

# **PHILADELPHIA HOUSING AUTHORITY**



## **MOVING TO WORK ANNUAL REPORT YEAR ELEVEN**

**PHA FISCAL YEAR 2012  
APRIL 1, 2011-MARCH 31, 2012**

**FIRST SUBMISSION JUNE 29, 2012**

**REVISION SUBMITTED AUGUST 10, 2012**

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**MOVING TO WORK ANNUAL REPORT – YEAR ELEVEN**

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## I. INTRODUCTION

This Annual Report provides information on activities completed by the Philadelphia Housing Authority (PHA) under the Moving to Work Demonstration Program (MTW) during MTW Year 11. It covers PHA's Fiscal Year 2012, i.e. the period from April 1, 2011 to March 31, 2012.

PHA has been an MTW agency since April 2001. Pursuant to the Amended and Restated MTW Agreement (MTW Agreement) executed in October 2008, and subsequently amended to allow for "broader uses of authority," PHA will continue to be in the MTW Demonstration through 2018. The MTW Agreement describes both the authorities granted to PHA under MTW and the requirements for participation.

MTW is a demonstration program authorized by Congress, through which participating agencies are given the flexibility to waive certain statutes and U.S. Department of Housing and Urban Development (HUD) regulations in order to design and test approaches for providing housing assistance that address one or more of the following 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.

The three objectives listed above are referred to as "MTW statutory objectives." PHA's Annual Report includes information on both: "MTW Activities," i.e. initiatives which promote one or more statutory objectives and that require use of authority granted to PHA under its MTW Agreement; and, "non-MTW Activities," i.e. all other activities that do not specifically require MTW authority to implement. Organizing the Report into MTW and non-MTW activities is a HUD requirement; however, it should be noted that the funding flexibility allowed under the MTW Agreement impacts most areas of PHA operations.

### A. Overview of MTW Activities

This Annual Report provides details on PHA's major MTW and related activities during the Plan year. As discussed in last year's Annual Report, in March 2011, the PHA Board of Commissioners agreed to transfer operation and management of the PHA to HUD. HUD, PHA, the Mayor and the City Controller executed a Cooperative Endeavor Agreement specifying the terms of HUD's control and a framework for appointing a new Board and returning PHA to local control which was originally estimated to occur within a one year period. HUD's then-Chief Operating Officer, Estelle Richman, was named to serve as the PHA Board and Michael Kelly was appointed Administrative Receiver. Subsequently, Karen Newton Cole replaced Ms. Richman as the HUD-designated PHA Board of Commissioner. Mr. Kelly was appointed as PHA Executive Director in August 2011, while also continuing to serve as HUD Administrative Receiver.

In March 2012, the Cooperative Endeavor Agreement was extended for a term until HUD and the Mayor determine that PHA has built sufficient capacity to be self-supportive.

The Cooperative Endeavor Agreement requires the Administrative Receiver to develop and implement a Recovery Plan to address PHA's operations and governance. The Recovery Plan includes those tasks which must be completed in order to return PHA to local governance. It focuses on resolving those areas which led to HUD's takeover of PHA, including addressing and resolving OIG and other external audit findings. The majority of Recovery Plan activities were completed as of March 31, 2012. Key accomplishments during the Plan year relating to the Recovery Plan include:

- PHA substantially completed the restructuring and staffing of the Office of General Counsel, Office of Audit and Compliance and Human Resources Department.
- Agency-wide mandatory training was conducted on PHA's revised ethics, sexual harassment, and related policies.
- A new employee handbook was developed for publication in FY 2013. Significant progress was made in revising PHA's overall HR policies and procedures handbook.
- New procedures were established to improve controls and documentation of construction field changes to scope and/or budget.
- A revised Procurement Policy was developed for Board review and adoption in FY 2013.
- Substantial progress was made in resolving and closing out findings from prior Office of Inspector General audits of PHA operations. Additional information may be found in Chapter VIII.A of this report.
- Work proceeded on development of a new agency-wide Management Action Plan including establishment of internal working groups and development of initial draft plans. The Management Action Plan will address both MTW and non-MTW issues and tasks and, as appropriate, refocus activities on PHA's core mission.

In addition to its Recovery Plan activities, PHA undertook a wide array of MTW initiatives during MTW Year 11 as described herein. Significant activities and accomplishments during the Plan year include:

- PHA effectively oversaw the expenditure of over \$237 million in capital funds on programs to improve conditions at public housing sites and to develop new housing options throughout the City.
- PHA moved forward with an aggressive construction program, including completing new construction and occupying 101 new construction units at Mantua Square; completing new construction and occupying 100 rental units at Paschall Village; and, completing substantial rehabilitation and conversion of 53 rental units at Plymouth Hall.

- In addition to these completed projects, PHA made substantial progress towards redevelopment of a new 51-unit low-rise community on the site of the demolished Norris Homes high-rise building.
- In late 2011, PHA conducted two successful auctions, resulting in the sale of approximately 484 distressed and vacant properties. This effort is part of PHA's efforts to reduce blight, improve Philadelphia's neighborhoods, and reposition its scattered site inventory.
- Hundreds of PHA residents participated in one or more Community Partners employment and training initiatives sponsored by PHA.
- Previously approved rent simplification and streamlining initiatives continued to be implemented in both the public housing and Housing Choice Voucher program portfolios.

The remaining sections of the MTW Annual Report provide further details on PHA's activities over the past year. As described in Chapter VI, PHA continued to effectively implement approved MTW initiatives organized into the following programs: Neighborhood Development and Revitalization; Services Enriched Housing for Seniors and People with Disabilities; Simplification and Streamlining of Rent, Recertification and Inspection Processes for HCV and Public Housing; HCV Program Participation; Unit Based Leasing and Development; Self Sufficiency, Homeownership and Family Supportive Services; Housing Opportunities for the Homeless; and Streamline the Admissions and Transfer Process. MTW initiatives which are currently on hold are described in Chapter V.

## II. GENERAL OPERATING INFORMATION

### A. Housing Stock Information

#### Public Housing/HCV Inventory

PHA's public housing inventory includes units for families, seniors and people with disabilities located at conventional and scattered site properties including properties managed by Alternatively Management Entities (AMEs) and the Philadelphia Asset and Property Management Corporation (PAPMC). PHA's Public Housing units and authorized vouchers (projected and actual) are presented below in Tables 1 and 2:

**Table 1 – MTW Public Housing Unit Inventory**

	Projected as of March 2012	Actual as of March 31, 2012
MTW Public Housing Units*	16,015	15,527
Public Housing Units Available for Occupancy**	13,638	14,003

*\*Actual reflects unit count in PIC system. PHA does not have any Non-MTW Public Housing units.*

*\*\*Available for Occupancy units exclude units that are vacant and not available for occupancy including units: undergoing modernization as defined in 24 CFR 990.145; approved for disposition or demolition; approved for non-dwelling uses; vacant due to litigation as defined in 24 CFR 990.145; damaged and vacant due to casualty losses; and, vacant due to circumstances beyond PHA's control as defined in 24 CFR 901.5.*

As of March 31, 2012, PHA's inventory of public housing units was 15,527, which is 488 fewer than projected in the Annual Plan due primarily to vacant and distressed scattered site disposition activity. Units available for occupancy totaled 14,003 as of March 31, 2012, which is 365 more than projected in the Annual Plan.

**Table 2 - Housing Choice Voucher (HCV) Authorized**

	Projected Authorized as of March 2012	Actual Authorized as of March 31, 2012
MTW Tenant Based HCV Vouchers	14,850	14,850
MTW Activity Vouchers	3,000	3,000
<b>MTW Authorized Subtotal</b>	<b>17,850</b>	<b>17,850</b>
Non-MTW HCV Vouchers*	1,152	1,153
Section 8 Mod Rehab/SRO	700	700
<b>Non-MTW Authorized Subtotal</b>	<b>1,852</b>	<b>1,853</b>
<b>Total</b>	<b>19,702</b>	<b>19,703</b>

*\*Non-MTW Vouchers as of March 31<sup>st</sup> include: Family Unification Program, VASH, Designated Housing, Tenant Protection and Mainstream.*

There are no changes over 10% in the Public Housing and Housing Choice Voucher Program inventory.

## Public Housing Units Added to Inventory and Under Construction

During MTW Year Eleven, PHA planned to add approximately 323 units to the public housing inventory. PHA also planned to rehab or convert 78 units and to modernize 50 units. In the Year Eleven Plan, PHA noted that actual figures may change as a result of construction and reoccupancy schedules. As of March 31, 2012, PHA had completed construction of 319 units including 122 units with accessible features. An additional 17 units were substantially modernized as part of the Markoe Street development. The change in the number of units completed was a result of normal deviations in the construction schedule. The remaining units will be completed in the coming year. Following are brief descriptions of completed and in-process developments:

- **Mantua Redevelopment:** PHA completed construction and occupied all 101 planned rental units at Mantua. Unit amenities include solar photovoltaic panels, Energy Star construction and appliances, off street parking, washers/dryers, and modern kitchens with electric range and garbage disposal. Six units are handicap-accessible.
- **CBMO 902 – CBMO 910:** PHA completed construction of 80 new rental units and occupied 72 at locations throughout the City. An additional 36 units were completed during MTW Year Ten as part of this initiative. (Of these 36 units completed, 8 units in CBMO 903 are now planned to be converted to 4 units. A revised development plan was submitted to HUD on 02/29/12 reflecting this unit conversion). These new affordable rental units are constructed with Structural Insulated Panels. 101 of the 116 units are handicap-accessible. Table 3 shows completed units by CBMO area.
- **Markoe Street Development:** PHA completed new construction of 6 rental units and substantially rehabilitated an additional 17 row-house affordable rental units as part of the Markoe Street development project. Unit amenities include modern kitchens with range and refrigerators, central air conditioning, ceiling fans, and washer/dryer hook-ups. Two units are handicap-accessible.
- **Paschall Redevelopment:** Construction and occupancy was completed on 100 walk up and townhome affordable rental units and a community center. Unit amenities include off-street parking, geothermal central heating and air conditioning, solar photovoltaic panels, solar hot water, storm water harvesting system, and Energy Star certified units, washers and dryers, and modern kitchens with electric range and garbage disposal. Twelve units are handicap-accessible.
- **Plymouth Hall:** Construction was completed on the rehabilitation/conversion of 72 existing efficiency and one-bedroom units vacant due to fire damage into 53 new efficiency, and one-bedroom rental apartment units, community room, common laundry, and vegetative green roof with accessible deck. Fifteen units are handicap accessible.

Table 3 provides a summary of planned versus actual unit additions during the Plan year by development including bedroom size, type and accessible features if applicable. PHA utilized MTW flexibility in the development process.

**Table 3 – Planned vs. Actual Additions to Public Housing Inventory**

AMP #	Development	Total # of Units Planned	Actual # of Units Completed as of 3/31/12	Completed Bedroom Sizes				Units with Accessible Features
				OBR	1BR	2BR	3+BR	
45	Mantua Redevelopment	101	101	0	25	45	31	12
902	CBMO 902	12	12	12	0	0	0	9
903	CBMO 903	4	0	0	0	0	0	0
905	CBMO 905	20	20	20	0	0	0	17
906	CBMO 906	20	20	20	0	0	0	17
907	CBMO 907	20	20	20	0	0	0	20
908	CBMO 908	4	4	4	0	0	0	4
909	CBMO 909	20	20	20	0	0	0	14
910	CBMO 910	16	16	16	0	0	0	16
902	Markoe Street Development	6	6	0	0	6	0	1
173/174	Paschall Redevelopment	100	100	0	12	52	36	12
<b>Total New Construction</b>		<b>323</b>	<b>319</b>	<b>112</b>	<b>37</b>	<b>103</b>	<b>67</b>	<b>122</b>
<b>Substantial Rehab/Conversion</b>								
79	Plymouth Hall	53	53	47	6	0	0	15
	Citywide SS*	25	0					0
<b>Total Substantial Rehab</b>		<b>78</b>	<b>53</b>	<b>47</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>15</b>
<b>Modernization</b>								
902	Markoe Street Development	17	17	0	0	9	8	1
	Citywide SS*	33	0	0	0	0	0	0
<b>Total Modernization</b>		<b>50</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>8</b>	<b>1</b>

\*Existing units to be rehabilitated or modernized.

