HAP Start Date	HAP End Date	Elderly or Disabled	Family	Homeless Individ.	Supp. Services	Total PBV
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
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	5/13/2017		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	Lafayette 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	1/31/2018	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

RAA	Project	Community	AHAP Date	HAP Start Date	HAP End Date	Elderly or Disabled	Family	Homeless Indiv.	Supp. Services	Total PBV
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
CTI	Salem Point LP (Harbor, Ward, Peabody)	Salem	N/A	3/10/2009	3/9/2019		7			7
HAP	Sanford Apts 33 Elm St	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
MBHP	St. Polycarp I	Somerville	1/2/2008	7/1/2009	6/30/2019	2	6			8
MBHP	Granite St Housing	Quincy	7/25/2008	7/1/2009	6/30/2019				5	5
HAC	Barnstable Family Kimber Woods	W. Barnstable	3/12/2008	7/1/2009	6/30/2025		7			7
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
MBHP	Renwood-PWA Ltd. Part.	Boston		2/1/2010	1/31/2014	7				7
MBHP	526 Mass Ave Renwood-PWA Ltd. Part.	Roxbury		2/1/2010	1/31/2014		8			8
MBHP	158 Walnut Ave Renwood-PWA Ltd. Part.	Roxbury		2/1/2010	1/31/2014		3			3
SMOC	36 Edgewood St 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	Harwich	2/1/2010	12/1/2010	11/30/2025	2	3			5

RAA	Project	Community	AHAP Date	HAP Start Date	HAP End Date	Elderly or Disabled	Family	Homeless Indiv.	Supp. Services	Total PBV
	Path									
CTI	Sacred Heart	Lawrence	12/16/2009	1/1/2011	12/31/2026	8				8
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	Chelsea	11/23/2009	3/1/2011	2/28/2026	3	5			8
HAP	Villa Borinquen	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-Phase II	Somerville	2/9/2011	2/7/2012	2/6/2027		8			8
SSHDC	16 Butler Drive 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	Putnam Green 625 Putnam Ave	Cambridge	2/10/2011	4/19/2012	4/18/2027		8			8
MBHP	Hearth at Olmstead Green	Dorchester	3/2/2011	5/1/2012	4/1/3027	15				15
RCAP	Bowers Brook	Harvard	1/11/2011	5/10/2012	5/9/2027	4				4
SMOC	Old High School Commons*	Acton	6/15/2011	7/1/2012	6/30/2027	3	3			6
HAC	Clay Pond Cove 101 Harmony Road*	Bourne	7/8/2011	9/1/2012	8/31/2027		8			8
SMOC	Summerhill Glen*	Maynard	N/A	9/1/2012	8/31/2027		89			89
SMOC	Wilkins Glen*	Medfield	N/A	9/1/2012	8/31/2027		82			82

RAA	Project	Community	AHAP Date	HAP Start Date	HAP End Date	Elderly or Disabled	Family	Homeless Indiv.	Supp. Services	Total PBV
BHDC	Rice Silk Mill* 55 Spring Street	Pittsfield	8/5/2011	10/1/2012	9/30/2027		5			5
RCAP	Fitchburg Place* 16 Prichard Street	Fitchburg	9/15/2011	10/1/2012	9/30/2027	8				8
MBHP	Winter Gardens* 44 Winter Street	Quincy	8/11/2011	11/15/2012	11/14/2027	3	3			6
RCAP	Water Mill*	Leominster	10/1/2011	12/1/2012	11/30/2027	2	6			8
MBHP	75 Cross Street*	Somerville	3/29/2012	12/1/2012	11/1/3027				8	8
RCAP	KGH Phase 4* Hammond Street	Worcester	10/1/2011	12/13/2012	12/12/2027	3	2			5
MBHP	Highland Terrace* 47-55 Garish St	Chelsea	9/26/2011	1/15/2013	1/14/2028	3	5			8
SMOC	Sudbury Duplexes*	Sudbury	2/14/2012	1/22/2013	1/21/2028		11			11
HAP	221 Bay St* Tapley Court	Springfield	7/1/2012	4/1/2013	3/31/2028	1	7			8
CTI	Holcroft Park Homes* Phase II	Beverly	5/8/2012	4/23/2013	4/22/2028	2	6			8
RCAP	North Village*	Webster		5/1/2013	4/30/2028		67		67	134
CTI	Wadleigh House* 170 Main Street	Haverhill	7/16/2012	6/1/2013	5/31/2028				7	7
CTI	Pleasant St. Apts.*	Beverly	10/15/2012	6/1/2013	5/31/2028				32	32
HAC	Kings Landing*	Brewster	N/A	6/1/2013	5/31/2028		78			78
SSHDC	Dept Crossing*	Wareham	11/15/2011	6/7/2013	6/6/2028		8			8
SSHDC	Oscar Romero* 24 Allen St	New Bedford	6/25/2012	6/10/2013	6/9/2028	4	3		1	8
TOTALS						319	1056	73	284	1732

*Indicates PBV developments placed under HAP contract for the first time in FY2013. 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 115,000 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	426	Tenant-Based Vouchers for low-income clients with disabilities
C.707 Rental Assistance (DMH&DPH)	1,219	Project-Based Vouchers for low-income clients with disabilities
MRVP	7,366	Tenant – and Project-Based Vouchers for low-income households
Sec 8 Mod Rehab	1,096	Project-Based Vouchers for low-income households
Sec 8 New Construction	1,055	Project-Based Vouchers for low-income households
Sec 8 Substantial Rehab	711	Project-Based Vouchers for low-income households
Shelter Plus Care	248	Tenant-, Project- and Sponsor-Based Vouchers

Housing Program	# of Units/ Households Served	Program Type
State-Funded Public Housing HOME	46,635 6,532	for homeless clients with disabilities Public Housing Production and preservation of housing for low- and moderate income households
LIHTC	49,968	Tax Credit Affordable Housing
TOTAL	115,256	

B. Leasing Information – Planned vs. Actual

During Fiscal Year 2013, DHCD served 20,093 households which exceeded the Annual Plan's leasing projection of 19,569. Table 4 provides information on planned versus actual leasing.

