



**Housing Authority of the
City of Pittsburgh**

**Moving to Work Demonstration
Year 13 (FY 2013) Annual Report**

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Housing Authority of the City of Pittsburgh
Moving To Work Annual Report
2013

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Section 1. Introduction

B. Overview of HACP Moving To Work Goals and Objectives

HACP's overarching Moving To Work Goals are as follows:

1. To reposition HACP's housing stock. These efforts are designed to result in housing that it is competitive in the local housing market, is cost-effective to operate, provides a positive environment for residents, and provides both higher quality and broader options for low-income families; and,
2. To promote independence for residents via programs and policies that promote work and self-sufficiency for those able, and promote independent living for the elderly and disabled.

In pursuit of these goals, HACP has continued Moving To Work Activities initiated in prior years. These initiatives, including information regarding accomplishment of short and long term goals, are summarized below, with details available in Section IV.

Ongoing/Implemented Activities Summary

1. Modified Rent Policy for the Section 8 Housing Choice Voucher Program

Building on the modified rent policy developed for the Low Income Public Housing Program and approved in 2008, HACP received approval in 2011 to require that any non-elderly, able-bodied head of household who is not working to either a) participate in a self-sufficiency program, including but not limited to the HACP Family Self-Sufficiency program (FSS), other Local Self-Sufficiency program (LSS), welfare to work, or other employment preparation and/or training/educational program or b) pay a minimum tenant payment of \$150.00 per month. This policy provides additional incentives for families to work or prepare for work and increases overall accountability.

HACP's objectives for this program include increased participation by voucher holders in self-sufficiency, welfare to work and other training and education programs; increased levels of employment and earned income by participants; and potentially reduced Housing Assistance Payment costs to the Authority.

In 2013, HACP saw modest results from this initiative, with increases in employment rates both overall in among FSS participants. Participation in training declined, as criteria for training participation was tightened, and outside resources for training became less available. Other measures remained fairly stable, as expected as real impact is expected to occur over an extended period. Increases in average HAP payments are believed to be a result of a tightening rental market and increases in rents generally, not as a result of any change in income among program participants. HACP remains committed to, and optimistic about, the long term impact of this policy. A preliminary report by the University of Pittsburgh, Graduate School of Public and International Affairs (GSPIA), Center for Metropolitan Studies, supports this outlook and is attached as an Appendix to this report.

2. Modified Rent Policy for the Low Income Public Housing Program.

As approved in 2008, HACP requires that any non-elderly, able-bodied head of household who is not working to either participate in the Family Self-Sufficiency Program or pay a minimum rent of \$150.00 per month. Hardship exemptions are permitted. This policy provides additional incentives for families to work or prepare for work. HACP's objectives for this program includes increased participation in the Family Self-Sufficiency Program, increase rent collections, and increased level of families working.

In 2013, HACP continued to see modest progress as a result of this initiative. Average rents increased slightly, as did FSS participation. Number and percentage of families working, both overall and among participants in the FSS program, also increased slightly. Participation in training programs declined, largely as a result of tightened pre-qualification criteria and reduced availability of training programs. HACP remains committed to this policy and anticipates that the gradually increasing impact will continue. A preliminary report by the University of Pittsburgh, Graduate School of Public and International Affairs (GSPIA), Center for Metropolitan Studies, supports this outlook and is attached as an Appendix to this report.

3. Revised recertification requirements policy.

As approved in 2009 and 2010, HACP may operate both the Low Income Public Housing Program and the Housing Choice Voucher Program with a recertification requirement modified to at least once every two years. Changes in income still must be reported, and standard income disregards continue to apply. This policy change reduces administrative burdens on the Authority, thereby reducing costs and increasing efficiency. HACP's objectives for this initiative are reduced staff time and thus reduced costs, and improved compliance with recertification requirements by tenants and the HACP.

In 2013, HACP saw continuing benefits of this policy, especially in the low income public housing program, as the number of recertifications and the time spent on this task declined. In the HCV program some increase in program size and changes in the rental market led to increased numbers of recertifications and a lack of improvement. In 2014, further refinement of the measurement metrics to take into account changes in program size and possible other factors impacting the results will be made to improve the effectiveness analysis of this initiative.

4. Homeownership Program Policies

- a. Operation of a combined Low Income Public Housing (LIPH) and Housing Choice Voucher (HCV) Homeownership Program;
- b. Homeownership Program assistance to include soft-second mortgage assistance coupled with closing cost assistance, homeownership and credit counseling, and foreclosure prevention only;
- c. Expansion of Homeownership Program eligibility to persons on the LIPH and HCV program waiting list;
- d. Establishing a Homeownership Soft-second mortgage waiting list.

As approved in 2007, HACP operates a single Homeownership Program open to both Low Income Public Housing and Housing Choice Voucher Program households. This approach reduces administrative costs, and expands housing choices for participating households. HACP also believes this program provides incentives for families to pursue employment and self-

sufficiency through the various benefits offered; however, as HUD's new standard metrics do not effectively apply to this aspect of the initiative, in 2014 it is removed as a formal goal.

As approved in 2010, HACP's homeownership program includes the availability of soft-second mortgage assistance, which increases affordability and thus housing choice for eligible families while decreasing costs to the HACP. As the number of soft-second mortgages may be limited based upon budgeted spending authority, it was necessary to establish a waiting list for soft-second mortgages to ensure fair award of available funds. However, to date the authorized funds limit has not been reached and therefore the soft-second waiting list has not been established.

Also approved in 2010 was expansion of Homeownership Program eligibility and assistance to persons on the HACP waiting lists for Public Housing and the Housing Choice Voucher program.

HACP's objectives for this program are to maintain or increase the level of participation in homeownership program activities and the number of families achieving homeownership.

HACP continued to see success with this program, with 10 families becoming homeowners in 2013, returning to previous levels after declines in 2011 and 2012. In addition, new families continued to enroll in and complete the program, becoming prepared for future purchases. A preliminary report by the University of Pittsburgh, Graduate School of Public and International Affairs (GSPIA), Center for Metropolitan Studies, assessed the Homeownership Program and is attached as an Appendix to this report.

5. Modified Housing Choice Voucher Program policy on maximum percent of Adjusted Monthly Income permitted.

Originally approved in 2002, HACP's operation of the Housing Choice Voucher Program allows flexibility in the permitted rent burden for new tenancies, or affordability. Specifically, the limit of 40% of Adjusted Monthly Income allowed for the tenant portion of rent is used as a guideline, not a requirement. HACP continues to counsel families on the dangers of becoming overly rent burdened, however, a higher rent burden may be acceptable in some cases. This policy increases housing choice for participating families by giving them the option to take on additional rent burden for units in more costly neighborhoods. HACP's objective for this initiative is to increase housing choices for participating families.

In 2013, fewer families took advantage of this option. Those that did continued to benefit from the ability to move to a residence of their choice.

6. Modified Payment Standard Approval.

Originally approved in 2004, HACP is permitted to establish Exception Payment Standards up to 120% of Fair Market Rent (FMR) without prior HUD approval. HACP has utilized this authority to establish Area Exception Payment Standards and to allow Exception Payment Standard as a Reasonable Accommodation for a person with disabilities. Allowing the Authority to conduct its own analysis and establish Exception Payment Standards reduces administrative burdens on both the HACP and HUD (as no HUD approval is required) while expanding housing choices for participating families.

HACP does not currently have any Area Exception Payment Standards, but may do so in future years. HACP will continue to allow an Exception Payment Standard of up to 120% of FMR as a reasonable accommodation for persons with disabilities.

In 2013 HACP received approval of a modification to this activity allowing HACP to establish an Exception Payment Standard of up to 120% of FMR for new construction or rehabilitation that creates fully accessible units meeting the requirements of the Uniform Federal Accessibility Standard (UFAS) in order to promote and support the creation of additional accessible units available to low-income families.

HACP's objective for this initiative is to expand housing choices for eligible families.

In 2013, only a limited number of families took advantage of this initiative, but those disabled families that did so had more choices in their search for an affordable home. Also, although no new accessible units have yet resulted from this initiative, HACP has authorized at least 10 project based vouchers to projects expected to be completed in 2013, 2014 and 2015 for additional, new, accessible units.

7. Use of Block Grant Funding Authority to support Development and Redevelopment Activities through the Step Up To Market Financing Program.

Originally approved in 2012, HACP is permitted the Use of Single Fund Flexibility to support development and redevelopment via the *Step Up To Market Financing Program*. HACP will expand its use of the Block grant authority authorized in the Moving To Work Agreement to leverage debt to fund public housing redevelopment and modernization in order to address additional distressed properties in HACP's housing stock. Specifically, HACP will identify properties for participation in the Step Up To Market Program and will utilize one or more strategies, subject to any required HUD approvals, as authorized under this initiative. Details are included in Section IV.

In 2013, HACP submitted a full development proposal to HUD for Phase I of the Addison Terrace redevelopment, as per standard protocols, utilizing several elements authorized by this initiative. Late in 2013 this was approved, utilizing several aspects of the Financing Program. Construction is now underway with new units beginning to come on-line in 2014.

On-Hold Activities

HACP activities that could be considered as 'on hold' are actually subsets of implemented activities. They are as follows:

- i. Exception Payment Standard Areas. HACP suspended its Exception Payment Standard Area in order to reduce costs and streamline administration. Depending on future funding, and changes to the local market, HACP may develop new exception payment standard areas to increase housing choice for voucher families.

Closed Out Activities

Since entering the Moving To Work Program in 2000, HACP has also instituted a number of Moving To Work initiatives that in 2014 no longer require specific Moving To Work Authority. Some of those initiatives are:

1. Establishment of Site Based Waiting Lists.

2. Establishment of a variety of local waiting list preferences, including a working/elderly/disabled preference and a special working preference for scattered site units.
3. Modified Rent Reasonableness Process.
4. Transition to Site Based Management and Asset Management, including Site Based Budgeting and Accounting.

Other Activities

Several activities that utilized Moving To Work Authority, but are not specified as specific initiatives waiving specific regulations, were previously included in the initiative section but no longer require that separate listing. They are as follows:

- Use of Block Grant Funding Authority to support Development and Redevelopment, Enhanced and Expanded Family Self-sufficiency and related programming, and the HACP MTW Homeownership Program.
 - Originally approved with the initial Moving To Work Program and expanded to include homeownership and resident service programs in subsequent years, HACP continues to use Moving To Work block grant funding to support its Moving To Work Initiatives. Additional information on the use of Single Fund block grant authority is included in other sections of this MTW Plan.
- Energy Performance Contracting
 - Under HACP's Moving To Work Agreement, HACP may enter into Energy Performance Contracts (EPC) without prior HUD approval. HACP will continue its current EPC, executed in 2008, to reduce costs and improve efficient use of federal funds.
 - HACP's current EPC included installation of water saving measures across the authority, installation of more energy efficient lighting throughout the authority, and installation of geo-thermal heating and cooling systems at select communities. It was completed in 2010, with final payments made in 2011. Monitoring and Verification work began in 2011, with the first full Monitoring and Verification report completed for the 2012 year.
- Establishment of a Local Asset Management Program.
 - In 2004, prior to HUD's adoption of a site based asset management approach to public housing operation and management, HACP embarked on a strategy to transition its centralized management to more decentralized site-based management capable of using an asset management approach. Specific elements of HACP's Local Asset Management Program were approved in 2010. HACP will continue to develop and refine its Local Asset Management Program to reduce costs and increase effectiveness.

Long Term Goals and Vision

HACP's vision for its Moving To Work Program through 2018, and potentially beyond, builds upon the vision of HACP's 2001-2013 Moving To Work Plans. This vision is built around two major themes that together will achieve the three statutory objectives of the Moving To Work Demonstration Program.

Theme one is to reposition HACP's housing stock to compete in the local market, improve operational efficiencies, and expand housing choices for low-income families.

