

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

**Moving To Work Program
Annual Report for Fiscal Year 2015**

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I. Introduction

This Annual Report describes the Moving to Work (MTW) Program activities and accomplishments of the Massachusetts Department of Housing and Community Development (DHCD) during Fiscal Year 2015.

MTW is a demonstration program authorized by Congress, through which participating agencies are provided flexibility to waive certain statutes and federal regulations in order to design and test approaches for providing housing assistance that address one or more of the following MTW statutory objectives:

- 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.

DHCD has been a participant in the MTW Program since 1999. The original small-scale pilot MTW initiative undertaken by DHCD was expanded in 2008 to incorporate its entire statewide portfolio of tenant-based Housing Choice Vouchers excluding certain special purpose voucher allocations for which DHCD may apply MTW flexibilities pursuant to the US Department of Housing and Urban Development's (HUD) published guidance.

DHCD's participation in MTW is subject to the terms and conditions of its 2008 Amended and Restated MTW Agreement with HUD. The required form and content of the Annual 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. As required, the Annual Report focuses primarily on describing the outcomes of existing approved and implemented "MTW activities."

Overview

During Fiscal Year 2015, DHCD undertook a range of MTW-related and other activities in the Housing Choice Voucher Program summarized as follows:

- DHCD provided rental assistance to a total of 21,631 eligible senior, disabled and other family households through its existing network of RAAs.
- DHCD closed out their biennial inspection initiative as MTW authority is no longer required to perform biennial inspections.
- DHCD experienced significant savings through its Utility Allowance initiative. Due to the rising cost of electricity, the agency proposed a revision to the initiative in the FY 2016 MTW Annual Plan to allow for a UA for electricity.

- The Family Economic Stability Program (FES Program), a small-scale MTW demonstration program for formerly homeless families, administered in the Boston area by Metropolitan Boston Housing Partnership (MBHP) and in Worcester County by RCAP Solutions, Inc. (RCAP), continued during FY 2015. In response to the homelessness crisis in Massachusetts, the agency began the planning process for expansion of the FES program to Springfield, MA. MBHP and RCAP also partnered with two new service providers during the FY in order to provide targeted services to assist participants in achieving greater economic self-sufficiency.
- 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 enrolled five participants in FY 2015 and plans to graduate three participants at the beginning of FY 2016. The Agency is contemplating a program re-design if the term of the FUP voucher is extended by HUD.
- During FY 2015, DHCD focused its efforts on revising the rent simplification initiative. DHCD performed impact analyses on a number of different rent structures. The rent simplification initiative minimizes the negative financial impacts on program participants, incorporates a tiered rent schedule, streamlined deductions and exclusions and revisions to the method for calculating prorated rents for mixed families. The changes are consistent with the statutory objective to reduce cost and achieve greater cost effectiveness in federal expenditures as well as to improve housing choice. DHCD is waiting for HUD approval.
- 900 households participated in DHCD's FSS program in FY 15. During the FY, DHCD developed and implemented policy changes to the FSS program which served to encourage the goal of homeownership for applicable households. When implemented in FY 2016, Households choosing homeownership as a goal will be able to define a path to homeownership by utilizing individualized homeownership education, financial coaching and a modified savings/escrow component.
- In furtherance of DHCD's objective to preserve long-term affordability statewide, DHCD put five additional expiring use projects under Housing Assistance Payments contracts. Existing eligible residents were able to choose an Enhanced Voucher or receive a Project Based Voucher. Of the 535 units in the five expiring use projects, 496 were project based.

DHCD continued to implement the MTW and Non-MTW initiatives proposed in the FY2015 Plan, and as appropriate, the changes have been incorporated into the revised HCV Administrative Plan.

Long Term Plan

Use of MTW flexibility continues to be a critical component in DHCD's statewide rental assistance strategy. MTW has been instrumental in: maximizing the number of low-income households assisted through DHCD's rental assistance programs; preserving affordability in

expiring use projects; promoting housing stability and economic self-sufficiency; and, streamlining program administration.

Extending the existing MTW Agreement beyond its current 2018 expiration date is a priority objective for DHCD. During FY 2015, DHCD engaged in discussions with HUD and other MTW agencies on the terms and conditions of an MTW extension through 2028. As of the submission date of this Report, these discussions are ongoing. DHCD will provide opportunities for public notice and comment on any proposed extension or new MTW Agreement.

The following is a summary of DHCD's long-term plan for the MTW program as described in its MTW Annual Plans since inception of the program:

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 ongoing federal funding constraints and potential future reductions, DHCD will continue to actively explore and analyze options to utilize MTW programmatic flexibility in order to minimize negative impacts on rental assistance program participants.

