



homeforward

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YEAR 15

Moving to Work

ANNUAL REPORT

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YEAR 15

FY2014 Moving to Work ANNUAL REPORT

April 1, 2013 – March 31, 2014

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Introduction

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

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

Home Forward has been designated an MTW agency since 1998. In 2009 we signed a new agreement with HUD that has ensured our participation in the program until 2018. Most recently HUD has opened conversations about again extending the MTW agreement with housing authorities that are performing well and using the flexibility provided by the program to house low-income households. Home Forward is very excited about signing this extension, which would enable us to continue to test, implement and assess new initiatives and approaches to our work that support the MTW program goals.

Overview of the Agency's Long-Term MTW Goals and Objectives

Home Forward develops agency long-term strategies and planning using the goals defined by our Strategic Operations Plan. These goals align with the objectives established by the Moving to Work program:

Strategic Operations Plan Goals

Goal 1: We will deploy resources with greater intentionality and alignment with other systems while increasing the number of households served.

- Related MTW objectives: Increase housing choices for low-income families; 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 reduce cost and achieve greater cost effectiveness in Federal expenditures.

Goal 2: We will increase the number of housing units for our community through preservation, development and acquisition.

- Related MTW objective: Increase housing choices for low-income families.

Goal 3: We will strengthen our relationship with the people we serve by increasing mutual accountability and by improving our ability to connect them to vital services in the community.

- Related MTW objective: Increase housing choices for low-income families; 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.

Goal 4: We will increase efficiency and embrace our new identity by transforming the organizational structure and culture.

- Related MTW objective: Reduce cost and achieve greater cost effectiveness in Federal expenditures.

Home Forward works to achieve these goals through our MTW activities, initiatives funded through MTW single-fund flexibility, and additional priority initiatives that do not require MTW authority. Examples of related MTW activities include Activity 01 Rent Reform which has not only changed the way we calculate rents, but the way we interact with our residents and participants, and activity 03 Local Blended Subsidy Program has played a key role in our ability to meet Goal 2, increasing our number of housing units. As of FY2014, 283 units in our community are supported by Local Blended Subsidy.

Initiatives funded through our MTW single-fund flexibility continue to directly support our Strategic Operations Plan goals. Known as our MTW Initiatives Fund, this budget finances resident engagement strategies, family self sufficiency programs, youth initiatives and other innovative programs. These activities are further described in our Sources and Uses of Funds section, under Use of Single-Fund Flexibility.

Even in times of federal funding reductions, Home Forward continues to focus on our long term goals, and strives to be innovative and deliberate in the way we provide housing and services to our local community. In some instances, funding challenges have changed the timing of planned initiatives or altered aspects of an activity to account for tighter budgeting. Still, staff continue to think critically and creatively about the work we do and how we can achieve our broader mission within the framework of reduced resources. Home Forward looks to our Strategic Operations Plan, as well as the flexibility and opportunity provided by the Moving to Work program, to find ways to better meet the needs of our clients and our community.

Overview of the Agency's MTW Goals and Objectives for FY2014

In FY2014, Home Forward faced severe funding cuts because of sequestration: across-the-board reductions in funding imposed by the federal government. The cuts had a significant impact on Home Forward and the community we serve. However, Home Forward maintained a focus on the goals of the Moving to Work program, and those of our Strategic Operations Plan.

Home Forward's ongoing activities continue to result in increased cost effectiveness and housing choices for our low-income families. Some activities, like biennial inspections or allowing landlords to self-certify minor repairs, may seem straightforward or simple, but they result in thousands of hours of staff time savings every year. Through the flexibilities of our Local Project-Based Voucher program, Home Forward is able to more efficiently administer an important resource that provides our community with an estimated 2,000 units of housing. These and our other ongoing activities allow us to work toward the three Moving to Work goals, and serve the specific needs of our community.

Initially Home Forward proposed only one new activity for FY2014: GOALS – Home Forward's family self sufficiency program – which specifically targets the third MTW goal of encouraging families to reach for economic self sufficiency. This activity aligned two separately operated self sufficiency programs into once consolidated program, built to include a managed savings account and a preference on the GOALS waiting list for participants engaged in an employment or training program. Alignment of previous programs under the GOALS umbrella began in FY2014 and is nearly complete. One of the biggest benefits of this transition was the ability to include all GOALS participants under the Rent Reform calculation. Previously, FSS participants were required to use the standard rent calculation, which inhibited enrollment in the program.

Due to funding restrictions, we were not able to implement the GOALS safety net in FY2014 – a fund of \$1,500 for families who graduated the program and moved to a non-subsidized unit or gave up their voucher. We believe this safety net could help encourage families to take the final step in the path to self sufficiency, and hope to pilot the idea at site-based programs in FY2015 if funding permits.

As the impact of sequestration became clear, Home Forward took action to propose an amendment to our Rent Reform activity for FY2014. Facing funding reductions of over \$5 million, Home Forward made it a priority to do everything possible to avoid terminating families from the program and instead increased the percentage of gross income used to determine tenant rent payments. The amendment increasing the percentage was approved

by HUD in June, and Home Forward began communicating with our residents soon after. The changes to the rent calculation took effect September 1, 2014.

Through our MTW flexibility, we were able to take quick action, and as a result, no family in our community lost their assistance because of sequestration. But our residents were asked to take on greater rent burdens and other new programming planned for FY2014 was stalled. Staff shared the impact, and took unpaid furlough days. No families were pulled from our Section 8 waiting list until late in the fiscal year, and we were forced to lower our voucher utilization rates. FY2014 proved difficult for Home Forward, and most difficult for the families we serve. But we believe the opportunity to be creative through use of our MTW authority was key in weathering this storm.

Overview of Home Forward’s MTW Activities

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Home Forward has implemented large scale reform of our rent calculation.	
02 GOALS – Home Forward’s family self sufficiency program.....	30
Home Forward has aligned its self sufficiency programs into one consolidated, locally tailored program.	
03 Local Blended Subsidy.....	37
Home Forward has created a local blended subsidy program, blending Section 8 and public housing funds to subsidize units.	
05 Biennial inspections.....	39
Home Forward conducts biennial inspections for qualifying Section 8 households.	
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Home Forward uses alternate inspection standards for programs where we contract our resources to be administered by partners.	
07 Landlord self-certification of minor repairs.....	43
In cases where we deem it appropriate, Home Forward may accept an owner’s certification that repairs have been made.	
08 Inspection and rent reasonableness at Home Forward-owned properties.....	45
Home Forward sets rent reasonableness and inspects the unit when a voucher holder selects a unit we own.	
09 Measures to improve the rate of voucher holders who successfully lease up.....	47
Home Forward has implemented measures to improve landlord acceptance of Section 8 vouchers in the community.	
10 Local Project-Based Voucher program.....	50
Home Forward has created a local project-based voucher program that is tailored to meet the needs of our community.	

Overview of Non-MTW Activities

Home Forward's activities in FY2014 also included a number of activities that do not require MTW flexibility, but were key elements of the innovative ways we serve our community.

Regional Efforts

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

- Sharing jurisdiction with Clackamas County – Home Forward and the Housing Authority of Clackamas County (HACC) tested the impact of sharing jurisdiction over the last few years with overwhelmingly positive results. This allows families with vouchers from either housing authority the flexibility to use their voucher within Multnomah or Clackamas County without going through the portability process. While this effort does not require MTW authority, Home Forward pursued this activity with the hope of increasing administrative efficiency by reducing workload related to portability, as well as increasing housing choice for families. Estimated combined administrative savings for Home Forward and HACC in the first year were \$24,000. In a survey of landlords and families who are using this flexibility, two-thirds of participant respondents stated that the effort helped them move closer to jobs, schools, etc, and the vast majority of landlords indicated the program is working well for them. This activity, therefore, also serves to affirmatively further fair housing practices by proactively undertaking steps to aid in fostering access to an expanded set of housing choices. This ensures participants have access to additional areas of opportunity and other neighborhoods with mixes of amenities and resources that they may find beneficial. The two housing authorities look forward to sharing the outcomes of this effort with other neighboring jurisdictions to see whether further expansion might be possible.
- Developing tools for mobility counseling – Home Forward was awarded a grant from Metro, a regional governmental entity, to work collaboratively with the three neighboring housing authorities to develop tools to provide mobility counseling to Section 8 participants in order to help reduce their combined housing and transportation costs. Lack of access to affordable transportation options often proves to be a barrier to housing choice. Assisting participants to identify housing locations with affordable transit options serves to further Fair Housing goals. This project will educate participants about the costs and benefits of choosing housing in various locations, and provide them with tools that include a video, educational pamphlets about housing search and transportation, a guide for using WalkScore, and a tool to compare transportation costs for different housing options. Tools will be piloted for six months, beginning in April 2014, and an evaluation of their effectiveness will follow.
- Expanding employment training for housing authority residents – Home Forward, in partnership with the three other local housing authorities and the three local Workforce Investment Boards, received a \$5.5 million, three-year grant from the Department of Labor in 2012 to provide training and employment opportunities to housing authority residents. This grant builds upon a model that Home Forward and Worksystems,

Inc. have been operating for several years. Home Forward is receiving \$1.1 million to fund case management staff to support 270 residents as they access training and employment opportunities through the local Worksource system in high demand occupations. Funds are also available to provide employment supports (such as assistance with transportation and childcare) for participating families.

Beech Street Apartments

Home Forward is serving as the developer for Beech Street Apartments, a partnership that includes 32 units of alcohol- and drug-free housing and a residential treatment center for women with children. The treatment center will be operated by a local non-profit, LifeWorks NW. Home Forward will oversee the operations of 31 permanent supportive housing units utilizing project-based Section 8 operating subsidy (the remaining unit will be a manager's unit). Construction began in June 2013 and was over 80% complete as of March 31, 2014. Lease up is anticipated to begin in mid-July 2014.

Stephens Creek Crossing

Stephens Creek Crossing is Home Forward's third HOPE VI redevelopment. Construction of 122 apartments, an opportunity center and a children's center occurred throughout FY2014 and was nearly complete as of March 31, 2014. The waiting list opened in July, pre-leasing began during the fall of 2013, and the first residents began to move in on January 10, 2014. Lease up is projected to be complete by May 31, and a grand opening celebration will be held on June 6, 2014.

Employment/Education/Training Preferences

Home Forward's public housing program has added an employment/education/training preference at eight family properties: Slavin Court, Eliot Square, Celillo Court, Floresta, Maple Mallory, Chateau, Madrona Apartments and Stephens Creek Crossing. Applicants who are currently employed (defined as working an average of 30 hours per month) or are engaged in a training or education program qualify for the preference. Applicants who are senior or a person with a disability receive an equal preference at the property.

The Section 8 waiting list mirrors the above preference. The waiting list includes a preference for households that are employed or engaged in a training or education program. As we pull from the list, priority selection is offered to seniors, people with disabilities, and families who are working or engaged in education or training programs. Households who do not have one of these priority preferences may wait longer to receive their voucher.

High Rise Preservation Efforts

As part of our second Strategic Operations Plan goal to increase the number of housing units for our community through preservation, development and acquisition, Home Forward is focusing on renovating the agency's ten high-rise public housing buildings. The ten high-rises provide 1,232 housing units, which account for almost half of Home Forward's total public housing supply. They serve some of our most vulnerable community members: seniors and people with disabilities. The buildings are well-located and worthy of preservation; however, they are in critical need of \$80 million in capital improvements if they are to continue to provide safe, decent affordable homes.