Theme two is to promote self-sufficiency and independent living through a variety of enhanced services and policy adjustments. These programs and policies are designed to provide incentives to work for adult, able bodied, non-elderly heads of households and family members, and to promote social and academic achievement for children and youth. In addition to increasing economic self-sufficiency among assisted families, these programs and policies are expected to result in increased revenue for the Housing Authority (increasing the cost effectiveness of federal expenditures) while increasing housing choices for families (with increased work and income they will have additional housing choices both within the HACP portfolio and in the larger housing market).

While the mechanisms to effectively measure all of these expected outcomes continue to be developed (especially those that are cumulative and long-term) shorter-term measures are in place for each specific MtW initiative. HACP is also adding HUD's Standard Metrics, to the extent possible, to its tracking of MTW initiative impacts. In reviewing this report, please note that HUD's Standard Metrics were not yet in place when the 2013 MTW Annual Plan was submitted and approved, and therefore not all Standard Metrics had specific 2013 benchmarks established. See Section IV for more detailed information on the specific initiatives.

Repositioning of HACP's Housing Stock

Since the initial HACP Moving To Work Annual Plan in 2001, a major component of HACP's Moving To Work strategy has been to reposition HACP's housing stock through a) preservation of successful developments and b) revitalization of distressed developments through strategic investments that re-link public housing properties to their surrounding neighborhoods and act as a driver of other public and private investments to revitalize entire neighborhoods.

Initiated prior to Moving To Work through three HOPE VI redevelopment projects and continued through the Moving To Work Program, HACP has achieved great success. Allequippa Terrace, Manchester Apartments, Bedford Additions and Garfield Heights are replaced by Oak Hill, multiple properties across Manchester virtually indistinguishable from their neighbors, the Bedford Hills apartments, and Garfield Commons, respectively. The new senior buildings Silver Lake, the Fairmont, the Commons at North Aiken and the Legacy are new positive anchors in their neighborhoods, replacing the distressed, and neighborhood distressing, East Hills, Garfield, Auburn Towers and Addison High Rises. Redevelopment of Addison Terrace is also finally underway.

A by-product of these redevelopment efforts, which feature reduced densities, mixed income, and modern conveniences, is a reduced number of traditional public housing units. This is not inappropriate in Pittsburgh, which has seen city population decline substantially over the last 40 years. More important is that this is balanced by the addition of new affordable units supported by tax credits, and new units rented at market rates. In Pittsburgh, many of the new market rate units are affordable to families of modest income. Section 8 Housing Choice vouchers also

support low income families, provide them choices in the housing market, and support occupancy of units available in the private market. These combinations of approaches have enabled HACP to continue serving substantially the same number of families as would have been served absent the demonstration.

In 2013, as in prior years, and in light of continued erosion of funding available for affordable housing development and redevelopment, HACP engaged in extensive collaborative work with HUD and other partners to develop new mechanisms for financing redevelopment of distressed properties. The resulting Step Up To Market Financing Program is designed to be a key component of HACP repositioning activities, and has been essential in the financing of the redevelopment of Addison Terrace, now underway.

HACP has also invested in its successful housing in recent years, including modernization activities at Northview Heights, Murray Towers, Morse Gardens, Gualtieri Plaza, and many other improvements at various locations. Additional modernization work at many sites continues, with highlights noted in other sections of this report. HACP also recently completed a five year plan to create fully accessible units at all of its properties, and continues to create additional UFAS units each year. HACP also continues to benefit from an implemented Energy Performance Contract for improvements that include the installation of energy efficient and cost saving geothermal heating (and cooling) systems at several developments.

HACP is committed to continuing these preservation and revitalization efforts, to the greatest extent feasible with the funding available, throughout the Moving To Work demonstration.

The charts at the end of this section show projected sources of funds that can be used for capital projects, and projected uses of those funds over the next ten years. All of these numbers reflect projected obligations (not expenditure) of funds, and are projections only and are subject change based upon funding levels and opportunities, financial and real estate market conditions, new or changing regulations or requirements, and other unforeseen developments.

The highlights of this plan are as follows:

- Revitalize Addison Terrace. Addison Terrace is only two blocks from the key Centre Avenue corridor in the Hill district which includes the following new facilities: the Legacy Apartments, the Hill Public Library, and a branch of the YMCA. HACP worked closely with the larger Hill District Master Planning Process to plan redevelopment of the 1940's era Addison Terrace. Because of projected high costs for this redevelopment effort, including substantial infrastructure costs, and the scarcity of HOPE VI and other major grant programs, HACP worked with HUD and other partners to develop innovative financing strategies through Moving To Work to support this effort, resulting in the Step Up To Market Financing Program. Demolition of approximately two thirds of the site and site now under construction, HACP and its partners are working diligently to develop financing and other plans for one or two additional phases for 400 total units.
- Plan for new development in the East End, including Hamilton-Larimer. In parts of the East Liberty neighborhood of Pittsburgh, a significant market and development rebound has occurred. In the adjoining Larimer neighborhood, a long term and ongoing grassroots community planning process led to the completion of the Larimer Vision Plan. The Vision

Plan, which focuses on the Larimer Avenue corridor spanning parts of both East Liberty and Larimer, is the basis for a growing consensus around neighborhood revitalization strategies in these neighborhoods. Working with a variety of partners in Larimer and East Liberty, HACP continues pursuing new development opportunities in these neighborhoods, including the Hamilton-Larimer and former Auburn Towers site on the border of East Liberty and Larimer. HACP continues to work closely with other City agencies and neighborhood organizations to identify the opportunities with the potential for the greatest impact, and has invested in the planning process resulting in the Larimer Vision To Action Plan, which aims to identify specific activities to implement the Larimer Vision Plan. The Vision To Action Plan is the basis for a Choice Neighborhoods Initiative Implementation grant funding application to support this effort. A Choice Neighborhoods Implementation Grant application was submitted in September, 2013. The proposed plans include redevelopment of the nearby East Liberty Gardens project based voucher property in the East Liberty portion of the Vision area. Low Income Housing Tax Credits have been secured for a first phase of construction on the former Auburn site and other adjacent parcels, and HACP was recently informed that it is a finalist for a Choice Neighborhoods Implementation Grant. Alternate plans are also being developed so progress can continue even if the grant is not awarded.

- Build on investments in Northview Heights. After completing conversion of 63 units into 26 new UFAS units and 26 new non-UFAS units, and the ESCO funded geothermal heating and cooling system, HACP continues to build on these investments to solidify Northview Heights' rebound. In 2010 Force Account staff renovated an additional 30 units in the buildings that received UFAS units. In 2010 and 2011, work to replace the roofs on buildings that had not had roof replacements, and the siding on all of the family buildings, was completed. Continued investment in modernization of additional units, completing replacement of roofs, upgrading electrical systems and other improvements continued in 2012 and 2013. In 2014, remaining roofs will be completed, additional site work will be done, planning is underway for modernization of kitchens and bathrooms in family units. It is worth noting that as a result of past HACP activities at this site, occupancy is up to 97% and the waiting list is growing as demand for this property increases.
- Modernize other successful but aging properties. HACP recognizes that existing properties cannot be neglected. In addition to regular funding for safety and REAC items at all properties, HACP continues to pursue larger modernization efforts at other properties, including window replacement and façade/EFIS repairs at several senior/disabled high rises and continued investment in its successful scattered sites portfolio.
- Pursuit of Rental Assistance Demonstration Conversions. In order to secure the long-term viability of its existing housing stock, HACP continues to evaluate and pursue conversion of some public housing units to HUD contracts for multi-family housing rental assistance through the Rental Assistance Demonstration (RAD) Program. In 2013 HACP submitted RAD applications for the following properties:
 - Glen Hazel and Glen Hazel High Rise
 - Murray Towers
 - Other properties are also being evaluated; application will not be made without appropriate and required public notice and comments.

Below are two charts showing project funding obligations over the next ten years.

Not included in the charts are funding and financing strategies, including those that use MTW funding flexibility and support and leverage MTW funds to support redevelopment of these properties. As funding opportunities and financing mechanisms change, and creative approaches are devised, HACP will adapt and adopt the approaches that are most advantageous to the agency. These approaches include, but are not limited to, the following:

- Low Income Housing Tax Credits
- Federal, State and Local Housing Trust Funds dollars as available.
- Other Federal, State and Local funds such as CDBG, HOME, PA Department of Community and Economic Development Programs, and others as can be secured.
- HUD’s new and evolving financing and transformation initiatives, if authorized, or other similar approaches.
- Project basing up to 500 Housing Choice Vouchers.
- HACP’s Moving To Work Step Up To Market Financing Program.
- Any and all other opportunities and mechanism that are available or can be identified that will assist HACP in furthering its goals under MTW and under the Low Income Public Housing and Housing Choice Voucher programs.

Other sections of the Annual Report include specifics on the funding strategies utilized in specific development phases the closed in 2013, and future Plans and Reports will include additional details for future phases.

SOURCES	PROJECTED SOURCES	2014	2015	2016	2017	2018	5-Year SubTotals	2019	2020	2021	2022	2023	5-Year SubTotals	10-Year Totals
	MTW Funding	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	40,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	40,000,000
CFP Projected Future Funding	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	35,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	35,000,000	70,000,000
RHF Projected Future Funding	5,199,342	4,331,332	3,470,452	2,701,002	2,141,640	2,141,640	17,843,768	2,141,640	582,708	500,000	500,000	500,000	4,224,348	22,068,116
Choice Neighborhood Grant	0	10,000,000	11,000,000		0	0	21,000,000	0	0	0	0	0	0	21,000,000
Cove Place - Conventional Mortgage	500,000		2,000,000	5,000,000	0	0	7,500,000	0	0	0	0	0	0	7,500,000
MTW Reserves	54,000,000		0	0	0	0	54,000,000	0	0	0	0	0	0	54,000,000
TOTALS ALL PROJECTED SOURCES	74,699,342	29,331,332	31,470,452	22,701,002	17,141,640	17,141,640	175,343,768	17,141,640	15,582,708	15,500,000	15,500,000	15,500,000	79,224,348	254,568,116
USES	PROPOSED USES	2014	2015	2016	2017	2018	5-Year SubTotals	2019	2020	2021	2022	2023	5-Year SubTotals	10-Year Totals
	Administrative	1,900,000	1,900,000	1,900,000	1,900,000	1,500,000	9,100,000	1,500,000	1,500,000	1,500,000	1,500,000	1,900,000	1,900,000	7,900,000
Security	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	20,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	20,000,000	40,000,000
504/UFAS misc	100,000	100,000	100,000	100,000	0	0	400,000	0	0	0	0	0	0	400,000
Equipment (Range/Refrig, Vehicles, Other Misc)	0	0	0	0	530,000	530,000	530,000	300,000	300,000	300,000	318,270	327,818	1,555,088	2,085,088
LBP Abatement - Other Misc Hazmat	100,000	100,000	100,000	100,000	100,000	100,000	500,000	100,000	100,000	100,000	100,000	100,000	500,000	1,000,000
Concrete	100,000	100,000	100,000	100,000	100,000	100,000	500,000	100,000	100,000	100,000	100,000	100,000	500,000	1,000,000
Demolition	100,000	100,000	100,000	100,000	0	0	400,000	0	0	0	0	0	0	400,000
A/E Technical Services	700,000	700,000	400,000	400,000	200,000	2,000,000	2,400,000							2,400,000
Resident Services	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000	20,000,000
Mis. Mod & FS Contingencies	950,000	950,000	950,000	950,000	950,000	950,000	4,750,000	600,000	600,000	600,000	600,000	600,000	3,000,000	7,750,000
SUBTOTAL HACP-WIDE USES	9,950,000	9,950,000	9,650,000	9,650,000	9,380,000	9,380,000	48,580,000	8,600,000	8,600,000	8,609,000	8,618,270	9,027,818	43,455,088	92,035,088
SUBTOTAL DEVELOPMENT	54,000,000	12,000,000	23,800,000	500,000	6,630,000	6,630,000	96,930,000	7,500,000	5,000,000	5,000,000	9,000,000	0	26,500,000	123,430,000
SUBTOTAL MODERNIZATION	10,471,500	7,060,000	3,666,000	4,210,000	2,050,000	2,050,000	27,457,500	1,450,000	1,350,000	2,150,000	2,050,000	3,720,000	10,720,000	38,177,500
TOTALS ALL PROPOSED USES	74,421,500	29,010,000	37,116,000	14,360,000	18,060,000	18,060,000	172,967,500	17,550,000	14,950,000	15,759,000	19,668,270	12,747,818	80,675,088	253,642,588
Annual Surplus/ (Deficit)	277,842	321,332	(5,645,548)	8,341,002	(918,360)			(408,360)	632,708	(259,000)	(4,168,270)	2,752,182		
Additional Funding Available/ (Needed)	277,842	599,174	(5,046,374)	3,294,628	2,376,268			1,967,908	2,600,616	2,341,616	(1,826,654)	925,528		925,528

