



# Housing Authority of Portland Year 13 Moving to Work Annual Plan

HUD Approved March 23, 2011

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Todd Salvo, Chief Financial Officer  
Dianne Quast, Director, Real Estate Operations

## **HAP Moving to Work Staff**

Michael Buonocore, Program Director for Policy and Planning  
Melissa Sonsalla, Project Coordinator



# Housing Authority of Portland Year 13 Moving to Work Annual Plan

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## I. Introduction

### Overview of the Agency's MTW goals and objectives for the year:

HAP's Year 13 MTW Plan proposes its most ambitious set of objectives to date. At the forefront is an expansive rent reform agenda, which will transform the interaction between HAP and its residents / participants around housing subsidy, making it more fair, easier to understand and less intrusive. HAP will use its MTW Initiative Fund to broaden the scope and availability of self-sufficiency supports, and to expand partnerships that serve the discrete populations of youth, working families, seniors and people with disabilities. The ability to blend Section 8 and public housing subsidies into a single fund will also be critical in providing service-enriched housing for the most vulnerable residents, and in HAP's ability to increase housing options for low-income families by bringing "banked" public housing subsidy back online.

After months of planning, including extensive community engagement, HAP's Board of Commissioners recently adopted a set of strategic directions that will guide the agency over the next three to five years. These directions - described in Section IV of this year's plan - will be fueled in large part by HAP's MTW authority. A key goal this year will be to develop an implementation plan for the strategic directions that aligns with the activities, outcome measures and statutory objectives for MTW (bulleted in the column to the right.) While not every activity undertaken to support the strategic directions will require MTW authorization, the implementation plan and the MTW plan clearly must act in concert, providing a coordinated blueprint for the agency's work.

With a strong set of strategic directions in place, a committed Board of Commissioners and Resident Advisory Committee, and the flexibility of MTW, HAP looks forward to taking bold strides with its Year 13 Plan.

### What is MTW?

Moving to Work (MTW) is a demonstration program that offers public housing authorities (PHAs) the opportunity to design and test innovative, locally-designed housing and self-sufficiency strategies for low-income families by allowing exemptions from existing public housing and tenant-based Housing Choice Voucher rules. The program also permits PHAs to combine operating, capital, and tenant-based assistance funds into a single agency-wide funding source, as approved by HUD.

The purposes of the MTW program are to give PHAs and HUD the flexibility to design and test various approaches for providing and administering housing assistance that accomplish three primary goals:

- Reduce cost and achieve greater cost effectiveness in Federal expenditures;
- Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and
- Increase housing choices for low-income families.

## Overview of the Agency's MTW Activities

<p>Page 11 <b>FY2012-P1: Rent Reform</b> HAP is proposing a large-scale reform of its rent calculation methods.</p>	<p>Page 29 <b>FY2012-O3: Measures to improve the rate of voucher holders who successfully lease-up</b> HAP has implemented measures to improve landlord acceptance of Section 8 vouchers in the local community.</p>
<p>Page 17 <b>FY2012-P2: Local Blended Subsidy</b> HAP plans to use its MTW authority to create a local blended subsidy (LBS) at existing mixed-finance sites and, as available, at new or rehabilitated units.</p>	<p>Page 31 <b>FY2012-O4: Modified contract rent determinations and payment standard adjustments</b> HAP has a revised policy on the application of payment standards for project-based voucher participants.</p>
<p>Page 21 <b>FY2012-P3: Local Project-Based Voucher program</b> HAP uses MTW authority in a variety of ways to create a local project-based voucher program that is tailored to meet the needs of the community.</p>	<p>Page 33 <b>FY2012-O5: Alternative rents at Rockwood Station, Martha Washington and the Jeffrey</b> At public housing units for these three sites, HAP calculates rent using a simplified method.</p>
<p>Page 25 <b>FY2012-P4: Exception payment standards for service-enriched buildings</b> HAP is proposing to apply exception payment standards at project-based voucher buildings where service enrichment creates higher costs.</p>	<p>Page 35 <b>FY2012-O6: Resource Access Center development</b> HAP has modified screening criteria and transfer processes for this project designed to serve homeless and formerly homeless households.</p>
<p>Page 27 <b>FY2012-O1: Biennial inspections</b> HAP conducts biennial inspections for qualifying Section 8 households.</p>	<p>Page 37 <b>FY2012-07: Opportunity Housing Initiative</b> HAP operates four OHI self-sufficiency program models: site-based programs at Fairview Oaks, Humboldt Gardens and New Columbia, and the DHS Voucher program.</p>
<p>Page 28 <b>FY2012-O2: Limits for zero-subsidy participants</b> HAP has implemented limits for families that have a pattern of lowering their income after subsidy ends.</p>	

## II. General Housing Authority Operating Information

### A. Housing Stock Information

Projected number of public housing units (PHUs) as of the beginning of FY2012 (April 1, 2011)

Elderly/Disabled Units	1,264
Family Units	<u>1,277</u>
<b>Total</b>	<b>2,541</b>

Breakdown of Public Housing Units (projected for April 1, 2011)

	Bedroom Size				Total Households
	Studio/1BR	2BR	3BR	4BR	
Elderly/Disabled Units	1,258	6	0	0	1,264
Family Units	327	512	373	65	1,277
<b>Total</b>	<b>1,585</b>	<b>518</b>	<b>373</b>	<b>65</b>	<b>2,541</b>

MTW Housing Choice Vouchers units authorized: **7,690**

Non-MTW Housing Choice Vouchers units authorized: **512 SRO/Mods, 195 VASH**

Additional households served during HAP's MTW demonstration:

	Households served at beginning of demonstration (FY1999)	Projected households served in Year 13 of demonstration (FY2012)
<b>MTW</b>		
Public Housing	2,628	2,541
Section 8 Voucher	5,339	7,690
Agency-Based Assistance	--	40
DHS Pilot Program	--	21
<b>Non-MTW</b>		
Non-MTW Section 8	--	707
Shelter Plus Care	13	602
Short Term Rent Assistance	--	2,295
<b>Total</b>	<b>7,980</b>	<b>13,896</b>

Planned Capital Expenditures

Community	Activity	Capital Fund	Scattered Sites	Mixed Finance	Total Budget
Eliot Square	Comprehensive renovation	\$ 1,461,750	\$ -	\$ -	\$ 1,461,750
Gallagher Plaza	Comprehensive renovation – planning, siding, windows, roof replacement, structural renovation	1,875,000	2,305,212	11,628,459	15,808,671
Holgate House	System upgrades – emergency generator, water heater replacement, safe exiting structural scope, roof replacement	267,457	-	-	267,457
Medallion Apartments	Comprehensive renovation – beams, slabs, guardrails, site development, safe exiting	1,250,000	1,000,000	7,723,487	9,973,487
Williams Plaza	Comprehensive renovation – tuckpoint and seal masonry, seismic bracing, recoat roof, safe exiting structural scope	1,000,000	850,000	7,648,734	9,498,734
Hollywood East	System upgrades – boiler replacement, piping replacement, recoat roof, safe exiting scope	1,979,438	-	-	1,979,438
Northwest Tower	Pre-development; system upgrades – heating system upgrade, piping replacement, canopy, stairs, compactor, safe exiting structural scope	1,488,033	-	-	1,488,033
Tamarack	Pre-development	25,000	-	-	25,000
Various properties	Emergencies	23,000	-	-	23,000
Various properties	Abatement	347,000	-	-	347,000
Various properties	Lead-based paint remediation	40,000	-	-	40,000
Various properties	Unidentified, but anticipated capital projects	590,000	-	-	590,000
		<b>\$ 10,346,678</b>	<b>\$ 4,155,212</b>	<b>\$ 27,000,680</b>	<b>\$ 41,502,570</b>

Public Housing Units to be added in FY2012: **251 units total**

**All units to be included as part of Local Blended Subsidy (see Proposed Activity FY2012-P2).**

(Units added will be below HAP's ACC amount and Faircloth cap.)

**30 Units:** Thirty one-bedroom units will be brought online at the Resource Access Center in September 2011. Nine units will be ADA accessible.

**100 Units:** An additional 100 one-bedroom units at the Resource Access Center will be changed from project-based Section 8 to public housing through Local Blended Subsidy in January 2012.

**46 Units:** Three one-bedroom, 19 two-bedroom and 24 three-bedroom units will be brought online at the Jeanne Anne Apartments in October 2011. Three units will be ADA accessible, along with an ADA-accessible community room.

**75 Units:** If HAP's Local Blended Subsidy activity is approved, 45 units at the Martha Washington and 30 units at the Jeffrey will be converted from project-based Section 8 to public housing.

Public Housing Units to be removed in FY2012: **88 units total\*\***

**28 Units:** Twenty-eight single family units are to be removed through the initiative to continue the HUD-approved disposition of scattered sites, as first described in our FY2008 MTW plan.

The public housing units to be removed from the inventory during the plan year by development are as follows: OR002000701 SCATTERED SITES, OR002000702 Scattered North B, OR002000703 Scattered North C, OR002000704 SCATTERED SITES, OR002000705 Scattered East A, OR002000706 Scattered East B, OR002000707 Scattered East

**60 Units:** If HAP is awarded a HOPE VI grant for Hillsdale Terrace, 60 public housing units will be removed in order to redevelop the property.

Housing Choice Vouchers units to be project-based:

**100 Units:** 100 units of service-enriched project-based voucher housing at the new Resource Access Center will have a preference for medically vulnerable, homeless people. HAP will manage the building and provide a limited amount of services, but the majority of services will be provided via contracts with local providers. There will be a competitive bid process to determine the service provider(s), which has not yet been conducted. These units will be converted to public housing through Local Blended Subsidy (see Proposed Activity FY2012-P2) in January 2012.

## **B. Leasing Information**

Anticipated public housing leased in FY2012: **98% / 2,490 units** (all MTW units)

**Description of anticipated issues:** HAP does not anticipate any issues with public housing lease rates for online units. We will continue to remain in contact with our local HUD office regarding units that need to be taken offline due to capital fund rehabilitation.

Anticipated MTW Housing Choice Vouchers leased in FY2012: **100% / average of 7,690 vouchers**

Anticipated non-MTW Housing Choice Vouchers leased in FY2012: **95% / average of 672 vouchers**

**Description of anticipated issues:** HAP does not anticipate any issues with leasing MTW vouchers. Currently, 91% of applicants issued vouchers lease up, which is a significant increase over this time last year. This is attributed to increased outreach by HAP staff working with people in the lease-up process, as well as several new landlord outreach initiatives (as described in Ongoing Activity FY2012-O3).

HAP anticipates slightly lower lease rates for non-MTW vouchers. Veterans Affairs Supportive Housing (VASH) vouchers were slow to lease up the first year, but increased staffing at the local VA office improved lease up over the past year. However, HAP received 90 new VASH vouchers in the summer and fall of 2010, and it will take several months to fully lease those up.

**\*\*Amended by FY2012 MTW Plan Amendment I submitted June 23, 2011. See page 110 for details.**

### C. Waiting List Information

**Anticipated changes in the waiting list for public housing:** HAP's current waiting list process allows applicants to choose up to three individual sites or the option of being on a "first available" list. In FY2012 we are planning to eliminate the "first available" option. That option is difficult to manage and can distort the estimated wait times for each property. Instead, HAP staff will direct applicants to the "Estimated Wait Time Worksheet", which is published monthly and details how quickly individual waiting lists move. The waiting list process will continue to allow applicants to select up to three sites with open lists.

**Anticipated opening and closing and/or changes in number of families on public housing waiting list:** HAP expects to open the waiting lists for three elderly/disabled properties and three family properties in late 2011. HAP expects these openings will add between 2,000 and 3,000 applicants. The waiting lists at the remaining elderly/disabled and family sites will remain closed as they currently have wait times that exceed three years. HAP staff is accustomed to periodically opening waiting lists and anticipates a smooth process with each of these waiting list openings.

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**Anticipated changes in the waiting list for Housing Choice Vouchers (HCV):** HAP does not plan on making any changes to the way we manage our HCV waiting list.

**Anticipated opening and closing and/or changes in the number of families on the HCV waiting list:** HAP anticipates beginning FY2012 with approximately 1,400 families on the Section 8 waiting list, and pulling 300 to 500 families during the fiscal year, leaving between 900 and 1,100 families on the waiting list at the end of FY2012. When the waiting list is reduced to 1,000 families or less, HAP will consider opening the waiting list, depending on the anticipated need and turnover rate.

### III. Non-MTW Related Housing Authority Information (Optional)

#### A. List planned uses and sources of other HUD or other Federal Funds (excluding HOPE VI):

HAP elects not to provide this optional information.

#### B. Description of Non-MTW activities proposed by the Agency:

##### Revitalization of Distressed Public Housing Properties

HAP has done significant work over the past several years to address the capital needs backlog in public housing through its Public Housing Preservation Initiative. This was bolstered last year by the receipt of nearly \$10 million in formula and competitive capital grants through the American Recovery and Reinvestment Act (ARRA). Those grants, in addition to regular public housing capital funds and scattered site sales proceeds, have helped HAP achieve energy efficiencies, make ADA upgrades, and address deferred maintenance in key housing communities. This includes the recently completed "Sweet 16" project – a portfolio of public housing family developments with similar capital needs that were grouped to achieve economies of scale in planning and contracting.

At least two groupings of public housing communities have needs to address beyond the funds HAP currently has available. These include Hillsdale Terrace Apartments and a group of high-rise properties: Gallagher Plaza, Medallion Apartments and Williams Plaza.

- **Hillsdale Terrace Apartments**

After repeated attempts to remedy problems related to the site design and cinder block construction, dampness and mold continue to plague building maintenance at Hillsdale Terrace. The steep sides of the topographic "bowl" in which the property sits contributed to an original design that does not allow realistic ADA accessibility for most residents. Overall, the current property is HAP's most expensive to maintain and is an unwelcoming location that does little to instill pride in the community.

In 2009, HAP submitted an application for a HOPE VI grant to redevelop this distressed public housing property. That 2009 application was not funded, and HAP currently has another HOPE VI (2010) application submitted for consideration by HUD. The Notice of Funding Availability requires that housing authorities express the intention to apply for a HOPE VI grant in their MTW plan in the relevant application cycle. Therefore, in the event that HAP does not receive a grant in this round, **HAP expresses its intention to apply for a HOPE VI grant for Hillsdale Terrace in the 2011 application cycle.**

- **High-rise properties**

Various needs assessments and analyses of the aging buildings and systems at HAP's ten high-rise properties (Hollywood East, Northwest Tower and Northwest Tower Annex, Dahlke Manor, Holgate House, Sellwood Center, Schrunk Tower, Williams Plaza, Gallagher Plaza and the Medallion Apartments) have revealed approximately \$23.4mm in capital needs.

During the FY2012 Plan year, mixed finance strategies will be pursued to fund capital work on these properties including the following types of renovations: exterior envelope and window improvements, roofing, structural updates, and mechanical, electrical and structural improvements (see the Planned Capital Expenditures table in Section II for more details on some of these properties.)

Funding for these projects may include annual capital grant funds and potential mixed finance strategies. **As required for this type of financing strategy, a Section 18 Disposition Application will be submitted during this Plan year, for 1,232 units of public housing. Upon approval of the disposition, a subsequent application for Section 8 Tenant Protection Vouchers will follow.**

#### Acquisition of the Jeanne Anne Apartments

In July 2010, HAP acquired the Jeanne Anne Apartments, an existing 46-unit property in Gresham. This property offers larger units, including 23 three-bedroom and 20 two-bedroom units, and is located on the MAX light rail line which will help residents reduce their transportation costs. Construction on interior and exterior improvements is underway and HAP expects completion by August 2011. When the 46 public housing units are brought online in October 2011, Jeanne Anne residents who are living on the property at that time will be given priority for the public housing subsidy. Current residents pay market rents and HAP believes these are low-income working households that are rent burdened and eligible for public housing subsidy; income eligibility will be determined on a case-by-case basis. Residents who choose to stay and apply for public housing will be eligible for workforce development opportunities. Future residents will need to apply to the waitlist at the property.

## IV. Long-term MTW Plan (Optional)

### Strategic Directions

In late 2009, HAP began a process to create a set of strategic directions that would guide the agency over a three- to five-year horizon, following the completion of its three-year business plan. HAP contracted with local consulting firm, Decisions Decisions, to facilitate the development of these directions through the engagement of its Board of Commissioners, Resident Advisory Committee, staff and partners. Additionally, thousands of residents and participants were engaged through surveys and Listening Sessions in the community. Three guiding principles emerged in the process:

- **Equity** – HAP will work with representatives of diverse communities to ensure fairness and cultural competence in all HAP activities: housing, services, employment and contracting.
- **Strategic Partnerships** – HAP will strategically align itself and collaborate with partners to fill gaps in community needs and achieve common ends.
- **Organizational Development** – HAP will take full advantage of the strength of its management and staff by instituting policies and practices that support their ability to be effective.

After months of listening, synthesizing and analyzing the wealth of stakeholder feedback, broad consensus emerged around the following four strategic directions:

- **Direction 1 – Prioritization of Housing Resources:** HAP will align a larger portion of its housing resources with community partners in order to better serve priority populations, distinguishing between the needs of very low-income work-focused families, seniors and people with disabilities.
- **Direction 2 – Housing-Services Continuum:** HAP will provide for core resident services, including enhanced property management to support housing stability and foster self-sufficiency, with its own staff and partner agencies. HAP will coordinate the delivery of other types of resident services through strategic partnerships with local providers.
- **Direction 3 – Partnership within the HAP Community:** HAP will strengthen its relationship with residents and program participants by working with them to develop a more defined set of mutual responsibilities, expectations and accountability.
- **Direction 4 – Role in the Regional Housing Market:** HAP will leverage its expertise in affordable housing operations, development, and rent assistance administration to further local and regional housing needs.

HAP will increase its responsiveness to housing needs in mid-County and East County through the alignment of resources and coordination with local representatives. HAP will expand its work with neighboring counties when there are opportunities to collaboratively address issues on a regional basis. HAP will serve as a policy advocate and strategic partner in the metropolitan area.

HAP will use its MTW authority whenever possible to advance these strategic directions over the next several years.

The full report of the strategic directions, its planning process and the next steps is included as Appendix (A) to this MTW Plan, titled "Framing the Future: Strategic Directions and Next Steps".

## V. Proposed MTW Activities: HUD approval requested

### FY2012-P1: RENT REFORM

**Introduction:** HAP previously enacted several simplification measures under its rent reform MTW authorization, including biennial reviews for most households and raising the income asset level to \$25,000. However, HAP recognizes that these measures do not achieve HUD's larger goal of testing alternate methods that streamline and improve the complex calculation process, or encourage the pursuit of increased self-sufficiency. Therefore, HAP proposes a large-scale reform of its rent calculation methods that distinguishes between the populations of seniors / people with disabilities and the "work-focused". These policies are described in detail below.

This initiative will apply to all MTW public housing and Section 8 households.\*\* In cases where the activities described would conflict with past measures enacted under this authorization, the new proposed activities replace those previously approved. For example, HAP was approved in Plan Year 9 to conduct biennial reviews for certain households; the review cycles described in this MTW plan will supersede the previously approved activity. HAP will no longer report on activities replaced by rent reform measures that are approved in this year's plan. In the event that HAP's rent reform activities in this year's plan are not approved, HAP will continue all previously approved activities.

Due to the scale and impact of rent reform, HAP conducted significant resident and participant outreach regarding these proposed policies, in addition to the standard process specific to MTW planning. Section VIII includes an overview of these outreach efforts and Appendix (B) includes a report made available to residents, participants and the community.

### RENT REFORM OVERVIEW

For **seniors and people with disabilities**, HAP proposes to eliminate all deductions and change the total tenant payment (TTP) percentage from 30% of adjusted income to 27.5% of gross income. This group will have triennial income re-certifications and HAP will lower the age defined as "senior" from 62 to 55. Households will fall into this population category if the head, co-head or spouse listed on the lease is 55 or older, or is disabled under the current HUD definition already used by HAP. Minimum rent for this group is \$0 and utility reimbursements will continue to be allowed.

\*\*Amended by FY2012 MTW Plan Amendment I submitted June 23, 2011. See page 110 for details.

#### MTW authorization:

Attachment C, Section B(3) –  
Definition of Elderly Family

Attachment D, Section B(2) –  
Rent Structure and Rent Reform

#### Statutory objective:

Reduce cost and achieve  
greater cost effectiveness in  
Federal expenditures

Give incentives to families with  
children where the head of  
household is working, is seeking  
work, or is preparing for work by  
participating in job training,  
educational programs, or  
programs that assist people to  
obtain employment and  
become economically self-  
sufficient

All households that do not fall into the population category above will be considered **work-focused households**. For this group, HAP proposes to eliminate all deductions and use a progressive rent structure with biennial income recertifications:

- **Years 1 and 2:** rent is based on 27.5% of gross income, with \$0 minimum rent and utility reimbursements allowed.
- **Years 3 and 4:** rent is based on 29% of gross income or \$100 minimum rent, whichever is greater. Utility allowances will be factored in the assistance, but utility reimbursements will not be allowed.
- **Years 5 and 6, and biennially thereafter:** rent is based on 31% of gross income or \$200 minimum rent, whichever is greater. Utility allowances will be factored in the assistance, but utility reimbursements will not be allowed.

The following policies will be applied to all households (seniors/people with disabilities and work-focused):

- The utility allowance will be determined using a simplified table found in Appendix (B), page 76.
- Zero-income households will meet with their public housing site manager or Section 8 case manager every six months, so that staff can provide referrals to community service providers and check on progress towards obtaining an income source. The relevant biennial or triennial review cycle will not be initiated until income has been established, or until the minimum rent is introduced at the two-year anniversary for work-focused households.
- The proration of subsidy for mixed-families will be simplified so that a flat \$100 monthly reduction in assistance is applied to the household, regardless of the number of ineligible members.
- The ceiling rent for public housing will now be automatically set to match Section 8 payment standards. There will be no flat-rent option.
- HAP will create a separate release of information form to supplement the HUD Form 9886, in order to obtain a release of information that covers the appropriate biennial or triennial review cycle. Currently, the HUD form 9886 provides a 15-month release, which would cause HAP to have to mail out releases in mid-review cycle.
- For Section 8 households where the gross rent of the unit exceeds the applicable payment standard, HAP will approve the tenancy at initial occupancy so long as the household share does not exceed 70 percent of the household's gross income.
- The earned income disallowance is eliminated.
- Rent for FSS participants will use the traditional calculation.\*\*
- All income sources used to determine a household's public housing rent or Section 8 assistance will be the same as currently defined by HUD, with the following exceptions:
  - The value of any asset or the value of any income derived from that asset will not be used in determining gross income (currently HAP includes income from assets valued over \$25,000).\*\*
  - All earned income of full-time students age 18 and over will be excluded from the rent calculation, unless they are the head, co-head, or spouse of the household (currently the first \$480 of earned income is counted annually for adult full-time students).\*\*
  - All adoption assistance payments will be excluded from the rent calculation (currently, only payments in excess of \$480 per adopted child are excluded from the rent calculation).
  - Households will have the option to not report income that is not used in the rent calculation, such as foster care payments. HAP requires that households provide this information in order to report it to HUD,

\*\*Amended by FY2012 MTW Plan Amendment I submitted June 23, 2011. See page 110 for details.

but it has no bearing on their assistance and HAP does not use the information. The exceptions are the few times in Section 8 when a household wants this income considered to determine their ability to rent a unit where the family share of rent is above 30% of their income, but below 70%. In these situations where it is a benefit to the participant, HAP will accept the income reporting.

**Use of MTW authority and impact on statutory objective(s):** The activity uses HAP's rent reform authorizations to impact the statutory objective of achieving greater cost effectiveness of Federal expenditures. Eliminating deductions, simplifying the utility allowance methodology and schedule, and triennial reviews are all projected to save significant staff time in aggregate, as indicated in the benchmarks and metrics that follow.

Additionally, HAP will exercise its authority to amend the definition of elderly family to age 55. This supports the statutory objective of creating incentives for self-sufficiency by ensuring that households defined as work-focused can be reasonably expected to increase employment and earnings over time.

**Outcome measurement:** The proposed rent reform activity represents a suite of policy changes, many of which are difficult to measure in isolation. HAP proposes to measure significant, overarching impacts of the reforms based on population type. Therefore, the metrics are divided into two sections below. In addition, HAP will conduct ongoing impact analysis and annual reevaluation (page 14), tracking data such as hardship requests, households transitioning off assistance, and changes in rent roll and Section 8 subsidy.

