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**YEAR 14**

# Moving to Work

**ANNUAL PLAN**

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A new name for the Housing Authority of Portland

**YEAR 14**

FY2013 Moving to Work

ANNUAL PLAN

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## I. Introduction

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.

Home Forward, the new name for the Housing Authority of Portland, has been designated an MTW agency since 1998. In 2009 we signed a new agreement with HUD that will ensure our participation in the program until 2018, providing a long horizon to implement, test, and assess new initiatives and approaches to our work in support of the MTW program's goals.

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

In Year 13 of Home Forward's MTW demonstration, we enjoyed a higher level of federal funding than we'd seen in many years. This enabled us to create, refine, implement and plan an ambitious set of programs and initiatives with the goals of serving more households and achieving the principles of Moving to Work. However, in the face of future anticipated reductions in funding and shrinking resources, Home Forward must re-examine how best to meet these challenges and continue to move our objectives forward.

After a year of hard work by staff and stakeholders, and with support from our executive leadership and Board of Commissioners, we remain steadfast in our commitment to the agency's Strategic Direction and the completion of our MTW Strategic Initiatives. Rent reform, Short Term Rent Assistance, and Local Blended Subsidy (each described further in this Plan) are just three examples of initiatives expected to aid families, individuals, seniors and those with disabilities to achieve stability, gain greater access to housing and progress to a level of self-sufficiency. In this time of great need we will continue to seek out creative and effective approaches to doing more with less.

## Overview of the Agency's MTW Activities

<p>Page 11      <b>FY2013-P1: Landlord self-certification of minor repairs</b></p> <ul style="list-style-type: none"> <li>• In certain cases of minor deficiencies, Home Forward may accept an owner's certification that required repairs were made.</li> </ul>	<p>Page 25      <b>FY2013-O3: Local Blended Subsidy program</b></p> <ul style="list-style-type: none"> <li>• Home Forward has created a local blended subsidy program, blending Section 8 and public housing funds to subsidize units.</li> </ul>
<p>Page 13      <b>FY2013-P2: Limiting portability in higher cost areas</b></p> <ul style="list-style-type: none"> <li>• Home Forward is limiting portability in high cost areas where the receiving housing authority will not absorb the voucher.</li> </ul>	<p>Page 27      <b>FY2013-O4: Bud Clark Commons (formerly "Resource Access Center Development")</b></p> <ul style="list-style-type: none"> <li>• Home Forward utilizes modified screening criteria and transfer processes for this development, serving highly vulnerable homeless and formerly homeless households.</li> </ul>
<p>Page 15      <b>FY2013-P3: Alternative escrow calculation for public housing FSS participants</b></p> <ul style="list-style-type: none"> <li>• Home Forward is proposing a strike point escrow calculation for public housing households participating in the HUD family self-sufficiency program.</li> </ul>	<p>Page 29      <b>FY2013-O5: Biennial inspections</b></p> <ul style="list-style-type: none"> <li>• Home Forward conducts biennial inspections for qualifying Section 8 households.</li> </ul>
<p>Page 17      <b>FY2013-P4: Inspections and rent-reasonableness at Home Forward-owned units</b></p> <ul style="list-style-type: none"> <li>• Home Forward inspects and sets rent-reasonableness when a Section 8 voucher holder chooses to rent a unit Home Forward owns.</li> </ul>	<p>Page 30      <b>FY2013-O6: Alternate inspection requirements for partner-based programs</b></p> <ul style="list-style-type: none"> <li>• Home Forward uses alternate inspection standards for programs where we contract out resources to be administered by partners.</li> </ul>
<p>Page 19      <b>FY2013-O1: Rent reform</b></p> <ul style="list-style-type: none"> <li>• Home Forward is continuing to implement large-scale reform of our rent calculation methods.</li> </ul>	<p>Page 31      <b>FY2013-O7: Measures to improve the rate of voucher holders who successfully lease up</b></p> <ul style="list-style-type: none"> <li>• Home Forward has implemented measures to improve landlord acceptance of Section 8 vouchers in the local community.</li> </ul>
<p>Page 23      <b>FY2013-O2: Opportunity Housing Initiative</b></p> <ul style="list-style-type: none"> <li>• Home Forward operates OHI self-sufficiency programs at Fairview Oaks, Humboldt Gardens, New Columbia and through partnership with DHS.</li> </ul>	<p>Page 33      <b>FY2013-O8: Local project-based voucher program</b></p> <ul style="list-style-type: none"> <li>• Home Forward has created a local project-based voucher program that is tailored to meet the needs of the community.</li> </ul>

## II. General Housing Authority Operating Information

### A. Housing Stock Information

#### Projected number of public housing units (PHUs) as of the beginning of FY2013 (April 1, 2012)

Elderly/Disabled Units	1,259
Family Units	<u>1,401</u>
<b>Total</b>	<b>2,660</b>

#### Breakdown of Public Housing Units (projected for April 1, 2012)

	Bedroom Size				Total Households
	Studio/ 1 BR	2BR	3BR	4+BR	
Elderly/Disabled Units	1,253	6	0	0	1,259
Family Units	458	533	345	65	1,401
<b>Total</b>	<b>1,711</b>	<b>539</b>	<b>345</b>	<b>65</b>	<b>2,660</b>

#### Public Housing Units to be added in FY2013:

**30 Units:** The Jeffrey – Thirty units will convert from project-based Section 8 to public housing through our Local Blended Subsidy program (see activity FY2013-O3). Four units will be accessible to persons in a wheelchair.

**45 Units:** Martha Washington – Forty-five units will convert from project-based Section 8 to public housing through our Local Blended Subsidy program (see activity FY2013-O3). None of these 45 units will be accessible; however, there are currently two accessible units on the property.

**109 Units:** Stephens Creek Crossing – Previously known as Hillsdale Terrace, these 109 units are part of our HOPE VI redevelopment. The development will include a mix of one-, two-, three- and four-bedroom units. Twelve units will be fully accessible to persons in a wheelchair and another 68 units will be visitable.

#### Public Housing Units to be removed in FY2013:

**1,232 Units:** Home Forward is pursuing a Section 18 disposition application at ten public housing properties. 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”. The properties are as follows: Northwest Towers (OR002000104) – 174 units; Hollywood East (OR002000106) – 286 units; Dahlke Manor (OR002000114) – 115 units; Holgate House (OR002000115) – 80 units; Sellwood Center (OR002000116) – 110 units; Schrunk Plaza (OR002000117) – 118 units; Williams Plaza (OR002000118) – 101 units; Gallagher (OR002000137) – 85 units; Medallion (OR002000139) – 90 units; Ruth Haefner Plaza (OR002000140) – 73 units

## FY2013 Planned Capital Expenditures

Community	Activity	Scattered Sites	Mixed Finance	Capital Fund	% of Cap Fund	Total Budget	% of Total Budget
Gallagher	Comprehensive renovation – planning, siding, windows, roof replacement, structural renovation, mixed-finance strategy	\$1,500,000	\$3,289,644	\$2,039,016	32.28%	\$6,828,660	20.35%
Medallion	Comprehensive renovation – beams, slabs and guardrails, site development, safe exiting, mixed-finance strategy	750,000	5,826,052	1,250,000	19.79%	7,826,052	23.33%
Williams Plaza	Comprehensive renovation – tuckpoint and seal masonry, seismic bracing at parapet, recoat roof, safe exiting, mixed-finance strategy	750,000	15,119,400	1,000,000	15.83%	16,869,400	50.28%
Holgate House	System upgrades – water heater replacement, safe exiting structural scope, replace roofing	--	--	267,457	4.23%	267,457	0.80%
Dekum Court	Remove and replace stucco panels, seal adjacent masonry	--	--	221,252	3.50%	221,252	0.66%
New Columbia – Bond payment	Capital Fund financing plan debt	--	--	157,438	2.49%	157,438	0.47%
Management Improvement	20% Operating Overhead	--	--	753,079	11.92%	753,079	2.24%
Various properties	Engineering services	--	--	25,000	0.40%	25,000	0.07%
Various properties	Abatement	--	--	131,822	2.09%	131,822	0.39%
Various properties	Lead-based paint remediation	--	--	140,000	2.22%	140,000	0.42%
Various properties	Unidentified, but anticipated capital projects	--	--	331,337	5.25%	331,337	0.99%
		<b>\$3,000,000</b>	<b>\$24,235,096</b>	<b>\$6,316,401</b>	<b>100.00%</b>	<b>33,551,497</b>	<b>100.00%</b>

**MTW Housing Choice Vouchers units authorized:** 7,859 units  
**Non-MTW Housing Choice Vouchers units authorized:** 512 SRO/Mods, 245 Veterans Affairs Supportive Housing (VASH), 5 Opt-out vouchers (Pine Apartments – will become MTW vouchers in August 2012)

**Housing Choice Vouchers units to be project-based:**

As of January 2012, we have 1,366 project-based vouchers. During FY2013, we intend to project-base an additional 61 units at the following properties:

**Block 49** – 42 units for homeless veterans. The building will be operated by Reach CDC and services will be provided by the Veteran’s Administration, as well as by a full-time Reach resident services coordinator.

**Los Jardines** – 10 multiple bedroom units for families at Hacienda CDC. Services for families will be provided by Hacienda CDC staff.

**Holgate House** – 9 multiple bedroom units for families, with services provided by the Native American Youth and Family Center.

**B. Leasing Information**

**Anticipated public housing leased in FY2013: 97% / 2,580 units** (all MTW units)

**Description of anticipated issues:** Home Forward 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 FY2013: 98% / average of 7,702 vouchers**

**Anticipated non-MTW Housing Choice Vouchers leased in FY2013: 98% / average of 747**

**Description of anticipated issues:** Home Forward does not anticipate significant issues with leasing MTW vouchers. Almost 525 vouchers were issued in calendar year 2010 and only 25 so far in calendar year 2011.

Leasing rates for non-MTW vouchers will likely remain below 100% because Veterans Affairs Supportive Housing (VASH) vouchers are typically slow to lease-up in the first year, and Home Forward received an award of 50 new VASH vouchers in July 2011. However, the rest of our VASH vouchers are utilized and we anticipate keeping those units leased.

### C. Waiting List Information

**Anticipated changes in the waiting list for public housing:** Home Forward's current waiting list process allows applicants to choose up to three individual sites. In FY2012 we eliminated the "first available" option which was difficult to manage and distorted the estimated wait times for each property. Home Forward staff now 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:** Home Forward opened the waiting lists at seven elderly/disabled properties and one family property in late 2011, resulting in approximately 3,000 applications. We anticipate opening another four to five waiting lists at family properties in FY2013, and expect these openings will add between 2,000 and 3,000 applicants.

**Anticipated changes in the waiting list for Housing Choice Vouchers (HCV):** In FY2012, we were awarded 100 Family Unification Program vouchers; in order to properly administer these vouchers, we amended our administrative plan to allow us to open the waiting list for families certified as eligible for these vouchers and referred to us by the Department of Human Services Child Welfare division. However, Home Forward does not plan on making any other changes to the way we manage our waiting list for Housing Choice Vouchers in FY2013.

**Anticipated opening and closing and/or changes in the number of families on the HCV waiting list:** Home Forward anticipates beginning FY2013 with 800 - 1,000 families on the Section 8 waiting list. Families will be pulled from the waiting list during FY2013, but we do not anticipate pulling enough to reopen the waiting list during the Plan year (except for households eligible for Family Unification Program vouchers, as stated above). However, if the waiting list is reduced to 500 families or less, Home Forward will consider opening the waiting list depending on the anticipated need and turnover rate. Otherwise Home Forward will not plan to open the waiting list again until FY2014.

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

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

Home Forward elects not to provide this optional information.