Proposed Development		2014	2015	2016	2017	2018	5-Year Subtotals	2019	2020	2021	2022	2023	5-Year Subtotals	10-Year Totals	Comments	
DEVELOPMENT	Addison	43,000,000					43,000,000						0	43,000,000	Loan to complete financing for Addison Phase I. Planning for and financing for Addison Phase II.	
	Hamilton-Larimer		10,000,000	11,000,000			21,000,000						0	21,000,000	Planning in 2014 and funding for redevelopment starting in 2015 including Choice Neighborhood funding.	
	Scattered Site (Hill Dist)			1,300,000			1,300,000						0	1,300,000	Gap financing for scattered site development in the Hill District as part of Addison development strategy.	
	Arlington					500,000	6,630,000	7,000,000					7,000,000	14,130,000	Start planning in 2015. Redevelop community with 60 new ACC units as part of mixed-finace development.	
	HACP/ARMDC Office						0						0	0	HACP headquarters scheduled to be sold, new office needed in 5 years.	
	Allegheny Dwellings	10,500,000		6,500,000			17,000,000						0	17,000,000	Start planning in 2015. Redevelop community with 50 new ACC units as part of mixed-finace development.	
	Homewood North						0	500,000	5,000,000	5,000,000	9,000,000		19,500,000	19,500,000	Start planning in 2015. Redevelop community with 70 new ACC units as part of mixed-finace development.	
	Cove Place	500,000	2,000,000	5,000,000			7,500,000						0	7,500,000	ARMDC will develop market rate for sale units and this project is in last position.	
SUBTOTAL DEVELOPMENT	54,000,000	12,000,000	23,800,000	500,000	6,630,000	96,930,000	7,500,000	5,000,000	5,000,000	9,000,000	0	26,500,000	123,430,000			
Proposed Modernization		2014	2015	2016	2017	2018	5-Year Subtotals	2019	2020	2021	2022	2023	5-Year Subtotals	10-Year Totals	Comments	
REGION I	1001 1013 Addison - Bentley Dr.	300,000	0	0	0	0	300,000	0	0	0	0	0	0	300,000	Safety/REAC upkeep unit demolition of Bentley Drive units.	
	1002 Bedford Dwellings	500,000	510,000	0	100,000	0	1,110,000	100,000	0	0	100,000	0	200,000	1,310,000	REAC & Safety Items	
	1015 PA Bidwell	50,000	50,000	300,000	50,000	50,000	500,000	50,000	50,000	1,000,000	0	0	1,100,000	1,600,000	Interim REAC and Safety Repairs and rehab work in 2021.	
	1017 Pressley	50,000	50,000	50,000	50,000	50,000	250,000	50,000	0	0	0	0	50,000	300,000	Interim REAC and Safety Repairs	
REGION II	1005 Allegheny Dwellings	600,000	50,000	100,000	50,000	0	800,000	0	0	0	0	0	0	800,000	Windows Repair until redov starts in 2016 (see above)	
	1009 Northview Heights	2,200,000	100,000	1,000,000	100,000	0	3,400,000	0	0	0	0	0	0	3,400,000	Concrete work in courtyards, Bathrooms/Kitchens rehab and painting in 400 units	
	1020 Homewood North	50,000	50,000	50,000	50,000	50,000	250,000	0	0	0	0	0	0	250,000	REAC & Safety Items until redov start in 2019 (see above)	
REGION III	1004 Arlington Heights	50,000	800,000	50,000	0	0	900,000	0	0	0	0	0	0	900,000	Partial Mod work until redov start in 2018 (see above)	
	1031 Murray Towers	0	3,500,000	0	0	0	3,500,000	0	0	0	0	0	0	3,500,000	Windows Replacement in 2013 & Comp. Modernization in 2015	
	1022, 1027 Glen Hazel Family (incl. Renova)	2,500,000	50,000	50,000	100,000	100,000	2,800,000	0	200,000	200,000	1,000,000	0	1,400,000	4,200,000	Siding/Doors, Rec Center Rehab & Misc. safety items & Partial Comp Mod in 2022.	
	1033 Glen Hazel Highrise	300,000	100,000	0	100,000	100,000	600,000	0	0	0	0	0	0	600,000	Terrace rehabilitation & Safety Repairs	
	1040 Mazza Pavillion	0	0	0	0	0	0	0	0	0	0	50,000	50,000	50,000	REAC & Safety Repairs	
	1041 Caliguiri Plaza	2,121,500	50,000	416,000	50,000	100,000	2,737,500	100,000	100,000	0	0	0	200,000	2,937,500	Windows/EFS Repairs, Partial Comp Mod & Safety Repairs	
	1044 Finello Pavillion	50,000	100,000	0	100,000	0	250,000	100,000	0	0	0	0	0	100,000	350,000	Interim REAC and Safety Repairs
	1045 Morse Gardens	50,000	0	50,000	100,000	0	200,000	100,000	0	0	0	1,400,000	1,500,000	1,700,000	Partial Comp. Mod in 2022 & REAC/Safety Items	
	1046 Carrick Regency	50,000	100,000	100,000	0	100,000	350,000	0	0	0	0	1,320,000	1,320,000	1,670,000	Partial Comp. Mod in 2022 & REAC/Safety Items	
	1047 Gualteri Manor	50,000	50,000	0	1,860,000	0	1,960,000	0	50,000	0	0	0	50,000	2,010,000	Partial Comp. Mod in 2017 & REAC/Safety Items	
1022, 1039 Scattered Sites / Hamilton Larimer	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	7,500,000	950,000	950,000	950,000	950,000	950,000	4,750,000	12,300,000	Partial Comp Mod of 10 units per year for 10 years, 100 units and Purchase/buid 30 new units in 10 years.		
1099 Other Amps	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
SUBTOTAL MODERNIZATION	10,471,500	7,060,000	3,666,000	4,210,000	2,050,000	27,457,500	1,450,000	1,350,000	2,150,000	2,050,000	3,720,000	10,720,000	38,177,500			

Promoting Self-Sufficiency And Independent Living Through A Variety Of Enhanced Services And Policy Adjustments.

HACP is committed to continuing pursuit of programs and policies that promote self-sufficiency and independent living. This is pursued through programs and policy modifications.

HACP’s Family Self-Sufficiency (FSS) Program, called Realizing Economic Attainment For Life or REAL, includes the Resident Employment Program (REP). REAL and REP provide a variety of supports, programs, and referrals to residents to assist them in preparing for, seeking, finding, and retaining employment. The program and the Authority also work constantly to link with other programs, leverage additional services, and create positive environments for families, adults, seniors, and children. REAL and REP are complemented by the programs provided by HACP and its partners that focus on youth of various ages, including the BJWL after school and summer programs, Youthplaces, the Clean Slate Drug Free Lifestyles and Youth Leadership Development Program, and the Creative Arts Corner state of the art audio/video studios at Northview Heights and the Bedford Hope Center. HACP’s investments in resident services have leveraged over \$4,000,000 per year in additional programs and services in recent years.

HACP policy modifications are also designed to promote self-sufficiency, and the modified rent policy, as described in Sections II and IV, is designed to encourage families to participate in the FSS program.

The goal of these initiatives is to create an environment where work is the norm and personal responsibility is expected. Gradually, HACP is seeing positive results of this effort.

It is HACP's vision to create vibrant, sustainable communities where family members of all ages can thrive and where life choices and opportunities are not limited. HACP will pursue this goal through the interconnected strategies of re-positioning the housing stock through preservation and revitalization, and promoting self-sufficiency through support programs and policy modifications.

Annual MTW Report

II.4.Report.HousingStock

A. MTW Report: Housing Stock Information

New Housing Choice Vouchers that were Project-Based During the Fiscal Year

Property Name	Anticipated Number of New Vouchers to be Project-Based *	Actual Number of New Vouchers that were Project-Based	Description of Project
Wood Street Commons	65	65	Single Room occupancy building with 258 units. On site services for those with mental illness or other handicaps. HAP executed for 65 units.
Mackey Lofts (ofrmerly Shanahan Apartments)	11	11	Gut renovation project with 43 total units. Targeting persons with hearing and vision impairments, services provided by nearby deaf and blind services agency. HAP executed, units leased.
2700 Centre Avenue	36	0	AHAP executed on 6/11/2013. Construction completion and lease-up projected for 12/31/2014.
Homewood Senior Station	5	0	Developer began construction prior to execution of the AHAP; award cancelled. Developer proceeded without the project based vouchers.
East Liberty Place II	6	0	AHAP executed on 6/6/2013. Construction completion and lease-up projected for 8/31/2014.
Larimer PBV Phase 1	40	0	AHAP on this tax-credit awarded project to be executed in 2014, with construction completion and lease-up expected in 2015.
Larimer Mixed Finance Phase 1	28	0	AHAP on this tax-credit awarded, mixed finance project with 85 total units to be executed in 2014, with construction completion and lease-up expected in 2015 or 2016.
Addison Phase I	186	0	Commitment provided and closing completed in late 2013. AHAP executed 12/23/2013. Construction completion and lease up expected in 2014 and 2015. Total units is 186, 164 to be

PBV, with remaining units to be market rate.

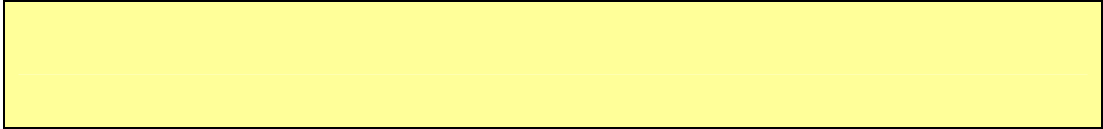
Anticipated Total Number of New Vouchers to be Project-Based *	Actual Total Number of New Vouchers that were Project-Based	Anticipated Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year *	Anticipated Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Fiscal Year *
377	76	557	133
		Actual Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year	Actual Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Fiscal Year
		407	110

* From the Plan - Note: HACP's 2013 Annual Plan was completed in prior format, so information indicated here may not be a clean match to information provided in the plan.

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

Planned removal of one unit at Pressley Street High Rise for conversion of units to create an additional UFAS unit were not completed. Construction work to complete the conversion expected in 2014.

Planned changes to PA-39 Scattered Sites North Hamilton-Larimer (formerly PA-11) were delayed as plans for redevelopment via Choice Neighborhoods and Tax Credits progressed. Submission of demolition application will occur in 2014.



Examples of the types of other changes can include but are not limited to units that are held off-line due to the relocation of residents, units that are off-line due to substantial rehabilitation and potential plans for acquiring units.