**Proposed baselines, benchmarks and metrics:**

Impact	Metric	Baseline	Benchmark
<b>SENIORS AND PEOPLE WITH DISABILITIES</b>			
Annual staff time saved	# hours of staff time to complete reviews	Approx. 5,663 seniors and people with disabilities on biennial review cycles require approx. 2,832 hours per year	When all households have transitioned to triennial review cycle, it is projected to save 944 staff hours per year
Annual staff salary saved	\$\$ of staff salary spent on reviews	Before implementation, an average of approx. \$74,358 is spent annually on staff salary for reviews	When all households have transitioned to triennial review cycle, it is projected to save \$24,800 per year
Maintain stability for this economically vulnerable population	Shelter burden (rent <sup>1</sup> + utility allowance divided by gross income)	Before implementation, shelter burden is 27%	After implementation, shelter burden will remain below 28%
<b>WORK-FOCUSED HOUSEHOLDS</b>			
Annual staff time saved	# hours of staff time to complete reviews	Approx. 4,232 work-focused households; 783 are on annual review cycles and 3,449 are on biennial review cycles, requiring approx. 2,508 hours per year	When all households have transitioned to biennial review cycle, it is projected to save 392 staff hours per year

Impact	Metric	Baseline	Benchmark
Annual staff salary saved	\$\$ of staff salary spent on reviews	Before implementation, an average of approx. \$65,851 is spent annually on staff salary for reviews	When all households have transitioned to biennial review cycle, it is projected to save \$10,300 per year
Increased employment and earning over time	Average annual earned income	Before implementation, average is \$6,792 per year	Two years after implementation, increase by 15% (to \$7,811)
Increased contribution to rent	Total tenant payment (rent <sup>1</sup> + utility allowance)	Before implementation: Section 8 average - \$267 Public housing average - \$249	Two years after implementation, increase by 15% Section 8 to \$307 Public Housing to \$286

<sup>1</sup>For purposes of these metrics, Section 8 rents are calculated with gross rent capped at payment standard

**Data collection process:** HAP's YARDI database will continue to serve as the source for household income and total tenant rent payment information. The baseline data for hours required to conduct rent calculation, utility allowance determination and income reviews was collected through staff interviews and workflow analysis. This process will be repeated in subsequent years to determine progress towards benchmarks and goals.

**Agency's Board approval:** Board approval is included in Section VIII, Part B: Board Resolution.

**Impact analysis:** The impact analysis is included as Appendix (C). Based on this data, HAP is satisfied that the rent reform policies proposed will have the intended effect, and that the phase-in and hardship policy will provide a means to address potential negative or unintended consequences.

**Annual reevaluation:** HAP will use the proposed metrics, an assessment of hardship requests, staff feedback and financial analysis to ensure that rent reform is having the intended effects. HAP will propose modifications to the policies in response to unforeseen or unintended negative impacts to residents and participants or to the agency. Additionally, HAP intends to contract for an outside, longitudinal evaluation of rent reform and will report on those results to HUD and to the community as they become available.

**Hardship case criteria:**

**Statement of Philosophy:** HAP has developed its rent reform proposals with the intention of simplifying the calculation process for residents, participants and staff, as well as to encourage those who can work to contribute to their housing costs over time. The hardship policies are designed to help those currently receiving our assistance to remain stable when the change in rent calculation is made, in the limited cases where the change would cause a large rent increase.

Over time, the policies are intended to help households who may see a major increase in their shelter costs due to rent reform.

For those in the work-focused group, HAP recognizes that access to quality affordable childcare can be a key ingredient to obtaining and keeping full-time employment. HAP intends to work with families to address barriers to employment, including child care, while keeping the calculation of public housing and Section 8 subsidies focused on housing affordability. HAP will seek to increase other resources available to support work efforts of families and will assess the impact of rent reform on employment rates in the years following implementation.

For seniors and people with disabilities with fixed incomes, high medical expenses that are not covered by insurance can cause economic distress and / or difficult choices about important medical care and medications. HAP will work with households through the hardship policy on an ongoing basis to help ensure their housing stability.

HAP will make the process of applying for a hardship accommodation known, easy to understand and easy to complete.

**Phase-in Process:** Under the following circumstances, public housing residents and Section 8 participants who are in the programs at the time rent reform is implemented will receive an automatic adjustment:

If the household has:	AND	If the rent increase is:
Out-of-pocket childcare expenses above \$2,000 per year, <u>or</u>		More than <u>\$10 per month</u> for seniors and people with disabilities, the increase will be <b>capped at \$10 per month.</b>
Out-of-pocket medical expenses above \$2,000 per year, <u>or</u>		More than <u>\$25 per month</u> for work-focused households, the increase will be <b>capped at \$25 per month.</b>
Four or more dependents		

A household that receives an automatic rent cap under the phase-in policy may request a hardship accommodation if they feel the phase-in does not go far enough in addressing their housing stability.

The phase-in accommodation will last for 12 months from the time of the household's new rent calculation and can be renewed annually through the hardship policy for as long as the circumstances continue. If, for example, a household with high out-of-pocket medical expenses gains comprehensive medical insurance after 12 months, or when a child ages out of childcare, the phase-in accommodation will end.

**Hardship policy:** Households may apply for a hardship review if their total monthly shelter costs (tenant paid rent, including utility allowance) exceed 50% of the total monthly income used to determine their rent subsidy. Section 8 participants who choose to rent housing where the total shelter costs exceed 50% of total monthly income will not qualify for hardship review.

A committee will be established, with representatives from the staff in public housing and Section 8, to review hardship requests on a monthly basis. Program participants will not be asked to serve on the hardship committee, as it would be a violation of the requesting household's privacy to share information about their situations with other participants. Requests must be received by the 15<sup>th</sup> of each month in order to have a revised rent effective on the first of the next month. In cases when the committee recommends denial of the hardship request, the director or assistant director of the appropriate department will make the final determination. If a household disagrees with a hardship denial, HAP's grievance procedure will be available to them for appeal. HAP intends to grant hardship requests whenever possible and hopes the number of denials will be minimal.

The committee will consider each household's circumstances on a case-by-case basis. The committee will have a menu of remedies to reduce a qualifying household's rent burden. These choices may include, but are not limited to, the following:

1. Set rent to a minimum of \$0 for a specific period of time.
2. Extend a utility reimbursement for a specific period of time. (Utility reimbursements end at the beginning of year 3 for work-focused households.)
3. Cap total shelter costs to not exceed 50% of income or other appropriate rate for a specific period of time.

Remedies will be reviewed and either extended or removed after the specified period of time or at the next scheduled recertification.

Recognizing the large scale of changes brought about by this rent reform initiative, HAP will consider other unforeseen circumstances that may arise, and will assess the number and outcomes of hardship reviews over time in order to adjust the policy as needed.

**Interim Reviews:** Households that receive HAP's assistance through public housing and Section 8 currently have the ability to request an interim review to reduce their rent if they experience a loss of income. HAP will continue this policy under rent reform.

**Transition period\*\*:** HAP anticipates the transition period for rent reform to last up to 24 months from the date of implementation. A precise schedule has not been developed, but it is expected that current public housing residents and Section 8 participants will transition on to the new calculation at the time of their next review, or any other event that would trigger a re-calculation of rent, such as a move. New households will have the new rent structure when they are admitted to the program.

**Public Hearing:** Documentation of public hearing is included in Section VIII, Part A: Public Process, Appendix (E): Public Comment, and Appendix (F): November 16, 2010 Board Minutes.

**\*\*Amended by FY2012 MTW Plan Amendment I submitted June 23, 2011. See page 110 for details.**

## FY2012-P2: LOCAL BLENDED SUBSIDY

**Background:** Over the past many years, HAP has added public housing units in mixed finance properties, replacing units that had been demolished as part of revitalization efforts or as part of the one-for-one replacement of scattered sites sold through the Public Housing Preservation Initiative (PHPI). In each of these cases, public housing operating subsidy alone is insufficient to support the operations of those properties. The inadequacy of this operating subsidy – currently \$341 per-unit per-month for public housing units, regardless of the size of the unit – limits the financial viability of replacing additional public housing units that HAP still has in its “bank”. This inadequacy of the public housing subsidy has been mitigated by including project-based voucher (PBV) units in these developments to raise the level of subsidy for the property to an economically feasible amount, since the Section 8 payment standard provides a substantially higher, market-oriented subsidy based on bedroom size.

Although this method of mixing unit types addresses subsidy shortfalls to a certain degree, project-basing units limits the availability of PBVs for other sites that are not owned by HAP or an affiliate. It also diminishes the number of tenant-based vouchers available for residency in the private market. To address the foregoing issues, HAP plans to use its MTW authority to create a local blended subsidy (LBS) at existing mixed-finance sites and, as available, at new or rehabilitated units.

The LBS program will use a blend of MTW Section 8 and public housing funds to subsidize units reserved for families earning 80 percent or below of area median income. The units may be new construction, rehabilitated, or existing housing. To select units for LBS, HAP will use the following criteria and process:

- Units will initially be limited to those at HAP-owned properties or affiliated mixed-finance sites owned by low-income housing tax credit limited partnerships in which HAP serves as the general partner and currently subsidizes with PBVs.
- HAP will conduct an analysis to determine that the units are located at developments that require a subsidy level other than that available through the traditional public housing program and/or experience operational and administrative inefficiencies due to the combination of different subsidized housing types. As part of this analysis, HAP will determine that budgets for the subject sites are reasonable.
- To the extent required by legal agreements, HAP will notify investors at HAP-affiliated sites and obtain their approval to convert the PBV units to LBS. Subject to a reasonableness evaluation, HAP anticipates that subsidy levels

### **MTW authorization:**

Attachment C, Section B(1) –  
Single Fund Budget with Full  
Flexibility

Attachment C, Section C(2) –  
Local Preferences and Admission  
and Continued Occupancy  
Policies and Procedures

Attachment D, Section B(3) –  
Local Unit Based Subsidy  
Program

### **Statutory objective:**

Increase housing choice for low-  
income families

Reduce cost and achieve  
greater cost effectiveness in  
Federal expenditures

for LBS units will be sufficient to maintain economic viability. HAP does not anticipate that subsidy levels will be in excess of 125% of fair market rents.

- To the extent required by law or applicable regulation that has not been waived pursuant to MTW authority, HAP will obtain approvals from the Office of Public Housing Investments to transition PBV units at mixed-finance sites into LBS. HAP understands that HUD can only approve this type of funding arrangement set up under the MTW program until 2018, and that funding is subject to appropriations changes and other funding adjustments.

Once selected for LBS, HAP anticipates that units will be treated as follows:

- Appropriate legal documentation at mixed-finance sites with LBS units will be executed. This may include modifications to existing mixed-finance documents that acknowledge that PBV units are now considered public housing under the relevant mixed-finance amendment to HAP's Annual Contributions Contract and that all units at the sites are to be administered under the LBS program. To the extent LBS units at HAP-owned or affiliated mixed-finance sites are considered public housing for HUD reporting purposes, HAP may execute a declaration of restrictive covenants ("DRC") or similar restrictions for those units. Given the unique requirements and funding source for LBS, HAP may seek modifications to standard HUD DRCs in order to support program operations. HAP anticipates that such modifications may include authorization to service debt with net operating income generated by LBS units, payment to replacement reserves from operating revenue from LBS units, and inapplicability of the ten year tail on operating subsidy for LBS units. Such modifications would be designed to permit these units to be operated with legal restrictions that protects them as long-term affordable housing, using authority granted HAP under its MTW Agreement.
- All project owners (including HAP or its affiliates) at sites participating in LBS must sign an LBS Assistance Contract. The contract will require compliance with the terms and conditions of LBS, which will generally be consistent with the requirements for other HAP-owned public housing units.
- HAP will seek to streamline admissions and continued occupancy policies for LBS units so as to minimize differences between the requirements applicable to public housing, LBS, and tax credit-only units.
- LBS units will be reported in PIC, tracked against HAP's Faircloth limit, and reported as public housing units in Section II of its MTW plans and reports. HAP will work with HUD to determine how to categorize and report these units to meet any other administrative requirements.

**Use of MTW authority and impact on statutory objective(s):** The activity uses single fund budget flexibility and authorization to develop a local unit-based subsidy program in order to create the administrative and funding structure for LBS. Additionally, the ability to create local preferences and admission and continued occupancy policy and procedures allows HAP to manage the units in such a way that provides similar protections as public housing, while adapting the rules for efficiency and local needs. In sum, this activity increases housing choice for low-income families by allowing HAP to add financially viable, subsidized units back into its portfolio. The ability to create a local program through blended funds provides for the development of streamlined rules and administration, supporting the objective to increase efficiencies in Federal expenditures.

**Baselines:**

- There are 251 new public housing units being brought online in the upcoming plan year that can be funded by LBS. These 251 units are reflected in Section II of the plan, "Public housing units to be added in FY2012". Of these new public housing units, 175 will be converted from project-based vouchers to public housing units as part of LBS.
- There are currently 45 existing public housing units that will be funded by LBS in FY2012.

**Proposed benchmarks and metrics:**

- HAP will, over the next fiscal year, bring 296 LBS units online, requiring 251 units designated as new public housing units. These new units brought online will be below HAP's ACC amount and Faircloth cap.
- By adding banked public housing subsidy to the LBS blend, HAP anticipates freed funds of \$151,930, which could serve 22 additional households.

**Data collection process:** HAP's YARDI database tracks all financial data, subsidy expenditures and households served by type.

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## FY2012-P3: LOCAL PROJECT-BASED VOUCHER PROGRAM

**Background:** HAP has created a project-based voucher (PBV) program tailored to meet the needs of the local community. HAP currently administers over 1,100 PBVs in the community via more than 60 separate contracts.

**Use of MTW authority and impact on statutory objective(s):** The PBV program increases housing choice by preserving existing affordable housing and focusing on the needs of populations that tend to be less successful in the tenant-based program, including participants with disabilities, extremely low incomes, or backgrounds that may create high barriers to housing. Most of the PBV buildings offer services for specific populations, which help households not only to obtain suitable housing, but also to access additional services that give the household stability in the community. Below is a list of the ways we intend to utilize MTW authority for the local PBV program. Some of the activities are ongoing. These have been described as individual activities in prior plan years, and are now being merged into this single activity. Others are new activities. Processes and procedures for the project-based voucher program are fully detailed in our Section 8 Administrative Plan which is approved by our Board of Commissioners and submitted to HUD.

### Ongoing/Previously Identified Activities

- HAP allows project-based vouchers to be awarded to more than 25% of units in a given complex. By exceeding the traditional 25% limit in a single building, HAP increases housing choice for elderly, disabled and other special needs and zero-income households. Additionally, because HAP limits PBV rents to a maximum of the payment standard less any applicable utility allowance, PBV units are affordable even to zero-income households.
- HAP has modified waitlist policies to allow each PBV building to maintain its own site-based waiting list with its own preferences. Many of the buildings offer specialized supportive services and thus have developed their own waiting list preferences, based on services provided (homeless, disabled, etc). It would not be practical for HAP to manage 60 separate PBV waiting lists with separate preferences. Additionally, site-based waiting lists increase efficiency by reducing staff time spent conducting intake/briefing appointments with PBV applicants, because applicants are screened by the building before coming to HAP for an intake appointment, resulting in a higher lease-up rate.

Site-based waiting lists also increase housing choice for low-income residents in the community, since they are able to apply to multiple building waitlists, as well as to HAP's tenant-based waitlist. Additionally, multiple waitlists at different PBV buildings ensure that there are almost always open waitlists at any point in time.

### **MTW authorization:**

Attachment C, Section D(7) –  
Establishment of an Agency MTW  
Section 8 Project-Based Program

Attachment C, Section D(4) –  
Waiting List Policies

### **Statutory objective:**

Increase housing choice for low-  
income families

Reduce cost and achieve  
greater cost effectiveness in  
Federal expenditures

- HAP does not provide a preference on the tenant-based waiting list for PBV residents, and requires PBV residents to apply for and remain on the tenant-based waitlist in order to transfer to a tenant-based voucher unit. This ensures equitable access to housing for households that want to rent in the private market and choose not to apply for PBV units. Based on projections that up to 70% of PBV residents would request to transfer to tenant-based vouchers after completing their one-year lease, our estimate is that 572 households would request tenant-based vouchers each year. This would severely restrict availability of vouchers for those on the tenant-based waitlist and essentially make residency in a PBV a “requirement” to access a tenant based voucher, therefore limiting housing choice for those in the community who do not wish to live in a PBV unit. Additionally, because a majority of PBVs in our community are studio and one-bedroom units that are occupied by single adults, senior and people with disabilities, a preference on the tenant-based waiting list for those households would severely limit the number of families with children able to access tenant-based vouchers. PBV residents may continue to occupy their project-based unit while they wait for a tenant-based voucher.
- HAP modifies screening and eligibility requirements to differ from the traditional criteria at certain project-based voucher properties which offer supportive services. The modified screening criteria allow participants who would otherwise be ineligible for Section 8 housing the ability to access housing with supportive services. HAP determines an applicant’s eligibility for a specific PBV property based on the capacity of the service provider who owns or contracts to manage the property. For example, if the service provider’s expertise is in helping criminals convicted of drug-related activity to overcome their addiction and move into training and employment, the drug-related criminal activity eligibility criteria may be waived for participants who would reside at that property. The specific services to be offered at the property, as well as agreed-upon goals and performance indicators, are identified in the PBV contract and Memorandum of Understanding with the owner, manager and identified service provider.

Proposed/Newly Identified Activities

- Utilizing the PBV program to increase Permanent Supportive Housing: HAP proposes a local competitive process for awarding PBVs in collaboration with the City of Portland and Multnomah County, which includes issuing a Notice of Funding Availability and accepting proposals from housing developers and owners across the County. This effort ensures that PBVs are aligned with capital and services funding made available from our jurisdictional partners.

There would be two instances in which the local competitive process may be waived and PBVs may be awarded based on a resolution by HAP’s Board of Commissioners:\*\*

- First, the board may elect to award PBVs in the event that jurisdictional partners (defined as the cities of Portland and Gresham and Multnomah County) formally request for HAP to develop, rehabilitate, or acquire housing as a part of a community-wide initiative to meet local priorities.
- Second, the board may elect to award PBVs necessary to accomplish the objective of HAP’s Public Housing Preservation Initiative, or for the preservation of other properties within Multnomah County that have an expiring operating subsidy.

- Developing local site selection standards: HAP’s goal is to better align with local City and County government site selection for low-income housing aimed at ending homelessness. Site selection standards are designed to

\*\*Amended by FY2012 MTW Plan Amendment I submitted June 23, 2011. See page 110 for details.

deconcentrate poverty and expand housing and economic opportunities in census tracts with poverty concentrations of 20 percent or less.

- Servicing HAP-owned units: Since the majority of HAP-owned buildings are managed by third-party management companies, HAP will conduct inspections, determine rents, and determine rent reasonableness for HAP-owned units that utilize PBVs in those buildings. In the event that a HAP-owned building with PBV units is not managed by a third party, HAP will contract out the responsibility for rent setting and inspections.
- Modifying subsidy standards regarding under- and over-housing in order to ensure full utilization of PBV units: Although owners use the same subsidy standards for PBVs as those used for tenant-based vouchers, exceptions will be granted when there are no appropriately sized households on the waiting list to fill a vacant unit. HAP must approve each exception, and at no time will a family be approved if it would result in overcrowding, or if there would be less than one person per bedroom (except in the case of a reasonable accommodation request).
- Modifying lease terms, renewal options, and termination policies to limit owners' ability to terminate tenancy without cause: After the initial term, the lease will convert to a month-to-month agreement unless the owner and tenant agree to a longer term. The owner may not refuse to renew the lease without cause. The owner of a PBV unit may not terminate tenancy without cause, except as follows:
  - The owner of a PBV unit must terminate tenancy for an over-income family 180 calendar days after the last housing assistance payment to the owner in order to ensure that another low-income applicant can be served. An over-income family is a family that received zero subsidy from HAP based on the family's income.
  - The owner of a PBV unit must terminate tenancy if the family is absent from the unit for more than 60 consecutive calendar days and HAP terminated the family's assistance.
  - The owner of a PBV unit must terminate tenancy if HAP terminated the family's assistance for any reason.

**Proposed baselines, benchmarks and metrics:**

Impact	Metric	Baseline	Benchmark
Increased housing choice	# of PBV units	HAP currently administers over 1,100 PBV units, which adds 1,100 affordable units in our community	Over 1,100 affordable units to remain available in our community via the PBV program
Increased housing choice for at-risk households	# of zero-income households served	Zero-income households currently account for 11.6% of PBV households, and 4.9% of tenant-based voucher households	PBVs will continue to serve a higher percentage of zero-income households than tenant-based vouchers
Annual staff time saved by maintaining site-based PBV waitlists	# hours of staff time associated with maintaining waitlists for PBVs	HAP estimates it would require approximately 917 hours of staff time annually to maintain its own waitlists	HAP will continue to realize savings of approximately 917 hours of staff time annually
Equitable access for households on the tenant-based voucher waitlist	# of PBV households who would request transfer and receive preference without the activity	Based on projections that up to 70% of PBV residents would request to transfer to the tenant-based program, HAP anticipates that 572 households would request tenant-based vouchers annually, severely restricting availability for those on the tenant-based voucher waitlist	HAP will continue to show that without this activity, fewer households would be pulled from the tenant-based waitlist on a yearly basis

**Data collection process:** The rent assistance department administers and tracks PBVs, as well as the demographics of the households utilizing those vouchers. Additionally, building owners are required to submit semi-annual reports showing agreed-upon outcomes in the PBV program. Owners must also provide information about their waitlists.

HAP is also implementing a tool to track housing barriers for incoming participants (eviction history, criminal history, poor rental history, bad landlord references, etc.) Upon full implementation, HAP believes that a comparison will show that, on average, PBV households have a higher number of barriers than tenant-based voucher households, and therefore would have a lower success rate in the private market without the availability of PBV units. Once these figures are available, HAP will develop appropriate baselines, benchmarks and metrics.

**FY2012-P4: EXCEPTION PAYMENT STANDARDS FOR SERVICE-ENRICHED BUILDINGS**  
(Rent Reform Activity)

**Background:** Multnomah County is over halfway into its 10 Year Plan to End Homelessness and has long been focused on aligning resources to ensure that households receiving rental subsidies have access to the services they need in order to maintain their housing. Currently, HAP helps to accomplish this goal via both the Shelter Plus Care program and the local Project Based Voucher program. Both programs increase housing choice by focusing on the needs of populations that tend to be less successful in the tenant-based Housing Choice Voucher program, including participants who are disabled, homeless, medically vulnerable, and those with backgrounds that may create high barriers to successful utilization of tenant-based housing.

As permanent supportive housing becomes more prevalent in our community, there is a growing recognition of the necessity to ensure the availability of support services for vulnerable participants. Failure to invest in these necessary services, which do increase the per unit costs for managing the building, generally results in unstable residency and high turnover among those in need of assistance.

In order to ensure that even our most vulnerable households are able to locate housing where they will be successful, HAP is proposing to use MTW authority to establish a rent setting structure that meets the needs of the building and allows owners to plan for the required services.

**Use of MTW authority and impact on statutory objective(s):** HAP proposes to use MTW authority to use an alternate rent setting policy that will allow the Rent Assistance Director, with Board approval, to set payment standards that are greater than 110% of Fair Market Rents for service-enriched buildings entering into new project-based voucher contracts without requesting HUD approval. The payment standard granted would apply to any unit under the project-based voucher contract serving a highly vulnerable population with intensive services. Financial impact information will be required of owners serving the population and must show that the property cannot sustain the service model without additional revenue. Data will be required of the owner to verify the value of the services being provided, and this cost will not be included when conducting rent reasonableness tests.

**Baselines, benchmarks and metrics:** To establish a baseline, HAP reviewed housing retention data for Project Based Voucher buildings that house individuals with a history of housing instability – the same type of households who would benefit from enriched services. For these buildings, the average percentage of households over the last five years who retained their housing for a year or more is 57%. This baseline demonstrates what housing retention looks like in buildings that lack the resources to provide intensive services to high barrier households.

**MTW authorization:**

Attachment C, Section D(2) –  
Rent Policies and Term Limits

**Statutory objective:**

Increase housing choice for low-  
income families

Impact	Metric	Baseline	Benchmark
Increased housing choice for participants with significant barriers	Households in units with exception payment standards who retain housing for 12 months or longer	57% of households retain housing for at least 12 months.	Year 1: at least 70% of households in units with exception payment standards will retain housing for 12 months or longer.  Year 2: at least 75% of households in units with exception payment standards will retain housing for 12 months or longer.  Year 3: at least 81% of households in units with exception payment standards will retain housing for 12 months or longer.