In FY2014, Home Forward initiated the first phase, involving renovations at four communities that provide 654 homes: Gallagher Plaza, Northwest Tower, Hollywood East and Sellwood Center. HUD approved our proposal to convert the underlying subsidy for the apartments from public housing to project-based Section 8 funding, which will allow Home Forward to leverage other private money, such as equity and debt. Home Forward received 649 tenant protection vouchers associated with the Section 18 disposition, and with an additional five vouchers allocated from our Housing Choice Voucher pool, assigned 654 project-based vouchers to preserve these high-rise units. As part of the subsidy change process, 128 households living in these units requested a tenant-based voucher. As of March 31, 2014 19 of those households have leased up with that tenant-based voucher, 23 are still searching, and the remaining 86 have decided to stay in their project-based voucher unit.

VASH Households

Veterans Affairs Supportive Housing (VASH) vouchers are an important and valuable resource for homeless veterans in our community. Over the past five years, Home Forward has been awarded an additional 290 VASH vouchers, representing an increase of over 500% since our original award of 70 vouchers in FY2009. We are proud to administer these vouchers to the men and women in our community, and in FY2014 we worked diligently with partners including the Department of Veterans Affairs, local jurisdictional representatives and non-profit service providers, to increase the lease up rates for VASH households. As a result, in May 2013 we achieved a full 100% utilization of VASH for the first time. Since then, we have received 55 new VASH vouchers, and we continue to work in partnership to overcome barriers that in the past have limited successful utilization of this resource, such as providing security deposit assistance to any VASH veteran who needs it. Our goal is to ensure that every veteran using a VASH voucher is able to identify affordable housing of their own choosing. Additionally, at the end of FY2014 we set a goal, in partnership with the jurisdictional representatives and non-profit providers, to house an additional 100 chronically homeless veterans by Veterans Day 2014 as part of the 25 Cities Initiative.

Currently, Home Forward applies certain MTW flexibilities to VASH voucher holders. All VASH voucher holders are included in our rent reform calculation, and the policies and processes included therein. We intend to request authorization from the HUD Voucher Office to include VASH voucher holders in the application of all approved MTW activities.

General Housing Authority Operating Information

Housing Stock Information

MTW Public Housing Units

Public housing units at beginning FY2014	2,648
Public housing units added	45
Public housing units removed	<u>(656)</u>
Public housing units at end of FY2014	2,037

Units added in FY2014

Development	Units	Description
Stephens Creek Crossing (OR00200066)	45	Stephens Creek Crossing is Home Forward's third HOPE VI redevelopment. In FY2014, the 45 units of Stephens Creek Crossing North were added. The property includes 1-, 2-, 3- and 4-bedroom units.
Total units added in FY2014	45	

Units removed in FY2014

Development	Units	Description
Gallagher Plaza (OR002000137)	85	Subsidy has been converted from public housing to project-based vouchers in accordance with our plan for preservation of our high rise towers. See the previous section on Non-MTW Activities for more information.
Hollywood East (OR002000106)	286	
Northwest Tower (OR002000104)	174	
Sellwood Center (OR002000116)	110	
Scattered Site East C (OR002000707)	1	One scattered site unit was sold in FY2014.
Total units removed in FY2014	656	

MTW Housing Choice Vouchers (HCV) Units

MTW HCV at beginning FY2014	7,769
Tenant Protection Vouchers added	<u>649</u>
MTW HCV at end of FY2014	8,418

Non-MTW Housing Choice Vouchers units authorized:

Voucher Type	Units Authorized
SRO/MODS	512
Veterans Affairs Supportive Housing (VASH)	360
Family Unification Program	100
Opt-Out vouchers	-

Housing Choice Vouchers – total project-based units in FY2014:

Project-based units at the beginning of FY2014	1,316
Project-based units added (see below)	654
Project-based units at removed	
Rose CDC Scattered site sold October 2013	<u>(1)</u>
Project-based units at end of FY2014	1,969
 Additional Project-based units committed in FY2014	
Beech Street Apartments (see below)	<u>31</u>
Total Project-based units committed at the end of FY2014	2,000

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

Property Name	Anticipated Number of New Vouchers to be Project-Based *	Actual Number of New Vouchers that were Project-Based	Description of Project
Gallagher Plaza	85	85	Subsidy has been converted from public housing to project-based vouchers in accordance with our plan for preservation of our high rise towers.
Hollywood East	286	286	
Northwest Tower and Annex	173	173	
Sellwood Center	110	110	
Beech Street Apartments	31	0	Alcohol- and drug-free housing to support sustainable recovery efforts for graduates of drug and alcohol treatment programs. Units are committed and the project will begin leasing up in FY2015.

Anticipated Total Number of New Vouchers to be Project-Based *

685

Actual Total Number of New Vouchers that were Project-Based

654

Anticipated Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year *

2,010

Anticipated Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Fiscal Year *

N/A**

Actual Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year

2,000

Actual Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Fiscal Year

1,932

* From the Plan

** Because our FY2014 MTW Plan was written according to the previous formatting requirements, this number was not included.

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

There were no other changes to stock in FY2014.

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

General Description of Actual Capital Fund Expenditures During the Plan Year

Community	Activity	Capital Fund	Percentage of Capital Fund	Total Expended	Percentage of Total Expended
Hollywood East	Roofing project	\$ 550,710	18.38%	\$ 550,710	18.38%
Dekum Court	Comprehensive Rehabilitation project	727	0.02%	727	0.02%
Williams Plaza	Masonry repairs	295,936	9.87%	295,936	9.87%
Tamarack	Sewer repairs	15,592	0.52%	15,592	0.52%
Tamarack	Emergency carport repairs	11,324	0.38%	11,324	0.38%
Dahlke Manor	Paint repairs	146,865	4.90%	146,865	4.90%
Holgate House	Exterior seal project	6,770	0.23%	6,770	0.23%
Medallion	Security system hard drive replacement	16,052	0.53%	16,052	0.53%
Eastwood Court	Siding repairs	145,698	4.86%	145,698	4.86%
Carlton Court	Siding repairs	368,575	12.30%	368,575	12.30%
Maple Mallory	Sewer repairs	213,239	7.12%	213,239	7.12%
Trouton	Debt Service Payments	515,289	17.20%	515,289	17.20%
Mgmt Improvement	20% Operating Overhead	687,559	22.94%	687,559	22.94%
Various	Portfolio wide asbestos abatement	22,304	0.74%	22,304	0.74%
	Total Capital Expenditures Budget	\$ 2,996,640	100.00%	\$ 2,996,640	100.00%

In addition to Home Forward’s rent assistance and public housing programs, our agency operates over 4,800 units of affordable housing. This portfolio includes properties acquired and built using diverse public and private funding sources, including low-income housing tax credits (LIHTC), tax-exempt bonds, private mortgage financing, grants, federal and state funds. By virtue of such funding sources, our affordable housing units are set aside to serve thousands of low-income families in our community.

Overview of Other Housing Owned and/or Managed by the PHA at Fiscal Year End		
Housing Program *	Total Units	Overview of the Program
Tax-Credit	1,373	Properties developed with Low-Income Housing Tax Credits
State Funded	500	Properties developed with Oregon Housing Tax Credits and Oregon TRUST funding
Locally Funded	2,156	Properties developed with assistance from local funding sources, such as Portland Housing Bureau
Non-MTW HUD Funded	349	Properties operated using HUD Section 236 funding
Total Other Housing Owned and/or Managed	4,378	
<p>* Select Housing Program from: Tax-Credit, State Funded, Locally Funded, Market-Rate, Non-MTW HUD Funded, Managing Developments for other non-MTW Public Housing Authorities, or Other.</p> <p>If Other, please describe: <input type="text" value="-"/></p>		

Leasing Information

Total number of MTW public housing units leased in FY2014: 1,996 units

Home Forward continues to have an occupancy rate of 98% in its public housing units.

Total number of MTW HCV units leased in FY2014:

8,148 units authorized (average of the total number of units authorized throughout FY2014)

7,927 units leased

97.3% utilization

Total number of non-MTW HCV units leased in FY2014:

Voucher	Units Authorized (total at year end)	Units Leased (average)	Utilization (average)
SRO/MODS	512	489	95.5%
Veteran Affairs Supportive Housing (VASH)	360	301	86.8%
Family Unification Program Vouchers	100	81	80.9%

Description of issues: As a result of the impacts of sequestration on Home Forward's budget, HUD determined that Home Forward was a shortfall agency, and we were required to stop issuing vouchers. Home Forward did not issue tenant-based MTW and Family Unification Program vouchers, even upon turnover, for a large part of FY2014. We briefly stopped issuing VASH vouchers as well, but after receiving notice from HUD that VASH issuance should continue, we began issuing again. As a result of this determination, we are currently in the process of issuing vouchers and ramping utilization levels back up to their pre-shortfall levels.

We began issuing Family Unification Program vouchers again in January 2014, and we also absorbed port-ins from other Oregon housing authorities whose struggles with sequestration were more significant than ours because they were smaller and did not have MTW flexibilities. We began pulling from the regular tenant-based waiting list in early 2014 as well.

However, the long period without any vouchers issued resulted in our average utilization for Family Unification Program and VASH being significantly lower than is typical for our administration of those programs. The utilization rates provided here are the averages for the year. As of 3/31/14, the actual VASH utilization was 90%, as we continue to lease the newest award of vouchers.

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

Program-based Assistance and Port-In Vouchers	Number of Households Served¹	
	Planned	Actual
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Property-Based Assistance Programs ²	N/A ⁵	0
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs ²	N/A ⁵	298
Port-In Vouchers (not absorbed)	N/A	336
Total Projected and Actual Households Served	N/A⁵	634
	Unit Months Occupied/Leased⁴	
	Planned	Actual
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Property-Based Assistance Programs ³	N/A ⁵	0
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs ³	N/A ⁵	3,578
Port-In Vouchers (not absorbed)	N/A	4,030
Total Projected and Annual Unit Months Occupied/Leased	N/A⁵	7,608

Because our FY2014 MTW Plan was written according to the previous formatting requirements, it did not include figures for planned unit months occupied or households served.

¹ Calculated by dividing the planned/actual number of unit months occupied/leased by 12.
² In instances when a Local, Non-Traditional program provides a certain subsidy level but does not specify a number of units/Households Served, the PHA should estimate the number of Households served.
³ In instances when a local, non-traditional program provides a certain subsidy level but does not specify a number of units/Households Served, the PHA should estimate the number of households served.
⁴ Unit Months Occupied/Leased is the total number of months the housing PHA has occupied/leased units, according to unit category during the year.
⁵ Because our FY2014 MTW Plan was written according to the previous formatting requirements, this number was not included.