### Public Housing Unit Demolition/Disposition Activity

As noted in Table 1, PHA's inventory changed at the end of MTW Year 11 as a result of demolitions and/or disposition that occurred. Table 4 below provides a summary of demolitions/disposition activity by development:



**Table 4 –Public Housing Unit Demolition/Disposition Activity**

<b>AMP #</b>	<b>Development</b>	<b>Units to be Disposed/Demolished</b>	<b>Justification</b>	<b>Status</b>
14	Norris Apartments	179	Demolition of ten story high-rise apartment building with 157 rental units and two story low-rise buildings with 22 rental units, and new construction of 51 two & three story townhouse rental units, with disposition to limited partnerships under long term ground leases pursuant to mixed finance transactions	Demolition completed. Tax credits awarded July 2010. Construction under way.
44	Liddonfield	463	Demolition of 463 rental units, pursuant to a HUD approved demolition of 51 units and mandatory conversion of 412 units.	Demolition and mandatory conversion approval received from HUD. Demolition completed. RFP issued.
24	Queen Lane Apartment	120	Demolition of high-rise apartment building to develop 55 new two & three story townhouse rental units, with disposition to limited partnerships under long term ground leases pursuant to mixed finance transactions	Tax Credit Application submitted. Demolition/Disposition application to be submitted.
901	Scattered Sites	41	Potential up to 41 vacant units to be sold pursuant to PHA 1780 vacant scattered sites disposition initiative to create a more sustainable occupied scattered site portfolio, and to stabilize communities by reducing the number of PHA-owned vacant structures that are considered beyond PHA potential for repair	Disposition approval received.*
902	Scattered Sites	95	Potential up to 95 vacant units to be sold pursuant to PHA 1780 vacant scattered sites disposition initiative. See above description	Disposition approval received.*
903	Scattered Sites	37	Potential up to 37 vacant units to be sold pursuant to PHA 1780 vacant scattered sites disposition initiative. See above description.	Disposition approval received.*
904	Scattered Sites	94	Potential up to 94 vacant units to be sold pursuant to PHA 1780 vacant scattered sites disposition initiative. See above description.	Disposition approval received.*
905	Scattered Sites	92	Potential up to 92 units to be sold pursuant to PHA 1780 vacant scattered sites disposition initiative. See above description.	Disposition approval received.*
906	Scattered Sites	139	Potential up to 139 units to be sold pursuant to PHA 1780 vacant scattered sites disposition initiative. See above description.	Disposition approval received.*
907	Scattered Sites	76	Potential up to 76 units to be sold pursuant to PHA 1780 vacant scattered sites disposition initiative. See above description.	Disposition approval received.*
908	Scattered Sites	142	Potential up to 142 units to be sold pursuant to PHA 1780 vacant scattered sites disposition initiative. See above description.	Disposition approval received.*
909	Scattered Sites	198	Potential up to 198 units to be sold pursuant to PHA 1780 vacant scattered sites disposition initiative. See above description.	Disposition approval received.*
910	Scattered Sites	225	Potential up to 225 units to be sold pursuant to PHA 1780 vacant scattered sites disposition initiative. See above description.	Disposition approval received.*
<b>Total Units</b>		<b>1,901</b>		

\* PHA sold 484 scattered site properties at auctions in 2011. Closings are in process.

## Significant Capital Expenditures

During Year Eleven, PHA expended over \$237 million in capital funds (including ARRA funds) on a wide array of projects summarized below. PHA's capital planning and development strategies are designed to support, rehabilitate and modernize existing PHA sites and to revitalize neighborhoods throughout the City. PHA works to leverage its limited PHA resources with other resources such as Low Income Housing Tax Credits, private equity, and state and local funding sources. Utilization of MTW flexibility has been a critical element in PHA's modernization and development efforts. As documented in prior MTW Annual Plans and Reports, PHA has been enormously successful in these efforts.

PHA's capital activities for Year Eleven include Mixed Finance, ARRA and prior year CFP projects that are implemented over multiple fiscal years. The Capital Fund, Replacement Housing Fund, ARRA and/or other sources such as program income, bonds and other mixed-financing programs fund these development activities. Table 5 below summarizes PHA's capital activities during the Plan year.

**Table 5 - MTW Year Eleven Capital Expenditures**

Development Name	Scope of Work	Budgeted Capital Expenditures	Actual Capital Expenditures 4/1/11 to 3/31/12	ARRA Funds Expended 4/1/11 to 3/31/12	Total Expended from 4/1/11 to 3/31/12	% of all Expenditures from 4/1/11 to 3/31/12
PHA-Wide	Security Upgrades	9,971,811	0	0	0	0.00%
PHA-Wide Scattered Site Replacement units	New Development	28,480,000	5,202,321	19,464,915	24,667,236	86.61%
PHA-Wide Scattered Sites Vacancy Reduction	Vacancy Reduction	36,470,137	4,020,136	31,450,000	35,470,136	97.26%
PHA-Wide MEP Upgrade/Enhancement	Building Infrastructure Systems Upgrade/ Enhancement	26,599,191	0	26,598,612	26,598,612	100.00%
PHA-Wide Sprinkler Upgrade	High-rise Sprinkler Standpipes Improvements	7,000,000	0	6,124,426	6,124,426	87.49%
Plymouth Hall Major Rehab	Renovation and Reconfiguration of Existing Bldg.	14,489,108	8,195,532	6,923,705	15,119,237	104.35%
Third Party Capital Requests	New Development	500,000	0	0	0	0.00%
Millcreek Extension <sup>1</sup>	New Development	8,000,000	0	0	0	0.00%
Warnock <sup>1</sup>	New Development	29,345,425	29,345,425	0	29,345,425	100.00%
Mantua <sup>1</sup>	New Development	33,424,493	14,460,849	10,000,000	24,460,849	73.18%
Paschall <sup>1</sup>	New Development	30,759,164	16,935,635	13,315,000	30,250,635	98.35%
PHA-Wide	Accessibility Improvements	500,000	500,000	0	500,000	100.00%
PHA-Wide	Energy	500,000	0	0	0	0.00%

Development Name	Scope of Work	Budgeted Capital Expenditures	Actual Capital Expenditures 4/1/11 to 3/31/12	ARRA Funds Expended 4/1/11 to 3/31/12	Total Expended from 4/1/11 to 3/31/12	% of all Expenditures from 4/1/11 to 3/31/12
	Conservation					
PHA-Wide	Sparkle Plus	2,300,000	0	0	0	0.00%
PHA-Wide	Energy Conservation	3,000,000	0	0	0	0.00%
PHA-Wide-Scattered Sites	Accessibility Improvements	5,000,000	4,305,209	0	4,305,209	86.10%
Belmont-Mantua Scattered Site <sup>1</sup>	New Development	1,700,000	0	0	0	0.00%
Blumberg	Upgrades to Non-dwelling Spaces	6,000,000	484,730	0	484,730	8.08%
Administrative Building <sup>2</sup>	Demolition and New Development	20,000,000	0	0	0	0.00%
Wilson Park	Accessibility Improvements	7,556,026	440,000	4,747,146	5,187,146	68.65%
Harrison Plaza	Accessibility Improvements	5,183,007	1,530,000	1,306,245	2,836,245	54.72%
Fairhill	Accessibility Improvements	7,489,325	3,400,000	2,873,700	6,273,700	83.77%
Johnson Homes	Accessibility Improvements	8,482,540	4,040,000	3,111,250	7,151,250	84.31%
Wilson Park	Upgrades to Non-dwelling Spaces	3,000,000	2,801,000	0	2,801,000	93.37%
Norris Apartments	New Development	13,000,000	14,836,930	0	14,836,930	114.13%
Community Center <sup>3</sup>	New Development	6,000,000	0	0	0	0.00%
Queen Lane	New Development	15,000,000	0	0	0	0.00%
Liddonfield	Demolition	3,977,170	3,977,170	0	3,977,170	100.00%
<b>TOTAL</b>		<b>333,727,397</b>	<b>114,474,937</b>	<b>125,915,000</b>	<b>240,389,936</b>	<b>72.03%</b>

<sup>1</sup> Capital Funding needs for Mixed-Finance Developments

<sup>2</sup> Funding provided from non-federal sources. The Administrative Building project has been placed on hold.

<sup>3</sup> Community Center has been placed on hold.

## Project-Based Units

A total of 1,773 vouchers were projected to be project-based by the end of MTW Year 11. As of March 31, 2012, PHA has 1,787 HCV vouchers under project-based contracts or commitments including projects under the MTW Unit Based Voucher program as shown in Table 6.

**Table 6 - Unit-Based Voucher Units**

<b>Project Name/Sponsor</b>	<b>Target Population</b>	<b>Current (4/1/2011- 3/31/2012)</b>
1260 (Spruce/Ritner/7th/Chestnut)	Family/very low income	33
1260 (Mercy/3rd St/McKean/9th/4th/Reed)	Family/very low income	28
1260 (Rhawn/Academy)	Family/very low income	21
1260 (Snyder/Frankford/Benner/Spruce)	Family/very low income	10
1260 (Wingate/Blakiston/Reed)	Family/very low income	15
1260 Housing	Family/very low income	53
1260 Northeast (Inglis Accessible)	Accessible/very low income	11
4th and Diamond St (WCRP)	Family/very low income	32
Art Apartments	Family/very low income	30
Ascension Manor *	Accessible/very low income	32
Asociacion Puertorriquenos En Marcha **	Family/very low income	20
Belmont Affordable Housing IV	Family/very low income	4
Bernice Elza Homes	Emancipated teens	6
Bethesda Project (Bainbridge)	Men/very low income	20
Bethesda Project (Spruce)	Men/very low income	13
Bethesda Project (South)	Men/very low income	5
Boriquen Asso II/Jardines	Family/very low income	22
Brentwood Parkside Assoc.	Family/very low income	22
Chatham Apts. Assoc., LP	Family/very low income	18
Diamond I	Family/very low income	14
Diamond II	Family/very low income	6
Diamond III	Family/very low income	20
Dignity Housing	Family/very low income	54
Dignity III: (BOSS)	Family/very low income	8
Dignity: Enhanced Services Project (Nedro)	Family/very low income	4
Dunlap Apartment	Family/very low income	35
Edgewood Manor	Family/very low income	33
Fattah Homes I	Homeless/very low income	6
Fattah Homes II	Homeless/very low income	6
Fourth Street ACCESS	Family/very low income	24
Hammil Mills	Senior/very low income	40
Help Philadelphia II Assoc.	Homeless	50
HELP USA *	Homeless	14
Imani Homes	Accessible/very low income	24
Imani Homes V	Homeless/very low income	11
Imani II	Family/very low income	6
Imani III	Family/very low income	6
Imani IV	Family/very low income	8
Inglis House *	Accessible/very low income	19
Inglis House - Part 1	Family/very low income	6
Inglis House - Part 2	Family/very low income	18
Inglis House - (New)	Accessible/very low income	40
Johnnie Tillmon, Somerset, Villanueva, Lillia Crippen	Family/very low income	16
Justin Associates/Locust Towers	Family/very low income	25
Kate's Place (Project H.O.M.E)	Homeless/very low income	30
Lehigh Park Apts. II	Family/very low income	25
Liberty Resources & Partners *	Accessible/very low income	7

Project Name/Sponsor	Target Population	Current (4/1/2011- 3/31/2012)
LIH	Family/very low income	16
Mascher Street Townhouses (WCRP)	Family/very low income	12
Monument Mews	Family/very low income	60
National Temple/1260 Housing - 1500 Gratz St	Family/very low income	40
National Temple/1260 Housing - 1700 N. 16 St	Family/very low income	49
NPCH - N. 11th St	Family/very low income	16
Parkside Preservation Project (Belmont)	Family/very low income	12
Parkside Preservation Project (Parkside-Ph I )	Family/very low income	8
Parkside Preservation Project (Parkside-Ph II)	Family/very low income	30
PEC – Jannie’s Place	Homeless/very low income	6
PEC (Pennrose, LLC) - Cloister III	Homeless/families	18
PEC/RBM	Family/very low income	9
Powelton Height	Family/very low income	30
Praveen Chestnut *	Accessible/very low income	3
Regent St Assoc	Family/very low income	80
Sartain Apartment	Family/very low income	35
Sheila Brown	Family/very low income	9
Somerset Apartments (WCRP)	Family/very low income	44
South 55th Street	Family/very low income	18
Susquehanna II	Family/very low income	47
Tioga Gardens	Family/very low income	18
Travelers Aid Kirkbride Center	Homeless/very low income	22
Trevor's Place/Freedom Village	Homeless/very low income	16
Walnut Park Plaza	Senior/very low income	224
Walnut Thompson	Family/very low income	35
<b>SUB-TOTAL</b>		<b>1787</b>
<b>Not Leased/Vacant</b>		<b>62</b>
<b>TOTAL UNDER LEASE</b>		<b>1725</b>

\*New project-based commitment awarded during the Plan year.

\*\* Commitment made; no contract awarded to date

## B. Leasing Information – Projected vs. Actual

Table 7 below provides a summary of projected versus actual leasing activity for the Public Housing and HCV Programs for MTW Year 11. As of March 31, 2012, public housing occupancy of 13,475 households represents a 96.51% adjusted occupancy rate. For the HCV program, PHA had 1,725 project-based units under lease, which are part of the MTW Tenant Based Voucher total shown in Table 7.