II. General Operating Information

A. Housing Stock Information

New Housing Choice Vouchers That Were Project-Based During the Fiscal Year

Property Name	Anticipated Number of New Vouchers to be Project-Based*	Actual Number of New Vouchers that were Project-Based	Description of Project
Breezy Acres Expansion Great Cove Community, Mashpee	8	8	New construction of five duplex buildings with a total of 10 units for families.
Ames Privilege 2	0	4	Substantial rehabilitation of a historic mill building with 40 total units.
Armory St Apartments, Worcester	1	1	New construction of a 4 unit building for disabled.
Parcel 24 I & II Kneeland & Hudson St., Boston	8	0	8 elderly/disabled units in a newly constructed 10-story high rise with 95 total units. Anticipated to be leased up in FY 16.
108 Newbury Street, Lawrence	4	0	New construction of a four story building for families with a total of 18 units. Units were leased up in FY 14.
Cottage Square 15 Cottage St, Easthampton	8	0	Adaptive re-use of a four-story former mill building with a total of 50 units for families. Anticipated to be leased up in FY 16.
Olympia Oaks Olympia Drive, Amherst	8	8	New construction of 11 buildings and 42 total units for families.
Pilot Grove Apartments II Warren Rd, Stow	7	7	New construction of 5 townhouses with 30 units for families.
Coolidge at Sudbury 189 Boston Post Road, Sudbury	8	8	New construction of a four story building with 54 units for the elderly.
Counting House Lofts 109 Jackson Street, Lowell	6	6	Adaptive re-use of a historic six-story mill building with 52 total units for families.
Village Green Phase I 770 Independence Drive, Barnstable	6	0	New construction of two 3-story buildings with 60 total units for families. Anticipated to be leased up in FY 16.
Haydenville Village Center, Williamsburg & Chesterfield	6	0	Rehabilitation of 7 buildings with 24 total units for families. Anticipated to be leased up in FY 16.
525 Beach Street, Revere	7	7	New construction of a four-story building with 30 total units for families and 3 PBV units reserved for disabled.
Bellingham Hill Family Homes, Chelsea	7	7	7 units of housing with supportive services. Individual service plans are tailored to tenant's needs including employment training, parenting classes, financial management, etc.
Prichard Academy	2	0	Rehabilitation of two 4-story

Pritchard & Academy Sts., Fitchburg			buildings with a total of 14 units for families. Anticipated to be leased up in FY 16.
Middlebury Arms, Middleborough	49	0	Expiring use project with 49 of 62 expiring use vouchers converted to project-based vouchers (150 units total) for families. Units were leased up in FY 14.
Outing Park I, Springfield	0	94	RAD conversion (mod-rehab) of existing town-house style apartments for families.
Outing Park II, Springfield	0	81	RAD conversion (mod-rehab) of existing multi-family buildings.
Highland Village, Ware	0	110	RAD conversion (rent supp) of existing two-story, townhouse style buildings for families.
The Flats @ 22 (Formerly Standard Box Apts), Chelsea	0	5	New construction of fifty townhouse style units with five PBV units reserved for disabled households.
North Bellingham Veterans, Chelsea	0	8	Substantial rehabilitation of legions post converted to 10 units with supportive housing for veterans.
Spring Gate, Rockland	0	181	RAD conversion (rent sup.) of two-story townhouse style buildings for families.
Sitkowski School, Weber	0	8	Substantial rehabilitation for former school with units reserved for elderly households.
Marion Village Estates, Front Street, Marion	0	8	New construction of two two-story buildings with sixty total units.
Jackson Commons, 1540 Columbus Ave, Boston	0	8	New construction of four-story building with 37 units for families.
First Lowell, Lowell	0	30	Expiring-use project for families with 30 of 37 units receiving PBV assistance.
Winthrop Apartments, Winthrop	0	8	New construction of four-story building with units reserved for elderly.

		Anticipated Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year	Anticipated Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Year
Anticipated Total Number of New Vouchers to be Project-Based	Actual Total Number of New Vouchers that were Project-Based	2,564	2,460
135	597	Actual Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year	Actual Total Number of Project-Based Vouchers Leased up or Issued to a Potential Tenant at the End of the Fiscal Year
		2,948	2,830

Other Changes to the Housing Stock that Occurred During the Fiscal Year

This section is required by HUD. DHCD does not have any housing stock.

General Description of Actual Capital Fund Expenditures During the Plan Year

This section is required by HUD. DHCD does not have any housing stock or a capital fund.

Overview of Other Housing Units Owned and/or Managed By PHA at Fiscal Year End

Housing Program	Total Units	Overview of the Program
N/A	0	N/A
N/A	0	N/A
N/A	0	N/A
Total Other Housing Owned or Managed	0	
If Other, please describe		N/A

B. Leasing Information

Actual Number of Households Served at the End of the Fiscal Year

Housing Program:
 Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Property-Based Assistance Programs
 Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs
 Port-In Vouchers (not absorbed)
 Total Projected and Actual Households Served

Number of Households Served	
Planned*	Actual
0	0
123	74
N/A	240
123	314

Housing Program:
 Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Property Based Assistance Programs
 Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs
 Port-In Vouchers (not absorbed)
 Total Projected and Annual Units Months Occupied/Leased

Unit Months Occupied/Leased	
Planned*	Actual
0	0
1,476	885
N/A	2,874
1,476	3,759

	Average Number of Households Served Per Month	Total Number of Households Served During the Year
Households Served through Local Non-Traditional Services Only	0	0

Reporting Compliance with Statutory MTW Requirements: 75% of Families Assisted are Very Low-Income

Fiscal Year:	2014 *	2015*
Total Number of Local, Non-Traditional MTW Households Assisted	72	77
Number of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income	61	63
Percentage of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income	85%	82%

* Reflects data at the close of FY

Reporting Compliance with Statutory MTW Requirements: Maintain Comparable Mix

Baseline for the Mix of Family Sizes Served

Family Size:	Occupied Number of Public Housing units by Household Size when PHA entered MTW	Utilized Number of Section 8 Vouchers by Household Size when PHA Entered MTW	Non-MTW Adjustments to the Distribution of Household Sizes	Baseline Number of Household Sizes to be Maintained	Baseline Percentages of Family Sizes to be Maintained
1 Person	0	6170	0	6170	31%
2 People	0	4694	0	4694	24%
3 People	0	4323	0	4323	22%
4 People	0	2673	0	2673	14%
5 People	0	1223	0	1223	6%
6+ People	0	664	0	664	3%
Totals	0	19747	0	19747	100%

