Housing Authority of Portland

YEAR 12

HUD's "Moving to Work"
(MTW) Demonstration Program

Annual Plan
FY2011

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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.

HAP has been designated an MTW agency since 1998. Last year, we signed a new agreement with HUD that will ensure our participation in the program until 2018, providing a long horizon to 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:

The overarching objectives of this year's MTW activities are to maximize opportunities for members of the HAP community to access housing, achieve stability, and progress to self-sufficiency. We will do this through the proposed and ongoing activities described herein, while also taking a longer term view by embarking on a strategic planning process. The strategic plan will not be limited to MTW activities, but our MTW authority will be a key element of our ability to innovate and dream big.

We will also continue our rent reform planning process, with the goal of identifying a new model to propose in our FY2012 MTW Plan. We began testing rent concepts in our current plan year, with the intention of developing a system that would function the same across Section 8 and public housing, while remaining revenue neutral to the agency. This proved to be incredibly complicated. We have refined our approach and expectations around uniformity between the programs, although we will continue to strive to achieve greater parity between Section 8 and public housing rents than currently exists in the standard calculations. As we come to a fuller understanding of the viable options, we look forward to deep engagement from our residents, participants and community to help us develop the best model.

Overview of the Agency's MTW Activities

Activity	Description	Page
P1: Alternate rent calculation for public housing units at Rockwood Station, Martha Washington & The Jeffrey	At these three sites, HAP proposes to eliminate all standard public housing deductions and allowances, and calculate rent based on a straight percentage of income.	11
P2: Change in public housing utility allowance adjustments to align with Section 8	HAP proposes to adopt the Section 8 methodology of utility calculation, reviewing the utility adjustments annually and implementing at the resident's next annual review.	15
P3: Use of Mixed-Finance Flexibilities for Public Housing Preservation	HAP has removed this activity from its FY2011 MTW Plan.	--
P4: Modified contract rent determinations and payment standard adjustments for project-based voucher units	HAP proposes a revised policy on the application of payment standards for project-based voucher participants.	19
P5: Subsidy change to preserve public housing units	HAP has removed this activity from its FY2011 MTW Plan.	--
P6: Redevelopment of Hillsdale Terrace	HAP has removed this activity from its FY2011 MTW Plan.	--

Activity	Description	Page
O1: Opportunity Housing Initiative	HAP currently operates four OHI self-sufficiency program models: site-based programs at Fairview Oaks, Humboldt Gardens and New Columbia, and the DHS Voucher Program.	23
O2: Biennial reviews – Rent Reform Activity	HAP has implemented a biennial review schedule for all MTW voucher holders in Section 8, and for elderly/disabled residents in public housing.	25
O3: Simplified administrative procedures – Rent Reform Activity	HAP has implemented several measures to relieve administrative burden and reduce intrusiveness with residents and participants.	27
O4: Biennial inspections	HAP conducts biennial inspections for qualifying Section 8 households.	29
O5: Agency-based rent assistance project with local non-profits	HAP has allocated a small pool of rent assistance funds to be administered by SE Works and NW Pilot Project – local non-profits serving a distinct group of participants.	31
O6: Measures to improve the rate of voucher holders who successfully lease-up	HAP has implemented a variety of measures to improve landlord acceptance of Section 8 vouchers in the local community.	33

Activity	Description	Page
O7: Limits for zero-subsidy participants	HAP has implemented limits for families that have a pattern of lowering their income after subsidy ends.	35
O8: Project-based vouchers: exceeding the limit of 25% per building	HAP may allow project-based vouchers to be awarded to more than 25% of units in a given complex.	37
O9: Family eligibility for project-based voucher assistance	In order to provide greater access to low-income families with high barriers, screening and eligibility requirements at certain project-based voucher properties may differ from traditional criteria.	39
O10: Project-based vouchers: site-based waitlists & restriction on tenant-based voucher preference	HAP allows each project-based voucher (PBV) building to maintain its own waitlist and requires PBV residents to apply for and remain on the tenant-based waitlist in order to transfer to a tenant-based voucher.	41
O11: Resource Access Center development	HAP will exercise flexibility in mixed-finance, PBV subsidy levels, and eligibility and screening criteria for this project designed to serve homeless and formerly homeless households.	43
O12: MTW flexibilities to increase subsidized housing opportunities	HAP has used CM/GC and project-based voucher flexibilities to facilitate and increase public and affordable housing opportunities in the community.	45

II. General Housing Authority Operating Information

A. Housing Stock Information

Projected number of public housing units (PHUs) as of the beginning of FY2011 (April 1, 2010)

Elderly/Disabled Units	1,364
Family Units	1,180
Total	**2,544**
Units to be added during FY2011	45
Units to be removed during FY2011	(30)
Projected number of PHUs at the end of FY2011	**2,559**

Breakdown of Public Housing Units (projected for April 1, 2010)

	Bedroom Size				Total Households
	Studio/ 1 BR	2BR	3BR	4+BR	
Elderly/Disabled Units	1,358	6	0	0	1,364
Family Units	166	522	419	73	1,180
Total	**1,524**	**528**	**419**	**73**	**2,544**

MTW Housing Choice Vouchers units authorized: **7,690**
Non-MTW Housing Choice Vouchers units authorized: **512 SRO/Mods**
105 VASH

Housing Choice Vouchers – units to be project-based:

- Martha Washington – 45 units – Housing for homeless and chronically mentally ill populations. Central City Concern will provide property management and social services for residents.

Planned Capital Expenditures
Total budgeted capital expenditures for FY2011: $16,168,625.
These include ARRA formula, ARRA competitive, scattered site sales proceeds and capital grant expenditures. ARRA funds are not included in the MTW block grant.

Community	Activity	Budget	ARRA	Scattered Sites	Capital Fund
Alderwood	Plumbing and electrical upgrades, new flooring, new furnaces, energy upgrades, kitchen and bath renovations, and door upgrades	1,001,794	63,165	791,673	146,956
Powellhurst	Plumbing and electrical upgrades, new flooring, new furnaces, energy upgrades, kitchen and bath renovations, and door upgrades	1,609,314	25,349	873,794	710,171
Demar Downs	Kitchen and bath renovations, energy upgrades, new flooring, plumbing and electrical upgrades, new playground equipment, site repairs	1,051,292	827,806	46,800	176,686
Fir Acres	Kitchen and bath renovations, energy upgrades, new flooring, plumbing and electrical upgrades, new playground equipment, site repairs	1,572,123	1,388,336	--	183,787
Stark Manor	Kitchen and bath renovations, electrical and plumbing upgrades, new flooring, new exterior doors, miscellaneous	1,360,063	1,279,150	--	80,913
Townhouse Terrace	Kitchen and bath renovations, electrical and plumbing upgrades, new flooring, new exterior doors, miscellaneous	1,364,358	1,206,897	--	157,461
Celilo Court	Kitchen and bath renovations, new flooring, new gas furnaces and water heaters, energy upgrades, plumbing and electrical improvements	1,442,281	270,344	188,335	983,602
Lexington Court	Comprehensive Renovation	974,500	--	--	974,500
Carlton Court	Comprehensive Renovation	1,169,400	--	--	1,169,400
Eliot Square	Comprehensive Renovation	1,461,750	--	--	1,461,750
Eastwood Court	Comprehensive Renovation	1,461,750	--	--	1,461,750
Hollywood East	Window Replacement	1,700,000	--	--	1,700,000
	Total Capital Expenditures Budget	**16,168,625**	**5,061,047**	**1,900,602**	**9,206,976**

PH Units to be added in FY2011

25 Units: Martha Washington - 25 studio apartments; two units accessible to individuals with mobility impairments & one unit accessible to sight/hearing impaired
20 Units: The Jeffrey - 20 studio apartments; one unit accessible to individuals with mobility impairments & one unit accessible to sight/hearing impaired

PH Units to be removed through disposition in FY2011

30 Units: 30 single family units are to be removed through the agency's initiative to continue implementing the HUD approved disposition of scattered sites, as first described in our FY2008 MTW plan.
The public housing units to be removed from the inventory during the plan year by development are as follows: OR002000701 SCATTERED SITES, OR002000702 Scattered North B, OR002000703 Scattered North C, OR002000704 SCATTERED SITES, OR002000705 Scattered East A, OR002000706 Scattered East B, OR002000707 Scattered East C

B. Leasing Information

Anticipated public housing leased: 97% / 2,480 units – all MTW units.

Description of anticipated issues: HAP does not anticipate any issues with public housing lease rates, which continue to be high. This is partially due to the ability of site staff to manage their vacated units quickly through the Site Based Management model. Rather than waiting for a centralized vacate crew to assist with a vacated unit, site staff have the ability to use their own staff pool to address vacancies when they occur. This is also attributable to local unemployment rates, creating lower turnover rates.

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

Anticipated non-MTW Housing Choice Vouchers leased:
95% / average of 586 vouchers

Description of anticipated issues: HAP does not anticipate any issues with leasing MTW vouchers. A community Section 8 task force, as well as HAP's measures to increase landlord participation (Ongoing Activity #6) both support efforts to reach full lease rates.

HAP anticipates lower lease rates for non-MTW vouchers. Veterans Affairs Supportive Housing vouchers have been slow to lease up in past years, but increased staffing at the local VA office to increase issuance of referrals indicates that lease rates for these vouchers will increase significantly this year.

C. Waiting List Information

Anticipated changes in waiting list:

Public Housing: HAP does not plan on making any changes to the way it manages our public housing waitlists. A site-based system allows applicants to choose up to three individual sites or the option of being on a "first available" list.

Section 8: We do not plan on making any changes to the way we manage our Section 8 waitlist.

Anticipated changes in number of families on waiting list and/or opening and closing of waiting lists:

Public Housing: HAP opened the waiting list in several elderly/disabled sites in fall 2009. For FY2011, the list in two or three elderly/disabled sites will likely be opened in summer 2010. It is expected that these openings will add approximately 600 applicants to the waiting list. There are only three elderly/disabled sites that have lists that will likely remain closed through FY2011, as they currently have at least a three-year wait (Gallagher Plaza, Holgate House, and Medallion Apartments).

HAP also expects to open eight to nine family sites in summer 2010. This group includes a mix of bedroom sizes. Although it is difficult to project the number of families who would apply to the open waiting lists, HAP expects these openings would add between 4,000 and 5,000 applicants. The remaining family sites will continue to be closed, as they currently have wait times that exceed three years.

HAP staff is accustomed to periodically opening wait lists and anticipates a smooth process when these sites become available.

Section 8: HAP anticipates beginning FY2011 with approximately 1,900 families on the Section 8 waiting list, and pulling 800 to 1,000 families during the fiscal year, leaving a total of approximately 1,000 families on the waiting list at the end of FY2011. When the waiting list is reduced to 1,000 families or less, HAP will consider opening the waiting list, depending on the anticipated need and turnover rate.

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

HAP is continuing the implementation of smoke-free housing in the public housing portfolio. After discussing internally the process of converting all of HAP's public housing units to smoke-free, a number of resident meetings were held in February and March 2009 to solicit feedback from residents. Members of HAP's management staff and staff from the American Lung Association and the Multnomah County Health Department also attended the meetings to address resident questions and concerns. In April 2009, all site staff and resident services staff attended a "Supportive Engagement" training, which provided information for assisting residents during the non-smoking policy transition. In May and June, public housing residents signed non-smoking lease addendums that went into effect August 2009. In FY2011 and going forward, HAP staff will continue to monitor the program and use a progressive discipline approach for managing those residents who continue to smoke in their unit.

IV. Long-Term MTW Plan (Optional)

In our Year 11 / FY2010 MTW Plan, we described our long-term vision in five broad areas:

- **Systems and Resource Alignment**, in which we work closely with jurisdictional partners and community organizations to combine resources and expertise to best meet our local affordable housing needs;
- **Housing Development**, in which we leverage our experience and reputation as an effective developer of affordable housing to increase its availability in our community;
- **Sustainability**, in which we create healthier physical environments for the members of the HAP community through responsible development, property management and business practices;
- **Rent Policy Refinement**, in which we implement changes that increase parity between Section 8 and public housing, create ease of administration and understanding of the policies, and increase incentives to achieve self-sufficiency; and
- **Opportunity Housing**, in which we continue to innovate in the delivery of self-sufficiency programming, increasing the amount of support and expectation for work-able families to achieve independence from public subsidy.

During the course of our Year 12 / FY2011 MTW Plan, HAP will engage in a comprehensive strategic planning process. This will culminate in a multi-year plan that incorporates all of the areas above, as well as others that will be further defined in the coming months.

While not all aspects of the strategic plan will require MTW authority, our MTW program will be a critical component to the success of our strategic planning efforts, and we look forward to sharing that product with HUD and our community in the coming year.

V. Proposed Activities

P1: ALTERNATE RENT CALCULATION FOR PUBLIC HOUSING UNITS AT ROCKWOOD STATION, MARTHA WASHINGTON AND JEFFREY

Background: During FY2011, HAP will bring a number of replacement public housing units back into service (e.g., units taken off-line and "banked" due to HOPE VI redevelopments or ADA renovations.) These units will be added to larger, non-subsidized communities. By embedding a small number of public housing units into a property, it allows the property to remain financially viable while creating much-needed subsidized units in the community.

Unlike traditional public housing developments, the sites where HAP is bringing units back on line are managed by outside management companies. These companies are not familiar with the public housing program and there is a steep training curve for their staff. One way to minimize this training curve and create efficiencies is to simplify the rent calculations.

Use of MTW authority and impact on statutory objective(s): For the one family site that is affected (Rockwood Station), HAP proposes to eliminate all standard public housing deductions and allowances, including the earned income disallowance, and calculate rent based on 30% of gross household income.

For the Martha Washington and the Jeffrey, HAP proposes to eliminate all deductions and allowances, including the earned income disallowance, and calculate rent based on 27.5**%** of gross household income. The lower percentage basis recognizes that these properties house individuals with multiple high barriers, such as mental health issues, making them more economically vulnerable by virtue of limited ability to earn income.

MTW authorizations:

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

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

Statutory objectives:

Increase housing choice for low-income families

Reduce cost and achieve greater cost effectiveness in Federal expenditures

The agency is not using outside evaluators for this activity.

At the Jeffrey and at Rockwood Station, HAP will use MTW authority to provide ACOP preferences for existing residents of the two properties to receive the new subsidy, as we did previously at Fairview (Plan Year 9). Since the Martha Washington is not currently occupied, this step will not be relevant there.

While HAP can add replacement public housing units into larger affordable housing developments without it, MTW authority is critical in creating simplifications that ensure private property management firms can administer the PH program in the context of managing the entire property. This serves both to increase housing choice for low-income families and achieve greater cost effectiveness for HAP. 70 units will be back on-line, under Annual Contributions Contract, as a result of this activity. This does not exceed HAP's Faircloth cap.

Baselines:

- There are currently zero units of public housing available at Rockwood Station, Martha Washington and the Jeffrey.
- It would take 104 total staff hours annually to provide initial and ongoing training for property management staff at the three sites to learn the standard public housing rent calculation and administration requirements, based on current practice.
- It would take 140 total hours annually to conduct eligibility reviews and track disallowed income, based on standard public housing requirements.

Proposed benchmarks and metrics:

- There will be a total of 70 units of public housing added to HAP's inventory in these three developments by the end of MTW Plan Year 12.
- HAP will reduce the time required for rent calculation training from 104 staff hours to 72 hours per year.
- HAP will reduce the time required for eligibility reviews from 140 hours to 70 hours per year.

Data collection process:
Real Estate Operations staff will report on the number of public housing units online in MTW Report Year 12.

HAP's training department currently tracks the number of trainings it provides and the topics of those trainings.

HAP established standardized baselines for various activities related to eligibility reviews by interviewing key staff about the amount of time devoted to each step of the review process. HAP will conduct similar interviews with property management staff, post-implementation of this activity, regarding the length of time to complete an eligibility review.

Impact analysis: HAP compared the rent levels between the three properties affected by this rent reform activity with rent levels at similar public housing developments where rent subsidy is calculated using the traditional method. In the case of Rockwood Station, a family public housing development was used for the analysis, and for Martha Washington and the Jeffrey, a high-rise tower was used. On average, households in the rent reform activity pay more than they would in a traditional calculation, however, the impacts are not disparate and in all cases, the households experience significant relief in their rent burden when comparing their rent levels before subsidy is made available. The full analysis is attached as Appendix I.

Annual reevaluation: HAP will examine hardship criteria requests made on an annual basis, including an impact analysis to determine if adjustments need to be made.

Hardship policy: Residents with extreme medical or childcare expenses, defined as more than $3000 per year, will be allowed to select the standard rent calculation method that takes into account their medical or childcare expenses. Residents may receive this consideration under the hardship policy by submitting an Interim Eligibility Request through the property management staff, who will route the request to the appropriate HAP staff member. Documentation of expenses will be required in order to verify the hardship request. HAP will respond to all requests within 15 calendar days of receipt. If the request is denied, the resident will be informed of their right to request a grievance hearing. HAP will maintain a log of hardship requests and note resolution.

Transition period: There will be no transition period, as the change is favorable to current residents who are already paying more than 30%/27.5% of their income toward rent.

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P2: CHANGE IN PUBLIC HOUSING UTILITY ALLOWANCE ADJUSTMENTS TO ALIGN WITH SECTION 8

Background: The public housing utility allowance process requires that HAP conduct regular engineering surveys to ascertain the amount of energy consumption at each site, by unit. This process is both cumbersome and costly. Public housing will adopt the Section 8 methodology of using HUD's standard calculation based on the type of utility (e.g. electric vs. gas heat) and the type of building (new construction vs. old construction). As in the Section 8 program, public housing will review the utility adjustments annually, with the adjustment going into effect at the resident's next annual review.

Use of MTW authority and impact on statutory objective(s): The authorization related to rent policies is needed to make a change in utility allowance determinations and is considered a rent reform activity.

The last engineering survey, completed four years ago, cost approximately $8,000. It is expected that the cost to complete the survey would be substantially more if completed next year.

Currently, when there is a utility adjustment in public housing, a review must be completed for each resident, involving considerable staff time. By aligning the process with Section 8, HAP will conduct the evaluation once a year as an agency. Having utility allowances take effect at the residents' next regularly scheduled annual reviews will eliminate the need for additional staff time to complete this function, freeing them to do other resident-related activities, such as responding to maintenance requests more quickly, conducting property inspections or engaging in community activities.

MTW authorization:

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

Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

The agency is not using outside evaluators for this activity.

There are approximately 1,572 units in public housing that have a utility allowance. Each utility adjustment involves multiple steps to complete, including: pulling up the resident's record in the computer, entering a new review, printing a copy of the review, printing a copy of the new lease rider, making copies of the review and lease rider, sending a copy of the review and lease rider to the resident along with a letter of explanation, and filing a copy of these document in the resident's file. HAP will realize meaningful savings and efficiencies by eliminating these steps.

Baselines:

- HAP spends $8,000 - $10,000 per year on the engineering survey.
- HAP staff spends approximately 393 hours per year to conduct public housing utility adjustments.

Proposed benchmarks and metrics:

- HAP will spend $0 on an engineering survey for utility allowance determinations in Plan Year 12.
- HAP staff will spend approximately 393 fewer hours per year to conduct PH utility adjustments.

Data collection process: Real Estate Operations staff will collect data related to hardship requests and a workflow survey will be conducted after this activity has been in place for a full year.

Impact analysis: HAP conducted an impact analysis comparing point-in-time utility allowances at all public housing properties with those of like-sized bedroom units receiving Section 8 subsidy. The analysis – attached as Appendix I to the MTW plan – shows that the average household experienced a decrease of $3 in their utility allowance, with no positive or negative variances greater than $18 per month.