**Table 7 - Leased/In Use for MTW Year 11**

	<b>Projected Leased/In use as of March 2012</b>	<b>Actual/In use as of March 31, 2012</b>
Public Housing Units	13,638	13,475
MTW Tenant Based HCV Vouchers	14,850	14,847
MTW Activity Vouchers	3,000	3,000
Non-MTW HCV Vouchers	1,153	746
Section 8 Mod Rehab/SRO	700	596
<b>TOTAL</b>	<b>33,341</b>	<b>32,664</b>

**Explanation of Projected versus Actual Variance**

- Projected leasing for Non-MTW vouchers was 1,153, compared to actual leasing of 746. The variance is due to several factors: a) Two recent HUD opt-out increments were issued to PHA where clients still have vouchers and are not leased up; b) Two older HUD opt-out increments were issued to PHA where clients have refused to take vouchers; and, c) Referrals from the VA have slowed down leasing of VASH vouchers. PHA will continue to work to resolve these leasing issues during FY 2013.
- Projected leasing for the Section 8 Mod Rehab/SRO program was 700, compared to actual leasing of 596. The variance is due to several factors: a) The Church Lane contract opted-out causing a reduction of 66 units; b) Ongoing turnover has created 67 vacancies that PHA is working with owners to fill; and, c) An additional one unit decrease was caused by a decrease of one unit to an existing contract.
- Projected leasing for public housing was 13,638 compared to actual leasing of 13,475. The variance is due primarily to PHA’s ongoing review of the scattered site inventory as part of the asset repositioning initiative. Vacant units that require significant investment to reoccupy are being carefully evaluated to assess their long-term viability. Units that are not viable over the long term without substantial investment will be considered for disposition through sale or other means.

**C. Waiting List Information**

PHA continued to implement its waiting lists in accordance with the HCV Administrative Plan and Admissions and Continued Occupancy Policy as applicable. PHA conventional public housing allows applicants the option of selecting specific sites or being placed on a “first available” central waiting list. PAPMC and AME sites maintain site-based waiting lists. The HCV Waiting List has been closed since March 2010. Public housing waiting lists remain open except for those listed below:

<b>DEVELOPMENT</b>	<b>CLOSE DATE</b>
Norris Apartments	09/01/10
Haverford Homes	09/01/10
Richard Allen	09/01/10
Arch Homes	09/01/10
Queen Lane Apartments	09/01/10
Hill Creek	09/01/10
Oxford Village	09/01/10
Whitehall Apartments	09/01/10
Haddington Homes	09/01/10
Champlost Homes	09/01/10
Morton Homes	09/01/10
Westpark Plaza	09/01/10
Abbotsford Homes	09/01/10
Cecil B Moore	09/01/10
Ludlow	09/01/10
Francisville	09/01/10
Fairhill Square	09/01/10
Germantown/Hunting Park	09/01/10
Kingsessing	09/01/10
Mantua	09/01/10
Haddington	09/01/10
Paschall Village I	09/08/11
Paschall Village II	09/08/11

Across all programs, including PAPMC sites, PHA has 139,678 households on waiting lists as of the end of the Plan year. Table 8A provides statistics for the 46,334 households on PHA’s conventional and scattered site public housing waiting lists, and the 56,466 households on the Housing Choice Voucher program waiting list as of March 31, 2012. Table 8B provides statistics for the 36,878 households on PAPMC waiting lists.

PHA applicants are overwhelmingly extremely low or very low income, i.e. 88% of all applicants for all programs have incomes less than or equal to 30% of Area Median Income (AMI), and an additional 9% have incomes equal to or less than 50% of AMI. In terms of race, 85% of applicants are African-American, 8.6% are White, 4.6% are Asian/Pacific Islander or Native American, and 1.8% “other” races. In terms of ethnicity, 8.2% of all applicants are Hispanic.

Demand continues to be highest for small bedroom units, reflecting a general trend towards smaller family sizes. For conventional public housing, 43% of applicants require efficiencies or 1BR units and 33% require 2BR units. For PAPMC sites, 41% require efficiencies or 1BR and 35% require 2BR units. While demand for smaller units

is high, it should be noted that there are over 20,000 households on PHA's conventional public housing and PAPMC waiting lists that require 3BR or greater units. Elderly households constitute 12% of all applicants, and disabled households are 7.2% of applicants.



**Table 8A – Public Housing and Housing Choice Voucher Program Waiting List Characteristics**

<b>Unit Size Need of Applicants on the Waiting List as of March 31, 2012</b>						
<b>Household Type</b>	<b>Public Housing</b>		<b>HCV Housing</b>		<b>Total</b>	<b>% Combined</b>
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		
Efficiency	17,508	38%	27,814	49%	45,322	44%
One Bedroom	2,374	5%	2,640	5%	5,014	5%
Two Bedroom	15,291	33%	15,561	28%	30,852	30%
Three Bedroom	8,697	19%	8,673	15%	17,370	17%
Four Bedroom	2,120	5%	1,565	3%	3,685	4%
Five Bedroom	297	0%	193	0%	490	0%
Six Bedroom	47	0%	20	0%	67	0%
<b>Program Totals</b>	<b>46,334</b>	<b>100%</b>	<b>56,466</b>	<b>100%</b>	<b>102,800</b>	<b>100%</b>
<b>Type of Households on the Waiting List as of March 31, 2012</b>						
<b>Household Type</b>	<b>Public Housing</b>		<b>HCV Housing</b>		<b>Total</b>	<b>% Combined</b>
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		
Family	37,546	81%	46,544	82%	84,090	80%
Elderly	5,990	13%	4,561	8%	10,551	12%
Disabled	2,798	6%	5,361	10%	8,159	8%
<b>Program Totals</b>	<b>46,334</b>	<b>100%</b>	<b>56,466</b>	<b>100%</b>	<b>102,800</b>	<b>100%</b>
<b>Income of Households on the Waiting List as of March 31<sup>st</sup> 2012</b>						
	<b>Public Housing</b>		<b>HCV Housing</b>		<b>Total</b>	<b>% Combined</b>
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		
Below 30% Median Income	41,826	90%	48,722	86%	90,548	88%
Between 30% and 50% Median Income	3,501	8%	5,996	11%	9,497	9%
Between 50% and 80% Median Income	670	2%	1,041	2%	1,711	2%
Over 80% Median Income	337	0%	707	1%	1,044	1%
<b>Program Totals</b>	<b>46,334</b>	<b>100%</b>	<b>56,466</b>	<b>100%</b>	<b>102,800</b>	<b>100%</b>
<b>Race of Households on the Waiting List as of March 31, 2012</b>						
<b>Race</b>	<b>Public Housing</b>		<b>HCV Housing</b>		<b>Total</b>	<b>% Combined</b>
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		
African-American	38,705	84%	47,013	84%	85,718	83%
White	4,740	10%	5,111	9%	9,851	10%
Asian/Pacific Islander & Native American	1,974	4%	3,419	6%	5,393	5%
Other	915	2%	923	1%	1,838	2%
<b>Program Totals</b>	<b>46,334</b>	<b>100%</b>	<b>56,466</b>	<b>100%</b>	<b>102,800</b>	<b>100%</b>
<b>Ethnicity of Households on the Waiting List as of March 31, 2012</b>						
<b>Race</b>	<b>Public Housing</b>		<b>HCV Housing</b>		<b>Total</b>	<b>% Combined</b>
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		
Hispanic	4,865	10%	4,534	8%	9,399	9%
Non-Hispanic	41,469	90%	51,932	92%	93,401	91%
<b>Program Totals</b>	<b>46,334</b>	<b>100%</b>	<b>56,466</b>	<b>100%</b>	<b>102,800</b>	<b>100%</b>

**Table 8B – PAPMC Development Public Housing Waiting List Characteristics**

<b>Unit Size Need of Applicants on the Waiting List as of March 31st 2012</b>		
<b>Household Type</b>	<b>PAPMC</b>	
	<b>#</b>	<b>%</b>
Efficiency	13,616	37%
One Bedroom	1,617	4%
Two Bedroom	12,780	35%
Three Bedroom	7,295	20%
Four Bedroom	1,441	4%
Five Bedroom	127	0%
Six Bedroom	2	0%
<b>Program Totals</b>	<b>36,878</b>	<b>100%</b>
<b>Type of Households on the Waiting List as of March 31st 2012</b>		
<b>Household Type</b>	<b>PAPMC</b>	
	<b>#</b>	<b>%</b>
Family	28,565	77%
Elderly	6,410	17%
Disabled	1,903	6%
<b>Program Totals</b>	<b>36,878</b>	<b>100%</b>
<b>Income of Households on the Waiting List as of March 31st 2012</b>		
	<b>PAPMC</b>	
	<b>#</b>	<b>%</b>
Below 30% Median Income	32,922	89%
Between 30% and 50% Median Income	3,344	9%
Between 50% and 80% Median Income	370	1%
Over 80% Median Income	242	1%
<b>Program Totals</b>	<b>36,878</b>	<b>100%</b>
<b>Race of Households on the Waiting List as of March 31st 2012</b>		
<b>Race</b>	<b>PAPMC</b>	
	<b>#</b>	<b>%</b>
African-American	32,883	90%
White	2,217	6%
Asian/Pacific Islander & Native American	1,157	3%
Other	621	1%
<b>Program Totals</b>	<b>36,878</b>	<b>100%</b>
<b>Ethnicity of Households on the Waiting List as of March 31st 2012</b>		
<b>Race</b>	<b>PAPMC</b>	
	<b>#</b>	<b>%</b>
Hispanic	2,096	7%
Non-Hispanic	34,782	93%
<b>Program Totals</b>	<b>36,878</b>	<b>100%</b>

### III. NON-MTW RELATED INFORMATION

#### A. Budget vs. Actual Sources and Uses of Other HUD or Federal Funds

Table 9 provides information on budget versus actual sources and uses of Other Non-MTW funds. A narrative description of planned versus actual differences follows the table.

**Table 9 – FY 2012 Budget vs. Actual Sources and Uses of Other Non-MTW Funds**

REVENUE (SOURCES)	BUDGETED	ACTUALS	VARIANCE
Grants	\$173,924	\$164,608	-5.36%
Program Income	4,431,075	5,150,031	16.23%
Non-MTW Vouchers	6,296,356	6,321,928	0.41%
Mainstream	294,208	248,884	-15.41%
VASH	568,812	1,030,079	81.09%
MOD/SROs	3,263,704	3,193,328	-2.16%
Interest/Misc Income	0	294,994	0.00%
Administrative Fees	1,629,053	1,756,482	7.82%
<b>TOTAL REVENUE</b>	<b>\$16,657,132</b>	<b>\$18,190,813</b>	9.21%
EXPENSES (USES)			
Administration and General Expense	\$1,754,588	\$2,092,746	19.27%
Operations and Maintenance	48,389	0	-100.00%
Housing Assistance Payments	10,423,080	8,933,919	-14.29%
Capital Projects	4,431,075	-425,337	-109.60%
<b>TOTAL EXPENSE</b>	<b>\$16,657,132</b>	<b>\$10,601,327</b>	-36.36%
<b>OPERATING INCOME/(LOSS)</b>	<b>0</b>	<b>\$7,589,486</b>	
Reserve Buildup	0	\$6,110,190	
<b>NET INCOME/(LOSS)</b>	<b>0</b>	<b>\$13,699,676</b>	

Variances between projected and actual sources of non-MTW funds can be attributed to various factors, including the following:

- Program income increased due to receipt of solar grant associated with the Mantua & Paschall development projects.
- An additional 50 vouchers awarded in the VASH program increased anticipated revenues.

Variances between projected and actual uses of non-MTW funds can be attributed to the following:

- Budgeted capital projects - Delays in the Queen Lane redevelopment project due to historical clearance issues caused the project to be redesigned. Funds will be allocated in the upcoming fiscal year.

- Leasing less than projected levels in the VASH and FUP programs resulted in reduction of anticipated housing assistance payments.

## **B. Description of Non-MTW Activities**

Over eleven years as a participant in the MTW Demonstration, PHA has incorporated MTW flexibility into virtually all areas of its operations. However, as part of HUD’s revised reporting requirements established in the MTW Agreement and the related HUD Form 50900, PHA is required to separately organize and describe its “MTW activities” and “non-MTW activities.” “MTW activities” include those initiatives that promote one or more statutory objectives and that require use of authority granted to PHA under its MTW Agreement. MTW activities are discussed in Chapters V and VI.

Selected highlights from PHA’s extensive non-MTW activities over the Plan year are briefly noted below. While these initiatives do not directly require MTW authority to implement, most have a direct, supportive relationship to other MTW activities and in some cases utilize MTW block grant funding flexibility. Use of single fund flexibility is described in Chapter VII.

### **Recovery Plan Activities**

- Substantially completed the restructuring and staffing of the Office of General Counsel, Office of Audit and Compliance and Human Resources Department.
- Conducted agency-wide mandatory training on PHA’s revised ethics, sexual harassment, and related policies.
- Developed a new employee handbook for publication in FY 2013. Significant progress was made in revising PHA’s overall HR policies and procedures handbook.
- Established new procedures to improve controls and documentation of construction field changes to scope and/or budget.
- Developed a revised Procurement Policy for Board review and adoption in FY 2013.
- Made substantial progress in resolving and closing out findings from prior HUD Office of Inspector General audits of PHA operations. Additional information may be found in Chapter VIII.A of this report.
- Work proceeded on development of a new agency-wide Management Action Plan including establishment of internal working groups and development of initial draft plans. The Management Action Plan will address both MTW and non-MTW issues and tasks and, as appropriate, re-focus activities on PHA’s core mission.