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

##### Regional Efforts

Over the last two years, Home Forward has been working closely with our three neighboring housing authorities, as well as with the three local Workforce Investment Boards. The goal is to identify and pursue strategies that are regional in nature and increase residents' abilities to view the Portland Metro area as a single region with respect to housing, jobs, and education. Several activities are being proposed for next year under this umbrella:

- Sharing jurisdiction with Clackamas County – Home Forward and the Housing Authority of Clackamas County intend to test the impact of agreeing to share jurisdiction. This would allow families with vouchers from either housing authority the flexibility to use their voucher within Multnomah County or Clackamas County without going through the portability process. While this effort does not require MTW authority, Home Forward is pursuing this activity with the hope of increasing administrative efficiency by reducing workload related to portability and increasing housing choices for families.
- Developing tools for mobility counseling – Home Forward has been awarded a grant from Metro to work collaboratively with the three neighboring housing authorities to develop tools to provide mobility counseling to Section 8 participants. This project, once implemented, will educate Section 8 participants about the costs and benefits of choosing housing in various locations, and provide them with tools for comparing the relative costs of living in various areas. The goal for this project is to reduce the combined housing and transportation costs for Section 8 participants.
- Collaborations between workforce agencies and housing authorities – Home Forward and other local housing authorities, in collaboration with the local Workforce Investment Boards, will continue to collaborate on partnership efforts that link residents with workforce opportunities across the region.

##### Revitalization of Distressed Public Housing Properties

Home Forward has done significant work over the past several years to address the capital needs backlog in public housing through its Public Housing Preservation Initiative. These efforts have allowed Home Forward to achieve energy efficiencies, make ADA upgrades, and address deferred maintenance in key housing communities.

At least two groups of public housing communities have needs to address beyond the funds Home Forward currently has available. These include Stephens Creek Crossing (formerly known as Hillsdale Terrace Apartments) and a group of high-rise properties.

- Stephens Creek Crossing: Home Forward successfully competed in the 2011 HOPE VI grant cycle and was awarded an \$18.5 million HOPE VI grant. The HUD site visit was completed in September 2011 and work has been underway to complete the design and a Community and Supportive Services Plan. Upon completion, there will be 122 total units, including 109 public housing units. Relocation of the 55 occupied households is anticipated to be completed by the end of January 2012. Demolition and construction activity will be underway during FY2013.
- High-rise properties: Various capital needs assessments and analyses of the aging buildings and systems at Home Forward'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 \$29.9 million in capital needs.

During the FY2013 Plan year, mixed-finance strategies will be pursued to fund capital work on some of 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.)

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 has been submitted for 1,232 units of public housing. We continue to await HUD's decision on our disposition application. Upon approval, a subsequent application for Section 8 Tenant Protection Vouchers will follow. After approvals are completed, financing and construction planning activities are anticipated during the FY2013 Plan year for the initial properties. Capital work on the remaining properties will be pursued in subsequent years.

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

In 2010, Home Forward developed Strategic Directions to help guide the agency through the next three to five years. Home Forward still looks to these four strategic directions, as well as our guiding principles of Equity, Strategic Partnerships, and Organizational Development, to drive our work:

- **Direction 1 – Prioritization of Housing Resources:** Home Forward 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, and seniors and people with disabilities.
- **Direction 2 – Housing-Services Continuum:** Home Forward 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. Home Forward will coordinate the delivery of other types of resident services through strategic partnerships with local providers.
- **Direction 3 – Partnership within the Home Forward Community:** Home Forward 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:** Home Forward will leverage its expertise in affordable housing operations, development, and rent assistance administration to further local and regional housing needs. Home Forward will increase its responsiveness to housing needs in mid-County and East County through the alignment of resources and coordination with local representatives. Home Forward will expand its work with neighboring counties when there are opportunities to collaboratively address issues on a regional basis. Home Forward will serve as a policy advocate and strategic partner in the metropolitan area.

A number of MTW activities have emerged and been shaped by these directions. For example, Rent Reform (Ongoing Activity FY2013-O1) is a key activity of Direction 3, Partnership within the Home Forward Community, and is changing the way we interact with our residents and participants. Direction 1, Prioritization of Housing Resources, has led us to create tools such as the Local Blended Subsidy program (Ongoing Activity FY2013-O3), in an effort to maximize the opportunity to leverage our financial resources.

Additionally, these strategic directions have led to the development of our MTW Initiatives Fund, a source that utilizes single-fund flexibility to directly support initiatives that have evolved from the directions. This fund finances our resident engagement strategies, family self-sufficiency programs, youth initiatives and other innovative programs. These activities are further described in Section VII, E. Single-Fund Flexibility.

In FY2013 and looking to the future, Home Forward will continue to focus on the implementation and evaluation of Rent Reform, Local Blended Subsidy, and other initiatives that are guided by our strategic directions. These are detailed and ambitious activities, and some of them, such as Rent Reform, require the involvement and dedication of all departments in the agency. Additionally, with the prospect of ongoing federal funding reductions, we will continue to think creatively and innovatively about the work we do, and how we can begin to do the same, or even more, with less. The Moving to Work program has provided Home Forward with the flexibility and opportunity to be strategic about how we can better meet the needs of our clients and our community, and as a result, we are well-positioned to move ahead in our pursuit of serving both.

## V. Proposed MTW Activities

### FY2013-P1: LANDLORD SELF-CERTIFICATION OF MINOR REPAIRS

**Background:** Section 8 Housing Choice Voucher program regulations state that housing authorities may not make housing assistance payments for a unit that fails to meet Housing Quality Standards (HQS), unless the owner corrects the defect within the specified period and the agency verifies the correction. In many cases, units fail an initial or annual inspection due to minor items, such as cracked socket plates or closet doors that are off track. Requiring a Home Forward inspector to make a trip back to a unit to verify such minor repairs is inefficient and costly. Home Forward estimates that each re-inspection costs \$38, and time spent on that re-inspection is time that could be spent inspecting another unit.

Home Forward is proposing that in cases where there are no more than four minor deficiencies, Home Forward may accept an owner's certification that required repairs were made. This allowance will be made at Home Forward's discretion, and in cases where all deficiencies are minor items as determined by an approved list maintained by Home Forward.

In determining units qualified for an owner's self-certification of completed repairs, Home Forward will consider its experience with the owner, the tenant, and the property. Home Forward is under no obligation to allow self-certifications, and may elect to do audit inspections or re-inspections to verify corrections. If, as a result of the audit inspection or re-inspection, Home Forward finds that the deficiencies have not been corrected, Home Forward will take enforcement action and self-certifications will no longer be an option for the landlord at that particular property, and possibly for any of the landlord's other properties.

**Use of MTW Authority and Impact on Statutory Objective(s):** This activity uses alternate criteria – in the form of an owner's written certification – to verify the correction of deficiencies in a unit that failed its initial or annual HQS inspection as a result of four or fewer minor (as defined by Home Forward) deficiencies. This policy will increase efficiencies, and save the agency the cost of these re-inspections.

**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

**Proposed baselines, benchmarks, and metrics:**

Impact	Metric	Baseline	Benchmark
Annual cost savings for re-inspections	Number of re-inspections waived via self-certification and resultant cost savings	Before implementation, average of \$83,980 spent annually on re-inspections for 2,210 failed initial or annual inspections	At least 20% of re-inspections waived via self-certification, for an annual cost savings of \$16,796 (442 x \$38)

**Data collection process:** Through our YARDI database system, Home Forward will track and produce reports showing the number of initial and annual re-inspections waived due to self-certification.

## FY2013-P2: LIMITING PORTABILITY IN HIGHER COST AREAS

**Background:** Currently, Home Forward has 273 Housing Choice Voucher (HCV) participants using portability to live in another jurisdiction where the receiving housing authority has not absorbed the voucher. Instead, the receiving housing authority is billing Home Forward for the monthly Housing Assistance Payment.

In an effort to reduce costs, Home Forward is proposing to deny requests for portability moves to another jurisdiction when:

- The receiving housing authority intends to administer, rather than absorb, the voucher; and
- The combination of higher payment standards and/or more generous subsidy standards would result in a higher payment standard for the household than the payment standard applicable within Home Forward's jurisdiction.

In those circumstances, Home Forward would deny the household's request to use portability to move to the higher cost area.

Home Forward will make exceptions to this policy and will allow households to use portability to move to a higher cost area in any of the following circumstances:

- A member of the household has confirmed employment in the new area;
- A member of the household is confirmed to be enrolled in school or in a training program in the new area;
- A documented household emergency requires the household to move to the new area; or
- A member of the household certifies that they are moving to the new area because it presents better opportunities to obtain employment.

Home Forward will track the number of households that are denied requests for portability and the number of households that request an Informal Review to challenge the denial. Home Forward will evaluate this information annually to determine if the policy is having a negative impact on participants.

**Use of MTW Authority and Impact on Statutory Objective(s):** Although regulations allow Home Forward to deny portability requests when it would result in an unavoidable termination of Housing Choice Voucher assistance for current participants during the calendar year, Home Forward is utilizing MTW authority to limit portability as a cost savings measure, regardless of our ability to remain within our budgetary allocation. Currently, the average housing assistance payment for participants using portability is \$682 per month; the average housing assistance payment for participants in Home Forward's jurisdiction is \$590 per month. With 273 households currently utilizing portability, this is a significant cost to the agency. Home Forward

**MTW authorization:**

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

**Statutory objective:**

Reduce cost and achieve greater cost effectiveness in Federal expenditures

hopes that through this activity, the average housing assistance payment for participants using portability will eventually be less than or equal to the average payment for participants in our own jurisdiction.

**Proposed baselines, benchmarks, and metrics:**

Impact	Metric	Baseline	Benchmark
Cost savings for Home Forward for participants utilizing portability	Average housing assistance payments for participants using portability	As of 2011, average housing assistance payments for participants using portability: \$682/mo  As of 2011, average housing assistance payment for participants in Home Forward's jurisdiction: \$590/mo  Average housing assistance payments for participants using portability is 115% of the average payment for participants in Home Forward's jurisdiction.	Average housing assistance payments for participants using portability will stay the same or reduce each year.  Eventually, Home Forward anticipates that the average housing assistance payment for participants utilizing portability will equalize with the average housing assistance payment paid in our own jurisdiction.
Impact on participants requesting port-outs	Change in number of port-outs granted	In FY2012, 206 households completed the portability process	Reduction in port-outs should be less than 10%
Impact on participants requesting port-outs	Number of port-out requests denied	In FY2012, 0 households were denied port-outs. (Home Forward has not historically denied port-out requests once a family has completed their one-year lease.)	In FY2013, 20 or less households will be denied port-out requests.
Impact on participants requesting port-outs	Number of households that request an Informal Review to challenge a denied request	Baseline will be established in first year: Number of Informal Review requests in FY2013	No increase in number of annual requests

**Data collection process:** Home Forward tracks the amount a receiving housing authority bills for the Housing Assistance Payment for each participant using portability, when they've moved to a jurisdiction where the housing authority is administering (not absorbing) the voucher.

## FY2013-P3: ALTERNATIVE ESCROW CALCULATION FOR PUBLIC HOUSING HOUSEHOLDS PARTICIPATING IN HUD'S FAMILY SELF SUFFICIENCY PROGRAM (GOALS)

**Background:** Through HUD's Family Self Sufficiency program, known as "GOALS" at Home Forward, households have the opportunity to build assets through an escrow account. Home Forward is proposing to change the way in which escrow is calculated for public housing households participating in GOALS.

Currently, participating households accumulate escrow based on increases in earned income. When a household's rent increases (because of an increase in earned income), the increase in the household's payment does not go to Home Forward as "rent", but is instead captured in an escrow account. The participating household collects the funds accumulated in that escrow account upon graduation from the GOALS program.

We are proposing to use a "strike point" model for determining escrow accumulation for public housing households participating in GOALS. Under this model, participating households will only begin to accumulate escrow when their contribution to rent equals \$350 (the strike point). After a household reaches this strike point, if there is an increase in the household's rent, that increase above the \$350 strike point would be captured in the household's escrow account.