**Data collection process:** For Section 8 participants who move into units with exception payment standards, basic data is tracked in our primary database (YARDI), including date of program entry, address, and date of program exit. Using this data, as well as 50058 data, HAP can track the length of time that each household remains stably housed in the unit that has the exception payment standard.

**Agency's Board approval:** Board approval is included in Section VIII, Part B: Board Resolution.

**Impact analysis:** HAP expects this activity to increase housing stability for participants with significant barriers who are receiving services connected to their housing. HAP will track the percentage of households in units with exception payment standards who retain housing for at least 12 months, and compare it to housing retention for the current Shelter Plus Care program. No household's portion of the rent will increase as a result of implementation of this policy.

**Annual reevaluation:** HAP will evaluate the number of hardship requests (although none are anticipated) annually to determine if the policy is having a negative impact on residents. Owners and service providers granted the exception payment standard will be required to provide verification of the ongoing services and their value on an annual basis.

**Hardship case criteria:** Regular rent reform hardship policies will apply.

**Transition period:** Because there is no anticipated harm to participants or landlords from the implementation of this activity, HAP may begin implementation of this policy immediately upon receiving approval.

**Public Hearing:** Documentation of public hearing is included in Appendix (E): Public Comment and Appendix (F): November 16, 2010 Board Minutes.

## VI. Ongoing MTW Activities: HUD approval previously granted

### FY2012-O1: BIENNIAL INSPECTIONS

(Identified Years 9 & 10, Implemented FY2008)

**Background:** HAP has moved to biennial inspections for some Section 8 households. Initially, participants who resided in the same unit for a minimum of three years and passed two consecutive annual inspections on the first visit qualified for biennial inspections. In 2010, HAP chose to expand the qualifications for biennial inspections to include Section 8 participants who have lived in a unit for one year and have maintained a clean and safe environment. Additionally, these participants must reside in a rental unit that rates a C+ or above and the owner/ landlord must be in good standing with Section 8 requirements.

**Status update:** The biennial inspection schedule acts as a reward to those who are stable tenants and have a history of taking care of their unit. As of August 31, 2010, there were 1,095 households eligible for biennial inspections. HAP estimates a cost savings of \$100 per inspection, which equates to a savings of \$54,750 a year. This cost savings includes staff time, gasoline, parking, vehicle and all other associated costs incurred during the course of conducting inspections.

**Use of MTW authority:** HAP has created a biennial inspection schedule for qualifying Section 8 participants. Fewer inspections per year results in cost savings not only in staff time, but in the other associated costs of conducting inspections.

HAP is not requesting any changes or additions to MTW authorizations. The agency is not currently using outside evaluators.

#### **MTW authorization:**

Attachment D, Section D(2) –  
Revise Section 8 Inspection  
Procedures

#### **Statutory objective:**

Reduce cost and achieve  
greater cost effectiveness in  
Federal expenditures

## **FY2012-O2: LIMITS FOR ZERO-SUBSIDY PARTICIPANTS**

(Identified Year 11, Implemented FY2010)

**Background:** When a participant family achieves adequate income levels to pay their full rent and the housing assistance payment reduces to zero, the family will retain their voucher for 180 days with no subsidy. If, during the 180-day timeframe, the family income reduces and their assistance begins again, it signals a potential pattern. The family will be allowed to repeat this pattern a maximum of two times during their participation in the program. If the family reaches an adequate income level to result in zero housing assistance payment a third time, the family cannot restart assistance and will forfeit its voucher at the end of six months of zero-subsidy, regardless of potential income changes.

**Status update:** Full implementation of this activity began in FY2010, and there was actually a slight increase in the number of families who cycled from zero-subsidy back to receiving subsidy (13), which is likely attributable to the economy and Oregon's high unemployment rate. It is not surprising that more households would gain income for a time, and then subsequently lose their jobs. No changes have been made to this activity.

**Use of MTW authority:** HAP has created limits for returning to housing assistance to establish clear standards and expectations of work for participants who are capable of earning income. These limits support individual self-sufficiency efforts, as well as community values around employment stability. At the same time, work-focused participants will still have a generous safety net that recognizes the challenges of obtaining and keeping living-wage employment.

### **MTW authorization:**

Attachment D, Section D(1) –  
Establishment of a Local Section  
8 / Housing Choice Voucher  
Program

### **Statutory objective:**

Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient

HAP is not requesting any changes or additions to MTW authorizations. The agency is not currently using outside evaluators.

**FY2012-O3: MEASURES TO IMPROVE THE RATE OF VOUCHER HOLDERS WHO SUCCESSFULLY LEASE UP**  
(Identified Year 11, Implemented FY2010)

**Background:** HAP has implemented a variety of measures to improve landlord acceptance of Section 8 vouchers in our community (and thus improve the ability of voucher holders to successfully lease up) including:

- Piloting a landlord guarantee fund to provide landlords with reimbursements for damages by Section 8 participants, up to a maximum of two months' rent.
- Teaching a 12-hour tenant education course to applicants on the Section 8 waiting list who have rental barriers, prior to these applicants receiving a voucher. Course graduates have access to another guarantee fund which can reimburse landlords for unpaid tenant rent, damages, or court costs related to evictions.
- Providing vacancy loss payment to owners through the end of the month after the move-out month when vacancies are unforeseen or unexpected (such as death or skip) and the owners have not received proper notice of intent to vacate.

**Status update:** All activities were implemented during FY2010; however, HAP issued no Section 8 vouchers between October 2008 and October 2009, which delayed our ability to assess the impact of these activities on our leasing rate. Over 230 vouchers were issued in late 2009 and early 2010, and HAP is pleased to report that our leasing success rate is 91%, compared with 76% at the time these new initiatives were implemented.

The Landlord Guarantee Fund has been made available to roughly half the households receiving new vouchers in Multnomah County. Tenant education classes were made available to any interested applicant, but less than 25% of applicants chose to enroll. Therefore, HAP has the ability to evaluate the impact of these activities compared with a control group.

At the same time that HAP implemented these initiatives, staff also increased outreach and leasing support to applicants, including one-on-one follow up with households who do not lease within the first 30 days. This increased support has been appreciated by the community and will carry on if HAP staff continues to have the capacity to do so. Our overall leasing rate has improved significantly, but early results of our data analysis indicate that although the Landlord Guarantee Fund and the tenant education classes both improved applicants' abilities to lease up quickly, these activities alone have not yet resulted in an increase in the number of people who successfully lease up. Applicants who did not access the guarantee fund or tenant education classes had the same success rate as those who accessed one of those initiatives. Continued analysis will be conducted over the rest of 2010 before final conclusions are drawn regarding the efficacy of these two initiatives.

**MTW authorizations:**

Attachment C, Section B(1) – Single Fund Budget with Full Flexibility

Attachment C, Section D(1)d – Operational Policies and Procedures

Attachment C, Section D(3)b – Eligibility of Participants

Attachment D, Section D(1) – Establishment of a Local Section 8/ Housing Choice Voucher Program

**Statutory objective:**

Increase housing choices for low-income families

During 2009, HAP also began providing vacancy loss payments to owners through the end of the month after the move-out month when vacancies were unforeseen. HAP has made a relatively small number of these payments, but most requests by landlords of this nature are honored, and landlords are extremely appreciative.

When a vacancy loss payment is issued as the result of a "skip," those participants are typically terminated from the program for violation of their lease, and thus HAP's Family Obligations. HAP does not typically attempt to recoup vacancy loss payments from former participants, as the participants are unlikely to have the funds available to make the payment, and the time and cost of turning them over to collections is not worth the effort. However, participants who "skip" on a landlord are assigned a "Do Not Rehouse" status with HAP, which means that they cannot access any of HAP's housing for three years.

Beginning in FY2012, HAP will measure the impact of the vacancy loss payment. We will ask landlords who request a vacancy loss payment if they would consider renting to another Section 8 participant in the future. This will allow us to assess how many landlords are "retained" after a negative experience with a Section 8 tenant. Additionally, we will monitor the number of vacancy loss payments and the cost to HAP.

**Use of MTW authority:** Funding for these activities was made possible by fungible Section 8 dollars. The policy changes reflect HAP's ability to create a local Section 8 Housing Choice Voucher program, with the goal of increasing landlord participation in the program and, therefore, increasing housing choices for low income households.

HAP is not requesting any changes or additions to MTW authorizations. The agency is not currently using outside evaluators.

**FY2012-O4: MODIFIED CONTRACT RENT DETERMINATIONS AND PAYMENT STANDARD ADJUSTMENTS FOR PBV UNITS**  
(Identified Year 12, Implemented FY2011)

**Background:** During Plan Year 4, HAP modified the way contract rents are determined for project-based voucher (PBV) units. The traditional Housing Choice Voucher calculation has an affordability test embedded within it. To ensure that zero-income, high-barrier applicants meet this affordability test, PBV units are limited to a contract rent equal to the lower of 1) the payment standard, less the applicable tenant paid utility allowance or 2) the reasonable rent based on the private market. HAP made this policy decision because it has committed to target PBV assistance specifically to hard to serve households, which necessitates additional protections to ensure that zero-income, high-barrier households are able to afford these units.

In conjunction with this rule, HAP revised its policy on application of payment standards for PBV participants. Previously, because of participants' biennial review schedule, it could take up to two years for some households before an increase in payment standards was used to calculate subsidy, even if contract rents are increased in the interim. This can result in zero-income households being required to pay a portion of the rent. The new policy is applied as such:

- When HAP determines, upon review of market conditions and other factors, that it is prudent to increase payment standards, HAP will use the new increased payment standards to calculate the amount of subsidy beginning on the next anniversary date of the PBV Housing Assistance Payments Contract following the effective date of the increase;
- When HAP determines, upon review of market conditions and other factors, that it is prudent to decrease payment standards, HAP will use the new decreased payment standards to calculate the amount of subsidy beginning on the second anniversary date of the PBV Housing Assistance Payments Contract following the effective date of the decrease.

**Status update:** HAP has increased the payment standards twice since implementing this policy. In February 2010, we increased the Studio and Single Room Occupancy (SRO) payment standards to 100% of Fair Market Rent, and in July 2010 we increased the One-Bedroom, Studio, and SRO payment standards for units in the Downtown Portland area. A number of properties have had anniversary dates since the payment standards were changed, and while we are still smoothing out the process of managing rent increase requests and adjustments, landlords are generally pleased with the changes, and we believe that the timeliness of adjustments in subsidy has had a positive impact on tenant stability.

**Use of MTW authority:** MTW authority allows HAP to establish payment standards and set rents that differ from the standard formula. Since HAP used this flexibility to limit the PBV unit rents to accommodate zero-income applicants and participants, adapting the timing of applying payment standard adjustments ensures the most favorable impacts to the participants and the PBV landlords, thereby helping to increase housing choices for low-income households.

**MTW authorization:**

Attachment C, Section D(2) –  
Rent Policies and Term Limits

**Statutory objective:**

Increase housing choice for  
low-income families

HAP is not requesting any changes or additions to MTW authorizations. The agency is not currently using outside evaluators.

**FY2012-O5: ALTERNATE RENT CALCULATION FOR PUBLIC HOUSING UNITS AT ROCKWOOD STATION, MARTHA WASHINGTON AND THE JEFFREY**

(Identified Year 12, Implemented FY2011)

**Background:** In FY2011, HAP brought a number of replacement public housing units back into service at Rockwood Station, Martha Washington and the Jeffrey. Public housing units at these properties were embedded into larger, non-subsidized communities. Since these sites are managed by outside management companies, HAP proposed simplifying the rent calculations to minimize their training curve and to create efficiencies.

At Rockwood Station, a family site, HAP eliminated all standard public housing deductions and allowances, and calculated the rent based on 30% of gross household income. At the Martha Washington and the Jeffrey, both properties that house individuals with multiple high barriers, HAP eliminated all deductions and allowances, and calculated the rent based on 27.5% of gross income.

**Status update:** The units at the Martha Washington and the Jeffrey were leased up in June and July 2010 using this alternate rent calculation. Most residents living at these sites are either at zero-income or are receiving the minimum amount of Supplemental Security Income (\$674/month). For this reason, there are no individuals who have large out-of-pocket medical expenses and there have been no hardship requests.

Families at Rockwood Station were brought online in December 2009 and are currently using the standard public housing rent calculation. It was HAP's intent to roll out the alternate rent calculation at residents' next annual reviews in December 2010; however, with HAP's proposed rent reform to include all public housing sites, we will instead incorporate Rockwood Station into this group. The exception would be if the broader rent reform initiatives outlined in Proposed Activity FY2012-P1 are not approved; if this is the case, HAP would implement the previously approved alternate rent calculation at Rockwood Station.

**Use of MTW authority:** While HAP can add replacement public housing units into larger affordable housing developments without it, MTW authority is critical in creating simplifications that ensure private property management firms can administer the public housing program in the context of managing the entire property. This serves both to increase housing choice for low-income families and achieve greater cost effectiveness for HAP.

**MTW authorizations:**

Attachment C, Section C(11) – Rent Policies and Term limits

Attachment C, Section C(2) – Local Preferences and Admission and Continued Occupancy Policies and Procedures

**Statutory objectives:**

Increase housing choice for low-income families

Reduce cost and achieve greater cost effectiveness in Federal expenditures

At the Jeffrey and at Rockwood Station, HAP uses MTW authority to provide ACOP preferences for existing residents of the two properties to receive the new subsidy.

HAP is not requesting any changes or additions to MTW authorizations. The agency is not currently using outside evaluators.

## **FY2012-O6: RESOURCE ACCESS CENTER DEVELOPMENT**

(Identified in Plan Years 9-11; Implemented FY2010)

**Background:** HAP is serving as the master developer for this new facility to house the City of Portland and Multnomah County's primary day access center for people experiencing homelessness, a 90-bed men's shelter and approximately 130 units of affordable housing for people with very low incomes. All 130 units will serve as Permanent Supportive Housing. The City of Portland will also contribute annual operating subsidy to support the housing, shelter and day access center.

**Status update:** The financial closing for this development occurred in November 2009; construction has begun and is scheduled for completion in summer 2011.

It is HAP's intent that in the long term, the units at the Resource Access Center will be covered under the Local Blended Subsidy (LBS) funding model (Proposed Activity FY2012-P2). Because HAP cannot discuss the LBS model with its tax credit partners until after the FY2012 MTW Plan has been approved, the property will be a combination of public housing and project-based Section 8 units when it comes on line in July 2011. Upon approval of the LBS model, HAP will start discussion with its tax credit partners, with the goal of converting to the LBS model in January 2012.

**Use of MTW authority:** HAP is adjusting the public housing screening criteria in order to accommodate the populations that this facility is intended to serve. Additionally, HAP intends to modify project-based Section 8 screening criteria for this property per our MTW activity that allows us to adjust screening criteria in buildings with appropriate services (see Proposed Activity FY2012-P3: Local Project-Based Voucher Program). The goal is to establish low intake barriers while ensuring that individuals do not have a history of person-to-person crime or drug distribution that might endanger the safety of other residents or the success of the project. HAP is developing a tenant selection plan and making changes to the Admissions and Continued Occupancy Policy (ACOP) that will set forth the criteria for selection and occupancy, for admission thresholds suitable to housing this special needs population.

The transfer process for residents at the RAC will differ from other public housing properties. Residents at the RAC will not be able to transfer to another public housing property unless they are able to pass the general public housing screening criteria. Because the RAC has lowered screening criteria, it is not consistent with current policies to transfer an individual to a property where they would not qualify for residency. HAP will make every attempt to accommodate

### **MTW authorizations:**

Attachment C, Section C(2) –  
Local Preferences and Admission  
and Continued Occupancy  
Policy

Attachment C, Section D(4) –  
Section 8 Waiting List Policies

Attachment C, Section D(3) –  
Eligibility of Participants

### **Statutory objectives:**

Increase housing choice for low-  
income families

Reduce cost and achieve  
greater cost effectiveness in  
Federal expenditures

individuals requiring transfers at the RAC within the property. If an individual is in imminent danger due to domestic violence, HAP will work with that resident and social service providers to find an alternative unit to maintain their safety. Those residents who have an approved transfer and are able to pass the general public housing screening criteria will be allowed to transfer to any public housing property, as described below.

Residents at the RAC who are in good standing for at least 12 months and are able to pass general public housing screening criteria will have the option of applying to any public housing property waiting list, regardless of whether the list is open or closed. Once approved, their application will be placed on the desired waiting list in the order of date and time of approval. HAP is proposing this application preference because if a resident living at the RAC no longer requires the intensive services offered at this property, it is a better utilization of resources to transfer that resident to another property, thereby creating the opportunity to offer those services to another vulnerable individual.

HAP has removed the reference to adding information to the ACOP regarding preferences for a designated number of units for (a) the chronically homeless, (b) other homeless, formerly homeless and/or persons at high risk for homelessness, and (c) persons who need housing as part of a homelessness prevention strategy. HAP will use a preference/ ranking system at the Resource Access Center that is already available to other housing authorities and does not require MTW status. The details of this system will be documented in HAP's ACOP.

HAP has removed reference to authorizations related to use of CM/GC (Attachment D, Section A(3) – Mixed Finance Flexibilities). HAP has removed reference to authorizations related to exceeding the standard 25% limit of project-based Section 8 units in one building (Attachment C, Section D(1)e – Operational Policies and Procedures), which is described in Proposed Activity FY2012-P3: Local Project-Based Voucher Program.

The agency is not currently using outside evaluators.

## **FY2012-07: OPPORTUNITY HOUSING INITIATIVE**

(Identified Years 9-11, Implemented Years FY2008-FY2010)

**Background:** HAP's Opportunity Housing Initiative (OHI) provides a five-year family self-sufficiency program for families living in public housing or receiving Section 8 rent assistance. Of the four current models, three are site-based at Fairview Oaks, Humboldt Gardens and New Columbia. Program elements include case management, workshops and training, a savings account and peer support. The savings program is modeled on a strike point system, where every dollar above a monthly rent of a certain amount (or strike point) is redirected to an escrow account. Funds in the savings can be used to meet self-sufficiency goals while in the program or upon graduation. Graduation includes exiting public housing or Section 8 assistance. Participants who do not successfully graduate are not terminated from subsidized housing, but will not receive their accrued savings. The fourth OHI model is a collaborative program with the Department of Human Services (DHS). This program is linked to Section 8 vouchers and uses the traditional Family Self-Sufficiency escrow model.

### **Status update:**

Fairview Oaks: (Identified Year 9, Implemented FY2008) At Fairview, participation in OHI is required of all families receiving public housing subsidy. We currently have forty individuals enrolled in the program. Four people have graduated: three have graduated to market rate housing and one household has graduated to home ownership.

Humboldt Gardens: (Identified Year 9, Implemented FY2009) Participation in OHI is required of all work-able families living at Humboldt Gardens. There are currently 73 households enrolled in the program, which focuses on creating a community culture of work.

New Columbia: (Identified Year 11, Implemented FY2010) All of the fifty available slots for participating families have been filled. HAP is also partnering with WorkSystems, Inc. and Portland Community College to develop and staff a satellite office to serve not only OHI participating families, but also the larger community. The office offers employment and workforce development services at the New Columbia Opportunity Center. Finally, New Columbia has initiated a work preference for applicants desiring to live in public housing or Project-based Section 8 at that site.

DHS Voucher Program: (Identified Year 9, Implemented FY2009) The DHS Voucher program allows the State to select families already receiving TANF services and refer them to HAP for rent assistance in the form of DHS vouchers that mirror the regular Housing Choice Voucher program. Seventeen households remain in the program, receiving case management assistance from DHS and participating in workshops, training and an escrow savings program through HAP. Participants have shown an average annual income increase of 8.6% since the program began. Pilot funds will be fully expended by December 2011, at which time any participants who are not yet financially self-sufficient will

### **MTW authorization:**

Attachment C, Section E –  
Family Self Sufficiency Programs

### **Statutory objective:**

Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient

receive a regular Section 8 voucher and will continue working towards employment goals via HAP's GOALS (FSS) program.

**Use of MTW authority:** HAP uses MTW authority to operate its OHI self-sufficiency program exempt from certain HUD program requirements, such as establishing a strike-point savings program and creating participation requirements that differ from the traditional HUD self-sufficiency program.

HAP is not requesting any changes or additions to MTW authorizations. The agency is not currently using outside evaluators.

## VII. Sources and Uses of Funding

Due to the timing of HAP's annual budget cycle, the forecasts below are only preliminary. HAP's annual budget is presented to the Board for adoption at the March Board meeting each year. In order to meet HUD guidelines, the annual MTW Plan is presented for initial review in November and then adoption in December. Thus, these preliminary forecasts are projected two months prior to adoption of the budget and often require changes during the budget process.

ARRA and competitive HUD grant activities are not included in the Sources & Uses.

### A. Sources & Uses of MTW Funds

Sources of Funds	Preliminary Plan	Uses of Funds	Preliminary Plan
Rental Revenue	4,725,598	Housing Assistance Payments <sup>3</sup>	55,119,411
Section 8 Subsidy	62,916,889	Administration	9,290,112
Operating Subsidy	10,829,105	Tenant Services	794,069
HUD Grants <sup>1</sup>	1,361,926	Maintenance	5,854,460
Other Revenue	1,746,042	Utilities	2,073,122
HUD Non-Operating Contributions <sup>2</sup>	5,528,751	General	421,913
<b>Total Sources</b>	<b>87,108,311</b>	PH Subsidy Transfer	1,584,294
		Overhead Allocations	3,235,543
		HUD Capital Expenditures	5,528,751
		<b>Total Uses</b>	<b>83,901,675</b>

<sup>1</sup>HUD Grants reflects Capital Fund used for operating expenses including modernization/rehab that is less than our capitalization threshold.

<sup>2</sup>HUD Non-Operating Contributions reflects Capital Fund Contributions.

<sup>3</sup>The difference in sources versus uses results from Section 8 subsidy exceeding Housing Assistance Payment on a per-unit basis. The positive variance is placed in reserves.

## B. Sources & Uses of State and Local Funds

Sources of Funds	Preliminary Plan	Uses of Funds	Preliminary Plan
State, Local & Other Grants		Housing Assistance Payments (STRA)*	1,090,573
Cities of Portland/Gresham	1,093,114	Administration	143,403
Multnomah County	651,839	Tenant Services	281,492
State of Oregon	10,096	Maintenance	59,071
Non-Operating Capital Contributions		Utilities	29,012
City of Portland	5,073,956	General	2,439
Multnomah County	1,508,217	Other Personnel Expense	74,893
State of Oregon	1,036,563	PH Subsidy Transfer	--
<b>Total Sources</b>	<b>9,373,785</b>	Central Office Cost Allocations	74,166
		Capital Expenditures	7,618,736
		<b>Total Uses</b>	<b>9,373,785</b>

\*Short-term Rent Assistance

## C. Sources & Uses of COCC

Not applicable. HAP uses a cost allocation system.

## D. Allocation Method for Central Office Costs

The Housing Authority of Portland has elected to use an allocation method for central office costs. We have a variety of administrative departments and have developed a method to allocate these departments based on the key drivers of expense. This methodology meets the requirements of OMB A-87.

The allocation method is as follows:

Level 1:

- a. The cost of the administrative office building is allocated to the departments based on space occupied

Level 2:

- a. The executive department is allocated equally to each of the operating groups
- b. Human Resources, Purchasing and IT are allocated to the operating groups based on FTEs within the operating groups
- c. Accounting and Finance is allocated to the operating groups based on a combination of operating expenses and fixed assets

Level 3:

- a. Public Housing Administration as well as the central office allocations to public housing are then allocated to the properties based on units
- b. Rent Assistance Administration (Housing Choice Vouchers and other Rent Assistance Programs) as well as the central office allocations to Rent Assistance are then allocated to the departments within this operating group based on vouchers
- c. Resident Services Administration as well as the central office allocations to Resident Services are then allocated to the departments based on operating expenses

Allocated overhead is reported separately from direct operating costs in the operating group financial reports. The allocations result in a net zero Net Operating Income/Loss for the administrative departments.