### **Public Housing Portfolio**

- Successfully completed occupancy of new PAPMC housing sites including Mantua I and II and Paschall Village I and II.
- Performed UPCS inspections on 100% of public housing units.
- Implemented Integrated Pest Management program at conventional sites.
- Completed lease revisions and obtained Board approval for roll out of lease in FY 2013.
- Conformed to required investor and funding source requirements including timely submission of cost certifications for all Low Income Housing Tax Credit sites.
- Continued training and asset management initiatives including activities to ensure full LIHTC program compliance at Alternatively Managed Entity (AME) sites.
- Continued to develop, implement and refine an asset repositioning strategy for scattered site units in order to generate revenue and reduce operating expenses. See previous note regarding successful auction results from 2011.

### **Housing Choice Voucher Program**

- Revised quality control initiatives to include HCV Manager QC reviews as well as QC reviews by the Office of Audit and Compliance.
- Conducted Housing Fairs and other efforts to improve the quality and expand the geographic distribution of housing units available to HCV participants.
- Developed and implemented an improved voucher utilization tool which includes a feature to update utilization forecasts based on screening results, voucher success and terminations.
- Improved tenant briefing and orientation, including development and implementation of a briefing video and improved briefing guide.
- Updated Reasonable Rent determination process and added an automated rent burden analysis component to assist staff in analyzing rents.
- Conducted training to review revised policies, procedures and regulatory requirements including training on the new Administrative Plan, Rent Determination, HQS Enforcement, File Organization and Tracking.
- Updated the HCV Administrative Plan and provided staff with training on new and revised policies.
- Developed and implemented a new, no-cost landlord training program to provide owners with information on the requirements and responsibilities of the HCV program.

- Implemented an improved method for tracking and obtaining overdue portability payments and transactions which resulted in greater efficiency and financial management of the portability program.
- Streamlined the network of Community-Based Housing Choice Voucher offices by relocating the Germantown office to the site of the central HCV Administration Office. PHA continues to evaluate the neighborhood office strategy and intends to make further changes to centralize operations in the coming months to reduce cost and promote operational efficiency.

### **Public Safety Activities**

- PHA Investigations Unit provided assistance to all internal and external agencies, federal, state and local as requested. The unit conducted Workers' Compensation investigations to ensure the integrity of claims made. The unit processed Police Record Checks for conventional and scattered sites and continued to assist HCVP in processing Investigations to deter illegal occupancy.
- Continued to expedite the process of criminal record checks on all applicants and household members. PHA also conducted criminal record checks at recertification.
- Implemented internal COMSTAT crime statistics meetings, similar to those used by the City of Philadelphia Police Department, to facilitate continuous review and response to public safety issues. Additionally, PHA partnered with other law enforcement agencies to ensure accurate reporting of crimes occurring in and around our communities.
- Implemented the D.A.R.E. and G.R.E.A.T. programs to incorporate health and public safety concerns into youth programs.
- Provided support for resident-police partnerships through the Police Advisory Board, Town Watch programs, and participation with the Citizens Crime Commission of Delaware Valley. Public Safety unit worked with residents, management and outside agencies to enhance the flow of communication and information between all stakeholders.

### **Resident and Community Services**

- Completed Healthy Homes grant objectives, with the enrollment of 259 families and service to over 145 families.
- Collaborated with the City of Philadelphia's Department of Public Health in the pursuit and award of a 5-year Community Transformation Grant from the Center for Disease Control in an effort to move PHA toward Smoke Free Public Housing. The grant will allocate approximately \$100,000/year toward resident education, awareness and smoking cessation.

- Implemented a Summer Food program at 19 conventional sites, and served over 46,000 meals over a 10 week time frame.
- Identified and secured additional supportive service program funds to enhance resident-oriented programs. This task area is even more critical in light of the continued reductions in PHA federal operating subsidy funding. Efforts have focused on workforce development, technology and broadband adoption, and nutrition and health programming. Over the past year, PHA has concluded several new grants in support of resident services. In addition to those previously referenced, these grants include: a \$552,500 grant with the City of Philadelphia Mayor’s Office of Community Service (MOCS) to provide access to residents for the Pre-Apprenticeship Program; a \$96,000 grant from Drexel University in support of the Freedom Rings (BTOP) initiative in connecting PHA residents to technology training, 5,000 free netbook computers, and subsidized Internet service; and a \$127,000 grant from the State of Pennsylvania’s Department of Education in support of Summer Food programming.
- Implemented a new after school educational program for youth ages 13-18 in support of STEM academic preparation, homework support, study skills, career exploration, mentoring and addressing civic issues faced by the youth in our developments. This new program is currently in place at 4 sites, serving approximately 75 youth on a daily basis. PHA has also implemented, through a partnership with the City of Philadelphia’s PhillyRising Collaborative, the Philadelphia Youth Music Program. The program was launched with a concert event hosted by PHA and supported by Philadelphia’s Mayor Michael Nutter, and has since expanded to providing at risk youth with access to a comprehensive music program. The program includes training on instruments, recording equipment, recording methodology, and mentoring by the members of the Philadelphia Chapter of the Grammy Association. Currently, 35 youth have been actively participating in the program. Over the next year, PHA will continue to expand these programs to offer youth added support in the development of an entrepreneurship program as well as integration into a higher education preparation and awareness program.
- Supported residents in the area of technology. This support has been targeted at the recruitment and implementation of computer training programs, which have resulted in residents becoming eligible for receiving a free netbook computer. As a result of these efforts, PHA had recruited 3,565 residents, enrolled and ensured graduation from an 8-hour training program for 2,000 residents, and distributed 1,852 Netbooks to PHA families as of the end of MTW Year 11. This effort will continue in the coming year, with the goal of distributing 5,000 Netbooks to PHA families. In support of these new educated netbook owners, PHA has converted 9 of its Neighborhood Network labs into Wi-Fi Hot Spots, thus allowing residents to access the Internet at PHA community centers via their new netbooks.
- Continued to implement the highly successful Section 3 job placement program with ongoing emphasis on construction opportunities and alternative options for vendors to meet obligations. PHA was able to achieve approximately 447 Section 3 new hires from construction contracts, as well as 228 Section 3 new hires from PHA internal hiring, a

64.2% rate. Within its contracting efforts, PHA was able to award approximately \$4,884,000 to Section 3 Business Concerns in construction work, an 11.7% rate of all awards. In addition, PHA awarded approximately \$598,000 to non-construction vendors, for a rate of 3.7% of all non-construction awards.

### **Strategic Management**

- PHA continued its Performance Management Initiative, which leveraged cross-functional teams of staff in support of site-level improvement programs and also focused on performance, until November 2011 at which time the focus changed to providing monitoring and support for the Recovery Plan initiatives.
- OSM staff provided support to PHA senior staff in the ongoing development of an agency-wide Management Action Plan.
- PHA provided an array of employee training programs designed to upgrade skills and to maximize staff understanding of policies, procedures and systems. A high priority was placed on training for new policies developed as part of the Recovery Plan.

### **Information Systems Management**

- A number of technical projects were undertaken to improve PHA's network and automated systems. PHA upgraded the Oracle Portal to version 9.1, which provides advanced functionality and allows for better integration with all enterprise applications. Also, PHA upgraded Oracle PeopleSoft Tools to version 8.51, an upgrade which provides advanced programming tools and allows consistent coding and ease of integration with all enterprise applications. PHA also upgraded Network Software and SQL Databases to take advantage of the enhanced security and user interfaces provided by the new PeopleSoft Upgrade.
- PHA implemented the Oracle PeopleSoft Budgeting module version 9.1. This upgrade provides enhanced functionality allowing budgeting roles on the lowest level of management to input information for approval and implementation. The analytical tool provides vision into budgets with intuitive reports and views.
- PHA continued to enhance the Enterprise Performance Management (EPM) software. This software provides key business performance indicators via an Executive Dashboard.



## IV. LONG-TERM MTW PLAN

During the first year of the MTW program, PHA established five (5) broad objectives for the MTW Demonstration Program, which provides a framework for long-term MTW implementation efforts. These objectives are:

- Reform the existing Housing Choice Voucher and Public Housing Programs to improve and increase the supply of quality affordable housing throughout the City of Philadelphia.
- Revitalize neighborhoods where MTW and MTW-eligible residents reside.
- Develop a MTW Family Program to furnish comprehensive family self-sufficiency services to eligible MTW families.
- Establish a Quality of Life Program to promote a living environment that fosters community values, encourages resident participation and positive peer group pressure, and reinforces the responsibilities of public housing residents, voucher participants, voucher landlords, and PHA to one another and to the broader community.
- Establish efficient operating procedures and implement cost-saving strategies.

PHA intends to continue and expand the use of MTW flexibility in promoting PHA's long-term strategic objectives, emphasizing the overarching importance of three core principles: 1) Building a culture of respect within the organization; 2) Refocusing on a "back to basics" approach that emphasizes excellence in property management, maintenance and front-line services; and, 3) Strengthening the agency's commitment to transparency and accountability at all levels of PHA operations.

A comprehensive planning process is currently underway to develop a Management Action Plan (MAP) that will refine and revise as needed PHA's long-term MTW goals and objectives, while promoting the core principles noted above. As PHA adjusts its work plans to respond to the recently announced federal funding reductions, the flexibility afforded by the MTW Demonstration is more critical than ever. As part of the MAP implementation process, intensive efforts will be made to identify new, more efficient modes of operation that will help to sustain and expand the revitalization of PHA's public housing stock and Philadelphia's neighborhoods.

## V. PROPOSED ACTIVITIES

As part of the Annual Report process, HUD requires PHA to report on MTW activities that were approved by HUD but not implemented by PHA. The following table summarizes previously approved MTW activities that have not yet been implemented or that PHA has elected to discontinue.

**Table 10 – Approved MTW Activities Not Implemented**

MTW Activity	Description	Status
<b>Partnership Program Initiative</b>	PHA will use its MTW authority to expand housing options and service models for special needs and other targeted groups in partnership with universities, state and local government and other stakeholders.	This activity was first authorized in Year Ten; however, PHA has not yet implemented any partnerships that require use of this authority. PHA intends to continue to maintain this as an approved MTW activity. During Year 11, PHA commenced planning to identify potential partners and strategies for this initiative.
<b>Scattered Site Income Tiering</b>	PHA intends to implement income-based preferences at scattered site properties. The policy includes selection and admission of established percentages of applicants from the Waiting Lists by income tier in order to achieve PHA’s deconcentration goals.	This activity was first authorized in Year Ten, but not implemented. PHA has elected to discontinue this initiative effective as of the end of MTW Year 10.
<b>Expanding Use of Low-Income Housing Tax Credit (LIHTC)</b>	In appropriate circumstances, PHA will use its broader use of funds authority to purchase, finance and/or develop properties using its MTW block grant funds and LIHTCs.	This activity was first authorized in Year Ten, but not implemented. PHA continues to explore opportunities to implement this initiative.
<b>Establish an Energy Service Company (ESCO)</b>	PHA may use an ESCo structure as authorized under its MTW Agreement to finance some of the energy efficiency improvements it intends to make to various public housing properties.	Introduced in Year Nine, but not yet implemented. PHA continues to evaluate the feasibility of using an ESCo to finance some of its energy efficiency improvements.
<b>Assisted Living</b>	PHA has been working in partnership with DPW and many other advocates within the Commonwealth to draft regulations for the Commonwealth of Pennsylvania’s new law regulating assisted living residences.	Introduced in Year Eight, but not implemented. Sufficient services funding is not currently available to implement this initiative.
<b>Home Care Services</b>	Home Care Services for seniors will be available to eligible residents living at the Nellie Reynolds Garden development and other PHA sites.	Introduced in Year Eight, but not implemented. PHA has determined that services can be more efficiently delivered to residents by other providers. PHA elected to discontinue this activity as of the end of MTW Year 10.