Annual reevaluation: HAP will evaluate the number of hardship requests annually to determine if the policy is having a negative impact on residents.

Hardship case criteria: Residents who have experienced large fluctuations, defined as exceeding $25 per month, in utility consumption rates due to a disability or other issues will be able to request an interim review at any time throughout the year. Residents may receive consideration under the hardship policy by submitting an Interim Eligibility Request through the property management staff, who will route the request to the appropriate HAP staff member. Documentation of expenses will be required in order to verify the hardship request. If the request is denied, the resident will be informed of their right to request a grievance hearing. HAP will respond to all requests within 15 calendar days of receipt. HAP will maintain a log of hardship requests and note resolution.

Transition period: There will not be a calculated transition period for this change, but it will effectively be phased in by virtue of the timing of residents' annual reviews.

P3: USE OF MIXED-FINANCE FLEXIBILITIES FOR PUBLIC HOUSING PRESERVATION

HAP REMOVES THIS PROPOSED ACTIVITY FROM ITS FY2011 MTW PLAN.

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P4: MODIFIED CONTRACT RENT DETERMINATIONS AND PAYMENT STANDARD ADJUSTMENTS FOR PROJECT-BASED VOUCHER UNITS

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

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

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

MTW authorization:

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

Statutory objective:

Increase housing choice for low-income families

The agency is not using outside evaluators for this activity.

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

Baselines:

- There are currently 211 PBV units that have rent above the maximum of the current payment standard less the utility allowance.
- The most unaffordable unit for a zero income household has a $164 gap between the payment standard and the gross rent (contract rent plus utility allowance).

Proposed benchmarks and metrics:

- HAP's goal is to bring the rent levels of all of the PBV units to the maximum of the payment standard less the utility allowance, so that all PBV units are available to zero income households. The only way to do this, since HAP has agreed not to lower contract rents for any buildings, is to wait for payment standards to rise. How long it will take for FMRs, and thus payment standards, to rise to a sufficient level is difficult to predict. However, HAP will do an annual review to determine how many PBV units remain unaffordable to zero income households, and will continue the activity until it achieves the benchmark of zero PBV units above the maximum of the current payment standard less the utility allowance.

Data collection process: Data gathering software will be utilized to run reports counting the number of zero-income households that move in and are residing in properties with PBVs and to ensure that rent levels are being set at a maximum of the payment standard less utility allowance or that they are transitioning to that level to ensure access to PBV units by zero-income participants. A survey by the local Apartment Association is used to conduct affordability analysis and adjust payment standards as necessary.

Impact analysis: HAP expects this activity to increase the number of affordable housing developments where zero-income households can rent. HAP will compare the current number of units and locations where zero-income households rent to these numbers after the payment standards are increased in the coming years to find out if the activity has had the intended impact.

Annual reevaluation: HAP will evaluate the number of hardship requests (although none are anticipated) annually to determine if the policy is having a negative impact on residents.

Hardship case criteria: No household's portion of the rent will increase as a result of implementation of this policy. This activity is being proposed to reduce the hardship on participants by ensuring that subsidies are calculated using the most recent payment standard every year, instead of every other year, and as such, we do not anticipate that this activity will create new or additional hardships. However, if any participant whose subsidy is not being calculated based on current payment standards notifies HAP of a hardship that HAP determines is a direct result of the implementation of this policy (and not linked to another rent reform policy with existing hardship criteria), HAP will consider conducting an immediate interim review to increase the household's payment standard to the current standard.

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

P5: SUBSIDY CHANGE TO PRESERVE PUBLIC HOUSING UNITS

HAP REMOVES THIS PROPOSED ACTIVITY FROM ITS FY2011 MTW PLAN.

P6: REDEVELOPMENT OF HILLSDALE TERRACE

HAP REMOVES THIS PROPOSED ACTIVITY FROM ITS FY2011 MTW PLAN.

VI. Ongoing Activities

O1: OPPORTUNITY HOUSING INITIATIVE
(Identified Years 9-11, Implemented Years 9-11)

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

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

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

New Columbia: (Identified Year 11, Implemented FY2010) Of the fifty available slots for participating families, twenty-four households have been enrolled in the program. Recruitment continues with plans to have all remaining slots filled by the end of FY2010. HAP is also partnering with WorkSystems, Inc. and Portland Community College to develop and staff a satellite office to serve not only OHI participating families, but also the larger community. The office will offer employment and workforce development services at the New Columbia Opportunity Center.

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

The agency is not using outside evaluators for this activity.

DHS Voucher Program: (Identified Year 9, Implemented FY2009) The DHS Voucher program allows the State to select families already receiving TANF services and provide them with HAP tenant-based vouchers and participation in the self-sufficiency program. We have provided vouchers for 21 families who will receive case management assistance from DHS and will be enrolled in the HAP Family Self-Sufficiency program, participating in workshops, training and the escrow savings program.

Use of MTW authority and impact on statutory objective(s): HAP uses MTW authority to operate its OHI self-sufficiency program exempt from certain HUD program requirements, such as to establish a strike-point savings program and create participation requirements that differ from the traditional HUD self-sufficiency program.

Baselines:

Fairview Conversion Project:

- 40 households were enrolled in OHI at the beginning of FY2010.
- Average participant income at the time of enrollment was $11,414.

Humboldt Gardens:

- 57 households were enrolled at the beginning of FY2010.
- Average participant income at the time of enrollment was $6,756.

New Columbia Program:

- 50 available slots for participants in the OHI program.
- Each household's income, employment status & education level is assessed at program entry.

DHS Voucher Program:

- 21 households were enrolled in OHI at the beginning of FY2010.
- Six families had earned income at the time of enrollment. Of these families, average income at the time of enrollment was $6,529.

Proposed benchmarks and metrics:

- Enroll 50 families in the New Columbia program by the end of FY2010.
- 75% of program participants successfully graduate, which includes transition off of subsidized housing.
- Average income increases by at least 100% upon graduation.
- Average income increases annually by at least 5%.
- 75% of program participants receive new employment or a promotion during the program.
- Average escrow accumulation of $5,000 upon graduation.

Data collection process: HAP will continue to use Tracking at a Glance, a web-based system that will track employment, income, education, training and exit information. This will be tracked on a monthly basis, reviewed on a quarterly basis and audited for data integrity.

There are no changes or additions to MTW authorizations and the agency is not currently using outside evaluators.

O2: BIENNIAL REVIEWS – RENT REFORM ACTIVITY
(Identified Years 9 & 10, Implemented FY2008)

Background: HAP has implemented an alternate review schedule for recertification, a simplification measure designed to lead to MTW cost-effectiveness through a decrease in staff workload. In Section 8, all MTW voucher holders (with the exceptions of GOALS program participants and port-ins) are on a biennial review schedule. In public housing, biennial reviews are available to residents who are elderly and/or disabled.

Status update: Section 8 Biennial reviews have been implemented for all MTW voucher holders with the exception of those on the GOALS (FSS) program and port-ins. HAP conducts approximately 3,480 fewer reviews each year, or an average of 290 fewer reviews per month. The average annual review takes approximately one hour to complete, resulting in a time savings of 3,480 hours per year, or 290 hours per month. Case management staff can utilize the time savings by working with participants to improve customer service and assisting them with self-sufficiency activities.

GOALS participants are on annual review schedules because they benefit when their review demonstrates increased income, since the corresponding rent increase is re-allocated as additional escrow in their savings account with HAP. Port-ins have also been moved to an annual review schedule. Since the vouchers are assigned to other housing authorities, HAP must report income and family changes to the initial housing authority annually and as any change takes place. Moving port-ins to an annual review schedule added an additional 125 reviews back into total reviews for the year.

MTW authorizations:

Attachment C, Section C(11) – Rent Policies and Term Limits (Public Housing)

Attachment C, Section D(2) – Rent Policies and Term Limits (Section 8)

Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

HAP is not using outside evaluators for this activity.

Public Housing HAP currently has 967 residents who qualify for biennial reviews, translating to 480 fewer reviews that staff members are completing each year. The average annual review takes approximately one hour to complete, resulting in a time savings of 480 hours per year, or 40 hours a month. The reduction in reviews has allowed site staff to focus on other tasks and has contributed to more efficient management of properties. Site staff utilize the time savings with tasks such as arranging community activities, conducting more frequent site inspections and attending meetings to network with community agencies.

Use of MTW authority and impact on statutory objective(s): HAP has implemented an alternate review schedule for certification, allowing HAP to be more cost-effective through a decrease in staff workload and the ability for staff to utilize time savings to focus on other tasks.

Baselines:

- At the beginning of FY2010, 7,475 Section 8 participants qualified for biennial reviews, resulting in 3,737 fewer annual reviews, or a time savings of 3,737 hours in FY2010.
- At the beginning of FY2010, 1,092 public housing residents qualified for biennial reviews, resulting in 548 fewer annual reviews, or a time savings of 548 hours in FY2010.

Proposed benchmarks and metrics:

- On a yearly basis, at least 7,000 Section 8 participants will qualify for biennial reviews, resulting in 3,500 fewer annual reviews, or a time savings of 3,500 hours per year. (However, if FSS grows, the goal for biennial qualifications will decrease by the number of FSS households added.)
- On a yearly basis, at least 1,000 public housing residents will qualify for biennial reviews, resulting in 500 fewer annual reviews, or a time savings of 500 hours per year.

Data collection process: Staff in both public housing and Section 8 will track the data in Yardi, HAP's database system. Yardi can produce a report that shows how many participants or residents qualify for biennial reviews at any given time, which in turn shows the cost savings achieved.

Board approval: The Board Resolution approving the FY2008 MTW Plan is included as Attachment B in the Appendix section.

Impact analysis: HAP has not noted an increase in requests for interim reviews, which would indicate that residents or participants were experiencing negative impacts due to the alternate review schedule.

Annual re-evaluation: HAP annually monitors the number of residents and participants on biennial review schedules who request interim reviews. In the event of a significant increase in requests for interim reviews, HAP may re-evaluate this activity to determine its impact and efficacy.

Hardship case criteria: Residents and participants who are on a biennial review cycle may request an interim review any time they feel that their expenses have increased and that completing an interim review would help lower their rent. These criteria have not been changed since implementation of the activity.

Transition period: This is not applicable as the activity is already occurring.

Documentation of public hearing: See Attachment A in Appendix section.

There are no changes or additions to MTW authorizations and the agency is not currently using outside evaluators.

O3: SIMPLIFIED ADMINISTRATIVE PROCEDURES – RENT REFORM ACTIVITY
(Identified Years 9 & 10, Implemented FY2008)

Background: The following measures were implemented in April 2007:

- Disregard income related to assets valued at less than $25,000
- Eliminate interim reviews for income increases (except in cases with an increase from zero income)
- Streamline Earned Income Disallowance (EID) for qualifying clients
- Eliminate EID for new GOALS participants

In previous plans, we also included mention of simplification measures to accept hand-carried third-party income verifications, and to eliminate interim reviews for income decreases that have yet to be effective for 45 days. HAP continues to practice both of these measures, but neither requires MTW authority and as such, HAP will not include this information in future plans.

Status update: All above procedures are in place and continue to relieve administrative burden in public housing and Section 8, while reducing intrusive interactions with residents and participants. Staff utilize time savings to meet with clients about self-sufficiency programs or referrals to other community resources. Staff have noted that this additional opportunity for discussion with clients also is positive in building and sustaining relationships between staff and clients.

MTW authorization:

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

Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

HAP is not using outside evaluators for this activity.

Use of MTW authority and impact on statutory objective(s): The various rent simplification activities have allowed HAP to streamline the way it conducts eligibility reviews, which has resulted in more staff time to attend to other resident activities such as lease enforcement and community building.

Baselines, proposed benchmarks and metrics:

Disregarding assets <$25,000
Baseline: In FY2007 (before implementation), 5,811 assets were tracked, or approximately 2,905 hours were spent tracking assets in FY2007 (estimated at 30 minutes per asset).

Proposed benchmarks & metrics:

- Decrease assets being tracked by 80%

Eliminating Interim Reviews
Baseline: 10,317 interim reviews were done in FY2007 (before implementation), or approximately 10,317 hours were spent on interim reviews in FY2007 (1 hr / review).

Proposed benchmarks & metrics:
- Decrease in number of interim reviews done in FY2010

Changes to EID
Baseline: Before simplification measures, households that qualified for EID required a second interim review to reduce the EID to 50%, averaging 30 minutes of staff time per review. In FY2007 (before implementation) approximately 180 clients participated in EID, resulting in 5,400 minutes spent on the second interim review.

Proposed benchmarks & metrics:
- No second interim review is required, resulting in an average time savings of 30 minutes of staff time for each household qualifying for an EID.

Data collection process: Public housing and Section 8 staff will track the data in Yardi, HAP's database system. Yardi will produce reports showing the decreases in assets tracked and interim reviews, demonstrating a time savings for staff. Yardi will also produce a report of EID participants, who are tracked for only a 12-month period, translating to a time savings for staff.

Board approval: The Board Resolution approving the FY2008 MTW Plan is included as Attachment B in the Appendix section.

Impact analysis: These measures all relaxed requirements for residents and participants. HAP has not noted any unexpected consequences of the implemented activity.

Annual re-evaluation: Staff continually evaluate the efficacy of these simplification measures, monitoring for resident complaints or problems with the initiatives. Should such issues arise, full re-evaluation of the initiatives would be considered.

Hardship case criteria: No changes were made to the existing hardship criteria upon implementation of these activities.

Transition period: This is not applicable as the activity is already occurring.

Documentation of public hearing: See Attachment A in Appendix section.

There are no changes or additions to MTW authorizations and the agency is not currently using outside evaluators.

O4: BIENNIAL INSPECTIONS
(Identified Years 9 & 10, Implemented FY2008)

Background: HAP has moved toward biennial inspections for Section 8 households and site-based inspections for public housing properties. In Section 8, participants who reside in the same unit for a minimum of three years and pass two consecutive annual inspections on the first visit qualify for biennial inspections. Public housing has moved to site-based inspections and a focus on preventive maintenance plans.

Status update: Section 8 The biennial inspection schedule acts as a reward to those who are stable tenants and have a history of taking care of their unit. Effective November 1, 2009, 1,840 households qualified for biennial inspections, an increase of 313 additional participants over 2007. HAP estimates a cost savings of $100 per inspection, which equates to a savings of $92,000 a year, or $7,666 per month. This cost savings includes staff time, gasoline, parking, vehicle and all other associated costs incurred during the course of conducting inspections.

In 2010, Section 8 participants who have lived in a unit for one year and have maintained a clean and safe environment may qualify for biennial inspections as well. The unit must rate a C+ or above to qualify and inspectors will use their discretion in adding a unit to the biennial inspection schedule.

Public Housing In the past, we have included information about public housing inspection strategies. Although we will continue with these initiatives, they do not require MTW authority and therefore we will not be including this information in future plans.

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

MTW authorization:

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

Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

HAP is not using outside evaluators for this activity.

Baselines:

- In 2007, 1,527 households qualified for biennial inspections, resulting in a cost savings of approximately $76,350.

Proposed benchmarks and metrics:

- Two to five percent annual increase in number of households that qualify for biennial inspections

Data collection process: The Rent Assistance department creates a monthly report from their database, calculating the number of participants eligible for biennial inspections.

There are no changes or additions to MTW authorizations and the agency is not currently using outside evaluators.

O5: AGENCY-BASED RENT ASSISTANCE PROJECT WITH LOCAL NON-PROFITS

This activity was amended by FY2011 MTW Plan Amendment III, dated October 19, 2010.
Please see page 101 for the updated text.

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O6: MEASURES TO IMPROVE THE RATE OF VOUCHER HOLDERS WHO SUCCESSFULLY LEASE-UP

(Identified Year 11, Implemented FY2010)

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

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

Status update: All activities were implemented during Year 11. However, HAP was not able to pull any applicants from the tenant-based HCV waiting list between October 2008 and October 2009, which limited HAP's ability to assess the effectiveness of these new efforts.

The Landlord Guarantee Fund was implemented in the summer of 2009, and was made available to all households porting in to Multnomah County, which was a small number of households. Likewise, the tenant education course was offered in the fall of 2008, but because no additional applicants were going to be pulled from the waiting list, classes were suspended until HAP was able to pull names in late fall 2009.

During 2009, HAP began providing payments to owners through the end of the month after the move-out month when vacancies were unforeseen. The Section 8 staff have only approved ten of these payments since the change was implemented, but in all circumstances, the landlords were extremely appreciative.

MTW authorizations:

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

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

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

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

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

Statutory objective:

Increase housing choices for low-income families

HAP is not using outside evaluators for this activity.

HAP communicated all of these new activities widely to landlords via newsletters that were sent to all landlords currently participating in Section 8, as well as distributed via local landlord associations. Additionally, HAP made presentations at multiple tradeshows and landlord conferences on the positive changes to the program. HAP resumed pulling applicants from the HCV waiting list in October 2009 and is hopeful that these new activities will attract new landlords to the program.

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

Baselines:

- Baseline voucher lease-up rate is 74%.
- Number of landlords who accepted Section 8 in FY2009 was 3,166.
- Number of new landlords who accepted Section 8 in FY2009 was 424.
- Average number of days for a voucher holder to lease up in FY2009 was 51.

Proposed benchmarks and metrics:

- 11% increase in success rate for leasing up (to 85%)
- 5% annual increase in number of new landlords who accept Section 8 vouchers
- Decrease in average number of days for a voucher holder to lease up

Data collection process: Section 8 staff members will track lease-up rates for new voucher holders, landlord participation levels and a count of new participating landlords (new is defined as landlords who had not accepted Section 8 for at least the prior 24 months).

As necessary, staff will review this data for the subgroups of participants who had access to the Landlord Guarantee Fund and/or completed the tenant education course to determine the effectiveness of individual activities.

HAP will also conduct a future assessment to determine if this activity expands voucher use into low-poverty areas.

There are no changes or additions to MTW authorizations and the agency is not currently using outside evaluators.

O7: LIMITS FOR ZERO-SUBSIDY PARTICIPANTS
(Identified Year 11, Implemented FY2010)

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

Status update: Full implementation of this activity began in FY2010. Thus far, no changes have been made to the activity.

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

MTW authorization:

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

Statutory objective:

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

HAP is not using outside evaluators for this activity.

Baselines: HAP will measure the number of participants leaving the program in year one through the income ceiling and the number of zero-subsidy participants cycling back onto housing assistance payments. It will take longer than one plan year to measure how many participants repeat the cycle three times and then term out of the program.

Proposed benchmarks and metrics: When the baseline has been established, we will propose a goal for an appropriate increase in the number of participants leaving the program through the income ceiling with fewer re-triggered housing assistance payments.

Data collection process: Section 8 staff will track the data in Yardi, HAP's database system. The eventual decrease in re-triggered housing assistance payments will demonstrate an overall improvement in stability while striving for self-sufficiency by participants.

There are no changes or additions to MTW authorizations and the agency is not currently using outside evaluators.

O8: PROJECT-BASED VOUCHERS: EXCEEDING THE LIMIT OF 25% PER BUILDING
(Identified Year 4, Implemented FY2003)

Background: In our Year 4 Plan, HAP outlined our intention to create a project-based voucher (PBV) program tailored to meet the needs of the local community. 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. To accomplish these goals, HAP may allow project-based vouchers to be awarded to more than 25% of units in a given complex.

Status update: HAP now administers over 1,000 project-based vouchers in the community via 60 separate contracts. Most of the PBV buildings offer services for specific populations, and most have a preference for those populations (disabled, homeless, etc). Nearly half of the project-based vouchers are in units that specify a preference for elderly or disabled households. Many of the buildings that do not provide a preference for the elderly or disabled instead offer preference to homeless families. These buildings provide case management and other services to help support those households in achieving housing stability and, where appropriate, moving towards self-sufficiency.