Explanation for Baseline Adjustments to the Distribution of Household sizes Utilized	N/A
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Mix of Family Sizes Served

	1 Person	2 People	3 People	4 People	5 People	6+ People	Totals
Baseline Percentages of Household Sizes to be Maintained	31%	24%	22%	14%	6%	3%	100%
Number of Households Served by Family Size this Fiscal Year	7,742	5,436	4,091	2,548	1,165	649	21,631
Percentages of Households Served by Household Size this Fiscal Year	36%	25%	19%	12%	5%	3%	100%
Percentage Change	5%	1%	-3%	-2%	-1%	0%	N/A

Justification and Explanation for Family Size Variations over 5% from the Baseline Percentages	N/A
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**Figure includes all households served at any time during FY 2015 which includes households no longer receiving a subsidy.*

Description of any Issues Related to Leasing of Public Housing, Housing Choice Vouchers or Local, Non-Traditional Units and Solutions at Fiscal Year End

Housing Program

Family Economic Stability Program
N/A
N/A

Description of Leasing Issue and Solutions

The RCAP administered FES program will no longer accept new FES program participants; however, the MBHP administered FES program will continue to grow and provide FES program services.
N/A
N/A

Number of Households Transitioned to Self-Sufficiency by Fiscal Year End

Activity Name/#	Number of Households Transitioned	Agency Definition of Self Sufficiency
Family Self Sufficiency/2012-5	103 households	Graduation from FSS Program
Family Economic Stability (FES) Program/2000-1	14 households	Graduation from the FES Program
Biennial Recertifications/2011-4	81 households	Households that received zero HAP in the month prior to EOP
Youth Transition To Success Program (YTTSP)/2011-5	0 households	Graduation from YTTSP

Households Duplicated Across Activities/Definitions	5 households
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Annual Total Number of Households Transitioned to Self Sufficiency	193 households
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C. Wait List Information

Wait List Information At Fiscal Year End

Housing Program(s)	Wait List Type	Number of Households on Wait List	Wait List Open, Partially Open or Closed	Was the Wait List Open During the Fiscal Year
All	Other	107,692	Open	Yes
Family Economic Stability (FES) Program	Other	193		
N/A	N/A	N/A	N/A	N/A

*Some PBV site-based waiting lists are closed.

N/A
N/A

If local non-traditional, please describe:

FES Program – see activity description in Section IV – Approved Activities below.
N/A
N/A

If other wait list type, please describe:

DHCD combines site-based and centrally managed wait list features. All of DHCD’s programs (including MTW and Non-MTW vouchers) use a regional, centrally managed wait list with the exception of certain Project Based developments. There are thirty-eight (38) Project Based developments that have site-based wait lists that each development is responsible for managing. The remaining Project Based developments have centrally managed waitlists maintained by DHCD and each regional administering agency.
As was described in previous Annual Plans, DHCD continues to process requests for new PB development owners to operate site-based waiting lists. 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 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.
The waitlist for the FES program, a DHCD MTW initiative, is currently open to all populations.
N/A

If there are any changes to the organizational structure of the wait list or policy changes regarding the wait list, provide a narrative detailing these changes.

DHCD did not implement any changes to the organizational structure of the wait list or policy changes related to the wait list.

III. Proposed MTW Activities

All proposed activities that have been granted approval by HUD are reported on in Section IV as 'Approved Activities'.

IV. Approved MTW Activities

A. Implemented Activities

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

Activity 2000-1: Family Economic Stability Program (FESP)

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). Currently, the FES program administered by MBHP in Greater Boston is the only agency accepting new families. This MTW activity tests an assistance model which provides a fixed annual stipend to eligible families. 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, Massachusetts Lead Laws where applicable and HQS standards. FES units are on a biennial HQS inspection schedule.

In FY 2013, DHCD initiated planning on revisions and updates to the program. The program name was changed to the Family Economic Stability (FES) Program. During the program revision and update process, which continued in FY 2014, existing participants received supports and services, but no new applications were accepted.

In FY 2014, the RCAP administered FES program stopped accepting new FES program participants. DHCD also implemented program design changes including increasing the rental subsidy available to FES participants. The increased rental subsidy had an immediate impact on the ability of households to successfully participate in FES; however, even with the increased subsidy, in FY 2015 participants still had difficulty finding safe, affordable housing within the required timeframe. The winter of FY 2015 was also particularly hard for participants looking for housing due to the record breaking snowfall in the Northeast which slowed down enrollment.

Also in FY 2015, in response to the homelessness crisis in Massachusetts, DHCD began the planning process of expanding the FES program to Springfield, MA whereby DHCD intends to enroll an additional 50 participants. DHCD is also considering increasing the Boston component of the program by an additional 10 participants. In metro Boston, MBHP partnered with two new experienced service providers to provide targeted services to assist participants in achieving greater economic stability during their participation in the FES program. Participants will receive assistance with accessing new and better jobs through service provided by a local career center; and will improve their financial management skills through one-on-one and group workshops in budgeting skills, credit scores, and money management.