Table 4: Planned vs. Actual Leasing for FY 2013

	Vouchers Allocated as of 6/30/13	Planned Leasing on 6/30/13	Actual Leased on 6/30/13	Actual Percentage Leased
MTW				
MTW Vouchers*	19,641	18,930	19,376	99%
Other Households Served through MTW Broader Uses of Funds Authority**			103	N/A
MTW Sub-Total	19,641	18,930	19,479	99%
Non-MTW				
FUP	187	183	179	96%
VASH	392	278	312	80%
Five Year Mainstream	75	73	73	97%
Tenant Protection Vouchers	294	105	50	17%
Non-MTW Sub-Total	948	639	614	65%
TOTAL ALL PROGRAMS	20,589	19,569	20,093	98%

*Actual leased figure includes 1,476 PBV vouchers under lease. Vouchers allocated total includes 183 RAD vouchers awarded in FY 2013.

** 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.

Table 4 indicates that the total number of households served exceeded projections by 566 units. Overall leasing was approximately 98%.

Utilization of remaining enhanced vouchers was very low as these vouchers were not awarded to DHCD until the last quarter of FY 2013, i.e. May and June 2013. DHCD exceeded its projection of serving 278 eligible veterans through the VASH program, with a total under lease of 312 by the end of the fiscal year. However, overall VASH utilization was at 80% as of June 30, 2013 because a 32 unit VASH PBV in Beverly just started lease-ups in June (18 units were occupied as of 7/1/13). 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.

Utilizing its Tenant Based vouchers, DHCD continued to operate a substantial statewide Project Based Voucher program. In the FY 2013 Annual Plan, DHCD projected a total of 1,233 PBV units would be leased by June 30, 2013. A total of 1,476 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 2013.

Table 5: New Project Based Voucher (PBV) Developments Placed Under HAP in FY 2013

RAA	Project	Community	AHAP Date	HAP Start Date	HAP End Date	Elderly or Disabled	Family	Homeless Indiv	Supp. Services	Total PBV
SMOC	Old High School Commons*	Acton	6/15/2011	7/1/2012	6/30/2027	3	3			6
HAC	Clay Pond Cove 101 Harmony Road	Bourne	7/8/2011	9/1/2012	8/31/2027		8			8
SMOC	Summerhill Glen	Maynard	N/A	9/1/2012	8/31/2027		89			89
SMOC	Wilkins Glen	Medfield	N/A	9/1/2012	8/31/2027		82			82
BHDC	Rice Silk Mill 55 Spring Street	Pittsfield	8/5/2011	10/1/2012	9/30/2027		5			5
RCAP	Fitchburg Place 16 Prichard Street	Fitchburg	9/15/2011	10/1/2012	9/30/2027	8				8
MBHP	Winter Gardens 44 winter street	Quincy	8/11/2011	11/15/2012	11/14/2027	3	3			6
RCAP	Water Mill	Leominster	10/1/2011	12/1/2012	11/30/2027	2	6			8
MBHP	75 Cross Street	Somerville	3/29/2012	12/1/2012	11/1/3027				8	8
RCAP	KGH Phase 4 Hammond Street	Worcester	10/1/2011	12/13/2012	12/12/2027	3	2			5
MBHP	Highland Terrace 47-55 Garish St	Chelsea	9/26/2011	1/15/2013	1/14/2028	3	5			8
SMOC	Sudbury duplexes	Sudbury	2/14/2012	1/22/2013	1/21/2028		11			11
HAP	221 Bay St Tapley Court	Springfield	7/1/2012	4/1/2013	3/31/2028	1	7			8
CTI	Holcroft Park Homes Phase II	Beverly	5/8/2012	4/23/2013	4/22/2028	2	6			8
RCAP	North Village	Webster		5/1/2013	4/30/2028		67		67	134
CTI	Wadleigh House 170 Main Street	Haverhill	7/16/2012	6/1/2013	5/31/2028				7	7
CTI	Pleasant St. Apts.	Beverly	10/15/2012	6/1/2013	5/31/2028				32	32
HAC	Kings Landing	Brewster	N/A	6/1/2013	5/31/2028		78			78
SSHDC	Dept Crossing	Wareham	11/15/2011	6/7/2013	6/6/2028		8			8
SSHDC	Oscar Romero 24 Allen St	New Bedford	6/25/2012	6/10/2013	6/9/2028	4	3		1	8
						29	383	0	115	527

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 81% 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	20,345	100%
Income		
Extremely low income <30% AMI	16,563	81%
Very low income >30% but <50%	2,927	14%
Low income >50% but < 80%	550	3%
Above Low Income >80%	63	0%
Income Data Not Available	242	1%
Family Type		
Elderly, No Children, Non-Disabled	753	4%
Elderly, with Children, Non-Disabled	65	0%
Non-Elderly, No Children, Non-Disabled	2,221	11%
Non-Elderly, with Children, Non-Disabled	7,102	35%
Elderly, No Children, Disabled	2,006	10%
Elderly, with Children, Disabled	158	1%
Non-Elderly, No Children, Disabled	5,496	27%
Non-Elderly, with Children, Disabled	2,544	13%
Race for Head of Household		
White Only	14,376	71%
Black/African American Only	5,239	26%
American Indian or Native Alaska Native Only	144	1%
Asian Only	350	2%
Native Hawaiian/Other Pacific Islander Only	41	0%
White, Native Hawaiian/Other Pacific Islander	13	0%
White, Black/African American Only	63	0%
White, Asian Only	24	0%
Any Other Combination	95	0%
Ethnicity for Head of Household		
Hispanic or Latino	6,582	32%
Non-Hispanic or Latino	13,763	68%
Household Size		
1 person	6,970	34%
2 persons	5,046	25%
3 persons	3,990	20%

	# of Participants	% of Total Participants
4 persons	2,530	12%
5 persons	1,202	6%
6 persons	402	2%
7 persons	130	1%
8 persons	55	0%
9 persons	12	0%
10+ persons	8	0%
Voucher Size		
0 bedrooms	485	2%
1 bedroom	6,377	31%
2 bedrooms	6,413	32%
3 bedrooms	5,513	27%
4 bedrooms	1,305	6%
5+ bedrooms	252	1%

*Data from DHCD central database on 9/24/13.

C. Waiting List Information

As of June 30, 2013 there were 85,834 households on the Housing Choice Voucher Program waiting list as summarized in Table 7.