General Description of Actual Capital Fund Expenditures During the Plan Year

HACP expended capital funds on major projects including the following: Garfield Commons: Final construction and completion payments on Phase IV which completed late in 2012; Northview Heights: expenditures on electrical upgrades, roof replacements, and elevator upgrades; Addison Redevelopment: Substantial commitments for development and expenditures for pre-development on this project; Hamilton-Larimer: Pre-development expenses and commitments for Choice Neighborhoods plan and grant application and Phase 1 Tax Credit and Project Based Voucher development with 85 total units; Murray Towers: Window replacement and EFIS repairs; Morse Gardens: Historic window replacement and other improvements; Drainage and EFIS repairs at Allegheny Dwellings; Scattered Sites: Roof replacements and other improvements at select locations.

Overview of Other Housing Owned and/or Managed by the PHA at Fiscal Year End

Housing Program *	Total Units	Overview of the Program
Housing Program 1 *	0	Overview of the program
Housing Program 2 *	0	Overview of the program
Housing Program 3 *	0	Overview of the program
Total Other Housing Owned and/or Managed	0	

* **Select Housing Program from:** Tax-Credit, State Funded, Locally Funded, Market-Rate, Non-MTW HUD Funded, Managing Developments for other non-MTW Public Housing Authorities, or Other.

If Other, please describe:

Description of "other" Housing Program

II.5.Report.Leasing

B. MTW Report: Leasing Information

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

Housing Program:	Number of Households Served*	
	Planned	Actual
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Property-Based Assistance Programs **	635	635
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs **	108	111
Port-In Vouchers (not absorbed)	N/A	X
Total Projected and Actual Households Served	743	746

* Calculated by dividing the planned/actual number of unit months occupied/leased by 12.

** In instances when a Local, Non-Traditional program provides a certain subsidy level but does not specify a number of units/Households Served, the PHA should estimate the number of Households served.

Housing Program:	Unit Months Occupied/Leased****	
	Planned	Actual
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Property-Based Assistance Programs ***	7620	7620
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs ***	1296	1332
Port-In Vouchers (not absorbed)	N/A	X
Total Projected and Annual Unit Months Occupied/Leased	8916	8952

HACP successfully supported additional families to complete a home purchase in 2013.

*** In instances when a local, non-traditional program provides a certain subsidy level but does not specify a number of units/Households Served, the PHA should estimate the number of households served.

**** Unit Months Occupied/Leased is the total number of months the housing PHA has occupied/leased units, according to unit category during the year.

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

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

HUD will verify compliance with the statutory objective of “assuring that at least 75 percent of the families assisted by the Agency are very low-income families” is being achieved by examining public housing and Housing Choice Voucher family characteristics as submitted into the PIC or its successor system utilizing current resident data at the end of the agency's fiscal year. The PHA will provide information on local, non-traditional families provided with housing assistance at the end of the PHA fiscal year, not reported in PIC or its successor system, in the following format:

Fiscal Year:	2011	2012	2013	2014	2015	2016	2017	2018
Total Number of Local, Non-Traditional MTW Households Assisted	644	720	746	X	X	X	X	X

Number of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income	N/A	N/A	737	X	X	X	X	X
Percentage of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income	N/A	N/A	99%	X	X	X	X	X

Reporting Compliance with Statutory MTW Requirements: Maintain Comparable Mix

In order to demonstrate that the statutory objective of “maintaining a comparable mix of families (by family size) are served, as would have been provided had the amounts not been used under the demonstration” is being achieved, the PHA will provide information in the following formats:

Baseline for the Mix of Family Sizes Served

Family Size:	Occupied Number of Public Housing units by Household Size when PHA Entered MTW	Utilized Number of Section 8 Vouchers by Household Size when PHA Entered MTW	Non-MTW Adjustments to the Distribution of Household Sizes *	Baseline Number of Household Sizes to be Maintained	Baseline Percentages of Family Sizes to be Maintained
1 Person	1714	994	0	2708	29.61%
2 Person	1721	1536	0	3257	35.62%
3 Person	1427	1134	0	2561	28.00%
4 Person	300	208	0	508	5.55%
5 Person	84	27	0	111	1.21%
6+ Person			0	0	0.00%
Totals	5246	3899	0	9145	100.00%

Explanation for
Baseline Adjustments
to the Distribution of
Household Sizes
Utilized

At this time, HACP has not requested any adjustments to the baseline for mix of families served. It should be noted that HACP's total baseline of families to be served has increased by 418 to a total of 9563, but these additional authorized units do not have a family size and therefore are not reflected in these charts. Also, HACP has collected data only to 5+, and thus does not have a separate entry for 6+.

Mix of Family Sizes Served

	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	Totals
Baseline Percentages of Household Sizes to be Maintained **	29.61%	35.62%	28.00%	5.55%	1.21%	0.00%	100.00%
Number of Households Served by Family Size this Fiscal Year ***	3347	2945	2273	459	83	0	9107
Percentages of Households Served by Household Size this Fiscal Year ****	36.75%	32.34%	24.96%	5.04%	0.91%	0.00%	100.00%
Percentage Change	24.11%	-9.20%	-10.88%	-9.27%	-24.91%	0	0
Alternate Calculation of Percent Change	7.14%	-3.28%	-3.05%	0.51%	-0.30%		

Justification and Explanation for Family Size Variations of Over 5% from the Baseline Percentages

The formulas included are not appropriate for this measure, and result in exaggerated percentages that are not appropriate for evaluation of this requirement. For example, on entering MTW, 5.55% of the families served by HACP were 4 person families. In 2013, that percentage had declined to 5.04%. HACP believes this is a change of -.51 percent. By this measure, the only increase greater than 5% is in single person households, which HACP attributes to aging in place of families and increased number of single, elderly households, not to any decisions made by the HACP, and not to any impacts of its MTW initiatives. Further analysis will be conducted to confirm this analysis and determine if other factors also impacted this change.

* “Non-MTW adjustments to the distribution of family sizes” are defined as factors that are outside the control of the PHA. Acceptable “non-MTW adjustments” include, but are not limited to, demographic changes in the community’s population. If the PHA includes non-MTW adjustments, HUD expects the explanations of the factors to be thorough and to include information substantiating the numbers used.

** The numbers in this row will be the same numbers in the chart above listed under the column “Baseline percentages of family sizes to be maintained.”

*** The methodology used to obtain these figures will be the same methodology used to determine the “Occupied number of Public Housing units by family size when PHA entered MTW” and “Utilized number of Section 8 Vouchers by family size when PHA entered MTW” in the table immediately above.

**** The “Percentages of families served by family size this fiscal year” will reflect adjustments to the mix of families served that are directly due to decisions the PHA has made. HUD expects that in the course of the demonstration, PHAs will make decisions that may alter the number of families served.

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

Housing Program	Description of Leasing Issues and Solutions
Low Income Public Housing	No issues were experienced in leasing public housing units.
Housing Choice Voucher Program	Challenges related to leasing Housing Choice Vouchers include aging housing stock leading to high rate of failed initial inspections; a tightening housing market created more competition for available units from no voucher households; and the continued reluctance of many landlords to accept families utilizing voucher assistance. HACP has convened a Landlord Advisory Committee, and is planning on a revamped outreach campaign to identify additional units and landlords for participation in the program.
Non-Traditional Programs	No issues were experienced in leasing non-traditional housing units.

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

#1 Modified Rent Policy HCV	15	Free of Cash Assistance
#2 Modified Rent Policy LIPH	10	Free of Cash Assistance
#5 Homeownership	10	Completed Home Purchase

Households Duplicated Across Activities/Definitions	0
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ANNUAL TOTAL NUMBER OF HOUSEHOLDS TRANSITIONED TO SELF SUFFICIENCY	35
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* The number provided here should match the outcome reported where metric SS #8 is used.

II.6.Report.Leasing

C. MTW Report: Wait List Information

Wait List Information at Fiscal Year End

Housing Program(s) *	Wait List Type **	Number of Households on Wait List	Wait List Open, Partially Open or Closed ***	Was the Wait List Opened During the Fiscal Year
Federal MTW Public Housing	Site-Based	2,062	Partially Open: some locations and bedroom sizes are closed.	Yes
Federal MTW Housing Choice Voucher Program	Community Wide	244	Closed	No
Combined Local Non-Traditional Programs (no wait list for homeownership; combined wait lists at mixed finance, mixed income sites.	Site-Based	3381	Open, except for Oak Hill, which is closed.	Yes

More can be added if needed.

* *Select Housing Program:* Federal MTW Public Housing Units; Federal MTW Housing Choice Voucher Program; Federal non-MTW Housing Choice Voucher Units; Tenant-Based Local, Non-Traditional MTW Housing Assistance Program; Project-Based Local, Non-Traditional MTW Housing Assistance Program; and Combined Tenant-Based and Project-Based Local, Non-Traditional MTW Housing Assistance Program.

** *Select Wait List Types:* Community-Wide, Site-Based, Merged (Combined Public Housing or Voucher Wait List), Program Specific (Limited by HUD or Local PHA Rules to Certain Categories of Households which are Described in the Rules for Program Participation), None (If the Program is a New Wait List, Not an Existing Wait List), or Other (Please Provide a Brief Description of this Wait List Type).

*** For Partially Open Wait Lists, provide a description of the populations for which the waiting list is open.

MTW Public Housing: Wait lists are open in communities and bedroom sizes where the wait list is short, and projected wait times are less than one year. Generally we have open wait lists for elderly/disabled, and for families requiring 2, 3, and 4 bedroom units.

MTW Housing Choice Voucher Program: Waiting list remained closed throughout 2013, but will be re-opened in 2014 to all populations. Transition to site-based lists for project based units will also occur in 2014.

Non-traditional programs: No wait list at this time for homeownership. Privately managed tax-credit and affordable market rate properties operate site-based waiting lists.

If Local, Non-Traditional Program, please describe:

Non-Traditional Program - Homeownership: Currently no waiting list, program participation is open to otherwise eligible families. If demand for soft-second mortgage approaches annual budget authority a wait list for participants with mortgage pre-approval letters will be established.

Non-traditional Program - tax credit units in mixed finance, mixed income developments have wait lists operated by private management.

If Other Wait List Type, please describe:

HACP LIPH Site Based Waiting List - HACP's Site Based Site Preference System allows applicants to choose up to three communities of preference, or the first available from all properties. The number listed above is of unduplicated applicants on the waiting list, although each applicant may be on more than one individual site list. Public housing units in mixed finance/mixed income privately managed properties are not included, as each location operates a separate waiting list.

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

In 2013, HACP added provisions to its ACOP to allow for transition to a fully site-based system without centralized application processing or management, and all waiting list activity occurring at each specific management office. Although pre-applications can now be submitted on-site, implementation of full site based lists has been put on hold pending further impact analysis.

Section III. Proposed Moving To Work Activities: HUD Approval Requested

All proposed activities that have been approved by HUD are reported on in Section IV as “Approved Activities.”

Section IV. Approved MTW Activities: HUD approval previously granted.