B. Metrics

CE #4: Increase in Resources Leveraged				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increase).	\$0.00	\$0.00 <i>*This metric has been required by HUD. DHCD does not leverage funds in connection with this activity and does not consider this metric to be applicable to this activity.</i>	\$0.00	Yes
SS #1: Increase in Household Income				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase).	\$18,937	\$24,768	\$24,582	DHCD substantially achieved the benchmark.
SS #2: Increase in Household Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of escrow of households affected by this policy in dollars (increase).	\$0.00	\$3,016	\$2,470	No
Average amount of savings of households affected by this policy in dollars (increase).	\$0.00	\$701	\$1,119	Yes

SS #3: Increase in Positive Outcomes in Employment Status				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
(5) Unemployed	1 participant	5 participants	4 participants	Yes
	1% of participants	5% of participants	4% of participants	Yes
(6) Other - Employed	85 participants	108 participants	76 participants	No
	99% of participants	98% of participants	73% of participants	No
(6) Other - Education/Job Training	0 participants	68 participants	24 participants	No
	0% of participants	62% of participants	23%	No
SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	Data was not tracked prior to implementation of this activity. Midway through FY 2015, 4 participants received TANF as an income source. DHCD does not anticipate this number to vary significantly throughout the lifetime of this activity.	DHCD did not set a benchmark for this metric in the FY 2015 MTW Annual Plan.	6 participants currently receive TANF as an income source.	N/A
SS #5: Households Assisted by Services that Increase Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self sufficiency (increase).	0 households	110 households	104 households	DHCD substantially achieved this benchmark.

SS #6: Reducing Per Unit Subsidy Costs for Participating Households

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of Section 8 subsidy per household affected by this policy in dollars (decrease).	Data was not tracked prior to implementation of this activity. IN FY 2015, the average subsidy amount was \$623. DHCD does not anticipate the average subsidy amount to be reduced significantly as the benchmark was sent after implementation and the participants with lower subsidy amounts are graduating from the program and replaced by participants with higher subsidy needs.	DHCD did not set a benchmark for this metric in the FY 2015 MTW Annual Plan.	\$623	N/A

SS #7: Increase in Agency Rental Revenue

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
PHA rental revenue in dollars (increase).	Data was not tracked prior to implementation of this activity. DHCD does not receive rental revenue from FES participants and was instructed by HUD to track average tenant rent. Midway through FY 15, the average tenant rent for household affected by this policy was \$473.	DHCD did not set a benchmark for this metric in the FY 2015 MTW Annual Plan.	\$446	N/A

<i>SS #8: Households Transitioned to Self Sufficiency</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self sufficiency (increase).	0 households	11 households	14 household	Yes
<i>HC #5: Increase in Resident Mobility</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	8 FESP households moved during FY 15.	DHCD did not set a benchmark for this metric in the FY 2015 MTW Annual Plan.	8 FESP households moved during the FY.	N/A
<i>HC #6: Increase in Homeownership Opportunities</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households that purchased a home as a result of the activity (increase).	0 households	DHCD did not set a benchmark for this metric in the FY 2015 MTW Annual Plan.	0 households	N/A

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.

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 2015, DHCD approved owner-maintained PBV waiting lists for sixteen (16) project representing 578 PBV units. Where smaller projects are concerned, DHCD does not anticipate that owners will have the capability or resources to manage their owner waiting lists. As such DHCD will continue to manage the waiting lists for smaller PBV properties. In FY 2015, four projects with a total of 19 units elected to use DHCD's waitlist to fill vacant units. DHCD continues to anticipate that most new PBV projects will have owner-maintained waiting lists.

B. Metrics

<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$5,142	\$3,099	\$2,398	Yes
<i>CE #2: Staff Time Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	283 hours	170 hours	132 hours	Yes

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.

In prior years, DHCD utilized this activity to approve other documented and reasonable exceptions to payment standards without seeking HUD approval if such requests would support a participants’ ability to find suitable rental housing in “low poverty, high-opportunity” neighborhoods, and clearly achieved the statutory objectives of the MTW program. In the FY 2016 MTW Annual Plan DHCD modified this activity whereby the ability to approve said exceptions were included in the “Opportunity Neighborhoods” activity (Activity 2011-2) and this activity was restricted to reasonable accommodation payment standard exceptions.

This activity was implemented in July of 2009. In FY 2014, eleven (11) exception payment standard requests for reasonable accommodations were received and ten (10) of the requests were granted. In FY 2015, six (6) exception payment standard requests for reasonable accommodations were received and four (4) of the requests were granted. Generally these requests are reviewed and processed within 5 business days from the date of receipt of the request.

B. Metrics

<i>HC #5: Increase in Resident Mobility</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0 households	3 households	4 households	Yes

<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	Time to process request: 1.5 hours FY 2011 Requests: 3 Staff hourly rate: \$18.17 Total time cost to implementation: \$82.00	Time to process request: .75 hours FY 2015 Requests: 3 Staff hourly rate: \$18.17 Total cost after implementation: \$41.00	Time to process request: .75 hours FY 2015 Requests: 6 Staff hourly rate: \$18.17 Total cost after implementation: \$109	No. DHCD maintains this HUD standard metric is not a relevant measure of the impact of this activity as time and cost savings are not a goal or stated objective.
<i>CE #2: Staff Time Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	Time to process request: 1.5 hours FY 2011 Requests: 3 Total time prior to implementation: 4.5 hours	Time to process request: .75 hours FY 2015 Requests: 3 Total time after implementation: 2.25 hours	Time to process request: .75 hours FY 2015 Requests: 6 Total time after implementation: 4.5 hours	No. DHCD maintains this HUD standard metric is not a relevant measure of the impact of this activity as time and cost savings are not a goal or stated objective.

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.

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 annual caps on the overall number of units and the number of units per owner able to receive incentives.

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 modifications have been made to the program.

In FY 2015, two new landlords began participation in the HCV program which is a reduction from the nine (9) new landlords that joined in FY 14. DHCD provided ten (10) owner incentive payments in FY 2015. Additionally, four (4) units were upgraded from a C to a B grade, and six units were brought onto the program at an A grade. There were no new accessible units added to the program in FY 15. DHCD intends to explore addition options and incentives for landlord to add accessible units.