As was described in previous Annual Plans, DHCD is in the process of making changes to the waiting list methods used for PBV developments. The revised policy will allow project owners to maintain site-based waiting lists with DHCD approval. DHCD has begun the process of establishing site based waiting lists for some of its newer PBV developments. As the process continues, 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 6/30/12 (5)		As of 6/30/13	
	# of families	% of total families	# of families	% of total families
Waiting List Total	72,093	100%	85,834	100%
Income (1)				
Extremely low income <30% AMI	65,810	91.3%	77,546	90.3%
Very low income >30% but <50%	5138	7.1%	6764	7.9%
Low income >50% but < 80%	520	0.7%	841	1.0%
>=80%			424	0.5%
Family Type				
Families with children (2)	45,252	62.8%	53,980	62.9%
Elderly families (3)	3614	5.0%	4335	5.1%
Families with disabilities (3)	22,444	31.1%	26,485	30.9%
Race/ethnicity (4)				
White/Hispanic	7608	10.6%	9030	10.5%
White/non-Hispanic	22,515	31.2%	26,099	30.4%
White/no ethnicity specified	3272	4.5%	3985	4.6%
Black/African American/Hispanic	1251	1.7%	1554	1.8%
Black/African American/non-Hispanic	13,153	18.2%	15,408	18.0%
Black/African American/no ethnicity specified	2663	3.7%	3177	3.7%
American Indian/Alaskan Native/Hispanic	165	0.2%	202	0.2%
American Indian/Alaskan Native/non-Hispanic	839	1.2%	994	1.2%
American Indian/Alaskan Native/no ethnicity specified	110	0.2%	118	0.1%
Asian or Pacific Islander/Hispanic	101	0.1%	121	0.1%
Asian or Pacific Islander/non-Hispanic	1278	1.8%	1459	1.7%
Asian or Pacific Islander/no ethnicity specified	342	0.5%	376	0.4%
Native Hawaiian/Other Pacific Islander/Hispanic	637	0.9%	761	0.9%
Native Hawaiian/Other Pacific Islander/non-Hispanic	390	0.5%	443	0.5%
Native Hawaiian/Other Pacific Islander/no ethnicity specified	80	0.1%	91	0.1%
Hispanic, no race specified	16,101	22.3%	19,057	22.2%
Non-Hispanic, no race specified	1880	2.6%	2301	2.7%
No race or ethnicity specified	1441	2.0%	2712	3.2%

(1) Based on HUD income limits effective 12/11/12. Income not available for out of state applicants.

(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 2013, 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 2013.

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

Sources	Estimated Amount	Actual Amount
HUD Subsidy – VASH	\$2,010,600	\$2,582,000
HUD Subsidy – FUP	1,980,000	2,075,000
HUD Subsidy – Five Year Mainstream	715,000	745,029
HUD Subsidy Enhanced Vouchers	1,174,344	519,571
HUD Administrative	733,000	741,800
Non-MTW Sources Total	\$6,612,944	\$6,663,400
Uses		
HAP Payments	\$5,879,944	\$5,921,600
Administrative	733,000	741,800
Non-MTW Uses Total	\$6,612,944	\$6,663,400

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

- VASH – The increase over budget is due to the new allocation of VASH vouchers in mid-year.
- Enhanced Vouchers – The actual funding for Enhanced Vouchers was less than budget due to transferring units to MTW units after the first year of funding.
- Overall – Estimated sources were calculated prior to notification by HUD of DHCD’s actual funding levels.

B. Description of Non-MTW Activities

The following Non-MTW activities were implemented or continued in FY 2013:

Changes in Inspection Policies

In FY 2013 DHCD implemented policies which served to limit the number of times a tenant can reschedule an HQS Inspection. The tenants are allowed to reschedule each HQS inspection once without good cause. Additional requests to reschedule must be accompanied by verification of the cause which dictates rescheduling of the inspection. Failure to provide documentation of good cause for the rescheduled inspection will result in a warning on the first offense and

termination subject to DHCD termination policies for additional offenses.

DHCD also modified the policies related to a tenant's failure to provide access for scheduled HQS inspections. If a tenant does not provide access or arrange for access for the scheduled HQS inspection, DHCD will call this an "HQS No-Show" violation. Each RAA will review case history to determine the first action to be taken for an HQS no-show. If a tenant is a no show, the RAA may request a conference. On additional no-shows, without good cause, the RAA will propose termination and proceed according to DHCD termination policies. This policy applies to participants with both MTW and Non-MTW vouchers. Exceptions will be reviewed on a case by case basis.

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/HCVP 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 2013, DHCD has an allocation of 392 VASH vouchers of which 360 are Tenant-Based and 32 are Project-Based.

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 (AOP). 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. While FUP is not part of the MTW block grant, DHCD applies MTW operating flexibility to FUP. As the FUP program was not impacted by sequestration in FY 2013, DHCD continued leasing turn-over vouchers to FUP-AOP participants and maintained a steady flow of participants to its MTW Youth Transition to Success Program.

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:

- Bedford: 56 units targeted to homeless veterans;
- Worcester: 38 units for homeless individuals;
- Gardner: 15 units targeted to homeless veterans;
- Haverhill, 19 units targeted to homeless veterans; and
- Springfield 44 units targeted to homeless individuals.

FSS

In FY 2013, DHCD continued to operate its Family Self-Sufficiency (FSS) Program, which served a total of 932 families. Of those families, 275 (30%) had positive escrow balances. The average escrow balance at graduation was \$9,095. The average increase in earned income over the term of the FSS Contract of Participation was \$11,163.

811 Project-Based Rental Assistance Demonstration Program (811 PRAD)

DHCD received one hundred (100) 811 PRAD vouchers in FY 2013. These vouchers will serve four priority populations of non-elderly disabled households. The target populations for this program, among individuals who are otherwise eligible for the units, are as follows, in priority order:

- Persons in institutions enrolling in the state's Money Follows the Person demonstration program (MFP);
- Persons in institutions who are not eligible for MFP, but are eligible for one of the state's home and community-based services (HCBS) waivers;
- Persons in institutions who are not eligible for either MFP or a waiver, but who are eligible for Medicaid State Plan services; and
- Persons living in the community who are receiving services through a waiver.

DHCD will distribute the vouchers through funding rounds with its Housing Development Department and through a Request for Responses through the Bureau of Rental Assistance.

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 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.

In light of federal funding cutbacks, including sequestration, DHCD will continue to actively explore and analyze options in order to minimize negative impacts on current and future program participants.

V. Proposed MTW Activities

DHCD is required to report on MTW activities proposed in the Plan year, but not yet implemented. There were two new initiatives approved in the FY 2013 Plan, both of which were implemented in FY2013 as discussed in Chapter VI.