### **E. Uses of Single-Fund Flexibility**

HAP's MTW authority provides the opportunity to combine public housing operating and capital funds, and Section 8 voucher program funds into a single source used to meet MTW objectives. It is used in the following ways:

- 1) HAP's efforts to reposition its public housing portfolio can result in a formal disposition approval from HUD and then the sale of the asset. In these instances, Replacement Housing Factor (RHF) funds are received by HAP as part of the Capital Fund Formula and used to create a new public housing unit. HAP desires the flexibility to use these RHF funds within its single fund flexibility to create new public housing units within a mixed finance project. In doing so, these RHF funds provide a portion of the total development capital needed for a particular project. Given the development cash flow needs of any particular mixed finance project, HAP also desires to use the RHF funds to repay construction financing. This would be done without formally pledging the future RHF funds to the lender as collateral.
- 2) HAP uses single-fund flexibility for costs associated with implementing rent reform (Proposed Activity 1); local blended subsidy (Proposed Activity 2); and measures to improve the rate of voucher holders who successfully lease up (Ongoing Activity 3).
- 3) HAP is using single-fund flexibility to create a funding source for significant initiatives that will advance the statutory objectives of MTW and HAP's recently adopted Strategic Directions (Section IV, Long-Term MTW Plan and Appendix A.) HAP understands that HUD will approve these allocations, called "MTW Initiative Funds", on a year-to-year basis. They are presented in a two-year view (next page) to provide a longer-term horizon of the strategies and their implementation. In the cases of rent reform and local blended subsidy, those activities also appear in Section V (Proposed MTW Activities) because they use other MTW authorizations in addition to single-fund flexibility. For all other activities listed, single-fund flexibility is the only authorization required, and therefore, those activities appear only in this section of the plan.

MTW Initiative Funds (MIF)	Fiscal Year 2012		FY 2013	Two Year Total
	One Time Allocations	Ongoing Initiatives	Ongoing Initiatives	
<b>Local Blended Subsidy</b> Administrative and legal expenses	\$250,000			\$250,000
<b>Public Housing Preservation Initiative</b> Capital repairs	\$500,000			\$500,000
<b>Develop Plans for Aging in Place Strategies</b> Contracted technical assistance	\$25,000			\$25,000
<b>Short Term Rent Assistance</b> Ongoing support and expansion of existing program		\$500,000	\$500,000	\$1,000,000
<b>Agency Based Assistance</b> Rent assistance administered by partners with service enrichments		\$605,000	\$605,000	\$1,210,000
<b>Tiered Self-Sufficiency</b> Work-focused supports to employment (includes child care)		\$744,050	\$744,050	\$1,488,100
<b>Expansion of Benefits Assistance</b> Supports for residents to access SSDI and other benefits		\$67,000	\$72,000	\$139,000
<b>Moving Youth to Career &amp; School Success</b> Youth employment supports		\$240,000	\$260,000	\$500,000
<b>Youth Endowment</b> Leverage for scholarships and educational opportunities	\$500,000			\$500,000
<b>Develop Plans for Youth Supports</b> Contracted technical assistance	\$25,000			\$25,000
<b>Rent Reform</b> Database(YARDI) upgrade in FY 2012 Loss of revenue due to phase-ins and hardships	\$195,000	\$125,000	\$125,000	\$445,000
<b>Community Engagement Initiative Fund</b> Community building and partnership activities		\$250,000		\$250,000
<b>Total Direct Costs of Requested Initiatives</b>	\$1,495,000	\$2,531,050	\$2,306,050	\$6,332,100
Annual MTW Evaluations		\$40,000	\$40,000	\$80,000
Staff and overhead costs @ 20% of direct costs	\$299,000	\$506,210	\$461,210	\$1,266,420
<b>Total Anticipated Cost</b>	<b>\$1,794,000</b>	<b>\$3,077,260</b>	<b>\$2,807,260</b>	<b>\$7,678,520</b>

## VIII. Administrative

### A. Public Process

HAP has taken the steps below to ensure a thorough public process in the development and adoption of the MTW plan. Comments received are included in Appendix (E): Public Comment. HAP received no written correspondence.

October 5, 2010:	Rent reform report posted on HAP's website
October 11-23, 2010:	Rent reform outreach meetings held; see page 44 for more information
October 29, 2010:	Draft of MTW plan posted on HAP's website for public comment and input
Oct 31 & Nov 7, 2010:	Public notice published in the Oregonian announcing the public hearing on November 16; text and Affidavit of Publication included in Appendix (D)
November 8 & 9, 2010:	Community stakeholder meetings held
November 10, 2010:	Draft of MTW plan reviewed at the Board of Commissioners work session
November 16, 2010:	Public hearing / Board meeting held; meeting minutes are included in Appendix (F)
November 23, 2010:	MTW plan presented to the Resident Advisory Committee
December 14, 2010:	Approval by Board of Commissioners – resolution included in Administrative Section, Part B

## **Public process – Rent Reform at HAP**

Due to the scale and impact of rent reform, HAP conducted significant resident and participant outreach regarding the proposed policies, in addition to the standard process specific to MTW planning.

HAP began outreach very early in the rent reform process, starting with presentations to our Resident Advisory Committee. The committee was briefed on the changes to the rent calculation at a number of their meetings in 2009 and 2010. They provided feedback on the policy itself, as well as suggestions for the outreach process and the report that would be available to the public. Members of the Resident Advisory Committee also attended and helped staff some of the outreach meetings.

HAP also met with our 504 Disability Board in early October 2010 to review the policy and seek input. HAP staff answered questions from the group and took note of the group's comments and suggestions.

In early October 2010, HAP staff mailed letters to approximately 10,000 of HAP's residents and participants, informing them of the intention to change the way their rent is calculated. The letter included an invitation for residents and participants to attend any one of six outreach meetings, the website address to access the "Rent Reform at HAP" report online, and a phone number they could call to request more information. The letters also included an email address for questions or input, and wording in other languages that provided a phone number if people needed translation.

In the weeks after the letters were delivered, the rent reform phone line received almost 400 calls. The majority of callers requested hard copies of reports; HAP staff mailed approximately 350 reports and very few people had follow-up questions after they received a copy. Additionally, people were able to access the report on HAP's website. The website also included a shorter summary of the report in English, Vietnamese, Spanish and Russian, and listed again the information for the six outreach meetings.

The six outreach meetings were held the second and third weeks of October 2010. Each meeting was at a different location spread around the county HAP serves and meetings were offered in the morning, evening, and on the weekend. Three of the meetings offered translation services, and five of the meetings offered childcare. There was strong attendance throughout the process: approximately 250 attendees in total. Overall, approximately 80% of attendees were seniors and people with disabilities, and the majority of attendees were voucher holders. There were large populations of Vietnamese and Russian speakers at a few of the meetings.

Meetings began in a large group, with introductions and descriptions of policy changes that would affect both work-focused families, and seniors and people with disabilities. After that, attendees broke into smaller groups by population, where the calculation was described in more detail and attendees were given the opportunity to ask questions and provide feedback. HAP staff took note of questions asked, and at the end of the meetings, attendees were provided additional opportunities to meet with staff one-on-one if they liked. Most groups had a lot of questions, but staff were able to provide answers and attendees left seeming satisfied, thanking staff for the time and attention.

HAP staff will continue to be available to residents and participants who may have questions or comments about rent reform. The website, phone lines and email address will remain active at least through the end of the calendar year.

## Rent Reform Community Information Sessions

Mon, Oct 11, 2010 – approximately 65 attendees

Wed, Oct 13, 2010 – approximately 17 attendees

Fri, Oct 15, 2010 – approximately 27 attendees

Thurs, Oct 21, 2010 – approximately 63 attendees

Sat, Oct 23, 2010 (morning) – approximately 31 attendees

Sat, Oct 23, 2010 (afternoon) – approximately 35 attendees

## FREQUENTLY ASKED QUESTIONS

### Seniors/People with Disabilities

Q: I have a permanent disability. If I get a job, will I switch to the work-focused group?

A: No, getting a job would not change you to the work-focused group.

Q: What will determine how disability is defined by HAP? Will only those currently receiving benefits qualify as disabled by HAP?

A: We'll continue to use our current way of defining disability, which is broader than only those who receive benefits such as SSDI. A doctor can certify the disability – page 14 of our Rent Reform at HAP report (included in Appendix (B) of the MTW Plan) contains the full definition of who qualifies for a disability.

Q: Are you eliminating medical deductions?

A: Yes. For seniors and people with disabilities, we're lowering the percentage of income we use to calculate your rent from 30% to 27.5%. For the majority of the population, this reduction makes up for the elimination of medical deductions.

Q: What if I have so many medical expenses that my rent goes up without the current medical deduction?

A: We will have a phase-in and hardship policy that will help protect those who have significant medical expenses, who would see their rent go up with the new calculation.

Q: This seems like more work, not less, because of all the people with medical expenses who will apply for a hardship policy.

A: We've done an analysis of our current households, and there are actually very few people who have such high medical expenses that they'll need to apply for a hardship policy. Only those people will need to keep their medical receipts.

Q: Does this target people who have the most medical expenses?

A: Most seniors and people with disabilities will see no change or even a lower rent burden. This will leave us just a small number of households to focus hardship protections on, and we will do that on an individual basis.

Q: Are utility allowance amounts annual or monthly?

A: Monthly.

Q: How does this affect LIEAP (Low-income Energy Assistance Program)?

A: This will not change how you interact with LIEAP, but it will make it easier for LIEAP to understand what utility allowances are given by HAP.

Q: Are we still going to have the same forms? Will there still be so much paperwork?

A: Some of the forms will change with the new rent calculation. We intend the move to triennial reviews and eliminating deductions to reduce and simplify the paperwork.

Q: What if my income changes during the three years in between reviews?

A: If your income increases, your rent will not be adjusted until your next regular review. The exception to this is people with zero income: these households will have six month check-ins, and rent will be adjusted when income begins. If you lose income, you can ask for an interim review to re-adjust your rent during that time that your income is lost.

Q: Right now, if I get a temporary job between my reviews, it's so much hassle to do all the paperwork, it discourages me from getting a job. Will that change?

A: In between triennial reviews, we will not increase your rent if you have a new source of income, and you won't have to report it until your next review. As described above, the exception is people with zero income.

Q: I have a small amount of sporadic income. How often do I have to report that?

A: We may use your past income reporting (such as your income tax filing) to project your future income at the time of your review. This would be determined on a case-by-case basis.

Q: Are you going to use income from the past few months, or project the income you'll have in the future?

A: This depends on the type of income you have. HUD encourages us to project future income when possible – for example, if you have had a job for the last month, we'll assume that you'll keep that job for the next year and calculate your rent based on that projected income. (If you should lose the job, you can apply for an interim adjustment to re-calculate your rent.) But in cases of very stable income, such as SSI, we may look at your past income to calculate your rent.

Q: What would happen if I earned so much money I didn't qualify for Section 8?

A: We only use income qualifications for Section 8 when you enter the program. After that, if you earn enough income that your rent calculation results in you paying all of your rent, you enter a zero-assistance period. This is a six month safety net to make sure your income is stable, before your assistance ends and we offer your voucher to another household in need.

Q: When is this going into effect?

A: We will bring this to our Board of Commissioners for approval in December. At the very earliest, the change in rent calculation will go into effect in the spring of 2011. We have a lot of work to do before then, and part of that involves a large change to our computer software. We'll communicate with residents and participants again when the change is going to be effective.

Q: After HAP adopts the new rent policy, when will I see my rent change?

A: This will take some time to phase in. We're not sure yet how we'll move people onto the new system – it could be linked to your current recertification date, or it could be some sort of alphabetical system. We'll communicate the process with you when we've worked it out.

Q: What happens when Section 8 payment standards change?

A: We're working on our computer system to see if we'll be able to do automatic adjustments to rents when payment standards change.

Q: How do I know I won't become homeless when my rent goes up because of the new calculation?

A: We expect the hardship and phase-in policies to protect people from the risk of homelessness. If you are struggling to pay your rent or getting behind, you should talk to your public housing site manager or Section 8 case manager right away.

Q: I have a Section 8 voucher. Will I still be allowed to move after one year in my apartment?

A: Yes, that policy will not change.

Q: Will these new rules apply across the country?

A: These changes are for HAP housing and assistance, only in Multnomah County.

Q: I have a Section 8 voucher. Will I still be allowed to move out of the county?

A: Yes, portability policies will not change.

Q: Will the inspections schedule also change to every three years?

A: The current inspections schedule will remain the same. Public housing units are inspected annually. In Section 8, inspections may happen annually or biennially, depending on the household or the property.

Q: Could some reviews be done over the phone?

A: We will continue to do in-person interviews, but we're hoping the move to triennial reviews will help alleviate some of the burden.

## Work-Focused

Q: Is there any help if I am a student with no income?

A: Student financial aid, such as state and federal grants, will not be counted toward the income used to calculate your rent. If your rent burden is high while you're a student, you may qualify for a hardship consideration.

Q: If I have a lot of kids, what should I do if my rent goes up because there's no dependent deduction?

A: There will be a phase-in policy to help households with a lot of children. In addition, this may be an area where your household would qualify for hardship consideration.

Q: Will you use my past income to determine my future income and rent calculation for the next two years?

A: We will use your current situation and project forward.

Q: What if I don't currently have any income?

A: We will meet with you once every six months to help determine what barriers you have to working and refer you to resources in the community. Once you get income, we will calculate your new rent and move you onto biennial reviews.

Q: I am on the GOALS program. How will rent reform affect me?

A: Because of the way the escrow is calculated for people participating in GOALS, we may keep the rent calculation the same. Your GOALS coordinator will know more when rent reform is implemented.

Q: What if I lose my job?

A: Households that experience a loss of income can request an interim review to recalculate their rent. If a minimum rent situation would apply and the household qualifies, you may also seek a hardship consideration.

Q: How do I get involved in programs that help me save money?

A: You can contact your caseworker, site manager, or one of our self-sufficiency programs.

B. Board Resolution

M E M O R A N D U M



DATE: December 14, 2010

TO: Board of Commissioners

FROM: Michael Buonocore, Program Director – Policy and Planning

SUBJECT: Resolution 10-12-02 authorizes the Housing Authority of Portland (HAP) to submit the Moving to Work (MTW) Thirteenth-Year Annual Plan to the Department of Housing and Urban Development (HUD)

The Board of Commissioners is requested to authorize HAP to submit the MTW Thirteenth-Year Annual Plan to the Department of Housing and Urban Development (HUD). This year's report corresponds to HAP's fiscal year 2012.

Background

Since becoming an MTW agency in 1999, HAP has been allowed to intermingle operating subsidies and capital allocations and to waive certain HUD regulations in favor of locally developed policies for the benefit of our residents, participants and community. Two years ago, we signed a ten year agreement with HUD that will preserve our MTW designation until 2018.

This year's plan has been presented to community stakeholders, HAP's Resident Advisory Committee and to the Board of Commissioners at a public hearing. All feedback and our responses made during the public comment period have been included for your reference and are provided to HUD as part of our MTW Plan submission. HAP will continue to work with the community as this year's proposed initiatives are implemented.

Conclusion/Recommendation

Staff recommends approval of resolution 10-12-02.



## RESOLUTION 10-12-02

**RESOLUTION 10-12-02 AUTHORIZES THE HOUSING AUTHORITY OF PORTLAND (HAP) STAFF TO SUBMIT THE MOVING TO WORK (MTW) THIRTEENTH YEAR ANNUAL PLAN TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)**

**WHEREAS**, this plan provides HAP with the authority to adopt new policies and to flexibly use HUD funding to maximize the effectiveness of this important resource; and

**WHEREAS**, on November 8 and 9, 2010, HAP staff met with community partners to review the draft MTW plan; and

**WHEREAS**, on November 16, 2010, the HAP Board of Commissioners conducted a public hearing on the draft MTW plan; and

**WHEREAS**, HUD has requested that the Housing Authority of Portland Board of Commissioners authorize the execution of its MTW Thirteenth Year Annual Plan.

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Commissioners of the Housing Authority of Portland that the Chair of the Housing Authority of Portland is authorized to enter into and execute the MTW Thirteenth Year Annual Plan with the Department of Housing and Urban Development.

**Adopted: December 14, 2010**

**HOUSING AUTHORITY OF PORTLAND**

  
\_\_\_\_\_  
Lee E. Moore, Sr., Chair

**Attest:**

  
\_\_\_\_\_  
Steven D. Rudman, Secretary

**Annual Moving to Work Plan  
Certifications of Compliance**

**U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing**

**Certifications of Compliance with Regulations:  
Board Resolution to Accompany the Annual Moving to Work Plan**

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairperson or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the PHA fiscal year beginning 04/01/2011, hereinafter referred to as “the Plan”, of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the PHA conducted a public hearing to discuss the Plan and invited public comment.
2. The Agency took into consideration public and resident comment before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan.
3. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and Title II of the Americans with Disabilities Act of 1990.
4. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction’s initiatives to affirmatively further fair housing that require the PHA’s involvement and maintain records reflecting these analyses and actions.
5. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
6. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
7. The PHA will comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low- or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
8. The PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
9. The PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by the Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.
10. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.

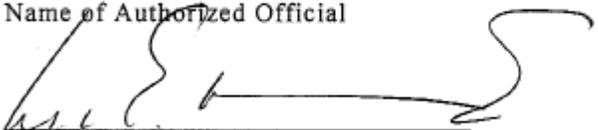
- 11. The PHA will take appropriate affirmative action to award contracts to minority and women’s business enterprises under 24 CFR 5.105(a).
- 12. The PHA will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58.
- 13. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under Section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
- 14. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
- 15. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
- 16. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).
- 17. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
- 18. All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.

Housing Authority of Portland  
PHA Name

OR002  
PHA Number/HA Code

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Lee E. Moore, SR.  
Name of Authorized Official

  
Signature

Chair  
Title

12-14-10  
Date

## Appendix A:

### Framing the Future: Strategic Directions and the Next Steps



# FRAMING THE FUTURE

## Housing Authority of Portland

### Framing the Future: Strategic Directions and Next Steps

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September 2010

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# Overview of the Process



Strategic planning provides a platform to assess, reflect, and commit to new directions. HAP's planning process, while by definition future-focused, is firmly grounded in our mission and values.

## Our Mission

HAP's mission is to assure that the people of the community are sheltered.

HAP has a special responsibility to those who encounter barriers to housing because of income, disability, or special need.

HAP will continue to promote, operate, and develop affordable housing that engenders stability, self-sufficiency, self-respect, and pride in its residents and represents a long-term community asset.

HAP will be a community leader to create public commitment, policy and funding to preserve and develop affordable housing.

## Our Values

- Our cornerstone values are Respect, Fairness, and Honesty
- Our organizational values are Service, Support, and Stewardship
- Our business values are Partnership, Innovation, and Excellence

HAP also benefits from its Moving to Work (MTW) status, which allows more flexible programming tailored to local needs and goals. Nationally, MTW has three main objectives: to provide incentives to families with children seeking employment and self-sufficiency; to increase housing choices for low-income households; and to increase organizational and cost efficiencies. The strategic plan and its proposed implementation activities use HAP's MTW flexibility to meet these objectives and serve more households wherever possible.

## Our Process

Over the past several months, with the assistance of local consulting firm Decisions Decisions, HAP has engaged the community in a spirited dialogue to consider strategic directions for the future. Each interaction focused on issues directly relevant to the particular individual or group engaged. A list of participants can be found on pages 8-9; a separate report provides a detailed summary of their input and is available upon request.

More than 2,400 members of the HAP community – residents and program participants – were involved through listening sessions and written surveys. The Resident Advisory Committee (RAC) played an active role in planning and implementing this unprecedented outreach effort.

Almost 200 community partners – other jurisdictions, housing providers, service providers, the for-profit housing industry, and minority community representatives – were engaged through individual conversations, focus groups, and an online survey. Every member of HAP's Board of Commissioners, leadership team, and workforce participated through individual interviews, group discussions, and written surveys.

This major outreach effort revealed a strong spirit of community partnership and a remarkable degree of agreement on future directions.

The information was analyzed, organized, and evaluated by HAP's leadership and consultants. HAP's Board discussed their recommendations and set preliminary directions.

This led to a second round of outreach – involving dozens of stakeholders – to introduce and discuss these new strategic directions. HAP's senior leadership and consultants met with the RAC, jurisdictional partners, advocates, community development corporations, service providers, and representatives of communities of color.

Altogether, these efforts resulted in a broad consensus on strategic directions and a commitment to work together as even stronger partners in the future.



## **Direction 1: Prioritization of Housing Resources**

HAP will align a larger portion of its housing resources with community partners in order to better serve priority populations, distinguishing between the needs of very low-income work-able families, seniors and people with disabilities.

## **Direction 2: Housing-Services Continuum**

HAP will provide for core resident services, including enhanced property management to support housing stability and foster self-sufficiency, with its own staff and partner agencies. HAP will coordinate the delivery of other types of resident services through strategic partnerships with local providers.

## **Direction 3: Partnership within the HAP Community**

HAP will strengthen its relationship with residents and program participants by working with them to develop a more defined set of mutual responsibilities, expectations and accountability.

## **Direction 4: Role in the Regional Housing Market**

HAP will leverage its expertise in affordable housing operations, development, and rent assistance administration to further local and regional housing goals. HAP will increase its responsiveness to housing needs in mid-County and East County through the alignment of resources and coordination with local representatives. HAP will expand its work with neighboring counties when there are opportunities to collaboratively address issues on a regional basis. HAP will serve as a policy advocate and strategic partner in the metropolitan area.



The following principles will guide the agency as it pursues its strategic directions:

## Equity

**HAP will work with representatives of diverse communities to ensure fairness and cultural competence in all HAP activities: housing, services, employment, and contracting.**

HAP has a proven track record of achieving economic equity in contracting with women, minority and emerging small businesses. This success extends to increasing workforce opportunities for low- and very low-income people in our community, including our residents and participants. Through its recently unveiled economic equity initiative, HAP will work to increase access to opportunities for low-income and disadvantaged communities in all areas of its business and to support the efforts of the larger community to increase equity and inclusivity.

## Strategic Partnerships

**HAP will strategically align itself and collaborate with partners to fill gaps in community needs and achieve common ends.**

HAP has strong relationships with jurisdictional and community partners that expand the capacity to serve low-income households beyond the ability of any one agency. However, there remain significant opportunities to deepen existing partnerships and develop new ones that are more grounded in mutual accountability, risk taking and long-term planning in order to maximize impacts. HAP will dedicate time and resources to develop these partnerships to make best use of agency resources and fulfill community-wide goals in affordable housing and poverty reduction.

## Organizational Development

**HAP will take full advantage of the strength of its management and staff by instituting policies and practices that support their ability to be effective.**

HAP will continue to hone its efforts in effective recruitment, retention, management, and professional development. This requires clear and open communication, commitment to inclusion, collaboration among departments, planning for long-term succession, and a sense of partnership with organized labor. Concurrently, HAP will work to identify any organizational infrastructure and capacity changes that would be needed in order to achieve the strategic directions and implementation steps.



## Direction

**HAP will align a larger portion of its housing resources with community partners in order to better serve priority populations, distinguishing between the needs of very low-income work-able families, seniors and people with disabilities.**

## Background

HAP currently uses waiting lists and lottery systems to allocate most of its housing resources, with some assistance targeted to populations with specific needs. While this will continue to be the approach for the majority of applicants, there are opportunities to align HAP's resources with those of local partners who can provide services to improve housing and economic outcomes for low-income households, as well as to respond to emerging priorities in the community. There is also an opportunity to leverage housing resources to serve more households. Understanding that prioritizing additional housing resources would reduce the amount that is allocated to the general waiting list, most stakeholders agreed with the approach of increased prioritization.

## Moving Forward

Based on an evaluation of local needs, resources, and gaps, HAP will work with its stakeholders, jurisdictional partners and other partners to determine how its resources might be more strategically utilized and aligned with other community assets in the following ways:

### 2010-11

- Determine the proportion of resources dedicated to the priority populations such as seniors, people with disabilities, and work-able families, with the majority of resources continuing to serve those on the traditional wait list / lottery.
- Develop criteria for determining underserved groups within the priority populations, such as those with culturally-specific needs, and align goals and resources with community partners that serve those groups.
- Consider increasing HAP's commitment to agency-based assistance programs, such as Short Term Rent Assistance, to provide shallow, shorter-term subsidy in conjunction with service providers that address targeted populations and serve more households.
- Maximize MTW funding flexibility to create tools such as Local Blended Subsidy that will better leverage HAP's financial resources.

### 2011-12

- Create multiple tracks for moving people into and out of HAP housing, considering short-term and long-term housing needs as well as partnerships with service providers.

- Determine how many more households may be served through short-term and intermediate-term assistance.

### 2012-13

- Implement a long-term strategy for HAP-served populations who are aging and have increasing needs but do not yet require nursing care. Consider developing or renovating housing that allows elderly and disabled populations to transition from independence to aging in place.