Use of MTW authority and impact on statutory objective(s): By using MTW authority to exceed the traditional limit of a 25% cap on the number of PBV units in a single building, HAP increases housing choice for elderly, disabled, and other special needs and zero-income households. Without the PBV subsidies, building owners would be unable to direct these units to these populations who are often unable to succeed in the tenant-based program or afford market rate rents. Additionally, because HAP limits PBV rents to a maximum of the payment standard less any applicable utility allowance, PBV units are affordable even to zero-income households.

MTW authorizations:

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

Statutory objectives:

Increase housing choices for low-income families

HAP is not using outside evaluators for this activity.

Baselines:

- HAP administers over 1,000 project-based voucher units, which adds over 1,000 affordable units in our community.
- Zero-income households currently account for 11.6% of project-based voucher households, and 4.9% of tenant-based voucher households.
- Elderly and/or disabled households currently account for 54.5% of project-based voucher households, and 48.5% of tenant-based voucher households.

Proposed benchmarks and metrics:

- Over 1,000 affordable units remain available in our community via the project-based voucher program.
- Project-based vouchers will continue to support a higher percentage of zero-income households than tenant-based vouchers.
- Project-based vouchers will continue to support a higher percentage of elderly/disabled households than tenant-based vouchers.

Data collection process: The rent assistance department administers and tracks project-based vouchers, as well as zero-income, elderly and disabled households utilizing vouchers. Additionally, buildings are required to submit annual reports on outreach, waiting list administration, utilization of services and exit destinations for those households that have left the program.

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

There are no changes or additions to MTW authorizations and the agency is not currently using outside evaluators.

O9: FAMILY ELIGIBILITY FOR PROJECT-BASED VOUCHER ASSISTANCE
(Identified Year 11, Implemented FY2010)

Background: HAP administers over 1,000 project-based vouchers (PBVs) in the community via 60 separate contracts. Most of the PBV buildings offer services for specific populations, and most have a preference for those populations (disabled, homeless, etc). In order to provide greater access to low-income families with high barriers, screening and eligibility requirements at certain project-based voucher properties may differ from traditional criteria.

Status update: HAP has implemented this activity with our project-based voucher partners for families who have high barriers to housing. Case management services provided by various community organizations help families to not only obtain suitable housing, but to access additional services that give the family stability in the community. HAP will continue to evaluate utilization of these vouchers to measure the success of the added service components at entry and after leasing.

Use of MTW authority and impact on statutory objective(s): Modified screening criteria at certain PBV properties allow participants who would otherwise be ineligible to access housing services. HAP determines an applicant's eligibility for a specific PBV property based on the capacity of the service provider owning or contracted to manage the property. For example, if the service provider's expertise is in helping criminals convicted of drug-related activity to overcome their addiction and move into training and employment, the drug-related criminal activity eligibility criteria may be waived for participants who would reside at that property. The specific services to be offered at the property, as well as agreed-upon goals and performance indicators, are identified in the PBV contract and Memorandum of Understanding with the owner, manager and identified service provider.

MTW authorization:

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

Statutory objective:

Increase housing choices for low-income families

HAP is not using outside evaluators for this activity.

Baselines:

- Each of our PBV properties currently has standard eligibility criteria.
- HAP will track turnover rate at any development before new eligibility criteria are established.

Proposed benchmarks and metrics:

- Agreements with each provider will contain specific metrics related to housing stability of program participants who would have otherwise been denied housing.
- Providers will agree to achieve at least an 80% retention rate after 12 months, or to maintain their current retention rate if the benchmark reading is higher than 80%.

Data collection process: Contracted service providers will be required to submit semi-annual reports showing agreed-upon outcomes for participants who received special screening consideration.

There are no changes or additions to MTW authorizations and the agency is not currently using outside evaluators.

O10: PROJECT-BASED VOUCHERS: SITE-BASED WAITLISTS & RESTRICTION ON TENANT-BASED VOUCHER PREFERENCE
(Identified Year 4, Implemented FY2003)

Background: HAP administers over 1,000 project-based vouchers (PBVs) in the community via 60 separate contracts. The developments and properties awarded PBVs have gone through an extensive RFP process, which is linked to local capital and services funds, and includes a required commitment to serve low-income residents with screening barriers who would be challenged to succeed with a tenant-based Housing Choice Voucher. Most of the PBV buildings offer services for specific populations, and most have a preference for those populations (disabled, homeless, etc). HAP allows each PBV building to maintain its own waiting list, and requires PBV residents to apply for and remain on the tenant-based waitlist in order to transfer to a tenant-based voucher unit.

Status update: These initiatives continue to be implemented. Additional data elements are being required from service providers to allow for better comparative data to be reported. Please see Attachment C in the Appendix section for additional information regarding HAP's oversight of site-based waiting lists in the project-based voucher program.

Use of MTW authority and impact on statutory objective(s): As it would not be practical for HAP to manage 60 separate PBV waiting lists, HAP allows each PBV building to maintain its own. Site-based waiting lists significantly increase the efficiency of staff time spent conducting intake/briefing appointments with PBV applicants. This practice also allows for PBV applicants to be screened before coming to HAP for an intake appointment, resulting in a higher lease-up rate compared to our tenant-based vouchers.

By allowing each building to maintain its own waiting list, HAP increases housing choice for low-income residents in our community, because they are able to apply to multiple buildings, as well as to HAP's tenant-based waitlist. Additionally, although the tenant-based waitlist only opens for one week every two to three years, multiple waitlists at different PBV buildings ensure that there are almost always open waitlists at any point in time. Households that become newly eligible for Section 8, are new to the community, or are reached via outreach efforts by service providers are able to join a waitlist immediately, rather than waiting two to three years before the tenant-based pool opens.

MTW authorizations:

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

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

Statutory objectives:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

Increase housing choices for low-income families

HAP is not using outside evaluators for this activity.

HAP requires PBV residents to apply for and remain on the tenant-based waitlist in order to transfer to a tenant-based voucher, ensuring equitable access to housing for households that want to rent in the private market and choose not to apply for PBV units. Allowing a preference for PBV-holders would decrease the number of tenant-based vouchers available in the community. PBV residents may continue to occupy their PBV unit while they wait for a tenant-based voucher.

Baselines:

- Staff have broken down the tasks and time associated with maintaining a centralized waitlist for project-based vouchers. HAP assumes that biennial openings of the list would receive 5,000 applicants, that all names would be entered into the database system, that 2,000 would be placed on the waitlist, and that 120 names would be pulled per month. Given these assumptions, HAP saves approximately 917 hours of staff time annually by having waitlists maintained at the project-based voucher building sites.
- In FY2009, 817 project-based voucher holders would have been eligible for a tenant-based voucher preference transfer without HAP's restrictions. Based on our experience with HOPE VI relocation, we estimate that as many as 70% would have requested transfer and received preference, meaning 572 tenant-based vouchers would have gone to project-based voucher holders. In FY2009, we pulled fewer than 200 households from the tenant-based waiting list; if the project-based voucher holders had received preference, no other households would have been pulled from the tenant-based waiting list in FY2009.

Proposed benchmarks and metrics:

- HAP will continue to realize savings of approximately 917 hours of staff time annually by having waitlists maintained at the project-based voucher building sites.
- HAP will continue to show that if eligible project-based voucher holders were given the option to request transfer and receive preference on the tenant-based waitlist, fewer households would be pulled from the tenant-based waitlist on a yearly basis.

Data collection process: Contracted service providers are required to submit semi-annual reports showing agreed-upon outcomes for participants in the project-based voucher program and information about their waitlists. Additional information is tracked in Yardi, HAP's database system.

There are no changes or additions to MTW authorizations and the agency is not currently using outside evaluators.

O11: RESOURCE ACCESS CENTER DEVELOPMENT
(Identified in Plan Years 9-11; Implemented FY2010)

Background: HAP is serving as the master developer for this new facility to house the City of Portland and Multnomah County's primary day access center for people experiencing homelessness, a 90-bed men's shelter and approximately 130 units of affordable housing for people with very low incomes.

Upon completion, all 130 units will serve as Permanent Supportive Housing, utilizing a combination of public housing and project-based Section 8 (PBS8) units. The City of Portland will also contribute annual operating subsidy to support the housing, shelter and day access center.

Status update: HAP continues to serve as the developer for this project. The financial closing for this development occurred in November 2009; construction has begun and is scheduled for completion in summer 2011.

Use of MTW authority and impact on statutory objective(s): HAP will exceed the standard 25% limit of project-based Section 8 units in one building by adding 100 PBS8 units to the development. The remaining 30 units will be public housing from HAP's reserve of units taken out of service, such as sold scattered sites. This blend of subsidy types, weighted toward enhanced PBS8, allows the property to be financially viable while providing the stability of one subsidy stream or the other to every household in the property. This financing structure increases housing choice by bringing public housing units back online, which could otherwise not be sustained by this development.

HAP anticipates adjustments to public housing and Section 8 screening criteria in order to accommodate the populations that this facility is intended to serve. The goal is to establish low intake barriers while ensuring that individuals do not have a history of person-to-person crime or drug distribution that might endanger the safety of other residents or the success of the project. HAP will develop a tenant selection plan (TSP) and Admissions and Continued Occupancy Policy (ACOP) that will set forth the criteria for selection and occupancy, for admission thresholds suitable to housing this special needs population.

MTW authorizations:

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

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

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

Attachment D, Section A(3) – Mixed Finance Flexibilities

Statutory objectives:

Increase housing choice for low-income families

Reduce cost and achieve greater cost effectiveness in Federal expenditures

The agency is not using outside evaluators for this activity.

HAP will add ACOP preferences for a designated number of units for (a) the chronically homeless, (b) other homeless, formerly homeless and/or persons at high risk for homelessness, and (c) persons who need housing as part of a homelessness prevention strategy. These steps further increase housing choice for low-income families who may not otherwise qualify for subsidized housing because of their background or lack of rental history.

HAP continues to use the Construction Manager General Contractor (CM/GC) form of construction contracting on this project. Combining the skills of the CM/GC and architect during design reduces the number of change orders during construction, reduces exposure to claims for delay, and maximizes the opportunity to deliver the project within budget and on schedule. CM/GC management facilitates right sizing of the bid packages to maximize participation by minority-owned, women-owned and emerging small businesses. The CM/GC method also best supports the mixed-finance approach where project funders typically require cost estimates from the contractor who will build the project prior to subcontractor bidding.

Baselines:

- There are 2,559 units of public housing projected to be online by the end of FY2011.
- HAP would typically expect to allocate a 10-15% construction contingency for unforeseen conditions on a comparable design-bid-build renovation project.
- HAP aspires to achieve 20% target business (minority-owned, women-owned and emerging small business) participation in its contracting activities.
- HAP's current ACOP & TSP do not contain preferences/accommodations for this population.

Proposed benchmarks and metrics:

- There will be 30 additional units of public housing online, attributable to the RAC, by the end of FY2012.
- Using the CM/GC method, HAP expects to reduce the amount of construction contingency spent on unforeseen conditions by 2%.
- Using the CM/GC method, HAP expects to meet or exceed its 20% target business participation goal.
- HAP's ACOP & TSP will be modified as necessary.

Data collection process: Real Estate Operations staff will report on the number of public housing units online in FY2012. Throughout this project, the Development and Community Revitalization department will track CM/GC expenses, change orders and target business participation, and will report outcomes vs expectations at the end of the project.

There are no changes or additions to MTW authorizations and the agency is not currently using outside evaluators.

O12: MTW FLEXIBILITIES TO INCREASE SUBSIDIZED HOUSING OPPORTUNITIES
(Identified Years 8-11, Implemented FY2009 – FY2010)

Background: In the past few plan years, HAP has used CM/GC and project-based voucher flexibilities alone and in tandem to in order to facilitate and increase public and affordable housing opportunities in the community.

Status update:

- **The Jeffrey** – Portland Development Commission and the equity investor requested that HAP assume the general partner role in an existing limited partnership. Located in downtown Portland, The Jeffrey is a six-floor development with 80 units, built in 2008. Prior to HAP's involvement, the property was fully leased and managed by a private property management firm. Thirty units are designated as Permanent Supportive Housing (PSH) with case management services provided by three non-profit agencies that specialize in meeting the City's PSH goals to address homelessness.

  The building currently includes thirty project-based Section 8 units, which will support PSH residents. HAP will be adding operational subsidy for twenty public housing units. The financial closing is scheduled for February 2010.

- **Martha Washington Apartments** - Located next door to The Jeffrey, this historic property with 131 SRO units has been vacant for the past several years. Multnomah County asked HAP to assume the role of general partner in a new mixed-finance, tax credit partnership. After historic renovation, current plans would result in approximately 108 studio and one-bedroom units. HAP will include subsidy for 25 public housing units and 45 project-based Section 8 units. The financial closing was completed in August 2009 and construction began immediately. After a ten-month construction season, occupancy by new residents will begin by summer 2010.

MTW authorizations:

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

Attachment D, Section A(3) – Mixed Finance Flexibilities

Statutory objective:

Increase housing choice for low-income families

Reduce cost and achieve greater cost effectiveness in Federal expenditures

The agency is not using outside evaluators for this activity.

Use of MTW authority and impact on statutory objective(s): MTW authority allows HAP to exceed the traditional limit of a 25% cap on the number of PBS8 units in a single building. Without the ability to add sufficient PBS8 subsidy, we would be constrained in making the operating budgets for these two developments work, and may not be able to take on such projects.

HAP is using the Construction Manager General Contractor (CM/GC) form of construction contracting on the Martha Washington project. The CM/GC contracting method achieves greater cost effectiveness by reducing the number of change orders during construction, reducing exposure to claims for delay, and maximizing the opportunity to deliver the project within budget and on schedule. CM/GC management of the subcontractor bid process also facilitates right sizing of bid packages to maximize participation by minority-owned, women-owned and emerging small businesses.

Baseline:

- There are currently 30 subsidized housing units available at The Jeffrey and no subsidized housing units available at the Martha Washington.
- For the Martha Washington project, HAP would typically expect to allocate a 10-15% construction contingency for unforeseen conditions on a comparable design-bid-build renovation project.
- For the Martha Washington project, HAP aspires to achieve 20% target business (minority-owned, women-owned and emerging small business) participation in contracting activities.

Proposed benchmarks and metrics:

- There will be 90 additional subsidized housing units available at these two developments by the end of the next plan year, including 45 additional PBS8 units.
- Using the CM/GC method, HAP expects to reduce the amount of construction contingency spent on unforeseen conditions by 2%.
- Using the CM/GC method, HAP expects to meet or exceed its 20% target business participation goal.

Data collection process: Real Estate Operations will report on the total housing inventory, tracked in HAP's Yardi database system. Throughout the Martha Washington project, the Development and Community Revitalization department will track CM/GC expenses, change orders and target business participation, reporting regularly whether outcomes are meeting expectations.

There are no changes or additions to MTW authorizations and the agency is not currently using outside evaluators.

VII. Sources and Uses of Funding

Due to the timing of HAP's annual budget cycle, the forecasts below are only preliminary. HAP's annual budget is presented to the Board for adoption at the March Board meeting each year. In order to meet HUD guidelines, the annual MTW Plan is presented for initial review in January and then adoption in February. 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
Rental Revenue	4,489,923
Section 8 Subsidy	60,183,473
Operating Subsidy	9,379,954
HUD Grants*	1,348,420
Other Revenue	818,474
Fee Income	-
HUD Non-Operating Contributions**	3,769,035
Total Sources	**79,989,279**

Uses of Funds	Preliminary Plan
Housing Assistance Payments	54,541,625
Administration	7,430,343
Tenant Services	126,355
Maintenance	5,912,816
Utilities	1,900,434
General	395,259
PH Subsidy Transfer	1,211,183
Overhead Allocations	3,075,343
HUD Capital Expenditures	3,769,035
Total Uses	**78,362,393**

*HUD Grants reflects Capital Fund used for Operating expenses including modernization/rehab that is less than our capitalization threshold.
**HUD Non-Operating Contributions reflects Capital Fund contributions.

The difference in sources versus uses in Section 8 results from subsidy exceeding Housing Assistance Payment on a per-unit basis, and 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	80,457
City of Portland	610,131
Multnomah County	232,302
Non-Operating Capital Contributions	2,255,752
Total Sources	**3,178,642**
Other HUD Grants	4,448,542
ARRA Operating	2,621,521
ARRA Non-Operating	1,996,915

Uses of Funds	Preliminary Plan
Housing Assistance Payments (STRA)**	716,215
Administration	94,711
Tenant Services	91,378
Maintenance	10,080
Utilities	-
General	-
Other Personnel Expense	10,507
PH Subsidy Transfer	-
Central Office Cost Allocations	-
Capital Expenditures	2,255,752
Total Uses	**3,178,643**

**Short-term Rent Assistance

C. Sources & Uses of COCC

Not applicable. HAP uses a cost allocation system.

D. Allocation Method for Central Office Costs

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

The allocation method is as follows:

Level 1:

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

Level 2:

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

Level 3:

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

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

E. Uses of Single-Fund Flexibility

As described in Plan Year 11, HAP has used single-fund flexibility to provide agency-based assistance and measures to increase landlord participation, such as a repair guarantee fund, with fungible Section 8 dollars. These are described in Ongoing Activities #5 and #6 of this year's MTW plan.

VIII. Administrative

A. Public Process

The following steps were taken by HAP to ensure a thorough public process in the development and adoption of the MTW plan:

Wed. Nov 18, 2009:	First draft presented to the Resident Advisory Committee; comments and responses noted in Attachment D of the Appendix
Wed. Dec 2, 2009:	First draft presented to the 504 Board; comments and responses noted in Attachment D of the Appendix
Fri. Dec 11, 2009:	Draft of plan posted on HAP's website for public comment and input
Tues. Dec 15, 2009:	Community stakeholder meeting held; list of attendees, comments and responses noted in Attachment D of the Appendix
Sun. Jan 3 & 10, 2010:	Public notice published in the Oregonian announcing the public hearing on January 19; text and Affidavit of Publication included in Attachment F of the Appendix
Wed. Jan 6, 2010:	Draft of plan reviewed at the Board of Commissioners work session
Tues. Jan 19, 2010:	Public hearing / Board meeting held; written correspondence submitted to the Board is included in Attachment E & meeting minutes are included in Attachment H of the Appendix
Tues. Feb 16, 2010:	Approval by Board of Commissioners – Resolution included in Administrative Section, Part B

M E M O R A N D U M

HAP
HOUSING AUTHORITY OF PORTLAND

DATE: February 16, 2010

TO: Board of Commissioners

FROM: Michael Buonocore, Assistant Director – Policy and Planning

SUBJECT: Resolution 10-02-01 authorizes the Housing Authority of Portland (HAP) to submit the Moving to Work (MTW) Twelfth-Year Annual Plan to the Department of Housing and Urban Development (HUD)

The Board of Commissioners is requested to authorize HAP to submit the MTW Twelfth-Year Annual Plan to the Department of Housing and Urban Development (HUD). This year's report corresponds to HAP's fiscal year 2011.

Background

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

This year's plan has been presented to community stakeholders, HAP's Resident Advisory Committee, the 504 Board and to the Board of Commissioners at a public hearing. All feedback and our responses made during the public comment period have been included for your reference and are provided to HUD as part of our MTW Plan submission. HAP will continue to work with the community as this year's proposed initiatives are implemented.

The local HUD office informed us on February 9th that additional detail was needed in one of the plan's ongoing activities related to the management of site-based waiting lists for project-based vouchers. In order to honor the Board's request to not receive an additional copy of the MTW Plan, only this revised activity and the updated responses to the public comments are provided in your packet. The complete version of the plan is available on HAP's website now and, once approved by the Board and by HUD, the final version will remain there for the next year.