This proposed escrow structure is consistent with the escrow calculation used for households participating in our Opportunity Housing Initiative (OHI) program (see Activity FY2013-O2). Operating two fundamentally similar programs with such different escrow structures is confusing for residents and burdensome for staff to administrate. Consolidating the escrow structure will reduce confusion for residents and staff and support more consistent and effective recruitment across our public housing portfolio.

We believe this escrow structure will be more equitable to participants. Under the traditional escrow model, the amount of escrow a household is able to accumulate is driven largely by the household's earned income at enrollment. A household entering the program without employment income has the opportunity to accumulate a much greater escrow than households entering the program with employment income. This inequity creates a disincentive for working households to participate in the GOALS program and limits participation among working households that could benefit from this program designed to support a household's movement out of poverty.

With a strike point model, households that begin program participate with sufficient income to meet the strike point will begin to build assets through escrow immediately. This will encourage participation among working households who would not have earned escrow under the traditional model until

### **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

there was an increase in earned income. Encouraging working households to participate will enable us to expand enrollment and connect more working households with resources to support their continued movement to economic independence.

**Use of MTW Authority and Impact on Statutory Objective(s):** This activity uses an alternative method – a strike point model – to calculate escrow for public housing participants in HUD’s traditional Family Self Sufficiency program. This change will make the program more equitable, will encourage households with earned income to enroll in the program, and will enable Home Forward to serve a greater number of households with the GOALS program.

**Proposed baselines, benchmarks, and metrics:**

Impact	Metric	Baseline	Benchmark
Increase in public housing households enrolled in the GOALS program	Number of public housing households enrolled in GOALS	Currently there are 74 public housing households enrolled in GOALS	By 2014, there will be 130 public housing households enrolled in GOALS
Increase in public housing households with earned income at entry to GOALS program	Portion of public housing households with earned income at entry to the GOALS program	Currently, 42% of public housing households have earned income at entry to the GOALS program	By 2014, 60% of public housing households will have earned income at entry to the GOALS program
Increase in participant income	Average participant earned income for those with earnings	Currently, average earned income for those with earnings is \$18,309	5% annual increase: <ul style="list-style-type: none"> <li>• \$19,224 by FY2014</li> <li>• \$20,185 by FY2015</li> <li>• \$21,194 by FY2016</li> </ul>

**Data collection process:** Home Forward tracks GOALS participants, their income, and escrow accumulations through our YARDI database system.

## FY2013-P4: INSPECTIONS AND RENT REASONABLENESS AT HOME FORWARD-OWNED PROPERTIES\*\*

**Background:** Home Forward owns approximately 3,310 units of Affordable Housing. Currently, 252 of those units have project-based Section 8 vouchers attached, and an additional 185 units are rented to families that have tenant-based Section 8 vouchers. Maintaining ownership of these units ensures that affordable housing remains available in our community. HUD regulations require Home Forward to contract with a third party to perform the required Housing Quality Standards inspections and determine rent reasonableness for these units that we own. Home Forward has an agreement with the Housing Authority of Clackamas County to conduct inspections for us as needed, but this arrangement is inefficient for both housing authorities, as it requires inspectors to travel longer distances and requires significant coordination between the housing authorities with respect to scheduling and the transfer of paperwork. Home Forward is proposing to increase efficiencies by utilizing our own staff to perform the required inspections and determine rent reasonableness.

**Use of MTW Authority and Impact on Statutory Objective(s):** This activity allows Home Forward to utilize our own staff to perform inspections and set rent reasonableness for units that we own. Inspections will be conducted in conformance with the Housing Quality Standard criteria, and, as a safeguard, we will hire the Housing Authority of Clackamas County to conduct quality control testing of the inspections for a sample of these units. Staff in the Rent Assistance department will conduct rent reasonableness determinations using the standard currently applied to all other Housing Choice Voucher rent reasonableness determinations. The standard utilizes a semi-annually updated study of market rents by the Metro Multifamily Housing Association and adjustments to account for features that may impact rent. We will also hire the Housing Authority of Clackamas County to conduct rent reasonableness testing for a sample of units.

Allowing Home Forward staff to conduct inspections and set rent reasonableness will result in efficiency and administrative time savings for the agency. Clackamas County and Home Forward charge each other a flat rate for inspections in each other's jurisdictions. This means the cost to hire Clackamas to do the actual inspections is not significantly more expensive than utilizing Home Forward staff to do so. However, staff must spend time to coordinate inspections and request rent reasonableness calculations. Based on initial inspections and annual inspections required in 2011, Home Forward estimates our staff will save 25 hours by not coordinating 25 initial inspections and 12 hours by not coordinating 241 annual inspections, instead conducting these inspections ourselves. Additionally, we anticipate saving 15 hours by determining rent reasonableness requests for 185 rent increase requests annually. Therefore, this activity will create 52 hours per year in staff time-savings for Home Forward. Home Forward will track these savings, as well as the pass/fail rate for inspections at Home Forward-owned units to ensure there is no inspection bias.

**MTW authorization:**

Attachment C, Section D(5) –  
Ability to Certify Housing Quality Standards

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

**Statutory objective:**

Reduce cost and achieve greater cost effectiveness in Federal expenditures.

**Proposed baselines, benchmarks, and metrics:**

Impact	Metric	Baseline	Benchmark
Home Forward-owned units have similar pass/fail rates as units that Home Forward does not own	Percent of Home Forward-owned units passing initial and annual inspection on the first visit	2011 initial inspection pass rate for entire HCV program: 78%  2011 annual inspection pass rate for entire HCV program: 78%	Initial pass rate for Home Forward-owned units: 78-85%  Annual inspection pass rate for Home Forward-owned units: 78% or equal to overall pass rate
Annual staff time savings for inspections and rent reasonableness determinations at Home Forward-owned units	Staff time spent coordinating 3 <sup>rd</sup> party inspections and rent reasonableness requests for units Home Forward owns	Total hours required to coordinate 3 <sup>rd</sup> party inspections and rent reasonableness determinations: 52 hours	0 hours per year

**Data collection process:** Home Forward will track inspections data through our YARDI database system.

\*\*Amended by FY2013 MTW Plan Amendment I submitted July 3, 2012. See page 63 for details.

## VI. Ongoing MTW Activities

### FY2013-O1: RENT REFORM

Identified Year 13, Implemented FY2012

**Background:** In FY2012, Home Forward proposed a large-scale reform of rent calculation methods, applicable to all MTW public housing and Section 8 households, as well as VASH voucher holders. The simplified method distinguishes between the populations of seniors/people with disabilities, and “work-focused” households.

For **seniors and people with disabilities**, the calculation method eliminates all deductions and changes the total tenant payment percentage from 30% of adjusted income to 27.5% of gross income. This group will have triennial income re-certifications and the age defined as “senior” is lowered from 62 to 55. Households 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 Home Forward. Minimum rent for this group is \$0 and utility reimbursements will continue to be allowed.

All households that do not fall into the population category above will be considered **work-focused households**. For this group, the calculation method eliminates all deductions and uses a progressive rent structure with biennial income re-certifications:

- **Years 1 and 2:** rent is based on 27.5% of gross income, with no 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 apply to all households:

- Zero-income households 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

#### **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

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 is 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 is now automatically set to match Section 8 payment standards. There will be no flat-rent option.
- Home Forward 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.
- For Section 8 households where the gross rent of the unit exceeds the applicable payment standard, Home Forward 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.
- Section 8 FSS (Family Self-Sufficiency) participants will continue to use the current rent calculation. Public housing FSS participants will be included in the rent reform calculation. There are currently 74 public housing households participating in the HUD FSS program at Home Forward. We have received approval from HUD’s Office of Public Housing, Resident Opportunities and Self Sufficiency to implement rent reform for public housing households participating in the HUD FSS program at Home Forward. An impact analysis for converting these households to rent reform is included in the Appendix.
- 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 Home Forward 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. Currently, Home Forward requires that households provide this information in order to report it to HUD, but it has no bearing on their assistance and Home Forward 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, Home Forward will accept the income reporting.

- Households may apply for a hardship review if their total monthly shelter costs 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 at the time of initial lease-up in that unit will not generally qualify for hardship review; however, all households have the right to request a hardship and exceptions may be made. A 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.

**Status Update:** Home Forward is in the final stages of completing upgrades to YARDI, our database and accounting system, and training staff on the implementation of changes. We are communicating regularly with program participants, alerting them to the timeline for changes and the specific impact the new calculation will have on their rents. Work is also underway to develop and roll out programming and supports to help residents plan for the transition. Programming, which is being designed by an inter-departmental group of staff, with feedback from residents, will focus on helping participants increase their incomes in anticipation of the progressive rent structure and minimum rents.

The rent reform calculation will initially be implemented at Bud Clark Commons and the Madrona Place Apartments on January 1, 2012. Implementation at these two properties will align with the application of Local Blended Subsidy at these buildings (see activity FY2013-O3: Local Blended Subsidy Program). Rent reform will officially roll out to the rest of our public housing residents and Section 8 participants on April 1, 2012.

Home Forward has decided not to implement a simplified utility allowance table during the initial implementation of rent reform. In our analysis, it was unclear how overall changes in rent were impacted by changes to the utility table, versus the changes to the rent calculation itself. Over the next fiscal year, Home Forward will explore a simplified utility allowance calculation.

**Use of MTW Authority:** This activity uses Home Forward's rent reform authorizations to impact the statutory objective of achieving greater cost effectiveness of Federal expenditures. Eliminating deductions, simplifying the calculation, and moving to triennial reviews are all projected to save significant staff time in aggregate, as indicated in the benchmarks and metrics that follow.

Additionally, Home Forward exercises its authority to amend the definition of an 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.

**Outside Evaluators:** Home Forward expects to use Seasholtz Consulting to assist in future analysis of rent reform impacts. Staff are working to define the scope of evaluation.

Home Forward is not requesting any changes or additions to MTW authorizations.

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## FY2013-O2: OPPORTUNITY HOUSING INITIATIVE

Identified Years 9-11, Implemented FY2008-FY2010

**Background:** Home Forward'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. Families have the option of meeting their OHI obligations by participating in the GOALS program. These households must meet the graduation requirements of the GOALS program to receive escrow. However, families choosing to participate in the GOALS program will not be required to give up their housing subsidy in order to receive their accrued savings. We currently have 39 individuals enrolled in the program, with one more pending review. Fairview is entering the fifth year of implementation and 21 individuals will be coming up on the five year graduation mark. We will be conducting an analysis of program progress and possible contract extensions. Contract extensions might be granted if participants are not prepared for graduation, but are making progress towards their goals. Criteria for extensions will be formalized.

Humboldt Gardens: (Identified Year 9, Implemented FY2009)

Participation in OHI is required of all work-able families living at Humboldt Gardens. There are currently 64 households enrolled in the program, which focuses on creating a community culture of work. Home Forward was the recipient of a national research demonstration grant project from the Open Society, with the Urban Institute studying the use of housing as a platform to provide comprehensive services. The grant project will serve both Humboldt Gardens and New Columbia. In addition to studying current services provided by the OHI program, this new funding allows Home Forward to provide in-depth services to youth in OHI households.

### **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

New Columbia: (Identified Year 11, Implemented FY2010)

The original 50 OHI slots at New Columbia have been filled. New Columbia, along with Humboldt Gardens, is participating in a national research study conducted by the Urban Institute and an additional 50 OHI slots have been made available through the study. Staff will focus on providing comprehensive services to families, including partnering with Worksystems, Inc., Roosevelt High School and Rosa Parks Elementary.