<b>MTW Activity</b>	<b>Description</b>	<b>Status</b>
<b>Transitional Housing Facilities</b>	PHA intends to form partnerships to provide shelter space and transitional housing. The transitional housing facilities, which would be constructed using a variety of Federal, state and local funds including Low Income Housing Tax Credits, will provide a residence and services to homeless families for a period that is anticipated to be 12 to 18 months.	This activity was first authorized in Year Six; however, PHA has not yet implemented any partnerships that require use of this authority. PHA intends to continue to maintain this as an approved MTW activity
<b>Utility Allowances</b>	PHA intends to further modify the utility allowance policy to require tenants receiving either heat or electric utility allowances to enroll and participate in the PECO Customer Assistance Plan, LIHEAP and any other applicable programs that offer reduced rates, energy usage grants or other financial incentives to low income households.	This activity was first authorized in Year Eight, but not implemented. PHA will continue to evaluate the feasibility of implementing this activity.
<b>Term Limits</b>	PHA has implemented a seven-year limit on participation in the Housing Choice Voucher program for household members who are able to work.	Approved and implemented in Year Three. However, as noted in the Year 10 Annual Plan, PHA determined that terminations will be held in abeyance in light of current economic conditions. Subsequently, PHA has elected to discontinue this activity as noted in the MTW Year 12 Annual Plan.
<b>HCV HQS Enforcement</b>	PHA implemented alternative HQS enforcement timetables.	PHA has discontinued this activity, and now enforces all HQS compliance in conformance with 24 CFR Part 982, i.e. emergency conditions must be corrected within 24 hours of the inspection, and routine conditions must be corrected within 30 days of inspection.
<b>Streamlined Acquisition Process</b>	PHA is authorized to develop public housing through several financing methods, including the mixed-finance approach, which involves the use of both private financing and public housing development funds. According to public housing regulations, PHA and its partners may select among several ownership structures for mixed finance transactions.	Introduced in MTW Year Four, but not implemented. PHA continues to explore alternate opportunities to use this activity.
<b>Service Orders</b>	PHA implemented alternative service order timetables for the public housing program.	PHA has discontinued this activity, and now requires repair or abatement of emergency service orders within 24 hours and routine service orders within 30 days.

## **VI. ONGOING MTW ACTIVITIES**

This section of the Annual Report summarizes PHA's ongoing MTW activities for MTW Year 11. MTW initiatives discussed in this chapter have been previously submitted and approved by HUD. Under the original MTW Agreement, PHA was not required to report on baseline and benchmarks for MTW initiatives. Under the revised Standard MTW Agreement and the revised Attachment B, PHA is required to establish baseline and benchmarks for all MTW initiatives effective with the June 2011 submission of the Year Ten Annual Report. For initiatives approved and implemented prior to MTW Year 10, the baseline was generally determined based on PHA's data as of April 1, 2010. Benchmarks generally reflect production goals for the period beginning April 1, 2010 and beyond. Note that the baseline and benchmarks presented herein do not fully reflect the substantial activity that occurred in prior years; however, this information has previously been reported to HUD in PHA's prior MTW Annual Plans and Reports.

**MTW Activity: Neighborhood Development and Revitalization Initiatives**

PHA utilizes MTW authority to substantially increase housing choices for residents and applicants. PHA is continuing to implement an ambitious program of new construction, substantial rehabilitation and modernization designed to revitalize PHA public housing developments, replace distressed housing lost to demolition and lack of capital funds, and improve Philadelphia’s neighborhoods. The components of this activity are:

- Design Standards - Approved and implemented in Year Three and is ongoing
- Total Development Cost Limits and Housing Cost Caps - Approved and implemented in Year Three and is ongoing
- Streamlined Mixed-Finance Development Process - Approved and implemented in Year Three and is ongoing
- Streamlined Acquisition Process - Introduced in Year Four, but not yet implemented (See Chapter V)
- Strategy for Development - Approved and implemented in Year Four and is ongoing
- Site and Neighborhood Standards – Approved and implemented in Year Three and is ongoing

**A. Activities continued from the prior Plan year(s)**

The following activities are ongoing:

- Design Standards
- Total Development Cost Limits and Housing Cost Caps
- Streamlined Mixed-Finance Development Process
- Strategy for Development
- Site and Neighborhood Standards

**B. Impact of the activity compared against the proposed benchmarks and metrics**

Components	Impact	Metric	Baseline	Benchmark	Outcomes
Design Standards	Creation of energy efficient and environmentally safe affordable housing incorporating market-driven amenities.	# of new units developed	All new units developed after April 1, 2010 will be counted. The baseline as of April 1 is assumed to be zero.	Develop or rehabilitate up to 400 units over 5 years.	Total # of units developed from 4/1/10 to 3/31/12: 470. This total includes 98 units from Year 10 (see Year 10 Report for details) plus 319 new construction units and 53 substantial rehab units in Year 11 per Table 3.

<b>Components</b>	<b>Impact</b>	<b>Metric</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcomes</b>
Total Development Cost Limits and Housing Cost Caps	Creation of MTW TDC/HCC schedules which reflect construction and development costs in the City of Philadelphia. PHA has conducted studies to document the need for revised TDC/HCC schedules in order to reflect local costs. PHA will periodically update this information and submit to HUD when modifying the schedules.	# of new units developed	All new units developed after April 1, 2010 will be counted. The baseline as of April 1 is assumed to be zero.	Develop or rehabilitate up to 400 units over 5 years.	Total # of units developed from 4/1/10 to 3/31/12: 470. This total includes 98 units from Year 10 (see Year 10 Report for details) plus 319 new construction units and 53 substantial rehab units in Year 11 per Table 3
Streamlined Mixed-Finance Development Process	Streamlined administrative functions, maximized management efficiencies and implemented less onerous reporting functions, such as tax-credit compliance etc.	Length of time from funding award to project closing	PHA will identify a baseline for this in the coming months based on industry average closing times.	Reduce closing times by 15% over industry average.	TBD
Strategy for Development	Ability to quickly address the need for emergency demolition through streamlined demolition approval process.	Time to process emergency demolition applications	The average time for processing is approximately 120 days.	Reduce average processing time by 30 days, i.e. complete processing in 90 days	PHA submitted 5 requests for emergency demolition approval to HUD in the Plan year, all for properties previously approved by HUD for disposition. Demo approvals were received in 90 days or less.
Alternate Site and Neighborhood Standards	Creation of new affordable housing units which reflect neighborhood conditions in Philadelphia and are consistent with PHA's development strategy	# of new units developed that meet PHA's defined MTW Site and Neighborhood Standards	All new units developed after April 1, 2010 that meet PHA's defined MTW Site and Neighborhood Standards will be counted. The baseline as	Develop or rehabilitate up to 400 units over 5 years that meet PHA's MTW Site and Neighborhood Standards	Total # of units developed from 4/1/10 to 3/31/12 that meet PHA's MTW Site and Neighborhood Standards is 470. This total includes 98 units from Year 10

Components	Impact	Metric	Baseline	Benchmark	Outcomes
			of April 1 is assumed to be zero.		(see Year 10 Report for details) plus 319 new construction units and 53 substantial rehab units in Year 11 per Table 3.

**C. Explanation if benchmarks were not achieved or the activity was determined ineffective**

N/A

**D. Identify any new indicators if benchmarks or metrics have been revised**

N/A

**E. Describe revisions if data collection methodology has changed**

N/A

**F. New authorizations used**

No new authorizations were required.

**G. Provision or regulation waived by MTW**

Activity	Authorization	MTW Waiver
Design Standards	Attachment C, Section C (12)	Sec. 4, 5 and 9 of 1937 Act 24 CFR §§ 941.202, 941.203, 941.401, & 941.403
Total Development Cost Limits and Housing Cost Caps	Attachment C, Section C (16)	Sec. 6(b) of 1937 Act 24 CFR § 941.306
Streamlined Mixed-Finance Development Process	Attachment C, Section C(7)(a) Attachment D, Section III (A)(I)	Sec. 4, 5, 9, 24, 32, and 35 of 1937 Act 24 CFR § 941
Strategy for Development	Attachment C, Section B(1); Attachment D, Section II (A) and	Sec. 8 and 9 of 1937 Act 24 CFR §§ 905, 941, 982, & 990
Alternate Site and Neighborhood Standards	Attachment C, Section D(7)(c) Attachment D, Section III(B)(2)	24 CFR §§ 941.202(b)-(d) & 983.57

The above MTW waivers have been essential to PHA’s ability to develop high-quality, new and rehabilitated public housing units in a cost-effective and efficient manner, using standards and data that reflects the local Philadelphia housing market. Housing choices within PHA’s portfolio have been substantially increased and improved.

**MTW Activity: Service Enriched Housing for Seniors and People with Disabilities**

PHA is collaborating with the Commonwealth of Pennsylvania and other local providers to develop and implement a range of service-enriched housing options for seniors and people with disabilities. The components of this activity are:

- Assisted Living – Introduced in Year Eight, but not implemented due to lack of available state and other funding (See Chapter V)
- Adult Day Care – Approved and implemented in Year Ten and is ongoing
- LIFE Programs – Approved and implemented in Year Six and is ongoing
- Nursing Home Transition – Approved and implemented in Year Nine and is ongoing
- Accessible Unit Retrofitting and Development – Approved and implemented in Year Nine and is ongoing
- Definition of Elderly – Approved and implemented in Year Three and is ongoing

**A. Activities continued from the prior Plan year(s)**

The following activities are ongoing:

- Adult Day Care
- LIFE Programs
- Nursing Home Transition
- Accessible Unit Retrofitting and Development
- Definition of Elderly

**B. Impact of the activity compared against the proposed benchmarks and metrics**

Components	Impact	Metric	Baseline	Benchmark	Outcomes
Adult Day Care	Provision of care and companionship to seniors who require assistance with Activities of Daily Living and or supervision during the day. The program provides alternative care that enhances self-esteem and encourages socialization.	# of eligible elderly participants served	All participants served after April 1, 2010 will be counted. The baseline as of April 1 is assumed to be zero.	Overall capacity is 52 clients. A benchmark of serving 50% of capacity (26 clients) is established for first year operations; 75% of capacity (39 clients) for second year; and 95% or greater of capacity (49 clients) for the third and subsequent years.	From 4/1/11 to 3/31/12: 43 participants served, i.e. 83% of capacity. From 4/1/10 to 3/31/11: 33 participants served, i.e. 63% of capacity.
LIFE Programs	Individualized approach to provision of healthcare and social services to qualified seniors. The program delivers all needed medical, supportive services, and entire continuum of care and services to	# of eligible PHA elderly residents served at LIFE sites	All PHA resident participants served after April 1, 2010 will be counted. The baseline as of April 1 is assumed	For first year of tracking, 10% (n=135) of potential enrollees (n=1,356) will be PHA residents. Starting in third year of tracking, 15% (n=203) of enrollees will be PHA residents.	As of March 31 2012, 135 PHA residents were enrolled in LIFE programs, which represents 10% of enrollees.



<b>Components</b>	<b>Impact</b>	<b>Metric</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcomes</b>
	seniors with chronic care needs.		to be zero.		This is a 6 person increase over the prior year enrollment reported in the Year 10 Annual Report.
Nursing Home Transition	Development of new housing opportunities for persons transitioning out of nursing homes, increase access to affordable housing and enhance independent living for both seniors and for non-elderly disabled households.	# of eligible elderly/disabled participants leased up	All new participants served after April 1, 2010 will be counted. The baseline as of April 1 is assumed to be zero.	Lease up 75 participants over a 2-year period	As of 3/31/12: 94 participants leased up.
Accessible Unit Retrofitting and Development	Development of new accessible units and retrofitting of existing units to make additional housing opportunities available to people with disabilities and otherwise comply with Attachment E to MTW Agreement.	# of accessible units	All new units developed or retrofitted after December 31, 2008. The baseline as of that date is assumed to be zero.	152 units annually	From 4/1/11 to 3/31/12: 152 units completed.
Definition of Elderly	Modify the definition of elderly to include individuals/families age 55 to 61 years, as well as 62 and older	# of eligible elderly participants served; track number aged 55-61 years	All new participants served after April 1, 2010 will be counted. The baseline as of April 1 is assumed to be zero.	Occupy 100% of designated elderly units with eligible elderly families. PHA has 2,156 units approved by HUD for elderly designation.	As of 3/31/12: 2,156 or 100% of designated units are occupied by families that meet PHA's MTW definition of elderly.

**C. Explanation if benchmarks were not achieved or the activity was determined ineffective**

**D. Identify any new indicators if benchmarks or metrics have been revised**

N/A

**E. Describe revisions if data collection methodology has changed**

N/A

**F. New authorizations used**

No new authorizations were required.

**G. Provision or regulation waived by MTW**

Listed below are authorizations that are utilized in implementation of this initiative.

Activity	Authorization	MTW Waiver
Adult Day Care	Attachment C, Section B(1); Attachment C, Section C (2) & (10); Attachment D, Section II (A)	Sec. 3, 6, 7, 8, 9, 16 & 31 of 1937 Act 24 CFR §§ 945 subpart C, 960 subparts B, D, E & G, 982 & 990
LIFE Programs	Attachment C, Section B(1); Attachment C, Section C (2) & (10); Attachment D, Section II (A)	Sec. 3, 6, 7, 8, 9, 16 & 31 of 1937 Act 24 CFR §§ 945 subpart C, 960 subparts B, D, E & G, 982 & 990
Nursing Home Transition	Attachment C, Section B(1); Attachment C, Section C (2) & (10); Attachment D, Section II (A)	Sec. 3, 6, 7, 8, 9, 16 & 31 of 1937 Act 24 CFR §§ 945 subpart C, 960 subparts B, D, E & G, 982 & 990
Accessible Unit Retrofitting and Development	Attachment D, Section II (A) (2), Attachment E	Sec. 8 and 9 of 1937 Act
Definition of Elderly	Attachment C, Section B (3)	Sec. 3(b)(3) & (G) of 1937 Act 24 CFR § 5.403

The above MTW authorizations and waivers have enabled PHA to develop programs that increase the housing options, services, and resources to seniors, who are able to age in place, and persons with disabilities.