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, SNAP, 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 receive 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 receive 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 2013, DHCD planned revisions and updates to this program. The program, going forward, will be referred to as the Family Economic Stability Program (FESP) and will provide deeper, more focused support to participants. During the program revision and update process, existing participants continue to receive supports and services, but no new applications are being accepted. Additionally, program size was reduced in South Worcester County to 70 participants and to 60 participants in Greater Boston. This reduction was in response to sequestration and because DHCD chose not to enroll new participants in light of the planned program changes. A new program budget, administrative plan and goals/outcomes are being developed and it is anticipated that these changes will be fully implemented in FY 2014.

In FY 2013 DHCD also reviewed program metrics and implemented revisions to the benchmarks used to monitor program progress. The revised metrics more accurately reflect program design and objectives.

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. Program benchmarks were further reviewed and revised in FY 2013 and are included in the chart below. The revised metrics reflect program design and objectives.

Metric	Baseline	Benchmarks	FY 2013 Results – MBHP	FY 2013 Results – RCAP
Total number of participants	0	130	30	68
Number of participants who graduated	0	MBHP– 6 RCAP - 18	9	18
Number of terminated/withdrawn participants	0	0	1	13
Number of participants who increased earned income since enrollment. Breakdown of increases in earned income is outlined below.	0	12% over 5 years	11 37%	31 46%
• Up to 10%			1	8
• Between 11% and 20%			1	5
• Between 21% and 30%			2	4
• Between 31% and 40%			0	2
• Between 41% and 50%			2	1
• Between 51% and 100%			3	6
• Between 101% and 200%			2	2
• More than 200%			0	3
Number of participants who are increasing educational capacity (ESL, GED, some college, Associate's Degree, Bachelor's Degree, Master's Degree) since enrollment	0	MBPH – 4 RCAP - 14	10 33%	45 66%
Number of participants whose income decreased since enrollment	0	0	15 50%	27 40%
Number of participants whose income remained the same	0	0	4 13%	10 15%

* 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. Fifty percent and forty percent of participants, at MBHP and RCAP respectively, experienced a decrease in income. These decreases are largely due to the economic climate. The unemployment rate in the Boston area has traditionally been below the national average; however, Boston's unemployment rate in 2013 shows a steady rise and is almost at the same rate as the national average. Fifty six percent of participants have either completed or are enrolled in education and/or job training programs. It is anticipated that as participants complete these programs earned income will increase.

D. Revisions to Metrics or Benchmarks

DHCD revised the metrics for this activity to better reflect program design and goals and to address the impact of sequestration.

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

Under this initiative, owner/managers of PBV developments authorized by DHCD will be responsible for all PBV waiting list intake and management functions. Generally, DHCD will require PBV owners to assume and manage these functions; however, exceptions may be made at DHCD’s option. Under the new system, 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 is occurring in stages, with new PBV projects being the first to assume waiting list management responsibilities, followed by projects managed by larger and/or more experienced management companies. For existing PBV developments, all current applicants will maintain their waiting list places; however, the waiting list will be updated prior to transitioning to the owner/managers. During the transition period, waiting lists may be temporarily closed. 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 for each respective project and conformance to fair housing guidelines.

All PBV developments utilizing the new waiting list management methods are required to modify their tenant selection plans and other documents as needed, and must administer the waiting list in conformance with DHCD’s Affirmative Fair Housing Marketing Plan and all other applicable HUD Fair Housing regulations and guidance.

During FY 2013, DHCD approved owner-maintained PBV waiting lists for seven (7) project representing 414 PBV units. Going forward, DHCD anticipates that most new PBV projects will request permission to have owner-maintained waiting lists.

B. Impact of Activity and Progress in Meeting Benchmarks

Metric	Baseline	Benchmark	FY 2013 Results
Reduction in staff time expended to support re-occupancy of PB units.	2.75 hours of staff time estimated to support re-occupancy of each PBV unit	77 hours in staff time savings estimated 275 new PB units per year will have owner managed SBWLs. Estimated turnover rate of 10% or 28 units to be re-occupied per year.	113 hours in staff time savings estimated 414 new PB units with owner managed SBWL. Estimated turnover rate of 41 units per year.

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.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 FY2013, three (3) exception payment standard requests were received and all three of the requests were granted. Two of the three requests were granted on the same day the request was received. The third request took seven days.

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 2013 and two were processed within the established benchmark timetable.

Metric	Baseline	Benchmark	FY 2013 Results
Time to approve reasonable accommodation-related payment standard exception requests	10 business days	3 business days	3 requests received and 2 were 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

One reasonable accommodation payment standard request was processed in seven days as a result of a request for further information. Once the information was received, a determination was made the following day.

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.

In the first year of the program, BHDC established an initial cap of five units per owner per year, and a total program cap of seven percent of BHDC's voucher allocation (approximately thirty-eight units). The annual cap for year two of the demonstration was increased to ten units per owner and a total of forty units. The incentive was and remains capped at \$1,700 per unit.

Detailed policies and procedures for this initiative were developed for the initial year of the program and revised for the second year of the program. No further adjustments have been made to the program.

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. Given the success of the program in Berkshire County, DHCD will assess the feasibility of expanding it to other regions using the same program parameters.

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 units 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 15 units with upgraded conditions by the fifth year of the program has been exceeded. As of FY 2013, the fourth year the program has been in operation, 16 units have been upgraded at least one grade. The goal of leasing units outside of Pittsfield has been exceeded; however, this gain is not entirely attributable to the Owner Incentive Fund initiative. Five additional units were leased outside of Pittsfield in FY 2013 which equates to a total of 21% of BHDC’s portfolio consisting of units leased outside of Pittsfield.

Metric	Baseline	Benchmarks	FY 2010 Results	FY 2011 Results	FY 2012 Results	FY 2013 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	6
Upgrade unit from “B” to “A” grade	0		0	0	1	0
Upgrade unit from “C” to “A” grade	0		0	1	0	0
Units leased as “A” grade	0		0	0	4	9
Accessible units as a % of BHCD portfolio	<1%	3% by year 5	>1%	>1%	<1% (n=5)	<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	28%	30%	26%	25%

**Results have been revised to reflect further analysis of leasing data.*

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.