Conclusion/Recommendation

Staff recommends approval of resolution 10-02-01.

RESOLUTION 10-02-01

RESOLUTION 10-02-01 AUTHORIZES THE HOUSING AUTHORITY OF PORTLAND (HAP) STAFF TO SUBMIT THE MOVING TO WORK (MTW) TWELFTH YEAR ANNUAL PLAN TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

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

WHEREAS, on December 15, 2009, HAP staff met with community partners to review the draft MTW plan; and

WHEREAS, on January 19, 2010, the HAP Board of Commissioners conducted a public hearing on the draft MTW plan; and

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

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

Adopted: February 16, 2010

HOUSING AUTHORITY OF PORTLAND

Lee E. Moore, Sr., Chair

Attest:

Steven D. Rudman, Secretary

OMB Control Number: 2577-0216
Expiration Date: 12/31/2011

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 04/01/2010, 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	OR002
PHA Name	PHA Number/HA Code

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

Lee E. Moore, Sr.	Board Chair
Name of Authorized Official	Title
Lee E. Moore Sr.	February 16, 2010
Signature	Date

HOUSING AUTHORITY OF PORTLAND
BOARD OF COMMISSIONERS MEETING MINUTES
February 20, 2007
Housing Authority of Portland
135 SW Ash, Portland, OR

COMMISSIONERS PRESENT:
Chair Jeff Bachrach, Treasurer Katie Such, Chair Emeritus Kandis Brewer Nunn, Commissioners: Harriet Cormack, Chris Lassen, Nathan Teske, Gavin Thayer, Alternate Resident Commissioner: Mary Latourette

STAFF PRESENT:
Steve Rudman, Margaret Van Vliet, Shelley Marchesi, Brenda Carpenter, Todd Salvo, Dianne Quast, Michael Andrews, Michael Havlik, Veronica King, Peter Beyer, Rachael Duke, Peggy Martini, Pamela Kambur, Celia Strauss and Ronda Kennedy Clegg.

LEGAL COUNSEL:
Steve Abel

Chair Bachrach opened the meeting at 6:16 PM and welcomed everyone to the February Board meeting.

PUBLIC COMMENT
Michael Marino, a public housing resident of Northwest Towers spoke to the Board about problems he had reporting an assault that took place at the property to the Portland Police. He also said that HAP's management staff declined to assist him in reporting the assault. Marino said these actions result in a system that makes it impossible to report crimes at the property. Marino said there have also been slanderous allegations made against him about destroying property and injuring someone's foot. He said these allegations are without merit, and there is no evidence to support them.

Dianne Quast responded to Marino's comments by saying that she was unaware of the situation related to reporting a crime, but she would check into the situation. She said she was aware of an issue involving Marino related to damage done to a door at the property. She also informed the Board that Marino has filed two fair housing complaints against HAP, HUD dismissed the first complaint but the second is still under investigation.

MINUTES
Chair Bachrach called for a motion to adopt the minutes of the December 12, 2006 Board of Commissioners meeting. Commissioner Cormack made a motion to adopt the minutes and Treasurer Such seconded the motion.

The vote was as follows:

Chair Bachrach – Aye
Treasurer Such – Aye
Commissioner Cormack – Aye
Commissioner Lassen - Abstain
Commissioner Teske – Aye
Commissioner Thayer – Aye

Motion passed.

Commissioner Lassen explained that because he was absent from the December meeting, he abstained.

Chair Emeritus Nunn joined the meeting at 6:25 PM.

EXECUTIVE DIRECTOR'S REPORT

Steve Rudman said this is the first meeting of the new year, since the January meeting was cancelled due to inclement weather. He thanked the Board for their participation in the annual planning retreat and said it was good to hear from the leadership of the Portland Development Commission, as well as the local jurisdictional leaders on their priorities for the coming year.

Rudman said tonight, HAP is holding a public hearing on the draft FY2008 Moving To Work Annual Plan. Rudman said this year's MTW plan continues to focus on increasing HAP's collaboration, both internally between departments and externally with partner agencies. He said collaboration is the key to better leveraging increasingly scarce funding sources, and to better align and integrate HAP's resources with other local systems of support. Rudman said the MTW plan also serves to communicate HAP's key initiatives for the coming year to the community. He said the MTW plan and the MTW report are the two annual reports that HUD requires of all MTW agencies.

Rudman said the Board would also be receiving a report this evening about HAP's public housing capital improvement needs. He acknowledged the staff that have worked so diligently to complete a comprehensive capital needs assessment of the public housing properties. He said HAP realizes the importance of taking care of its assets and spending what capital funds that are available on capital improvements, even though the need to fund operations is great.

Rudman said this evening the Board would be asked to approve a resolution related to changes in the GOALS family self-sufficiency program. These changes will allow the program to better fit the needs of residents, and they will help move ahead with HAP's plans to expand the GOALS program. The proposed program changes would only apply to new program participants.

Rudman drew the Board's attention to the new reports in the staff reports section of the Board meeting packet. He said these are the beginning of what we are calling the "dash board" reports.

Public Hearing for the FY2008 Moving to Work (MTW) Plan

Shelley Marchesi and Margaret Van Vliet outlined both the process and the key initiatives of the MTW Plan for the public hearing.

Marchesi outlined the process for finalizing the MTW plan. She said this is one of the two times each year in which HAP is responsible for communicating with the community and HUD about MTW. She said the MTW plan seeks approval for the major initiatives that HAP anticipates in the coming year in its federally funded programs, public housing and Section 8. She said HAP presented a draft of the MTW plan to a group of community stakeholders on February 5. During this presentation there was quite a bit of discussion about the Opportunity Housing Initiative (OHI). She advised the Board that notes from this session were included in the February Board meeting materials. Marchesi said HAP would take comments from both the Board and the public this evening, incorporate any final changes and then present the final MTW plan for approval at the March Board meeting.

Van Vliet spoke about three key initiatives of the MTW Plan - reconfiguration of public housing, implementation of the Opportunity Housing Initiative (OHI), and implementation of initial rent simplification steps.

Van Vliet outlined the steps to be taken with regard to the reconfiguration of public housing. She talked about the conversion to public housing of 40 units at the Fairview property. Van Vliet outlined plans for the disposition and replacement of scattered public housing sites at the rate of approximately 50 units per year. She said staff plan to bring a more fully developed disposition plan before the Board and the community at a later date. She also said HAP would continue its transition to the asset management model in its public housing portfolio.

Van Vliet said HAP is planning to implement three different pilot programs for OHI. She said these pilot programs would build upon the existing GOALS family self-sufficiency program. The pilot programs include the implementation of OHI services as a component of the Fairview conversion project, implementation of OHI at Humboldt Gardens where CSS funding will be available for services. The third pilot program involves plans to continue to build upon HAP's successful collaborations with the Oregon Department of Human Services (DHS) to provide 25 participants with program-based section 8 vouchers provided by HAP, case management services provided by DHS, employment training provided by Worksystems Inc., and additional support from Portland and Mt. Hood Community Colleges.

Van Vliet talked about some of the initial rent simplification measures HAP intends to implement, including reduced reviews for senior and disabled households, eliminating certain verification processes, and streamlining some of the administrative procedures to simplify other verification processes.

Marchesi recognized Pamela Kambur for her outstanding work on coordinating the development of the draft FY2008 MTW plan.

Public Comment
Steve Weiss, representing the 504 Disability Advisory Board spoke to the Board about concerns the 504 Board has with certain sections of the MTW draft plan. He said the Fairview Conversion Project seems not to include elderly or disabled households, which they believe could be a fair housing issue. He said the 504 Board is also concerned about the impact of term-limited subsidies if these households were included.

Weiss talked about the OHI pilot project with the Oregon Department of Human Services (DHS). He said the 504 Board is concerned about having DHS select the participants for the pilot program. He said elderly and disabled households would not be able to participate in this pilot program because they are not typically clients of DHS, but are clients of Multnomah County Aging and Disability Services clients.

Weiss also expressed concern about the proposed changes to the frequency of site-based inspections for public housing, saying some units could go up to 23 months between inspections. Weiss said the 504 Board is concerned that implementing term limits in both Section 8 and public

housing could become a “slippery slope” toward new and onerous restrictions on the most important housing subsidy programs in Multnomah County.

Alternate Resident Commissioner Mary Latourette asked Weiss if he was expressing the views of the 504 Board, or were these his personal views. She said she is a member of the 504 Board, but she does not necessarily agree with these statements. She said she would appreciate it if in the future Weiss would clarify his comments by saying “some” 504 Board members have concerns. Weiss said he did send this written testimony to all of the 504 Board members prior to this meeting, asking them to respond with their comments or changes, but he did not receive any.

Micky Ryan, of the Oregon Law Center spoke to the Board about the draft MTW plan. She believes that many of the proposed changes outlined in the plan will improve the work of HAP, particularly in the area of rent simplification and changes to the inspection protocols. Ryan said her concerns about the plan are focused on three areas that interplay with each other.

Ryan said her first concern is related to the replacement of public housing units. She talked about HAP’s plan to replace only 50 of the public housing units that will be lost by the future sale of 50 scattered site public housing units. She said there is no mention in the MTW plan about utilizing the banked public housing operating subsidies. She believes this is a serious policy shift, and one that breaks a commitment to the community. She said in September of 2003, during the conversion of Section 8 vouchers to project-based vouchers for the New Columbia project, HAP made a commitment to the community to replace the unused public housing subsidies in a time period of two to three years.

Ryan said her second concern has to do with the introduction of time limits in HAP’s public housing program. She said when HAP first applied to become a MTW agency, one of the community’s greatest concerns was that under MTW, a housing authority could implement time limits. At that time, HAP assured the community that it would not introduce time limits, and the community supported HAP’s application for MTW status in reliance on that assurance. Ryan said programs like GOALS and OHI are costly, and she said HAP should be conducting a cost benefit study before implementing any new programs or expanding on existing programs.

Ryan said her third concern is about the Fairview Conversion project, and it is a concern that touches on the two prior issues. She said everyone is excited about replacing some of the unused public housing subsidies at Fairview, although the difficulty and work that went into achieving this was more than they expected it to be. She said her concern is that only a segment of the tenants at Fairview might be allowed to have a chance to receive the subsidy. She said she hoped that the Board would prioritize making more subsidized units available to those on the waiting list by utilizing the banked or unused public housing operating subsidies. She also said that she hopes the Board will ask for a full cost benefit evaluation of current programs before restricting housing opportunities to those who are able to work, or beginning programs that contain time limits.

Bobby Weinstock and Susan Emmons of Northwest Pilot Project (NWPP) spoke to the Board about the draft MTW plan. Weinstock thanked HAP for including the new utilization reports for Section 8 and public housing in the Board packet materials, and for being so accessible and inviting their input on the MTW plan. He said he applauds HAP for its work to restore 40 of the banked public housing subsidies at Fairview despite the challenges of doing so. He said that under the OHI program, offering services to help people reach their life goals is a good thing, but he personally does not believe that setting time limits is the right thing to do. Even if it is not intended to feel punitive, it would feel threatening to those who are faced with time limits.

Weinstock talked about utilizing banked public housing subsidies, and said he believes the most important priority would be to increase the number of deeply subsidized housing units in this community. He said this should take precedence over new programs or new HOPE VI projects. He said they stand ready and willing to help advocate for additional resources.

Emmons talked about the extreme shortage of affordable housing in Multnomah County, and said both NWPP and HAP are aware of the tremendous need in the community. She talked about the Ten Year Plan to End Homelessness and the Permanent Supportive Housing report the Board heard about in December, and said HAP's Board members asked some very good questions about how to move forward with the plan. She estimated that there has been $1.8 million dollars in un-used public housing subsidies lost to this community because of the banked public housing units. She feels there needs to be a more collective approach to resolving these issues.
She said it does seem to be time to call all of the housing partners together to find ways to align and link up the resources.

Treasurer Such thanked Ryan, Weinstock and Emmons for their comments, and said this really is the hard work to do. She said one of the things the HAP Board is very aware of is the need to move people from the waiting list into housing, and make sure that everyone who needs it has an opportunity to receive this subsidy. Ryan said she is fully aware that the problem is a lack of housing, but activating the 176 banked units would serve 176 additional households. She also said she does not see the need for time limits because right now, the average household in Portland only stays in subsidized housing for six to seven years. Such said another issue she is struggling with is how to finance the deferred maintenance and long term care of these public housing assets. Ryan talked about maximizing the proceeds from the sale of scattered sites, and the commitment HAP made not to implement term limits when HAP first applied for MTW.

Commissioner Teske said when you operate in a limited resource environment, every time you say "yes" to someone, you are saying "no" to someone else. Emmons talked about the community's fear with regard to term limits when HAP first applied for MTW status, and said term limits often result in a net loss for the poorest of the poor, which is a population that continually feels squeezed out. She asked the HAP Board to take this into consideration before going forward with new plans. She said there are opportunities out there, for example the work that the Portland Development Commission is doing and the plans for supporting the Permanent Supporting Housing. Ryan said she hoped that HAP would consider doing a cost benefit analysis before taking on any new programs or projects.

Chair Emeritus Nunn said she couldn't agree more with the idea of developing a collective inventory of housing, which should show both the gaps and the overlaps of both public and private housing resources in this community. She said it is critical that some of the public housing funds be spent on preserving the existing housing resources. With regard to the HOPE VI projects, she said these projects created opportunities for this community they would not have otherwise had. Nunn said in terms of services, HAP has already transferred some of its programs to other community partners, and is looking at moving others. Emmons said she appreciates that HAP has had some tough decisions to make, and understands that it is often a matter of making choices, but wants HAP to be mindful of the commitments it has made.

Chair Bachrach said it is a false to assume that the choice is between turning on the banked public housing units and doing another HOPE VI project – since they are two completely different funding streams. He said he was not completely clear about the commitment HAP made with regard to the banked units, and it is as yet unclear how much revenue would be generated with the sale of scattered sites.

Rudman thanked everyone for their comments, and said this has been a good discussion. He said that the New Columbia project actually resulted in a net increase in subsidized housing for this community. He said HAP has learned quite a lot from the Fairview project with regard to what it takes to turn public housing subsidy back on, and he said HAP is really bucking the trend, since many housing authorities are choosing to sell their

public housing stock. Rudman said he thinks the actual loss of public housing subsidy to this community has been closer to three million dollars. With regard to OHI and the GOALS program, he reminded everyone that participants self-select to be part of the programs, and it does depend on people getting family wage jobs to help them move past the need for subsidized housing.

Chair Emeritus Nunn asked about the pilot program with DHS. Rudman said DHS and HAP already have a dual caseload and this pilot program would be set up for a very limited number of those people. Van Vliet said the idea is to look at how the OHI program could benefit working-able families, and determine what the wrap-around services for those people would look like. She said it does not mean that we would exclude certain populations from participating. Commissioner Thayer said if anyone is eligible to apply to the GOALS program, then OHI does not take anything away from what people already have.

Commissioner Cormack said she agrees with this approach since it really is a pilot program. She said she thinks that it is fine to pin point what is offered because HAP can always expand upon that in the future. Commissioner Teske asked how specific the language is with regard to term limits. Van Vliet said in the current GOALS program, the term is five years, but extensions are sometimes granted if participants are making good faith efforts towards their goals. Van Vliet said HAP staff is currently undergoing extensive training on key areas such as housing stability and mobility, budgeting and pre-financial literacy, and employment retention and advancement.

Treasurer Such said it is important that we have some flexibility in assessing the participating households on an individual basis. She said HAP is really asking our residents and partners to make this leap with us. Such wanted to know what the average tenure is for program participants. Marchesi said besides the percentage of disabled and elderly that generally do not move out of subsidized housing, the average is something close to seven years in the Section 8 program, and eight years in public housing. Chair Emeritus Nunn said it would be interesting to evaluate the people beyond the 50 percent or so that do not leave housing assistance.

Chair Bachrach said Ryan and Emmons made an interesting point regarding the cost benefit study. He said a cost benefit analysis would help the Board understand the policy choices they are trying to make, and he expected this would come up next month during the budget review process. Marchesi said one of the original tenets of MTW was to move families towards self-sufficiency. She said HUD has indicated their intention to evaluate housing authorities more on these core tenets in the future. Treasurer Such said it would be a good idea to look at the various funding streams, and determine where there are funds that are fungible.

Resolution 07-02-01

Michael Havlik presented resolution 07-02-01, authorizing the issuance of the Yards at Union Station Revenue Refunding Bonds, 2007 in an aggregate principal amount not to exceed $6,335,000 to refinance the existing 1997 bonds.

Havlik provided background information on the financing of the Yards at Union Station property, and said the timing is good for HAP to move forward with refunding the 1997 bonds and the issuance of new bonds with a much lower interest rate. He said this reduction in debt service would result in approximately $80,000 of additional cash flow to the property. Havlik outlined the steps that will need to take place under this plan, and said the sale of the new bonds is tentatively scheduled to take place in mid April and closing would take place sometime in May.

Chair Bachrach asked about the funding structure and wanted to know if some of these funds would flow to HAP. Havlik explained the hierarchy of applying the funds, and Treasurer Such noted that the re-subordination agreements would still need to be approved.

Treasurer Such made motion to adopt resolution 07-02-01 and Commissioner Cormack seconded the motion.

The vote was as follows:

Chair Bachrach – Aye
Treasurer Such – Aye
Commissioner Cormack – Aye
Commissioner Lassen – Aye
Commissioner Teske – Aye
Commissioner Thayer – Aye

Motion passed.

Resolution 07-02-02

Rachael Duke and Veronica King presented resolution 07-02-02 authorizing a change to HAP's Family Self-sufficiency Action Plan to require families to exit public housing or the Section 8 program as part of the graduation process from the GOALS Program. King said the final escrow payment would only be made available to those newly enrolling families who successfully graduate from the program.

King said this resolution would change the way HAP operates the GOALS program. She explained that under the current GOALS program requirements, families are eligible to graduate from the program, and access their escrow account if they have gotten a job, and have been off of TANF (Temporary Assistance for Needy Families) for a period of 12 months. Under the proposed change, families would have the added requirement of having to exit HAP public housing or the Section 8 programs in order to graduate, with the exception of the Section 8 subsidy directed toward the Section 8 Homeownership Program, which she said requires an ongoing commitment of Section 8 voucher payments.

Chair Emeritus Nunn asked what type of mechanisms HAP currently uses to evaluate the cost benefit of the program. King explained that the GOALS program is primarily supported by two different HUD grants, and data tracking requirements for these grants is performed on various aspects of the program such as increases in household income, service hours provided and housing costs. She said Portland Community College and Worksystems, Inc. are two of the community partners who have aligned their services with the GOALS program to provide support to the participants. King said HAP has solid data on the number of participants and the number of graduates who have purchased homes. She said the program is focused on case management, leveraged resources and the continuum of housing. Duke said this year, HAP staff have started using a new web-based tracking system for GOALS program participants.

Commissioner Thayer asked what happens to the un-used escrow funds. Duke said the funds revert to HAP. Salvo explained that funds are returned to the Section 8 program subsidy funds.

Chair Emeritus Nunn made a motion to adopt resolution 07-02-03, and Commissioner Thayer seconded the motion.

The vote was as follows:

Chair Bachrach – Aye
Treasurer Such – Aye

Chair Emeritus Nunn – Aye
Commissioner Cormack – Aye
Commissioner Lassen – Aye
Commissioner Teske – Aye
Commissioner Thayer – Aye
Motion passed.