**MTW Activity: Simplification and Streamlining of Rent, Recertification and Inspection Processes for Public Housing and HCV**

PHA is implementing a series of initiatives in the public housing and HCV programs designed to streamline administrative processes, reduce paperwork burdens on residents, and encourage families to work and increase their incomes. The components of this activity are:

- Two and Three-Year Recertification – Approved and implemented in Year Three and is ongoing
- Ceiling Rents – Approved and implemented in Year Three and is ongoing
- Rent Calculation Method – Approved and implemented in Year Three and is ongoing
- Payment Standards – Approved and implemented in Year Seven and is ongoing
- Reasonable Rent – Approved and implemented in Year Seven and is ongoing
- Property Specific Rent Policies – Approved and implemented in Year Six and is ongoing
- Community Service – Approved and implemented in Year Ten and is ongoing
- Utility Allowances – Introduced in Year Eight, but not implemented (See Chapter V)
- HCV HQS Enforcement – Approved and implemented in Year Three, but has been discontinued (See Chapter V)
- Service Orders – Approved and implemented in Year Eight but discontinued in Year 11 in response to HUD comments. PHA no longer utilizes MTW flexibility in its service order policies.

**A. List activities continued from the prior Plan year(s)**

The following activities are ongoing:

- Two and Three-Year Recertification
- Ceiling Rents
- Rent Calculation Method
- Payment Standards
- Community Service Policies
- Reasonable Rent
- Property Specific Rent Policies

**B. Impact of the activity compared against the proposed benchmarks and metrics**

<b>Components</b>	<b>Impact</b>	<b>Metric</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcomes</b>
Two and Three-year Recertification	Reduced administrative and paperwork burdens on staff and residents and overall reduction in amount of time to process recertifications. Note that PHA	Cumulative reductions in annual processing time based on all rent simplification activities	Processing time for recertification, rent calculation and related activities is estimated at approximately 2 hours per participant. Total processing time if	Reduction in processing time by 25% (n=14,025) over annual recertification process. The estimated processing time without this initiative	PHA estimates that approximately 14,025 staff hours are saved annually through the rent simplification process. (Estimated at approximately \$361,000 per year.) Savings help to fund economic self sufficiency and related

<b>Components</b>	<b>Impact</b>	<b>Metric</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcomes</b>
	continues to inspect all units annually and upon request.		done annually is estimated to be 56,100 hours (2 hours X 28,055 recertifications).	is 56,100 staff hours.	support activities.
Ceiling Rents	By utilizing a “cap” or maximum rent for higher income families, PHA promotes income mixing at its developments. Note that PHA is currently re-evaluating the efficacy and impact of this activity.	# of residents at ceiling rents	All ceiling rents processed after April 1, 2010 will be counted. The baseline as of April 1 is assumed to be zero.	Ceiling rent levels correctly calculated for greater than 98% of residents electing this option.	As of 3/31/12, 502 conventional/scattered site residents and 37 PAPMC residents elected ceiling rents, and all rents were calculated correctly per PHA policy.
Rent Calculation Method	Reduced administrative and paperwork burdens on staff and residents and overall reduction in amount of time to process recertifications.	Cumulative reductions in annual processing time based on all rent simplification activities	Processing time for recertification, rent calculation and related activities is estimated at approximately 2 hours per participant. Total processing time if done annually is estimated to be 56,100 hours (2 hours X 28,055 recertifications).	Reduction in processing time by 25% over annual recertification process	See note above in Two and Three-Year Recertifications.
Payment Standards	Reduced administrative and paperwork burdens on staff and residents.	Cumulative reductions in annual processing time based on all rent simplification activities	Processing time for recertification, rent calculation and related activities is estimated at approximately 2 hours per participant. Total processing time if done annually is estimated to be 56,100 hours. (2 hours X 28,055 recertifications).	Reduction in processing time by 25% over annual recertification process	See note above in Two and Three-Year Recertifications.
Community Service Policies	Reduced administrative and paperwork	Reductions in annual processing	Processing time for recertification,	Reduction in processing time by 25%	See note above in Two and Three-Year Recertifications.

<b>Components</b>	<b>Impact</b>	<b>Metric</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcomes</b>
	burdens on staff and residents.	time	rent calculation and related activities is estimated at approximately 2 hours per participant. Total processing time if done annually is estimated to be 56,100 hours (2 hours X 28,055 recertifications).	over annual recertification process	
Reasonable Rent	Reduced administrative and paperwork burdens on staff and residents.	Reductions in annual processing time	Processing time for recertification, rent calculation and related activities is estimated at approximately 2 hours per participant. Total processing time if done annually is estimated to be 56,100 hours (2 hours X 28,055 recertifications).	Reduction in processing time by 25% over annual recertification process	See note above in Two and Three-Year Recertifications.
Property Specific Rent Policies	Reduced administrative and paperwork burdens on staff and residents.	Reductions in annual processing time	Processing time for recertification, rent calculation and related activities is estimated at approximately 2 hours per participant. Total processing time if done annually is estimated to be 56,100 hours (2 hours X 28,055 recertifications).	Reduction in processing time by 25% over annual recertification process	See note above in Two and Three-Year Recertifications.

**C. Explanation if benchmarks were not achieved or the activity was determined ineffective**

N/A

**D. Identify any new indicators if benchmarks or metrics have been revised**

N/A

**E. Describe revisions if data collection methodology has changed**

PHA will work to identify improved methods to track dollar savings for efficiency measures.

**F. New authorizations used**

No new authorizations were required.

**G. Provision or regulation waived by MTW**

Listed below are authorizations that are utilized in implementation of this initiative.

Activity	Authorization	MTW Waiver
Two and Three-year Recertification	Attachment C, Section C (4) & D (1) (c) Attachment D, Section II (E)	Sec. 3(a)(1) & 3(a)(2) & 8(o)(5) of 1937 Act 24 CFR §§ 960.257, 966.4 & 982.516
Ceiling Rents	Attachment D, Section II (D)	24 CFR § 960.253
Rent Calculation Method	Attachment D, Section II (D)	24 CFR § 5.611 & 960.253
Payment Standards	Attachment C, Section D (2)(c)	Sec. 8(o)(10) of 1937 Act 24 CFR § 982.507
Reasonable Rent	Attachment C, Section D (2)(a)	Sec. 8(o)(1), (2), (3), (10) & (13)(H)-(I) of 1937 Act 24 CFR §§ 982.503, 982.508, & 982.518
Property Specific Rent Policies	Attachment C, Section D (2)(a)	Sec. 8(o)(1), (2), (3), (10) & (13)(H)-(I) of 1937 Act 24 CFR §§ 982.503, 982.508, & 982.518

The MTW authorizations and waivers above create administrative efficiencies that enable PHA to target its resources in an efficient and effective manner, thereby providing better services and housing to PHA clients and landlords.

**MTW Activity: HCV Program Participation**

To encourage family economic self-sufficiency, PHA has implemented a number of requirements for participation in its local HCV Program in addition to the standard regulatory eligibility provisions. The components of this activity are:

- Term Limits – Approved and implemented in Year Three, but discontinued pursuant to the Year 12 Annual Plan.
- Moving to Work Family Agreement Addendum – Approved and implemented in Year Three and is ongoing.
- Family Economic Development Action Plan – Approved and implemented in Year Three and is ongoing
- Tenant Responsibility Training – Approved and implemented in Year Three and is ongoing. This training has been incorporated in the tenant briefing session

**A. List activities continued from the prior Plan year(s)**

All the activities listed above are still ongoing except for Term Limits which has been discontinued.

**B. Impact of the activity compared against the proposed benchmarks and metrics**

<b>Components</b>	<b>Impact</b>	<b>Metric</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcomes</b>
Moving to Work Family Agreement Addendum (MTWFAA)	Enhance compliance with HCV program rules and regulations	% of participants that signed the MTW Agreement	All participants after April 1, 2010 will be counted. The baseline as of April 1 is assumed to be zero.	98% or greater of MTW participants sign MTWFAA	As of 3/31/12 11,310 participants have signed the MTW Agreement which represented 100% of eligible participants. 969 Agreements were signed this fiscal year. This exceeded the 98% benchmark.
Family Economic Development Action Plan	Increase the number of non-working households that are moving towards self-sufficiency	% of participants referred to, enrolled in, graduating from educational, employment or other self sufficiency programs including Community Partner programs	All participants processed after April 1, 2010 will be counted. The baseline as of April 1 is assumed to be zero.	2,000 referrals or more annually (subject to funding availability); 500 program enrollments annually; greater than 50% graduation rate	In FY 2012, there were 2,693 referrals, 1,101 enrollments, 520 graduates from the various programs and 87 direct placements.
Tenant Responsibility Training	Enhance compliance with HCV program rules and	% of clients that participated in the training at initial lease-up and	All participants processed after April 1, 2010 will be counted. The	98% or greater of clients participate in training	In FY 2012, 1,542 clients (new lease up and moves) participated in the

Components	Impact	Metric	Baseline	Benchmark	Outcomes
	regulations	moves	baseline as of April 1 is assumed to be zero.		training. This represents 100% of new lease up and move clients.

**C. Explanation if benchmarks were not achieved or the activity was determined ineffective**

For the Family Economic Development Action Plan, PHA exceeded the annual benchmarks for referrals and enrollments; however, the graduation benchmark of 50% or greater was not achieved. PHA achieved a 47.2% graduation rate. PHA will continue to work with its partners to improve services and increase graduation rates.

**D. Identify any new indicators if benchmarks or metrics have been revised**

N/A

**E. Describe revisions if data collection methodology has changed**

N/A

**F. New authorizations used**

No new authorizations were required.

**G. Provision or regulation waived by MTW**

Activity	Authorization	MTW Waiver
Moving to Work Family Agreement Addendum (MTWFAA)	Attachment C, Section D(3)(b); Attachment D, Section IV (A)(d)	24 CFR § 982, subpart E
Family Economic Development Action Plan	Attachment C, Section D (3)(b); Attachment D, Section IV (A)(d)	24 CFR § 982, subpart E
Tenant Responsibility Training	Attachment D, Section IV (A)(2)(e)	24 CFR § 982.301

The above MTW authorizations and waivers enable PHA to create program requirements that facilitate resident self-sufficiency and improve their ability to be good tenants and neighbors.



**MTW Activity: Unit Based Leasing and Development Program**

Expanding the supply of affordable housing in Philadelphia continues to be a major objective of the PHA MTW demonstration program. Under PHA’s Unit-Based Voucher Program (“UBV” or the “Unit-Based Program”), PHA negotiates contracts with for-profit and nonprofit private sector housing providers for unit-basing.

**A. List activities continued from the prior Plan year(s)**

Unit Based Leasing and Development Program – Approved and implemented in Year Three and is ongoing

**B. Impact of the activity compared against the proposed benchmarks and metrics**

<b>Component</b>	<b>Impact</b>	<b>Metric</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcomes</b>
Unit-Based Leasing and Development Program	Increased housing choices to eligible low income households.	# of Unit-Based Units	As of 3/31/2010: 1,657 units under contract	Increase # of units by 500 over 5 years	As of 3/31/12: 1,787 units under contract. This represents a slight decrease of 8 units over the prior year; however, it represents an increase of 130 over the baseline.

**C. Provide a narrative explanation if benchmarks were not achieved or the activity was determined ineffective**

PHA established a five year benchmark for this initiative of increasing the number of units by 500. Over the past two years, a total of 130 additional units have been added when factoring in various contract terminations, etc. PHA has issued an RFP for additional units which should help to increase the overall unit total in the coming year.

**D. Identify any new indicators if benchmarks or metrics have been revised**

N/A

**E. Describe revisions if data collection methodology has changed**

N/A

**F. New authorizations used**

No new authorizations were required.

**G. Provision or regulation waived by MTW**

<b>Activity</b>	<b>Authorization</b>	<b>MTW Waiver</b>
Unit-Based Leasing and Development Program	Attachment D, Section IV (B); Attachment C, Section D (1) (a), (e)- (g), D(2), (a)-(c), D (3), D (4), D (6) & D (7)	Section 8(o)(13) 24 CFR 983 subparts A, B, D, E, F, G, H

The MTW authorizations and waivers used for the unit-based leasing program enable PHA to develop project-based requirements that reflect local needs, thereby increasing housing opportunities for low-income families. They also create administrative efficiencies.