B. Metrics

<i>HC #5: Increase in Resident Mobility</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0 households	20 households	68 households	Yes

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. This initiative was approved in FY 2010. Implementation activities began in FY 2013.

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 the expiring use projects. In FY 2015, DHCD will continue to use the modified forms and utilize this authority as needed.

B. Metrics

<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$545	\$68	\$91	No. DHCD maintains this HUD standard metric is not a relevant measure of the impact of this activity as it measures the cost of the activity, not the savings as a result of the activity. The cost is dependent on the number of PBV developments that receive PBV subsidies. Without this initiative this activity would have cost approximately \$727 in FY 15.

<i>CE #2: Staff Time Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	30 hours	3.75 hours	5 hours	No. DHCD maintains this HUD standard metric is not a relevant measure of the impact of this activity as it measures the time spent on the activity, not the time saved as a result of the activity. The time spent is dependent on the number of PBV developments that receive PBV subsidies. Without this initiative this activity would have required 40 hours to complete in FY 15.

Activity 2011-4: Biennial Recertifications

A. Description and Update of Approved Activity

This initiative was approved in the FY 2011 Plan and was subsequently modified in the FY 2012 Plan. 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 two. 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 .37% 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. 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 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.

All rent simplification policies were implemented in FY 2012. In FY 2015, DHCD continued to focus its efforts on assessing compliance with the new policies and providing support and training as needed. Also in the FY 2016 MTW Annual Plan, DHCD moved the asset verification and calculation portion of this initiative to the rent simplification initiative. The asset policies more closely align with the income and rent changes in the rent simplification initiative. See the FY 2016 MTW Annual Plan for additional information.

B. Metrics

<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$922,037	\$322,713* *Accounts for cost savings from Biennial Recertifications and Rent Simplification.	\$281,599	Yes
<i>CE #2: Staff Time Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	50,745 hours	17,761 hours* *Accounts for time savings from Biennial Recertifications and Rent Simplification.	15,498 hours.	Yes
<i>SS #1: Increase in Household Income</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase).	\$20,638	\$21,522	\$20,023	No
<i>SS #3: Increase in Positive Outcomes in Employment Status</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
(6) Other - Employed	5,019 households in FY 2011	5,019 households	5,330 households	Yes
	54% of work-able households	57% of work - able households	60% of work-able households.	Yes

<i>SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	2,920 households in FY 2011	2,565 households	2,290 households	Yes
<i>SS #8: Households Transitioned to Self Sufficiency</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self sufficiency (increase).	0	33 households	81 households	Yes

Activity 2011-5: Youth Transition to Success (YTTS)

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.

Designed similarly to the current stipend program DHCD currently administers in MBHPs region, this initiative provides a shallow short-term and time-limited subsidy, supportive services funds for education, training and employment related expenses, an escrow account and case management. Up to 25 current participants facing the expiration date for the Family Unification Aging Out of Foster Care Program will be eligible to participate in the YTTS Program. Eligible participants for the program must be in good standing and be making progress toward their education and employment goals.

The three-year YTTS 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

DHCD launched the program and began assisting targeted youth in FY 2012. During FY 2015 DCF and DHCD continued to work to ensure participants transitioned smoothly from the 18 month voucher to the new three-year YTTS Program. Additionally, DCF caseworkers continued to work with participants to assist them with maintaining housing stabilization post-graduation. In FY 2014, 4 young adults graduated from the program having either completed their post-secondary education program, or maintained their progress in their education. In FY 15, no young adults graduated from the YTTS program, but three are expected to graduate at the beginning of FY 2016.

DHCD may need to consider a new program design for the YTTS program if the FUP AOP vouchers are extended to a five (5) year term. A five year term would allow time for participants to complete school and/or job training which would render the YTTS program obsolete as presently designed. Future program design may include a rent savings escrow component, as the rent subsidy drops in years two and three, or DHCD may establish an escrow account for participants. Additional savings would also provide for stability for YTTS program graduates and assist with rent payments post-graduation.

B. Metrics

Please note that due to the small number of participants in the YTTS program one participant leaving or joining the program can have a dramatic influence on the data reported below. Average household income and savings are two metrics that will be influenced significantly.

<i>CE #4: Increase in Resources Leveraged</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increase).	\$0.00	\$270,000	\$270,000	Yes
<i>SS #1: Increase in Household Income</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase).	\$18,431 in FY 2015. Note this benchmark was set well after YTTSP was implemented and DHCD does not anticipate this number will fluctuate.	DHCD did not set a benchmark for this metric in the FY 2015 MTW Annual Plan.	\$18,431	N/A
<i>SS #2: Increase in Household Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of savings/escrow of households affected by this policy in dollars (increase).	\$0	\$1,584	\$2,962	Yes.
<i>SS #3: Increase in Positive Outcomes in Employment Status</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
(2) Enrolled in an Educational Program or job training	7 participants	7 participants	12 participants	Yes
	100% of participants	100% of participants	100% of participants	Yes
(3) Unemployed	0 participants	0 participants	0 participants	Yes
	0% of participants	0% of participants	0% of participants	Yes
(6) Other - Employed	7 participants	7 participants	12 participants	Yes
	100% of participants	100% of participants	100% of participants	Yes

<i>SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	0 households	DHCD did not set a benchmark for this metric in the FY 2015 MTW Annual Plan.	0 households receive TANF	N/A
<i>SS #5: Households Assisted by Services that Increase Self Sufficiency</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self sufficiency (increase).	0 households	7 households	12 households	Yes
<i>SS #8: Households Transitioned to Self Sufficiency</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self sufficiency (increase). Self sufficiency is defined as graduation from the YTTS program.	0 households	2 households	0 households	No. In YTTSP, DHCD defines transition to self-sufficiency as graduation from the program. 0 households graduated from the program in FY 2015.