B. Impact of Activity and Progress in Meeting Benchmarks

This activity helps to support other DHCD MTW initiatives where DHCD needs to modify standard HUD forms in order to support the MTW activity. To date, DHCD has implemented modifications to the PBV standard HAP and AHAP forms as needed to incorporate relevant MTW provisions. The revised forms have been implemented at two expiring use projects. In FY 2014, DHCD will continue to utilize this authority as needed.

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.

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. 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. In FY 2014, DHCD may begin implementation of this activity pending the outcome of discussions among affordable housing advocates and other state agencies.

B. Impact of Activity and Progress in Meeting Benchmarks

DHCD has not implemented this activity to date. 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.

DHCD has conducted research concerning educational outcomes of school age children. Using this research to identify Opportunity Neighborhoods, DHCD may implement a pilot mobility program to increase access to communities with high quality school districts in one or more of DHCD’s eight regions.

During the past fiscal year, DHCD has worked with local graduate students to review this data and finalize the design of the “Opportunity Neighborhood” Program. In its current form, the program will offer revised payment standards, longer housing search periods, security deposit assistance, and move assistance to support moves to communities with high quality schools. In FY 2014, DHCD plans to complete the program design process.

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

Commencing midway through FY2013, DHCD began to phase in modifications to its HQS inspection policies and procedures to allow for biennial inspections under certain defined circumstances. Under the new policy, tenant-based units that pass an annual inspection on the first attempt are placed on a biennial inspection cycle. In subsequent years, units must continue to pass on the first inspection attempt to remain on a biennial inspection cycle. If deemed necessary, DHCD may consider other related factors, including but not limited to the severity of the repair. DHCD also reserves the right to change any units’ inspection frequency based upon management discretion.

DHCD intends to put all project-based units on a biennial inspection cycle. At DHCD’s management discretion, each project-based building will either have all of its units biennially on the same schedule or half the units will be inspected each year. DHCD will track the percentage of units that do not pass HQS inspection at each site and adjust inspection frequency accordingly. DHCD also reserves the right to change any units’ inspection frequency based upon management discretion.

In tandem with this effort, 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. A key driver is to more firmly establish DHCD’s statewide inspection staff as a valuable and accessible resource to property owners in their respective regions that will result in new owner participation and a continued listing of quality housing for program participants.

In FY 2014, DHCD will continue to implement this initiative. The initial phase-in effort will be completed in October 2013. Based on the results of this implementation, DHCD may elect to further modify this initiative to meet the original goals: creating administrative efficiencies while continuing to ensure HQS compliance; expanding pro-active landlord and tenant training efforts; and, improving housing choice for tenants in good quality units.

B. Impact of Activity and Progress in Meeting Benchmarks

DHCD has established metrics and benchmarks for this initiative as shown below.

Metric	Baseline	Benchmarks	FY 2013 Results
Average number of hours per unit required by staff to perform annual HQS annually (Tenant-Based)	Baseline Units: 19,885 Baseline Hours: 29,827 Estimate of 1.5 hours of staff time per unit per year	30% reduction in staff time 20,880 hours to complete inspections 13,920 units inspected	Insufficient Data
Average number of hours per unit required by staff to perform annual HQS annually (Project-Based)	Baseline Units: 1,289 Baseline Hours: 1,933 Estimate of 1.5 hours of staff time per unit per year	50% reduction in staff time 967 hours to complete inspections 644 units inspected	Insufficient Data

C. Explanation if Benchmarks Were Not Achieved

This initiative was in effect for less than six months of the fiscal year, therefore efficiencies and savings for FY 2013 were limited to only a portion of the units and Project-Based portfolio. As such, FY 2013 results cannot adequately be compared to established benchmarks.

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.

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 5.

Activity 2011-4: Biennial Recertifications

A. Description and Update of Approved Activity

DHCD initially planned to apply the biennial recertification policy to households on fixed income only; however, DHCD subsequently modified the initiative in the FY 2012 Annual Plan. The modified initiative includes the following recertification policies:

- Allow biennial recertifications for all MTW households;
- Limit the number of voluntary interim recertifications that a MTW family may complete between biennial recertifications to one every six months. Required interim recertifications (i.e., for changes in family composition or otherwise required by the agency) will not count against the limit. Elderly and disabled households will be exempt from this provision and will be able to complete an interim recertification at any time; and
- Allow household self-certification of assets valued up to \$50,000 and the exclusion of the income from these assets. When assets are valued at over \$50,000, verification will be required. For assets with market/face value in excess of \$50,000, DHCD will calculate asset income by taking the market/face value and multiplying that value by the established passbook savings rate. At the present time, less than .001% of DHCD's current participants report assets at greater than \$50,000.

Any household that believes they would benefit by an annual recertification may request an annual income recertification.

DHCD continues to utilize the Enterprise Income Verification (EIV) system for screening of applicants and new household members and during the regular and interim recertification process. The EIV system's existing tenant search, prior debt and adverse termination reports are run for applicants and new household members. EIV Income reports are used to verify and calculate SS, SSI benefits and Medicare insurance premiums, but are not generally used to calculate earned income and unemployment benefits. EIV income reports are used to validate income from sources such as wages and unemployment benefits. EIV income reports are also used during the regular and interim reexamination process to identify any current and/or prior discrepancies between tenant-reported income and income shown in the EIV system. EIV is also used to verify that families claiming zero income are not receiving income from any of the EIV reported sources. DHCD utilizes the EIV Identity Verification Reports on a continuous basis for ID discrepancy matching errors with respect to PIC50058-MTW as a primary compliance tool after conversion from conventional PIC50058. The EIV Deceased Tenant Report is monitored by DHCD on a weekly basis.

All rent simplification policies were implemented in FY 2012. In FY 2013, DHCD focused its efforts on assessing compliance with the new policies and providing support and training as needed. In FY 2013 DHCD exceeded its benchmark to reduce staff hours for processing recertifications by 30%. This change was as a result of a reduction in reexams and the reduction in hours per reexam.

B. Impact of Activity and Progress in Meeting Benchmarks

DHCD has established combined metrics and benchmarks for this initiative and the biennial recertification initiative.

Metric	Baseline	Benchmark	FY 2013 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	20% reduction in staff time 2 hours per participant
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	52% reduction in staff time 23,046 hours to process all recertifications. 11,523 actual reexams

C. Explanation if Benchmarks Were Not Achieved

The established benchmark is a 30% reduction in staff time per participant. DHCD achieved a 20% reduction in staff time per participant in year one of this initiative. It is anticipated that in FY 2014 staff time will be further reduced as all staff will have had ample opportunity to apply and become proficient with the new policies.