DHS Voucher Program: (Identified Year 9, Implemented FY2009)

The DHS Voucher program allows the State Department of Human Services (DHS) to select families already receiving TANF services and refer them to Home Forward for rent assistance in the form of DHS vouchers that mirror the regular Housing Choice Voucher program. Sixteen households remain in the program, receiving case management assistance from DHS and participating in workshops, training and an escrow savings program through Home Forward. As of this spring, participating households have increased their average income from \$13,039 to \$15,044, a 15% gain. However, five households (25%) have gained and retained new employment, resulting in the average earned income for employed households increasing 29%, from \$13,931 to \$18,013. Funding for this program was fully expended as of December 31, 2011, and the remaining participants received a regular Section 8 voucher and are continuing to work towards their employment goals via Home Forward's GOALS (FSS) program.

**Use of MTW authority:** Home Forward 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.

**Outside Evaluators:** The Urban Institute research study at Humboldt Gardens and New Columbia will involve evaluation of the self-sufficiency programs at those sites. Over the next two years, the study will measure the level of engagement of adults in the program and changes in employment, wages and housing stability. For youth between the ages of six and eighteen, the study will also evaluate their engagement in the program, as well as changes in school enrollment and involvement. Additional metrics for youth, specific to the Portland program, are in development.

Home Forward is not requesting any changes or additions to MTW authorizations.

## FY2013-O3: LOCAL BLENDED SUBSIDY PROGRAM

Identified Year 13, Implemented FY2012

**Background:** Home Forward has created a local blended subsidy (LBS) program to improve the financial viability of adding “banked” public housing units back into the portfolio. Public housing operating subsidy alone is often insufficient to support bringing these units back to properties. The LBS program uses a blend of MTW Section 8 and public housing operating funds to subsidize units reserved for families earning 80 percent or below of area median income. These units may be new construction, rehabilitated, or existing housing.

The LBS program combines tenant paid rent, Section 8 funds, and public housing funds, resulting in a total per unit rent amount. Rents are subject to a reasonableness test and limited to 125% of HUD’s Fair Market Rent. This leveraging of resources allows for a more adequate revenue stream and increases the number of households that can be served.

**Status Update:** Home Forward has requested HUD approval to implement the LBS program at two properties, slated for transition in early 2012. Subsidy at Bud Clark Commons will transition from 100 units of project-based Section 8 and 30 units of public housing to 130 units of LBS. Residents living at one of Home Forward’s affordable properties, Madrona Place, will benefit from a reduction in their rent burden by use of the LBS program for 45 units. (Note: the FY2012 MTW Plan stated there were 46 units at this property; during renovations, one of the units was taken off-line to serve as a management office/community center.)

During FY2013, Home Forward will implement the LBS program during the financial closings at Stephens Creek Crossing, our HOPE VI redevelopment (formerly known as Hillsdale Terrace). At the time the property is completed and units come on-line, 109 public housing units will operate with LBS. We will also request to implement the LBS program at The Jeffrey, transitioning 30 existing project-based Section 8 units and 20 existing public housing units, for a total of 50 LBS units at the property. In late FY2013 we will request to implement the LBS program at Martha Washington, transitioning 45 existing project-based Section 8 units and 25 existing public housing units, for a total of 70 LBS units at the property.

### **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

**Use of MTW Authority:** This 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 policies and procedures allows Home Forward 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 Home Forward 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.

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

## FY2013-O4: BUD CLARK COMMONS (FORMERLY “RESOURCE ACCESS CENTER DEVELOPMENT”)

Identified Years 9-11, Implemented FY2010

**Background:** The Bud Clark Commons (formerly known as the Resource Access Center) is a new facility that houses the City of Portland and Multnomah County’s primary day access center for people experiencing homelessness, a 90-bed men’s shelter serviced by Transition Projects Inc., and 130 units of affordable housing for people with extremely low incomes. Residents are vulnerable, formerly homeless individuals, as screened by four medical clinics using a vulnerability index tool. Home Forward manages the affordable housing in the building and all 130 units serve as Permanent Supportive Housing. An on-site operations team and partner organizations assist residents with case management; medical, mental health, and substance abuse treatment; vocational, employment, and money management services; life skills training; and advocacy.

**Status Update:** Construction was completed in May 2011 and Home Forward completed the lease-up of the Bud Clark Commons in summer 2011, on schedule. The current structure of the affordable housing includes 100 project-based Section 8 units and 30 public housing units. In early 2012, all 130 units will convert to the Local Blended Subsidy funding model (see Activity FY2013-O3: Local Blended Subsidy Program). The new rent reform calculation will also go into effect on January 1, 2012 (see Activity FY2013-O1: Rent Reform).

**Use of MTW Authority:** Home Forward adjusted the public housing screening criteria in order to accommodate the populations that this facility is intended to serve. Additionally, Home Forward modified project-based Section 8 screening criteria for this property, per our Local Project-Based Voucher Program activity (see Activity FY2013-O8). The goal is to establish low intake barriers while insuring that individuals do not have a history of person-to-person crime or drug distribution, which might endanger the safety of other residents or the success of the project. Home Forward developed a tenant selection plan and made changes to the Admissions and Continued Occupancy Policy (ACOP) to set forth the criteria for selection and occupancy, and for admission thresholds suitable to housing this special needs population.

### **MTW authorization:**

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 objective:**

Increase housing choice for low-income families

Reduce cost and achieve greater cost effectiveness in Federal expenditures

The transfer process for residents of the Bud Clark Commons differs from other public housing properties. Residents 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 Bud Clark Commons 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. Home Forward will make every effort to accommodate individuals requiring transfer at the Bud Clark Commons within the property. If an individual is in imminent danger due to domestic violence, Home Forward 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 Bud Clark Commons 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 standard order of date and time of approval. Home Forward is proposing this application preference because if a resident living at the Bud Clark Commons 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.

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

## FY2013-O5: BIENNIAL INSPECTIONS

Identified Years 9 & 10, Implemented FY2008

**Background:** Home Forward has moved to biennial inspections for some Housing Choice Voucher (HCV) households. Initially, participants with tenant-based HCVs 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, Home Forward chose to expand the qualifications for biennial inspections to include 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.

### MTW authorization:

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

### Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

**Status update:** The biennial inspection schedule currently acts as a reward to those who are stable tenants and have a history of taking care of their units. As of September 30, 2011, there were 2,174 households eligible for biennial inspections. Home Forward estimates a cost savings of \$76 per annual inspection, which equates to a savings of \$165,224 a year. This cost savings includes staff time, gasoline, parking, vehicle costs and all other associated costs incurred during the course of conducting inspections.

However, moving forward, Home Forward would like to institute biennial inspections across the board for all tenant-based HCV participants in the following way:

- Current HCV participants who are already on a biennial inspection schedule will continue on that schedule.
- Any current HCV participant who is not yet on a biennial inspection schedule will be able to move to a biennial schedule unless:
  - They have had two failed inspections in a row in the last two years; OR
  - There is a concerning factor regarding their inspection or unit status; OR
  - They are living in a unit owned or managed by a landlord or property management company with a concerning inspection history.
- All new HCV participants coming onto the program after this change is made will automatically be placed on a biennial inspection schedule.
- Participants placed on a biennial schedule will remain on that schedule unless a concern arises, at which point they will be placed back on an annual schedule until the concern no longer exists.

**Use of MTW authority:** Home Forward 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.

Home Forward is changing the definition of “qualifying Section 8 participants” as described above, but is not requesting any changes or additions to MTW authorizations. The agency is not currently using outside evaluators.

## FY2013-O6: ALTERNATE INSPECTION REQUIREMENTS FOR PARTNER-BASED PROGRAMS

Identified Year 13, Implemented FY2012

**Background:** Home Forward 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, Home Forward uses alternate inspection standards for programs where we contract out resources to be administered by partners. Rather than requiring full Housing Quality Standards (HQS) inspections, Home Forward requires that these units meet the habitability standards, unit inspection requirements, and lead-based paint visual assessment requirements currently required by the US Department of Housing and Urban Development's Homelessness Prevention and Rapid Re-Housing Program.

**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

**Status Update:** Alternate inspection requirements were implemented in October 2011. Staff from jurisdictional and community providers are able to arrange for and conduct required inspections themselves, in conjunction with other required visits to the assisted units. Although there is not yet data available, partners are expressing interest in training staff to conduct the habitability and lead-based paint inspections, and Home Forward is confident this activity will result in the intended cost savings. Full data on cost savings for this activity will be available in the Year 13 MTW Report.

Contracts with providers do not currently include standards for requests for re-inspection from tenants. However, as contracts are written or renewed, we will require agency partners to inspect upon a tenant's request, to the same HPRP standards they are currently employing.

**Use of MTW Authority:** Home Forward uses MTW authority to allow alternative inspection requirements for units assisted with rent assistance that we have contracted to community partners. These alternate inspection requirements ensure housing standards while increasing efficiency and cost effectiveness.

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

## FY2013-O7: MEASURES TO IMPROVE THE RATE OF VOUCHER HOLDERS WHO SUCCESSFULLY LEASE UP

Identified Year 11, Implemented FY2010

**Background:** Home Forward 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 value 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. (This activity has been discontinued – see status update.)
- Providing a vacancy loss payment to owners through the end of the month after the move-out month when vacancies are unforeseen or unexpected (such as a death or skip) and the owners have not received proper notice of the intent to vacate.

**Status update:** Almost 550 vouchers were leased in 2010 and 2011 with an 83% lease up success rate, compared with 76% at the time these new initiatives were implemented.

The Landlord Guarantee Fund was initially made available to roughly half the households receiving new vouchers in Multnomah County, and only one claim has been filed to date. Therefore, Home Forward has expanded the fund to all new households leasing up with a voucher for the first time in Multnomah County (this includes all households coming off the waiting list, as well as port-ins), and intends to expand coverage to transferring households in FY2013.

During FY2011, Home Forward determined that the Tenant Education courses were not a cost-effective way to help achieve this goal. Data showed course graduates had the same turnback rate (expired vouchers) as those who did not enroll. While course graduates leased up significantly faster than any other group of voucher holders – likely a result of the course's focus on housing search – at a cost of roughly \$350 per household, this was not the best use of Home Forward resources and the initiative has been discontinued.

### **MTW authorization:**

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, Home Forward began providing vacancy loss payments to owners through the end of the month after the move-out month when vacancies were unforeseen. Home Forward 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 Home Forward’s Family Obligations, which dictate the rules the family must follow to maintain their voucher. Home Forward 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 Home Forward, which means that they cannot access any of Home Forward’s housing for three years.

During FY2011, 6 vacancy loss payments were made, for a total of \$3,058. In the first half of FY2012, 10 payments were made, for a total of \$4,847.

**Use of MTW authority:** Funding for these activities was made possible by fungible Section 8 dollars. The policy changes reflect Home Forward’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.

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

## FY2013-O8: LOCAL PROJECT-BASED VOUCHER PROGRAM

Identified Year 13, Implemented FY2012

**Background:** Home Forward has created a project-based voucher (PBV) program tailored to meet the needs of the local community. We currently administer over 1,200 PBVs in the community via more than 60 separate contracts.

**Status Update:** Home Forward's local PBV program continues to grow. We added 155 PBV units to the program over the last year, and anticipate adding another 61 units to the program in FY2013. The local PBV program represents one of Home Forward's attempts to coordinate with our jurisdictional partners and enhance the supply of permanent supportive housing for households with barriers to housing (homeless, elderly, disabled, etc).

**Use of MTW Authority:** 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 Home Forward utilizes MTW authority for the local PBV program:

- Home Forward exceeds the traditional 25% limit of PBVs in a single building, and allows project-based vouchers to be awarded to more than 25% of units in a given complex.
- Home Forward has modified waitlist policies to allow each PBV building to maintain its own site-based waiting list with its own preferences. It would not be practical or cost effective for Home Forward to manage 60 separate PBV waiting lists with separate preferences. Multiple waitlists also ensure that there are almost always open waitlists at any point in time.
- Home Forward 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.