Public Housing Asset Management Briefing
Margaret Van Vliet, Dianne Quast and Michael Andrews reported on the capital needs assessment of public housing. Van Vliet talked about the need for HAP to be good asset managers of its public housing portfolio. She said staff has been working to complete the assessment of the capital needs in the public housing portfolio, and she said it is fair to say that the needs far outweigh our resources. She said the report this evening is intended to provide an overview of some of the options HAP is considering to address these needs. She said that although there is not a resolution before the Board for approval this evening, she does hope that the Board will be able to give staff a general approval to proceed with plans to explore these options. Van Vliet said these plans were based on the following over-arching themes: public housing is something we want to preserve in this community, some cost-cutting measures will need to be taken, some building improvements have to be expedited, and HAP will have to pursue different options to deal with the backlog of issues.

Andrews said HAP owns 2300 units of public housing, which have an average age of 47 years. Andrews discussed the Capital Grant Fund, and explained the amounts HAP receives on an annual basis. He said that current and projected Capital Grant funding will not support the capital needs. He said the immediate capital needs are estimated at $12.2 million, with an additional $13.8 million in capital needs anticipated between 2008 and 2012 – for a total of $26 million over the next six years. He said the Capital Fund will only cover a small portion of this work and so the question becomes how to fund the balance of the work. Andrews said staff believes the approach to take is a combination of using some of the proceeds from the anticipated sale of scattered sites and leveraging other funding such as financing tools involving Low-Income Housing Tax Credits. Andrews said this year, HAP will begin work on Slavin Court, Dahlke Manor and Sellwood Center.

Quast said these recommendations not only serve the bottom line, but they also serve our mission. She said public housing has to be debt free, and it has to be in good condition in order to provide safe and decent housing for our residents.

Commissioner Thayer thanked staff for providing the report on the capital needs. Treasurer Such said that it is critical that HAP address the deferred maintenance issues as quickly as possible because once a property starts to deteriorate, it can go down very quickly. Quast said there are three or four different ways of evaluating public housing property, which is different from other types of real estate. She said you can defer issues, but then you end up dealing with them on an unplanned basis, which often times can be much more costly.

Treasurer Such urged staff to consider using every available resource, including tax credits and weatherization credits. She said the portfolio is old, and the properties were not built to last beyond 50 years.

Chair Bachrach asked how tightly this plan is linked to the sale of scattered sites. Van Vliet said the plans are linked, and staff expects these two plans to weave together. Rudman talked about how historically, HAP has used up to 50 percent of the public housing Capital Fund as a way to

fund operations, but in recent years HAP has continued to lessen its dependence on the Capital Fund for operations, and in 2008, HAP will draw $700,000 less than it did in 2007.

Chair Bachrach asked about the next steps and what the overall process would be. Andrews said the first step would be to develop the plan for selling the scattered sites for their maximum values. Then staff would then come back to the Board with a recommendation on how to use the proceeds of the sale, which could end up being a combination of new development, placement of public housing units in existing properties, and using some of the proceeds for capital needs. And thirdly, Andrews said staff would be looking for other opportunities to bring back banked public housing unit subsidies. He said staff would report back to the Board in the next 90-120 days.

Treasurer Such asked if HAP considered adding public housing units at The Yards. Quast said they did consider it, but could not make it work.

Chair Bachrach asked the Board if they felt the need to form a special committee to review and discuss the work related to the sale of the scattered sites, or did they want to address this as part of the monthly Board work sessions. Marchesi said there would definitely be some amount of public process involved with regards to the proposals. Treasurer Such suggested that it might be good to have some interim check-in reports from staff during the work sessions as they develop their recommendations.

Commissioner Cormack asked if any of the scattered sites were located in urban renewal districts, and if so it would be important to be sensitive to the goals that PDC has for those areas.

ADJOURN
There being no further business, Chair Bachrach adjourned the meeting at 8:35 p.m.

EXECUTIVE SESSION:
The Board of Commissioners of the Housing Authority of Portland met in Executive Session pursuant to ORS 192.660(2)(c).

Attached to the Official Minutes of the Housing Authority of Portland are all Resolutions adopted at this meeting, together with copies of all memoranda and material submitted to the Commissioners and considered by them when adopting the foregoing Resolutions.

Ronda Kennedy Clegg
Recorder, on behalf of
Steven D. Rudman, Secretary

ADOPTED: March 20, 2007

HOUSING AUTHORITY OF PORTLAND

_____
Jeff Bachrach, Chair

ATTEST:

_____
Steve Rudman, Secretary

B. FY2008 MTW PLAN BOARD APPROVAL

RESOLUTION 07-03-03

RESOLUTION 07-03-03 AUTHORIZES HOUSING AUTHORITY OF PORTLAND STAFF TO SUBMIT THE MOVING TO WORK (MTW) NINTH YEAR ANNUAL PLAN TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

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

WHEREAS, on February 5, 2007, HAP staff met with community partners to review the MTW plan; and

WHEREAS, on February 20, 2007, the HAP Board of Commissioners conducted a public hearing on the MTW plan; and

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

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

Adopted: March 20, 2007

HOUSING AUTHORITY OF PORTLAND

Jeff Bachrach, Chair

Attest:

Steven D. Rudman, Secretary

C. ADDITIONAL INFORMATION REGARDING SITE-BASED WAITLISTS IN THE PROJECT-BASED VOUCHER PROGRAM

In order to receive project-based vouchers (PBVs) for a building, all owners are required to sign, in addition to the Housing Assistance Payment Contract, a Memorandum of Understanding (MOU) regarding additional requirements related to the PBV award. Each MOU lays out requirements for waiting list maintenance, including record retention, application selection, minimum notice periods for applicants to respond, the appeals process, the referral and approval process once applicants are sent to HAP for processing, and documentation of rejected applications. Additionally, each PBV property must write and adhere to a housing plan which lays out the application waiting list process, including preferences, services and review processes. HAP must review and approve this plan, which is then included as an attachment in the MOU and used as a basis for program audits. The PBV buildings are not required to adhere to preferences utilized by the HCV tenant-based program.

An overview of the waitlist and tenant selection process for PBV units is as follows:

1) Applicants apply at the property awarded PBVs and the site based waiting list is administered in accordance with Section 8 policies. Applicants may apply at as many PBV properties as they choose, as long as the waiting lists are open and accepting applications.
2) The building takes applications in time/date order and ranks applications according to any preferences, as appropriate. The building is also required to keep a computer log of applications with names, social security numbers, and the date/time of application submittal. HAP regularly reviews this list.
3) When an applicant's name is pulled from the waiting list, the building performs screening for tenant suitability according to the building's screening criteria. Applicants who are denied due to failure to meet these criteria receive notice in writing of their right to utilize the building's appeals/hearings process.
4) Once an applicant passes the building's screening, he/she signs a Release of Information for the building to share personal information with HAP, and the building refers the applicant information to HAP for initial screening for the PBV program, including:
    a. Criminal background check
    b. Whether the applicant has Do Not Re-house status with HAP
    c. Whether the applicant owes HAP any money
5) The building is notified when an applicant passes HAP's screening, and is instructed to have the applicant complete a full intake packet, which is submitted to HAP.
6) Applicants then attend an intake appointment with a HAP case manager who completes the income verification and provides a one-on-one orientation for the PBV program.

7) Following the intake appointment, HAP sends the building a certification letter approving the tenant and indicating the tenant's and HAP's portion of the rent.
8) Applicants sign their leases during a move-in meeting with the building manager. Following this meeting, the building submits a signed copy of the lease to HAP, along with a certification regarding the move-in date and the tenant's unit number.

The annual reports that all PBV buildings are required to submit to HAP include waitlist information such as number of households on their waitlist, length of average wait, demographics, preferences, outreach efforts, etc. Additionally, HAP conducts regular site review/audits for buildings, including a review of adherence to waitlist requirements, such as preferences, time/date stamps, selection procedures, maintenance of application log, demonstration that applicants are housed in order, documentation regarding rejected applications and notification of appeal rights, and Fair Housing compliance.

To ensure all Housing Choice Voucher applicants have knowledge of, and access to, the PBV waiting lists, they are all provided with a listing of the properties and contact information, and informed that they have the option to apply for any and all of these additional housing options. HAP maintains a list of all PBV properties with contact information and information on how to apply, which is provided to all Housing Choice Voucher applicants at time of initial application, whenever HAP purges or updates the waitlist, or upon request.

D. PUBLIC MEETINGS

TUES. DEC 15 – COMMUNITY STAKEHOLDER MEETING ATTENDEES

Sherrie Burrell	State of Oregon, Dept of Human Services
Hannah Callaghan	Legal Aid Services of Oregon
Brenda Carpenter	Northwest Pilot Project
Larry Dalton	State of Oregon, Dept of Human Services
Sean Hubert	Central City Concern
Beth Kaye	Portland Housing Bureau
Deborah Mann	US Dept of Housing and Urban Development
Traci Manning	Central City Concern
Joy McCray	US Dept of Housing and Urban Development
Molli Mitchell	Bradley Angle House
Ray Phung	US Dept of Housing and Urban Development
Melissa Rinehimer	Human Solutions
Renata Wilson	Impact Northwest

PUBLIC COMMENTS (from Resident Advisory Committee, HAP's 504 Board, community stakeholders and jurisdictional partners)

Topic: Housing Stock Information

Is HAP replacing the 30 single family units removed from housing stock with smaller, studio apartments?
Response: HAP's Public Housing Preservation Initiative recognizes the need for larger bedroom-sized units. The placement of two-bedroom units at Rockwood Station goes to achieving replacement goals and is in response to a demonstrated need. We are actively seeking land and buildings that can accommodate larger unit sizes.

Topic: ARRA Funds

Are ARRA funds included in the finance section of the Plan?
Response: They are not currently included, but are reflected in the capital expenditures table in Section II-A. HAP will follow up with HUD about the appropriate section to identify ARRA funds.

Has HAP learned anything about unspent ARRA funds being reclaimed and redistributed?
Response: March 17th is the obligation deadline. If the funds have not been 100% obligated, they may be reclaimed and redistributed by HUD. HAP is on track to meet its obligation deadline and will watch for opportunities to pursue additional grants released as a result of a redistribution of unobligated funds.

Topic: Activity 1 - Alternate rent calculation at Rockwood, Martha Washington & Jeffrey

One commenter expressed support for the activity, because it makes it easier to administer the program in affordable properties.

Is the calculation based on gross household income?
Response: Yes. We have added language to the activity to clarify that the calculation is based on gross household income.

Two commenters asked how this calculation would benefit tenants, and if they would pay more with the alternate calculation?
Response: Because these units will serve households who are not currently receiving subsidy, we haven't analyzed what the possible rent difference could be compared to the standard calculation. All of the residents who will receive subsidy are currently rent-burdened, and will receive benefit with this alternate rent calculation.

Two commenters asked about the process for selecting tenants at these buildings?
Response: The same admissions policy and due process rights will be used at these sites as in the rest of public housing properties. We will open the wait list to current residents only, and once we close the list we will randomize the pool of applicants. Based on this randomized ranking, households will be screened and if approved, offered units. If there are more applicants than units, households at the bottom of the list will be offered a unit as public housing residents at the site move out.

If the unit has specific accessibility features, will HAP make an effort to match tenants to those features?
Response: Yes, priority is given to residents needing accessible features for those units. We may also create accessible units on the property if more are needed.

How will HAP make tenants aware of hardship options?
Response: Residents complete a form at income reviews that includes several questions related to income, assets and expenses, including medical expenses. If it appears that a resident may be nearing the $3,000 threshold for medical expenses, the management company will make further inquiries and explain the hardship criteria to the resident.

How will private management companies handle the due process rights?
Response: Property management company staff will be trained on a regular basis in the areas of public housing admissions and due process rights.

Will HAP look at the rent calculations and property management performance in the future to see how this affects tenants?
Response: HAP will conduct an impact analysis for our FY2011 MTW Report (to be issued in June 2011) to examine the activity.

Topic: Proposed Activity 2 - Utility allowance alignment

Is the utility allowance about the same between Section 8 and public housing?
Response: The amounts are very similar. In the past, we've had Siemens do individual studies and engineering surveys of our usage in public housing. When they last conducted studies, the final calculations were very similar to that of Section 8.

Two commenters asked about the financial impact of changing the utility allowance calculation on public housing households?
Response: HAP believes the net impact to public housing residents will be minimal. There is no way to know the exact impact without conducting the time-consuming utility allowance calculation both ways, which is the reason for making this change. The utility allowance amount will be fundamentally the same with the change in calculation. However, because the adjustment to the resident's utility allowance would not be made until their next annual review, it could be up to two years before the resident receives an increase in utility allowance. We have a hardship policy in place so that residents can request an interim review at any time during the year if they feel that doing so would help lower their rent.

Does each public housing household get a utility allowance?
Response: All of the family public housing sites receive a utility allowance. Households in three of our high-rise buildings receive a utility allowance. In the rest of our high-rises, residents do not receive a utility allowance since HAP pays for utilities at those sites.

HAP should communicate with all Section 8 households what their utility allowance is. After the lease-up process, participants aren't given this information when they are mailed rent letters.
Response: We appreciate this suggestion and will consider a way to include communication about the utility allowance in our rent letters to Section 8 households. Participants always have the option of contacting their case manager if they are interested to learn their utility allowance figure.

One commenter asked for clarification regarding the hardship criteria.
Response: Our hardship policy is available for all residents. The hardship policy could be triggered by a resident's disability or medical need. For example, if a resident required the use of medical equipment that may lead to higher utility expenses, HAP would adjust their utility allowance based on this need.

Topic: Proposed Activity 3 - Mixed income flexibilities at Sellwood Center and Gallagher Plaza

Are either of these projects good candidates for HOPE VI?
Response: No, both are too small in units and land size. Usually a HOPE VI project would require changing the physical configuration in a way that is not possible at these sites. We are looking at leveraging other funds for these projects. It is also possible that there may be more grant funds made available in the future; if that's true, we may apply for those grants for funding on these projects.

Are these buildings both fully occupied?
Response: Yes, both buildings are fully occupied.

Has HAP talked with Multnomah County about using their weatherization funds?
Response: We do use Multnomah County weatherization funds, but these particular projects are more extensive and beyond that program's extent.

HAP mentions that these properties may be considered for a change in operating subsidy from public housing to project-based Section 8. How would this affect due process rights of tenants?
Response: HAP intends no change in the due process rights of residents at these sites.

Topic: Proposed Activity 4 - PBV payment standard adjustments

One commenter expressed support for the activity, because it helps protect very low-income renters at PBV properties.

Will the participant's income also be examined at these interim reviews?
Response: No. Only the payment standard will be adjusted.

Will the schedule of annual adjustments for the landlord and biennial adjustments for the tenant have adverse affects on the tenant's rent?
Response: This proposal will not impact the tenant portion of the rent. Increasing the payment standard will increase the amount of the applicable housing assistance payment, but would not affect the tenant rent portion.

Topic: Proposed Activity 5 - Subsidy change to preserve public housing

Two commenters asked how this will change affect current public housing residents' protections and processes around rent increases, utilities, grievances, etc?
Response: Our intention is to continue to operate the housing stock as we currently do, serving the same demographic and offering the same services and protections we currently offer. We want this to be fundamentally invisible to our tenants. We have added explicit language about protections to the narrative for this activity in order to make this commitment clear.

Have private landlords had the opportunity to respond to this?
Response: We don't believe this would have a significant effect on private landlords. However, if we undertake this activity, it would involve a lengthy process that would be open to further community conversations.

Is this through HUD's conversion process?
Response: This is a change in subsidy, considered a "disposition" in HUD terms. We are not going through the conversion process, but rather a HUD Section 18, which changes the subsidy flow for the property. We are not selling the properties – we would still hold and control the properties and operate them in the same fashion.

Are you talking about all of your properties?
Response: We will conduct further research before choosing which, or all, of the properties to involve in the activity.

Topic: Proposed Activity 6 - Redevelopment of Hillsdale Terrace

Are the current protests from the labor unions related to this CM/GC form of construction contracting?
Response: No.

Topic: Ongoing Activities

In ongoing activity #6, HAP comments that the average number of days for a voucher holder to lease up is 51. Why does it take so long?
Response: Fifty-one days from receipt of the voucher is not considered out of the ordinary. Upon receipt of the voucher, a participant must search for a new unit, submit paperwork to have the unit approved, and then provide a 30-day notice to their current landlord. Therefore, the 51 day average suggests that participants are locating new units and submitting paperwork within three weeks of receiving their vouchers. Given the number of participants who have significant physical challenges or barriers to housing, an average of 51 days is reasonable and actually better than in many communities.

Has HAP considered setting up a fund to help tenants with security deposits, to increase lease-up rates?
Response: HAP has considered this possibility and determined that it has not been financially viable to do so. However, we recognize the need and will continue to consider the option, dependent upon our ability to fund the initiative.

For ongoing activity #7 (Limits for zero-subsidy participants), we suggest HAP look at each situation on a case by case basis.
Response: HAP always reviews each household's situation before proposing to terminate its voucher. Households facing this situation would always have the right to request an informal hearing, and/or to request a reasonable accommodation if appropriate. It should be noted however, that since implementing this activity, there have been no occurrences requiring HAP to utilize this rule and historically this is a rare occurrence.

LEGAL AID SERVICES OF OREGON
MULTNOMAH COUNTY OFFICE
1936 921 S.W. Washington St., Suite 500, Portland, Oregon 97205 (503) 224-4086, (503) 295-9496 (Facsimile)

HANNAH CALLAGHAN
Hannah.Callaghan@lasoregon.org

January 12, 2010

Catherine Such
Deputy Executive Director
Housing Authority of Portland
135 SW Ash Street
Portland, OR 97204

Re: Comments on HAP's Year 12 Moving to Work Project

Dear Ms. Such:

Legal Aid Services of Oregon (LASO) and Oregon Law Center (OLC) are combining our comments on HAP's 12th Year Moving to Work Demonstration Project.

We have two comments or questions before we get to the Proposed Activities.

On page 2 under Housing Stock information HAP states that as of April 2010, HAP will have a total of 2544 units, and that 55 units will be added to this total in FY 2011, but HAP will end FY 2011 with 2539 units. That is a net loss of 5. This loss is not explained. Why is there a net loss and does this deficit come from elderly/disabled units or from family units?

On page 3 HAP states that HAP will be adding 25 studio apartments to the Martha Washington building, but that HAP will be removing 30 single family units from the housing stock due to disposition of scattered sites. This is a concern to us because HAP will be replacing large, family units with studios. This would obviously not be an equivalent one for one replacement of public housing. Is this a concern to HAP, or do you have some explanation that is not obvious to us which ameliorates these facts?

Proposal 1: Alternate Rent Calculations for Public Housing Units at Rockwood Station

We understand that HAP is planning to bring back some public housing units that were taken off the market because of sales of scattered sites. (Would these be the replacements for the family units taken off the market as described above?). The proposal is to calculate the rent on a straight percentage of household income: 30% for non elderly and disabled and 27.5% for elderly and disabled. We assume that this will be based on gross household income. Is that correct?

We certainly see how that will benefit the private management companies, but how will this benefit the tenants? Our concern is that tenants will have to pay more. HAP states that *residents with extreme medical or childcare expenses, defined as more than $3000 per year, will be allowed to select the standard rent calculation method that would take into account their medical or childcare expenses.* How does HAP

propose to make sure, through these private property management companies, that tenants are aware of the hardship option?

Also how will the private management companies administer the other rights and procedures that public housing residences are entitled to? We are concerned about the grievance procedure for example as well as the admission policies which are different from project based section 8 procedures. Our experience at New Columbia was that the private management company had no idea what the different rights and obligations were between project -based tenants and public housing tenants. If these private management companies have difficulty figuring the rent between the two programs how are they going to handle the due process rights?

HAP also stated at the meeting that the current tenants in these buildings would have the right of first refusal for these public housing units. Exactly how will that be administered? Will the Public Housing Admissions Policy be used? Will there be a right to a hearing? What if more current tenants want these units than there are units available? How will HAP decide who gets the units?