APPROVED MTW ACTIVITIES – HUD APPROVAL PREVIOUSLY GRANTED

Activity	Plan Year Approved	Plan Year Implemented	Current Status
1. Modified Rent Policy - Work or FSS Requirement or increased minimum tenant payment for non-exempt HCV households	2011 Annual Plan	2011	Implemented
2. Modified Rent Policy - Work or FSS Requirement or increased minimum rent for non-exempt LIPH households	2008 Annual Plan	2008-2009	Implemented
3. Revised Recertification Policy – at least once every other year – for Section 8/HCV	2008 Annual Plan	2008	Implemented
3. Revised Recertification Policy – at least once every other year – LIPH	2009 Annual Plan	2009	Implemented
4. Homeownership Program: Operation of Combined LIPH and Section 8/HCV Homeownership Program; Program assistance to include soft-second mortgage assistance coupled with closing cost assistance, homeownership and credit counseling, and foreclosure prevention only; establish a soft-second mortgage waiting list; expand eligibility to persons on the LIPH and HCV program waiting lists; expand eligibility to persons eligible for LIPH	Combined Program approved in 2007; other elements approved in 2010; expansion of eligibility to person eligible for LIPH or HCV in 2014.	2007; 2010; 2014.	Implemented
5. Modified Housing Choice Voucher Program policy on maximum percent of Adjusted Monthly Income permitted.	2001 Annual Plan	2001	Implemented
6. Modified Payment Standard Approval - establish Exception Payment Standards up to 120% of FMR without prior HUD approval.	2004 Annual Plan; additional features in 2013.	2004; 2013.	Implemented. Ongoing for persons with disabilities; On Hold for exception areas.
7. Step Up To Market Financing Program	2012 Annual Plan	2013	Implemented

A. IMPLEMENTED ACTIVITIES - ONGOING

1. Modified Rent Policy for the Section 8 Housing Choice Voucher Program

As approved in 2011, HACP requires that any non-elderly, non-disabled head of household who is not working at least 15 hours a week to either a) participate in a local self-sufficiency, welfare to work, or other employment preparation and/or training/educational program or b) pay a minimum tenant payment of \$150.00 per month. Voucher holders can claim an exemption from the work or \$150 minimum tenant payment requirements as a result of participation in a self-sufficiency program for a maximum of five years. This policy provides additional incentives for families to work or prepare for work and will increase overall accountability. HACP's objectives for this program include increased employment and income by participants, increased participation in local self-sufficiency, welfare to work, and other employment preparedness/training/educational programs, and possibly decreased HAP expenditures.

Because of limited capacity in HACP's REAL Family Self-Sufficiency Program, voucher holders whose rent calculation results in a rent of less than \$150 per month are permitted to certify via independent third party to their participation in an eligible local self-sufficiency, welfare to work, or other training or education program. HACP continues to pursue expanded partnerships to maximize the program options available for voucher holders.

HACP initially identified programs that would qualify affected families for an exemption from the \$150.00 minimum tenant payment, including the Pennsylvania Department of Public Welfare's Welfare to Work program that is associated with TANF assistance. HACP is working with the Allegheny County Department of Human Services and the Pennsylvania Department of Public Welfare and has identified additional programs and conducted outreach to identified programs to notify agencies of the new requirements and what constitutes acceptable verification.

The provisions of the modified policy are expected to increase the percentage of families reporting earned income and increase the number of families pursuing training and preparation for work through local self-sufficiency, welfare to work, or other employment preparation/training/education programs.

Baselines, Benchmarks, and metrics – benchmarks established as of August 2010 remain and are indicated in the bullets below. Subsequent numbers are included in the charts.

- HACP's August 2010 HCV Program population included 1976 non-elderly, non-disabled families whose tenant payment calculation was less than \$150 per month.
- Of those families, 1454 did not report any wage income. This is the group that this policy was expected to impact.
- Participation among all HCV program participants in HACP's REAL FSS program was 371.
- 769 program participants showed TANF income, and thus were assumed to be compliant with state welfare to work requirements. 98 of these families were enrolled in HACP's REAL FSS program.

- HACP also calculated average HAP overall, average HAP for non-elderly/non-disabled households, and average HAP for households whose rent calculation is less than \$150 per month prior to application of utility allowances. See charts for results.

Please see the chart below for December baseline information and Benchmark targets for each measure.

Housing Choice Voucher Program

Measure	Baseline	Benchmark	Actual
	12/2010	12/2013	12/2013
Non-Elderly, non-disabled families with tenant payment <\$150	1988	1704	1576
Number of families with no wage income	1477	1266	2234
Number of families enrolled in HACP's REAL FSS program	439	629	309
Average overall HAP	\$486	\$450	\$482.51
Average HAP for non-elderly, non-disabled	\$538	\$461	\$438
Average HAP for non-elderly, non-disabled paying <\$150	\$657	\$479	\$487.

FSS Program Stats, Subdivided by LIPH/HCV	LIPH or HCV	2012	2012 Total	2013	2013 Total
FSS Participants	LIPH	646	950	707	1016
	HCV	304		309	
Number of families working (of FSS participants)	LIPH	257	513	286	559
	HCV	256		273	
Percentage of families working (of FSS participants)	LIPH	40	54%	41%	55%
	HCV	84		88%	
# participants graduating from FSS	LIPH	8	15	10	25
	HCV	7		15	
# of FSS participants with escrow accounts	LIPH	197	382	183	369
	HCV	185		186	

This activity is Authorized by Section D. 2. a. of Attachment C and Section D. 1. of Attachment D of the Moving To Work Agreement.

Information for Rent Reform Activities

- A review of the data above and below indicates the policy is having the anticipated impact, although HACP FSS enrollments, and declines in average HAP payments for non-elderly, non-disabled families paying less than \$150 per month rent are behind projections. Mechanisms to confirm participation in non-HACP Local Self-Sufficiency programs (LSS) are continuing to be reviewed to ensure accuracy of collected data, and the benchmark for FSS enrollments may be unnaturally inflated as families choose LSS programs. As capacity becomes available, families are encouraged to enroll in HACP's FSS program.
- In 2013, HACP saw modest results from this initiative, with increases in employment rates both overall in among FSS participants. Participation in training declined, as criteria for training participation was tightened, and outside resources for training became less available. Other measures remained fairly stable, as expected as real impact is expected to occur over an extended period. Increases in average HAP payments are believed to be a result of a tightening rental market and increases in rents generally, not as a result of any change in income among program participants. HACP remains committed to, and optimistic about, the long term impact of this policy. A preliminary report by the University of Pittsburgh, Graduate School of Public and International Affairs (GSPIA), Center for Metropolitan Studies, supports this outlook and is attached as an Appendix to this report.
- Additional Data and HUD Standard Metrics are included below.
- Hardship Requests: HACP did not receive any hardship requests in 2013.

NOTE: Standard HUD Metrics were not utilized in the 2013 MTW Annual Plan. Therefore, the 2014 Benchmark is presented, and the 2013 outcome, where available. The Outcome Achieved column is left as TBD as no benchmarks for these specific measures were established for 2013. Other measures as included in the 2013 Annual Plan are also included in other parts of this section.

Standard HUD Metrics – Self-Sufficiency – modified based on HACCP capability				
Unit of Measure	Baseline	Benchmark (2014 Goal)	Outcome 2013	Outcome Achieved?
SS#1. Increase in Household Income: Average earned income of households affected by this policy* in dollars (increase)	\$7,650	\$8,000	n/a	TBD
SS#1: Increase on Household Income: Average Gross Income of all households	\$11,802	\$12,000	\$11,676	TBD
SS#2: Increase in Household Savings: Average amount of savings/escrow of households affected by this policy in dollars (increase)	\$3,789.66**	\$4,000.00	4,143.44	TBD
SS#3: Increase in Positive Outcomes in Employment Status: Other: Employed full or part time - Number	1475	1500	1537	TBD
SS#3: Increase in Positive Outcomes in Employment Status: Other: Employed full or part time – percentage (of all families)	28.61%	30%	29%	TBD
SS#3, Increase in Positive Outcomes in Employment Status: Other (3 + 4): Enrolled in Education or training program <i>number</i> (of FSS participants)	101	140	78	TBD
SS#3, Increase in Positive Outcomes in Employment Status: Other (3 + 4): Enrolled in Education or training program <i>percentage</i> (of FSS participants)	22.54%	40%	25.24%	TBD
SS#4: Households Removed from Temporary Assistance for Needy Families (TANF): Number of households receiving TANF assistance (of all households) (decrease)	774	750	718	TBD
SS#5: Households Assisted by Services that Increase Self-Sufficiency: Number of households receiving services aimed to increase Self-sufficiency (FSS enrollment)	353	350	309	TBD

SS#6: Reducing Per Unit Subsidy Costs for Participating Households: Average amount of Section 8 Subsidy per household affected by this policy in dollars (HAP) (all households) (decrease)	\$466.24	\$439.00	482.51	TBD
SS#8: Households Transitioned to Self-sufficiency: Number of households transitioned to self-sufficiency (graduation)	12	10	15	TBD

* All households, elderly and disabled excluded.

** 2013 average. Ongoing corrections to system calculation error have led to establishment of new baseline.

HACP Metrics - HCV FSS

	2010	2011	2012	2013
FSS Participants	448	353	304	309
Families working (of FSS participants)	248	242	256	273
% of families working (FSS participants)	55%	69%	84%	88%
# graduating	12	15	7	15
# with FSS accounts	191	193	185	186

2. Modified Rent Policy for the Low Income Public Housing Program.

As approved in 2008, HACP requires that any non-elderly, non-disabled head of household who is not working to either participate in the Family Self-Sufficiency Program or pay a minimum rent of \$150.00 per month. Specifically, the HACP lease and ACOP requires that any non-elderly, non-disabled head of household who is not working and is paying less than \$150.00 per month in rent will be required to participate in a Family Self-Sufficiency Program. For administrative purposes, this has been presented as a minimum rent of \$150 per month with the following exceptions:

- Tenant actively participating in HACP, Department of Public Welfare, or other approved self-sufficiency program.
- Tenant is age 62 or older.
- Tenant is blind or otherwise disabled and unable to work.
- Tenant is engaged in at least 15 hours of work per week.
- Tenant has applied for a hardship exemption.

All other elements of rent calculation remain unchanged, and those in one of the categories listed above may have rents of less than \$150.00 per month but not less than \$25.00 per month.

HACP may grant a hardship exemption from the rent, including the \$25.00 per month minimum required of those exempted from the \$150.00 minimum rent, under the following circumstances:

- When the family is awaiting an eligibility determination for a government assistance program;
- When the income of the family has decreased because of loss of employment;
- When a death has occurred in the family; and
- When other such circumstances occur that would place the family in dire financial straits such that they are in danger of losing housing. Such other circumstances will be considered and a determination made by the HACP.

HACP's modified rent policy was expected to have a number of positive impacts on the HACP and HACP residents, including, but not limited to, increased rent collections by the HACP, a changed environment where work by adults is the norm, an increased level of active participation in the HACP self-sufficiency program and, of course, added incentive for residents to become self-sufficient.

HACP established baseline measures in mid-2008 and mid-2009 as the full implementation of the policy was completed, and detailed information on the impact of the activity as compared against the benchmarks and outcome metrics are included below.

In addition to the baseline measures established in mid-2008 and mid-2009 as the full implementation of the policy was completed, HACP has some data dating to 2005 when the LIPH enhanced FSS program was established. LIPH data through 2013 from the Tracking at a Glance Software, Emphasys Elite, and internal reports are included in the tables below.

FSS Program Stats	2005	2006	2007	2008	2009	2010	2011	2012	2013
FSS Participants	658	835	347	599	685	630	598	646	707
Number of families working (of FSS participants)	181	222	254	167	290	204	237	257	286
Percentage of families working (of FSS participants)	27.51%	26.59%	73.20%	27.88%	42.34%	32.38%	49.63%	39.78%	41%
# graduating from FSS	n/a	n/a	n/a	n/a	32	14	5	8	10
# of FSS participants with escrow accounts	29	42	50	111	188	191	194	197	183

Item	Baseline July 2008	Jul-09	Jul-2010	Jul-2011	Dec 2011	Dec 2012	Dec 2013
HACP Rent Roll Amounts (\$)	\$685,682.44	\$677,954.06	\$629,457.98	\$623,062.79	\$598,036.	\$602,363	\$621,088
HACP Rent collection amounts (\$)	\$612,027.55	\$684,948.74	\$603,267.44	\$553,277.10	\$560,161.	\$626,041	\$594,569
	Aug-08						
Average Rent All Communities	\$198.88	n/a	\$199.81	\$205.68	\$205.76	\$207.88	\$214.00
Number of families working (reporting wage income)	713	n/a	693	752	697	620	624
Percentage of families working	22%	n/a	22%	25%	25%	22%	22%

Data is collected via Emphasys Elite software, with periodic reports based on the tenant database.

HACP anticipated that this policy would result in increased rent roll and collections, increased participation in the FSS program, and increased number and percentage of families working.