### **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

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

### **Statutory objective:**

Increase housing choice for low-income  
families

Reduce cost and achieve greater cost  
effectiveness in Federal expenditures

- Home Forward modifies screening and eligibility requirements to differ from the traditional criteria at certain PBV properties which offer supportive services, therefore increasing housing choice for participants who might otherwise be ineligible for Section 8 housing. Home Forward 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.
- Home Forward has modified owner proposal selection procedures for PBV units in order to increase Permanent Supportive Housing in our community by awarding PBV units via a local competitive process in collaboration with the City of Portland and Multnomah County. This local process 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.

The local competitive process may be waived and PBVs may be awarded based on a formal approval and resolution process by Home Forward's Board of Commissioners within the following parameters:

- 1) Jurisdictional partners (defined as the cities of Portland and/or Gresham or Multnomah County) formally request for Home Forward to rehabilitate, acquire, or develop housing as a part of a community-wide initiative to meet local priorities and
  - 2) The intended PBV units will be owned directly or indirectly and/or managed by Home Forward.
- Home Forward has adopted the local city and county site selection standards for PBV units in order to ensure alignment with jurisdictional partners in regards to site selection for low-income housing aimed at ending homelessness. Site selection standards are designed to deconcentrate poverty and expand housing and economic opportunities in census tracts with poverty concentrations of 20% or less.
  - Home Forward conducts inspections, determines rents, and determines rent reasonableness for Home Forward-owned units that utilize PBVs in buildings which are managed by third-party management companies. For Home Forward-owned buildings with PBV units not managed by a third party, Home Forward contracts out the responsibility for rent setting and inspections.
  - Home Forward has modified subsidy standards regarding under- and over-housing in order to ensure full utilization of PBV units. Subsidy standards are the same for PBVs as those used for tenant-based vouchers, but exceptions are granted when there are no appropriately sized households on the waiting list to fill a vacant unit.
  - Home Forward has modified lease terms, renewal options, and termination policies to limit owners' ability to terminate tenancy without cause, maximizing housing choice for the families in those units. After the initial term, PBV leases convert to a month-to-month agreement unless owners and tenants agree to a longer term, and owners may not refuse to renew leases without cause. Owners of PBV units may not terminate tenancy without cause, except as follows:

- The owner of a PBV unit may terminate tenancy for a family that has received zero subsidy from Home Forward for more than 180 calendar days after the last housing assistance payment to the owner in order to ensure that another low-income applicant can be served. However, instead of terminating tenancy, the owner may request Home Forward's approval to amend the PBV contract to remove a unit occupied by a zero subsidy family or substitute a different unit at the property with the same number of bedrooms.
- The owner of a PBV unit must terminate tenancy if Home Forward terminates the family's assistance for any reason.
- Home Forward modified the way contract rents are determined for PBV units by limiting PBV contract rents to a maximum of the payment standard less any applicable tenant paid utility allowance, ensuring that PBV units are affordable even to zero-income households. (This was previously included in Plans as a separate activity – see our FY2012 Plan, Activity FY2012-O4. We will continue to use previously identified metrics for this activity.)
- Home Forward adapted the timing of applying payment standards adjustments for PBV participants. Any increase in payment standards to the PBV units is applied on the next anniversary date of the PBV Housing Assistance Payments Contract, following the effective date of the increase. Any decrease in payment standards to the unit is applied beginning on the second anniversary date of the PBV Housing Assistance Payments Contract following the effective date of the decrease. (This was previously included in Plans as a separate activity – see our FY2012 Plan, Activity FY2012-O4. We will continue to use previously identified metrics for this activity.)
- Home Forward uses an alternate rent setting policy that allows the Rent Assistance Director, with Board approval, to set exception 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 applies to any unit under the project-based voucher contract serving a highly vulnerable population with intensive services. (This was previously included in Plans as a separate activity – see our FY2012 Plan, Activity FY2012-P4. We will continue to use previously identified metrics for this activity.)

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

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## VII. Sources and Uses of Funding

Due to the timing of Home Forward's annual budget cycle, the forecasts below are only preliminary. Home Forward'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 December and then adoption in January. Thus, these preliminary forecasts are projected two months prior to adoption of the budget and often require changes during the budget process.

### A. Sources & Uses of MTW Funds

Sources of Funds	Preliminary Plan	Uses of Funds	Preliminary Plan
Rental Revenue	\$ 4,738,520	Housing Assistance Payments	\$ 55,119,733
Section 8 Subsidy	61,597,180	Administration	7,818,303
Operating Subsidy	9,433,000	Tenant Services	597,592
HUD Grants	998,268	Maintenance	5,397,845
Other Revenue	367,576	Utilities	2,162,145
HUD Non-Operating Contributions	2,948,383	General	512,326
<b>Total Sources</b>	<b>\$ 80,082,927</b>	PH Subsidy Transfer	1,867,539
		Overhead Allocations	3,255,407
		HUD Capital Expenditures	2,948,383
		<b>Total Uses</b>	<b>\$ 79,679,275</b>

#### Notes

- HUD Grants include Capital Funds used in support of Public Housing operations under Section 226 of the Consolidated Appropriations Act of 2008.
- HUD Non-Operating Contributions reflects Capital Funds contributions.
- ARRA and competitive HUD Grant activity is not included in the Sources & Uses.
- The difference in sources versus uses results from Section 8 subsidy exceeding Housing Assistance Payments 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
State, Local & Other Grants	
State of Oregon	\$ 168,193
Multnomah County	1,013,761
Cities of Portland/Gresham	1,719,211
Non-Operating Capital Contributions	
City of Portland	1,575,324
<b>Total Sources</b>	<b>\$ 4,476,489</b>

Uses of Funds	Preliminary Plan
Housing Assistance Payments (STRA*)	\$ 1,902,799
Administration	277,173
Tenant Services	519,759
Maintenance	17,402
Utilities	-
General	64,505
Other Personnel Expense	-
PH Subsidy Transfer	-
Central Office Cost Allocations	119,527
Capital Expenditures	1,575,324
<b>Total Uses</b>	<b>\$ 4,476,489</b>

\*Short Term Rent Assistance

**C. Sources & Uses of COCC (If Applicable):**

Not applicable. Home Forward uses a cost allocation system.

#### D. Allocation Method for Central Office Costs

Home Forward 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:

1. Level 1:
  - a. The cost of the administrative office building is allocated to the departments based on space occupied
2. 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
3. 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 within this operating group 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

Single-fund flexibility allows for the combination of Housing Choice Voucher funds, public housing capital funds, and public housing operating subsidy into a single fund used to meet MTW objectives. In FY2013, Home Forward plans to use single-fund flexibility in the following ways:

Replacement Housing Factor Funds – Home Forward’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 Home Forward as part of the Capital Fund Formula and used to create a new public housing unit. Home Forward utilizes MTW authority 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, Home Forward may also use the RHF funds to repay construction financing. This would be done without formally pledging the future RHF funds to the lender as collateral.

MTW Initiative Funds - In our FY2012 MTW Plan, Home Forward described the creation of MTW Initiative Funds, a funding source to support initiatives that will advance goals and objectives of MTW and our Strategic Directions. In the FY2012 Plan, several programs were identified and a two-year allocation was provided, with the understanding that HUD would review and approve these allocations on a yearly basis. Over the last year and after a great deal of work internally, as well as with many external stakeholders and consultants, these strategies have been refined and modified, and budgets have been adjusted accordingly. The initiatives are included in this Plan with their respective one-year, estimated budgets. Budgets are limited to estimates at this time because of the timing of Home Forward’s annual budget cycle and the current uncertain funding climate. Below is a list providing updates on many of the initiatives, and a full list of initiatives and allocations follows on page 43.

- Landlord guarantee fund and vacancy loss payments (Ongoing Activity FY2013-07): Home Forward uses fungible Section 8 dollars for measures aimed at increasing landlord participation in the program and improving the rate of voucher holders who successfully lease up. These measures include a landlord guarantee fund to reimburse landlords for damages to units caused by Section 8 participants and a policy that provides payments to owners through the end of the month after move-out, when vacancies are unexpected and owners did not receive proper notice.
- Agency-Based Rent Assistance & Short Term Rent Assistance: Home Forward sets aside a pool of rent assistance funds that are administered by the Rent Assistance department, but do not operate like traditional vouchers. Funds are contracted to partner agencies who take responsibility for administering housing assistance and agree to provide ongoing support services for families for additional stability. Partner agencies must provide quarterly and annual reports detailing their outcomes. This fund includes the Short Term Rent Assistance program, which provides limited housing assistance to eligible households in Multnomah County who are at risk of eviction, are newly homeless, or are experiencing immediate crises in their housing.

- Families Forward – Economic Opportunity (FSS): Home Forward is working in partnership with a number of organizations including State and County Human Services departments, community colleges, the County Library system, the local Workforce Investment Board, and Portland Development Commission to extend economic advancement opportunities to the households we serve. Goals for the program include increases in resident/participant earned income, increases in residents'/participants' contribution to rent, and reaching a living wage when residents/participants exit housing subsidy.
- Action for Prosperity – Work-source Partnership: Action for Prosperity is a partnership between Home Forward, Worksystems, Inc., the Multnomah County Anti-Poverty system, and the State Department of Human Services. Each system leverages its resources by delivering core services and utilizing the other systems to provide wrap-around supports. With access to stable housing, the appropriate level of case management, and priority access to workforce services, we believe that a significant number of households will be able to develop the skills they need to gain employment within two years.
- Families Forward – Youth Initiatives: Home Forward works in partnership with our school districts, the Children's Institute, Worksystems, Inc. and Portland's Cradle to Career initiative to improve educational and career outcomes for youth. Goals include supporting kindergarten readiness, enrollment and attendance; creating early childhood centers at two of our HOPE VI properties; increasing college exposure and providing work readiness opportunities for high school and post-secondary youth; and continuing to invest in structured work experiences at Home Forward and ongoing internship opportunities.
- Neighbor-to-Neighbor Grant Program: Home Forward has created a pilot grant program for resident groups from our public or affordable housing communities. Resident groups submit applications for grant funds to improve their community livability and reinforce community values. Over 200 residents have participated in the first round of funded grants, with ten resident-led projects that include exercise classes, an afterschool tutoring program, an accessible community garden and the creation of a soccer field and youth sports team.
- Aging at Home Strategies: Home Forward is working to develop a place-based strategy for progressive care and additional supports for our aging/disabled population. The objective is to help our elderly and disabled population age-in-place, while maintaining their quality of life without having to move to more expensive assisted care environments. Possible strategies could include substantially renovating existing buildings and/or developing new, strategically designed properties.
- Landlord incentive program: Home Forward will implement a landlord incentive program to attract new landlords and units in low poverty areas to the Housing Choice Voucher program. In its initial year of testing, the program will offer a one time, \$100 incentive payment for each eligible unit a landlord leases to a Housing Choice Voucher participant. Eligible units must be located in census tracts considered low-poverty areas.\*\*

**\*\*Amended by FY2013 MTW Plan Amendment I submitted July 3, 2012. See page 63 for details.**

- Security deposit assistance: Home Forward uses single-fund flexibility to offer security deposit assistance to two populations in our community: participants leasing up with Veterans Affairs Supportive Housing (VASH) vouchers, and foster youth leasing up with Family Unification Program (FUP) vouchers. For homeless veterans, a lack of funds for security deposits is a serious barrier to successful use of VASH vouchers. Similarly, youth aging out of the foster care system often do not have the resources to pay for security deposits when trying to utilize FUP vouchers. Security deposit assistance is a key support to finding housing for veterans and youth leasing up in units requiring deposits. Home Forward's funds are to be funds of last resort for deposits, to be used only when the service agencies working with these populations are not able to arrange for deposit assistance.\*\*
- Inter-jurisdictional transfer program for victims of domestic violence: In collaboration with other MTW-authorized housing authorities and the local domestic violence service system, Home Forward will implement an inter-jurisdictional transfer program to assist participants who are victims of domestic violence. The program will ensure continued access to stable and safe housing when it is deemed necessary that the household move to another jurisdiction. The local domestic violence service system will assess clients for eligibility, refer residents to the program and provide advocacy and assistance with relocation. Additionally, clients will be assigned to a local domestic violence agency in the new jurisdiction for support after their transfer. Home Forward will allocate up to \$2,000 per household for up to five households each year to provide relocation assistance to help participants transfer into the jurisdiction of one of the MTW partner agencies. In addition, Home Forward intends to absorb the vouchers of up to five families referred by partnering MTW agencies.