Is HAP willing to look at the rent calculations and the property management's performance after a year to see if this is working in a way that is harmful to tenants?

Proposal 2: Change in Public Housing Utility Allowance Adjustments to Align with Section 8.

In this proposal HAP proposes to change the way it calculates the utility allowance for public housing units. HAP proposes to use the Section 8 method which looks to national averages based on the type of utility and the type of building (new/old).

We certainly see how this would save HAP time and "energy". Our concern is that this will reduce benefits to tenants (voucher-holders). At the meeting HAP told us that the calculations were quite close. However, no one said that the voucher holder would benefit, so we are assuming that the proposed utility allowance calculation would probably not benefit the tenant as much as the other calculation would. Is this an accurate understanding of this? If so, is the difference so slight that in the cost-benefit analysis, the savings to HAP are so much more than the increase to the tenant?

The Proposal states that after a year HAP will conduct a "workflow" survey to see how much staff time has been saved, and we assume how much other work staff has been freed up to do, like respond quicker to maintenance requests, organize community activities, etc. Will this survey also look to see how much more money this has cost tenants?

Under the *hardship* criteria HAP states that residents *who have experienced large fluctuations in utility consumption rates due to a disability or other issues will be able to request an interim review at any time throughout the year.* How will tenants know about this hardship exemption? What is a "large fluctuation" in utility consumption? What are "other issues"? Would this be calculated on a percentage basis?

Proposal 3: Use of Mixed-Finance Flexibilities for Public Housing Preservation

This proposal is for an alternative plan in order to afford a major-redesign of Sellwood Center and Gallagher Plaza. This plan could include a mixed finance model for leveraging financing in public housing and/or a change in operating subsidy from public housing to Project-based Section 8.

We certainly agree that both Sellwood Center and Gallagher Plaza need major redesign and upgrading. We also realize that this proposal is in its early stages and HAP is hoping that the new administration turns some of its attention and money to public housing. Therefore our concerns are more general. We would want to make sure that the due process rights of public housing tenants would be preserved in this process and that either public housing tenants maintain their distinction from Project-based Section 8, or that the Project-based tenants in this mixed complex receive the due process benefits afforded to public housing tenants.

Proposal 4: Modified Contract Rent Determinations and Payment Standard Adjustments for Project-based Voucher Units

Our understanding of this proposal is that HAP will annually re-examine the payment standard to the landlord for Project-based Section 8 buildings. In the past HAP only reviewed these every other year. This resulted in a delay in a potential deserved increase for the landlord. This proposal will bring payment standard more in line with rent reasonableness. The payment standard will be adjusted; the tenant will not be recertified.

At this time we do not have concerns about this proposal, except for the following: When the tenant is recertified will this adversely affect the tenant's rent? In other words, if the landlord's rent went up the year before, will the tenant be hit twice as hard because they are only recertified biennially?

Proposal 5: Subsidy Change to Preserve Public Housing Units

Our understanding of this proposal is that HAP is reserving the right to seek this potential conversion of public housing funding to Project-based Section 8 funding because it is more flexible and there is more of it. HAP has stated that it has no intention of getting rid of its public housing. HAP will be watching to see what the new administration will be doing to reenergize public housing before taking any action on this.

We realize that we have voiced concerns about this type of conversion before for many reasons. Our experience with New Columbia mandates that we reiterate those reasons here.

We will oppose the conversion of funding streams if this means that public housing tenants will lose their protections (i.e. the grievance procedure and admissions hearings). We were given assurances when the funding stream kept changing at New Columbia that the public housing tenants and the project-based Section 8 tenants would be treated the same as public housing tenants. In fact what happened was that HAP, through its property management company, started treating all tenants as Project-based tenants, and protections were lost.

What assurances will HAP provide that if it has to proceed with this proposal that all Project-Based tenants and public housing tenants will be treated as public housing tenants, with all their rights and due process procedures? How would we enforce these assurances? We would want these assurances to apply even if there is turnover in households (i.e. a new household moves in).

Proposal 6: Redevelopment of Hillsdale Terrace

No comments.

We have just a few more comments on a couple of items in the remainder of the report.

On page 29 HAP comments that the average number of days that it takes a voucher-holder to lease up is 51. We are concerned about that number and wonder if HAP has any idea why it takes so long.

We are also wondering if HAP has considered setting up a fund to help tenants with security deposits. We know there is a landlord liability fund and support that idea, but we would like to see equal support for low income tenants who have trouble coming up with the money for a security deposit. We have had many homeless clients for whom this has been a serious problem. We believe this is one of the reasons that voucher holders who would otherwise be excellent tenants are having trouble leasing up, and a security deposit fund would make an enormous difference for these individuals

On page 30 HAP discusses *Limits for zero-subsidy participants.* We are aware that this is not a proposal but actually something that has been implemented. This policy allows a household to stay in subsidized housing for up to 180 days after they reach zero subsidy. It also allows the family to go back on subsidy up to three times if their income decreases. However, after three times, the household cannot go back on subsidy no matter what the reason is that they lost income.

We know that HAP's concern is that families may be deliberately losing income so that they do not lose the subsidy or the potential subsidy permanently. However, we think this policy is overly punitive. We suggest that HAP revisit this policy and look at each situation on a case by case basis. In this economy there could be many legitimate reasons why someone loses income through no fault of their own. There could also be a situation of domestic violence, unanticipated disability or the death of an income-producing household member. We do not object to a presumption if HAP sees a pattern, but we request that HAP review each case individually before cutting off all subsidies.

Thank you for your time and attention to our comments.

Sincerely,

Hannah Callaghan
LASO

Monica Goracke (by he)

Monica Goracke
OLC

The Oregonian
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1320 SW Broadway, Portland, OR 97201-3499

Affidavit of Publication

I, M. HARRIS, 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):

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1/11/10
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PUBLIC HEARING

The Housing Authority of Portland (HAP) will hold a public hearing on Tuesday, January 19, 2010 @ 6:15 pm at the Multnomah County Building, 501 SE Hawthorne Blvd, Portland, OR. The purpose of this meeting is to inform and seek input from the public, including current and potential residents/participants, concerning initiatives that HAP is proposing under the Federal Department of Housing and Urban Development's national demonstration program called "Moving to Work" (MTW). HAP's proposed initiatives, including the way utility allowances are determined in public housing and other major policy initiatives planned for the upcoming year, are outlined in the "Draft FY2011 MTW Annual Plan." The draft plan is available for viewing on HAP's website:

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

HOUSING AUTHORITY OF PORTLAND
BOARD OF COMMISSIONERS MEETING MINUTES
January 19, 2010
Housing Authority of Portland
135 SW Ash Street, Portland, OR 97204

COMMISSIONERS PRESENT
Chair /Chair Emeritus Jeff Bachrach, Vice Chair/Chair Lee Moore, Treasurer/Vice Chair Harriet Cormack, Commissioner/Treasurer David Widmark; Commissioners Gretchen Kafoury, Brian Lessler, Amie Pico, Shelli Romero and Jim Smith

COUNSEL PRESENT
Steve Abel

STAFF PRESENT
Steve Rudman, Katie Such, Mike Andrews, Martha Armstrong, Peter Beyer, Michael Buonocore, Robert Dell, Betty Dominguez, Rachael Duke, Rebecca Gabriel, Shelley Marchesi, Chrissy McCausland, Dianne Quast, Jill Riddle, Todd Salvo, Julie Satterwhite, Melissa Sonsalla and Celia Strauss

Chair Jeff Bachrach called the meeting to order at 6:15 PM. He thanked everyone for attending and welcomed new Commissioners Brian Lessler and Amie Pico. He noted that he saw several commissioners and staff at the memorial service for former HAP Chair Fred Rosenbaum earlier that day. Bachrach then called for any public testimony**.**

PUBLIC COMMENT
Richard Ellmyer introduced himself as a candidate in the May primary for the North Portland seat in the Oregon House of Representatives. He testified that he had requested statistical data from HAP on December 11, 2009, and that the information had yet to be provided to him. Ellmyer recited a list of fourteen statements (included separately) and asked that commissioners for whom the statements were not true let him know by January 24, 2010. Chair Bachrach offered an immediate response, noting that statements three, five through nine, and thirteen were inaccurate for him.

MEETING MINUTES
Chair Bachrach asked for a motion to approve the minutes from the November 17 and December 2, 2009, Board of Commissioners meetings. Commissioner Widmark moved to approve the minutes. Commissioner Romero seconded the motion.

The vote was as follows:
Chair Bachrach – Aye
Vice Chair Moore – Aye

Treasurer Cormack – Aye
Commissioner Kafoury – Aye
Commissioner Lessler – Aye
Commissioner Pico – Aye
Commissioner Romero – Aye
Commissioner Smith – Aye
Commissioner Widmark – Aye

CONSENT CALENDAR
Resolution 10-01-01
Authorize On-Call Environmental Services Contract

Resolution 10-01-02
Authorization to Increase the Payment to the Limited Partner of Pearl Court Limited Partnership for the Purchase of its Interest in the Partnership

Chair Bachrach asked for a motion to adopt the resolutions on the consent calendar. Treasurer Cormack moved to adopt the resolutions; Commissioner Kafoury seconded.

The vote was as follows:
Chair Bachrach – Aye
Vice Chair Moore – Aye
Treasurer Cormack – Aye
Commissioner Kafoury – Aye
Commissioner Lessler – Aye
Commissioner Pico – Aye
Commissioner Romero – Aye
Commissioner Smith – Aye
Commissioner Widmark – Aye

Chair Bachrach announced that it was time to have Board officers take up their new terms. Portland City Commissioner Nick Fish was present and asked to make some remarks. Fish noted that, since he was elected, the nation had seen the worst economic decline in our lifetime and Portland had experienced a cloud hovering over City Hall for over six months. Yet, he had been able to achieve three goals he had set. The first was to create the new Portland Housing Bureau. The second was to protect the housing budget, which had actually been increased. The third was to break ground on the Resource Access Center Development (RAC). The RAC had been in danger of stalling due to a challenge to the River District Urban Renewal Area. Fish helped to secure an alternative method of financing. Fish added that the RAC would not be under construction without the work of HAP's development team, the leadership of the Board, and Portland's great advocacy community.

Commissioner Fish then reflected on the deaths of Fred Rosenbaum, former Chair of HAP's Board of Commissioners, and Denny West, former Executive Director of HAP. He recollected that West had a way of making tough messages clear in a polite way, including telling Fish when he

was barking up the wrong tree. West's vision was to change HAP from a HUD franchisee to the affordable housing provider it is today. Fish had lunch with Fred Rosenbaum every two months, since Rosenbaum was his insurance agent. Fish appreciated Rosenbaum's ability to work business in with his personal pursuits. The leadership of Rosenbaum's and West's tenures helped to lay the foundation for what HAP is today.

Commissioner Fish thanked Chair Bachrach for three years of stellar leadership. He noted that Bachrach has brought to the Board a healthy skepticism and a willingness to ask direct questions. Fish said that Bachrach freely shared his thoughts on issues even when they were not popular. Bachrach's points always had a perspective that should be taken into account. Fish noted that the Portland City Council has passed a proclamation honoring Bachrach. Fish also welcomed Lee Moore to his Chairship, noting that Moore has served with distinction in many positions. Moore embodies the spirit of giving service to others and he is taking the Chair position at a very challenging time, for which Fish thanked him.

Chair Bachrach thanked Commissioner Fish. Commissioner Fish presented Bachrach with a copy of the City Council proclamation. Executive Director Rudman presented Bachrach with a picture of HAP projects that occurred during his tenure. Bachrach announced that he would save his final comments for when he steps down from the Board entirely. With that, he gave the chair to Lee Moore.

Chair Moore noted that he was humbled having come full circle from a childhood in government housing and day care, with parents eager to own their own home, to his time on HAP's Board, and with all of the community organizations with which he works. Working with community organizations is how he gives back to the community—each being a way that he can learn and contribute. Taking the Chair is another means for him to contribute to HAP and the community. Moore noted that he has always appreciated Bachrach's point of view. Looking ahead at his term, Moore noted that much talk of diversity focuses on gender, ethnicity and race, but diversity is much broader than that. Moore added that HAP should reflect the public we serve—not just the clients, but all corners of the community. Moore noted that the current HAP Board of Commissioners was the most diverse in the state, yet they all work together to get the most to the community. Moore thanked Bachrach for his leadership and expressed gratitude that Bachrach will remain on the Board to share his unique perspective.

REPORT

Executive Director's Report

Executive Director Steve Rudman delivered his report. Rudman observed that the year, the decade, and the Board leadership may be new, but all that HAP does is building on legacies of people such as Denny West and Fred Rosenbaum. Everyone working here is part of something bigger than himself or herself.

Rudman relayed that work on HAP's new strategic plan was getting underway. The consultant for the plan had interviewed each of the commissioners, and the management team had completed interviews and surveys. Moreover, HAP had just completed a staff-wide survey to gauge HAP's working environment. The Board would hear more about the results of the survey in the months to come. The Board could also look forward to an approaching Board dinner and more engagement regarding the strategic plan. Work was also underway to determine the date for a Board retreat in the spring, and commissioners could expect to hear potential dates within the following weeks.

For the meeting at hand, a public hearing on HAP's Moving to Work Plan would be incorporated. Board members should also have received new Board rosters, a new meeting schedule, a three-month look-ahead, directions to the Board dinner, and the current HAP organizational chart.

REPORT & PUBLIC HEARING
FY2011 – Year 12 Moving to Work Plan
Michael Buonocore presented the background for the hearing. Moving to Work (MTW) is a designation HUD has approved for a few housing authorities that allows regulatory flexibility. To maintain its MTW status, HAP must submit a plan—a report as to how it will use the flexibility in the coming year and how attempts to use it in the previous year have fared. HUD requires that HAP give the community the opportunity to comment on its plan. The plan has been posted online, discussed in a stakeholder meeting, and discussed with the Resident Advisory Committee. A letter from Legal Aid had already been received. All public comment and responses to it will be reflected in the plan, which will be presented to the Board for approval in February. Some edits had already resulted from the comments made by Board members in the January Board Work Session. Buonocore noted that the plan was the result of input from many individuals. He thanked everyone who contributed and asked for comments.

Commissioner Kafoury thanked Buonocore for his work on the plan and its focus on residents.

Chair Emeritus Bachrach acknowledged that the self-sufficiency programs required by the MTW program are continually being improved, and the refinements are included in the plan.

Commissioner Romero asked whether the letter from Legal Aid would be included in the plan. Buonocore replied that the plan would contain responses to issues raised in the letter. Commissioner Kafoury asked if Legal Aid had engaged in other aspects of the community process. Buonocore noted that Legal Aid had been at the stakeholder meeting and had asked questions while there.

Vice Chair Cormack asked if HAP rent reform was part of the plan. Buonocore replied that it was and that it fell into one of HUD's established reporting categories.

Chair Moore clarified that the public comment period would last fifteen more days, HAP would respond to all comments, the Board would be presented with results and asked to approve the plan in February, and that no Board action was needed at the January meeting. Buonocore confirmed each.

Resolution 10-01-03
Authorize Revisions to the Family Self-Sufficiency and GOALS Action Plan
Jill Riddle, Vanessa Williams and Rachael Duke presented the resolution to the Board. Riddle pointed out that the revisions proposed were to the federally guided GOALS program and would make it easier to conduct future audits of the program. The first change would give a preference to employed public housing residents, to recognize their focus on employment. The second change would define the requirement that participants be working in order to graduate—specifying the criteria of one year of employment at 32 or more hours per week (20 hours if the participant is disabled). The change would ensure the participant is stable before graduation. It could also be waived if warranted. The third change would remove the requirement that public housing residents leave public housing upon graduation. Without the change, participants with Section 8 vouchers are not required to move, but public housing residents are. The requirement to move deters potential public housing participants. The change would apply to 100 public housing participants, as part of an effort to increase participation from public housing residents within the next two months.

Vice Chair Cormack asked if the funding for the program was annual. Riddle confirmed that it was and pointed out that funding was based on participant numbers. Without more public housing participants, HAP would not receive the funds to retain three Resident Coordinator positions.

Treasurer Widmark remarked that the two-month time frame to achieve 100 new public housing participants was not long. Williams responded that public housing participants had recently increased from 44 to 62, evidence that potential participants exist. Chair Moore asked if the proposed changes had prompted the recent increase in public housing participants. Williams replied that it was the result of strategic outreach.

Commissioner Romero asked how the changes would be applied to participants. Riddle specified that removal of the requirement to move would apply only to new participants after the Board approved the change. The refined definition of employment would apply to all participants.

Commissioner Lessler asked what would change for a resident who wanted to remain in public housing after graduation from GOALS. Riddle pointed out that the resident's rent would have increased all along, since it is 30% of the resident's income. The increase for participants is just directed into an escrow account until graduation. Bachrach asked if graduates would still get the money from the escrow account if they did not move. Riddle noted that the graduate would, but HAP would also receive more money since the graduate's increased rent would no longer be diverted into the account. Bachrach asked if the change would benefit HAP by encouraging GOALS participation only to lose the benefit of freeing up public housing. Riddle offered that, after five years of participation, most public housing residents are ready to move, but having the requirement deters them from even starting the program. Duke noted that, before the requirement was added, 70% of public housing participants moved after graduation.

Commissioner Pico noted that she graduated from GOALS and thinks it is a great program. She asked if the program could show an emphasis on education as opposed to just employment. Riddle affirmed that education was an important focus of the program and added that future reports will point out efforts made toward it. Chair Moore suggested that it be discussed in a work session. Commissioner Kafoury moved to adopt the resolution with the understanding that the Board would hear more about the educational focus of the program at a later date. Treasurer Widmark seconded the motion.

The vote was as follows:

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

Resolution 10-01-04
Authorize Changes to Payment Standards and Policy for Project Based Voucher Units
Jill Riddle presented the resolution. The first proposed change to the payment standards for project-based voucher units would increase the amount of rent HAP would subsidize for studio and single-room occupancy units (SROs). In some areas of the city, the current payment

standards for studios and SROs are too low to make the units affordable. The change would remedy that. The second change allows HAP to increase payment standards on anniversary dates of project-based voucher contracts—an annual occurrence—as opposed to on the Section 8 participant's biennial recertification. The change would help participants with no income and would cost HAP only $84,000, well within the allowance HUD gives HAP to run the program.

Commissioner Romero clarified that the increase would be based on market rates. Commissioner Smith moved to adopt the resolution; Commissioner Romero seconded the motion.

The vote was as follows:

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

Resolution 10-01-05
Authorization of Resolution Electing Application for Entry to the Oregon Public Employees Retirement System Stat and Local Government Rate Pool

Todd Salvo presented the resolution. The resolution would allow HAP to join a state and local government rate pool for the Public Employee Retirement System (PERS). PERS contribution rates are calculated biennially. HAP currently contributes $1.9 million per year. The economy has decreased the value of PERS assets, so contributions will increase at the next calculation in July 2011. The maximum increase would be 6%, resulting in HAP contributing $2.7 million annually. By joining the pool, an increase in early retirements or disability retirements at HAP would be applied against the larger pool of public employers, instead of directly against HAP. Also, HAP is better funded than the pool, so joining the pool may result in a smaller increase of HAP's contribution rate in July 2011. Salvo could not guarantee the smaller rate increase just that it appeared to be a possibility given data from 2008. HAP has one month to respond to the opportunity. Salvo believed that joining the pool reduced HAP's risk of higher PERS contribution rates in the future from adverse retirement activity unique to HAP.

Commissioner Kafoury asked how comfortable Salvo was with taking the opportunity. Salvo said that he was not entirely comfortable as there is some uncertainty, but on a percentage basis was 70% comfortable after conducting his research. Salvo also indicated that he felt pretty good about the potential for the lowered rate increase.