## Ongoing

- Pursue HUD opportunities, including competitive processes for funding, to serve specific populations.
- Measure effectiveness of different levels of subsidy for different populations in achieving the intended outcomes. Create metrics for success at the beginning of such local programming, budget funds for ongoing and regular data collection and evaluation, and evaluate consequences – intended and unforeseen – of such prioritization.

# 2

## Housing–Services Continuum



### Direction

**HAP will provide for core resident services, including enhanced property management to support housing stability and foster self-sufficiency, with its own staff and partner agencies. HAP will coordinate the delivery of other types of resident services and service-enriched housing through strategic partnerships with local providers.**

### Background

In recent years, HAP has made progress in sharpening its focus around the provision of housing as its core competency and mission, while working with partners to provide needed services for residents and participants. The strategic planning process affirmed that its stakeholders see HAP’s role as providing enhanced property management – connecting people to the services they need – and that local providers have the expertise to meet other human service needs. With this clarity, HAP will move forward in deepening partnerships that leverage greater resources than any one agency may be able to garner on its own and that move toward systemic solutions of the issues faced by the HAP community.

### Moving Forward

HAP will continue providing core resident services in-house, while increasing its emphasis on strategic partnership development through the following activities:

#### 2010-11

- Identify service gaps through annual planning, determine which buildings and populations have the most need for on-site services coordinators (whether provided by HAP or through partners) and work to connect residents with appropriate service providers in the community.
- Continue efforts to significantly broaden participation, and sharpen the service-delivery approach, in HAP’s self-sufficiency programs.
- Pursue a partnership with Oregon’s workforce system to increase access for HAP participants in job development, training, and internship opportunities.
- Advance current planning to enhance strategic partnerships. Assess needs across public housing and Section 8, as well as across population types, then develop and strengthen relationships with providers who can meet those needs.

#### 2011-12

- Enhance on-site resident services through co-located partner agency staff and through volunteerism in buildings serving elderly and disabled populations.

#### Ongoing

- When working with community-based providers, HAP and those providers will determine the parameters to ensure joint responsibility, clear expectations, and mutual accountability, including provisions for specific metrics and outcomes.
- Through annual planning, determine unmet resident services needs and assess those most likely to be funded through philanthropic organizations. Work with partners to pursue mutual fundraising towards these ends. Explore opportunities such as AmeriCorps and community service-oriented programs that leverage additional resources and opportunities for resident skill building.



## Direction

**HAP will strengthen its relationship with residents and program participants by working with them to develop a more defined set of mutual responsibilities, expectations and accountability.**

## Background

HAP has recently increased efforts to engage the community of residents and participants in proactive communication and problem solving. Results have been positive and were reinforced by very strong interest in active participation during the strategic planning process, demonstrating a desire to partner in working for the betterment of the communities and the agency.

## Moving Forward

HAP will build on the positive working relationship with its Resident Advisory Committee and on the feedback that residents and participants provided during the strategic planning process in the following ways:

### 2010-11

- Simplify the rent calculation method for public housing and Section 8, in order to remove disincentives to employment for low-income families, as well as to make the process easier to understand, less prone to error, and less intrusive.
- Continue to work with legal counsel, HAP staff and third party property managers to continually refine a livability and public safety focus and increase consistency in lease enforcement. Engage the landlord community to support lease and program enforcement.

### 2011-12

- Work with residents and participants to define mutual roles and responsibilities, and encourage resident involvement in establishing core values for apartment communities.
- Ensure consistent application of HAP's values and its relationship within the HAP community across all HAP properties, including those managed by third parties. Empower residents to communicate with their property managers in support of those values.
- Implement a tiered self-sufficiency program with varying levels of service and connection to community partners depending on household needs and barriers to work. Implement a track that emphasizes the value of education and job training. Encourage efforts to leave housing assistance through increased self-sufficiency.

- Increase efforts to engage the 10,000 children and youth living in public housing and Section 8 households, focusing on the areas of youth employment, education, recreation, and positive community involvement. Connect parents and families with resources that serve youth.

### 2012-13

- Empower members of the HAP community to take more ownership of their communities and pilot incentives that encourage engagement to improve community livability and reinforce community values.
  - Define and strengthen HAP's volunteer program, both for members of the HAP community and for other local residents. Assess opportunities for volunteerism, volunteer recruitment and the use of stipends or incentives.
  - Develop resident and participant communications that reflect HAP's expectations for its residents and participants as well as expectations that residents and participants should have of HAP (including customer services standards.) Revamp HAP's internet presence, as well as its written communication and its orientation materials.
- Ongoing**
- As opportunities arise, pursue resource development and ways to leverage HAP's investment.

# 4

## Role in the Regional Housing Market



### Direction

HAP will leverage its expertise in affordable housing operations, development, and rent assistance administration to further local and regional housing goals. HAP will increase its responsiveness to housing needs in mid-County and East County through the alignment of resources and coordination with local representatives. HAP will expand its work with neighboring counties when there are opportunities to collaboratively address issues on a regional basis.

HAP will serve as a policy advocate and strategic partner in the metropolitan area, including acting as a funding champion.

### Background

HAP serves all of Multnomah County and used the strategic planning process to explore perceptions around its relationship outside of Portland proper, as well as interest in growing trends in regional planning and service delivery. Partners want to see HAP increase support of mid and East Multnomah County, as well as build a foundation for opportunities on a regional scale.

### Moving Forward

HAP staff will strengthen existing connections and build new relationships to increase its ability to provide leadership and integration with the larger metropolitan area in the following ways:

#### 2010-11

- Assess the impacts and costs of a name change in order to facilitate a decision by HAP's Board of Commissioners.
- Jointly fund a City of Gresham staff position for housing and community development planning and to serve as a liaison between HAP and Gresham.
- Actively explore opportunities for greater coordination and mutually beneficial activities outside of Multnomah County. Continue collaborative efforts with housing authorities in Clackamas, Washington and Clark Counties, including the consideration of creating a regionally-based Housing Choice Voucher (Section 8) rent assistance program.

#### 2011-12

- Work with HUD to explore the creation of a formal rent assistance consortium with local county housing authority partners.

#### Ongoing

- Expand HAP's role as a policy leader and advocate on behalf of regional housing needs by identifying opportunities for more housing resources at a legislative and national level.
- Build durable collaborations in mid and East-County based on mutual benefit and respect; alignment of policies, priorities, and resources; and responsiveness to local needs in keeping with HAP's mission.
- Consider using HAP's capacity to assume the roles of master developer or asset manager for large, complex projects when requested by public and nonprofit partners.

# Sources of Stakeholder Input



## External stakeholders

- Mike Abbate, Gresham Planning Office
- Kate Allen, Portland Housing Bureau
- Trell Anderson, Clackamas County Housing Authority
- Fran Ayaribil, Loaves and Fishes
- Shane Bemis, Mayor, City of Gresham
- Tony Bernal, Transition Projects Inc
- Liora Berry, Cascadia Behavioral Healthcare
- Kris Billhardt, VOA Home Free
- Lauren Booth, Children's Justice Alliance
- Tom Brenneke, Guardian Real Estate Services
- Sam Brooks, Oregon Association of Minority Entrepreneurs
- Sherrie Burrell, Dept of Human Services
- Marj Cannon, Metropolitan Family Services
- Paula Carder, PSU - College of Urban & Public Affairs
- Brenda Carpenter, NW Pilot Project
- Vince Chiotti, Oregon Housing and Community Services
- Leslie Coefield, Lifeworks NW
- Jeff Cogen, Chair, Multnomah County
- Tanya Colie McGee, Providence Elder Place
- Rick Crager, Oregon Housing and Community Services
- Tom Cusack, US Dept of Housing and Urban Development, retired
- Larry Dalton, Department of Human Services
- Jean DeMaster, Human Solutions
- Jillian Detweiler, TriMet
- Eileen Devine, Veterans Administration
- Phil Donovan, NW Public Affairs
- Patricia Edge, Big Brothers - Big Sisters
- Susan Emmons, NW Pilot Project
- Rey Espana, NAYA Family Center
- Ian Finch, NAYA Family Center
- Nick Fish, Commissioner, City of Portland
- Jacob Fox, Portland Housing Bureau
- Donita Fry, NAYA Family Center
- Joanne Fuller, Department of Human Services, Multnomah County
- Bob Gillespie, Oregon Housing and Community Services
- Tim Gillette, Talbot, Korvola & Warwick, LLP
- Michelle Haynes, REACH CDC
- Jose Hernandez, El Programa Hispano
- Kayse Jama, Center for Intercultural Organizing
- Roy Jay, African American Chamber of Commerce
- Thomas Jensen, CASA VIDA
- Nathan Johnson, Boys and Girls Club
- Marc Jolin, JOIN
- Deborah Kafoury, Commissioner, Multnomah County
- Komi Kalevor, Portland Housing Bureau
- Beth Kaye, Portland Housing Bureau
- Daniel Ledezma, office of City Commissioner Nick Fish
- Michelle Lewis, Children's Justice Alliance
- Mary Li, Community Services - Office of School & Community Partnerships, Multnomah County
- Robert Liberty, Metro
- Sgt. Marvin Madtson, Gresham Police Department
- Traci Manning, Central City Concern
- Andrew Mason, Open Meadow
- Joy McCray, US Dept of Housing and Urban Development
- Patricia McLean, Human Solutions
- Ed McNamara, Turtle Island Development
- Victor Merced, Oregon Housing and Community Services
- Andy Miller, Portland Housing Bureau
- Michael Parkhurst, City of Gresham
- Nancy Pearson, Portland Youth Builders
- Judi Pitre, Black United Fund
- Mike Reese, Chief, Portland Police Bureau
- Jeff Reingold, Income Property Management
- Molly Rogers, Housing Development Center

# Sources of Stakeholder Input



- Zarod Rominski, Outside In
- Alice Rouyer, City of Gresham Redevelopment Commission
- Peggy Samolinski, SUN Schools
- Nick Sauvie, ROSE CDC
- Jill Sherman, Gerding Edlen Development Co.
- MaryLee Stahl, Lifeworks NW
- Jessica Stevens, Girl Scouts
- Sarah Stevenson, Innovative Housing, Inc.
- Susan Stoltenberg, Impact NW
- Jonathan Trutt, NW Housing Alternatives
- Val Valfre, Washington County Dept of Housing Services
- Margaret Van Vliet, Portland Housing Bureau
- Kelly Walker, Mount Hood Community College
- Bob Walsh, Walsh Construction Co.
- Becky Wehri , Community Leader
- Ramsay Weit, Community Housing Fund
- Serena Wesley, Self Enhancement Inc
- Jeri Williams, Office of Neighborhood Involvement
- Jim Winkler, Winkler Development
- Sue Wiswell, ROSE CDC
- Amy Youngflesh, Portland Community College
- *Six members of the HAP community participated in Focus Groups; their names have been omitted to preserve their privacy.*

## Internal stakeholders

- Board members (individual interviews)
- Senior managers (questionnaires)
- Employees (staff survey)
- Union leaders (Small group interview)

## Resident Advisory Committee

- O'dell Carmicle
- Irina Faer
- LaTasha Frison
- Alvaro Gongora
- Myra Harrell Fleming
- Anne Kornfeld
- Darrell LaVallee
- Benita Legarza
- Terry McLain
- Aloha Palmer
- Martha Perez
- Amie Pico
- Patrick Smith

## Listening Sessions with members of the HAP community

- March 13, PCC Cascade Campus, 48 attendees
- March 20, NW Children's Theater, 28 attendees
- March 21, Rockwood Branch of Multnomah County Library, 23 attendees

## Survey of HAP residents

- 398 responses

## Survey of Section 8 voucher-holders

- 1,942 responses

## Online survey of community partners

- 80 responses

**For more information about HAP's strategic planning and implementation steps, contact:**

Michael Buonocore  
 Program Director for Policy and Planning  
 503.802.8546  
 michaelb@hapdx.org

**Appendix B:**

**Rent Reform at the  
Housing Authority of Portland (Report)**



RENT REFORM  
AT THE  
HOUSING AUTHORITY OF PORTLAND

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## **What is rent reform?**

“Rent reform” means making changes in the way rent is calculated for people in public housing or in the Section 8 program. Housing authorities, like HAP, that are part of HUD’s Moving to Work (MTW) program are required to do rent reform, especially to encourage employment and self-sufficiency.

## **Why are we doing rent reform?**

We agree that the way rent is calculated should be changed. The current system is hard to understand, difficult to manage, intrusive into people’s lives, and actually discourages many people from getting or keeping a job. We hope that the changes we make will be improvements for our community and provide good examples that HUD and other cities can learn from.

## **Who will be affected by rent reform?**

People who live in HAP’s public housing, people who have a housing choice voucher, and people who live in project-based Section 8 will have the new rent method. This is about 10,000 households. People who are in a special program, like Shelter + Care or Veteran’s Affairs Supportive Housing (VASH) will continue with the current rent method.

## **What do we want to do?**

We plan to do a lot with rent reform. In order to help us make choices about our new rent method, we developed the following guiding principles, which were adopted by our board of commissioners:

### Guiding Principles for Rent Reform:

- 1) We will adopt a rent model that works the same across public housing and Section 8. The new model will be designed to provide fair, affordable rents to low-income households in our community.
- 2) We will create a system that is easier for staff to administer and for residents and participants to understand.
  - We will work to balance program integrity with tenant privacy.
- 3) We are not trying to make more money for the agency by reforming the rent model, nor can we afford to take in less money. Any additional money that the agency receives from rents will go back into the housing programs to support stability and self-sufficiency.
  - In order to provide stability for vulnerable households, we will create a hardship policy and phase in changes where there may be a rent increase.
  - We will consider the costs of changes to calculations and workflow on our current staff and technology.

- 4) We will work to provide incentives for increasing household income and supports for residents and participants to contribute towards their housing costs.

Using these guiding principles, we are proposing to change the rent calculation method, as well as several policies that are part of how we determine rents.

### **How do we propose to do it?**

First, we want to create a different rent method for two groups of people:

1) seniors and people with disabilities and 2) work-focused households. The rent for work-focused households will give people time to get on their feet when they first receive their housing assistance, and gradually will create an expectation of contributing more to the cost of their housing. The rent for seniors and people with disabilities will create stability and predictability.

### **Who is considered senior and/or a person with a disability?**

HUD's definition of "senior" is a person aged 62 or older. We propose to lower that age to **55 years** and older for the purposes of the rent method (see pg. 11 for more information about why we think this is a good idea.)

HAP will continue to use HUD's definition to determine if someone qualifies as person with a disability. See page 13 for the full definition.

For the purposes of rent reform, if the head of household, the co-head or spouse is a senior or person with disability, the household falls into this category.

### **Who is considered a work-focused household?**

All households that are not in the category of seniors and people with disabilities are considered work-focused households. This could include single-member households. The rent method for this group is described on page 5.

## SENIORS AND PEOPLE WITH DISABILITIES

### What is the current rent method for this group?

HAP currently provides assistance so that residents and participants pay 30%<sup>1</sup> of their household's income, after eligible deductions are taken out. A utility allowance is part of the assistance, unless the family lives in one of HAP's buildings where the utilities are already paid for.

### What will the new rent method be for this group?

The new rent method will be based on **27.5%** of the household's gross income with no deductions. A utility allowance is still part of the assistance, except in HAP's buildings where the utilities are already paid, and we are also proposing to simplify this utility allowance – see pages 8 and 9.

We will continue to count the same sources of income that we already use to determine assistance levels. Examples of income counted as part of gross income include wages, social security, pensions, SSI, Temporary Assistance to Needy Families (TANF), child support and unemployment. Examples of income not included as part of gross income are foster care payments, food stamps and Indian Trust payments.

### Utility Reimbursements and Review Cycles

Some people with little or no income currently pay zero rent and some of these households also receive a utility reimbursement from HAP. We are proposing to keep this policy for seniors and people with disabilities.

Seniors and people with disabilities are currently on a biennial review cycle, which means that every two years, HAP reviews their income and adjusts their rent according to changes.

The new rent method will put these households on a triennial review cycle, which means that we will only review their income and adjust their rent every **three years**<sup>2</sup>. If a household experiences a major loss of income, however, they can contact us and request hardship accommodation to lower their rent payment.

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<sup>1</sup> Section 8 / Housing Choice Voucher participants may choose to rent apartments or houses and pay up to 70% of their income, but HAP's assistance levels are always based on the 30% threshold.

<sup>2</sup> Residents living in tax credit properties will be required to meet annually to complete a self-certification of income. These properties are [Martha Washington](#), [The Jeffrey](#), [Humboldt Gardens](#), [New Columbia](#), and [the Resource Access Center](#). Section 8 participants may have income certification requirements at other properties where HAP is not the landlord, but this is not related to HAP's rent reform policies.

### **How is this new rent method better?**

We lowered the percentage that we use to calculate rent from 30% to 27.5% to make up for eliminating deductions, such as medical expense deductions. When deductions are included, it creates more paperwork for families and for us, and it makes mistakes more likely to happen when we're figuring out the assistance amount. Lowering the percentage gets a very similar result and gets rid of the need for families to keep receipts for their medical expenses and show them to HAP, for example. Knowing the medical conditions, treatments and medications that people are taking is not necessary in order for us to provide affordable housing, and we would rather respect people's privacy. Households with high out-of-pocket medical expenses may qualify for a phase-in or hardship accommodation – see page 12 for more information.

Triennials, or the three year review cycles, mean less intrusion into people's lives, especially since people in this group are often on fixed incomes that don't change as much. It also means that if our staff spends less time doing income reviews, they can spend more time on customer service, such as helping people connect to other resources in the community. The exception is zero-income households, who will have semi-annual check-ins until income is established. Once that occurs, they will be put on the triennial cycle.

### **What if the new rent method means a current household has to pay more rent?**

Most people will see their rent stay the same or go down a little bit. Some current households will see a rent increase. We will have a phase-in plan (page 12), which means that if someone's part of the rent payment goes up a lot because of the new method, we will have protections in place to help. We will also have a hardship policy (page 12) for times when people's financial situations change and they may have difficulty paying their rent. We will make sure it is easy and understandable for people to do this.

### **When will this happen?**

We hope to start the process next year, in [spring of 2011](#). For people who already get housing assistance from us, we will make a plan to phase-in the new system over time. For people who come in to the public housing or Section 8 program when this takes effect, they will be on the new rent method immediately.

### **How can people figure out what their new rent will be?**

It's not possible to know right now what the exact rent for each person will be, since it will take some time before the new method takes effect, and individual incomes may change over the course of a year or more. However, starting on page 15, we have example scenarios that give a better picture of how the changes will work.

## WORK-FOCUSED HOUSEHOLDS

### What is the current rent method for this group?

HAP currently provides assistance so that residents and participants pay 30%<sup>3</sup> of their household's income, after eligible deductions are taken out. A utility allowance is part of the assistance, unless the family lives in one of HAP's buildings where the utilities are already paid for.

### What will the new rent method be for this group?

The new rent method for this group will look different over time. When work-focused households come on to the public housing or Section 8 program, rent will be based on 27.5% of the household's gross income with no deductions. A utility allowance is still part of the assistance, except in HAP's buildings where the utilities are already paid, and we are also proposing to simplify this utility allowance – see pages 8 and 9. Households who are currently receiving our assistance will also start at this rent level when we change to the new method, regardless of how long they have been in our programs.

After two full years at this rent level, we will increase the expectation of these families to contribute to their housing costs. The rent will be based on 29% of gross income or a \$100 minimum rent, whichever is greater. A utility allowance will still be part of the assistance HAP provides. However, some families currently pay no rent and receive a utility reimbursement, and this will stop when the family gets to this point; everyone will pay at least the minimum rent. There will be a hardship policy (see page 12) to help people who are struggling to find employment or who have lost a job.

After another two full years at this rent level, we will increase the expectation to contribute to housing costs again. The rent will be based on 31% of gross income or a \$200 minimum rent, whichever is greater.

We will continue to count the same sources of income that we already use to determine assistance levels. Examples of income counted as part of gross income include wages, social security, pensions, SSI, Temporary Assistance to Needy Families (TANF), child support and unemployment. Examples of income not included are foster care payments, food stamps and Indian Trust payments.

### How is this new rent method better?

We lowered the percentage that we use to calculate rent in the first two years from 30% to 27.5% to make up for eliminating deductions, such as childcare expense deductions. When deductions are included, it creates more paperwork for families and for us, and it makes mistakes more likely to happen when we're figuring out the assistance

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<sup>3</sup> Section 8 / Housing Choice Voucher participants may choose to rent apartments or houses and pay up to 70% of their income, but HAP's assistance levels are always based on the 30% threshold.

amount. Lowering the percentage gets a very similar result and gets rid of the need for families to document their childcare expenses and show them to HAP, for example.

The new rent method will put these households on a biennial review cycle, which means that we will only review their income and adjust their rent every [two years](#)<sup>4</sup>. This means that income gains from increased employment or promotions are kept by the family and will not immediately trigger a rent increase. The exception is zero-income households, who will have semi-annual check-ins until income is established. Once that occurs, they will be put on the biennial cycle. If a household experiences a major loss of income, however, they can contact us and request a hardship consideration to lower their rent payment.

Beyond rent reform, HAP is developing ways to strengthen and add programs to help people increase their education and employment skills, so every household that wants to participate in these supports has access to them. We are excited by the possibility of helping people achieve their work goals and increase their independence.

### **What if the new rent method means a current household has to pay more rent?**

In the first two years on the program, the majority of work-focused households will see their rent stay the same or go down a little bit. Some current households will see a rent increase. We will have a phase-in plan (page 12), which means that if someone's part of the rent payment goes up a lot because of the new method, we will have protections in place to help.

After the first two years, we will have a hardship policy (page 12), but because families will have a long time to plan for their rent share to go up, we will give fewer hardship accommodations. We will, however, work with families in their first two years to get ready, including help with connections to jobs, training and education.

### **When will this happen?**

We hope to start the process next year, in [spring of 2011](#). For people who already get housing assistance from us, we will make a plan to phase-in the new system over time. For people who come in to the public housing or Section 8 program when this takes effect, they will be on the new rent method immediately.

### **How can people figure out what their new rent will be?**

It's not possible to know right now what the exact rent for each person will be, since it will take some time before the new method takes effect, and individual incomes may change over the course of a year or more. However, starting on page 15, we have example scenarios that give a better picture of how the changes will work.

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<sup>4</sup> Residents living in tax credit properties will be required to meet annually to complete a self-certification of income. These properties are [Martha Washington, The Jeffrey, Humboldt Gardens, New Columbia, and the Resource Access Center](#). Section 8 participants may have income verification requirements at other properties where HAP is not the landlord, but this is not related to HAP's rent reform policies.

In summary, the rent method looks like this:

### Work-Focused Households

<p><b>Years 1 and 2</b> in the program:</p> <p>Rent is based on <b>27.5%</b> of gross income; there is no minimum rent</p>
<p><b>Years 3 and 4</b> in the program:</p> <p>Rent is the greater of <b>29%</b> of gross income or <b>\$100</b> minimum rent</p>
<p><b>Years 5</b> and beyond:</p> <p>Rent is the greater of <b>31%</b> of gross income or <b>\$200</b> minimum rent, recertified every two years</p>

- The utility allowance is based on a simple table. Reimbursements are allowed upon entry to the program and discontinued at the beginning of the third year.
- All deductions are eliminated
- There are no income reviews between entry & third year, or between biennial reviews thereafter. All income increases are kept by the household; hardship accommodations can be requested if income is lost. Zero-income households will have semi-annual check-ins until income is established and then move to biennial reviews.

# Utility Allowances

There are 212 dollar amounts on the current utility schedule.

## What is a utility allowance?

When we figure out how much public housing or Section 8 rent assistance each household gets, we include an amount to help pay for utilities and keep the total cost of housing expenses affordable. The exception is that in some HAP-owned public housing properties, we pay the utility bills, so those residents don't get a utility allowance. To the right is the current schedule used to determine how much utility allowance each eligible household gets. It is overly complicated and uses outdated standards.

In order to update these amounts, factors such as the cost to buy and the cost to rent a microwave oven, the Troutdale storm water management fee, the average cost of cooking with propane and a host of other factors must be researched.

There are 39 factors used to determine each household's utility allowance.