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, through its MTW program intends to design and implement a time-limited 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 current stipend program DHCD currently administers in MBHP and RCAP's region, this initiative will provide 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.

During the previous year, DHCD and the Department of Children and Families (DCF) met regularly to plan this program, the Youth Transition to Success Program (YTTSP). DHCD staff completed the administrative elements of the YTTSP Program: an Administrative Plan was written; a model lease and HAP Contract were drafted and approved by DHCD's legal department; and a Memorandum of Understanding between DHCD and DCF was drafted.

The three-year YTTSP Program will provide participants with:

- A flat rental subsidy that steps down annually by 15%;
- A matched savings account; and
- An annual support budget of \$500 for expenses related to sustaining employment and meeting educational goals.

In FY 2012, DHCD launched the program and began assisting targeted youth. As of June 30, 2013, ten participants had enrolled in the program. One participant has already graduated and one participant was terminated from the program. The participants who graduated or who are currently enrolled in the program have all maintained employment, enhanced their education, and increased their asset base through savings. Together, DCF and DHCD will continue to work to ensure participants transition smoothly from the 18 month voucher to the new three year YTTSP Program.

B. Impact of Activity and Progress in Meeting Benchmarks

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

Metric	Baseline	Benchmark	FY 2013 Results
Number of participants who increased their educational capacity	0 participants	90% of participants	Nine (9) participants (90%) have increased their educational capacity through enrollment in post-secondary education programs
Number of participants who maintained employment	0 participants	90%	Nine (9) participants (90%) have maintained employment
Number of participants who increased their asset base through savings		70% will establish and/or maintain savings accounts	Nine (9) participants (90%) have established or maintained savings accounts
Number of participants who maximized matching savings	0 participants	70% will maximize matched savings (\$600 savings/\$2400 escrow)	Nine (9) participants (90%) have maximized matched savings
Number of participants who graduated from the program	0 participants	90%	One (1) participant graduated from the program
Number of participants who were terminated from the program	0 participants	0 participants	One (1) participant terminated from the program

C. Explanation if Benchmarks Were Not Achieved

N/A

D. Revisions to Metrics or Benchmarks

DHCD has revised the metrics for this initiative. DHCD wishes to encourage participants to focus on school and improving skills while maintaining employment. Accordingly, DHCD has removed the metric to increase earned income and replaced this metric with a benchmark to maintain employment. DHCD has removed the metric regarding improving credit score as the tenure in the program is not long enough to support attainment of this goal. Additionally, DHCD has modified the metrics on assets and maximizing matched savings to reflect two separate metrics, one to increase the asset base and the other to maximize matched savings. Finally, DHCD will add a benchmark for number of participants who graduate successfully from the program and number of participants who are terminated from the program.

DHCD will continue to conduct periodic reviews of 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.

While the revised Utility Allowance schedules are still under development, DHCD expects that any changes to the Utility Allowance schedule will simplify the existing schedule. This may be done by removing multiple building types and fuel type categories and/or eliminating all or some utility allowances. Regardless of the final model, the goal of these revised schedules will be twofold: in addition to simplifying the designation for staff and reducing Utility Allowance calculation (and potentially rent calculation) errors, a simplified Utility Allowance Schedule will enable clients to better understand the rent calculation process and seek an appropriately priced unit at lease-up.

In FY 2013 DHCD explored models that would eliminate all utility allowances except for heat. Impact analyses are underway and it is anticipated that DHCD will make a determination on changes to the provision of utility allowances during FY 2014.

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 intends to reduce the incidence of outstanding checks, and alleviate the need for finance staff to spend time and resources reconciling these accounts.

The facet of this initiative that ceases Utility Assistance Payments of \$25 or less was implemented in FY 2012. In FY 2013, DHCD focused its efforts on assessing compliance with this facet of the initiative along with the other new recertification policies and rent simplification strategies.

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 more than \$25 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 implemented this activity in January of FY 2012. During the first year of implementation there was a 78% decrease in UAPs not cashed, which exceeded the 50% benchmark. DHCD will continue to monitor un-deposited UAPs and may modify this initiative based upon further experience with un-deposited UAPs, including increasing the threshold for minimum UAP payment.

Metric	Baseline	Benchmarks	FY 2013 Results
Utility Allowance related errors found during file reviews	5% of participant files reviewed (estimate) have errors	4% of files reviewed have errors	Not implemented
Outstanding (uncashed) checks	1,020 annually (estimate)	50% reduction (n=510)	78% reduction in UAPs not cashed UAPs over \$25: 426 Not Cashed: 220

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

D. 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.

All rent simplification policies were implemented in FY 2012. In FY 2013, DHCD focused its efforts on assessing compliance with the new policies and providing support and training as needed. In FY 2013 DHCD exceeded its benchmark to reduce staff hours for processing recertifications by 30%. This change was as a result of a reduction in reexams and the reduction in hours per reexam.

E. Impact of Activity and Progress in Meeting Benchmarks

DHCD has established combined metrics and benchmarks for this initiative and the biennial recertification initiative.

Metric	Baseline	Benchmark	FY 2013 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	20% reduction in staff time 2 hours per participant
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	52% reduction in staff time 23,046 hours to process all recertifications. 11,523 actual reexams

F. Explanation if Benchmarks Were Not Achieved

The established benchmark is a 30% reduction in staff time per participant. DHCD achieved a 20% reduction in staff time per participant in year one of this initiative. It is anticipated that in FY 2014 staff time will be further reduced as all staff will have had ample opportunity to apply and become proficient with the new policies.

G. 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.

H. Revisions to Data Collection Methodology

N/A

I. Describe Authorizations Used if Different than Proposed in Plan

N/A

J. 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, for each RAA, DHCD established an annual target number of vouchers available to PBV households who have requested a tenant-based voucher. The annual target number is equal to the total number of turnover vouchers from the prior year for each RAA multiplied by the percentage of PBV units managed by the RAA. 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;
- Households that can document the need to move in order to obtain or maintain employment; and
- 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 implemented this activity in January 2012. The first full year of implementation was FY 2013. As of June 30, 2013 there were 125 applicants on the PBV opt-out waiting list. Due to funding issues, DCHD was not issuing vouchers and as such the reduction in opt-out vouchers issued is due largely to impact of sequestration and not to the provisions in this initiative.