Chair Moore noted that the Executive Committee had discussed the opportunity and a memo in the Board packet answered the questions that were brought up at the meeting. He noted that the pool had been courting agencies that would lower the pool's risk, thus its approaching HAP. Treasurer Widmark and Chair Moore confirmed that, if HAP declined to join, it would not be offered the opportunity again for at least two years.

Commissioner Smith asked if HAP can leave the pool once it joins. Salvo said that membership in the pool would be irrevocable.

Chair Emeritus Bachrach noted that he would be skeptical of joining the pool, but trusted Salvo's recommendation and that the Board has given a close look to the opportunity. He commented that a 6% increase in HAP's contribution rate would be 50% more than what HAP currently contributes. So, the increase is remarkable and HAP may have to contribute even more subsequently. As stewards of the public entity of HAP, commissioners should consider the long-term potential for joining the pool or staying out of it. He noted that the impact of the increase would show in the budget cycle following the next cycle.

Vice Chair Cormack asked for confirmation that PERS was halfway through its rating cycle. Salvo responded that PERS released its last rate in July 2009. He added that HAP's actuarial rating would be calculated based on 2009 data but that 2008 data indicates that HAP would experience a lower rate by joining the pool. If HAP were to remain independent of the pool it could face potentially higher rates in later years. Executive Director Rudman noted that HAP was attractive to the pool because of the higher funded status. HAP's "transition credit" on joining the pool would help reduce contribution rate increases, but that still cannot be guaranteed.

Commissioner Lessler noted that he was skeptical and asked if the favored status HAP would receive were contractual or statutory. Salvo replied that it was an administrative rule, so it could be changed. Chair Moore pointed out that the pool was inviting organizations with better ratings, like HAP, for the favorable impact on the pool. If the impact is not great, they may want to change the administrative rules.

Commissioner Smith asked what would happen if the pool grew because more public employees are hired. Salvo offered that, as the pool grows, the risk spreads across more employers. Chair Moore noted that newer employees would help the pool with long time employees stressing the system.

Salvo added that the PERS board would meet soon and they could even change the 6% cap on rate increases. The rate calculation could even be changed so that HAP would be better off, but there is no certainty regarding any change. Chair Moore asked if Salvo still gave his recommendation with a caveat. Salvo said that his caveat was that his opinion could change depending on what the PERS board discussed at its meeting, but he did not expect any change in the rate cap to effect the decision to join the pool.. Chair Moore asked for a motion to adopt the resolution. Treasurer Widmark moved to adopt the resolution. Vice Chair Cormack seconded the motion.

The vote was as follows:

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

Resolution 10-01-06
Authorize HAP Staff to Perform Relocation Work on Behalf of the Housing Authority of Clackamas County

Mike Andrews and Chrissy McCausland presented the resolution. Andrews noted that the Housing Authority of Clackamas County (HACC) was a department of the County, not a stand-alone agency. HAP had worked with HACC before to advise it on repositioning its public housing portfolio. HACC has sought to implement that advice and have requested relocation assistance to do so. The resolution would authorize an intergovernmental agreement that would allow HAP to do the work. McCausland added that HAP was wrapping up its own relocation efforts from its previous scattered-site portfolio, so it had the experience to offer. HACC would cover staffing costs, and provide HAP additional income. Andrews noted that he was confident HAP staff could do the work for HACC, do it well, and perform what tasks HAP needed done. HACC's asking for HAP assistance was recognition of HAP's expertise.

Chair Moore asked if this would be a six-month effort. McCausland responded that it would be nine months.

Commissioner Kafoury moved to adopt the resolution. Vice Chair Cormack seconded the motion.

The vote was as follows:

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

Chair Moore reminded Board members of the Board dinner the following Monday at 6:00 PM. He had asked the strategic plan consultant to help facilitate the dinner.

ADJOURN

There being no further business, Chair Moore adjourned the meeting at 7:55 p.m.

EXECUTIVE SESSION

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

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

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

ADOPTED: February 16, 2010

HOUSING AUTHORITY OF PORTLAND

_____
Lee E. Moore, Sr., Chair

ATTEST:

_____
Steven D. Rudman, Secretary

Housing Authority of Portland
Asset Management Program

The First Amendment to the Amended and Restated Moving to Work (MTW) Agreement allows the Housing Authority of Portland (HAP) to develop a local asset management program for its Public Housing Program. The following describes HAP's asset management program and identifies where differences exist from HUD's asset management guidance.

HAP's Local Asset Management Program

HAP has operated a property/project-based management, budgeting, accounting, and reporting system for the past five years. Our project-based management systems include:

- Annual budgets are developed by on-site property managers. These budgets are reviewed and further consolidated into portfolio level budgets managed by housing program managers
- Budgets at the property level are provided an allocation of public housing operating subsidy based on factors which differentiate subsidy based on building age, type, size, and relative poverty of the population of the various public housing properties.
- Weekly monitoring of occupancy by property, including notices, vacancies, and applicants, is published to the Public Housing management and Executive management.
- Monthly property-based financial reports comparing month-to date and year-to-date actual to budget performance for the current year are provided to site managers, portfolio managers, and the Director of Real Estate Operations. These reports are available to other management staff as needed to monitor specific properties.
    - Monthly reviews are held at the property level with Site Managers and their portfolio management.
    - Quarterly reviews of the Public Housing portfolio in its entirety are held at the division level with Real Estate Operations Director and Assistant Directors, as well as the Deputy Director and Chief Financial Officer. This review covers each property Net Operating Income and Cash Flow.
- HAP applies the same project/program based budgeting system and financial performance review to its Housing Choice Voucher program, local MTW programs, and non-federal programs and properties.

HAP's Cost Objectives

OMB Circular A-87 defines cost objective as follows: *Cost objective means a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred.* The Cost Objectives for HAP's asset management program are the organizational subdivisions:

- Public Housing properties - includes resident services and management staff directly supporting this program
- Rent Assistance programs - includes management staff directly supporting this program and Family Self Sufficiency staff (including those supporting Public Housing residents)
- Moving to Work - includes activities related to our MTW agreement and local programs
- Affordable Housing
- Development

HAP's Treatment of Certain Costs

Under OMB Circular A-87, there is no universal rule for classifying certain costs as either direct or indirect under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the Federal award or other final cost objective. Therefore, it is essential that each item of cost be treated consistently in like circumstances, either as a direct or an indirect cost. Consistent with OMB Circular A-87 cost principles, HAP has identified all of its direct costs and segregated all its costs into pools, as either a direct, direct allocated, or indirect allocated. We have further divided the indirect allocated pool to assign costs based on a relevant metric, as described in Attachment 1.

- CORE Maintenance: HAP is committed to a cost effective approach to managing our public housing assets. As such, HAP has developed a balance of on-site capacity to perform property manager functions and basic maintenance/handyperson services, with more skilled services performed by a centralized group of trades and specialty staff (CORE maintenance). CORE maintenance performs services covering plumbing and electrical repairs, painting and pest control, as well as garbage and recycling. Although these maintenance functions are performed centrally, the decisions and control remains at the property level as it is the property manager and/or housing program manager who determines the level of service required from the CORE maintenance group. All services are provided on a fee for service basis.
- Procurement: HAP has adopted procurement policies that balance the need for expedient and on-site response through delegated authorization to site staff for purchases under $5,000. Purchases greater than this limit require engaging central procurement. The Procurement staff is well trained in the special requirements of procuring goods and services for a federal program and provides necessary contract reporting requirements as well. Central procurement services are part of HAP's indirect overhead allocation.

- Human Resources: Along with the public housing program and its Section 8 voucher program, HAP has non-federal affordable properties, a development group, and locally funded rent assistance programs. HAP's Human Resources department serves the entire agency and certain human resource activities that HUD would consider a direct cost, such as recruitment and pre-employment drug testing and screening, are centralized and are part of HAP's indirect overhead allocation. HAP has determined that the cost of keeping extremely detailed records of HR activity for direct cost assignment exceeds the value received from such effort.
- Information Technology: Hardware and software costs will be directly charged to the appropriate cost objective when such costs are available and specific to that cost objective. When a reasonable measurement of such IT costs can be obtained, an allocation based on the number of users (computers, software applications, etc.) will be utilized to directly charge the cost objective. Additionally, programs will be charged a reasonable fee on a direct cost basis for help desk services provided by internal agency staff.
- Resident Services: A large share of tenant/resident services are funded from grants and foundations and these funds augment local funds to provide supportive services and self-sufficiency services to residents. In order to optimize available services, any costs not eligible for state and local grants will be funded by HAP's public housing properties and housing choice voucher program.
- Rent: HAP charges rent to each cost objective based on the space they occupy in our central office building. Rent is based on estimated costs and adjusted for actual costs at year-end.

HAP's Treatment of Public Housing Operating Subsidy

HAP's flexibility to use MTW funding resources to support its low-income housing programs is central to our Asset Management Program. HAP will exercise our contractual authority to move our MTW funds and project cash flow among projects and programs as the Authority deems necessary to further our mission and preserve our low income housing assets and local programs.

HAP's Indirect Cost Allocations

Costs that can specifically and efficiently be identified to a cost objective are counted as direct costs to that objective. Costs that can not be readily or efficiently identified as specifically benefiting a cost objective will be considered indirect and allocated. Attachment 1 is a graphic representation of HAP's allocation methodology.

HAP has determined that some costs, defined as "direct costs" by HUD for asset management, require effort disproportionate to the results achieved and have included those costs as part of the indirect cost pool allocated to cost objectives as overhead.

HAP Indirect Costs

OMB Circular A-87 defines indirect costs as *those (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.* HAP's indirect costs include, but are not limited to:

- Executive
- Policy & Planning
- Accounting & Finance
- Purchasing
- Human Resources, including job applicant screening, payroll, labor negotiations & organization wide training
- Information Technology: costs not specifically identified and charged as a direct expense to a cost objective

Differences – HUD Asset Management vs. HAP Local Asset Management Program

HAP is required to describe in the MTW Annual Plan differences between our asset management program and HUD's asset management program as described in HUD's Financial Management Guidebook. Below are several key differences:

- HUD's asset management system and fee for service is limited in focusing only on a fee for service at the Public Housing (PH) property level and voucher program. HAP has implemented an indirect allocation methodology that is much more comprehensive than HUD's asset management system which includes all of HAP's cost objectives listed above.
- HAP has defined the treatment of direct and indirect costs differently than HUD's asset management program. From the agency perspective, we view the program operations management as direct costs of the program. These differences include, but are not limited to:
  - HUD Indirect/HAP Direct:
    - Portfolio and program ("regional") management, including hiring, supervision and termination of front-line staff is considered a direct cost. These costs are pooled and then allocated to each property based on units, vouchers, or other relevant metrics. Work with auditors and audit preparation by HCV and PH staff is considered a direct expense. Executive management is considered an indirect cost.
    - Help Desk fees are considered direct costs to each property or program.
    - Storage of HCV and PH records and adherence to federal and/or state records retention requirements will be considered a direct cost of the program.

    - Development and oversight of office furniture, equipment and vehicle replacement plans will be considered a direct cost of the program.
    - Advertising (notification) costs specific to HCV, including applicants and landlords, will be considered a direct expense.
  - HUD Direct/HAP Indirect:
    - Advertising for new hires will be considered indirect and allocated to the program and properties.
    - Staff recruiting and background checks, etc. will be considered indirect and allocated to the program and properties.
  - Other:
    - Using MTW authority to improve efficiencies across programs, all staff associated with the Family Self Sufficiency program, regardless of serving public housing or housing choice voucher residents, will be considered a direct cost of the housing choice voucher program and managed by the HCV management.
    - Preparation and submission of HCV and public housing program budgets, financial reports, etc. to HUD and others will be either direct or indirect, depending on the department from which the reports are prepared. If prepared by program staff, costs will be considered direct. If prepared by administrative department staff, costs will be considered indirect and allocated to the program and properties.
    - Investment and reporting on HCV proceeds will be either direct or indirect, depending on the department from which the reports are prepared. If prepared by program staff, costs will be considered direct. If prepared by administrative department staff, costs will be considered indirect and allocated to the program and properties.
- HUD's rules limit the transfer of cash flow between projects, programs, and business activities. HAP intends to fully use its MTW resources and flexibility to move project cash flow among projects as locally determined and use MTW funding flexibility to provide additional funding to public housing properties when appropriate and necessary to provide for and preserve our public housing assets.
- HUD's rules provide that maintenance staff be maintained at the property level. HAP's asset management program reflects a cost-effective balance of on-site and central maintenance services for repairs, unit turnover, landscaping, and asset preservation work.
- HUD's rules provide that purchasing is performed at the property level. HAP's asset management program reflects a cost-effective balance of on-site and central purchasing, depending on the total cost of procurement and complexity of applicable procurement laws and reporting requirements.

- HUD intends certain property management activities to be at the property level. HAP has centralized selected property management functions, including but not limited to denial hearings, occupancy management, transfers, reasonable accommodations, auditing, training, compliance, and some waitlist management, and will allocate these costs as a direct expense to the properties based on a relevant metric such as units.
- HAP employs its own development staff. Any work on Public Housing Capital projects will be subject to a cost recovery fee paid from the capital fund to cover costs of development staff engaged in such capital projects.

Balance sheet accounts

Most balance sheet accounts will be reported in compliance with HUD's Asset Management Requirements and some will deviate from HUD's requirements, as discussed below:

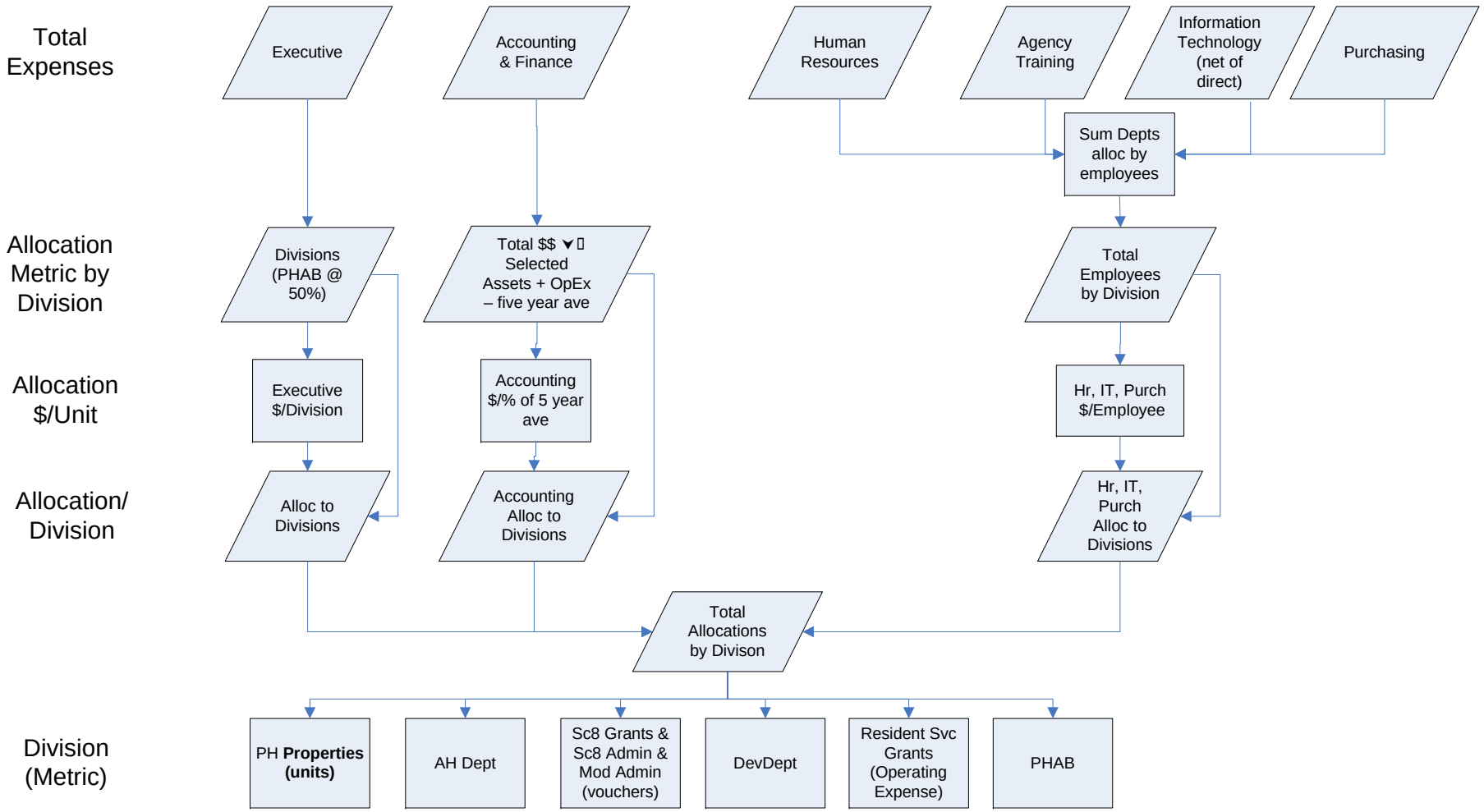
- Cash
- Restricted Cash
- Petty Cash
- Investments
- Selected Prepaid Expenses and Deferred Charges
- Selected Accrued Liabilities
- Payroll Liabilities
- Compensated Absences
- Other Post Employment Benefits (OPEB) Liability
- Unrestricted and Restricted Net Assets

HAP asset management program will maintain the above balance sheet accounts centrally. Maintaining these accounts centrally has proven to be the most cost effective and least labor intensive method ensuring efficient accounting operations and ultimately reducing costs charged to the programs. This deviates from HUD's asset management requirements as these accounts will not be reported at the AMP or program. Additionally, the centralization of cash and investments is in keeping with the single fund precept of our MTW authority. For those balance sheet accounts that are originated from expense entries, the related expenses will continue to be reported as an expense to the appropriate program, department and AMP-based income and expense statement through direct charges or allocations.

The agency is continually reviewing our asset management practices and will likely revise our approach over the coming years.