Households Served through Local Non-Traditional Services Only
 Average number of households served per month: 0 Total number of households served during the year: 0

Statutory Requirement Reporting: At least 75% of families assisted are very low-income

	Public Housing	MTW HCV	Total
Total households assisted	2,024	8,803	10,827
Households below 50% of Area Median Income (AMI)	1,964	8,654	10,618
Percentage of households below 50% of AMI	97.0%	98.3%	98.1%

(Data as of March 31, 2014)

Reporting Compliance with Statutory MTW Requirements: 75% of Families Assisted are Very Low-Income					
<p>HUD will verify compliance with the statutory objective of “assuring that at least 75 percent of the families assisted by the Agency are very low-income families” is being achieved by examining public housing and Housing Choice Voucher family characteristics as submitted into the PIC or its successor system utilizing current resident data at the end of the agency's fiscal year. The PHA will provide information on local, non-traditional families provided with housing assistance at the end of the PHA fiscal year, not reported in PIC or its successor system, in the following format:</p>					
Fiscal Year:	2014	2015	2016	2017	2018
Total Number of Local, Non-Traditional MTW Households Assisted	665¹	-	-	-	-
Number of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income	665	-	-	-	-
Percentage of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income	100%	-	-	-	-
<p>¹ This count represents the unduplicated number of households served throughout FY2014 by our local, non-traditional programs.</p>					

Statutory Requirement Reporting: Maintain comparable mix of families served

Reporting Compliance with Statutory MTW Requirements: Maintain Comparable Mix

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

Baseline for the Mix of Family Sizes Served

Family Size:	Occupied Number of Public Housing units by Household Size when PHA Entered MTW	Utilized Number of Section 8 Vouchers by Household Size when PHA Entered MTW	Non-MTW Adjustments to the Distribution of Household Sizes *	Baseline Number of Household Sizes to be Maintained	Baseline Percentages of Family Sizes to be Maintained
1 Person	1,411	1,964	-	3,375	42.4%
2 Person	410	1,296	-	1,705	21.4%
3 Person	342	925	-	1,267	15.9%
4 Person	232	608	-	840	10.5%
5 Person	136	292	-	428	5.4%
6+ Person	97	254	-	352	4.4%
Totals	2,628	5,339	0	7,967	100.0%

Explanation for Baseline Adjustments to the Distribution of Household Sizes Utilized

No baseline adjustments

Mix of Family Sizes Served FY2014

	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	Totals
Baseline Percentages of Household Sizes to be Maintained**	42.4%	21.4%	15.9%	10.5%	5.4%	4.4%	100.0%
Number of Households Served by Family Size this Fiscal Year***	5,496	1,921	1,235	878	486	532	10,548
Percentages of Households Served by Household Size this Fiscal Year****	52.1%	18.2%	11.7%	8.3%	4.6%	5.0%	100.0%
Percentage Change	23.0%	-14.9%	-26.4%	-21.1%	-14.2%	14.3%	-

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

Over the last 15 years of Home Forward’s designation as an MTW agency, a number of factors have created slight changes to the mixes of family sizes we serve. We have increased our project-based vouchers, primarily in partnership with community agencies serving highly vulnerable people and in line with our community’s 10-Year Plan to End Homelessness. We have converted public housing towers to project-based vouchers, in an effort to preserve that housing for our vulnerable seniors and people with disabilities. And we have added over 300 VASH vouchers that serve veterans at risk of homelessness in our community. All of these actions have resulted in a shift in demographics and an increase in our one-person households.

We have also seen an increase in our largest households with six or more members. This is likely due to African refugee families who began immigrating to Portland around 2001. The increases in these two family size types (1 person and 6 or more people) account for the subsequent decreases in the rest of the family sizes.

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

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

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

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

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

Housing Program	Description of Leasing Issues and Solutions
Public Housing	There were no leasing issues in the public housing program in FY2014.
MTW Housing Choice Voucher	As a result of the impacts of sequestration on Home Forward's budget, HUD determined that Home Forward was a shortfall agency, and we were required to stop issuing vouchers. Home Forward did not issue tenant-based MTW, even upon turnover, for a large part of FY2014. As a result of this determination we are currently in the process of issuing vouchers and ramping utilization levels back up to their pre-shortfall levels.
Local, Non-Traditional Units	There were no leasing issues in our local, non-traditional programs in FY2014.

Number of Households Transitioned To Self Sufficiency by Fiscal Year End

Activity Name/#	Number of Households Transitioned *	Agency Definition of Self Sufficiency
01 Rent Reform	521 *	Household has earned or permanent income that results in area median income (AMI) above 50% and/or has voluntarily exited housing assistance.
02 GOALS	30 *	
Households Duplicated Across Activities/Definitions		30
ANNUAL TOTAL NUMBER OF HOUSEHOLDS TRANSITIONED TO SELF SUFFICIENCY		521

* The number provided here should match the outcome reported where metric SS #8 is used.

Wait List Information

Wait List Information at Fiscal Year End				
Housing Program(s) *	Wait List Type **	Number of Households on Wait List	Wait List Open, Partially Open or Closed ***	Was the Wait List Opened During the Fiscal Year
MTW Public Housing	Site-Based	8,368	Partially Open	Yes
MTW Housing Choice Voucher	Community-Wide	2,631	Partially Open	No
MTW Housing Choice Voucher	Site-Based	7,654	Partially Open	Yes
Tenant-Based Local, Non-Traditional MTW Program	Other	16	Partially Open	Yes
Project-Based Local, Non-Traditional MTW Program	Site-Based	5	Open	Yes

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

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

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

In FY2014, Home Forward opened the waiting list for our third HOPE VI redevelopment, Stephens Creek Crossing. Applications were accepted online for five days, and were then sorted via a lottery system. There were 130 1-, 2-, 3- and 4-bedroom units available. This opening resulted in 2,400 households being added to the public housing waiting list.

The waiting list at one property, Bud Clark Commons, is open to applicants who are referred by community partners. In addition, our MTW public housing waiting list remains open to households needing an ADA accessible unit or applicants who have a documented terminal illness with a life expectancy of less than 12 months.

Our MTW Housing Choice Voucher tenant-based waiting list is community-wide, and is closed except to applicants for the Family Unification Program and those who have a documented terminal illness with a life expectancy of less than 12 months.

Our MTW Housing Choice Voucher project-based voucher waiting lists are site-based, and are partially open. We have over 70 lists throughout the community, maintained by each building with its own preferences. Some of these lists are currently open, some are closed, and some are closed except to applicants who have a documented terminal illness with a life expectancy of less than 12 months.

If Local, Non-Traditional Program, please describe:

Our Tenant-Based Local, Non-Traditional program is our Program Based Assistance program. This program contracts funds to 18 partner agencies, which then manage the participant selection process, sometimes in partnership with Home Forward.

Home Forward's project-based local, non-traditional housing programs is a planned Program Based Assistance program for former foster youth. This program will begin leasing in FY2015.

If Other Wait List Type, please describe:

Our Program Based Assistance partner agencies use a total of four different methods for participant selection, but all programs target families who are homeless or at risk of homelessness.

- 3 agencies utilize waitlists. Together, these agencies serve families with children at Alder School, clients of Multnomah County Developmental Disabilities, and families who seek assistance at El Programa Hispana.
- 8 agencies offer rent assistance on a first-come-first-served basis to applicants who are already receiving services within their agencies. When funds become available, the next eligible household to inquire receives the resources.
- 6 agencies make funds available on a first-come-first-served basis to any eligible households that apply, regardless of whether they are currently receiving services within the agency.
- 1 agency conducts a monthly lottery from a list of all eligible households that requested assistance during that month.

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

In FY2014, Home Forward's public housing program added an employment/education/training preference at eight family properties: Slavin Court, Eliot Square, Celilo Court, Floresta, Maple Mallory, Chateau Apartments, Madrona Apartments and Stephens Creek Crossing. Applicants who are currently employed (defined as working an average of 30 hours per month) or are engaged in a training or education program will qualify for the preference. Applicants who are a senior or a person with a disability will receive an equal preference at the property.

The Section 8 waiting list mirrors the above preference. The waiting list includes a preference for households that are employed or engaged in a training or education program. As we pull from the list, priority selection will be offered to seniors, people with disabilities, and families who are working or engaged in education or training programs. Households who do not have one of these priority preferences may wait longer to receive their voucher.

Proposed MTW Activities

All proposed activities that are granted approval by HUD are reported on in Section IV as "Approved Activities."

Approved MTW Activities

Implemented Activities

01 RENT REFORM

Approved FY2012, Implemented FY2012, Amended FY2014

In FY2012, Home Forward implemented a large-scale reform of rent calculation methods, applicable to all MTW public housing and Section 8 households, as well as VASH voucher holders. The simplified method distinguishes between the populations of seniors / people with disabilities and “work-focused” households. The fundamental premise is that deductions are eliminated from the subsidy calculation and the total tenant payment is determined using a percentage of gross income.

In early 2013, the federal government imposed sequestration: across-the-board reductions in federal funding. In response to these funding cuts, Home Forward amended the activity in FY2014 to increase the percentage of income used to calculate rent. The amended percentages are reflected below.

For **seniors and people with disabilities**, rent is calculated based on 28.5% of gross income. All deductions are eliminated and this group will have triennial income re-certifications. We define those aged 55 and older as “senior”, and households fall into this population category if the head, co-head or spouse listed on the lease is 55 or older, or is disabled under the current HUD definition used by Home Forward. This group has a \$0 minimum rent and utility reimbursements are allowed.

All households that do not fall into the population category above are considered **work-focused households**. All deductions are eliminated and this group will have biennial income re-certifications. The percentages of income used to calculate the tenant portion of rent are as follows:

- **Years 1 and 2:** rent is based on 29.5% of gross income, with no minimum rent. Utility reimbursements are allowed.

MTW authorization:

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

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

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

Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

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

- **Years 3 and 4:** rent is based on 29.5% of gross income or \$100 minimum rent, whichever is greater. Utility allowances will be factored in the assistance, but utility reimbursements are not allowed.
- **Years 5 and 6, and biennially thereafter:** rent is based on 31% of gross income or \$200 minimum rent, whichever is greater. Utility allowances will be factored in the assistance, but utility reimbursements are not allowed.

The following policies apply to all households:

- Zero-income households meet with their public housing site manager or Section 8 case manager every six months, so that staff can provide referrals to community service providers and check on progress towards obtaining an income source
- The proration of subsidy for mixed-families is simplified so that a flat \$100 monthly reduction in assistance is applied to the household, regardless of the number of ineligible members.
- The ceiling rent for public housing is now automatically set to match Section 8 payment standards. There will be no flat-rent option.
- Home Forward has created a separate “release of information” form to supplement the HUD Form 9886, in order to obtain a release of information that covers the appropriate biennial or triennial review cycle.
- For Section 8 households where the gross rent of the unit exceeds the applicable payment standard, Home Forward will approve the tenancy at initial occupancy so long as the household share does not exceed 70 percent of the household’s gross income.
- When a Section 8 household is approved to move and the identified unit has a gross rent that exceeds the payment standard, Home Forward will use the existing income verification on file to test for affordability. Home Forward will not require a re-examination to verify income for this purpose, unless the family requests it.
- The earned income disallowance is eliminated.
- All Family Self Sufficiency (FSS) participants are included in the rent reform calculation.
- All income sources used to determine a household’s public housing rent or Section 8 assistance will be the same as currently defined by HUD, with the following exceptions:
 - All earned income of full-time students age 18 and over will be excluded from the rent calculation, unless they are the head, co-head or spouse of the household.
 - Student financial assistance will be considered only for the purpose of determining eligibility. Student financial assistance will not be used to determine annual income for rent and subsidy calculation.
 - All adoption assistance payments will be excluded from the rent calculation.

- Households will have the option to not report income that is not used in the rent calculation, such as foster care payments. However, Home Forward will accept income reporting of such sources for use in determining affordability of a unit. Home Forward permits families to rent units where the family share is up to 70% of their gross income.
- Households may apply for a hardship review if their total monthly shelter costs exceed 50% of the total monthly income used to determine their rent subsidy. Section 8 participants who choose to rent housing where the total shelter costs exceed 50% of total monthly income at the time of initial lease-up in that unit will not generally qualify for hardship review; however, all households have the right to request a hardship and exceptions may be made. The committee will have a menu of remedies to reduce a qualifying household's burden.