**SCHEDULE OF UTILITY ALLOWANCES SECTION 8 PROPERTIES (April 2010)**

		0-BD	1-BD	2-BD	3-BD	4-BD	5-BD	6-BD	7-BD
A L L	ELECTRIC-MONTHLY SERVICE CHARGE	\$9	\$9	\$9	\$9	\$9	\$9	\$9	\$9
	LIGHTS & REFRIG.	\$9	\$13	\$17	\$21	\$26	\$30	\$35	\$40
	FAN	\$2	\$2	\$3	\$3	\$4	\$5	\$6	\$6
E L E C T	COOKING	\$4	\$5	\$7	\$8	\$11	\$12	\$14	\$16
	HOT WATER	\$17	\$24	\$30	\$37	\$47	\$54	\$62	\$71
	SPACE HEAT (EXIST. S/F DETACHED)	\$47	\$59	\$71	\$85	\$94	\$109	\$125	
	SPACE HEAT (NEW S/F DETACHED)	\$23	\$33	\$35	\$41	\$43	\$54	\$62	
	SPACE HEAT (EXIST. MULTIPLEX)	\$27	\$36	\$45	\$55	\$64			
	SPACE HEAT (NEW MULTIPLEX)	\$14	\$19	\$24	\$29	\$34			
G A S	GAS-MONTHLY SERVICE CHARGE	\$6	\$6	\$6	\$6	\$6	\$6	\$6	\$6
	COOKING	\$4	\$6	\$8	\$10	\$13	\$14	\$17	\$19
	HOT WATER	\$12	\$16	\$21	\$26	\$33	\$38	\$43	\$50
	SPACE HEAT (EXIST. S/F DETACHED)	\$42	\$53	\$64	\$76	\$85	\$97	\$112	
	SPACE HEAT (NEW S/F DETACHED)	\$18	\$23	\$27	\$32	\$36	\$42	\$48	
	SPACE HEAT (EXIST. MULTIPLEX)	\$24	\$33	\$40	\$50	\$57			
	SPACE HEAT (NEW MULTIPLEX)	\$11	\$15	\$18	\$22	\$26			
O I L	HOT WATER	\$21	\$30	\$38	\$47	\$60	\$68	\$79	\$90
	SPACE HEAT (EXIST. S/F DETACHED)	\$95	\$119	\$143	\$170	\$189	\$218	\$250	
	SPACE HEAT (NEW S/F DETACHED)	\$40	\$53	\$61	\$71	\$81	\$93	\$107	
	SPACE HEAT (EXIST. MULTIPLEX)	\$54	\$73	\$90	\$111	\$128			
	SPACE HEAT (NEW MULTIPLEX)	\$24	\$33	\$41	\$50	\$58			
W T R	INSIDE PORTLAND	\$7	\$10	\$13	\$16	\$20	\$23	\$27	\$31
	INSIDE GRESHAM	\$17	\$19	\$21	\$23	\$26	\$28	\$30	\$33
	OTHER AREAS	\$7	\$10	\$13	\$16	\$21	\$24	\$27	\$31
S W R	SEWER-SINGLE FAMILY DWELLING	\$49	\$56	\$64	\$72	\$84	\$91	\$101	\$111
	SEWER-S/F Troutdale	\$31	\$31	\$31	\$31	\$31	\$31	\$31	\$31
	SEWER-MULTI-FAMILY DWELLING	\$17	\$23	\$30	\$37	\$47	\$54		
GAR	GARBAGE/SOLID WASTE (WEEKLY P/U)	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25
	USE SAME RATE FOR GRESHAM AND OTHER AREAS								
A P L	TENANT OWNED								
	APPLIANCES	REFRIG.	\$3	\$3	\$3	\$3	\$3	\$3	\$3
	CREDIT	RANGE	\$2	\$2	\$2	\$2	\$2	\$2	\$2
TOTAL									

EXISTING SINGLE FAMILY DETACHED OR MULTIPLEX ARE UNITS NOT WEATHERIZED AND CONSTRUCTED IN OR BEFORE 1980  
 WEATHERIZED (3 OF 4) WINDOWS \_\_\_\_\_ CEILING \_\_\_\_\_ FLOOR \_\_\_\_\_ WALLS \_\_\_\_\_

NEW SINGLE FAMILY DETACHED OR MULTIPLEX-DOUBLE GLASS ARE UNITS WEATHERIZED OR CONSTRUCTED AFTER 1980

SERVICE CHARGES ARE FIXED FOR GAS AND WATER/SEWER

ALL CHARGES FOR ELECTRIC ARE AVERAGED BETWEEN PP&L AND PGE

4522 HDD USED IN COMPUTATIONS

LIGHTS INCLUDE REFRIGERATOR, OVERHEAD LIGHTS, LAMPS, AND OUTLETS

REFERENCE HUD-52667 FOR ALLOWANCE TABLES

FMR	
-UA	
MAX	

**NOTE: Effective for annual recertifications, beginning 07/01/10 and for newly issued vouchers, beginning 04/01/10.**

After considering 39 factors, the corresponding dollar amounts are totaled.

What is the proposed new utility allowance schedule?

**Landlord Pays Sewer/Water/Garbage**

Date structure built	0-BD	1-BD	2-BD	3-BD	4-BD	5+BD
Before 1993	\$70	\$94	\$119	\$143	\$179	\$204
Between 1993 and 2008	\$64	\$86	\$108	\$129	\$162	\$184
2008+ (or high building energy efficiency rating)	\$55	\$73	\$91	\$109	\$137	\$155

**Tenant Pays Sewer/Water**

Date structure built	0-BD	1-BD	2-BD	3-BD	4-BD	5+BD
Before 1993	\$110	\$144	\$179	\$223	\$274	\$308
Between 1993 and 2008	\$97	\$126	\$154	\$193	\$236	\$265
2008+ (or high building energy efficiency rating)	\$83	\$106	\$129	\$162	\$197	\$220

**Tenant Pays Sewer/Water/Garbage**

Date structure built	0-BD	1-BD	2-BD	3-BD	4-BD	5+BD
Before 1993	\$135	\$169	\$204	\$248	\$299	\$333
Between 1993 and 2008	\$122	\$151	\$179	\$218	\$261	\$290
2008+ (or high building energy efficiency rating)	\$108	\$131	\$154	\$187	\$222	\$245

Why is this better?

This method reduces the number of dollar amounts on the schedule from 212 to 54. It reduces the number of factors to consider from 39 to 12, and there is no addition involved. Simplifying the utility allowance lessens the chance of errors, makes it easier for staff to understand and explain, and easier for residents and participants to understand.

HAP's standards to determine energy efficiency of a building have not been updated since 1986, and new building codes have raised standards a lot since then. This schedule uses the most recent local rules for energy efficiency.

## Other Rent Reform Policies

### ■ Eliminating requirements for excluded income

#### **What is excluded income?**

Some sources of income are not counted in the calculation of housing assistance, but we still have to ask about them for our reports to HUD. Examples include foster care payments, Earned Income Tax Credit refunds and food stamps.

#### **What is the current policy?**

HAP asks families to self-report the various kinds of excluded income and enters the information in our reports to HUD. HAP does not take the step of verifying this income, since it is not used to calculate housing assistance.

#### **What is the proposed policy?**

HAP would not ask families to report any income that is considered excluded and we would not report the information to HUD. However, HAP will continue to allow Housing Choice Voucher holders (Section 8) to elect to provide this information if they want the opportunity to spend up to 70% of their total income to rent an apartment or house.

#### **Why is this policy proposed?**

The process is both unnecessary and intrusive – families are asked to provide information that has no bearing on the calculation of their assistance from HAP.

### ■ Simplifying the mixed family rent calculation

#### **What is a mixed family?**

A mixed family is made up of citizen(s) or eligible noncitizen(s) and those without eligible citizenship status.

#### **What is the current policy?**

- 1) The rent assistance is determined as usual
- 2) The total eligible family members are divided by the total number in the family (if there are two eligible members out of five total members, it's 2/5 or 40%)
- 3) The "prorated" assistance is determined by multiplying the total rent subsidy by the percent eligible. The family above would receive 60% less assistance than a family with all eligible members.

#### **What is the proposed policy?**

The subsidy for a family with any ineligible members is reduced by a fixed amount of \$100.

#### **Why is this better?**

It is a simplification that reduces paperwork and the possibilities of calculation errors. We have heard from many people that families of immigrant communities may not apply for our housing assistance because the current mixed family rents lower the assistance so much.

## ■ Defining “senior” as 55 years and older

### **What is the current policy?**

HUD defines “elderly” as a person who is at least 62 years of age.

### **What is the proposed policy?**

For the purposes of categorizing households to determine their rent calculation, HAP would define “senior” as a person who is at least 55 years of age.

### **Why is this policy proposed?**

One stated purpose of rent reform is to increase the expectations of work-focused households to contribute to the cost of their housing over time. While many individuals who are 55 and above are capable of earning income, HAP does not want to increase financial expectations on a population of individuals who are nearing retirement and who are already economically vulnerable.

### **Why 55?**

There are a number of sources that provide rationale for defining senior, for the purposes of rent reform, at the age of 55. For example:

- A report by the Employee Benefits Research Institute, updated September 2009 using the March Current Population Surveys of the U.S. Census Bureau, shows that income tends to decrease with age beginning at 55.
- If a building or a community houses at least one person who is 55 or older in at least 80 percent of the occupied units, and adheres to a policy that demonstrates an intent to house persons who are 55 or older, HUD defines it as “housing for older persons” and that building or community is exempt from the prohibition against familial status discrimination.
- HAP’s Moving to Work agreement with HUD states “The Agency is authorized to amend the definition of elderly to include families with a head of household or family member who is at least 55 years old”.
- Northwest Pilot Project begins offering services to seniors at age 55.
- A person can begin withdrawing from their 401(K) with no IRS penalty beginning at 55.

## Hardship Policy

**Statement of Philosophy:** HAP has developed its rent reform proposals with the intention of simplifying the calculation process for residents, participants and staff, as well as to encourage those who can work to contribute to their housing costs over time. The hardship policies are designed to help those currently receiving our assistance to remain stable when the change in rent calculation is made, in the limited cases where the change would cause a large rent increase. Over time, the policies are intended to help households who may see a major increase in their shelter costs due to rent reform.

For those in the work-focused group, HAP recognizes that access to affordable childcare can be a key ingredient to obtaining and keeping full-time employment. HAP intends to work with families to address barriers to employment, including child care, while keeping the calculation of public housing and Section 8 subsidies focused on housing affordability. HAP will seek to increase other resources available to support work efforts of families and will assess the impact of rent reform on employment rates in the years following implementation.

For seniors and people with disabilities with fixed incomes, high medical expenses that are not covered by insurance can cause economic distress and / or difficult choices about important medical care and medications. HAP will work with households through the hardship policy on an ongoing basis to help ensure their housing stability.

HAP will make the process of applying for a hardship accommodation known, easy to understand and to complete.

**Phase-in Process:** Under the following circumstances, public housing residents and Section 8 participants who are in the programs at the time rent reform is implemented will receive an automatic adjustment:

If the household has:	AND	If the rent increase is:
Out-of-pocket childcare expenses above \$2,000 per year, <u>or</u>		More than <u>\$10 per month</u> for seniors and people with disabilities, the increase will be <b>capped at \$10 per month.</b>
Out-of-pocket medical expenses above \$2,000 per year, <u>or</u>		
Four or more dependents		More than <u>\$25 per month</u> for work-focused households, the increase will be <b>capped at \$25 per month.</b>

A household that receives an automatic rent cap under the phase-in policy may request a hardship accommodation if they feel the phase-in does not go far enough in addressing their housing stability.

The phase-in accommodation will last for 12 months from the time of the household's new rent calculation and can be renewed annually through the hardship policy for as long as the circumstances continue. If, for example, a household with high out-of-pocket medical expenses gains comprehensive medical insurance after 12 months, or when a child ages out of childcare, the phase-in accommodation will end.

**Hardship policy:** Households may apply for a hardship review if their total monthly shelter costs (tenant paid rent, including utility allowance) exceed 50% of the total monthly income used to determine their rent subsidy. Section 8 participants who choose to rent housing where the total shelter costs exceed 50% of total monthly income will not qualify for hardship review.

A committee will be established, with representatives from public housing and Section 8, to review hardship requests on a monthly basis. Requests must be received by the 15<sup>th</sup> of each month in order to have a revised rent effective on the first of the next month. In cases when the committee recommends denial of the hardship request, the director or assistant director of the appropriate department will make the final determination. If a household disagrees with a hardship denial, HAP's grievance procedure will be available to them for appeal.

The committee will consider each household's circumstances on a case-by-case basis. The committee will have a menu of remedies to reduce a qualifying household's rent burden. These choices may include, but are not limited to, the following:

1. Set rent a minimum of \$0 for a specific period of time.
2. Extend a utility reimbursement for a specific period of time. (Utility reimbursements end at the beginning of year 3 for work-focused households.)
3. Cap total shelter costs to not exceed 50% of income or other appropriate rate for a specific period of time.

Remedies will be reviewed and either extended or removed after the specified period of time or at the next scheduled recertification.

Recognizing the large scale of changes brought about by this rent reform initiative, HAP will consider other unforeseen circumstances that may arise, and will assess the number and outcomes of hardship reviews over time in order to adjust the policy as needed.

**Interim Reviews:** Households that receive HAP's assistance through public housing and Section 8 currently have the ability to request an interim review to reduce their rent if they experience a loss of income. HAP will continue this policy under rent reform.

## HUD's Definition of Disability

As defined in section 5.403, a person with disabilities, means a person who:

- i) has a disability as defined in Section 223 of the Social Security Act (42 U.S.C.423), or
- ii) is determined by HUD regulations to have a physical, mental or emotional impairment that:
  - a) is expected to be of long, continued, and indefinite duration;
  - b) substantially impedes his or her ability to live independently; and
  - c) is of such a nature that such ability could be improved by more suitable housing conditions, or
- iii) has a developmental disability as defined in Section 102 of the Developmental Disabilities Assistance and Bill of Rights Act(42 U.S.C. 6001(5)).

The definition of a person with disabilities does not exclude persons who have the disease acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome (HIV). However, for the purpose of qualifying for low income housing, the definition does not include a person whose disability is based solely on any drug or alcohol dependence.

**Housing Authority of Portland**  
**Section 8 Voucher Program Payment Standards**  
**Established 07-01-2010**

Manuf. Home Space	SRO	Studio	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed	6 Bed	7 Bed
\$317	\$470	\$626	\$720	\$832	\$1212	\$1456	\$1522	\$1721	\$1919
	\$517 Downtown Portland	\$689 Downtown Portland	\$799 Downtown Portland						

- HAP recently updated its payment standards for one-bedroom, studio and SRO units in the **downtown Portland area**. The downtown Portland area is defined for this purpose as areas that fall within the following five zip codes: **97201, 97204, 97205, 97209, and 97210**.
- The updated payment standards for one-bedroom, studio and SRO units in the **downtown Portland area** are effective 07-01-2010 for new Section 8 participants and participants who are moving.
- For all other Section 8 participants, the new payment standards for one-bedroom, studio and SRO units in the **downtown Portland area** will be used at the next regular / annual reexamination effective on or after 10-01-2010.
- Payment standards for studio and SRO units for **other areas** are used for current participants at the next regular / annual reexamination with an effective date of 05-01-2010 or later.
- Payment standard for one-bedroom units for **other areas** is used for current participants at the regular / annual recertification with an effective date of 11-01-2009 or later.
- Payment standards for all other unit sizes are used for current participants at the regular / annual recertification with an effective date of 05-01-2008 or later.
- Manufactured Home Space FMR is 40% of the FMR for a two-bedroom unit. Payment standard is set at 94% of FMR.
- **Subsidy (bedroom size) Standards:** HAP allows one bedroom for a single Head of Household or a couple living together in a spousal relationship; one bedroom for each two persons thereafter regardless of age or sex. (There may be exceptions to this rule as a reasonable accommodation for a person with disabilities.)

**2010 Payment Standards as a Percentage of HUD Established FMRs**

Bedroom Size	FMR Effective 10-01-2009	Current Payment Standard % Current FMR	
Studio 0 Bed	626	626	100%
		Downtown Portland: 689	110%
1 Bed	726	720	99%
		Downtown Portland: 799	110%
2 Bed	839	832	99%
3 Bed	1222	1212	99%
4 Bed	1467	1456	99%

## LOUIS

### *An imagined single household with disabilities in public housing*

Louis is a 45 year-old man with disabilities who has \$13,300 yearly income from Social Security Disability Insurance (SSDI). He lives in a one-bedroom public housing high-rise and HAP pays for the utilities in the building, so Louis doesn't get a utility allowance.

#### CURRENT RENT METHOD

Louis gets a \$400 annual deduction for having a disability, and he gets a deduction of \$1,001 for eligible, out-of-pocket medical expenses<sup>5</sup>, so his annual adjusted income is \$11,899.

$\$11,899 / 12 \text{ months} = \$992.$

$\$992 \times 30\% = \text{rent of } \$297 \text{ per month.}$

#### NEW RENT METHOD

There are no deductions in the new rent method, so the annual gross income for Louis is \$13,300.

$\$13,300 / 12 \text{ months} = \$1,108$

$\$1,108 \times 27.5\% = \text{rent of } \$305 \text{ per month.}$  Louis would have an \$8 per month rent increase.

## MABEL

### *An imagined single senior household with zero income in public housing*

Mabel gets food stamps, but currently has no income that counts for her rent. That means her rent payment is \$0. She lives in a one-bedroom apartment in a public housing site where she gets a utility allowance of \$61 per month.

#### CURRENT RENT METHOD

\$0 rent + \$61 utility allowance means that *Mabel gets a check each month for \$61* to help pay for her utility costs.

#### NEW RENT METHOD

The new utility allowance for the building where Mabel lives is \$94. \$0 rent + \$94 utility allowance means *Mabel would get a check each month for \$94* to help pay for her utility costs.

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<sup>5</sup> Seniors and people with disabilities currently have a “medical threshold” of 3% of annual gross income, which means they can deduct eligible, out-of-pocket expenses above that amount. In Louis's case, 3% of his annual gross income is \$399. Louis has \$1,400 of eligible expenses, so his deduction is \$1,001.

## LOLA

### *An imagined work-focused household in public housing*

Lola is a single mom with two sons, ages 8 and 11. She gets food stamps, which don't count towards her rent calculation, and annual child support of \$7,200. Lola doesn't work right now, so the child support is her only source of income. She lives in a public housing site where the utility allowance for her two-bedroom apartment is \$115 per month.

#### **CURRENT RENT METHOD**

Lola gets a \$480 deduction for each child, so her annual adjusted income is \$6,240.

$\$6,240 / 12 \text{ months} = \$520.$

$\$520 \times 30\% = \$156.$

$\$156 - \$115 \text{ utility allowance} = \text{rent of } \$41 \text{ per month.}$

#### **NEW RENT METHOD**

##### YEARS 1 & 2

There are no deductions in the new rent method, so Lola's gross annual income is \$7,200. The new utility allowance in her public housing development is \$119 per month.

$\$7,200 / 12 \text{ months} = \$600.$

$\$600 \times 27.5\% = \$165.$

$\$165 - \$119 \text{ utility allowance} = \text{rent of } \$46 \text{ per month.}$  Lola would have a \$5 per month increase.

##### YEARS 3 & 4

- If Lola was still unemployed, still receiving the same amount of child support and the utility allowance was unchanged (we cannot predict what these will be), the calculation would look like this:

$\$600 \text{ monthly income} \times 29\% = \$174.$

$\$174 - \$119 \text{ utility allowance} = \$55.$  This is lower than the minimum rent, so Lola would pay **\$100 minimum rent per month.**

- If Lola gets a part-time job and adds earned income of \$9,000 per year, her calculation would look like this:

$\$16,200 / 12 \text{ months} = \$1,350 \text{ monthly income.}$

$\$1,350 \times 29\% = \$392.$

$\$392 - \$119 \text{ utility allowance} = \$273 \text{ rent per month.}$  In this case, the rent would be higher than the minimum, but Lola would have the benefit of increasing her household income.

### YEARS 5 AND BEYOND

If Lola was still unemployed in year 5, receiving food stamps and child support, she would have a minimum rent of \$200 per month. As in the previous example, if Lola becomes employed, she may have a rent above the minimum, but would also increase her household income.

## DIANA

### *An imagined senior household with a Housing Choice Voucher*

Diana is a 73 year-old who has \$11,200 annual gross income from Social Security. She rents a one-bedroom apartment where the utility allowance is currently \$62.

The payment standard for a 1-bedroom apartment is \$720. Diana's contract rent (the amount the apartment actually rents for) is \$640.

#### **CURRENT METHOD**

Diana gets a \$400 deduction from her annual gross income because she is a senior citizen, so her adjusted income is \$10,800.

$\$10,800 / 12 \text{ months} = \$900.$

$\$900 \times 30\% = \underline{\$270}.$  This number is called the total tenant payment, or TTP.

The contract rent plus utility allowance = \$702. This is called gross rent. To figure out how much assistance Diana gets, we subtract the TTP from the gross rent or the payment standard, whichever is smaller.

$\$702 \text{ gross rent} - \$270 \text{ TTP} = \$432 \text{ of monthly rent assistance.}$

$\$640 \text{ contract rent} - \$432 \text{ rent assistance} = \text{\$208 monthly rent paid by Diana.}$

#### **NEW METHOD**

Diana gets no deduction for being a senior. The new utility allowance for her apartment is \$73.

$\$11,200 / 12 \text{ months} = \$933.$

$\$933 \times 27.5\% = \$257 \text{ TTP.}$

Contract rent + utility allowance = \$713 gross rent.

$\$713 \text{ gross rent} - \$257 \text{ TTP} = \$456 \text{ of monthly rent assistance.}$

$\$640 \text{ contract rent} - \$456 \text{ rent assistance} = \text{\$184 monthly rent paid by Diana.}$  Diana would pay \$24 less per month with the new method.

## ANNA

### *An imagined work-focused household with a Housing Choice Voucher*

Anna is a single mom and lives with her three children, who are between the ages of 4 and 10. Anna works part-time and makes \$1,500 per month. She also receives child support of \$100 per month. Anna's gross annual income is \$19,200 (18,000 wages and 1,200 child support). Anna has a child care co-pay of \$150 per month.

Anna has a Housing Choice Voucher for 3 bedrooms and she has chosen to rent a 3-bedroom house in Portland. The payment standard for this bedroom size is \$1,212. The house Anna has chosen rents for \$1,212 per month ("contract rent"). Since the payment standard is intended to cover rent and utilities and Anna chose a house with a contract rent that equals the payment standard, a utility allowance is not factored in.

#### CURRENT METHOD

Anna gets the following deductions from her gross annual income: \$1,440 for her children (\$480 per year per child) and \$1,800 for out-of-pocket child care expenses. Anna's adjusted annual income is \$15,960, or \$1,330 per month.

30% of Anna's adjusted monthly income is \$399. This number is called the total tenant payment, or TTP.

The monthly rent assistance is \$1,212 payment standard - \$399 TTP = **\$813**

Monthly rent paid by Anna is \$1,212 contract rent - \$813 rent assistance = **\$399**

#### NEW RENT METHOD

##### YEARS 1 & 2

Anna gets no deductions from her annual income. Her TTP is calculated at 27.5% of gross monthly income: \$1,600 x 27.5% = \$440 TTP

The monthly rent assistance is \$1,212 payment standard - \$440 TTP = **\$772**

Monthly rent paid by Anna is \$1,212 contract rent - \$772 rent assistance = **\$440**

<b>Gross monthly income = \$1,600    Tenant rent = \$440 (27.5% of gross monthly income)</b>
--

YEARS 3 & 4

If Anna's income was to stay exactly the same, her TTP is calculated at 29% of gross monthly income:  $\$1,600 \times 29\% = \$464$  TTP

The monthly rent assistance is  $\$1,212$  payment standard -  $\$464$  TTP =  **$\$748$**

Monthly rent paid by Anna is  $\$1,212$  contract rent -  $\$748$  rent assistance =  **$\$464$**

There is no impact from the application of the  $\$100$  minimum rent.

**Gross monthly income =  $\$1,600$  Tenant rent =  $\$464$  (29% of gross monthly income)**

YEARS 5 AND BEYOND

Anna's TTP is calculated at 31% of gross monthly income:  $\$1,600 \times 31\% = \$496$  TTP

The monthly rent assistance is  $\$1,212$  payment standard -  $\$496$  TTP =  **$\$716$**

Monthly rent paid by Anna is  $\$1,212$  contract rent -  $\$716$  rent assistance =  **$\$496$**

There is no impact from the application of the  $\$200$  minimum rent.