**MTW Activity: Comprehensive Self Sufficiency, Homeownership and Family Supportive Services for Residents**

A primary objective of PHA’s MTW demonstration program is to support resident economic self-sufficiency including expanding the number of public housing and voucher participants who become first-time homebuyers. Building on its existing network of social service programs and partners, PHA will continue to operate an MTW Family Program. PHA will continue to expand the existing network of collaborative working relationships with other local service providers, arrange for the provision of services to family members and develop and implement new and innovative programs to bridge identified service gaps. Participating families will receive case management and other support services during the term of their agreement, including housing-related services and other incentives to encourage continued participation in the Family Support Program. The components of this activity are:

- Service Coordination – Approved and implemented in Year Four and is ongoing
- Self Sufficiency Offices and Community Centers – Approved and implemented in Year Four and is ongoing
- Community Partners - Approved and implemented in Year Four and is ongoing
- Affordable Homeownership - Approved and implemented in Year Four and is ongoing

**A. List activities continued from the prior Plan year(s)**

All the activities listed above are ongoing.

**B. Impact of the activity compared against the proposed benchmarks and metrics**

<b>Components</b>	<b>Impact</b>	<b>Metric</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcomes</b>
Service Coordination	Increased number of PHA residents enrolled in educational, employment, training, health, homeownership, recreational, cultural and social services programs.	# of referrals, # of enrollments, # of graduates and # of direct placements	As of 3/31/10: There were 1,205 referrals, 827 enrollments, 527 graduates from the various programs and 106 direct placements.	To increase all four metrics by 10% annually, subject to funding availability	As of 3/31/12: There were 7,261 referrals, 5,768 enrollments, 4,057 graduates from the various programs and 78 direct placements. PHA attributes the success in exceeding established benchmarks to the strength of the working relationships between PHA staff and Community Partner training/educational providers. Also, PHA implemented an extensive outreach plan for its Homeownership educational events, and provided a new program for technology training. Note that PHA will review and potentially revise these benchmarks in the coming year.

<b>Components</b>	<b>Impact</b>	<b>Metric</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcomes</b>
Self Sufficiency Offices and Community Centers	Increased number of community center-based events for residents that emphasize education, nutrition, health, access to community resources and job assistance.	# of events, # of attendees	As of 3/31/10; events baseline is 43; attendees baseline is 785.	To increase both metrics by 10% annually subject to funding availability	As of 3/31/12: PHA conducted 984 events which were attended by 15,361 attendees. These figures dramatically exceeded PHA's benchmarks.
Community Partners	Provision of expanded supportive services to PHA households and enhancement of employment and training opportunities to HCV and public housing households to assist households in obtaining living wage jobs.	# of referrals, # of enrollments, # of graduates and # of direct placements	As of 3/31/10: There were 1,205 referrals, 827 enrollments, 527 graduates from the various programs and 106 direct placements	To increase all four metrics by 10% annually subject to funding availability	As of 3/31/12: There were 1,459 referrals, 384 enrollments, 302 graduates from the various programs and 57 direct placements. These numbers reflect the impact of our delay in renewing and acquiring new contracts for our Community Partners Program. PHA released new RFPs for partners early in the FY with new career targets and new requirements for partners. The review and approval process took a majority of the FY, and resulted in approximately 6 months with no active partners. This delay was warranted, as it allowed PHA to identify new partners with proven track records, in new targeted areas which were aligned to market forces, and also allowed all our partners now to be on performance based contracts. As such, we are already beginning to see increased graduation results, and placement results, which should continue into the next FY.
Affordable Homeownership	Increased number of	# of participants	All new homeowners	Additional 25 homeowners	From 4/1/11 to 3/31/12: 48 participants became

<b>Components</b>	<b>Impact</b>	<b>Metric</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcomes</b>
	MTW Family Program participants who became homeowners, expanded housing choices for low-income participants, and contributed to neighborhood stabilization through increased homeownership.	who became homeowners	after April 1, 2010 will be counted. The baseline as of April 1 is assumed to be zero.	annually	homeowners. Of this total, 35 homeowners came from PHA's HCV Homeownership program; 2 homeowners came from PHA's 5-h sales program; 10 sales from MLK Plaza; and, 1 resale of a re-possessed unit.

**C. Explanation if benchmarks were not achieved or the activity was determined ineffective**  
N/A

**D. Identify any new indicators if benchmarks or metrics have been revised**  
N/A

**E. Describe revisions if data collection methodology has changed**  
N/A

**F. New authorizations used**  
No new authorizations were required.

**G. Provision or regulation waived by MTW**

Activity	Authorization	MTW Waiver
Service Coordination	Attachment C, Section B(1) & D(3)(b); Attachment D, Section IV (A)(1)(d)	Sec. 8 & 9 of the 1937 Act 24 CFR § 982, subpart E
Self Sufficiency Offices and Community Centers	Attachment C, Section B(1) & D(3)(b); Attachment D, Section IV (A)(1)(d)	Sec. 8 & 9 of the 1937 Act 24 CFR § 982, subpart E
Community Partners	Attachment C, Section B(1) & D(3)(b); Attachment D, Section IV (A)(1)(d)	Sec. 8 & 9 of the 1937 Act 24 CFR § 982, subpart E
Affordable Homeownership	Attachment C, Section B(1) & D(8)(a); Attachment D, Section III (B)(1)	Sec. 4, 5, 8, 9, 24, 32, & 35 of the 1937 Act 24 CFR 941

The MTW authorizations and waivers described above enable PHA to create programs and requirements that improve self-sufficiency and homeownership rates among clients. Clients obtain life skills and training that better prepares them for tenancy, homeownership, and economic self-sufficiency.

**MTW Activity: Increase Housing Opportunities for the Homeless**

PHA is collaborating with the City of Philadelphia to provide a range of housing opportunities for homeless individuals and families as part of the ten-year Blueprint to End Homelessness Program. The components of this activity are:

- Blueprint/Good Neighbors Make Good Neighborhoods – Approved and implemented in Year Three and is ongoing
- Transitional Housing Facilities – Introduced in Year Six, but not yet implemented (See Chapter V)

**A. List activities continued from the prior Plan year(s)**

Blueprint/Good Neighbors Make Good Neighborhoods initiative is ongoing

**B. Impact of the activity compared against the proposed benchmarks and metrics**

Components	Impact	Metric	Baseline	Benchmark	Outcomes
Blueprint/Good Neighbors Make Good Neighborhoods	Reduce number of homeless persons located in the Philadelphia area	# of homeless households housed in HCV/PH	All participants under lease after April 1, 2010 will be counted. The baseline as of April 1 is assumed to be zero.	To house 500 homeless households annually during the course of the program	For the period 4/01/12 to 3/31/12: In total, 275 homeless households were provided housing.

**C. Explanation if benchmarks were not achieved or the activity was determined ineffective**

PHA has established an annual goal of housing 500 homeless households through the Blueprint program. While PHA has largely met this annual goal since inception of the program, the number of homeless households served was fewer for FY 2012 due to lower than projected attrition/turnover in PHA units, and the need to use available units to house relocated public housing residents from Norris Homes and Paschall Apartments. Norris Homes is still under construction, while Paschall was completed during FY 2012. PHA remains committed to the Blueprint goals and the attainment of target benchmarks in the future, subject to the availability of units.

**D. Identify any new indicators if benchmarks or metrics have been revised**

N/A

**E. Describe revisions if data collection methodology has changed**

N/A

**F. New authorizations used**

No new authorizations were required.

**G. Provision or regulation waived by MTW**

<b>Activity</b>	<b>Authorization</b>	<b>MTW Waiver</b>
Blueprint/Good Neighbors Make Good Neighborhoods	Attachment C, Section B(1), C(2) & D (3)	Sec. 3, 8, 9, & 16(b) of the 1937 Act 24 CFR §§ 5.603, 5.609, 5.611, 5.628, 960.206, & 982.201

The MTW authorizations and waivers above enabled PHA to work closely with the City of Philadelphia to improve housing opportunities and outcomes for homeless families.



**MTW Activity: Streamline the Admissions and Transfer Process**

PHA has established a number of MTW policies designed to streamline the admissions and transfer policies for both public housing and HCV programs. The components of this activity are:

- MTW Transfers – Approved and implemented in Year Four and is ongoing
- Restriction on Elective Moves – Approved and implemented in Year Seven and is ongoing

**A. List activities continued from the prior Plan year(s)**

All the activities listed above are ongoing

**B. Impact of the activity, compared against the proposed benchmarks and metrics**

Components	Impact	Metric	Baseline	Benchmark	Outcomes
MTW Transfers	To support witness protection activities, domestic violence prevention and other needs	# of transfers between HCV program and public housing	All transfers processed after April 1, 2010 will be counted. The baseline as of April 1, 2010 is assumed to be zero.	No more than 100 transfers annually.	For the year ending 3/31/12: 16 Housing Choice Vouchers were utilized to transfer clients from Public Housing Units to the HCV program.
Restriction on Elective Moves	Reduction in processing times associated with unnecessary elective moves as defined in the MTW Annual Plan and PHA’s Administrative Plan.	# of moves per year	All elective moves after April 1, 2010 will be counted. The baseline is 1,489, which is the number of HCV moves processed in the year preceding approval of this initiative, i.e. the period from April 1, 2006 to March 31, 2007.	To reduce # of moves by 25% annually compared to # of moves prior to implementation of the policy, adjusted for changes in the size of the HCV program	For the year ending 3/31/12: 1,266 total moves occurred compared to 880 in the prior fiscal year and 1,489 in the baseline year. This reflects a 15% decrease in the number of moves from the baseline year.

**C. Explanation if benchmarks were not achieved or the activity was determined ineffective**

N/A

**D. Identify any new indicators if benchmarks or metrics have been revised**

N/A

**E. Describe revisions if data collection methodology has changed**

N/A

**F. New authorizations used**

No new authorizations were required.

**G. Provision or regulation waived by MTW**

Activity	Authorization	MTW Waiver
MTW Transfers	Attachment C, Section D (4) & C (1)	Sec. 6(r) and 8(o) of the 1937 Act 24 CFR §§ 903.7, 960 subpart B, 982 subpart E, & 982.305
Restriction on Elective Moves	Attachment D, Section IV(A)(2)(b) & (e)	Sec. 8(o)(7) of the 1937 Act 24 CFR §982.353

The MTW authorizations and waivers above enabled PHA to assist clients in need of expeditious transfers between PHA programs and to create administrative efficiencies by limiting the need for unnecessary, elective moves within the HCV program.

## VII. SOURCES AND USES OF FUNDING

### A. Budget vs. Actual Sources and Uses of MTW funds

Table 11 provides information on budgeted versus actual sources and uses of MTW funds for Fiscal Year 2012 (MTW Year 11). A narrative description of planned versus actual differences follows the table.

**Table 11 – FY 2012 Budget vs. Actual Sources and Uses of MTW Funds**

REVENUE (SOURCES)	BUDGET	ACTUALS	VARIANCE
Operating Subsidy	117,825,443	113,495,919	-3.67%
Capital/Replacement Housing Fund	76,043,142	48,436,843	-36.30%
Housing Choice Voucher Program	177,023,352	184,563,302	4.26%
Dwelling Rental Income	23,801,694	23,137,467	-2.79%
Miscellaneous Income	972,098	2,532,794	160.55%
<b>TOTAL REVENUE</b>	<b>395,665,729</b>	<b>372,166,325</b>	<b>-5.94%</b>
EXPENSES USES			
Administrative	33,870,172	39,620,653	16.98%
Tenant Services	997,438	655,940	-34.24%
Utilities	30,255,829	24,837,348	-17.91%
Maintenance	36,939,769	56,243,413	52.26%
Protective Services	5,753,370	5,638,340	-2.00%
General Expense	43,928,515	63,858,414	45.37%
Capital Improvements/Additions/Replacements	982,919	2,575,679	162.04%
Tenant Based Voucher Assistance	126,529,800	112,675,177	-10.95%
Family Programs	8,547,593	6,584,287	-22.97%
Quality of Life Program	978,145	865,131	-11.55%
Management Improvements	10,000,000	5,255,880	-47.44%
Capital Activities	20,500,000	8,272,069	-59.65%
Capital/Replacement Housing Projects	76,043,142	48,436,843	-36.30%
<b>TOTAL EXPENSE</b>	<b>395,326,692</b>	<b>375,519,174</b>	<b>-5.01%</b>
<b>OPERATING INCOME/LOSS</b>	<b>339,037</b>	<b>-3,352,849</b>	
Carryover Reserve*		78,009,161	
Capital Activities Expended from Carryover Reserve		37,231,427	
<b>Adjusted Carryover Reserve</b>		<b>40,777,734</b>	
<b>NET INCOME/(LOSS)</b>	<b>339,037</b>	<b>37,424,885</b>	
<i>*Adjusted Carryover Reserve Balance @ 03/31/2011</i>			

### **Explanation of Significant Variances: Sources (Budget/Actual)**

- Miscellaneous Income – Miscellaneous income increased due to the sale of scattered sites properties during FY 2012.
- Capital/Replacement Fund – Capital/Replacement Fund decreased due to delays on the Queen Lane Redevelopment Project due to historical clearance issues which caused the project to be redesigned. Funds will be allocated in the upcoming fiscal year.