Rent reform has been fully implemented. At this time, all MTW public housing and Section 8 households, as well as VASH voucher holders, are on the rent reform calculation. The earliest group of work-focused households will be transitioning to the second level of rent payment beginning in FY2015, and will be subject to the \$100 minimum rent payment. Home Forward continues to monitor hardship requests, household and agency financial impacts and staff feedback to prepare for any changes that may need to be made to the activity.

Impact on Statutory Objectives:

This activity uses Home Forward's rent reform authorizations to impact the statutory objective of achieving greater cost effectiveness of Federal expenditures. Eliminating deductions, simplifying the calculation and moving to triennial reviews save significant staff time. Additionally, Home Forward has exercised its authority to amend the definition of an elderly family to age 55. This supports the statutory objective of creating incentives for self sufficiency by ensuring that households defined as work-focused can be reasonably expected to increase employment and earnings over time.

Activity Metrics:

Home Forward has made changes to the metrics used to measure activity outcomes, per the requirements of the new HUD Form 50900. Because this is the first year we are using this format, many benchmarks were not previously established for FY2014.

Metric	Baseline	Benchmark	Outcome	Benchmark achieved
Agency cost savings (Standard Metric: CE#1)				
Total cost of task	FY2011: \$140,228	Less than \$105,040 annually	FY2014: \$81,380	Benchmark achieved
Staff time savings (Standard Metric: CE#2)				
Total time to complete the task	FY2011: 5,340 hours	Less than 4,000 hours annually	FY2014: 3,099	Benchmark achieved

Metric	Baseline	Benchmark	Outcome	Benchmark achieved
Decrease in error rate of task execution (Standard Metric: CE#3)				
Average error rate in completing task	Home Forward will establish a baseline, benchmarks and final projected outcome in FY2015			
Increase in tenant share of rent (Standard Metric: CE#5)				
Total annual tenant share of rent	FY2012: \$25,342,942	A benchmark was not established for FY2014	FY2014: \$29,542,839	N/A
Increase in household income (Standard Metric: SS#1)				
Average earned income of households	FY2011: \$3,324	A benchmark was not established for FY2014	FY2014: \$3,134	N/A
Increase in positive outcomes in employment status (Standard Metric: SS#3) Note: Because Home Forward has implemented biennial and triennial review schedules, the number of households who report an increase in earned income each year is reduced.				
Number of heads of households who: 6) Other (defined as having an increase in earned income)	FY2011: 866 heads of households	At least 500 heads of households annually	FY2014: 743	Benchmark achieved
Percent of work-focused households who: 6) Other (defined as having an increase in earned income)	FY2011: 16% of work-focused households	At least 16% of work-focused households	FY2014: 15.5%	Benchmark not achieved
Households Removed from Temporary Assistance for Needy Families (TANF) (Standard Metric: SS#4)				
Number of households receiving TANF assistance	FY2012: 1,859 households receiving TANF (17.7%)	Less than 1,850 (17.5%) households receiving TANF per year	FY2014: 1,811 (17.2%)	Benchmark achieved
Reducing the per unit subsidy costs for participating households (Standard Metric: SS#6)				
Average amount of subsidy per household	FY2012: \$524 per household	Less than \$526 per household	FY2014: \$524	Benchmark achieved
Households transitioned to self sufficiency (Standard Metric: SS#8)				
Number of households transitioned to self sufficiency	Home Forward will establish a baseline, benchmarks and final projected outcome in FY2015			

Metric	Baseline	Benchmark	Outcome	Benchmark achieved
Displacement prevention (Standard Metric: HC#4) Note: This is a standard reporting metric used by HUD to measure impacts across agencies on a national level. Home Forward does not believe this metric is an accurate measure of this activity, but we have included it at HUD's request.				
Number of households at or below 80% AMI that would lose assistance or need to move	FY2011: 233 households	0 households are required to move due to choosing a unit where their share of rent is above 40%	FY2014: 0 households	Benchmark achieved
Increase in resident mobility (Standard Metric: HC#5) Note: This is a standard reporting metric used by HUD to measure impacts across agencies on a national level. Home Forward does not use rent reform to impact mobility, but we have included it at HUD's request.				
Number of households able to move to a better unit and/or neighborhood of opportunity (defined as low poverty census tracts where poverty is below 16%)	FY2013: 3,092 (28.4%) households lived in better neighborhoods	A benchmark was not established for FY2014	FY2014: 2,952 (27.9%) households	N/A
Maintain stability for seniors and people with disabilities				
Shelter burden (rent ¹ + utility allowance divided by gross income) for seniors and people with disabilities	Before implementation, shelter burden was 27%	Seniors and people with disabilities will maintain stability, with a shelter burden below 29%	FY2014: 28.47%	Benchmark achieved
Increased contribution to rent				
Total tenant payment (rent ¹ + utility allowance) for work-focused households	Before implementation: Section 8 avg - \$267 Public housing avg - \$249	A benchmark was not established for FY2014	FY2014: Section 8 avg - \$287 Public Housing avg - \$274	N/A
Hardship requests There were 128 households who requested a hardship in FY2014. All of these households previously qualified for a phase-in rent cap when rent reform was implemented on April 1, 2012 and were extended on April 1, 2013. Of the 128 households who requested a hardship, 103 were approved and 25 denied. Of those denied, 19 were unable to provide sufficient expenses and 6 did not meet qualifications for the hardship request. For the 103 households who were approved, the average rent reduction was approximately \$36 per month. In total, the financial impact to the agency for hardships approved in FY2014 is approximately \$42,900.				

¹ For purposes of these metrics, Section 8 rents are calculated with gross rent capped at payment standard.

Home Forward's YARDI database continues to serve as the source for household income and total tenant rent payment information. The baseline data for hours required to conduct rent calculation and income reviews was collected through staff interviews and workflow analysis. This process will be repeated in subsequent years to determine progress towards benchmarks and goals.

Benchmarks Not Achieved:

The benchmark for "Increase in positive outcomes in employment status (Standard Metric: SS#3)" is at least 16% of work-focused households had an increase in earned income. In FY2014, 15.5% of work-focused households had an increase in earned income. This is likely due to continued effects of the downturn in the economy, and a tight job-market due to the recession. Home Forward will continue to monitor this metric to analyze the effects that our rent reform activity has on the percentage of work-focused households who have an increase in earned income.

Changes to Metrics:

Home Forward incorrectly calculated the baseline and benchmark for "Increase in positive outcomes in employment status (Standard Metric: SS#3)". In FY2011, 16% of work-focused households had an increase in earned income. Moving forward, the benchmark for this metric will be at least 16%.

Home Forward incorrectly calculated the baseline for "Increase in resident mobility (Standard Metric: HC#5)". In FY2013, 3,092 (28.4%) of households lived in low poverty census tracts, where poverty is below 16%.

MTW Flexibility:

Home Forward has used our rent reform authorizations to eliminate deductions, simplify the rent calculation, change review schedules and implement other policy adjustments that as a whole, make up our rent reform activity, as described above.

02 GOALS – HOME FORWARD’S FAMILY SELF SUFFICIENCY PROGRAM

Approved FY2014, Implemented FY2014

In our FY2014 Plan, Home Forward proposed an activity to align existing self sufficiency programs into one consolidated program, which we refer to as the GOALS (Greater Opportunities to Advance, Learn and Succeed) program. This program is tailored to meet the needs of our community and be efficient for staff to administer. GOALS program requirements are the same regardless of funding source, program or property, with a few minor exceptions for site-based programs.

The key elements of the GOALS program are as follows:

- The rent reform calculation (Activity 01) is used for all GOALS participants.
- Participants who are engaged in a designated program intended to increase the family’s economic independence (such as an employment or training program) will receive a preference on the GOALS waiting list. 100% of the GOALS slots may be filled with participants utilizing this preference.
- Home Forward will allow the GOALS contract to be in the name of any adult member of the household.
- The traditional escrow account used in HUD Family Self Sufficiency (FSS) programs has been replaced with a managed savings account. Any rent paid by a participant household above \$350 (known as the “strike point”) will be placed into the managed savings account. The monthly amount placed into a family’s managed savings account is limited to the difference between the strike point and the family’s ceiling rent (for public housing families) or voucher payment standard (for Section 8 families).
- The length of time on the program will be five years, with the opportunity to extend for an additional two years. Eligibility for the two year extension follows current policy and HUD guidelines.
- Participants graduate and have access to the funds in their managed savings account when they have completed their training plan and fulfilled the obligations identified in their contract.
- Families who leave the program prior to graduation will forfeit any money accrued in their managed savings account.
- Families at site-based programs where there is mandatory participation (Humboldt Gardens, Fairview and Stephens Creek Crossing) who withdraw from the program prior to graduation will be required to transfer to a non-GOALS property.

MTW authorization:

Attachment C, Section E – Family Self Sufficiency Programs

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

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

- Families graduating from the site-based programs listed above will be required to move out of a subsidized unit in order to collect the managed savings account balance. Families at these sites may remain in their subsidized unit (after graduating, but prior to receiving the balance of their savings account) until a non-subsidized unit becomes available at the site. Families who decide not to give up their subsidy may still withdraw funds from their managed savings accounts for approved purposes, including, but not limited to, training or employment needs, helping children achieve in school, and housing stability.
- When funding is available, a safety net of \$1,500 (either in lump sum or \$250/month for six months) will be provided through MTW flexible funds for public housing families graduating from the site-based programs who move to non-subsidized units. The same safety net will be provided for Section 8 participants who give up their voucher prior to reaching zero assistance. Due to sequestration funding cuts, this safety net has not yet been announced or made available to families.
- Staff implementing the GOALS program will be funded by a combination of HUD-funded FSS Coordinator money, grant funding and agency budgeting. FSS Coordinator funds will be used only for FSS Coordinator salaries, as directed by the respective NOFAs.

Alignment of Home Forward's site-based and non-site-based programs into a single program is nearly complete. All of the above elements of the GOALS program alignment have been implemented except for the safety net for graduating participants. Funding has not allowed us to implement this element yet, but we hope to test it at some of our site-based locations in FY2015. There are still some administrative changes that need to be made to ensure that all staff are using the same paperwork and reporting requirements.

Key to this successful alignment was shifting all participants onto the Rent Reform calculation this past year. This has eased enrollment significantly by no longer subjecting families to a shift in rent calculation methodology, which slowed the enrollment process and increased the potential for disengagement. More importantly, it has ensured that a family's decision to participate in GOALS is based simply on their interest in the program and not on what impact enrollment may have on their rent contribution. Enrollment has improved as a result of this.

Approximately three-quarters of people enrolling in GOALS this year utilized the preference for participants enrolled in another program intended to increase economic independence. Enrollees included many families participating in Home Forward's Housing Works program, which is a partnership with our local Workforce Investment Board to provide training and vocational case management to Home Forward residents. Co-enrolling families in Housing Works and GOALS is another element of the alignment of Home Forward's self sufficiency programs and has helped families access the wide variety of supports necessary to promote economic independence.

Using the new strike point for the managed savings account has also been simpler for staff and participants. Participant feedback indicates that this new system is easier to understand compared to the traditional escrow calculation. Overall, total average monthly savings by participants has not been impacted by this shift to date, although individual families did see changes to their monthly accrual of savings, depending upon what their income had been at their enrollment into GOALS. This transition will ensure more equitable access to managed savings for all participants, regardless of their income at the time of program enrollment.

Finally, the alignment work is being completed just as we plan to add our newest site-based GOALS location at Stephens Creek Crossing, our latest HOPE VI redevelopment.

Activity Metrics:

Home Forward has made changes to the metrics used to measure activity outcomes, per the requirements of the new HUD Form 50900. Because this is the first year we are using this format, many benchmarks were not previously established for FY2014.