\*\*Amended by FY2013 MTW Plan Amendment I submitted July 3, 2012. See page 63 for details.

MTW Initiative Funds (MIF)	FY2013 Estimated Budget
<b>Local Blended Subsidy</b> Legal expenses for multiple properties to be affected	\$76,500
<b>Capital Repairs</b> Capital repairs in public and affordable housing sites	\$2,000,000
<b>Aging at Home</b> Evaluate and implement place-based strategies	\$ 200,000
<b>Short Term Rent Assistance (STRA)</b> Housing assistance to households that are homeless or at risk of homelessness	\$545,000
<b>Families Forward – Economic Opportunity</b> Work-focused supports for employment and increased wages	\$168,194
<b>Families Forward – Youth</b> Improve educational and career opportunities; provide employment supports	\$215,000
<b>Rent Reform</b> Offset public housing rent revenue loss during implementation	\$91,500
<b>Action for Prosperity</b> Leverage partnerships to provide supports for households developing skills to gain employment	\$614,000
<b>Neighbor to Neighbor Grants</b> Community building and resident partnership activities	\$100,000
<b>Resident Communications</b> Improve and enhance resident/participant communications	\$20,000
<b>VASH Security Deposits</b> Security deposit assistance for participants leasing up with VASH vouchers	\$50,000
<b>Landlord Guarantee Fund &amp; Vacancy Loss Payments</b> Measures to increase the rate of voucher holders who successfully lease-up	\$50,000
<b>Landlord Incentive Fund</b> Incentive payments for landlords leasing to voucher holders for the first time	\$20,000
<b>Inter-jurisdictional Domestic Violence Transfer Program</b> Relocation assistance for domestic violence victims transferring to a partnering jurisdiction	\$10,000
<b>Planning and Evaluation (MTW)</b> Administrative and consultant costs	\$200,000
<b>Total Anticipated Cost</b>	<b>\$4,360,194</b>

## VIII. Administrative

### A. Public Process

Home Forward has taken the steps below to ensure a thorough public process in the development and adoption of the MTW plan.

December 2, 2011:	Draft MTW Plan posted on Home Forward's website for public comment and input
December 4 & 11, 2011:	Public notice published in the Oregonian announcing the public hearing on December 13; text and Affidavit of Publication included on page 45
December 7, 2011:	Community stakeholder meeting held; comments included below
December 13, 2011:	Public hearing / Board meeting held; meeting minutes are included on page 46
January 17, 2012:	Approval by Board of Commissioners; resolution is included in Administrative Section, Part B

### Public Comments

*Do you have an estimate of how many participants will utilize the domestic violence transfer program, and the VASH security deposit program?*

Response: We have budgeted for up to five of our households to utilize the domestic violence transfer program. We anticipate providing the VASH security deposit assistance for between 30 and 40 households a year once our VASH vouchers are fully leased up.

*How will you gauge the success of the domestic violence transfer program?*

Response: The partnering domestic violence service providers will measure the success of the program, based on services utilized and the stability and safety of the family.

*Multiple commenters expressed support of the domestic violence transfer program.*

*Is this an increase in Short Term Rent Assistance (STRA) funding?*

Response: Yes. Our objective is to support the STRA program on an ongoing basis. This demonstrates our commitment to this important program.

# The Oregonian

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1320 S.W. BROADWAY PORTLAND, OREGON 97201-3499

## Affidavit of Publication

I, Glenda Hatter 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 or the issue on the following date(s):

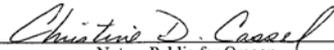
Home Forward

Public Notice - Ad #0003267665

December 4, 2011  
December 11, 2011

  
\_\_\_\_\_  
Principal Clerk of The Publisher

Subscribed and Sworn to before me on January 4, 2012

  
\_\_\_\_\_  
Notary Public for Oregon

My Commission expires 5-27-12



## PUBLIC HEARING

Home Forward (formerly the Housing Authority of Portland) will hold a public hearing on Tuesday, December 13, 2011 @ 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 Home Forward is proposing under the Federal Department of Housing and Urban Development's national demonstration program called "Moving to Work" (MTW). Home Forward's proposed initiatives are outlined in the "Draft FY2013 MTW Annual Plan." The draft plan is available for viewing on Home Forward's website:

<http://www.homeforward.org/home-forward/moving-to-work>

Federal regulations under MTW authority emphasize cost-efficiency, resident self-sufficiency and increased housing choices.



**BOARD OF COMMISSIONERS MEETING**  
HOME FORWARD  
135 SW ASH STREET, PORTLAND, OR 97204  
December 13, 2011

**COMMISSIONERS PRESENT**

Chair Lee Moore, Vice Chair Harriet Cormack, Vice Chair Shelli Romero, Treasurer David Widmark, and Commissioners Gretchen Kafoury, David Kelleher, Brian Lessler and Jim Smith

**STAFF PRESENT**

Steve Rudman, Anita Yap, Mike Andrews, Peter Beyer, Betty Dominguez, Rebecca Gabriel, Chris Hughson, Jeff Klatke, Jill Riddle, Molly Rogers, Todd Salvo, Melissa Sonsalla, Celia Strauss

**COUNSEL PRESENT**

Steve Abel

Chair Lee Moore called the meeting to order at 7:00 PM.

**PUBLIC COMMENT**

Jeff Klatke, President of AFSCME Local 3135, spoke to the Board about the agreement reached between Home Forward and AFSCME members in November. In November, AFSCME members overwhelmingly ratified the three year agreement. On behalf of the 140 members of AFSCME, Klatke said he is happy we were able to reach an agreement.

## MEETING MINUTES

### Minutes of November 15, 2011

Chair Lee Moore asked for a motion to adopt the minutes of the November 15, 2011, Board of Commissioners Meeting. The minutes were amended for a clarification in the wording regarding Stephens Creek Crossing. Commissioner Lessler moved to adopt the minutes as amended. Vice Chair Romero seconded the motion.

#### The vote was as follows:

Chair Lee Moore – Aye  
Vice Chair Harriet Cormack – Aye  
Vice Chair Shelli Romero – Aye  
Treasurer David Widmark – Aye  
Commissioner Gretchen Kafoury – Aye  
Commissioner David Kelleher – Aye  
Commissioner Brian Lessler – Aye  
Commissioner Jim Smith – Aye

## REPORT

### Executive Director's Report

Steve Rudman thanked Chair Moore, Vice Chair Cormack, and Commissioner Smith for attending the Home Forward annual awards celebration. For tonight's meeting, Rudman said he was happy to have Ryan Fisher and Christel Allen from NW Public Affairs present to give their annual Oregon Legislative update. The evening's agenda would also include the public hearing for the FY2013 MTW Plan and authorization to begin Local Blended Subsidy at Madrona Place Apartments and Bud Clark Commons.

## PUBLIC HEARING

### FY2013 Moving to Work Plan

Betty Dominguez briefed the Board on the FY2013 Moving to Work Plan. This year's plan is primarily updates to existing activities, with two new MTW activities proposed: landlord self-certification of minor repairs and limiting Section 8 portability in higher cost areas. The plan also includes three new MTW Initiative Fund activities: a domestic violence transfer program, a landlord incentive program, and security deposit assistance for VASH voucher holders.

As part of the public process, the plan was presented at a community stakeholder meeting on December 7, 2011. Only two nonprofits attended, with one representative each. At this time, Dominguez opened the meeting for public comment on the plan. No attendee requested to deliver public comment.

## REPORT

### Oregon Legislative Update

Ryan Fisher and Christel Allen from NW Public Affairs presented the report to the Board. The report included a brief recap of major items in the past legislative session, and a primer for what is likely to happen in the February session.

Fisher said one of the major actions of the past legislative session was securing the extension of the affordable housing tax credit. In the 2009 session, sunset dates were attached to all state tax credits, including the affordable housing tax credit. The tax credit was due to expire in 2014, but because the Housing Alliance believed it was important to seek renewal in the 2011 session. While several other tax credits were allowed to expire, the legislature agreed the affordable housing tax credit was important to many and it was extended to 2020.

Fisher said another important action was protecting the Emergency Housing Account funding currently in the budget. This funding supports the Homeless Prevention and Rapid Re-Housing Program, and there is a void in funding as ARRA expires. Current funding levels were granted; however, at the end of the session the legislature introduced preemptive allotment cuts. This means that 3.5% of the budget for this allocation will be held in a special account. If the revenue forecasts hold, the funds will be made available in February. However, revenue forecasts have not gone well and Fisher felt it unlikely that those funds would be released.

Fisher said three major items will need to be addressed in the upcoming February session. Healthcare transformation will address the way the state delivers Medicaid. The legislature will also examine education reform and create a business plan regarding outcomes of education. Lastly, the legislature will need to rebalance the budget. In addition to revenue shortfalls, there were several unspecified savings suggested. Agencies will be expected to make savings and work with cuts.

Fisher said that as far as direct relevance to Home Forward, while our funding is not directly from the state, our clients will see an impact in the other services they receive.

Vice Chair Romero asked if there was a state aspect to TANF (Temporary Assistance for Needy Families). Fisher said there are quite a few state aspects to TANF. Matching dollars on TANF are much smaller than many other programs, which makes it a harder sell for legislators. In the past session, they looked at reductions in policy for TANF, such as moving from a 60 month time limit to an 18 month time limit. Fisher said they pushed back very hard and it was kept at 60 months, but many other parts of the program were eliminated.

Fisher said the governor has issued an executive order for a hiring freeze and an enrollment freeze. This includes employment related daycare, which is an important service for single families with barriers to work. Enrollment is being frozen because it's expected that cuts will need to be made in February.

Commissioner Kafoury asked what was happening with work on the pre-emption on real estate transfer tax. Fisher said they've heard a large number of signatures have been gathered to put the petition, prohibiting further increases to the document recording fee, on the ballot. NW Public Affairs is

looking at this very closely and trying to determine the best response. The movement is well-funded by the Oregon Association of Realtors, and Fisher felt it's likely they'll get the signatures they need to get on the November ballot.

## **RESOLUTION 11-12-01**

### **Authorize Kelly Place Transfer Ownership to Home Forward**

Molly Rogers and Chris Hughson presented the resolution to the Board. Rogers said they were requesting authorization to acquire the limited partner interest in Kelly Place, a 20-unit property in Gresham. We've reached the conclusion of our 15-year tax credit period, when investors who have bought equity in the property have reached the conclusion of their benefits. We now have the ability to purchase their interest and assume 100% ownership in the property.

Hughson presented some details about the property. Kelly Place is a 20-unit property in Gresham, with family-sized units of low income housing. It's had some significant capital work recently, including \$200,000 of work on the envelope. All indications are that there won't be any significant additional work coming up for capital needs. This is a sound asset to bring into Home Forward's balance sheet.

Commissioner Kelleher asked what the alternative option would be. Rogers said the other option would be to leave the property in limited partnership, which would create complications if we wanted to sell the building in the future. Commissioner Kelleher asked if there were conditions under which we would leave the property in limited partnership. Rogers said it's very rare to choose not to exit. If conditions were so poor that they would remain in the limited partnership, various lenders would work to find a different path for the property.