Activity 2012-1: MTW Utility Allowances

A. Description/Update of Approved Activity

In FY 2014, DHCD designed and implemented a UA model that eliminated all utility allowances except for heat. DHCD completed impact analyses, developed hardship criteria, prepared software modifications and provided training to staff on the simplified UA model. DHCD utilizes a utility allowance schedule, regardless of fuel type, geographical area and building type, for tenant-paid heat only. The utility allowance schedule includes the utility allowance for heat which is applied using the smaller of the unit size or bedroom size. Utility allowances for any other tenant paid utilities, other than heat, will not be provided under this activity.

In developing the UA schedule for heat, in addition to basing the heat utility allowance on typical cost and consumption, DHCD used a weighted average of the two highest fuel types by bedroom size. Where applicable, DHCD will use the Department of Energy's (DOE) residential energy consumption survey data to determine the utility allowance for households with approved reasonable accommodations for electricity. DHCD will determine reasonable accommodations for other utilities on a case by case basis.

FY 2015 was the first full year in which the revised utility allowance schedule was in effect. As on June 30, 2015 there were 11,929 households receiving utility allowances as compared to 16,919 households prior to implementation of this initiative. Total utility allowance expenditures prior to the UA initiative were \$31,476,912. Utility allowances for FY 2015 were \$17,225,100.

In the FY 2016 MTW Annual Plan, prepared at the end of FY 2015, DHCD proposed a revision to the UA model to include a utility allowance for "other electricity." The two largest electric utilities in Massachusetts implemented 37% and 29% rate increases in CY 2015. According to the Institute on Energy Research the monthly bill for the average household served will increase by \$28/month. The proposed utility allowance schedule will include the utility allowance for heat and other electricity. Utility allowances for any other tenant paid utilities, other than heat and other electricity, will not be provided. For example, if a household is responsible for paying for electric heat, DHCD will provide a UA for heat only; however, if that same household is responsible for paying for electric heat and other electricity, DHCD will provide a UA for heat and a UA other electricity. DHCD will continue to monitor the cost of all utilities and may further modify this initiative for consistency with market and economic conditions. This modification has not yet been approved by HUD and, therefore, has not been implemented.

B. Metrics

<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$31,476,912	\$17,707,416	\$17,225,100	Yes
<i>CE #2: Staff Time Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	Time required to calculate UA: 8 minutes Number of UA calculated in FY 13: 16,919 Total staff time prior to implementation: 2,256 hours	Time required to calculate UA: 4 minutes Anticipated number of UA in FY 15: 11,943 Anticipated total staff time after implementation: 796 hours	Time required to calculate UA: 4 minutes Number of UA in FY 15: 11,929 Anticipated total staff time after implementation: 795 hours	Yes
<i>CE #3: Decrease in Error Rate of Task Execution</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average error rate in completing a task as a percentage (decrease).	10%	DHCD did not set a benchmark for this metric in FY 2015.	0%	Yes
<i>CE #5: Increase in Agency Rental Revenue</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average Tenant Rent Share (increase).	\$382 per household in FY 2014	\$393 per household	\$345 per household	No. Average household earned income decreased during the FY resulting in a decrease in the average tenant rent share.

Activity 2012-2: Rent Simplification

A. Description and Update of Approved Activity

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

- Using the Payment Standard (PS) 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 2015, DHCD focused its efforts on revising the rent simplification initiative. The FY 2016 MTW Annual Plan, prepared at the end of FY 2015, included a proposed significant revision to the Rent Simplification which would result in fundamental changes to the nature and scope of the activity. The modifications include a tiered rent schedule, use of Small Area FMRs, streamlined deductions and exclusions, and streamlined asset verification and calculations. HUD has yet to approve the modifications to rent simplification and, therefore, DHCD has not implemented the changes.

B. Metrics

<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$922,037	\$322,713* *Accounts for cost savings from Biennial Recertifications and Rent Simplification.	\$486,729 This outcome includes approx. time spent on recerts and moves during the FY. Households may have been recertified and moved during the FY and therefore counted twice.	No. DHCD maintains that this metric does not accurately reflect the success of this initiative as DHCD saved approx. \$435,308 from baseline.

<i>CE #2: Staff Time Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	50,745	17,761 hours* *Accounts for time savings from Biennial Recertifications and Rent Simplification.	18,751 hours. This outcome includes approx. time spent on recerts and moves during the FY. Households may have been recertified and moved during the FY and therefore counted twice.	No. DHCD maintains that this metric does not accurately reflect the success of this initiative as DHCD saved approx. 32,000 staff hours from baseline.
<i>CE #3: Decrease in Error Rate of Task Execution</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average error rate in completing a task as a percentage (decrease).	17%	DHCD did not set a benchmark for this metric in the FY 2015 MTW Annual Plan.	17%	Yes
<i>CE #5: Increase in Agency Rental Revenue</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average Tenant Rent Share (increase).	\$382 per household in FY 2014	\$392 per household*	\$345 per households	No. Average household earned income decreased during the FY resulting in a decrease in the average tenant rent share.

*Benchmarks account for the cost savings, time savings, and agency rental revenue for both Rent Simplification and Biennial Recertifications.