Metric	Baseline	Benchmark	Outcome	Benchmark Achieved
Agency cost savings (Standard Metric: CE#1) Note: This is a standard reporting metric used by HUD to measure impacts across agencies on a national level. Home Forward does not save costs through this activity, but we have included it at HUD's request.				
Total cost of task	FY2013: \$186,400	At least \$300,000 staff costs dedicated to site-based GOALS	FY2014: \$309,574	Benchmark achieved
Staff time savings (Standard Metric: CE#2) Note: This is a standard reporting metric used by HUD to measure impacts across agencies on a national level. Home Forward does not save staff time through this activity, but we have included it at HUD's request.				
Total time to complete task	FY2013: 6,240	At least 10,000 staff hours dedicated to site-based GOALS	FY2014: 10,140	Benchmark achieved
Decrease in error rate of task execution (Standard Metric: CE#3)				
Average error rate in completing task	Home Forward will establish a baseline, benchmarks and final projected outcome in FY2015			
Increase in resources leveraged (Standard Metric: CE#4)				
Amount of funds leveraged	FY2013: \$0	At least \$300,000 in internal funding leveraged to staff site-based GOALS	FY2014: \$309,574	Benchmark achieved
Increase in household income (Standard Metric: SS#1)				
Average earned income of households	FY2013: \$9,277	A benchmark was not established for FY2014	FY2014: \$9,224	N/A

Metric	Baseline	Benchmark	Outcome	Benchmark achieved
Increase in household savings (Standard Metric: SS#2)				
Average amount of escrow of households	FY2013: \$1,292	A benchmark was not established for FY2014	FY2014: \$1,549	N/A
Increase in positive outcomes in employment status (Standard Metric: SS#3) ²				
Number of heads of households: 1) Employed full-time 2) Employed part-time ³ 3) Enrolled in an educational program 4) Enrolled in a job-training program 5) Unemployed 6) Other (defined as having completed an education or job training program)	FY2013: 1) 283 2) N/A 3) 113 4) 69 5) 291 6) 38	A benchmark was not established for FY2014	FY2014: 1) 269 2) N/A 3) 155 4) 44 5) 275 6) 55	N/A
Percentage of work-able households: 1) Employed full-time 2) Employed part-time ³ 3) Enrolled in an educational program 4) Enrolled in a job-training program 5) Unemployed 6) Other (defined as having completed an education or job training program)	FY2013: 1) 53% 2) N/A 3) 20% 4) 12% 5) 47% 6) 6%	A benchmark was not established for FY2014	FY2014: 1) 52% 2) N/A 3) 30% 4) 8% 5) 48% 6) 10%	N/A
Households removed from TANF (Standard Metric: SS#4)				
Number of households receiving TANF assistance	FY2013: 126 households	A benchmark was not established for FY2014	FY2014: 86 households	N/A

Metric	Baseline	Benchmark	Outcome	Benchmark achieved
Households assisted by services that increase self sufficiency (Standard Metric: SS#5)				
Number of households enrolled in GOALS	FY2013: 565 households enrolled	Maintain enrollment of at least 600 households	FY2014: 544 households enrolled	Benchmark not achieved – see below.
Reducing per unit subsidy costs for participating households (Standard Metric: SS#6)				
Average amount of subsidy per household	FY2013: \$490.65 per household	Less than \$490 per household	FY2014: \$504 per household	Benchmark not achieved – see below.
Increase in tenant share of rent (Standard Metric: SS#7)				
Tenant share of rent	FY2013: \$986,971	At least \$1,100,000 annually	FY2014: \$1,327,927	Benchmark achieved
Households transitioned to self sufficiency (Standard Metric: SS#8)				
Number of households transitioned to self sufficiency	Home Forward will establish a baseline, benchmarks and final projected outcome in FY2015			
Increase in average income for exiting participants				
Increase in average participant earned income between enrollment and exit	Average earned income at time of GOALS enrollment for all current GOALS participants = \$8,233	20% increase in average earned income between enrollment and exit 60% increase in average earned income between enrollment and exit for participants who graduate	Average earned income for all participants exiting (for any reason) in FY2014 - \$12,455 Average earned income for all participants successfully <u>graduating</u> in FY2014 - \$25,959	Benchmark achieved – 51% increase in average earned income for all participants exiting 215% increase in average earned income for participants graduating
Increase in average savings for exiting participants				
Increase in average participant managed savings account balance at exit from GOALS	Average managed savings account balance at entry to GOALS = \$0	Average managed savings balance disbursed to all participants exiting each year will be at or above \$3,000	Average managed savings balance disbursed to all participants exiting (for any reason) in FY2014 - \$3,254	Benchmarks achieved

Metric	Baseline	Benchmark	Outcome	Benchmark achieved
Increase in average participant managed savings account balance at exit from GOALS (continued)	Average managed savings account balance at entry to GOALS = \$0	Average managed savings disbursed to program graduates each year will be at or above \$7,500	Average managed savings balance disbursed to <u>graduating</u> participants in FY2014 - \$9,037	Benchmarks achieved
Increase in positive outcomes for exiting participants				
Percentage of households: 1) Employed full-time 2) Employed part-time 3) Enrolled in educational program 4) Enrolled in job training program 5) Unemployed 6) Other (defined as having completed an educational or job training program)	For 81 households exited in FY2013: 1) 50% 2) N/A 3) 9% 4) 2% 5) 50% 6) 14%	A benchmark was not established for FY2014	For 83 households exiting in FY2014: 1) 56% 2) N/A 3) 22% 4) 7% 5) 44% 6) 10%	N/A
Exiting participants removed from TANF				
Percent of households giving up TANF at exit	FY2013: 24% of households who had TANF during participation had given up TANF at exit	At least 30% of families who had TANF during participation will have given up TANF at exit ⁴	FY2014: 43% of exiting households gave up TANF at exit	Benchmark achieved

¹Home Forward uses our MTW flexibility to include coordinators at our site-based programs in our overall GOALS FSS program. This is shown here as an increase in staffing costs and hours, since we're now able to include these costs under the combined program.

²Households may be counted in more than one category in the employment statuses shown above. For example, a household may be considered unemployed while enrolled in an educational program.

³Home Forward does not currently track full-time vs part-time employment. For the purposes of this year's metrics, all employed households are counted as employed full-time. Part-time employment will be tracked going forward.

⁴Households are required to give up TANF benefits in order to graduate. The percentage of households is pulled down due to families exiting the program without graduating.

Benchmarks Not Achieved:

The benchmark for “Households assisted by services that increase self sufficiency (Standard Metric: SS#5)” is maintaining enrollment of at least 600 households per year. As of March 31, 2014, 542 households were enrolled in GOALS. However, throughout the year there were 625 households in the program. Home Forward continuously fills slots for GOALS participation that have opened as others have graduated or left the program.

The benchmark for “Reducing per unit subsidy costs for participating households (Standard Metric: SS#6)” is an average of less than \$490. In FY2014, the average subsidy per unit for participating households was \$504. As households graduate from the program, new households are enrolled. New households usually enter the program with lower incomes than those who have graduated, thereby requiring higher subsidy costs in the initial years of their participation. Home Forward will monitor this metric going forward, and analyze whether the benchmark should be adjusted.

Changes to Metrics:

Home Forward has made changes to the metrics used to measure activity outcomes, per the requirements of the new HUD Form 50900. No other changes have been made to benchmarks, metrics and data collection methodology.

MTW Flexibility:

Home Forward has used our authority to develop a family self sufficiency program that meets the needs of our local community. This program is specifically designed to meet the statutory objective of giving incentive to our families to obtain employment and work towards becoming economically self-sufficient.

03 LOCAL BLENDED SUBSIDY

Approved FY2012, Implemented FY2012

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

The LBS program combines tenant paid rent, Section 8 funds, and public housing funds, resulting in a total per unit rent amount. Rents are set by an internal process to determine the amount of subsidy that will meet property needs, and are subject to completion of rent reasonableness tests. Home Forward uses the payment standard as the maximum rent for LBS units, or up to 125% of Fair Market Rents in the case of service-enriched units. This leveraging of resources allows for a more adequate revenue stream and increases the number of households that can be served.

As of FY2014, Home Forward has utilized the LBS program for 283 units at three properties. This includes 130 units at Bud Clark Commons, 44 units at Madrona Place, and 109 units at Stephens Creek Crossing. Units at Stephens Creek Crossing began leasing on January 10, 2014 and are anticipated to be fully leased by May 31, 2014. We are not planning to place LBS units at any other properties at this time, unless we dispose of additional public housing units in the future.

Activity Metrics:

Home Forward has made changes to the metrics used to measure activity outcomes, per the requirements of the new HUD Form 50900. Because this is the first year we are using this format, many benchmarks were not previously established for FY2014.

Metric	Baseline	Benchmark	Outcome	Benchmark Achieved
Additional units of housing made available (Standard Metric: HC#1)				
Number of new housing units made available for households at or below 80% AMI	Before implementation, 0 units made available	A benchmark was not established for FY2014	FY2014: 283 units made available	N/A

MTW authorization:

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

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

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

Statutory objective:

Increase housing choice for low-income families

Metric	Baseline	Benchmark	Outcome	Benchmark Achieved
Units of housing preserved (Standard Metric: HC#2)				
Number of housing units preserved for households at or below 80% AMI	Before implementation, 0 units preserved	44 units preserved	FY2014: 44 units	Benchmark achieved
Increase in resident mobility (Standard Metric: HC#5)				
Number of households living in better neighborhoods (defined as low poverty census tracts where poverty is below 16%)	Before implementation, 0 households	A benchmark was not established for FY2014	FY2014: 109 households	N/A
Increase in resources leveraged (Standard Metric: CE#4)				
Amount of funds leveraged	Before implementation, \$0	\$11,145,307 in leveraged debt, equity and increased services	\$11,145,307	Benchmark achieved

Changes to Metrics:

Home Forward has made changes to the metrics used to measure activity outcomes, per the requirements of the new HUD Form 50900. In addition, the benchmark for Units of housing preserved (Standard Metric: HC#2) is being adjusted from 45 units to 44 units, to account for the manager’s unit at Madrona Place.

MTW Flexibility:

This activity uses single fund budget flexibility and authorization to develop a local unit-based subsidy program in order to create the administrative and funding structure for LBS. This increases housing choice for low-income families by allowing Home Forward to add financially viable, subsidized units back into its portfolio. LBS has allowed Home Forward to leverage debt, equity and increased services at these three properties. Additionally, the ability to create local preferences, and admission and continued occupancy policies and procedures allows Home Forward to manage the units to provide similar protections as public housing and also adapt the rules for efficiency and local needs. This supports the objective to increase efficiencies in Federal expenditures.

Home Forward understands and is committed to our obligation to continue to serve substantially the same number of families as if we had not participated in the MTW demonstration. We are aware of the pressure our LBS activity may place on the agency to continue to meet our baseline households served, and we carefully consider this information before moving forward with implementation strategies. We are continuing to explore and develop alternative options for local rent assistance programs that will serve a significant need in our community, and will also support our ability to continue to meet our baseline households served once LBS is fully implemented.