The first three indicators were expected to increase immediately, however, due to recent economic conditions and the time needed for families to prepare for work, the number and percentage of families working was not expected to increase until the second or third year of policy implementation.

At this point of implementation, expected results are modest but are generally in line with expected outcomes. In 2013, HACP continued to see modest progress as a result of this initiative. Average rents increased slightly, as did FSS participation. Number and percentage of families working, both overall and among participants in the FSS program, also increased slightly. Participation in training programs declined, largely as a result of tightened pre-qualification criteria and reduced availability of training programs. HACP remains committed to this policy and anticipates that the gradually increasing impact will continue. A preliminary report by the University of Pittsburgh, Graduate School of Public and International Affairs (GSPIA), Center for Metropolitan Studies, supports this outlook and is attached as an Appendix to this report. Additional research, through interviews and focus groups of staff, FSS participants, and non-FSS participants, as well as review of additional data, are planned.

In order to more fully understand the impacts of this policy, HACP has also gathered the following data:

LIPH Rent Policy Impact Data	2010	2011	2012	2013
Item	Number	Number	Number	Number
Total non-disabled non-elderly families	1394	1309	1296	1261
Number of families working (reporting wage income)	595	556	507	624
Percentage of non-disabled, non-elderly families working	43%	43%	39%	49.5%
Number of families impacted (non-elderly non-disabled, and rent less than \$150)	828	797	789	
Number exempt due to disability (disabled, rent <\$150)	206	210	130	
Number exempt due to elderly (age 62+, rent <\$150)	72	69	46	
Number enrolling in FSS (not elderly, not disabled, Tenant Rent <= \$150 and enrolled in FSS)	353	397	634	703

NOTE: Standard HUD Metrics were not utilized in the 2013 MTW Annual Plan. Therefore, the 2014 Benchmark is presented, and the 2013 outcome, where available. The Outcome Achieved column is left as TBD as no benchmark for these specific measures were established for 2013. Other measures as included in the 2013 Annual Plan are also included in other parts of this section.

Standard HUD Metrics – LIPH FSS				
Unit of Measure	Baseline	Benchmark (2014 Goal)	Outcome 2013	Outcome Achieved?
SS#1: Increase in Household Income: Average earned income of households affected by this policy in dollars (increase)	\$6,458.	\$6,500.	TBD	TBD
SS#1, additional: Increase in Household Income: Average Gross Income of all households	\$11,268	\$11,500	\$11,452	TBD
SS#2: Increase in Household Savings: Average amount of savings/escrow of households affected by this policy in dollars (increase).	1,771.96	\$2,000	\$2,143.44	TBD
SS#3: Increase in Positive Outcomes in Employment Status: Other: Employed Number (all households)	620	650	624	TBD
SS#3: Increase in Positive Outcomes in Employment Status: Other: Employed percentage (all households)	21.72%	25%	22%	TBD
SS#3 Increase in Positive Outcomes in Employment Status: Other: (3+4): Enrolled in Education or Training program number (of FSS participants)	88	200	50	TBD

SS#3 Increase in Positive Outcomes in Employment Status: Other: (3+4): Enrolled in Education or Training program percentage (of FSS participants)	14%	30%	7%	TBD
SS#4: Households Removed from Temporary Assistance for Needy Families (TANF): Number receiving TANF (all)	637	600	513	TBD
SS#5: Households Assisted by Services that Increase Self-Sufficiency: Number of households receiving Self-sufficiency services (FSS enrollment)	634	650	707	TBD
SS#7: Increase in Agency Rental Revenue: PHA Rental Revenue in dollars (increase)	\$626,041	\$650,000	\$594,569	TBD
SS#8: Households Transitioned to Self-Sufficiency: Number of households transitioned to self-sufficiency (graduation)	7	10	10	TBD

This policy is authorized by section C. 11. of Attachment C, and Section C. 3 of Attachment D of the Moving To Work Agreement.

3. Revised recertification requirements policy.

Approved in 2008 for the Housing Choice Voucher Program and in 2009 for the Low Income Public Housing Program, recertification requirements are modified to require recertification at least once every two years rather than annually. Changes in income still must be reported, standard income disregards continue to apply, and HACP continues to utilize the EIV system in completing recertifications. This policy change reduces administrative burdens on the Authority, thereby reducing costs and increasing efficiency.

HACP has calculated the average time to process a recertification, the number of recerts completed annually, and the resulting costs, and has compared this to the same total calculations subsequent to the change in policy to measure the impact.

Re-certification Policy for HCV	2009	2010	2011	2012	2013
Number of Annual Recerts		2698	2455	3239	3131
Number of interim Recerts		1889	1933	3113	2746
Total Recerts (2009 Estimated)	5500	4596	4380	6352	5877
Average cost per recert	\$53.63	\$53.63	\$53.63	\$53.63	\$53.63
Total estimated costs	\$294,965.00	\$246,483.48	\$234,899.40	\$340,657.76	\$315,183.51

Re-certification Policy for LIPH	2009	2010	2011	2012	2013
Number of Annual Recerts	2826	2587	2383	1648	1216
Number of interim Recerts	1070	1052	947	1760	1540
Total Recerts	3896	3639	3330	3408	2756
Average cost per recert	\$53.63	\$53.63	\$53.63	\$53.63	\$53.63
Total estimated costs	\$208,942.48	\$195,159.57	\$178,587.90	\$182,771.04	\$147,804.28

In 2013, HACP saw continuing benefits of this policy, especially in the low income public housing program, as the number of recertifications and the time spent on this task declined. In the HCV program some increase in program size and changes in the rental market led to increased numbers of recertifications and a lack of improvement. In 2014, further refinement of the measurement metrics to take into account changes in program size and possible other factors impacting the results will be made to improve the effectiveness analysis of this initiative.

NOTE: Standard HUD Metrics were not utilized in the 2013 MTW Annual Plan. Therefore, the 2014 Benchmark is presented, and the 2013 outcome, where available. The Outcome Achieved column is left as TBD as no benchmarks for these specific measures were established for 2013. Other measures as included in the 2013 Annual Plan are also included in other parts of this section.

HCV - HUD STANDARD METRICS – Cost Effectiveness- Estimates

Unit of measure	Baseline	2014 Benchmark	2013 Outcome	Benchmark Achieved?
CE#1: Agency Cost Savings: Total cost of task in dollars (decrease)	\$294,965.00	\$246,698.00	\$315,183.51	TBD
CE#2: Staff Time Savings: Total Time To Complete the Task in staff hours (decrease)	11,000 hours	9,200 hours	11,754 hours	TBD

Note: provided numbers do not account for fluctuations in program size.

LIPH - HUD STANDARD METRICS – Cost Effectiveness - Estimates

Unit of measure	Baseline	2014 Benchmark	2013 Outcome	Benchmark Achieved?
CE#1: Agency Cost Savings: Total cost of task in dollars (decrease)	\$208,942.48	\$187,705	\$147,804.28	TBD
CE#2: Staff Time Savings: Total Time To Complete the Task in staff hours (decrease)	7,792 hours	7,000 hours	5,512 hours	TBD

Note: provided numbers do not account for fluctuations in program size.

Authorized by Section C. 4. of Attachment C (for public housing) and Section D.1. c. of Attachment C (for Housing Choice Voucher Program).

4. A. Operation of a combined Public Housing and Housing Choice Voucher Homeownership Program.

Initially approved in 2007, with additional components approved in 2010 and 2013. HACP operates a single Homeownership Program open to both Low Income Public Housing and Housing Choice Voucher Program households. This approach reduces administrative costs, expands housing choices for participating households, and provides incentives for families to pursue employment and self-sufficiency through the various benefits offered. By combining the programs, increased benefits are available to some families.

HACP data in 2009 indicated that there were over 800 families receiving Housing Choice Voucher assistance who had income high enough to be considered for homeownership. HACP tracks the number, and success rate, of Homeownership Program participants from the LIPH and HCV program. Further analysis of potentially eligible participants in the LIPH and HCV programs is conducted periodically, followed by appropriate outreach to potentially eligible families. The total number of homeownership sales and the number of participants in the program are also tracked to measure the impact of this initiative.

The tables below show Homeownership Program Statistics relevant to this Section IV. 4., and also to Section IV. 5. below.

Homeownership Program Statistics

	LIPH or HCV	2012	Total 2012	2013	Total 2013
Closings / Purchase	LIPH	0	5	4	10
	HCV	5		4	
Sales Agreements	LIPH	3	11	5	8
	HCV	8		3	
Pre- Approval Letters	LIPH	3	7	4	9
	HCV	4		5	
Number of applicants	LIPH	12	99	35	138
	HCV	87		103	
Homeownership Education completed	LIPH	12	99	10	40
	HCV	87		30	
HACP funds for closing (total)	LIPH	\$0	\$6,720	\$15,124	\$38,209
	HCV	\$6,720		\$23,085	
Average HACP 2nd mortgage amount*	LIPH	0	\$7,000.00	12,400	\$69,400.00
	HCV	\$7,000.00		\$57,000.00	
Average Purchase price	LIPH	\$0	\$53,800	\$92,000	\$97,950
	HCV	\$53,800		\$101,917	
Amount of non-HACP assistance**	LIPH	\$0	\$14,741	\$94,800	\$256,760
	HCV	\$14,741		\$161,960	
Foreclosures	LIPH	0	0	0	0
	HCV	0		0	

Assistance from other sources was as follows:

	2010	2011	2012	2013
<u>Housing Choice Voucher Program Buyers:</u>				
Seller's assist	\$7,856.57	0	\$6,724.18	\$2,700.00
State	\$3,000.00	\$4,808.00	\$0.00	\$0.00
Dollar Bank 3-2-1	\$2,750.00	0	\$2,705.00	\$4,900.00
URA Soft-Second Mortgage	\$103,000.00	\$58,000.00	\$0.00	\$145,360.00
American Dream Grant	0	\$3,000.00	\$3,000.00	\$9,000.00
Bartko Foundation	0	\$4,095	\$0.00	\$0.00
Parkvale Savings Banks	0	\$20,000.00	\$0.00	\$0.00
East Liberty Development, Inc.	0	\$4,855.00	\$0.00	\$0.00
ACB Grant			\$2,312.00	\$0.00
Total	\$116,606.57	\$94,758.00	\$14,741.18	\$161,960.00
<u>Low Income Public Housing Buyers:</u>				
URA Soft-second Mortgage	\$1,039.62	0	0	92,000.00
State	\$3,000.00	0	0	0
Dollar Bank 3-2-1	\$3,300.00	0	0	0
Habitat for Humanity	\$0	\$1,350.00	0	0
Total	\$10,339.62	\$1,350.00	0	92,000.00
Grant Total Other Assistance:	\$126,946.19	\$96,108.00	\$14,741.18	\$253,960.00

Foreclosure Prevention: One family was foreclosed upon in 2011, the first in our program's history, with well over 100 families supported to become homeowners in the last 10 years. The family refused multiple offers of assistance and the resources of the foreclosure prevention component of HACP's homeownership program. No other foreclosures have occurred.

Homeownership Soft-Second Mortgage Waiting List: This has not been established, as at no point have pre-approvals and closings combined approached our budgeted level.

HACP continued to see success with this program, with 10 families becoming homeowners in 2013, returning to previous levels after declines in 2011 and 2012. In addition, new families continued to enroll in and complete the program, becoming prepared for future purchases. A preliminary report by the University of Pittsburgh, Graduate School of Public and International Affairs (GSPIA), Center for Metropolitan Studies, assessed the Homeownership Program and is attached as an Appendix to this report.

NOTE: Standard HUD Metrics were not utilized in the 2013 MTW Annual Plan. Therefore, the 2014 Benchmark is presented, and the 2013 outcome, where available. The Outcome Achieved column is left as TBD as no benchmarks for these specific measures were established for 2013. Other measures as included in the 2013 Annual Plan are also included in other parts of this section.