**Gross monthly income =  $\$1,600$  Tenant rent =  $\$496$  (31% of gross monthly income)**

## Appendix C: Rent Reform – Impact Analysis

### About the Households<sup>1</sup> (Current State)

	ALL HOUSEHOLDS	% OF ALL HOUSEHOLDS	# OF WORK-FOCUS	% OF WORK-FOCUS	# OF SENIORS/PWD <sup>2</sup>	% OF SENIORS/PWD <sup>2</sup>
ALL	9,895	100%	4,232	100%	5,663	100%
Gross income less than \$5000	1,351	14%	902	21%	449	8%
Zero income	666	7%	404	10%	262	5%
Receive utility reimbursement	1,009	10%	768	18%	241	4%
Children in household	3,892	39%	3,249	77%	643	11%
Single parents	2,687	27%	2,297	54%	390	7%
Female head of household	6,926	70%	3,541	84%	3,385	60%
Ceiling rents (PH only) <sup>3</sup>	127	1%	63	1%	64	1%
Four or more dependents	205	2%	129	3%	76	1%
Claim childcare expenses >\$2000	181	2%	179	4%	2	0%
Claim medical expenses > \$2000	299	3%	4	0%	295	5%

<sup>1</sup>Households may fall into multiple categories on this chart. Highlighted data fields indicate those that may qualify for phase-in or hardship consideration.

<sup>2</sup>People with Disabilities

<sup>3</sup>Ceiling rents are the maximum rents charged in public housing. These have not been updated for some time and will be changed to Section 8 payment standards through rent reform. We expect these households to see rent increases.

### Additional work-focused household information

- Average household total income: \$11,536 (includes non-wage sources)
- Average household employment income: \$6,792 (earned income from wages, self-employment)
- 57% of households currently pay rent more than \$100

Household Impact: Rent Changes

ALL household rent changes <sup>1</sup>	Year 1		Year 2		Year 3 <sup>2</sup>	
	By Household	By Percentage	By Household	By Percentage	By Household	By Percentage
Rent decreases <sup>3</sup>	5,866	59%	5,866	59%	4,743	48%
Rent increases	3,642	37%	3,642	37%	4,951	50%
No change in rent	387	4%	387	4%	201	2%
<b>TOTAL HOUSEHOLDS</b>	<b>9,895</b>	<b>100%</b>	<b>9,895</b>	<b>100%</b>	<b>9,895</b>	<b>100%</b>
ALL household rent increase increments <sup>1</sup>	Year 1		Year 2		Year 3 <sup>2</sup>	
	By Household	By Percentage	By Household	By Percentage	By Household	By Percentage
< \$25	2,593	71%	2,342	64%	1,964	40%
\$25 to \$50	794	22%	650	18%	838	17%
\$50 to \$100	77	2%	313	9%	934	19%
\$100 to \$200	80	2%	184	5%	850	17%
> \$200	98	3%	153	4%	365	7%
<b>TOTAL RENT INCREASES</b>	<b>3,642</b>	<b>100%</b>	<b>3,642</b>	<b>100%</b>	<b>4,951</b>	<b>100%</b>

<sup>1</sup>Potential effects of the hardship policy are not taken into account in these projections  
<sup>2</sup>Year 3 work-focused changes include 29.0% income calculation and \$100 minimum rent  
<sup>3</sup>96% of rent decreases are \$50 or less, and nearly 80% of those are \$25 or less

Household Impact: Shelter Burden<sup>4</sup>

Populations	Shelter burdens		
	Year 1	Year 2	Year 3
All Households	27.1%	27.6%	30.1%
Work-focused Households	27.1%	27.8%	33.2%
Seniors/PWD Households	27.0%	27.4%	27.4%
Populations	Shelter burden changes vs. baseline		
	Year 1	Year 2	Year 3
All Households	-0.5%	0.1%	2.5%
Work-focused Households	-0.3%	0.4%	5.8%
Seniors/PWD Households	-0.6%	-0.2%	-0.2%

<sup>4</sup>For the purposes of rent reform, shelter burden is defined as rent + utility allowance divided by gross income

Household Impact: Work-focused Population

Work-focused household rent changes <sup>1</sup>	Year 1		Year 2		Year 3 <sup>2</sup>	
	By Household	By Percentage	By Household	By Percentage	By Household	By Percentage
Rent decreases	1,812	43%	1,812	43%	689	16%
Rent increases	2,199	52%	2,199	52%	3,508	83%
No change in rent	221	5%	221	5%	35	1%
<b>TOTAL Work-focused Households</b>	<b>4,232</b>	<b>100%</b>	<b>4,232</b>	<b>100%</b>	<b>4,232</b>	<b>100%</b>
Work-focused household rent increase increments <sup>1</sup>	Year 1		Year 2		Year 3 <sup>2</sup>	
	By Household	By Percentage	By Household	By Percentage	By Household	By Percentage
< \$25	1,392	63%	1,392	63%	1,014	29%
\$25 to \$50	665	30%	419	19%	607	17%
\$50 to \$100	53	2%	199	9%	820	23%
\$100 to \$200	33	2%	88	4%	754	21%
> \$200	56	3%	101	5%	313	9%
<b>TOTAL WORK-FOCUSED RENT INCREASES</b>	<b>2,199</b>	<b>100%</b>	<b>2,199</b>	<b>100%</b>	<b>3,508</b>	<b>100%</b>

Household Impact: Senior/People with Disabilities Population

Seniors/People with disabilities household rent changes <sup>1</sup>	Year 1		Year 2		Year 3	
	By Household	By Percentage	By Household	By Percentage	By Household	By Percentage
Rent decreases	4,054	72%	4,054	72%	4,054	72%
Rent increases	1,443	25%	1,443	25%	1,443	25%
No change in rent	166	3%	166	3%	166	3%
<b>TOTAL Senior/PWD households</b>	<b>5,663</b>	<b>100%</b>	<b>5,663</b>	<b>100%</b>	<b>5,663</b>	<b>100%</b>
Seniors/PWD household rent increase increments <sup>1</sup>	Year 1		Year 2		Year 3	
	By Household	By Percentage	By Household	By Percentage	By Household	By Percentage
<\$10	523	36%	523	36%	523	36%
\$10 to \$25	678	47%	427	30%	427	30%
\$25 to \$50	129	9%	231	16%	231	16%
\$50 to \$100	24	2%	114	8%	114	8%
\$100 to \$200	47	3%	96	7%	96	7%
> \$200	42	3%	52	4%	52	4%
<b>TOTAL SENIOR/PWD RENT INCREASES</b>	<b>1,443</b>	<b>100%</b>	<b>1,443</b>	<b>100%</b>	<b>1,443</b>	<b>100%</b>

<sup>1</sup>Potential effects of the hardship policy are not taken into account in these projections  
<sup>2</sup>Year 3 work-focused changes include 29.0% income calculation and \$100 minimum rent

Impact by Race: All Households

<b>CURRENT RACE PROFILE: ALL HOUSEHOLDS</b>						
	<b>White</b>	<b>Black</b>	<b>Amer Ind</b>	<b>Asian</b>	<b>Pac Islander</b>	<b>Hispanic</b>
% Households	53.58%	31.44%	2.94%	4.51%	0.67%	6.87%
Shelter burden (current)	27.34%	27.04%	27.41%	27.82%	27.27%	30.72%
<b>Year 1 Impact by Race</b>						
	<b>White</b>	<b>Black</b>	<b>Amer Ind</b>	<b>Asian</b>	<b>Pac Islander</b>	<b>Hispanic</b>
% Rent increase	32.88%	43.56%	36.35%	31.40%	43.52%	39.71%
% Rent decrease	62.72%	53.21%	57.86%	67.60%	51.18%	56.18%
Shelter burden (expected)	26.90%	26.77%	27.15%	26.81%	27.53%	29.45%
<b>Year 2 Impact by Race</b>						
	<b>White</b>	<b>Black</b>	<b>Amer Ind</b>	<b>Asian</b>	<b>Pac Islander</b>	<b>Hispanic</b>
% Rent increase	32.88%	43.56%	36.35%	31.40%	43.52%	39.71%
% Rent decrease	62.72%	53.21%	57.86%	67.60%	51.18%	56.18%
Shelter burden (expected)	27.39%	27.29%	27.56%	27.32%	27.70%	30.25%
<b>Year 3 Impact by Race</b>						
	<b>White</b>	<b>Black</b>	<b>Amer Ind</b>	<b>Asian</b>	<b>Pac Islander</b>	<b>Hispanic</b>
% Rent increase	43.39%	61.54%	52.71%	41.37%	62.09%	52.57%
% Rent decrease	54.14%	37.06%	45.05%	58.18%	37.91%	44.78%
Shelter burden (expected)	29.29%	30.43%	31.76%	28.27%	32.31%	32.70%

Overall Financial Impact<sup>1</sup>

<b>Overall financial impact</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>
Section 8 Housing Assistance Payment change <sup>2</sup>	\$2,190	-\$454,748	-\$2,543,444	-\$2,543,444
% Housing Assistance Payment change	0%	-1%	-5%	-5%
Public Housing rent change	-\$9,279	\$118,357	\$734,236	\$734,236
% Public Housing rent change	0%	2%	15%	15%

<sup>1</sup>Potential effect of the hardship policy not factored into these projections.

<sup>2</sup>Housing Assistance Payments are made to landlords by Section 8, so negative numbers show reduced Section 8 expenditures.

Conversely, negative numbers in public housing mean reduced rental revenue, and positive numbers mean increased rental revenue.

Appendix D:

Public Notice

**The Oregonian**  
EST. 1850

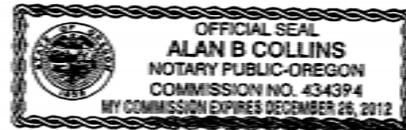
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Affidavit of Publication

I, Jenni Heuer, duly sworn depose and say that I am the Principal Clerk Of The Publisher of The Oregonian, a newspaper of general circulation, as defined by ORS 193.010 and 193.020, published in the city of Portland, in Multnomah County, Oregon; that the advertisement was published without interruption in the entire and regular issue of The Oregonian on the following date(s):

10/31/2010, 11/7/2010



Jenni Heuer

Principal Clerk of the Publisher:

11/8/10

Subscribed and sworn to before me this date:

Alan B. Collins

Notary:

Ad Order Number: 0003070756

**PUBLIC HEARING**The Housing Authority of Portland (HAP) will hold a public hearing on Tuesday, November 16, 2010 @ 6:15 pm at the Multnomah County Building, 501 SE Hawthorne Blvd, Portland, OR. The purpose of this meeting is to inform and seek input from the public, including current and potential residents / participants, concerning initiatives that HAP is proposing under the Federal Department of Housing and Urban Development's national demonstration program called "Moving to Work" (MTW). HAP's proposed initiatives, including significant measures to reform our rent policies and other major policy initiatives planned for the upcoming year, are outlined in the "Draft FY2012 MTW Annual Plan." The draft plan is available for viewing on HAP's website:

<http://www.hapdx.org/mtw> Federal regulations under MTW authority emphasize cost efficiency, resident self-sufficiency and increased housing choices.

## Appendix E:

### Public Comment

HAP held two community stakeholder meetings for the MTW plan on November 8<sup>th</sup> and 9<sup>th</sup>, 2010, as well as a public hearing on November 16<sup>th</sup>, 2010. The comments, questions and responses below were received at those sessions, as well as a few comments received about rent reform during the community outreach process specific to that initiative (described in detail on page 44).

#### **Topic: Activity FY2012-P1 – Rent Reform**

*What about households enrolled in the current self-sufficiency programs?*

Those programs will continue, and participants in those programs will probably have their rent calculated the same way it is now. It's also possible we may create additional self-sufficiency programs through MTW Initiative Funds.

*How will upcoming rent increases be communicated to tenants? Will there be staff support to make sure people are prepared to pay minimum rents?*

For households that are currently at zero-income, there will be six-month check-ins where staff can connect folks with services to help find employment or establish income. Overall, this is an opportunity to change HAP's relationship and communication with residents, and connect them to resources in the community.

*Do the tables in the analysis account for lowering the age of "senior" to 55?*

Yes.

*Have landlords been updated on the changes?*

The way landlords have received payment will not change. We plan on doing outreach to landlords when we get closer to implementation.

*What percentage of work-focused families stay on HAP assistance for more than three years?*

We don't know the percentage of work-focused families who stay for longer than three years, but the average length of participation in our programs is 5-7 years.

*What is HAP's current plan for the savings realized through rent reform?*

HAP has made a commitment to put any additional funds realized through rent reform back into the programs. The funds may be used to cover hardship requests, used to create supports for finding employment, or to serve additional low-income households.

*What is the current process to qualify for designation as disabled?*

Individuals can be verified through social security, or by a professional, that they meet the HUD definition for disabled.

*For elderly/disabled households, three years between reviews is a long time for folks to go without an adjustment to payment standards, while landlords are raising rent annually. Could a landlord rent increase trigger an adjustment to the payment standard?*

HAP is working on our technology to see if we have the ability to make batch adjustments. We'd like those adjustments to be an automatic change once every year. Basing payment standard changes on a landlord rent increase would create an uneven system for some tenants who maybe don't see landlord rent increases very often.

*Will zero-income households have to submit monthly paperwork in addition to the six-month check ins?*

We stopped requiring monthly paperwork for zero-income households in 2009. Zero-income households will only have the six-month face-to-face check-ins.

*With regards to the utility allowance chart, will it be easy for tenants to figure out when a building was built?*

Their landlord should be able to provide them with that information relatively easily.

*How will the revised calculation for ineligible members affect mixed families?*

An analysis of those families and their current rents indicates the change will benefit the vast majority of them.

*What if at an interim review, the household has lost so much income it drops them below minimum rent?*

At that time, the household could apply for a hardship policy.

*If a work-able household has an injury or an illness, can they request an interim review?*

Yes. This is also our current policy.

*Are you going to track how many work-focused families you lose?*

Among other things, we will track hardship requests, income changes for work-focused families and turnover rates. We currently track reasons people exit our programs and plan to continue to do so. In addition, we've budgeted for a larger analysis of the policy, which may be done by a contracted third party.

*Have other housing authorities who have done rent reform examined the turnover costs for landlords?*

HAP isn't aware of any other housing authorities that have specifically studied that impact.

*Assuming this activity is approved, when will this be implemented for households?*

HAP would not implement until spring 2011 at the earliest. Once implementation begins, households will likely be moved to the new rent calculation on their next review, with possible exceptions for households who don't have a regularly scheduled review for the longest time.

*The activity says that student income is now included. Does this create a disincentive for individuals to go to school?*

This change will only impact a very small number of households, because the policy only applies to adult members who are not the head, co-head or spouse. HAP does not expect this to create a disincentive to go to school for these individuals. HAP has clarified the language about this policy in the MTW plan in response to the question.

*One commenter expressed concern that in the current economy, minimum rents will have an adverse impact on households.*

HAP acknowledges this concern. We think it's important to have incentives to contributing to rent, and to remove disincentives to working. We feel the hardship policy will help to create protections for struggling families.

*One commenter expressed appreciation for changing the definition of senior to 55, while expressing concern about the impact of minimum rent. The commenter was particularly concerned about the minimum rent on households with high medical expenses. HAP provided a copy of the hardship policy, which is expected to address these situations.*

*One commenter expressed appreciation for the number of steps simplified through rent reform.*

*One commenter expressed support for the simplified utility allowance chart.*

*One commenter requested that if a family that isn't currently designated as disabled, they receive a notice that they have an opportunity to seek that designation. HAP will consider this request when implementing the new policy.*

*One commenter requested that HAP include explicit language in the plan about the intention to automate payment standard adjustments. HAP has added language to the MTW plan that reflects our intended approach to payment standard adjustments in response to this request.*

*One commenter expressed appreciation of the phase-in policies, which will help residents and participants adjust to the changes.*

*One commenter said the rent reform policies HAP is proposing make a lot of sense. The policies give people incentives to earn more money, without being overly burdensome on families.*

*One commenter said current rent calculation disincentives make people choose options that may damage long-term employment, such as staying with an on-call position instead of moving to full time, or turning down pay increases.*

*One commenter said rent reform dovetails nicely with streamlined reporting requirements in local and state programs.*

*One commenter said that rent reform policies for seniors and people with disabilities were well thought out and well-communicated. The commenter commended staff for making a policy change that will be an improvement for those populations.*

#### **Topic: Activity FY2012-P2 – Local Blended Subsidy**

*Does this activity serve as part of the one-for-one replacement strategy?*

Not entirely, but this activity will provide the opportunity for more units to come online.

*Will protections for tenants still be the same in these units?*

These units will be considered public housing units, and will have the same protections.

**Topic: Activity FY2012-P3 – Local project-based voucher program**

*I understand why you have different waiting lists for each property, but is there the ability to standardize those processes for each separate waiting list?*

HAP tries to provide as much information as possible for participants interested in leasing at a project-based property, but this may be an opportunity to improve those efficiencies.

**Topic: Activity FY2012-O3 – Measures to improve the rate of voucher holders who successfully lease up**

*One commenter requested that HAP emphasize the increased outreach to landlords that Section 8 staff has done to help participants find housing.*

**Topic: MTW Initiative Funds**

*Is the \$500,000 in capital repairs specifically earmarked?*

Those funds are intended to be used at Eliot Square for the Public Housing Preservation Initiative.

*Can you explain the line item around expansion of benefits?*

HAP has had good success contracting with a nonprofit that helps residents access benefits. This line item further supports that work.

*One commenter expressed enthusiasm about the creativity throughout the MTW Plan, but especially about allocation of funds for Short Term Rent Assistance, which has been a successful program and is important to continue funding. Expansion of benefits is also a very important program element; the commenter encouraged HAP to coordinate with city, county and state efforts around this activity as well.*

**Topic: General Housing Authority Information – Waiting List Information**

*What was the reaction from residents around removal of the “first available” waiting list for public housing?*

We have had very few instances where an open “first available” list would have changed where residents applied for housing. Often, folks apply for the open options only. There has been no significant reaction to this change.

## Appendix F:

### November 16, 2010 Board Minutes



**HOUSING AUTHORITY OF PORTLAND  
BOARD OF COMMISSIONERS MEETING MINUTES  
November 16, 2010  
Housing Authority of Portland  
135 SW Ash Street, Portland, OR 97204**

#### **COMMISSIONERS PRESENT**

Chair Lee Moore, Vice Chair Harriet Cormack, Treasurer David Widmark, Chair Emeritus Jeff Bachrach, Commissioners Gretchen Kafoury, Brian Lessler, Amie Pico and Shelli Romero

#### **STAFF PRESENT**

Steve Rudman, Katie Such, Shelley Marchesi, Dianne Quast, Mike Andrews, Todd Salvo, Rebecca Gabriel, Michael Buonocore, John Keating, John Manson, Rachael Duke, Cinna'Mon Williams, Jill Riddle, Peter Beyer, Celia Strauss, Pamela Prideaux

#### **LEGAL COUNCIL**

Steve Abel

Chair Moore called the meeting to order at 6:17pm. Moore began by acknowledging memos that were exchanged between Commissioner Pico and Chair Emeritus Bachrach. Moore said that it is healthy for the board to engage in productive exchanges and that we should use this experience as a model going forward. Pico said that much discussion took place about self-sufficiency and more details about expectations and how they are supported when they reach that point. Chair Moore suggested continuing this discussion at a later time.

#### **PUBLIC COMMENT**

Monica Card, a Section 8 recipient expressed frustration regarding paperwork for a medical review. Card said she was asked to provide the paperwork to HAP, which she said she did. She was contacted two weeks later and was told the paperwork hadn't been turned in. Card said the person on phone was rude, as well as the person who originally accepted her paperwork. Her question was about whom she should communicate with to get re-certified, and what the difference is between a medical review and a regular review. Chair Moore pointed out Jill Riddle, Director of Rent Assistance, and suggested they talk about the issue further.

#### **MEETING MINUTES**

Chair Moore called for a motion to adopt the minutes of the regular October 19, 2010, Board of Commissioners meeting. Commissioner Romero moved to adopt and Vice Chair Cormack seconded the motion.

**The vote was as follows:**

**Chair Moore – Aye**  
**Vice Chair Cormack – Aye**  
**Treasurer Widmark – Aye**  
**Chair Emeritus Bachrach– Aye**  
**Commissioner Kafoury– Aye**  
**Commissioner Romero – Aye**  
**Commissioner Lessler – Aye**  
**Commissioner Pico – Aye**

**CONSENT CALENDAR**

**Resolution 10-09-02**

Authorize Amendment to the Moving to Work Agreement Attachment A  
There was no further discussion or questions.

**Resolution 10-11-01**

Authorize Unthank Plaza Elevator Modernization.  
There was no discussion or questions regarding Resolution 10-11-01.

Commissioner Romero moved to adopt and Vice Chair Cormack seconded the motion for both resolutions.

**The vote was as follows:**

**Chair Moore – Aye**  
**Vice Chair Cormack – Aye**  
**Treasurer Widmark – Aye**  
**Chair Emeritus Bachrach– Aye**  
**Commissioner Kafoury– Aye**  
**Commissioner Romero – Aye**  
**Commissioner Lessler – Aye**  
**Commissioner Pico – Aye**

**REPORTS / RESOLUTIONS**

**Executive Director's Report**

Executive Director Steve Rudman began by saying that tonight is an important night because of the Moving To Work plan for next year. The plan starts to put meat on the bones of the rent reform initiative of how we serve our residents and workable families, and the 10,000 children that are living in Section 8 households. We are asking HUD to contemplate various issues as we roll them into the budget. Rudman said that the exchange between Commissioner Pico and Chair Emeritus Bachrach was healthy as we learn to recognize our different populations. He went on to say that HAP is trying to incorporate some of the initiatives that were passed in September. Rudman said that rent reform is a huge piece for us and important as we move forward and that we have tried to simplify the process and, in a non-punitive way, encourage folks to look at this as an opportunity to move forward. Another initiative is the application of the Hope VI grant for Hillside Terrace. Rudman said the regional HUD administration folks and the director of the local HUD office went out to the property. Since applying for the grant the first time, our partnerships are stronger, we are purchasing additional property, and feel optimistic about submitting this application.

Rudman announced that Commander Ferraris and Sgt. Gorgone, from the Portland Police Bureau will be talking later about how the community policing team is doing at New Columbia, adding that Sgt. Gorgone has been a major leader at Camp Rosenbaum and teaches the gang resistance program.

Executive Director Rudman ended his report by saying that the December Board meeting will be a week earlier due to the holiday. He invited the board to the annual HAP employee get together and shared information about the volunteering opportunities being offered to the employees the morning before the event.

### **HAP's FY2012 Moving to Work Plan**

Michael Buonocore provided some background information on the public hearing process timeline for the Moving to Work plan and said that additional analysis requested by the board is being worked on and that after the hearing he can come back and address the board.

Joe Gardiner, Community Alliance of Tenants, shared his concern with the issue regarding residents being asked to pay for their own medications as part of rent reform, saying that the wording leaves little room for dialogue. He asked if HAP could create more clarity about how residents can receive assistance for medicine.

Vice Chair Cormack said that information is included in the hardship policy and asked if he had read that. Gardner said he hadn't seen that part and thanked her for pointing it out to him.

Commissioner Pico said she encouraged the Resident Advisory Committee (RAC) members to attend the public hearing in support of the memo inserted in the Board packet. She asked what the Board and HAP staff believes it means to be self-sufficient and how challenging it is. Pico said she would like to table the conversation and Chair Moore suggested that the Board have a work session to discuss the issue at length. He also thanked the RAC members for coming and showing interest.

Vice Chair Cormack shared that she and Commissioner Pico attended an outreach session that included advocates and that they were, generally, supportive of the work laid out in the Moving to Work report.

Michael Buonocore thanked Joe Gardiner for attending the Board meeting, adding that HAP said we would develop a hardship policy, but that the policy had not yet been published. He said he could give him a copy tonight.

Commissioner Romero said that this is really good work and understands that it is not easy; and that it speaks to the leadership of HAP. Rudman asked how long the period is for accepting written public comments and if the Board will have notes on whom attended and made comments. Buonocore said he would provide it for the next work session.

Chair Emeritus Bachrach had a comment about the MTW report regarding discretionary spending and if in the report it is asking for the ability to spend or does the Board approve spending. Rudman said that reading through the full report, which uses a particular format, it is not as easy to read as the memo, adding that there are initiatives that have not yet been fully formed.

The public hearing was closed at 6:57pm.