Metric	Baseline	Benchmark	FY 2013 Results
Decrease in staff hours	Approximately 33 PBV clients are issued tenant-based vouchers in any given year. On average 3 hours of staff time is needed to process a PB opt-out.	5% reduction in staff time spent on processing PBV discretionary moves	4 PB clients were issued opt-out vouchers resulting in an 88% savings in staff time

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.

Activity 2012-4 Expiring Use Preservation Initiative

A. Description and Update of Approved Activity

DHCD has begun to implement an initiative designed to preserve the long-term affordability of expiring use properties. This affordable housing preservation tool makes use of the resources provided by HUD in the form of Enhanced and Tenant Protection Vouchers to continue the affordability of the units in these projects by converting eligible units immediately to Project-Based Units with a 15 year affordability period.

DHCD may consider the following criteria when determining eligibility of projects for conversion:

- Located in neighborhoods which offer economic and educational opportunities and relatively low concentrations of poverty;
- The cost per unit will ensure long-term viability for both DHCD and the Project;
- The cost per unit will generally fall within DHCD's then current PBV MTW voucher per unit cost;
- There is substantial community and tenant support for units to be converted to Project-Based Units as documented by the Project developers;
- The Project Developer must request from HUD that DHCD be the Administrator of the Enhanced Vouchers resulting from the conversion action;
- Prior to HUD designation of DHCD as Administrator of the Enhanced Vouchers, an initial survey of residents of each development will be conducted to gauge interest in participating in the PBV program. Results will be forwarded to HUD. Based on the results, HUD will decide whether to assign the Administrator duties to DHCD or to the Local Housing Authority; and,
- The Project Developer agrees to participate in and support MTW-related self-sufficiency activities for the tenants of the project. The type and extent of support provided will be determined by site. For example, a project may provide case management services to its MTW residents.

DHCD may modify the selection criteria listed above at its discretion, and may place limitations on the number, types and/or characteristics of units to be supported under this initiative. In addition, tenants of the development who are eligible to receive vouchers are given the option to receive an Enhanced Voucher or to have their unit converted to a Project-Based voucher. DHCD requires that tenants of impacted projects be provided with detailed information so that they can make an informed choice.

Pursuant to HUD's 2012 updated guidance on the use of special purpose vouchers, DHCD may apply MTW operating flexibilities to Enhanced Vouchers upon issuance provided that these flexibilities do not infringe on the protections applied to Enhanced Voucher households pursuant to HUD regulations and notices. Operating flexibilities that may be applied to Enhanced Vouchers include, but are not limited to, biennial recertifications, biennial inspections, rent simplification (provided that it does not infringe on EV protections), and utility allowances. Until the Enhanced Voucher household either moves from the unit or is terminated from the program, they will continue to be subject to the Enhanced Voucher minimum rent policies,

including the applicable provisions related to income decreases. Enhanced Voucher income limits and payment standards will also continue to apply to these households. DHCD does not apply term limits to any of its Housing Choice Voucher participants.

For existing tenants on the conversion date who elect to receive a Project-Based Voucher and who are considered overhoused, DHCD may waive the subsidy standard policy, provided that there must be at least one household member for each bedroom in the apartment. In addition, tenants may request a reasonable accommodation if applicable. The only Enhanced Voucher provision which applies to tenants selecting the Project-Based option is the initial income eligibility requirement. DHCD’s other MTW PBV policies apply upon the conversion action, except for the following:

- Tenants who live in the development at the time of the conversion action and who select a PBV will be permitted to move after the first year of assisted tenancy following the conversion action. They will be added to the waiting list for a tenant-based voucher at that time if requested;
- Tenants who live in the development at the time of the conversion action and who select a PBV will not be subject to the limit on voluntary interim rent decreases; and,
- DHCD may 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.

During FY2013, DHCD finalized contracts for three (3) developments, representing 249 PBV units, under this initiative. In FY 2014, DHCD will continue to implement this program focusing on preserving additional affordable housing developments. Discussions with several other developers are ongoing and DHCD anticipates that four (4) additional developments, representing 294 units will be put under contract in FY2014. HUD has requested that DHCD administer an additional project, consisting of 46 units, under this initiative. Note that in DHCD’s FY2014 Plan, DHCD proposed, and HUD approved, modifications to this initiative to streamline administration and maximize the number of units benefiting from these efficiencies.

B. Impact of Activity and Progress in Meeting Benchmarks

Metric	Baseline	Benchmark	FY 2013 Results *
Number of housing units preserved for households at or below 80% AMI that would otherwise not be available.	0	Year One: 200 Year Three: 500 Year Five:1000	Year One: 249

**Results are subject to HUD’s award of enhanced vouchers for expiring use projects for DHCD.*

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.e., D.1.f., D.3.a., D.7.b., D.7.c.

Activity 2012-5 FSS Enhancements

A. Description and Update of Approved Activity:

DHCD will use its budgetary flexibility to use MTW funds to enhance the existing Family Self-Sufficiency (FSS) Program. These new features will encourage participation and successful completion of the program:

- Provide escrow funds for clients who would otherwise be ineligible for the escrow component of the FSS due to their level of earned income at the time they join the program;
- Establish a discretionary fund to assist FSS participants with short term assistance in order to enable household members to participate in employment or educational activities (i.e., funding for car insurance or child care, etc.);
- Set aside funding to reward families who choose to delay full-time employment in order to pursue education and/or training which will better prepare them to attain long-term self-sufficiency than immediate entry into the work force;
- Establish goal-specific incentive payments to be awarded when a family attains an established goal (i.e., completion of a GED, successful completion of a semester of college courses, etc.).

DHCD and RAA senior staff and FSS Coordinators met and discussed potential changes to the FSS program and the most effective strategies for implementing those changes. Due to the substantial level of activity associated with the RAA RFR process and follow-up training for other MTW initiatives described herein, DHCD did not implement the FSS enhancements in FY 2013. In January of 2014 DHCD expects to begin utilizing some or all of the strategies to strengthen the FSS program by improving the retention rate, increasing participants ability to access employment and or educational opportunities by providing “gap” funding to address financial barriers to employment, and increasing participants’ long-term economic capacity by providing incentives to encourage participants to complete education and training programs before entering the workforce.

B. Impact of Activity and Progress in Meeting Benchmarks:

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 B.1.b., paragraph E.

Activity 2013-1: Rent Reasonableness

A. Description and Update of Approved Activity:

In FY 2013, DHCD eliminated the requirement to re-determine the reasonable rent if there is a 5% decrease in the published Fair Market Rent (FMR) in effect 60 days before the contract anniversary date as compared to the FMR in effect 1 year before the contract anniversary.