05 BIENNIAL INSPECTIONS

Approved FY2008, Implemented FY2008

Home Forward has instituted biennial inspections for all tenant-based Housing Choice Voucher (HCV) participants. When this activity was initially approved in FY2008, participants only qualified for biennial inspections if they had resided in the same unit for a minimum of three years and had passed two consecutive annual inspections on the first visit. As we monitored the success of the activity, we continued to expand it to more households and it is now in effect for all participants as follows:

- All current HCV participants are on a biennial inspection schedule unless:
 - They have two failed inspections in a row in the last two years; OR
 - There is a concerning factor regarding their inspection or unit status; OR
 - They are living in a unit owned or managed by a landlord or property management company with a concerning inspection history.
- Participants placed on a biennial schedule remain on that schedule unless a concern arises, at which point they are placed back on an annual schedule until the concern no longer exists.

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

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

As of March 31, 2014, 64% of tenant-based HCV participants, including VASH and FUP voucher holders, are on the biennial inspection schedule. There remains some administrative work to shift the final set of households to the biennial schedule, which we anticipate completing in FY2015. Since implementing this activity, the time savings from this and other inspections-related activities have resulted in Home Forward reducing the size of its inspections department by two full time employees.

Activity Metrics:

Home Forward has made changes to the metrics used to measure activity outcomes, per the requirements of the new HUD Form 50900. Because this is the first year we are using this format, many benchmarks were not previously established for FY2014.

Metric	Baseline	Benchmark	Outcome	Benchmark Achieved
Agency cost savings (Standard Metric: CE#1)				
Total cost of task	Before implementation, \$594,210	Less than \$450,000 annually	FY2014: \$382,547	Benchmark achieved

Metric	Baseline	Benchmark	Outcome	Benchmark Achieved
Staff time savings (Standard Metric: CE#2)				
Total time to complete the task	Before implementation, 10,928 hours	Less than 8,000 hours annually	FY2014: 3,289 hours	Benchmark achieved
Decrease in error rate of task execution (Standard Metric: CE#3)				
Average error rate in completing a task	Home Forward will establish a baseline, benchmarks and final projected outcome in FY2015			

Changes to Metrics:

Home Forward has made changes to the metrics used to measure activity outcomes, per the requirements of the new HUD Form 50900. No other changes have been made to benchmarks, metrics and data collection methodology.

MTW Flexibility:

Home Forward has utilized our MTW authority to create a biennial inspection schedule for qualifying participants. Fewer inspections per year result in cost savings not only in staff time, but in the other associated costs of conducting inspections.

06 ALTERNATE INSPECTION REQUIREMENTS FOR PARTNER-BASED PROGRAMS

Approved FY2012, Implemented FY2012

Home Forward aligns our housing resources with the services of jurisdictional and community partners in order to maximize impact and effectiveness. In an effort to reduce costs and increase efficiencies, Home Forward uses alternate inspection standards for programs where we contract out resources to be administered by partners. Rather than requiring full Housing Quality Standards (HQS) inspections, Home Forward requires that these units meet the habitability standards, unit inspection requirements, and lead-based paint visual assessment requirements of the US Department of Housing and Urban Development’s Homelessness Prevention and Rapid Re-Housing Program. Staff from jurisdictional and community providers are able to arrange for and conduct required inspections themselves, in conjunction with other required visits to the assisted units.

MTW authorization:

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

Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

Changes or modifications:

Home Forward has made changes to the metrics used to measure activity outcomes, per the requirements of the new HUD Form 50900. Because this is the first year we are using this format, many benchmarks were not previously established for FY2014.

Metric	Baseline	Benchmark	Outcome	Benchmark Achieved
Agency cost savings (Standard Metric: CE#1)				
Total cost of task	Before implementation, \$35,500	\$0	FY2014: \$0	Benchmark achieved
Staff time savings (Standard Metric: CE#2)				
Total time to complete the task	Before implementation, 500 hours	0 hours	FY2014: 0 hours	Benchmark achieved
Decrease in error rate of task execution (Standard Metric: CE#3)				
Average error rate in completing a task	Home Forward will establish a baseline, benchmarks and final projected outcome in FY2015			

Changes to Metrics:

Home Forward has made changes to the metrics used to measure activity outcomes, per the requirements of the new HUD Form 50900. No other changes have been made to benchmarks, metrics and data collection methodology.

MTW Flexibility:

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

07 LANDLORD SELF-CERTIFICATION OF MINOR REPAIRS

Approved FY2013, Implemented FY2013

In many cases, units may fail an initial or annual inspection due to minor items, such as cracked socket plates or closet doors that are off track. Requiring a Home Forward inspector to make a trip back to a unit to verify such minor repairs is inefficient and costly. Home Forward has implemented a policy that in cases where there are no more than four minor deficiencies, we may accept an owner's certification that required repairs were made. This allowance is made at Home Forward's discretion, and in cases where all deficiencies are minor items as determined by an approved list maintained by Home Forward.

MTW authorization:

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

Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

Activity Metrics:

Home Forward has made changes to the metrics used to measure activity outcomes, per the requirements of the new HUD Form 50900. Because this is the first year we are using this format, many benchmarks were not previously established for FY2014.

Metric	Baseline	Benchmark	Outcome	Benchmark achieved
Agency cost savings (Standard Metric: CE#1)				
Total cost of task	Before implementation, \$140,092	Less than \$120,000 to complete re-inspections	FY2014: \$113,975	Benchmark achieved
Staff time savings (Standard Metric: CE#2)				
Total time to complete the task	Before implementation, 1,326 hours	Less than 1,000 annually	FY2014: 1,049 hours	Benchmark not achieved – see below
Decrease in error rate of task execution (Standard Metric: CE#3)				
Average error rate in completing a task	Home Forward will establish a baseline, benchmarks and final projected outcome in FY2015			

Benchmarks Not Achieved:

Home Forward fell just short of meeting the time savings benchmark for FY2014. Allowing a landlord to self-certify a minor repair is left to the inspector's discretion, and inspectors remain cautious and thoughtful about when the option is best utilized. Time and cost savings increased this year when compared to FY2013, and the inspections supervisor continues to work with inspectors on identifying situations where the strategy can be employed to save additional staff time. Home Forward believes this activity is still an effective strategy for saving time and money.

Changes to Metrics:

Home Forward has made changes to the metrics used to measure activity outcomes, per the requirements of the new HUD Form 50900. No other changes have been made to benchmarks, metrics and data collection methodology.

MTW Flexibility:

This activity uses alternate criteria – in the form of an owner’s written certification – to verify the correction of deficiencies in a unit that failed its initial or annual HQS inspection as a result of four or fewer minor (as defined by Home Forward) deficiencies. This policy increases efficiencies and saves the agency the cost of these re-inspections.

08 INSPECTIONS AND RENT REASONABLENESS AT HOME FORWARD-OWNED PROPERTIES

Approved FY2013, Implemented FY2013

Home Forward owns over 3,000 units of affordable housing in Multnomah County. Many of these units have project-based Section 8 vouchers attached, and additional units are rented to families that are utilizing tenant-based Section 8 vouchers. In cases where a voucher holder is renting a unit we own, Home Forward utilizes our own staff to perform inspections and determine rent reasonableness.

In cases where Home Forward both owns and manages the unit, we hire a third party to conduct quality control inspections and rent reasonableness testing at a sample of these units. This ensures standards are being met while mitigating any conflict of interest. For FY2014, 100% of quality control inspections passed and no problems were identified with unit conditions or rent reasonableness.

MTW authorization:

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

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

Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

Activity Metrics:

Home Forward has made changes to the metrics used to measure activity outcomes, per the requirements of the new HUD Form 50900. Because this is the first year we are using this format, many benchmarks were not previously established for FY2014.

Metric	Baseline	Benchmark	Outcome	Benchmark Achieved
Agency cost savings (Standard Metric: CE#1)				
Total cost of task	Prior to implementation, \$17,750	\$0	FY2014: \$0	Benchmark achieved
Staff time savings (Standard Metric: CE#2)				
Total time to complete the task	Prior to implementation, 370 hours	0 hours	FY2014: 0 hours	Benchmark achieved
Decrease in error rate of task execution (Standard Metric: CE#3)				
Average error rate in completing a task	Home Forward will establish a baseline, benchmarks and final projected outcome in FY2015			

Changes to Metrics:

Home Forward has made changes to the metrics used to measure activity outcomes, per the requirements of the new HUD Form 50900. No other changes have been made to benchmarks, metrics and data collection methodology.

MTW Flexibility:

Home Forward uses MTW authority to set rent reasonableness and inspect units we own, in place of contracting with a third party to do so. This results in cost savings for the agency.

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

Approved FY2010, Implemented FY2010

Home Forward has implemented two measures to improve landlord acceptance of Section 8 vouchers in our community (and thus improve the ability of voucher holders to successfully lease up):

- The Landlord Guarantee Fund provides landlords with reimbursements for damages by Section 8 participants, up to a maximum value of two months' rent.
- We also provide vacancy loss payment to owners through the end of the month after the move-out month when vacancies are unforeseen or unexpected (such as a death or skip) and the owners have not received proper notice of the intent to vacate.

The Landlord Guarantee Fund is available to all households as they are pulled from the waiting list, porting in, or transferring to a unit in a low-poverty area. While encouraging landlord acceptance of Section 8 vouchers, the guarantee has been of relatively little cost to Home Forward, with an average of less than two claims per year. In 2013, the Oregon State Legislature built on the work Home Forward has done and passed HB 2639, which prohibits discrimination against renters who hold Section 8 vouchers and also establishes a statewide Landlord Guarantee Program Fund. This law will take effect on July 1, 2015. Home Forward is awaiting the final rules from the State of Oregon for the new guarantee fund, which we anticipate will apply immediately to both new voucher holders and those already in place. This may result in Home Forward ending its own Landlord Guarantee Fund. However, Home Forward will leave the fund in place as long as necessary and as long as it is not duplicative of State funding.

The vacancy loss payments have also been very appreciated by landlords, even as we have seen a relatively small number of claims. While leasing success rates fell in FY2013 as a result of an extremely tight rental market, with a vacancy rate of just 3% and rapidly rising rents, together these two measures helped prevent success rates from falling to our FY2009 baseline levels. Leasing success has held steady over the last year.

MTW authorization:

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

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

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

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

Statutory objective:

Increase housing choice for low-income families

Activity Metrics:

Home Forward has made changes to the metrics used to measure activity outcomes, per the requirements of the new HUD Form 50900. Because this is the first year we are using this format, many benchmarks were not previously established for FY2014.

Metric	Baseline	Benchmark	Outcome	Benchmark Achieved
Households assisted by services that increase housing choice (Standard Metric: HC#7)				
Number of households receiving services aimed at increasing housing choice	Before implementation, 0 households	At least 500 households per year will have access to the Landlord Guarantee Fund service	FY2014: 310 households	Benchmark not achieved (see below)
Improve voucher success rate				
Issued voucher success rate	FY2009: 74%	Voucher success rate of at least 85%	FY2014: 29% of those pulled from the waitlist in FY2014 80.6% of all other vouchers issued at least 120 days	Benchmark not achieved (see below)
Decrease in lease-up time				
Average number of days for a voucher holder to lease up	Before implementation, 51 days	Decrease in average lease-up time	FY2014: 32 days for those pulled from the waitlist in FY2014 41.2 days for all other vouchers issued at least 120 days	Benchmark achieved

Benchmarks Not Achieved:

The Landlord Guarantee Fund was offered to only 310 new households this year instead of 500 or more because Home Forward did not issue new vouchers for most of FY2014 as a result of sequestration. Therefore, the only new households receiving access to the fund were those households already participating in the program who transferred to a new unit, VASH voucher holders, and port-ins.