### **Resolution 10-11-02**

#### **Authorize Submittal of Hillsdale Terrace HOPE VI Grant**

Mike Andrews introduced the resolution. He said there has been a good turnout and good discussions at the Hillsdale Terrace Community Advisory Committee meetings, led by Vice Chair Cormack, as co-chair, and that the work session packet capstone paper covered much of the

detail discussed at the meetings. As a result of the CAC meetings, everyone has become more informed about the distress of the property and we were able to solidify what went into our document. The meetings had a positive tone and folks are eager to achieve change. Andrews said he is proud of what everyone has done to prepare the application. He closed by saying that Resolution 10-11-02 authorizes the submission of the grant application and commits resources to the project. He then introduced John Keating who provided a summary and took questions from the Board.

John Keating, Assistant Director of Community Building, began by saying that this journey began 18 months ago. Families have been talking about HOPE VI at ten resident meetings/suppers, providing an opportunity to drill down with families what is important. There are 114 children living at Hillsdale Terrace and activities are needed. We received a lot of input about the GOALS program, self-sufficiency, health concerns, but we also conducted several surveys, including one in-depth about children under five. Hunger, the inability to access healthy food, and after school activities were all addressed. Families love the schools in the area and they have an amazing endurance and willingness to want to achieve. 18 months ago only three families were in the GOALS program and now there are eight. Working families are still working and there is a determination for things to be better.

Keating explained that letters of support from our partners are required to include dollar amounts and they need to commit to support five years of programming. HAP received \$7 million in commitments from 36 organizations who know Hillsdale Terrace very well. WorkSystems Inc. (WSI) supports families who want better jobs and training, the Mayor's office made a commitment to earmark funds for youth employment. Big Brother Big Sister's goal is to provide a mentor for every child at Hillsdale Terrace. Multnomah County committed an \$800,000 health initiative. Keating said that all major funding is in place and HAP is ready to resubmit the application and is ready to tell HUD that we asked for advice and we took it.

Andrews added that the City of Portland made a commitment of \$5 million and that all major subsidies are in place and that the only thing left is the HOPE VI grant. He said the development program includes 129 units of housing, of which 120 are on site and seven homeownership properties. A site has been secured a quarter mile from Hillsdale Terrace (HDT) and Habitat for Humanity will give preference to HDT residents.

Commissioner Romero asked if HAP has received congressional support and Andrews said yes, from two senators and three members of Congress.

Treasurer Widmark asked how many units will Habitat for Humanity develop and Andrews said there will be seven houses on one property, one of which will be ADA.

Commissioner Romero asked if we had concerns about devaluation of the LIHTC. Andrews answered that we've received a letter for the equity investor and we are relying on that pricing, adding that there is a modest upward trend for strong projects such as this one.

John Keating said that residents have asked if they get to return. He explained that all relocated residents will have the first right to return to the new property. Everyone will be screened like a new applicant, but the screening time period goes back only to when the relocation happened. He said that residents are already excited to move back, adding that 13 units will accept Section 8 vouchers. In any other circumstance a resident would have to give up their voucher.

Executive Director Rudman added that Hayhurst Elementary asked to host a meeting between Section 8 landlords because there are not many in that area. Jill Riddle, Director of Rent Assistance, is looking at options to entice more landlords to participate in the program. Rudman said that his is optimistic. Keating added that at the last CAC meeting, both neighborhood associations said they would like to help network potential Section 8 landlords as well.

Commissioner Lessler commented that on the renderings what is shown presents a very habitable pedestrian layout and that the construction methodology makes sense, adding that the project will be a tremendous neighborhood addition.

Commissioner Lessler then made a motion to approve and Commissioner Romero seconded the motion.

**The vote was as follows:**

**Chair Moore – Aye**  
**Vice Chair Cormack – Aye**  
**Treasurer Widmark – Aye**  
**Chair Emeritus Bachrach– Aye**  
**Commissioner Kafoury– Aye**  
**Commissioner Romero – Aye**  
**Commissioner Lessler – Aye**  
**Commissioner Pico – Aye**

**Resolution 10-11-03**

**Authorize Construction Contract for Unit Work at the Jeanne Anne Apartments**

Mike Andrews introduced the resolution. John Manson walked the group through the scope of work. He said a unit-by-unit inspection took place by the development staff and real estate operations to look at potential upgrades for safety and operating efficiency. We received seven bids, when we are used to getting four or five bids. All the bids were over budget, but they identified the right number for this scope of work so we consulted with purchasing about how to proceed and we added \$110,000 to the bid and worked with the lowest bidder to achieve \$50,000 less in the scope of work. We are working with Pavillion, whose bid was \$807,350 and includes a 22% target business participation.

Manson went on to say that costs came in about \$160,000 higher than we budgeted. The original budget for Phase 1 and Phase 2 was \$1,028,000. Phase 1 previously was awarded for \$200,000. The new budget is \$1,138,000 for total construction. Andrews shared the changes of the scope of work to assist in adjusting the original budget.

Chair Moore asked to see some worksheets to track it. Vice Chair Cormack asked if consistent things are going to be done throughout the property. Manson said ventilation will be upgraded, new cabinets will be installed in half of the units, new heaters, and some new floor coverings. Chair Moore commented that we knew what was needed going in.

Commissioner Lessler asked about the low bidder and what the range of the bids was, adding that he was wondering if we're getting the market rate. Manson said the high bid was \$1.26 million and that the three lowest bids ranged from \$857,000 to \$860,000. Treasurer Widmark moved to approve the resolution and Commissioner Kafoury seconded the motion.

**The vote was as follows:**

**Chair Moore – Aye**  
**Vice Chair Cormack – Aye**  
**Treasurer Widmark – Aye**  
**Chair Emeritus Bachrach– Aye**  
**Commissioner Kafoury– Aye**  
**Commissioner Romero – Aye**  
**Commissioner Lessler – Aye**  
**Commissioner Pico – Aye**

#### **Resolution 10-11-04**

#### **Authorize New Columbia Community Policy Expanded Intergovernmental Agreement**

Dianne Quast introduced the resolution by saying that with the death that happened this summer there is a need to increase the number of police officers assigned to the community.

Commander Jim Ferraris provided some background information. He said that back in 2006 when New Columbia was about to open he and Steve Rudman discussed starting a cooperative partnership. HAP funded one officer and Ferraris agreed to fund the other. There was a spike in gang activity in 2007, and funding was provided for an additional officer. In the wake of Billy Moore's death, Rudman and Ferraris met to reassess and agreed to expand services to seven days a week. Now the four-person team is going great, and this is an outstanding partnership that is unique to any in the city. He then turned the discussion over to Sgt. Bob Gorgone.

Sgt. Gorgone explained that he took over the detail at New Columbia in August 2010. He said the officers assigned to New Columbia are young, enthusiastic, like minded, and that they truly want to be there, adding that there was a selection process to get this detail. Gorgone said there are two goals of the team; relationship building and community policing. He reported that the weekly meetings with HAP are going great and that one officer on the detail teaches the GREAT program at Rosa Parks Elementary and has also attended Camp Rosenbaum for several years. He then provided various crime statistics between August 4, 2010 and October 31, 2010.

Commander Ferraris said that although there seems like a lot of activity, criminal activity is down and that the goal is to take the officers out of enforcement and work on community building.

Ben Wickham said the team is doing an excellent job and that it is making a big difference in safety and livability at New Columbia. He said that McCoy Park is a safer place due partly to effective lease enforcement, adding that 15 households need to move, 10 families are gone, and three are in eviction proceedings. Wickham stressed that there are many wonderful people living at New Columbia with only a few households involved in criminal activity. Wickham stated the community policing approach is very effective and that there is now a diverse group of folks who attend the community meetings. Many young folks have expressed an interest in getting involved and a goal is to create a youth council and a community council, also strengthening HAP's partnership with Neighborhood House. He said that the HAP team who provide services to residents are focusing on programs for young people adding that a program through One Economy teaches technology and goes throughout the year. The team is also looking at opportunities for collaboration with the North Precinct.

Chair Moore asked for comments or questions. Commissioner Romero asked how HAP is paying for the two additional officers and Rudman said there is dedicated revenue from New Columbia, adding that we have terrific allies and that the community is just five years old and just emerging, saying that we are grateful for this partnership with the police department.

Chair Emeritus Bachrach asked if we will always need to maintain this level of policing. Commander Ferraris said there is a need to keep the population in perspective and that they are now finding a balance and that for now four officers seems to be the right number to provide necessary services. He added that we will probably need to continue this level of commitment and that it is less about enforcement and more about safety and security.

Chair Moore said that we took our eye off the ball and thought things were going well, adding that the officers are doing a great job. He said that it is not just a summer issue, but a weather issue and that in such a diverse community, relationships are important.

Vice Chair Cormack asked about flash mobs and gang problems. Sgt. Gorgone said a lot of trouble makers were coming from outside the community and that it is important to work with the Parks Bureau on cross exclusions, adding that the colder weather has helped and also because it's getting dark earlier. He said that there is a big difference with knowing the residents and seeing cops driving by to greet them.

Chair Moore called for a motion and Commissioner Kafoury made a motion to approve the resolution. Treasurer Widmark seconded the motion.

**The vote was as follows:**

**Chair Moore – Aye**  
**Vice Chair Cormack – Aye**  
**Treasurer Widmark – Aye**  
**Chair Emeritus Bachrach– Aye**  
**Commissioner Kafoury– Aye**  
**Commissioner Romero – Aye**  
**Commissioner Lessler – Aye**  
**Commissioner Pico – Aye**

**ADJOURN**

Chair Moore adjourned the regular Board of Commissioners meeting at 7:51pm.

**EXECUTIVE SESSION**

Following adjournment, the Board of Commissioners of the Housing Authority of Portland did not meet in Executive Session pursuant to ORS 192.660(2).

**Attached to the Official Minutes of the Housing Authority of Portland are all Resolutions adopted at this meeting, together with copies of memoranda and material submitted to the Commissioners and considered by them when adopting the foregoing Resolutions. A taped recording of the proceedings is also kept on file.**

Celia M. Strauss  
Recorder, on behalf of  
Steven D. Rudman, Secretary

**ADOPTED: December 14, 2010**

**HOUSING AUTHORITY OF PORTLAND**

\_\_\_\_\_  
Lee E. Moore, Sr., Chair

**ATTEST:**

\_\_\_\_\_  
Steven D. Rudman, Secretary

## Appendix G: Public Comment & Board Resolution for FY2012 Plan Modification

In March 2011 HAP made modifications to the FY2012 Plan being considered by HUD for approval. The following is the public process and Board resolution related to the modification.

### Meetings Held:

Feb 22, 2011 – Resident Advisory Committee Meeting  
Feb 28, 2011 – Holgate House Resident Meeting  
March 1, 2011 – Dahlke Manor Resident Meeting  
March 1, 2011 – Community Stakeholders Meeting  
March 2, 2011 – Sellwood Center Resident Meeting  
March 2, 2011 – Gallagher Plaza Resident Meeting

March 3, 2011 – Hollywood East Resident Meeting  
March 3, 2011 – Ruth Haefner Plaza Resident Meeting  
March 7, 2011 – Northwest Tower/Annex Resident Meeting  
March 8, 2011 – Medallion Apts Resident Meeting  
March 9, 2011 – Schrunk Riverview Resident Meeting  
March 10, 2011 – Williams Plaza Resident Meeting  
March 15, 2011 – Public Hearing at Board Meeting

### Questions/Comments Received:

How will rent be affected by subsidy change? Will residents begin to have to pay their own utilities?

- HAP's Rent Reform policy will be in place at the time of conversion. Rent should not be affected by subsidy change. In buildings where residents do not currently pay their own utilities, that will not change.

Will residents have to engage with a private landlord after subsidy change?

- Because these will be project-based vouchers at properties managed by HAP, residents will not need to engage with a private landlord. The voucher will be attached to the unit. Residents will need to apply for a tenant-based voucher if they would like to move to a different private market building.

Will the management of these buildings and the tenants move to HAP's Section 8 department?

- Residents will have a new relationship with the Section 8 department, which will be similar to the department's current oversight on other project-based voucher contracts. Rent reform has streamlined the differences in rent calculation between Section 8 and public housing, so impact to tenants should be minimal.

Will the Congregate Care households that have to transfer receive some level of priority?

- We will coordinate transfers for those households and create supports during that transition including relocation assistance. We may decide to hold those buildings with a congregate care component until later in the project, to provide extra time for those households to transfer. We will work with HUD to allow prioritizations for those households.

What will be the alternative plan if HAP can't get \$35 million in tax credits?

- One alternative would be to keep the properties as public housing, and fund improvements with Capital Fund grants, which would provide a lesser amount of money. In order to attract larger funds through tax credit equity, as well as debt, we have to go through the disposition application process.

Has HAP determined the priority list?

- We have not yet decided timing - whether we'll apply for disposition for all ten buildings at once, move through them one by one, or arrange some other grouping.

If funding is Low-Income Housing Tax Credits (LIHTC), how can HAP still ensure tenant protections?

- The LIHTC funding will provide for capital improvements only – operating subsidy for all the units will be through project-based Section 8 vouchers. The subsidy change is contingent on getting those vouchers. Residents would continue to have the same protections currently offered under public housing.

Will HAP form a new entity to own the properties?

- We'll create a tax credit limited partnership, purely as a function of accessing the tax credits. HAP will be the general partner of the limited partnership, and will continue to manage and maintain the properties.

What is the current turnover rate and waiting list status for public housing?

- We've had 170 residents move out in the last 12 months. Waiting lists are site-based, and different buildings have waiting lists that are one year long, or multiple years long. Public housing will continue to maintain site-based waiting lists. With project-based vouchers, applicants can apply to as many lists as they'd like.

Will you be converting the remaining scattered sites?

- There are 18 remaining scattered sites and we intend to sell all of those properties.

What about the concern with putting private debt in public housing?

- A lot of the current national concern is the result of a HUD proposal to change the public housing system to allow for private debt, thereby opening up the risk of foreclosure. In the case of these HAP properties, the amount of permanent debt will be very small and the risk of foreclosure will be very low. HAP has never defaulted on a permanent loan.

Has HAP considered other potential risks?

- The biggest risk is that HUD could decide to not grant the tenant protection vouchers. If that were the case, we would unwind the process and keep those buildings in public housing. Another risk could be that HUD does not renew MTW status for housing authorities in 2018. The structure of this proposed subsidy change has been widely used by other housing authorities, and through them, we've had the opportunity to learn about and address potential risks.

Comment: I'm glad that HAP has considered the risks, but it seems that there are just as many risks in *not* going through with the subsidy change.

Will the project-based voucher contracts for these properties be time-limited?

- They will be similar to our other contracts, with a 15-year contract limit and the ability to be renewed when the contract expires.

Does HAP intend to reserve the project-based vouchers in these buildings for the hard to house?

- We have every intention of serving the same people who are currently in public housing, and these people are fundamentally very low income. There will be other eligibility and suitability requirements.

Comment: It's good to hear this. I don't know how else this jurisdiction could come up with the funding necessary for the improvements needed at these properties. This is really important for this community.

M E M O R A N D U M



DATE: March 15, 2011  
TO: Board of Commissioners  
FROM: Betty Dominguez, Policy & Planning Director  
SUBJECT: MTW Plan modification in support of a Section 18 Disposition of Public Housing Units  
Resolution 11-03-03

Background

This resolution is presented as a companion to Resolution 11-03-02 presented to the Board of Commissioners earlier this same evening, which requested approval to submit a Section 18 Disposition application for ten public housing towers to the U.S. Department of Housing and Urban Development (HUD) and subsequent subsidy change at those properties.

While Moving-to-Work (MTW) authority is not required for submission to HUD of a Section 18 Disposition application, the intent to pursue such an application and the ensuing subsidy change should be noted in the MTW Annual Plan as a “Non-MTW activity.” This activity was not contemplated at the time the FY 2012 MTW Annual Plan was submitted to HUD in January 2011. Since final approval of the FY2012 Plan is still pending with HUD, staff proposes modifying the Plan to include this activity at this time, or permission to amend the approved Plan depending on HUD’s timing. This resolution seeks authorization for either action.

In order to amend the Plan, a public hearing is required and the Board meeting will serve that purpose. HAP’s intention to apply for Section 18 Disposition is known in the community having been vetted before a public community stakeholder meeting on March 1, 2011, as well as through multiple resident meetings and a presentation to HAP’S Resident Advisory Committee (RAC). No public comment is anticipated making it possible for the Board to vote to approve the amendment after the opportunity to provide comment is given.

Budget Implications and Financial Impact on HAP

Adopting the amendment has no direct financial impact on HAP, but it will allow HAP to reflect this activity in the FY2012 MTW Plan.

Conclusion/Recommendation

Staff recommends approval of Resolution 11-03-03.

Exhibits

Housing Authority of Portland FY2012 MTW Plan Amendment I.



## RESOLUTION 11-03-03

**RESOLUTION AUTHORIZES HOUSING AUTHORITY OF PORTLAND (HAP) STAFF TO SUBMIT AS AN ADDITIONAL ACTIVITY TO THE MOVING TO WORK (MTW) THIRTEENTH YEAR ANNUAL PLAN, HAP'S INTENTION TO REMOVE PUBLIC HOUSING UNITS AND SUBMIT A SECTION 18 DISPOSITION APPLICATION TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) SPECIAL APPLICATION CENTER**

**WHEREAS**, HAP intends to pursue Section 18 disposition of 1,232 public housing units at ten properties and a subsequent subsidy change; and

**WHEREAS**, HAP desires to modify its MTW Thirteenth Year Annual Plan to include said intention under Section III "Non-MTW Related Housing Authority Information;" and

**WHEREAS**, on March 15, 2011, the HAP Board of Commissioners conducted a public hearing on the draft amendment to the MTW Thirteenth Year Annual Plan;

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Commissioners of the Housing Authority of Portland that the Chair of the Housing Authority of Portland is authorized to enter into and execute the Amendment to the MTW Thirteenth Year Annual Plan with the Department of Housing and Urban Development for submission of a Section 18 Disposition application and the removal of public housing units.

**Adopted: March 15, 2011**

**HOUSING AUTHORITY OF PORTLAND**

Lee E. Moore, Sr., Chair

**Attest:**

  
\_\_\_\_\_  
Steven D. Rudman, Secretary

**Housing Authority of Portland (HAP)**  
**FY2012 MTW Plan Amendment I**

June 21, 2011

This document amends HAP's previously adopted FY2012 MTW Plan in the following sections:

Section II. A. Public Housing Units to be Removed in FY2012

Total Public Housing Units to be removed in FY2012 is amended to **1,320 units total**. The following information is added:

**1,232 Units:** HAP intends to pursue Section 18 disposition of 1,232 public housing units at ten properties. If the application is approved, the following units by development will be removed from the inventory: OR002000104, OR002000106, OR002000114, OR002000115, OR002000116, OR002000117, OR002000118, OR002000137, OR002000139, OR002000140. Upon removal, these units will be preserved for tenant-based Section 8 vouchers. This action is further described in Section III, "Non-MTW Related Housing Authority Information".

Section V. Proposed MTW Activities: HUD Approval Requested

Activity FY2012-P1: Rent Reform

In ongoing work toward implementation of rent reform, HAP has identified several items that require modification to the activity as described and approved in the FY2012 Plan.

- HAP has submitted written request to HUD seeking authorization to include VASH households in the rent reform calculation. Upon receiving this separate authorization from HUD, VASH funds will not become part of the MTW block grant, but VASH participants will have their rent determined per the rent reform calculation.
- HAP previously stated that rent for FSS participants would use the traditional calculation. Instead, FSS participants will be included in rent reform and their rent will be determined per the rent reform calculation.
- HAP previously stated that the value of any asset or the value of any income derived from that asset will not be used in determining gross income. HAP is clarifying an exception to this: if an asset, such as a trust fund or a pension, makes

regular payments (quarterly or more often) to a resident or participant, the income derived through those payments will be used in determining the household's gross income.

- HAP is adding the following policy regarding income from student financial assistance: Student financial assistance will be considered only for the purpose of determining eligibility. Student financial assistance will not be included in the determination of annual income for rent and subsidy calculation.
- HAP is changing the strategy for the **Transition period**. Rather than triggering the new calculation at the time of the resident's or participant's next review, HAP will transition everyone over to the new rent calculation beginning January 1, 2012. This will create a more equitable change, as some households may have up to two years before their next review. HAP will send a notification letter to residents and participants in September, approximately four months before the change will be implemented.

The change to the utility allowance calculation will not transition until April 2012, the scheduled time of HAP's regular utility allowance review. Including this in the January 1, 2012 calculation change would increase staffing costs for that period.

#### Activity FY2012-P3: Local Project-based Voucher Program

HAP is amending second paragraph under "Utilizing the PBV program to increase Permanent Supportive Housing". (The amended language is in the second bullet below.)

There would be two instances in which the local competitive process may be waived and PBVs may be awarded based on a resolution by HAP's Board of Commissioners:

- First, the board may elect to award PBVs in the event that jurisdictional partners (defined as the cities of Portland and Gresham and Multnomah County) formally request for HAP to develop, rehabilitate, or acquire housing as a part of a community-wide initiative to meet local priorities.
- Second, the board may elect to award PBVs necessary to accomplish the objective of HAP's Public Housing Preservation Initiative, including but not limited to HUD-approved disposition or conversion plans; or other affordable subsidized properties within Multnomah County that have expiring contracts or are facing substantial challenges which could result in a reduction of affordable units.

HAP is adding a new activity: FY2012-P5: Alternate Inspection Requirements for Partner-Based Programs

**FY2012-P5: ALTERNATE INSPECTION REQUIREMENTS FOR PARTNER-BASED PROGRAMS**

**Background:** HAP aligns our housing resources with the services of jurisdictional and community partners in order to maximize impact and effectiveness. In an effort to reduce costs and increase efficiencies, HAP is proposing the use of alternate inspection standards for programs where HAP contracts out resources to be administered by partners. HAP will begin implementation of this activity with the Short Term Rent Assistance (STRA) and Agency-Based Assistance (ABA) programs.

**Use of MTW authority and impact on statutory objective(s):** HAP will use our MTW authority to allow alternative inspection requirements for units assisted with rent assistance that HAP has contracted to community partners. Rather than requiring full Housing Quality Standards (HQS) inspections, HAP will require that these units meet the habitability standards, unit inspection requirements, and lead-based paint visual assessment requirements currently required by the U.S. Department of Housing and Urban Development’s Homelessness Prevention and Rapid Re-Housing Program (HPRP).<sup>1</sup> These alternative inspection requirements will allow the staff of our jurisdictional and community partners to conduct inspections themselves, rather than relying on HAP’s Inspections Department to conduct HQS inspections.

Using the HPRP inspection requirements ensures housing standards while increasing efficiency and cost effectiveness. Staff from the jurisdictional and community providers will be able to arrange for and conduct required inspections themselves, in conjunction with other required visits to the assisted units. This will eliminate the costs to HAP related to the scheduling and conducting of HQS inspections for these programs by leveraging existing staffing at our community and jurisdictional partners.

**MTW authorization:**  
Attachment C, Section D(5) - Ability to Certify Housing Quality Standards

**Statutory objective:**  
Reduce cost and achieve greater cost effectiveness in Federal expenditures

<sup>1</sup> These requirements are outlined within the following HUD documents: Notice of Allocations, Application Procedures, and Requirements for Homelessness Prevention and Rapid Re-Housing Program Grantees under the American Recovery and Reinvestment Act of 2009 [Docket No. FR-5307-N-01], <http://www.hudhre.info/HPRP/index.cfm?do=viewHPRPissuances>; HPRP Unit Inspection Requirements Fact Sheet, [http://www.hudhre.info/documents/HPRP\\_InspectionFactSheet.pdf](http://www.hudhre.info/documents/HPRP_InspectionFactSheet.pdf); and Understanding the Lead-Based Paint Requirements: Guidance for HPRP Grantees, [http://www.hudhre.info/documents/HPRP\\_LeadPaintGuidance.pdf](http://www.hudhre.info/documents/HPRP_LeadPaintGuidance.pdf)

**Proposed baselines, benchmarks and metrics:**

Impact	Metric	Baseline	Benchmark
Annual cost savings related to inspections for qualifying units	Inspection cost for qualifying units	Before implementation, annual inspection costs of \$51,000 for qualifying units	Annual savings of at least \$51,000 related to inspections for qualifying units

**Data collection process:** Information regarding the number of inspections conducted by HAP for Short-Term Rent Assistance and Agency Based Assistance will be tracked through Yardi, HAP's database system. Number of households served through Short Term Rent Assistance and Agency Based Assistance not requiring inspections by HAP's inspection department will be tracked through HAP maintained spreadsheets.