Generally, a 5% or greater decrease in the published FMR compared to the FMR in effect 1 year before is not typical in Massachusetts. DHCD conducted an analysis of the year to year change in the published FMRs from 2006 to 2012 by FMR Area. Between 2006 and 2012, there was only one year where the majority of FMR areas experienced a 5% or greater decrease in FMR. Although infrequent, when this does occur, it places a significant administrative burden on RAA staff who must conduct reasonable rent determinations. Staff may also need to renegotiate rents and if negotiations are unsuccessful, tenants will be required to move, which will further increase the administrative burden on staff and place an onerous burden on tenants.

DHCD will continue to complete a reasonable rent determination when a unit is placed under HAP contract for the first time, when an owner requests a contract rent adjustment, and at any other time DHCD deems it necessary. As rent increases will continue to be allowed during the lease-prescribed time periods, DHCD assumes that owners will request a rent increase within market fluctuations as warranted. Therefore, DHCD believes that reasonable rent determinations will continue to be made with regular frequency.

B. Impact of Activity and Progress in Meeting Benchmarks: DHCD anticipated that eliminating this requirement would reduce the administrative burden associated with reasonable rent determinations and would complement the administrative efficiencies gained by biennial recertifications. Reducing the number of reasonable rent determinations saved agency staff both time and effort. As markets fluctuate, the potential burden on tenants who may be forced to move if the owner were not to agree to reduce the rent is limited. In FY 2013, 27% of the units were affected by a 5% or more decrease in FMR. Eliminating the requirement to conduct a RR determination resulted in an estimated savings of six (6) full time equivalents.

Metric	Baseline	Benchmark	FY 2013 results
Average number of hours, per S8 TBV unit, required by staff to perform reasonable rent determinations	Estimate of 3 hours of staff time per unit expended to conduct RR determinations. Approximately 35% of the units will be affected.*	Savings of almost 10 FTEs or 20,505 hours 6,835 units affected x 3 hours = 20,505 hours 20,505/2,080 (FTE) = 9.9 FTEs	Savings of 6 FTEs 4,078 or 27% of the units were affected by reductions in the 2012-2013 FMR 4,078 units affected 12,234 hours 6 FTE's

*Based on the 2011-2012 FMR

C. Explanation if Benchmarks were not Achieved:

DHCD forecasted that 35% of units would be affected by a 5% or more decrease in the FMRs. In FY 2013, only 27% of the units were affected by this change which impacted the anticipated

labor savings. The number of units affected by the policy change and the related labor savings are determined by the FMRs set by HUD in each of DHCD's jurisdictions.

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.

Activity 2013-2: PBV Rent Reasonableness

A. Description and Update of Approved Activity: In FY 2013, DHCD modified the requirement for conducting rent reasonableness for re-determined rents under the Project Based Voucher (PBV) program. Note that no change is proposed to the existing policy for determining initial rents, i.e. initial PBV rents will continue to be determined in conformance with the provisions of 24 CFR 983.301 through 983.305 as applicable.

Under the new policy, re-determined rents to owners of PBV units, *except for certain tax credit units as defined in 983.501(c)*, shall not exceed the lowest of the reasonable rent or the rent requested by owner. This policy change eliminates consideration of the then current Fair Market Rent (FMR) limits when re-determining PBV rents. DHCD also eliminated the requirement at 983.303(b) to re-determine the reasonable rents for PBV units whenever there is a five percent or greater decrease in the published FMR in effect sixty days before the contract anniversary as compared with the FMR in effect one year before the contract anniversary.

Affordable housing developers use the PBV commitment to secure project funding and project lenders assume rent trending when underwriting projects; therefore, this policy change will help to ensure the long-term viability and affordability of PBV developments while also promoting housing choice.

B. Impact of Activity and Progress in Meeting Benchmarks: DHCD anticipated that this policy change would eliminate the unnecessary effort associated with re-determining PBV rents in those instances where FMRs have decreased by five percent or greater, and will also help ensure the long term financial feasibility of PBV projects. In FY 2013, 16% of the units were affected by a 5% or more decrease in the FMR. Eliminating the requirement to conduct a RR redetermination resulted in an estimated savings of 786 hours or .4 full time equivalents.

Metric	Baseline	Benchmark	FY 2013 results
Average number of hours, per PB unit, required by staff to perform reasonable rent determinations	Estimate of 3 hours of staff time per unit expended to conduct RR determinations. Approximately 36% of the units will be affected.*	Savings of .6 FTE or 1331 hours 444 units affected x 3 hours = 1,332 hours 1,332/2,080 (FTE) = .6 FTEs	Savings of .4 FTE or 786 hours 262 or 16% of the units were affected by reductions in the 2012-2013 FMR 262 units affected 786 hours .4 FTE's

*Based on the 2011-2012 FMR

C. Explanation if Benchmarks were not Achieved:

DHCD forecasted that 36% of units would be affected by a 5% or more decrease in the FMRs. In FY 2013, only 16% of the units were affected by this change which impacted the anticipated labor savings. The number of units affected by this policy change and the related labor savings are determined by the FMRs set by HUD in each of DHCD's jurisdictions.

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. and D.7.

VII. Sources and Uses of Funding

DHCD's operates an MTW program that involves only Housing Choice Vouchers. There are no state and/or local funds used for MTW Program Activities. Table 10 provides projected and actual sources and uses for the MTW program for Fiscal Year 2013.

Table 10: MTW Sources and Uses: Estimated and Actual

Sources	Estimated Amount	Actual Amount
HUD Subsidy – MTW Housing Choice Voucher*	\$207,607,000	\$207,540,000
Administrative	15,586,000	14,150,000
MTW Sources Total	\$223,193,000	\$221,690,000
Uses		
HAP Payments	\$203,300,000	\$203,100,000
Administrative	19,073,786	18,795,000
MTW Local Initiatives**	1,450,000	719,360
MTW Uses Total	\$223,823,786	\$222,614,360

*Includes all PBV units

** The MTW Local Initiatives estimated amount includes the cost of MTW Activity 2000-1, the Youth Transition to Success Program, and the Owner Incentive Fund at the pilot sites.

DHCD does not use Single fund flexibility for Broader Uses purposes except for costs associated with the Family Economic Stability Program (FESP), which is an approved MTW activity.

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.