Due to sequestration, Home Forward did not begin issuing vouchers in FY2014 to people on the waiting list until the end of the fiscal year. Because of this, as of March 31, 2014, none of the 28 vouchers issued in FY2014 had yet had 120 days to search. Measuring these households alone produces an artificially low success rate. For additional measurement, Home Forward is also reporting on those who were issued a voucher in FY2014 as a port-in or transfer. These households show a steadier average lease up time and success rate, although it still falls below the target of

85%. This is due to a tight rental market in the Portland area, where vacancy rates remain around 3%. Home Forward is hopeful that new legislation requiring landlords to accept applications from voucher holders will help improve the success rate.

Changes to Metrics:

Home Forward has made changes to the metrics used to measure activity outcomes, per the requirements of the new HUD Form 50900. No other changes have been made to benchmarks, metrics and data collection methodology.

MTW Flexibility:

Home Forward has made changes to operational policies and procedures and funds these activities through our single-fund budget flexibility. This activity works to increase landlord participation in the program, and therefore, increase housing choice for low-income households.

10 LOCAL PROJECT-BASED VOUCHER PROGRAM

Approved FY2012, Implemented FY2012

Home Forward has created a project-based voucher (PBV) program tailored to meet the needs of the local community. We currently administer over 1,300 project-based vouchers in the County, via more than 60 separate contracts. The program continues to represent our focus on coordinating with jurisdictional partners and enhancing the supply of permanent supportive housing for households with barriers to housing.

Home Forward was recently granted approval to begin disposition of ten of our public housing high-rise buildings, which account for over 1,200 units. In FY2014, the first 654 units were replaced with Tenant Protection Vouchers. In order to preserve these units as affordable housing in our community, Home Forward has committed to project-basing vouchers for those 654 units. If a tenant chose to use their Tenant Protection Voucher to move out of these buildings, we replaced the subsidy for that unit with a project-based voucher from our existing voucher pool.

The flexibility to place project-based vouchers at these buildings, as well as through service provider and jurisdictional partnerships, ensures that affordable housing remains available to some of the most vulnerable households in our community.

Activity Metrics:

Home Forward has made changes to the metrics used to measure activity outcomes, per the requirements of the new HUD Form 50900. Because this is the first year we are using this format, many benchmarks were not previously established for FY2014.

MTW authorization:

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

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

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

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

Statutory objective:

Increase housing choice for low-income
families

Reduce cost and achieve greater cost
effectiveness in Federal expenditures

Metric	Baseline	Benchmark	Outcome	Benchmark achieved
Additional units of housing made available (Standard Metric: HC#1)				
Number of new housing units made available for households at or below 80% AMI	FY2011: 1,100 units	Maintain at least 1,100 units that have been made available through this activity	FY2014: 1,315 units made available	Benchmark achieved

Metric	Baseline	Benchmark	Outcome	Benchmark achieved
Units of housing preserved (Standard Metric: HC#2)				
Number of units preserved for households at or below 80% AMI that would otherwise not be available	Prior to implementation: 0 units	654 units will be preserved through conversion from public housing to project-based vouchers	FY2014: 654 units preserved	Benchmark achieved
Decrease in wait list time (Standard Metric: HC#3)				
Note: Because Home Forward does not have a pre-implementation baseline for this metric, we are not able to show the historical impact of this activity				
Average applicant time on wait list in months	FY2014: 15 months	15 months	FY2014: 15 months	Benchmark achieved
Increase in Resident Mobility (Standard Metric: HC#5)				
Number of households able to move to a better unit and/or neighborhood of opportunity (defined as low poverty census tracts where poverty is below 16%)	FY2011: 93 households	400 households	FY2014: 446 households	Benchmark achieved
Agency Cost Savings (Standard Metric: CE#1)				
Total cost of task in dollars	Prior to implementation: \$30,720	\$5,025	FY2014: \$5,025	Benchmark achieved
Staff time savings (Standard Metric: CE#2)				
Total time to complete the task	Prior to implementation, 917 hours	150 hours	FY2014: 150 hours	Benchmark achieved
Decrease in error rate of task execution (Standard Metric: CE#3)				
Average error rate in completing task	Home Forward will establish a baseline, benchmarks and final projected outcome in FY2015			
Increase in tenant share of rent (Standard Metric: CE#5)				
Note: Because Home Forward does not have a pre-implementation baseline for this metric, we are not able to show the historical impact of this activity				
Total annual tenant share of rent	FY2014: \$3,570,859	Annual tenant rent share of \$3,500,000	FY2014: \$3,570,859	Benchmark achieved

Changes to Metrics:

Home Forward has made changes to the metrics used to measure activity outcomes, per the requirements of the new HUD Form 50900. No other changes have been made to benchmarks, metrics and data collection methodology.

MTW Flexibility:

The PBV program increases housing choice and affirmatively furthers fair housing by preserving existing affordable housing and focusing on the needs of populations that tend to be less successful in the tenant-based program, including participants with disabilities, extremely low incomes, or backgrounds that may create high barriers to housing. Most of the PBV buildings offer services for specific populations, which help households not only to obtain suitable housing, but also to access additional services that give the household stability in the community. Below is a list of the ways Home Forward utilizes MTW authority for the local PBV program:

- Home Forward exceeds the traditional 25% limit of PBVs in a single building, and allows project-based vouchers to be awarded to more than 25% of units in a given complex.
- Home Forward has modified waitlist policies to allow each PBV building to maintain its own site-based waiting list with its own preferences. It would not be practical or cost effective for Home Forward to manage so many separate PBV waiting lists with separate preferences. Multiple waitlists also ensure that there are almost always open waitlists at any point in time.
- Home Forward does not provide a preference on the tenant-based waiting list for PBV residents, and requires PBV residents to apply for and remain on the tenant-based waitlist in order to transfer to a tenant-based voucher unit.
- Home Forward modifies screening and eligibility requirements to differ from the traditional criteria at certain PBV properties which offer supportive services, therefore increasing housing choice for participants who might otherwise be ineligible for Section 8 housing. Home Forward determines an applicant's eligibility for a specific PBV property based on the capacity of the service provider who owns or contracts to manage the property.
- Home Forward has modified owner proposal selection procedures for PBV units in order to increase Permanent Supportive Housing in our community by awarding PBV units via a local competitive process in collaboration with the City of Portland and Multnomah County. This local process includes issuing a Notice of Funding Availability and accepting proposals from housing developers and owners across the County. This effort ensures that PBVs are aligned with capital and services funding made available from our jurisdictional partners.

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

- 1) Jurisdictional partners (defined as the cities of Portland and/or Gresham or Multnomah County) formally request for Home Forward to rehabilitate, acquire, or develop housing as a part of a community-wide initiative to meet local priorities and
- 2) The intended PBV units will be owned directly or indirectly and/or managed by Home Forward.

- Home Forward has adopted the local city and county site selection standards for PBV units in order to ensure alignment with jurisdictional partners in regards to site selection for low-income housing aimed at ending homelessness. Site selection standards are designed to deconcentrate poverty and expand housing and economic opportunities in census tracts with poverty concentrations of 20% or less.
- Home Forward has modified subsidy standards regarding under- and over-housing in order to ensure full utilization of PBV units. Subsidy standards are the same for PBVs as those used for tenant-based vouchers, but exceptions are granted when there are no appropriately sized households on the waiting list to fill a vacant unit.
- Home Forward has modified lease terms, renewal options, and termination policies to limit owners' ability to terminate tenancy without cause, maximizing housing choice for the families in those units. After the initial term, PBV leases convert to a month-to-month agreement unless owners and tenants agree to a longer term, and owners may not refuse to renew leases without cause. Owners of PBV units may not terminate tenancy without cause, except as follows:
 - The owner of a PBV unit may terminate tenancy for a family if Home Forward terminates the family's assistance for any reason in order to ensure that another low-income applicant can be served. However, instead of terminating tenancy, the owner may request Home Forward's approval to amend the PBV contract to remove a unit occupied by a zero subsidy family or amend the PBV contract to substitute a different unit with the same number of bedrooms in the same building.
- Home Forward modified the way contract rents are determined for PBV units by limiting PBV contract rents to a maximum of the payment standard less any applicable tenant paid utility allowance, ensuring that PBV units are affordable even to zero-income households.
- Home Forward adapted the timing of applying payment standard adjustments for PBV participants. Any increase in payment standards to the PBV units is applied on the next anniversary date of the PBV Housing Assistance Payments Contract, following the effective date of the increase. Any decrease in payment standards to the unit is applied beginning on the second anniversary date of the PBV Housing Assistance Payments Contract following the effective date of the decrease.
- Home Forward uses an alternate rent setting policy that allows the Rent Assistance Director, with Board approval, to set exception payment standards that are greater than 110% of Fair Market Rents for service-enriched buildings entering into new project-based voucher contracts, without requesting HUD approval. The payment standard granted applies to any unit under the project-based voucher contract serving a highly vulnerable population with intensive services. Data is required of the owner to verify the value of the services being provided, and this cost will not be included when conducting rent reasonableness tests.
- Home Forward allows Home Forward staff to conduct inspections, set rents and determine rent reasonableness for Home Forward-owned units that utilize PBVs. When Home Forward both owns and manages the unit, it hires a third party to conduct quality control testing of inspections and rent reasonableness determinations for a sample of these units. This activity is also described under Activity 08: Inspection and Rent Reasonableness at Home Forward-Owned Units.

Closed Out Activities

Name of Activity	Year Approved	Year Implemented	Year Closed Out	Reason for Close Out
Alternate Rent Calculation for Public Housing Units at Rockwood Station, Martha Washington, and Jeffrey	FY2011	FY2011	FY2012	This activity was discontinued on April 1, 2012 when our current Rent Reform activity was implemented and the units at those buildings shifted to the Rent Reform calculation.
Limits for Zero-Subsidy Participants	FY2010	FY2010	FY2012	This activity was discontinued on April 1, 2012 with the implementation of Rent Reform.
Limiting Portability in Higher Cost Areas	FY2013	Never implemented	--	Home Forward determined that the administrative costs to manage this activity would offset the proposed savings.
04 Bud Clark Commons	FY2010	FY2010	FY2014	Home Forward has determined that operations at Bud Clark Commons do not utilize MTW flexibility.

Sources and Uses of Funding

Sources and Uses of MTW Funds

Actual Sources and Uses of MTW Funding for the Fiscal Year

Home Forward submits its unaudited and audited information in the prescribed FDS format through the Financial Assessment System - PHA (FASPHA), or its successor system.

Describe the Activities that Used Only MTW Single Fund Flexibility

Replacement Housing Factor Funds

Home Forward's efforts to reposition its public housing portfolio can result in a formal disposition approval from HUD and then the sale of the asset. In these instances, Replacement Housing Factor (RHF) funds are received by Home Forward as part of the Capital Fund Formula and used to create a new public housing unit. Home Forward utilizes MTW authority to use these RHF funds within its single fund flexibility to create new public housing units in a mixed-finance project. In doing so, these RHF funds provide a portion of the total development capital needed for a particular project. Given the development cash flow needs of any particular mixed-finance project, Home Forward may also use the RHF funds to repay construction financing. This would be done without formally pledging the future RHF funds to the lender as collateral.

In September 2013, Home Forward proceeded with the disposition of four high rise properties as part of our High Rise Preservation Initiative. The properties are Hollywood East, Sellwood Center, Northwest Tower and Gallagher Plaza, consisting of 654 public housing units. Home Forward anticipates receiving RHF or DDTF funds for these units, and may utilize its MTW authority to determine the future use of these funds based upon the amount of the award and timing in which funds are received.