Commissioner Lessler said if we continue to operate as it currently is, with Home Forward as the general partner in the limited partnership, Home Forward would still be responsible for operating shortfalls and capital improvement requirements. So even within the limited partnership, Home Forward still has liability as the general partner. Rogers confirmed that this is correct. She said we've been responsible and have taken care of this asset.

Commissioner Lessler said the Board packet indicated there is approximately \$200,000 in repairs needed in the next 3-5 years. Hughson said that \$200,000 in repairs was very recently completed. There is not another \$200,000 in work needed. Rogers said the capital needs assessment initially identified the \$200,000 in work necessary, which has now been taken care of.

Treasurer Widmark moved to adopt the resolution. Vice Chair Cormack seconded the motion.

#### **The vote was as follows:**

**Chair Lee Moore – Aye**

**Vice Chair Harriet Cormack – Aye**

**Vice Chair Shelli Romero – Aye**

**Treasurer David Widmark – Aye**

Commissioner Gretchen Kafoury – Aye  
Commissioner David Kelleher – Aye  
Commissioner Brian Lessler – Aye  
Commissioner Jim Smith – Aye

## RESOLUTION 11-12-02

### **Authorizes Acquisition of Parcel Number R239161 Located at NE Beech Street**

Mike Andrews presented the resolution to the Board. Andrews said the purpose of the acquisition of this property is to develop the site in partnership with LifeWorks NW. A number of years ago, LifeWorks NW began working with Gerding Edlen to find an alternative site for Project Network, which provides treatment for mothers in recovery who are reuniting with their children.

Home Forward was approached and asked to help expand the scope to include permanent rental housing. Andrews said we believe this site is well-suited for the project. It is in an Urban Renewal Area, which provides some funding for the development from the City. The site is in a neighborhood near the existing facility. The program is culturally specific, serving primarily African American and Latino mothers. The site is well-linked with transportation, near our existing Maple Mallory property, and at just over an acre of flat land, the value of the site is good.

Andrews said Home Forward proposes to purchase the site and hold it while assembling the remainder of the financing needed to develop the project. Fundamentally, financing would use low-income housing tax credits and new market tax credits as basis for the overall financial structures. Additionally, we would seek approximately \$4.5 million of development subsidy from the City of Portland (adjusted down from initial plans to seek \$5.2 from the City). With Board approval, we would purchase the property and continue to move forward assembling development subsidies, first with an application next week to the City of Portland, then with tax credit applications through the State of Oregon. Andrews believes these requests will be viewed favorably.

Chair Moore asked if Home Forward would own this property; Andrews said yes. Chair Moore asked if there was a timeline for starting construction. Andrews said the schedule was being finalized, but the application for credits would happen in spring 2012, design work in the fall, with construction scheduled to begin in summer 2013, and ending in September 2014.

Chair Moore asked what would happen if we don't get state funding. Andrews said we would apply again. There's sufficient credit available in the region for the two 9% tax credit projects moving forward.

Commissioner Kelleher asked what are the chances the City wouldn't provide funding. Andrews said he believes the project will be seen favorably by the City because of the involvement with LifeWorks NW. LifeWorks is very capable and the City is well aware of the project. We don't believe there are other projects competing for the funding. If, for some reason, the project doesn't move forward, the site would still be a quality asset.

Commissioner Lessler said he thinks the property is a great asset and he supports the acquisition. He asked for clarifications for some of the line items in development costs and general fees. Andrews said those items included A&E fees, permits, traditional soft costs, developer fees, legal and accounting costs, and other design related soft costs.

Rudman asked if the developer fees would be shared with Gerding Edlen. Andrews said yes, we're in the process of negotiating development agreements between Home Forward and LifeWorks, and between Gerding Edlen and LifeWorks that will specify responsibilities.

Vice Chair Romero moved to adopt the resolution. Vice Chair Cormack seconded the motion.

**The vote was as follows:**

Chair Lee Moore – Aye

Vice Chair Harriet Cormack – Aye

Vice Chair Shelli Romero – Aye

Treasurer David Widmark – Aye

Commissioner Gretchen Kafoury – Aye

Commissioner David Kelleher – Aye

Commissioner Brian Lessler – Aye

Commissioner Jim Smith – Aye

**RESOLUTION 11-12-03**

**Authorizing the Execution and Delivery of Documents with the Local Blended Subsidy Revenue Structure and Operation of Madrona Place Apartments**

**RESOLUTION 11-12-04**

**Authorizing the Execution and Delivery of Documents with the Local Blended Subsidy Revenue Structure and Operation of Apartments at Bud Clark Commons**

Mike Andrews presented the resolutions to the Board. Resolution 11-12-03 related to the initial implementation of Local Blended Subsidy (LBS), a method by which we would blend Section 8 resources and public housing operating subsidy for one unit. This allows us to use public housing subsidy available to us by not currently being deployed. Blending the resources also makes these units financially viable. We have received approval of the program idea from HUD in our past MTW Plan. Part of that approval is to come back incrementally with each transaction.

At Bud Clark Commons, there are currently 130 units in the building. Once LBS is implemented, all units will become public housing and the project-based voucher contract will be turned off. The value of the amount of the Section 8 subsidy going to that property would be less than it currently is.

Madrona Place Apartments are currently operating without any subsidy at all. When LBS is implemented, the subsidy will serve to make the units affordable to the families living there. We will also close on a loan with Network for Oregon Affordable Housing (NOAH), grossing about \$850,000.

Chair Moore asked about whether Madrona Place has 45 or 46 units. Andrews said when we initially purchased the building, there were 46 units, but one unit has been converted to a management office and community space.

Vice Chair Cormack asked if there was good probability these would be approved. Andrews said Madrona approval is expected by the end of the month. Approval for the Bud Clark Commons has been pushed out 45 days.

Commissioner Kelleher asked if there was a reason we would not go through with this. Andrews said when we launched the idea of LBS two years ago, there was a different federal funding outlook than there is now. There's money available at HUD that, if we can access, becomes good for us. LBS has become a little more difficult with federal cuts, but it still works in each of these instances. He said he could not think of a reason not to do this at Madrona; it will result in operating subsidy where there wasn't any before. At Bud Clark Commons there's a robust operating budget because of the folks we serve, and this net new money helps fund that.

Rudman said the public housing subsidy is funding we have available to us, but cannot currently access. The Section 8 funding is money that could theoretically go elsewhere. It's important that we have these services for these clients, and without LBS it would be much more difficult to find success there.

Commissioner Lessler asked if there is a possibility this would need to be unwound. Andrews said the biggest risk is that our approval is embedded in our MTW agreement. There's significant support for not eliminating public housing or Section 8, but the underlying risk is mostly tied to the terms of our MTW Agreement.

Commissioner Lessler moved to adopt resolution 11-12-03. Commissioner Smith seconded the motion.

**The vote was as follows:**

**Chair Lee Moore – Aye**

**Vice Chair Harriet Cormack – Aye**

**Vice Chair Shelli Romero – Aye**

**Treasurer David Widmark – Aye**

**Commissioner Gretchen Kafoury – Aye**

**Commissioner David Kelleher – Aye**

**Commissioner Brian Lessler – Aye**

**Commissioner Jim Smith – Aye**

Treasurer Widmark moved to adopt resolution 11-12-04. Vice Chair Cormack seconded the motion.

**The vote was as follows:**

Chair Lee Moore – Aye  
Vice Chair Harriet Cormack – Aye  
Vice Chair Shelli Romero – Aye  
Treasurer David Widmark – Aye  
Commissioner Gretchen Kafoury – Aye  
Commissioner David Kelleher – Aye  
Commissioner Brian Lessler – Aye  
Commissioner Jim Smith – Aye

**MOTION**

**Final Action Arising from Executive Session**

Treasurer Widmark moved that Home Forward engage in legal counsel to prepare appropriate documents related to claims which may have been made against Tom Walsh and Company, Ash Creek Homes LLC and any related persons. Commissioner Kelleher seconded the motion.

**The vote was as follows:**

Chair Lee Moore – Aye  
Vice Chair Harriet Cormack – Aye  
Vice Chair Shelli Romero – Aye  
Treasurer David Widmark – Aye  
Commissioner Gretchen Kafoury – Aye  
Commissioner David Kelleher – Aye  
Commissioner Brian Lessler – Aye  
Commissioner Jim Smith – Aye

**ADJOURN**

There being no further business, Chair Lee Moore adjourned the meeting at 7:58 PM.

**EXECUTIVE SESSION**

The Board of Commissioners of Home Forward did meet in Executive Session prior to the start of the formal Board of Commissioners meeting pursuant to ORS 192.660(2).

Attached to the Official Minutes of Home Forward 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: JANUARY 17, 2012**

**Attest:**

**Home Forward:**

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

\_\_\_\_\_  
Harriet B. Cormack, Chair

## B. Board Resolution



### STAFF REPORT

To: Board of Commissioners

Date: January 17, 2012

From: Betty Dominguez, Director Policy & Planning

Subject: Resolution 12-01-05

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### Authorization for Home Forward to submit the Fourteenth-Year Annual Moving to Work (MTW) Plan to the Department of Housing and Urban Development (HUD)

#### Request

The Board of Commissioners is requested to authorize staff to submit the Fourteenth-Year MTW Annual Plan to the Department of Housing and Urban Development. This year's report corresponds to Home Forward's fiscal year 2013.

#### Background

Since becoming an MTW agency in 1999, Home Forward 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. Three 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 and to the Board of Commissioners at a public hearing. All feedback and Home Forward responses have been included for your reference and are provided to HUD as part of our MTW Plan submission. Home Forward will continue to work with the community as this year's proposed initiatives are implemented.

#### Conclusion/Recommendation

Staff recommends approval of resolution 12-01-05.



RESOLUTION 12-01-05

RESOLUTION 12-01-05 AUTHORIZES HOME FORWARD STAFF TO SUBMIT THE FOURTEENTH-YEAR ANNUAL MOVING TO WORK PLAN (MTW) TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

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

WHEREAS, on December 7, 2011 Home Forward staff met with community partners to review the draft MTW plan; and

WHEREAS, on December 13, 2011 the Home Forward Board of Commissioners conducted a public hearing on the draft MTW plan; and

WHEREAS, HUD has requested that the Home Forward Board of Commissioners authorize the execution of its Fourteenth-Year MTW Annual Plan,

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of Home Forward that the Chair of the Board of Commissioners is authorized to enter into and execute the Fourteenth-Year MTW Annual Plan with the Department of Housing and Urban Development.

ADOPTED: JANUARY 17, 2012

Attest:

Steven D. Rudman, Secretary

Home Forward:

Harriet B. Cormack, Chair

**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 04/01/2012, 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)

HARRIET CORMACK  
Name of Authorized Official

Chairman  
Title

Harriet Cormack  
Signature

February 7, 2012  
Date

## Appendix

### RENT REFORM – IMPACT ANALYSIS

The following is an analysis of calculating rent for public housing Family Self Sufficiency (FSS) program participants under rent reform. These households were previously kept at the traditional rent calculation.