HUD Standard Metrics - Cost Effectiveness - Homeownership				
Unit of Measurement	Baseline	2014 Benchmark	2013 Outcome	Benchmark Achieved?
Number of recerts (reduced)	10/year	0	10	TBD
CE#1: Agency Cost Savings: Total cost of task in dollars (decrease) (recerts)	\$5,330.	0	\$5330	TBD
CE#2: Staff Time Savings: Total time to complete the task in staff hours (decrease) recerts)	20	0	20	TBD
CE#4: Increase in Resources Leveraged: Amount of funds leveraged in dollars (increase)	0	\$35,000	\$256,760	TBD

HUD Standard Metrics - Housing Choice				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
HC#5: Number of households able to move to a better unit and/or neighborhood of opportunity	0	10	10	TBD
HC#6: Increase in Homeownership Opportunities: Number of households that purchased a home	0	10	10	TBD
HC#7: Households Assisted by Services that Increase Housing Choice: Number of households receiving services aimed at increasing housing choice	0	100	40	TBD

This activity is Authorized by Section B. 1. and D. 8 of Attachment C and Section B. 4. of Attachment D of the Moving To Work Agreement.

4. B. Homeownership Program assistance to include soft-second mortgage assistance coupled with closing cost assistance, homeownership and credit counseling, and foreclosure prevention only; expand eligibility to persons on the LIPH and HCV program waiting list; establish a Homeownership Soft-second mortgage waiting list.

Initially approved in 2010, the following provisions of the HACP homeownership program are unchanged for 2014:

- i. Provide soft-second mortgage financing for home purchases to eligible participants, calculated as follows: eligible monthly rental assistance x 12 months x 10 years, but in no case shall exceed \$32,000. The second mortgage is forgiven on a pro-rated basis over a ten year period.
- ii. Expand Homeownership Program eligibility to include persons on HACP's LIPH and Section 8 HCV waiting lists who have received a letter of eligibility for those programs from the HACP.
- iii. Establish a Homeownership Waiting List to assist in determining the order of eligibility for second mortgage Homeownership benefits.

This program continues successfully, reducing costs for the HACP, providing incentives for families to become self-sufficient homeowners, and expanding housing choices for eligible families. Program enrollment is steady, and as in prior years, no foreclosures have taken place. Please see the program statistics under Section 4. A., above, for statistics, HUD Standard Metrics, and additional information on the results of this initiative.

This activity is Authorized by Section B. 1. and D. 8 of Attachment C and Section B. 4. of Attachment D of the Moving To Work Agreement.

5. Modified Housing Choice Voucher Program policy on maximum percent of Adjusted Monthly Income permitted.

Originally approved in 2001, HACP's operation of the Housing Choice Voucher Program allows flexibility in the permitted rent burden (affordability) for new tenancies. Specifically, the limit of 40% of Adjusted Monthly Income allowed for the tenant portion of rent is used as a guideline, not a requirement. HACP continues to counsel families on the dangers of becoming overly rent burdened, however, a higher rent burden may be acceptable in some cases. This policy increases housing choice for participating families by giving them the option to take on additional rent burden for units in more costly neighborhoods.

While this is a long-standing HACP policy, HACP is continuing to pursue data sources in order to identify the percentage of families renting in non-impacted census tracts prior to the policy change to establish a baseline, and to compare this to the percentage of new leases approved in non-impacted census tracts. HACP will also assess the percentage of new leases utilizing the affordability exception. Initial data and calculation assessments determined additional work was needed to ensure accuracy, and this work is ongoing.

In 2013, fewer families took advantage of this option. Those that did continued to benefit from the ability to move to a residence of their choice.

This activity is authorized in Section D. 2. C. of Attachment C and Section D. 1. b. of Attachment D of the Moving To Work agreement.

NOTE: Standard HUD Metrics were not utilized in the 2013 MTW Annual Plan. Therefore, the 2014 Benchmark is presented, and the 2013 outcome, where available. The Outcome Achieved column is left as TBD as no benchmarks for these specific measures were established for 2013. Other measures as included in the 2013 Annual Plan are also included in other parts of this section.

HUD Standard Metrics – Housing Choice

Unit of Measurement	Baseline	2014 Benchmark	2013 Outcome	Benchmark Achieved?
HC#1: Additional units made available: Number of new units made available to households at or below 80%AMI*	0	50	13	TBD
HC#5: Increase in Resident Mobility: Number of households able to move to a better unit and/or neighborhood of opportunity	0	50	13	TBD

* Note: Assumes the unit rented by a family at more than 40% of adjusted monthly income would not be affordable, and thus not available, to low income families.

6. Modified Payment Standard Approval.

Originally approved in 2004, HACP is authorized to establish Exception Payment Standards up to 120% of FMR without prior HUD approval. HACP has utilized this authority to establish Area Exception Payment Standards and to allow Exception Payment Standards as a Reasonable Accommodation for a person with disabilities. Allowing the Authority to conduct its own analysis and establish Exception Payment Standards reduces administrative burdens on both the HACP and HUD (as no HUD submission and approval is required) while expanding housing choices for participating families.

HACP does not currently have any Area Exception Payment Standards, having eliminated them in prior years due to budgetary constraints, but may re-establish such areas in future years.

HACP continues to allow an Exception Payment Standard of up to 120% of FMR as a reasonable accommodation for persons with disabilities and to increase housing choices for persons with disabilities.

In 2013, HACP received approval to establish an Exception Payment Standard for new or substantially renovated fully Accessible Units meeting the Requirements of the Uniform Federal

Accessibility Standard (UFAS), up to 120% of FMR. This exception payment standard can be used by HACP in the Project Based Voucher Program or other rehabilitation or new construction initiatives to support the creation of additional UFAS accessible units.

This initiative will increase housing choices for low-income families who require the features of an accessible unit. Implementation of this initiative will increase the availability of affordable accessible units in desirable locations and environments, decreasing wait times and increasing the number of families who can reside in a unit that meets all of their accessibility needs. Most specifically, it will increase the number of fully accessible units (and families) supported by the Housing Choice Voucher (HCV) Program, and will increase the choices for low-income disabled families receiving assistance through the HCV program.

This authorization streamlines the process for approval of the exception payment standard to promote the creation of accessible units in the City of Pittsburgh. Based on the factors of Pittsburgh’s topography and older housing stock, few fully accessible units exist outside of senior citizen high rise buildings. These factors also make conversion of existing units more difficult and costly, and make meeting the UFAS standards challenging even in new construction. Therefore, this exception payment standard provides an incentive for engagements of new construction and building renovations to include accessible units, and to cover the added costs associated with meeting those exacting standards.

In 2013, only a limited number of families took advantage of this initiative, but those disabled families that did so had more choices in their search for an affordable home. Also, although no new accessible units have yet resulted from this initiative, HACP has authorized at least 10 project based vouchers to projects expected to be completed in 2013, 2014 and 2015 for additional, new, accessible units.

NOTE: Standard HUD Metrics were not utilized in the 2013 MTW Annual Plan. Therefore, the 2014 Benchmark is presented, and the 2013 outcome, where available. The Outcome Achieved column is left as TBD as no benchmarks for these specific measures were established for 2013. Other measures as included in the 2013 Annual Plan are also included in other parts of this section.

Modified Payment Standard - HUD Standard Metrics – Housing Choice

Measure	Baseline	2014 Benchmark	2013 Outcome	Benchmark Achieved?
HC#1: Additional Units made available: Number of new units made available for households at or below 80% of AMI	0	4	0	TBD
HC#2: Units of Housing Preserved: Number of housing units preserved for households at or below 80% of AMI	0	0	TBD	TBD
HC#4: Displacement Prevention: Number of households at or below 80% AMI that would lose assistance or need to move	0	0	TBD	TBD

HC#5: Increase in Resident Mobility: Number of households able to move to a better unit and/or neighborhood of opportunity	0	5	TBD	TBD
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HACP Measure:

Measure	A. Baseline	B. Benchmarks	Outcome	Achieved?
New Housing Units Available	0	2014 – 4 2015 – 8 2016 – 13 Total: 25	N/A	N/A

This activity is authorized under Section D. 2. a. of Attachment C of the Moving To Work Agreement.

7. Use of Block Grant Funding Authority via the *Step Up To Market Financing Program* for Development, Redevelopment, and Modernization

In 2012, HACP proposed and HUD approved the Use of Single Fund Flexibility to support development and redevelopment via the *Step Up To Market Financing Program*.

Throughout its Moving To Work Program, HACP has utilized the block grant funding flexibility of the Moving To Work Program to generate funds to leverage development and redevelopment activities. These development and redevelopment activities are a key strategy in pursuit of the goal of repositioning HACP’s housing stock. This strategy increases effectiveness of federal expenditures by leveraging other funding sources and increases housing choices for low-income families by providing a wider range of types and quality of housing.

For example, in 2010 HACP utilized \$7,672,994 generated from Housing Choice Voucher Subsidies and Low Income Public Housing Subsidies to support redevelopment of Garfield Heights, specifically Garfield Heights Phase III. This helped produce 23 LIPH units, 9 Tax Credit affordable units, and spurred additional investments that created 9 affordable market rate units. This leveraged \$7,291,363 in Low Income Housing Tax Credit Equity and \$200,000 in additional investments in the LIPH and Tax Credit units. Closing for Garfield Phase III occurred in 2010, and construction and lease up was completed in 2011.

These investments increase housing choice by creating brand new public housing and low income tax credit units, and are the catalyst for the creation of affordable market rate units available to low-income families. These new units provide a style and quality of housing for low-income families that are not widely available in the Pittsburgh housing market.

This activity is authorized by Section B. of Attachment C of the Moving To Work Agreement, with additional specific authorizations in Attachment C, Section B (1) and D. (7) and Attachment D, Section B (1) and Section D(1).

Closing on Addison Phase I, including elements of the Step Up To Market financing program, occurred in late December, 2013. Section A below describes the overall authorities approved, Section B. below describes the specific authorities utilized in 2013 .

A. Description:

- HACP will expand its use of the Block grant authority authorized in the Moving To Work Agreement to leverage debt to fund public housing redevelopment and modernization. The goal is to address additional distressed properties in HACP's housing stock prior to the end of the current Moving To Work agreement. Specifically, HACP will identify properties for participation in the Step Up To Market Program and will utilize one or more strategies, subject to any required HUD approvals, including but not limited to, the following:
 - i. Project basing HACP units without competitive process
 - ii. Determining a percentage of units that may be project-based at a development up to 100% of units
 - iii. Project basing units at levels not to exceed 150% of the FMR as needed to ensure viability of identified redevelopment projects. Actual subsidy levels will be determined on a property-by-property basis, and will be subject to a rent reasonableness evaluation for the selected site, and a subsidy layering review by HUD. When units are HACP-owned, the rent reasonableness evaluation will be conducted by an independent third party.
 - iv. Extending Eligibility for project based units to families with incomes up to 80% of AMI.
 - v. Establishing criteria for expending funds for physical improvements on PBV units that differ from the requirements currently mandated in the 1937 Act and implementing regulations. Any such alternate criteria will be included in an MTW Plan or Amendment submission for approval prior to implementation.
 - vi. Establishing income targeting goals for the project based voucher program, and/or for specific project based voucher developments, that have a goal of promoting a broad range of incomes in project based developments.
 - vii. Other actions as determined to be necessary to fund development and/or modernization subject to any required HUD approvals. HACP will follow HUD protocol and submit mixed-finance development proposals to HUD's Office of Public Housing Investments for review and approval.