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. This policy promotes 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 establishes 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.

DHCD processes a large volume of applicants in order to fill one vacant PBV unit. Application of this policy assists DHCD in reducing costs associated with processing turnover units, including vacancy prep and applicant/participant processing. In summary, this policy reduces 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, 2014 there were 107 applicants on the PBV opt-out waiting list. Due to funding issues, DCHD was not issuing vouchers at that time and the reduction in opt-out vouchers was due largely to the impact of cost containment. Currently, there are 107 households

on the PBV opt-out waiting list. DHCD issued 62 TBV to PBV household in FY 2015 which is significantly more than FY 14 when DHCD issued 19 vouchers to PBV households.

B. Metrics

<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$1,799	\$273	\$3,380	No. DHCD maintains this metric is not an accurate representation of the effectiveness of this activity as the cost savings and time savings are directly related to the number of vouchers issued and not the policy modifications.
<i>CE #2: Staff Time Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	99 hours	15 hours	186 hours	No. DHCD maintains this metric is not an accurate representation of the effectiveness of this activity as the cost savings and time savings are directly related to the number of vouchers issued and not the policy modifications

Activity 2012-4 Expiring Use Preservation Initiative

A. Description and Update of Approved Activity

This 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 considers 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.

Five (5) expiring use developments, representing 496 PBV units, were placed under contract in FY 2015. At the end of FY 2015 DHCD entered into discussions with developers and anticipates that additional developments will be placed under contract in FY 2016.

B. Metrics

<i>HC #2: Units of Housing Preserved</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase).	0 units	689 units	1,371 units	Yes.

Activity 2012-5 FSS Enhancements

A. Description and Update of Approved Activity:

DHCD uses its budgetary flexibility to use MTW funds to enhance the existing Family Self-Sufficiency (FSS) Program. These new features 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;
- 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.).

In FY 2014, DHCD implemented additional features to the enhanced FSS program including:

- Placement of an absolute cap on the amount of escrow regardless of prior FSS participation at any of DHCD's RAAs statewide. The cap, which may be periodically reviewed and updated at DHCD's discretion, will be set at \$25,000 per household;
- Modification to the requirement that an FSS applicant must have an interim or annual recertification within 120 days prior to FSS enrollment;
- Modification of the extension policy to allow for six month extensions for up to two years with revised extension eligibility requirements;
- Modification of the FSS re-enrollment eligibility criteria to require that re-applicants demonstrate consistent progress since prior FSS participation ended. DHCD will provide an exception when the participant loses a job due to no fault of their own;
- Modification to the escrow calculation methodology by calculating FSS credits using the same method for all participants regardless of income level. The method used for very low income households will apply to all participants; and,
- Establishment of an incentive payment for FSS graduates that choose to withdraw from the HCV program within 2 years of completion of the FSS program and who apply and are approved for homeownership. The initial incentive payment amount, which may be periodically reviewed and updated at DHCD's discretion, will be set at \$5,000 per household.

Given the long-term nature of the FSS program, the impacts of these FSS program policy changes will not be measureable in a meaningful way until FY 2015 and beyond. Several of the modifications implemented in FY 2014 were tied to changes in the enrollment process and were implemented to increase enrollment and improve program retention rates. As such, impact of the modifications in FY 2015 cannot be measured at this time.

According to Forbes Greater Boston ranks number 8 in the country in terms of highest housing costs for renters. “Self-sufficiency” requires hourly wages of \$18.00 to \$38.00 per hour depending on family composition and location. The jobs that many FSS participants secure, at least initially, are relatively low-wage. Therefore, while their earned income increases during the program are impressive, most household incomes remain well below the level at which they need to be to afford unsubsidized, market rate units. FSS provides a pathway to stable employment, and this, combined with coaching and case management, supports families as they develop a plan that will move them further along the continuum of self-sufficiency.

DHCD continues to work to expand the FSS program and modify policies to increase the opportunities for participant to become self-sufficient. In the FY 2016 MTW Annual Plan, DHCD proposed a change to the FSS program which encourages the goal of homeownership for applicable households in the FSS program, by allowing certain households to define a path to homeownership by utilizing individualized homeownership education, financial coaching and a modified savings/escrow component. DHCD is waiting for HUD approval to implement this component of the FSS program.

In FY 2014 there were eighty nine (89) FSS program graduates and one hundred thirty five (135) new participants. DHCD has continued to see an increase its FSS enrollment in FY 2015 with 103 FSS Program graduates and 206 new participants.

B. Metrics

<i>SS #1: Increase in Household Income</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase).	\$20,554	\$23,022	\$23,805	Yes

<i>SS #2: Increase in Household Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of escrow of households affected by this policy in dollars (increase).	\$0.00	\$3,978	\$3,330	No. FSS participant escrow averages vary and are difficult to predict as participants enter and leave the program throughout the FY.
<i>SS #3: Increase in Positive Outcomes in Employment Status</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
(5) Unemployed	501 participants	472 participants*	355 participants	Yes
	57% of participants	52% of participants	40% of participants	Yes
(6) Other - Employed	372 participants	432 participants*	545 participants	Yes
	43% of participants	48% of participants	60% of participants	Yes
<i>SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	162 households	136 households*	90 households	Yes
<i>SS #5: Households Assisted by Services that Increase Self Sufficiency</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self-sufficiency (increase).	0 household	904 households*	900 households	DHCD substantially achieved the benchmark.