### **Explanation of Significant Variances: Uses (Budget/Actual)**

- Administrative and General Expenses – Administrative (increase of 16.98%) and General Expenses (increase of 45.37%) increased due to the addition of the Human Resources Department, Office of Audit and Compliance and Office of the General Counsel as part of the Recovery Plan, and additional subsidies given to support tax credit site operating costs.
- Utilities – A combination of milder weather conditions and the impact of PHA’s recently completed energy improvement projects resulted in a 17.91% decrease over projected utility expenses.
- Maintenance – Maintenance expenses increased by 52% over projected costs due to a greater focus on rehabilitating and maintaining PHA properties.
- Tenant Services – Tenant services expenses decreased by 34.24% due to timing differences for proposed expenditures for tenant supportive services, recreational activities and community activities.
- Family Programs – The variance is due to timing differences for proposed expenditures for tenant supportive services contracts for the Adult Basic Education and GED, Financial Literacy training, Certified Nursing and Apprentice programs.
- Capital/Replacement Fund – Capital/Replacement Fund decreased due to delays on the Queen Lane Redevelopment Project due to historical clearance issues which caused the project to be redesigned. Funds will be allocated in the upcoming fiscal year.
- Management Improvement– The variance is due to the reallocation of funds to support the focus on rehabilitating and maintaining PHA properties.

## **B. Budget vs. Actual Sources and Uses of State or Local funds**

Table 12 provides information on FY 2012 budgeted versus actual sources and uses of state and local funds.

**Table 12 – FY 2012 Budget vs. Actual Sources and Uses of State and Local Funds**

<b>REVENUE (SOURCES)</b>	<b>BUDGETED</b>	<b>ACTUALS</b>	<b>VARIANCE</b>
Summer Food Program	\$107,779	\$127,547	18.34%
Housing Coordinator Initiative	296,160	126,113	-57.42%
Tenant Based Rental Assistance	1,069,110	519,730	-51.39%
<b>TOTAL REVENUE</b>	<b>\$1,473,049</b>	<b>\$773,391</b>	<b>-47.50%</b>
<b>EXPENSES (USES)</b>			
Administrative and General	\$403,939	\$253,661	-37.20%
Housing Assistance Payments	1,006,560	457,180	-54.58%
Administrative Fees	62,550	62,550	0.00%
<b>TOTAL EXPENSE</b>	<b>\$1,473,049</b>	<b>\$773,391</b>	<b>-47.50%</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>\$0</b>	<b>\$0</b>	
Reserve Buildup		<b>\$0</b>	
<b>NET INCOME/(LOSS)</b>	<b>\$0</b>	<b>\$0</b>	

**Explanation of Significant Variances: Sources and Uses (Budget/Actual)**

Tenant Based Rental Assistance – Revenue was 51% less than projected as a result of reduced leasing under the State-funded program which resulted in lower reimbursements.

**C. Central Office Cost Center**

This section is not applicable to PHA in light of the Local Asset Management Plan described below.

**D. Cost Allocation Plan**

Pursuant to its MTW Agreement, PHA has developed a Local Asset Management Plan that describes the agency’s cost allocation plan and other technical components of PHA’s local asset management strategy. HUD approved PHA’s Local Asset Management Plan as part of the MTW Year 11 Annual Plan and prior submissions.

**E. Use of Single Fund Flexibility**

Under the MTW Program, PHA is authorized to establish an MTW Block Grant budget. PHA’s MTW budget focuses on five core areas:

1. Reform of the Housing Choice Voucher Program
2. Revitalization of neighborhoods where PHA residents and PHA-eligible residents reside

3. Development of a Family Program to provide comprehensive self-sufficiency services to eligible residents
4. Establishment of a Quality of Life Program that fosters community values, resident and landlord participation and improved neighborhoods.
5. Establishment of efficient operating procedures and the implementation of cost-savings strategies

Development of annual budgets structured around these core areas allows PHA to further its mission and to deliver services in a more efficient and effective manner. Table 11 above provides detail on the use of single fund flexibility including MTW Activity Vouchers. Specific single fund flexibility line items include:

- Capital Activity funds in the amount of \$8,272,069 were utilized to support various capital and development projects.
- Family Program funds in the amount of \$6,584,287 were utilized to support a wide range of public safety, program compliance, and training and education efforts for PHA residents including: youth development programs citywide; senior programs citywide; Pre-Apprenticeship Program; Homeownership Programs; Community Relations police units; Community Partners training and educational programs; staffing for the Partnership and Resource Development unit; and other Economic Development and Self-Sufficiency program activities.
- Management Improvement funds in the amount of \$5,255,880 were utilized to support: functional enhancements and training on PHA's Customer Relations Management software systems; functional enhancements, training and program support for Financial Management systems; Data Warehousing initiative; Energy Management initiatives; GPS monitoring program; and other business process improvements and staff training initiatives.
- Quality of Life funds in the amount of \$865,131 were utilized for Lease Enforcement and Section 8 investigation programs.

#### **F. Reserve Balances**

Table 13 provides details on PHA's reserve balance as of March 31, 2012.

**Table 13 – Operating Reserve Calculation: For Year Ended March 31, 2012**

FDS#	Description	Total State / Local Programs	Total Non-MTW Programs	Total MTW	Total PHA- WIDE
111	Cash	\$ 799,714	\$ 2,684,532	\$ 41,780,080	\$ 45,264,326
114	Cash – Tenant Security Deposits	\$ -	\$ -	\$ 796,195	\$ 796,195
120	Total Receivables	\$ 45,631	\$ 3,639,639	\$ 29,579,826	\$ 33,265,096
131	Investments	\$ -	\$ 2,126,920	\$ 49,889,411	\$ 52,016,331
142	Prepaid expenses and other assets	\$ -	\$ -	\$ 12,964	\$ 12,964
144	Inter-program – due from	\$ 719,395	\$ 1,844,618	\$ 56,088,419	\$ 58,652,432
145	Assets held for sale	\$ -	\$ -	\$ -	\$ -
	Total Current Assets	\$ 1,564,740	\$ 10,295,709	\$ 178,146,895	\$ 190,007,344
310	Total Current Liabilities	\$ (728,178)	\$ (8,321,278)	\$ (94,164,426)	\$ (103,213,882)
343	Current Portion of Long Term Debt	\$ -	\$ -	\$ -	\$ -
	<b>Total Operating Reserves</b>	<b>\$ 554,269</b>	<b>\$ 7,390,888</b>	<b>\$ 102,046,775</b>	<b>\$ 109,991,932</b>
Adjustments to HUD Reserve Calculation					
353	PHASI liability	\$ -	\$ -	\$ (4,022,780)	\$ (4,022,780)
353	Worker's comp liability	\$ -	\$ -	\$ (4,114,942)	\$ (4,114,942)
354	Reservation for compensated absences	\$ -	\$ -	\$ (2,031,702)	\$ (2,031,702)
353	PA State escheat liability payable	\$ -	\$ (12,151)	\$ (179,200)	\$ (191,351)
132	MTW Project Reserves Per Agreement for HAP	\$ -	\$ -	\$ (12,034,431)	\$ (12,034,431)
	Total Adjustments to HUD Reserve Calculation	\$ -	\$ (12,151)	\$ (22,383,055)	\$ (22,395,206)
	<b>PHA Adjusted Reserve</b>	<b>\$ 554,269</b>	<b>\$ 7,378,737</b>	<b>\$ 79,663,720</b>	<b>\$ 87,596,726</b>
<b>Obligated Funds for Current Capital Projects Under Contract</b>					
	Security Camera/Lights Installation & Upgrade Project	\$ -	\$ -	\$ (7,530,553)	\$ (7,530,553)
	Queen Lane Demolition	\$ -	\$ -	\$ (2,146,705)	\$ (2,146,705)
	Paschall Homes Redevelopment Project	\$ -	\$ -	\$ (1,171,632)	\$ (1,171,632)
	Door Replacements (various sites)	\$ -	\$ -	\$ (423,331)	\$ (423,331)
	Brick Pointing (various sites)	\$ -	\$ -	\$ (25,125)	\$ (25,125)
	Exterior repairs - asphalt/concrete/fencing at various sites	\$ -	\$ -	\$ (999,876)	\$ (999,876)
	Plumbing Upgrades at Johnson Homes	\$ -	\$ -	\$ (1,140,800)	\$ (1,140,800)
	Elevator Replacement/Repair at Fairhill, Harrison, Johnson & Wilson Park	\$ -	\$ -	\$ (5,694,225)	\$ (5,694,225)
		\$ -	\$ -	\$ (19,132,248)	\$ (19,132,248)
	<b>PHA Adjusted Reserve</b>	<b>\$ 554,269</b>	<b>\$ 7,378,737</b>	<b>\$ 60,531,472</b>	<b>\$ 68,464,478</b>

## VIII. ADMINISTRATIVE

### A. Correction/Elimination of Observed Deficiencies

Progress on the correction of observed deficiencies cited in monitoring visits and physical inspections are identified below:

**REAC Inspections** – For Fiscal Year 2012, 74 sites had REAC inspections performed. The total points scored for the 73 of these sites which had REAC inspections in the previous year were 517 higher, or an average of 7 points per site. These increases are credited to a variety of reasons including a comprehensive REAC training program to familiarize maintenance and management staff with REAC inspection deficiencies. Other reasons include participation from PHA’s Advanced Facilities Management department with full site “pre-REAC” inspections at 13 large properties that focused on site, building systems, building exteriors and common areas. In addition, the Operations and Maintenance department conducted “pre-REAC” inspections inside of units in the months preceding REAC and addressed all issues found. A concerted effort between these departments marked a substantial change from the way REAC has been managed in the past.

As follow up to inspections, the Advanced Facilities Management Department, along with PHA’s Office of the General Counsel, submitted pre-appeals and appeals for all sites with appealable issues. Addressing actual maintenance, PHA is partially through a large-scale concrete and asphalt replacement project at several of the larger sites. In addition, the entire agency has placed a stronger emphasis on the creation of service orders to immediately address deficiencies in and outside of units.

Specifically, PHA analyzed the total scores for the 28 lowest scoring conventional sites and all 10 scattered site CBMOs. The conventional sites analyzed are as follows:

Southwark Plaza Mixed Finance	Eight Diamonds
Whitehall Apartments	Neumann North
Schuylkill Falls I	West Park Apartments
Abbottsford Homes	Ludlow Scattered Sites Phase III
Queen Lane	Richard Allen Homes
Mantua Phase I	Richard Allen Phase IIIA
Richard Allen Phase IIIB	Tasker I
Mount Olivet	Norris Apartments
Bartram Village	Tasker IB
Spring Garden Mixed Finance	Hill Creek
Johnson Homes	Harrison Plaza
Morton Homes	Germantown House
Collegeview Homes	Wilson Park
Raymond Rosen Manor	Norman Blumberg Apartments



Once the lowest scoring sites were determined, PHA put together a plan to address those areas which point deductions were attributable to so as to eliminate the major point deductions for the next REAC inspection.

Of the 28 sites, PHA determined it would need major concrete work or possibly to contract out concrete work at Bartram Village, Wilson Park, Blumberg and Scattered Sites 908. It was also determined that major window repairs or replacements will be needed at Eight Diamonds, West Park Apartments, Abbottsford Homes and Collegeview Homes. Fencing contracts or major fence replacements will be needed at Scattered Sites 901, 902, 903, 909 and 910 as well as at Ludlow SS Phase III, Hill Creek, Harrison Plaza, Morton Homes and Blumberg. There were various other recommendations at each of the 28 sites that have been or are currently being handled by way of individual site service orders.

PHA believes that the above measures will have a positive impact on future REAC scores.

**OIG Audits through 3/31/2012** – PHA’s responses to recent OIG audits are available on the HUD OIG website. These include steps PHA has or will take to resolve the audits. As of the end of MTW Year 11, PHA had closed out the OIG’s HCV audit, Limited Conflict of Interest audit and was working with HUD and the OIG to resolve findings on Legal Services audit and Rehabilitation of Scattered Sites audit. Various Standard Operating Procedures, Policies and Procedures have been updated/drafted, approved and implemented in response to the OIG audits performed during this reporting period.

**HUD Review of PHA’s ARRA funded projects** - In response to HUD’s Review on one of PHA’s ARRA funded projects, PHA has implemented policies and procedures to perform Quality Control of compliance with the Davis Bacon Act. Additionally, PHA is in the process of hiring a Wage Compliance Specialist to assist PHA with ensuring commitment to and compliance with Labor Standards requirements for all associated projects.

## **B. Agency-directed Evaluations**

Not applicable. PHA utilizes internal resources to measure and evaluate MTW activities.

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

See attached. As required by HUD Form 50900, PHA has included reports for those Capital Fund grants that are not included in the MTW Block Grant.

## **D. Certifications**

See attached Board Resolution.