In 2013, HACP utilized elements of the Step Up To Market strategy for financing Phase I of redevelopment of Addison Terrace, and continued to pursue utilizing these elements for Hamilton-Larimer redevelopment activities. HACP and its partners have identified the following strategies that will leverage Low Income Housing Tax Credits and capital contributions by the HACP in order to complete the financing necessary for Addison Redevelopment Phase One and Larimer Redevelopment Phase 1:

1. Project basing HACP units without competitive process (As authorized under Attachment C. Section B. Part 1. b. vi. and Part 1. c.; Attachment C. Section D. 7. a.. authorizing the HACP “to project-base Section 8 assistance at properties owned directly or indirectly by the agency that are not public housing, subject to HUD’s requirement regarding subsidy layering.”).
2. Determining a percentage of units that may be project based at a development, up to 100% of units. (As authorized under Attachment C. Section B. Part 1. b. vi. (authorizing the provision of HCV assistance or project-based assistance alone or in conjunction with other provide or public sources of assistance) and vii. (authorizing the use of MTW funds for the development of new units for people of low income); and Part 1. c. (authorizing these activities to be carried out by the Agency, of by an entity, agent, instrumentality of the agency or a partnership, grantee, contractor or other appropriate party or entity); Attachment C. Section D. 7. c. (authorizing the agency to adopt a reasonable policy for project basing Section 8 assistance) and Attachment D Section D. 1. c. (authorizing HACP to determine Property eligibility criteria)).
3. Extending Eligibility for project based units to families with incomes up to 80% of AMI. (As authorized under Attachment C. Section B. Part 1. b. vi. and Part 1. c.; Attachment C. Section D. 7. (authorizing the agency to establish a project based voucher program) and Attachment D Section D. 1. a. (authorizing the agency to determine reasonable contract rents).

HACP submitted a full development proposal, including Rental Term Sheet, Pro Formas, Sources and Uses, schedules, and other detailed project information to HUD’s Office of Public Housing Investments or other HUD office as directed for approval as part of the mixed finance approval process as per HUD’s protocol, and will ensure completion of a subsidy layering review. This process was completed and approved for Addison Phase 1 late in 2013. It is anticipated that proposals will be submitted for Larimer/East Liberty Phase 1 on 2014.

B. Relationship to Statutory Objectives

- This policy will expand housing choices for low and moderate income families by fostering the redevelopment of obsolete housing and replacing it with quality affordable housing including low income public housing units, and low income housing tax credit units; it will also provide expanded unit style options offering townhouses, as well as apartments where currently only walk-up apartments are available.
- This policy has the potential to improve the efficiency of federal expenditures by stabilizing the long term costs of operating and maintaining low-income housing properties, and leveraging other capital resources (low-income housing tax credits and private market debt, foundation grants, local government matching funds, etc.)

C. Anticipated Impacts

- This policy is expected to allow the redevelopment of obsolete properties to continue at a reasonable pace, resulting in improved living conditions and quality of life for residents, reduced costs for the HACP, increases in leveraged resources, improvement and investment

in surrounding neighborhoods, reduced crime at redeveloped properties, increased housing choices for assisted families.

In 2013, HACP submitted a full development proposal to HUD for Phase I of the Addison Terrace redevelopment, as per standard protocols, utilizing several elements authorized by this initiative. Late in 2013 this was approved, utilizing several aspects of the Financing Program. Construction is now underway with new units beginning to come on-line in 2014.

NOTE: Standard HUD Metrics were not utilized in the 2013 MTW Annual Plan. Therefore, the 2014 Benchmark is presented, and the 2013 outcome, where available. The Outcome Achieved column is left as TBD as no benchmarks for these specific measures were established for 2013. Other measures as included in the 2013 Annual Plan are also included in other parts of this section.

HUD Standard Metrics – Cost Effectiveness

Unit of Measurement	Baseline	2014 Benchmark	2013 Outcome	Benchmark Achieved?
CE#1: Agency Cost Savings: Total Cost of Task in dollars	0	0	TBD	TBD
CE#2: Staff Time Savings: Total time to complete task in staff hours	0	0	TBD	TBD
CE#4: Increase in Resources Leveraged: Amount of funds leveraged in dollars	0	\$9,000,000	\$19,588,944	TBD

HUD Standard Metrics - Housing Choice

Unit of Measurement	Baseline	2014 Benchmark	2013 Outcome	Benchmark Achieved?
HC#1: Additional Units of Housing Made Available: Number of new units made available to households at or below 80% AMI	0	164	0	TBD
HC#5: Increase in Resident Mobility: Number of households able to move to a better unit and/or neighborhood of opportunity	0	164	0	TBD
HC#6: Increase in Homeownership Opportunities: Number of households that purchased a home	0	0	0	TBD

NOTE #1: Benchmarks listed above are for Addison Phase 1. Baselines and benchmarks are not yet established for Larimer Redevelopment, pending additional pre-development work and identification of additional funding sources.

NOTE #2: Achievement of these benchmarks for Addison Phase 1 is not anticipated until 2015, as closing took place late in 2013 and the construction period is projected at more than 12 months.

This activity is authorized by the Moving To Work Agreement, Attachment C. Section B. 1 and Section D. 7., and Attachment D. Section B. 1. and Section D. 1. ;

B. Not Yet Implemented Activities

HACP does not currently have any approved but not yet implemented activities.

C. On-Hold Activities

HACP activities that could be considered as 'on hold' are actually subsets of implemented activities. They are as follows:

1. Exception Payment Standard Areas. Originally approved in 2004 as part of a larger approval on Exception payment standards, HACP suspended its Exception Payment Standard Area in 2007 in order to reduce costs and streamline administration. Depending on future funding, and changes to the local market, HACP may develop new exception payment standard areas to increase housing choices for voucher families. HACP does not currently have a plan or timeline for re-implementation due to uncertainties in near and long-term future funding.

D. Closed Out Activities

Since entering the Moving To Work Program in 2000, HACP has also instituted a number of Moving To Work initiatives that in 2014 no longer require specific Moving To Work Authority. Some of those initiatives are:

1. Establishment of Site Based Waiting Lists. Closed out prior to execution of the Standard Agreement as Moving To Work authority was no longer required for this activity.
2. Establishment of a variety of local waiting list preferences, including a working/elderly/disabled preference and a special working preference for scattered site units. Closed out prior to execution of the Standard Agreement as Moving To Work authority was no longer required for this activity.
3. Modified Rent Reasonableness Process. Closed out prior to execution of the Standard Agreement as Moving To Work authority was no longer required for this activity.
4. Transition to Site Based Management and Asset Management, including Site Based Budgeting and Accounting. Closed out prior to execution of the Standard Agreement as Moving To Work authority was no longer required for this activity.

Other Activities

Several activities that utilized Moving To Work Authority, but are not specified as specific initiatives waiving specific regulations, were previously included in the initiative section but no longer require that separate listing. They are as follows:

- Use of Block Grant Funding Authority to support Development and Redevelopment, Enhanced and Expanded Family Self-sufficiency and related programming, and the HACP MTW Homeownership Program.
 - Originally approved with the initial Moving To Work Program and expanded to include homeownership and resident service programs in subsequent years, HACP continues to use Moving To Work block grant funding to support its Moving To Work Initiatives. Additional information on the use of Single Fund block grant authority is included in other sections of this MTW Plan, particularly Section V. on Sources and Uses of funds.

- Energy Performance Contracting
 - Under HACP's Moving To Work Agreement, HACP may enter into Energy Performance Contracts (EPC) without prior HUD approval. HACP will continue its current EPC, executed in 2008, to reduce costs and improve efficient use of federal funds.
 - HACP's current EPC included installation of water saving measures across the authority, installation of more energy efficient lighting throughout the authority, and installation of geo-thermal heating and cooling systems at select communities. It was completed in 2010, with final payments made in 2011. Monitoring and Verification work began in 2011, with the first full Monitoring and Verification report completed for the 2012 year. HACP's objectives include realizing substantial energy cost savings. HACP reports on the EPC in the MTW Annual Report.

- Establishment of a Local Asset Management Program.
 - In 2004, prior to HUD's adoption of a site based asset management approach to public housing operation and management, HACP embarked on a strategy to transition its centralized management to more decentralized site-based management capable of using an asset management approach. During HACP's implementation, HUD adopted similar policies and requirements for all Housing Authorities. Specific elements of HACP's Local Asset Management Program were approved in 2010, as described in the Appendix, Local Asset Management Program. HACP will continue to develop and refine its Local Asset Management Program to reduce costs and increase effectiveness.

Annual MTW Report

V.3.Report.Sources and Uses of MTW Funds

A. MTW Report: Sources and Uses of MTW Funds

Actual Sources and Uses of MTW Funding for the Fiscal Year

PHAs shall submit their unaudited and audited information in the prescribed FDS format through the Financial Assessment System - PHA (FASPHA), or its successor system

Describe the Activities that Used Only MTW Single Fund Flexibility

HACP had budgeted to utilize its single fund flexibility to direct funding from the HCVP and Low Income Public Housing programs to support the Authority's Moving to Work initiatives and other activities. This included budgeting \$26,900,000 towards development, \$4,000,000 for security and protective services and \$2,155,647 for resident services. During 2013 the Authority used \$3,355,014 from MTW HCV and \$12,683,223 from Public Housing to fund development activities at Addison and Larimer, and used \$3,672,194 from Public Housing to support other modernization activity. Additionally \$7,647,050 of MtW HCV funds were used to supplement LIPH properties. Additionally, \$3,417,531 was expended for security and protective services and \$2,106,091 was expended for resident services.

V.4.Report.Local Asset Management Plan

B. MTW Report: Local Asset Management Plan

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

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

Yes	or	
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If the PHA is implementing a LAMP, it shall be described in an appendix every year beginning with the year it is proposed and approved. It shall explain the deviations from existing HUD requirements and should be updated if any changes are made to the LAMP.

Has the PHA provided a LAMP in the appendix?

Yes	or	
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Please see Appendix 1, Local Asset Management Plan and Additional Financial Information for discussion of implementation of the Local Asset Management Plan.

V.5.Report.Unspent MTW Funds

C. MTW Report: Commitment of Unspent Funds

In the table below, provide planned commitments or obligations of unspent MTW funds at the end of the PHA's fiscal year.

Account	Planned Expenditure	Obligated Funds	Committed Funds
1499	Addison Phase I Development	\$ 2,206,459	\$ 4,024,468
1499	Addison Phase II Development	\$ 0	\$ 36,500,000
1499	Larimer Development	\$ 12,683,321	\$ 13,654,606
1499	Allegheny Dwellings Redevelopment	\$ 0	\$ 10,500,000
1460	Northview Heights Roof Replacements	\$ 1,174,920	\$ 1,174,920
1460	Homewood North Unit Renovations	\$ 228,780	\$ 228,780
1460	Morse Gardens Renovations	\$2,450,078	\$2,450,078
1408	Authority Wide Security	\$2,257,400	\$2,257,400
1450	Northview Heights site Improvements	\$1,072,033	\$1,072,033
1460	Various Modernization Projects	\$1,441,832	\$1,441,832
Total Obligated or Committed Funds:		\$23,514,823	\$73,304,117

Please see the body of the report, including the long-term plan in Section I, for additional information on the 1499 obligations and commitments. The 1460 commitments are standard modernization projects currently underway.

Note: Written notice of a definition of MTW reserves will be forthcoming. Until HUD issues a methodology for defining reserves, including a definition of obligations and commitments, MTW agencies are not required to complete this section.

Section VI. Administrative

A. Description of any HUD reviews, audits, or physical inspection issues that require action to address the issue.

- HACP takes appropriate action on any REAC identified Physical Condition issues.
- HACP had no other HUD reviews or audits requiring action by HACP at the end of 2013.

B. Results of PHA-directed evaluations of the demonstration.

- Please see Appendices IV and V for HACP directed third-party evaluations of HACP MTW Modified Rent Policy, and HACP Homeownership Program.

C. Certification that HACP has met the statutory requirements of the MTW Demonstration.

HACP hereby certifies that it has met the Statutory Requirements of 1) assuring that at least 75% of the families assisted by the Agency are very low-income families; 2) continuing to assist substantially the same total number of eligible low-income families as would have been served absent the demonstration; and 3) maintaining a comparable mix of families by family size, as would have been served or assisted had the amounts not been used under the demonstration.