HAP Allocation Process

Process Flow Diagram



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I. ACTIVITY P1 IMPACT ANALYSIS

Rockwood Station - 24 PH Units

	All Households		Elderly HH		Disabled HH	
Measure from PIC	Pre Rent Reform Implementation	Post Rent Reform Implemenation	Pre Rent Reform Implementation	Post Rent Reform Implemenation	Pre Rent Reform Implementation	Post Rent Reform Implemenation
Number of households served	24	24	2	2	3	2
Average gross income (annual)	$20,385	$20,385	$20,238	$20,238	$17,112	$22,501
Average adjusted income (annual)	$19,727	$20,385	$19,838	$20,238	$16,392	$22,501
Number of households employed	14	14	0	0	0	0
Average annual employment income	$25,950	$25,950	$0	$0	$0	$0
Average TTP (total tenant payment)	$493	$509	$496	$506	$331	$562
Average TTP/gross income (rent burden) shownn as %	2.42%	2.50%	2.45%	2.50%	1.93%	2.50%
Average TTP/adjusted income (rent burden) shown as %	2.50%	2.50%	2.50%	2.50%	2.02%	2.50%

	White		Black/African American		Am. Indian/Native American		Asian		Native Hawaiian/ Pac. Islander	
Measure from PIC	Pre Rent Reform Implementation	Post Rent Reform Implemenation	Pre Rent Reform Implementation	Post Rent Reform Implemenation	Pre Rent Reform Implementation	Post Rent Reform Implemenation	Pre Rent Reform Implementation	Post Rent Reform Implemenation	Pre Rent Reform Implementation	Post Rent Reform Implemenation
Number of households served	23	23	1	1	0	0	0	0	0	0
Average gross income (annual)	$20,610	$20,643	$14,456	$14,456	$0	$0	$0	$0	$0	$0
Average adjusted income (annual)	$19,977	$20,643	$13,976	$14,456	$0	$0	$0	$0	$0	$0
Number of households employed	15	15	0	0	0	0	0	0	0	0
Average annual employment income	$29,850	$29,850	$0	$0	$0	$0	$0	$0	$0	$0
Average TTP (total tenant payment)	$500	$516	$350	$362	$0	$0	$0	$0	$0	$0
Average TTP/gross income (rent burden) shownn as %	2.43%	2.50%	2.42%	2.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Average TTP/adjusted income (rent burden) shown as %	2.50%	2.50%	2.50%	2.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	Hispanic/Latino		Not Hispanic/Latino		Male		Female	
Measure from PIC	Pre Rent Reform Implementation	Post Rent Reform Implemenation	Pre Rent Reform Implementation	Post Rent Reform Implemenation	Pre Rent Reform Implementation	Post Rent Reform Implemenation	Pre Rent Reform Implementation	Post Rent Reform Implemenation
Number of households served	8	9	16	15	11	12	13	12
Average gross income (annual)	$24,159	$25,260	$18,541	$17,460	$31,307	$31,537	$11,085	$9,232
Average adjusted income (annual)	$23,449	$25,260	$17,866	$17,460	$30,653	$31,537	$10,482	$9,232
Number of households employed	8	9	6	7	11	6	4	4
Average annual employment income	$25,145	$24,020	$31,325	$26,850	$23,991	$23,991	$15,805	$15,805
Average TTP (total tenant payment)	$586	$631	$447	$436	$766	$788	$262	$231
Average TTP/gross income (rent burden) shownn as %	2.43%	2.50%	2.41%	2.50%	2.45%	2.50%	2.36%	2.50%
Average TTP/adjusted income (rent burden) shown as %	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

PH studio units at Northwest Towers
(used as a comparison for the units coming online at Martha Washington and The Jeffrey)

	All Households		Elderly HH		Disabled HH	
Measure from PIC	Pre Rent Reform Implementation	Post Rent Reform Implemenation	Pre Rent Reform Implementation	Post Rent Reform Implemenation	Pre Rent Reform Implementation	Post Rent Reform Implemenation
Number of households served	45	45	8	8	39	39
Average gross income (annual)	$7,018	$7,018	$8,449	$8,449	$7,018	$7,018
Average adjusted income (annual)	$6,555	$7,018	$7,843	$8,449	$6,555	$7,018
Number of households employed	5	5	0	0	5	5
Average annual employment income	$6,554	$6,554	$0	$0	$1,182	$1,182
Average TTP (total tenant payment)	$163	$161	$196	$194	$164	$161
Average TTP/gross income (rent burden) shownn as %	2.32%	2.29%	2.32%	2.30%	2.34%	2.29%
Average TTP/adjusted income (rent burden) shown as %	2.49%	2.29%	2.50%	2.30%	2.50%	2.29%

	White		Black/African American		Am. Indian/Native American		Asian		Native Hawaiian/ Pac. Islander	
Measure from PIC	Pre Rent Reform Implementation	Post Rent Reform Implemenation	Pre Rent Reform Implementation	Post Rent Reform Implemenation	Pre Rent Reform Implementation	Post Rent Reform Implemenation	Pre Rent Reform Implementation	Post Rent Reform Implemenation	Pre Rent Reform Implementation	Post Rent Reform Implemenation
Number of households served	41	41	3	3	2	2	0	0	0	0
Average gross income (annual)	$7,011	$7,011	$5,033	$5,033	$9,064	$9,064	$0	$0	$0	$0
Average adjusted income (annual)	$6,589	$7,011	$4,920	$5,033	$8,664	$9,064	$0	$0	$0	$0
Number of households employed	5	5	0	0	0	0	0	0	0	0
Average annual employment income	$1,182	$1,182	$0	$0	$0	$0	$0	$0	$0	$0
Average TTP (total tenant payment)	$165	$141	$123	$121	$217	$208	$0	$0	$0	$0
Average TTP/gross income (rent burden) shownn as %	2.35%	2.01%	2.44%	2.40%	2.39%	2.29%	0.00%	0.00%	0.00%	0.00%
Average TTP/adjusted income (rent burden) shown as %	2.50%	2.01%	2.50%	2.40%	2.50%	2.29%	0.00%	0.00%	0.00%	0.00%

	Hispanic/Latino		Not Hispanic/Latino		Male		Female	
Measure from PIC	Pre Rent Reform Implementation	Post Rent Reform Implemenation	Pre Rent Reform Implementation	Post Rent Reform Implemenation	Pre Rent Reform Implementation	Post Rent Reform Implemenation	Pre Rent Reform Implementation	Post Rent Reform Implemenation
Number of households served	2	2	43	43	34	34	11	11
Average gross income (annual)	$5,331	$5,331	$9,043	$9,043	$7,445	$7,445	$5,518	$5,518
Average adjusted income (annual)	$4,805	$5,331	$8,532	$9,043	$6,992	$7,445	$5,261	$5,518
Number of households employed	1	1	5	5	2	2	3	3
Average annual employment income	$6,017	$6,017	$8,852	$8,852	$11,261	$11,261	$6,336	$6,336
Average TTP (total tenant payment)	$122	$120	$213	$183	$175	$143	$131	$126
Average TTP/gross income (rent burden) shownn as %	2.29%	2.25%	2.36%	2.02%	2.35%	1.92%	2.37%	2.28%
Average TTP/adjusted income (rent burden) shown as %	2.54%	2.25%	2.50%	2.02%	2.50%	1.92%	2.49%	2.28%

Property	Unit Type	Number of units	PH Electricity UA (8/08)	PH Gas UA (8/08)	S8 Electricity UA 4/2007	S8 Gas UA 4/2007	Difference Between S8 and PH Electricity UA	Difference Between S8 and PH Gas UA	Difference	Difference times number of Units
HDT	3 br	40	$104	$0	$107	$0	$3	$0	$3	$120
	3 br th	20	$104	$0	$107	$0	$3	$0	$3	$60
PV	0 br	8	$40	$0	$43	$0	$3	$0	$3	$24
	1 br	54	$52	$0	$54	$0	$2	$0	$2	$108
	2 br	8	$61	$0	$63	$0	$2	$0	$2	$16
Dekum	2 br	14	$90	$0	$89	$0	-$1	$0	-$1	-$14
	2 br ada	2	$90	$0	$89	$0	-$1	$0	-$1	-$2
	3 br	24	$109	$0	$107	$0	-$2	$0	-$2	-$48
Tamarack	1 br	44	$71	$0	$74	$0	$3	$0	$3	$132
	2 br	58	$86	$0	$89	$0	$3	$0	$3	$174
	3 br	12	$104	$0	$107	$0	$3	$0	$3	$36
	1 br ada	4	$71	$0	$74	$0	$3	$0	$3	$12
	2 br ada	2	$86	$0	$89	$0	$3	$0	$3	$6
Fir	2 br	19	$86	$0	$89	$0	$3	$0	$3	$57
	3 br	12	$104	$0	$107	$0	$3	$0	$3	$36
	2 br ada	1	$105	$0	$89	$0	-$16	$0	-$16	-$16
THT	2 br	19	$86	$0	$89	$0	$3	$0	$3	$57
	3 br	12	$104	$0	$107	$0	$3	$0	$3	$36
	2 br ada	1	$86	$0	$89	$0	$3	$0	$3	$3
Stark	2 br	18	$86	$0	$89	$0	$3	$0	$3	$54
	3 br	8	$104	$0	$107	$0	$3	$0	$3	$24
Lexington	2 br	12	$86	$0	$89	$0	$3	$0	$3	$36
	3 br	8	$104	$0	$107	$0	$3	$0	$3	$24
Eastwood	2 br	20	$86	$0	$89	$0	$3	$0	$3	$60
	3 br	11	$104	$0	$107	$0	$3	$0	$3	$33
	3 bd ada	1	$104	$0	$107	$0	$3	$0	$3	$3
Carlton	2 br	14	$86	$0	$89	$0	$3	$0	$3	$42
	3 br	10	$104	$0	$107	$0	$3	$0	$3	$30
Slavin	3 br	18	$104	$0	$107	$0	$3	$0	$3	$54
	4 br	6	$124	$0	$127	$0	$3	$0	$3	$18
Demar	2 br	18	$86	$0	$89	$0	$3	$0	$3	$54
Gallagher	1 br	76	$45	$0	$54	$0	$9	$0	$9	$684
	1 br ada	9	$45	$0	$54	$0	$9	$0	$9	$81
Eliot	2 br ada	1	$33	$64	$39	$55	$6	-$9	-$3	-$3
	2 br	11	$33	$64	$39	$55	$6	-$9	-$3	-$33
	3 br	14	$40	$78	$45	$66	$5	-$12	-$7	-$98
	4 br	4	$46	$92	$55	$79	$9	-$13	-$4	-$16

ACTIVITY P2 IMPACT ANALYSIS

Property	Unit Type	Number of units	PH Electricity UA (8/08)	PH Gas UA (8/08)	S8 Electricity UA 4/2007	S8 Gas UA 4/2007	Difference Between S8 and PH Electricity UA	Difference Between S8 and PH Gas UA	Difference	Difference times number of Units
Medallion	1 br	85	$64	$0	$74	$0	$10	$0	$10	$850
	1 br ada	3	$64	$0	$74	$0	$10	$0	$10	$30
	2 br ada	2	$84	$0	$89	$0	$5	$0	$5	$10
Ruth Haefner	1 br	65	$45	$0	$54	$0	$9	$0	$9	$585
	1 br ada	8	$45	$0	$54	$0	$9	$0	$9	$72
Celilo	2 br th	15	$33	$64	$39	$55	$6	-$9	-$3	-$45
	3 br th	11	$39	$78	$45	$66	$6	-$12	-$6	-$66
	2 br ada	2	$33	$64	$39	$55	$6	-$9	-$3	-$6
Till South	3 br	12	$74	$36	$45	$66	-$29	$30	$1	$12
HLV	3 br th	10	$74	$36	$75	$39	$1	$3	$4	$40
Floresta	2 br	7	$86	$0	$89	$0	$3	$0	$3	$21
	3 br	11	$104	$0	$107	$0	$3	$0	$3	$33
	2 br ada	2	$86	$0	$89	$0	$3	$0	$3	$6
Maple Mallory	1 br	24	$73	$0	$74	$0	$1	$0	$1	$24
	2 br	24	$90	$0	$89	$0	-$1	$0	-$1	-$24
Bel Park	0 br	2	$36	$0	$43	$0	$7	$0	$7	$14
	1 br	8	$49	$0	$54	$0	$5	$0	$5	$40
Winchell	1 br	8	$71	$0	$74	$0	$3	$0	$3	$24
	2 br	2	$86	$0	$89	$0	$3	$0	$3	$6
PHW	2 br	23	$33	$64	$39	$55	$6	-$9	-$3	-$69
	3 br	11	$40	$78	$45	$66	$5	-$12	-$7	-$77
Till North	3 br	16	$70	$36	$45	$66	-$25	$30	$5	$80
	3 br ada	2	$70	$59	$45	$66	-$25	$7	-$18	-$36
Hunter's Run	3 br	9	$74	$36	$75	$39	$1	$3	$4	$36
	3 br ada	1	$74	$36	$75	$39	$1	$3	$4	$4
Camilia	1 br	14	$52	$25	$54	$27	$2	$2	$4	$56
Cora Park	2 br	7	$86	$0	$89	$0	$3	$0	$3	$21
	3 br	3	$104	$0	$107	$0	$3	$0	$3	$9
Alderwood	2 br	13	$33	$64	$39	$55	$6	-$9	-$3	-$39
	3 br	7	$40	$78	$45	$66	$5	-$12	-$7	-$49
Chateau	2 br	10	$86	$0	$89	$0	$3	$0	$3	$30
Total		1030					$148	-$37	**$111**	$3,436

Gas heat and hot water
Gas hot water only

Average increase	$3

Housing Authority of Portland (HAP)
FY2011 MTW Plan Amendment

August 22, 2010

This document amends HAP's previously adopted FY2011 MTW Plan in the section titled "Planned Capital Expenditures." Specifically, the table (located on page six of the adopted plan) is amended to add the following information related to competitive capital grants awarded through the 2009 American Reinvestment and Recovery Act:

Resource Access Center
ARRA Competitive Award: $3,278,370
Real Estate Sales: $1,217,344
Other Local Funding Sources: 42,455,362
Capital Fund: $0
Total Project Budget: $46,951,076

Activity: ARRA funding will be used to pay back part of the construction loan; the loan will have covered construction, permitting, surveying, and inspections.

Demar Downs
ARRA Competitive Award: $187,200
Real Estate Sales: $46,800
Capital Fund: $48,201
ARRA Formula Cap: $639,786
Total Project Budget: $921,987

Activity: Conversion of three units to ADA accessible units: new ramps and railings at front and back doors, wider sidewalks, dedicated accessible parking spaces, accessible waste/recycling area, accessible mailboxes.

Note: since the submission of the FY2011 MTW Plan, the total budget for the Demar Downs capital expenditures has been reduced from $1,051,292 to $921,987 (above). The budget line items reported in this amendment reflect the new, lower budget, based on project efficiencies.

Housing Authority of Portland (HAP)
FY2011 MTW Plan Amendment II
October 19, 2010

This document amends HAP's previously adopted FY2011 MTW Plan, Section III, "Non-MTW Related Housing Authority Information." The following information is added:

HAP intends to submit an application for a HOPE VI grant to revitalize the Hillsdale Terrace public housing community.

Hillsdale Terrace has been on HAP's top-three priority list for complete redevelopment since the beginning of the federal HOPE VI program. After the successful redevelopment of both New Columbia and Humboldt Gardens, the time has come for HAP to address the needs of Hillsdale Terrace.

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

Six key redevelopment goals have emerged:

- Increase affordable housing opportunities in southwest Portland
- Correct existing conditions of physical distress
- Increase community connections, both physical and social
- Reduce operating costs
- Improve services available to residents
- Improve relationships and enhance partnerships in the community.

Housing Authority of Portland (HAP)
FY2011 MTW Plan Amendment III
October 19, 2010

This document amends HAP's previously adopted FY2011 MTW Plan for Ongoing Activity #O5, "Agency-Based Rent Assistance Project with Local Non-Profits." Specifically, the text below replaces previously submitted versions of the activity found on page 31 of the plan:

O5: AGENCY-BASED RENT ASSISTANCE PROJECT WITH LOCAL NON-PROFITS
(Identified Year 11, Implemented FY2010)

Background: In our FY2010 plan, HAP outlined the intention to align housing resources with services of jurisdictional and community partners by allocating a small pool of rent assistance funds to be administered by SE Works and Northwest Pilot Project (NWPP). Each agency serves a distinct group of participants and augments the housing subsidy with targeted services to increase participants' likelihood of success.

MTW authorization:

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

Statutory objectives:

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

Increase housing choices for low-income families

SE Works
This program provides rent assistance to individuals transitioning out of prison who are participating in the Portland Partners Re-entry Initiative or Community Partners Reinvestment Project. Both are employment-centered programs that incorporate mentoring, job training, and other comprehensive transitional services in order to reduce recidivism by helping inmates find work when they return to their communities. SE Works plans to serve a minimum of 20 participants per year, prioritizing those who are reuniting with families or who have identified and prepared for a training program. Participants may move into transitional or permanent housing, depending on their needs, and SE Works will provide up to 18 months of rent assistance, decreasing over time, based on the household's income, budget and unit size. Funding for workforce development services comes from the Department of Labor.

NWPP
This program provides rent assistance and services to homeless individuals who are elderly, disabled, have zero income, and have barriers that reduce the likelihood of their success in the traditional tenant-based Section 8 program. In addition to receiving housing search, housing retention, and ongoing support services, all participants will

be referred to Central City Concern's Benefits and Entitlement Specialist Team for expedited acquisition of federal benefits/entitlements (SSI/SSDI).

Status update: Enrollment in both programs began in 2010. There are over 20 households enrolled in the programs so far, and both partners continue to add households. Qualifying individuals for the NWPP program has proven to be challenging, given the severity of housing barriers and the length of time it takes to approve participants for Central City Concern's benefits program. However, both NWPP and SE Works anticipate having their programs fully leased by the end of the 2010 calendar year.

After initial successes working with SE Works and NWPP, HAP would like to propose an immediate, limited expansion of the Agency Based Assistance initiative. Despite having significantly more housing barriers than the average Section 8 participant, Agency Based Assistance participants leased up significantly faster and with more success than the general Section 8 population. Additionally, early outcome data regarding income is encouraging. Nine of NWPP's 11 clients have attained social security benefits in an average of just four months, compared with the national the waiting time of over two years. SE Works' clients entered with an average income of $539/mo and those clients still enrolled now have an average monthly income of $690. For clients with positive exits, the average income at exit was $1858/mo (or $2432/mo if you factor out the client who chose to exit and move in with family).

HAP has been presented with a time-sensitive opportunity to work towards significant systems alignment in our community by partnering with Multnomah County (our local Community Action Agency) and Worksystems Inc (our local recipient of federal Workforce Investment Act dollars). Last year, Worksystems and Multnomah County used stimulus funding to pilot a self-sufficiency effort wherein Multnomah County provided case management, services, and rent assistance to families via its Anti Poverty system, and Worksystems set aside training and internship slots for the selected clients. Outcomes have been outstanding, with over 1/3 of the 300 people enrolled entering employment in the first ten months, even despite the high unemployment numbers in Oregon.

With the stimulus funding coming to an end, Multnomah County no longer has funding sufficient to support this endeavor. HAP would like to use Agency Based Assistance, contracted to Multnomah County's Anti Poverty system, to continue to support this initiative. Stimulus funding ends in September 2010, and thus there is an immediate need for replacement resources. HAP has sufficient funds available to provide the needed enhanced rent assistance resources for this project between now and the beginning of HAP's next fiscal year, allowing us to begin immediately and provide initial outcome data in our next MTW report. Since the new partnership would be focused on employment, the outcomes would be the same as those initially defined for the partnership with SE Works.

Use of MTW authority and impact on statutory objective(s): Fungible funding allowed HAP to set aside a small pool of rent assistance funds that are administered by the Rent Assistance department, but do not operate like traditional vouchers. The SE Works program pairs housing assistance with support in finding employment and creating self-sufficiency. Both programs assist populations with extremely limited housing choices to access more stable and safe housing. The new partnership with Multnomah County and Worksystems, like the partnership with SE Works, would pair

housing assistance with support in training and finding employment, and eventually helping households move towards self-sufficiency.

Baselines:

- SE Works will serve 20 households in year 1.
- NWPP will serve 10 households in year 1.
- The Multnomah County/Worksystems partnership would serve approximately 100 households in year 1.

Proposed benchmarks and metrics:

SE Works and Multnomah County

- 80% of households will retain housing throughout the receipt of rent assistance.
- 75% will retain permanent housing for 6 months after rent assistance ends.
- 75% will be employed or in an education/training program six months after rent assistance ends.
- 65% will be employed or in an education/training program nine months after rent assistance ends.
- Less than 15% of participants will reoffend within 1 year of their release date. (relevant only to the SE Works population which is transitioning from prison)

NWPP

- 90% of participants will remain successfully housed after two years.
- 70% of participants will be receiving disability income within two years.

Data collection process: Quarterly and annual reports detailing these outcomes will be required of each organization. Data collected to assess self-sufficiency include income (and income increase), amount of subsidy (and any decrease in subsidy), length of time to gain employment or complete a training program, length of time to gain benefits, services received, and destination at exit. Data collected to assess increasing housing choice includes housing barriers at entry, homeless status at entry, length of time to lease up, and income at entry.

There are no changes or additions to MTW authorizations and the agency is not currently using outside evaluators.