#### About the Households – Public Housing FSS Participants

	ALL PH FSS Households	% of ALL PH FSS Households	# of Work-Focused	% of Work-Focused	# of Seniors/PWD	% of Seniors/PWD
ALL MTW	74	100%	62	100%	12	100%
Gross income < \$5000	15	20%	12	19%	3	25%
Zero income	9	12%	6	10%	3	25%
Receive utility reimbursement	10	14%	10	16%	0	0%
Children in household	53	72%	53	85%	0	0%
Single parents	39	53%	39	63%	0	0%
Female head of household	59	80%	51	82%	8	67%
Ceiling rents (PH only)	9	12%	6	10%	3	25%
Four or more dependents	9	12%	9	15%	0	0%
Claim childcare expenses > \$2000	3	4%	3	5%	0	0%
Claim medical expenses > \$2000	0	0%	0	0%	0	0%
<b><u>Additional household information</u></b>						
Average household gross income	\$12,819		\$13,091		\$11,414	
Average household earnings	\$7,881		\$8,416		\$5,117	
Households pay rent ≥ \$100	39	53%	31	50%	8	67%

Household Impact: Rent Changes

All PH FSS Household Rent Changes	Year 1		Year 2		Year 3	
	By Household	By Percentage	By Household	By Percentage	By Household	By Percentage
Rent decreases	25	34%	27	36%	9	12%
Rent increases	42	57%	40	54%	62	84%
No change in rent	7	9%	7	9%	3	4%
<b>TOTAL PH FSS HOUSEHOLDS</b>	<b>74</b>	<b>100%</b>	<b>74</b>	<b>100%</b>	<b>74</b>	<b>100%</b>
All PH FSS Household Rent Increase Increments	Year 1		Year 2		Year 3	
	By Household	By Percentage	By Household	By Percentage	By Household	By Percentage
< \$25	25	34%	25	34%	19	26%
\$25 to \$50	10	14%	6	8%	8	11%
\$50 to \$100	1	1%	3	4%	16	22%
\$100 to \$200	6	8%	2	3%	12	16%
> \$200	0	0%	4	5%	7	9%
<b>TOTAL RENT INCREASES</b>	<b>42</b>	<b>57%</b>	<b>40</b>	<b>54%</b>	<b>62</b>	<b>84%</b>

Household Impact: Shelter Burden<sup>1</sup>

Populations	Shelter burdens		
	Year 1	Year 2	Year 3
All PH FSS Households	26.4%	27.6%	31.5%
Work-Focused PH FSS Households	26.7%	27.9%	32.6%
Senior/PWD PH FSS Households	24.9%	26.2%	26.2%
Populations	Shelter burden changes vs baseline		
	Year 1	Year 2	Year 3
All PH FSS Households	+1.0%	+2.2%	+6.1%
Work-Focused PH FSS Households	+1.0%	+2.2%	+6.8%
Senior/PWD PH FSS Households	+1.0%	+2.2%	+2.2%

<sup>1</sup> For the purposes of rent reform, shelter burden is defined as rent + utility allowance divided by gross income.

Household Impact: Work-focused Public Housing FSS Participants

Work-Focused Household Rent Changes	Year 1		Year 2		Year 3	
	By Household	By Percentage	By Household	By Percentage	By Household	By Percentage
Rent decreases	19	31%	21	34%	3	5%
Rent increases	39	63%	37	60%	59	95%
No change in rent	4	6%	4	6%	0	0%
<b>TOTAL Work-focused Households</b>	<b>62</b>	<b>100%</b>	<b>62</b>	<b>100%</b>	<b>62</b>	<b>100%</b>
Work-Focused Household Rent Increase Increments	Year 1		Year 2		Year 3	
	By Household	By Percentage	By Household	By Percentage	By Household	By Percentage
< \$25	25	40%	25	40%	19	31%
\$25 to \$50	9	15%	5	8%	7	11%
\$50 to \$100	0	0%	2	3%	15	24%
\$100 to \$200	5	8%	2	3%	12	19%
> \$200	0	0%	3	5%	6	10%
<b>TOTAL WORK-FOCUSED INCREASES</b>	<b>39</b>	<b>63%</b>	<b>37</b>	<b>60%</b>	<b>59</b>	<b>95%</b>

Household Impact: Seniors/People with Disabilities Public Housing FSS Participants

Seniors/PWD Household Rent Changes	Year 1		Year 2		Year 3	
	By Household	By Percentage	By Household	By Percentage	By Household	By Percentage
Rent decreases	6	50%	6	50%	6	50%
Rent increases	3	25%	3	25%	3	25%
No change in rent	3	25%	3	25%	3	25%
<b>TOTAL Seniors/PWD Households</b>	<b>12</b>	<b>100%</b>	<b>12</b>	<b>100%</b>	<b>12</b>	<b>100%</b>
Senior/PWD Household Rent Increase Increments	Year 1		Year 2		Year 3	
	By Household	By Percentage	By Household	By Percentage	By Household	By Percentage
< \$25	0	0%	0	0%	0	0%
\$25 to \$50	1	8%	1	8%	1	8%
\$50 to \$100	1	8%	1	8%	1	8%
\$100 to \$200	1	8%	0	0%	0	0%
> \$200	0	0%	1	8%	1	8%
<b>TOTAL SENIORS/PWD INCREASES</b>	<b>3</b>	<b>25%</b>	<b>3</b>	<b>25%</b>	<b>3</b>	<b>25%</b>

Impact by Race: All Public Housing FSS Participant 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	29	18	3	2	2	20
% Households	39.86%	24.32%	2.70%	2.70%	2.70%	27.03%
Shelter burden (current)	25.07%	23.23%	20.31%	28.56%	25.74%	27.65%
<b>Year 1 Impact by Race</b>						
% Rent increase	57.63%	55.56%	80.00%	0.00%	100.00%	55.00%
% Rent decrease	35.59%	27.78%	20.00%	100.00%	0.00%	35.00%
Shelter burden (expected)	25.91%	24.54%	22.49%	27.50%	27.36%	28.62%
<b>Year 2 Impact by Race</b>						
% Rent increase	54.24%	55.56%	80.00%	0.00%	100.00%	50.00%
% Rent decrease	38.98%	27.87%	20.00%	100.00%	0.00%	40.00%
Shelter burden (expected)	27.17%	25.90%	24.66%	27.50%	27.50%	29.61%
<b>Year 3 Impact by Race</b>						
% Rent increase	84.75%	77.78%	80.00%	100.00%	100.00%	85.00%
% Rent decrease	15.25%	11.11%	20.00%	0.00%	0.00%	10.00%
Shelter burden (expected)	31.21%	30.68%	26.84%	29.00%	29.00%	33.68%

Overall Financial Impact

<b>Overall Financial Impact</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>
Public Housing rent change	\$4,677	\$7,379	\$21,167	\$29,158
% Public Housing rent change	0.04%	0.05%	0.17%	0.24%

## Amendment I to FY2013 MTW Plan

This document amends Home Forward's previously approved FY2013 MTW Plan in the following sections.

### Section V: Proposed MTW Activities

Home Forward is adding the following to its proposed activities for FY2013:

#### FY2013-P4: INSPECTIONS AND RENT REASONABLENESS AT HOME FORWARD-OWNED PROPERTIES

**Background:** Home Forward owns approximately 3,310 units of Affordable Housing. Currently, 252 of those units have project-based Section 8 vouchers attached, and an additional 185 units are rented to families that have tenant-based Section 8 vouchers. Maintaining ownership of these units ensures that affordable housing remains available in our community. HUD regulations require Home Forward to contract with a third party to perform the required Housing Quality Standards inspections and determine rent reasonableness for these units that we own. Home Forward has an agreement with the Housing Authority of Clackamas County to conduct inspections for us as needed, but this arrangement is inefficient for both housing authorities, as it requires inspectors to travel longer distances and requires significant coordination between the housing authorities with respect to scheduling and the transfer of paperwork. Home Forward is proposing to increase efficiencies by utilizing our own staff to perform the required inspections and determine rent reasonableness.

**MTW authorization:**

Attachment C, Section D(5) –  
Ability to Certify Housing Quality Standards

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

**Statutory objective:**

Reduce cost and achieve greater cost effectiveness in Federal expenditures.

**Use of MTW Authority and Impact on Statutory Objective(s):** This activity allows Home Forward to utilize our own staff to perform inspections and set rent reasonableness for units that we own. Inspections will be conducted in conformance with the Housing Quality Standard criteria, and, as a safeguard, we will hire the Housing Authority of Clackamas County to conduct quality control testing of the inspections for a sample of these units. Staff in the Rent Assistance department will conduct rent reasonableness determinations using the standard currently applied to all other Housing Choice Voucher rent reasonableness determinations. The standard utilizes a semi-annually updated study of market rents by the Metro Multifamily Housing Association and adjustments to account for features that may impact rent. We will also hire the Housing Authority of Clackamas County to conduct rent reasonableness testing for a sample of units.

Allowing Home Forward staff to conduct inspections and set rent reasonableness will result in efficiency and administrative time savings for the agency. Clackamas County and Home Forward charge each other a flat rate for inspections in each other's jurisdictions. This means the cost to hire Clackamas to do the actual inspections is not significantly more expensive than utilizing Home Forward staff to do so. However, staff must spend time to coordinate inspections and request rent reasonableness calculations. Based on initial inspections and annual inspections required in 2011, Home Forward estimates our staff will save 25 hours by not coordinating 25 initial inspections and 12 hours by not coordinating 241 annual inspections,

instead conducting these inspections ourselves. Additionally, we anticipate saving 15 hours by determining rent reasonableness requests for 185 rent increase requests annually. Therefore, this activity will create 52 hours per year in staff time-savings for Home Forward. Home Forward will track these savings, as well as the pass/fail rate for inspections at Home Forward-owned units to ensure there is no inspection bias.

**Proposed baselines, benchmarks, and metrics:**

Impact	Metric	Baseline	Benchmark
Home Forward-owned units have similar pass/fail rates as units that Home Forward does not own	Percent of Home Forward-owned units passing initial and annual inspection on the first visit	2011 initial inspection pass rate for entire HCV program: 78%  2011 annual inspection pass rate for entire HCV program: 78%	Initial pass rate for Home Forward-owned units: 78-85%  Annual inspection pass rate for Home Forward-owned units: 78% or equal to overall pass rate
Annual staff time savings for inspections and rent reasonableness determinations at Home Forward-owned units	Staff time spent coordinating 3 <sup>rd</sup> party inspections and rent reasonableness requests for units Home Forward owns	Total hours required to coordinate 3 <sup>rd</sup> party inspections and rent reasonableness determinations: 52 hours	0 hours per year

**Data collection process:** Home Forward will track inspections data through our YARDI database system.

## Section VII: Sources and Uses of Funding

### E. Uses of Single-Fund Flexibility

Home Forward is simplifying the language and requirements around our landlord incentive program, as described under our MTW Initiative Funds. Changes to the paragraph are as follows (addition indicated italics):

- Landlord incentive program: Home Forward will implement a landlord incentive program to attract new landlords and units in low poverty areas to the Housing Choice Voucher program. In its initial year of testing, the program will offer a one time, \$100 incentive payment for each eligible unit a landlord leases to a Housing Choice Voucher participant. ~~A landlord will be eligible to receive up to ten incentive payments per multi-family complex.~~ Eligible units must be located in ~~zip codes~~ *census tracts* considered low-poverty areas ~~and not have had a Housing Choice Voucher tenant in the prior 24 months.~~

Home Forward is modifying our MTW Initiative Fund item for security deposits, to also offer security deposit assistance to foster youth leasing up with Family Unification Program (FUP) vouchers. Home Forward is replacing the paragraph on “Security deposits for participants leasing up with Veterans Affairs Supportive Housing (VASH) vouchers” with the following.

- Security deposit assistance: Home Forward uses single-fund flexibility to offer security deposit assistance to two populations in our community: participants leasing up with Veterans Affairs Supportive Housing (VASH) vouchers, and foster youth leasing up with Family Unification Program (FUP) vouchers. For homeless veterans, a lack of funds for security deposits is a serious barrier to successful use of VASH vouchers. Similarly, youth aging out of the foster care system often do not have the resources to pay for security deposits when trying to utilize FUP vouchers. Security deposit assistance is a key support to finding housing for veterans and youth leasing up in units requiring deposits. Home Forward’s funds are to be funds of last resort for deposits, to be used only when the service agencies working with these populations are not able to arrange for deposit assistance.