<i>SS #6: Reducing Per Unit Subsidy Costs for Participating Households</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of Section 8 subsidy per household affected by this policy in dollars (decrease).	\$906 Baseline set in FY 2015 after implementation of program.	DHCD did not set a benchmark for this metric in the FY 2015 MTW Annual Plan.	\$906	N/A
<i>SS #7: Increase in Agency Rental Revenue</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average Tenant Rent Share (increase).	\$410 Baseline set in FY 2015 after implementation of program.	DHCD did not set a benchmark for this metric in the FY 2015 MTW Annual Plan.	\$410	N/A
<i>SS #8: Households Transitioned to Self Sufficiency</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase).	0 households	75 Households	103 households	Yes

Activity 2013-1: Rent Reasonableness

A. Description and Update of Approved Activity:

This initiative was approved and implemented 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. 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.

The savings generated from this initiative are realized only when the FMRs decrease by 5% or more. Between FY 2014 and FY 2015 the FMR for Greater Boston increased 2.7%. As such, DHCD would not have had to redetermined reasonable rent in FY 2015.

B. Metrics

<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$364,345 if FMRs decrease by greater than 5%.	\$0.00	\$0.00	Yes
<i>CE #2: Staff Time Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	20,052 hours if FMRs decrease by greater than 5%.	0 hours	0 hours	Yes

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.

Reasonable rent re-determinations are completed for PBV units upon request from an owner for a rent increase. Generally, FMRs went up in DHCD’s jurisdiction and; as such, the MTW flexibility gained in this initiative regarding reasonable rent re-determinations when the FMR decreases 5% or more was not needed in FY 2015. All approved PBV rents represent the lower of the reasonable rent and the rent requested by the owner.

The savings generated from this initiative are realized only when the FMRs decrease by 5% or more. Between FY 2014 and FY 2015 the FMR for Greater Boston increased 2.7%. As such, DHCD would not have had to redetermined reasonable rent in FY 2015.

B. Metrics

<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$34,014 if FMRs decrease by greater than 5%.	\$0.00	\$0.00	Yes
<i>CE #2: Staff Time Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	1,872 hours if FMRs decrease by greater than 5%.	0 hours	0 hours	Yes

B. Not Yet Implemented

Activity 2011-1: Value Vouchers

A. Description and Update of Approved Activity

This activity was approved in the FY 2011 Plan. 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.

In FY 2015, DHCD focused its efforts on Rent Simplification, revising the Utility Allowance policies and modifying the FSS program. As such, planning and implementation activities for Value Vouchers did not occur in FY 2015. Per the outcome of discussions among affordable housing advocates and other state agencies and approved funding, DHCD may implement this activity in FY 2016.

Activity 2011-2: Opportunity Neighborhoods

A. Description and Update of Approved Activity

This activity was approved in the 2011 Plan. DHCD plans to establish an “Opportunity Neighborhoods” program in one or more selected neighborhoods in different regions throughout the Commonwealth. The majority of academic research and literature indicates that where a person lives determines (to various degrees), the opportunities afforded to them.

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

In the FY 2016 MTW Annual Plan DHCD modified this activity in preparation for implementation. In FY 2016, DHCD will reactivate the program and finalize program design and implementation plans. Implementation is scheduled for the first quarter of FY 2017.

C. Activities on Hold – None

D. Closed Out Activities

Activity 2011-3: Biennial Inspections

Description of MTW Activity: DHCD had begun implementation of biennial inspections in FY 13.

Reason for Closing Out Activity: Biennial Inspections were approved by HUD as a DHCD MTW activity in FY 2011. In FY 15, DHCD closed out this activity as an MTW initiative due to the 2014 Appropriations Act which allows DHCD to transition to a biennial inspection schedule without MTW authority.

V. Sources and Uses of Funding

a. Describe the Activities that Used Only MTW Single Fund Flexibility

DHCD does not use Single fund flexibility for Broader Use purposes except for costs associated with the Family Economic Stability Program (FESP), which is an approved MTW activity. In the FY 2016 MTW Annual Plan, DHCD highlighted three activities whereby DHCD intends to utilize Block Grant single fund flexibility. These activities include an education partnership, a supportive housing initiative and leasing initiative related to the VASH program.

b. Local Asset Management Plan

Has the PHA allocated costs within statute during the plan year?

Yes

Has the PHA implemented a local asset management plan (LAMP)?

No

Has the PHA provided a LAMP in the appendix?

No

VI. Administrative Requirements

A. General description of any HUD reviews, audits or physical inspection issues that require the agency to take action to address the issue.

DHCD has not been made aware of any HUD reviews, audits or physical inspection issues that require DHCD to take action to address the issue.

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

Not applicable.

C. Certification that agency has met the three MTW statutory requirements.

See Appendix B.

Appendix A: Listing of Regional Administering Agencies

Berkshire Housing Development Corp.

One Fenn Street
Pittsfield, MA 01201
413.499.4887

Community Teamwork, Inc

155 Merrimack Street
Lowell, MA 01852
978.459.0551

Housing Assistance Corp

460 West Main Street
Hyannis, MA 02601
508.771.5400

HAP Inc.

322 Main Street
Springfield, MA 01105
413.233.1500

Lynn Housing Authority & Neighborhood Development

10 Church Street
Lynn, MA 01902
781.592.1966

Metropolitan Boston Housing Partnership

125 Lincoln Street
Boston, MA 02111
617.859.0400

RCAP Solutions

12 E. Worcester Street
Worcester, MA 01604
978.630.6600

South Middlesex Opportunity Council

7 Bishop Street
Framingham, MA 01702
508.620.2336

South Shore Housing Development Corp.

169 Summer Street
Kingston, MA 02364
781.422.4200

Appendix B: MTW Certification