MTW Initiative Funds

Home Forward has created MTW Initiative Funds, comprised of MTW reserve funds in their entirety. This is a funding source to support initiatives that will advance the goals and objectives of MTW and Home Forward's Strategic Operations Plan, as well as provide sufficient operating reserves for prudent financial management. Some of these initiatives are aspects of our MTW Activities, described earlier in this Plan.

Listed below are initiatives that only use single-fund flexibility:

- Program Based Assistance: As described last year, Home Forward merged two past single-fund activities (Short Term Rent Assistance and Agency Based Assistance) into this single local, non-traditional rent assistance program. Home Forward sets aside a pool of flexible rent assistance funds, typically made available through the under-leasing of the traditional Housing Choice Voucher program, that are administered by the Rent Assistance Department but do not operate like traditional vouchers. The funds serve targeted populations, usually in partnership with one or more local service providers who ensure that the families have access to the supportive services or resources they need to be stable and successful. Funds may be contracted to partner agencies to administer or may be administered by Home Forward on behalf of partner agencies. In both cases, partner agencies are responsible for identifying participating families and determining the amount and duration of the rental assistance, with some guidance from Home Forward.

This initiative allows Home Forward to reach more households, and sometimes different households, than through the traditional voucher program alone. These households will be included in our count of households served each month.

Target populations for Program Based Assistance (PBA) are families for whom: 1) success on the Section 8 Housing Choice Voucher program would be unlikely; 2) the delay in accessing rent assistance due to the Section 8 waitlist would most likely have devastating results (recidivism, relapse, death, homelessness, etc); or 3) the need for rental subsidy is short term while the client is receiving the support needed to achieve permanent housing. Examples of target populations who have been served include families who are homeless or at risk of homelessness, families in occupational training or career advancement programs, families with children attending Alder Elementary School (which has one of the highest mobility rates in the County and was adopted by the I Have a Dream Foundation in order to improve outcomes), former foster youth, survivors of domestic violence, and families with an adult who has recently been released from prison.

PBA partners work with Home Forward to set program policies that are specific to the target population they are serving. Home Forward ensures that policies are clear, equitably managed, and in compliance with Fair Housing laws. However, all programs have common elements which include:

Uses of Funds: Rental Assistance funds may be used for rent assistance, rent arrears with a current landlord, move-in fees and deposits, utility assistance and arrears, motel vouchers if housing is identified but not immediately available, and documented debt to a past landlord (other than a public housing authority).

Eligibility: Eligibility for Program Based Assistance is as low barrier as possible in order to provide housing access for hard-to-serve households. The only limitations on eligibility are: 1) the household must include at least one person who is a U.S. citizen, U.S. national, or noncitizen with eligible immigration status; 2) the household may not include any member who is subject to lifetime registration as a sex offender or has been convicted of production/manufacture of methamphetamine on premises of federally assisted housing; 3) no one in the

household may owe Home Forward money; and 4) annual gross income cannot exceed 50% of area median income.

Subsidy Determination Method: Each partner is required to write clear policies and procedures for how subsidy amount and duration will be determined. These policies must be applied to all participants in that partner's program.

Service Requirements: Home Forward makes these funds available to target populations in partnership with one or more partners who are experts in providing the supports families may need to remain stably housed. Therefore, partner agencies are required to make services available to all families accessing PBA. Partner agencies will also have the discretion to discontinue rental assistance to households who violate their program policies or fail to engage in services after repeated attempts at engagement.

- Action for Prosperity/Housing Works: Action for Prosperity is a partnership between Home Forward, Worksystems, Inc., the Multnomah County Anti-Poverty system, and the State Department of Human Services. Each system leverages its resources by delivering core services and utilizing the other systems to provide wrap-around supports. With access to stable housing, the appropriate level of case management, and priority access to workforce services, we believe that a significant number of households will be able to develop the skills they need to gain employment within two years. Home Forward contributes rent assistance, in the form of PBA, which is contracted to agencies in the Anti-Poverty system who use it to help stabilize families who are engaged in training or employment programming.

Additionally, in 2012, our local Workforce Investment Board (WIB) received a 3-year, \$5.5 million Workforce Innovation Fund grant in partnership with Home Forward and the other local housing authorities and WIBs in the Portland Metro area to pilot a program called Housing Works. This demonstration grant expanded on an existing partnership between Home Forward and the local WIB. Home Forward received \$1.1 million to work with our Workforce Investment Board to serve 270 Home Forward residents with intensive training and employment services. As part of this grant, Home Forward contributes to the cost of a staff position that is shared between the WIB and Home Forward. This "liaison" provides technical assistance to Home Forward staff as they support clients in navigating the WorkSource system and helps build the partnership between the two organizations.

- Families Forward: Families Forward is the umbrella name for our strategic initiatives designed to help youth attain education success in order to alleviate or exit poverty, and to help adults make economic progress, with the ultimate goal of exiting poverty for those who are able.
 - For adults, the current priority is to create a single framework for all of the agency's Economic Opportunity efforts, integrating the following four strategies: collecting information about families through an Employment and Training Interest Inventory; aligning existing self sufficiency programs into a single program called GOALS, with site-based and non-site based components; facilitating the hiring of low-income (Section 3) residents and participants by Home Forward and contractors; and integrating Housing Works/Action for Prosperity (mentioned above) into Economic Opportunity work. Ultimately, the goals for this initiative include

increases in resident/participant earned income, increases in residents'/participants' contribution to rent, and residents/participants reaching a living wage if they exit housing subsidy.

- Youth Initiatives: Home Forward is exploring partnerships with a number of local systems, including Worksystems, Inc., the six school districts in Multnomah County, the Schools Uniting Neighborhood network of school-based programming, the County's Linkages system targeting kindergarten readiness and enrollment, and Portland's Cradle to Career initiative to improve educational and career outcomes for youth. Goals include supporting kindergarten readiness, enrollment and attendance; improving access to parenting education and early childhood education programs for our families; and creating early childhood centers at two of our HOPE VI properties. For older children, goals include increasing college exposure and providing work readiness opportunities for high school and post-secondary youth, and continuing to invest in structured work experiences at Home Forward and ongoing internship activities. Specific youth initiatives have varied from year to year and have included summer internships for high school students, scholarships for youth living in Home Forward housing and outreach to parents of incoming kindergarteners
- Aging at Home Strategies: Home Forward is developing and implementing initiatives to increase independence and a sense of community at our properties that serve seniors and people with disabilities. A priority strategy is to explore systems alignment with multiple partners such as Aging & Disability Services at the state and county level, Multnomah County Developmental Disabilities, Cedar Sinai Park, Care Oregon, Health Share and Family Care. Strategies also include developing standards for renovating common areas and units to make them more accessible, developing new branding and marketing for the Congregate Housing Services Program (CHSP) in order to increase participation, and expanding and deepening available services based on consumer need.
- Staff Training: To support the Community Compact, Families Forward and Aging at Home initiatives, which are part of Home Forward's Strategic Operations Plan goal to strengthen our relationship with the people we serve, Home Forward is developing a new training program for staff. Training will include understanding the crisis of poverty and will provide staff with a basic overview of the components of motivational interviewing, strengths based case management, and trauma-informed care. The goal is to provide staff with knowledge and tools to better support residents in achieving their goals.
- Neighbor-to-Neighbor Grant Program: Home Forward has created a grant program for resident groups from our public or affordable housing communities. Resident groups submit applications for grant funds to improve their community livability and reinforce community values. Past resident-led projects have included exercise classes, afterschool tutoring, an accessible community garden and the creation of a soccer field and youth sports team.
- Security Deposit Assistance: Home Forward uses single-fund flexibility to offer security deposit assistance to two populations in our community: participants leasing up with Veterans Affairs Supportive Housing (VASH) vouchers, and foster youth leasing up with Family Unification Program (FUP) vouchers. For homeless veterans, a lack of funds for security deposits is a serious barrier to successful use of VASH vouchers. Similarly, youth aging out of the foster care system often do not have the resources to pay for security deposits when

trying to utilize FUP vouchers. Security deposit assistance is a key support to finding housing for veterans and youth leasing up in units requiring deposits. Home Forward's funds are to be used only when the service agencies working with these populations are not able to otherwise arrange for deposit assistance.

- Landlord Incentive Fund: Home Forward has implemented a landlord incentive program to attract new landlords to the Housing Choice Voucher (HCV) program and increase the number of units available to voucher holders. In the first year, Home Forward issued 460 payments of \$100 each, 35% of which went to landlords who were new to the HCV program. In FY2015, we are targeting the fund more specifically to landlords new to the program. Home Forward will make a one-time payment of \$200 to new landlords, defined as those who have not worked in partnership with us for the past two years. This aligns with Oregon State HB 2639, which prohibits discrimination against renters and also recruits new landlords to the Section 8 program.
- Inter-jurisdictional Transfer Program for Survivors of Domestic Violence: In collaboration with other MTW-authorized housing authorities and the local domestic violence service system, Home Forward has implemented an inter-jurisdictional transfer program to assist participants who are survivors of domestic violence. The program ensures continued access to stable and safe housing when it is deemed necessary that the household move to another jurisdiction to avoid violence that is likely to become lethal or near-lethal. A local domestic violence service provider has assigned two full-time advocates to work on-site with Home Forward residents. The advocates can recommend residents to this transfer program and provide advocacy and assistance with relocation to the new jurisdiction. Clients are connected with a local domestic violence agency in the new jurisdiction for support after their transfer. Home Forward allocates up to \$2,000 per household, for up to five households each year, for relocation costs. In addition, Home Forward intends to absorb the vouchers of up to five families referred by partnering MTW agencies.
- MTW Operating Reserve: Home Forward will set aside funds each year, as determined by the Board of Commissioners, towards building an Operating Reserve sufficient to fund four months of Operating Expenses plus one month of Housing Assistance Payments.

Local Asset Management Plan

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

 No

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

 Yes

or

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

Has the PHA provided a LAMP in the appendix?

 Yes

or

Home Forward's Local Asset Management Plan has been implemented with two exceptions. Help Desk services are not billed as fees to programs but are allocated based on program FTE. Work by Home Forward Development staff for Public Housing Capital projects are charged directly to the project on a cost reimbursement basis rather than via a cost recovery fee.

Administrative

Reviews, Audits and Physical Inspections

In FY2014, Home Forward's public housing received REAC inspections at 25 properties and received exceptional scoring. The average score for these inspections was 96 out of 100 points, and none of the properties scored below 87 points. Any noted deficiencies have been remedied.

In FY2014 Home Forward's Housing Choice Voucher program received an audit by HUD's Office of the Inspector General. Home Forward is pleased to report there were no findings.

There were no findings in our annual program and financial/A-133 audits.

Agency-Directed Evaluations

As mentioned in the section on Single-Fund Flexibility Activities, Home Forward is participating in Housing Works: A Regional Workforce-Housing Alliance, which was awarded a Workforce Innovation Fund grant in 2012 by the US Department of Labor. A full evaluation is a required element of the grant. Home Forward is contributing Moving to Work Initiative Funds to the program in the form of staff time, as well as co-funding the cost of the liaison position.

The partnership behind the program consists of a consortium of workforce investment boards (WIBs) and public housing authorities across Multnomah, Washington, and Clackamas counties in Oregon, and Clark County in Washington. The lessons learned from various prior regional workforce development efforts have been applied in building the model for this program. The current program brings to scale a pilot that Home Forward and Worksystems, Inc. tested several years ago with funds from the Paul G. Allen Family Foundation and expands the geographic span of activities, increasing the number of housing authority residents and industries served, and aligning the formula funding from the lead agencies.

The Housing Works program is designed to provide residents the opportunity to enhance their skills to gain and retain employment in high-demand industries and to increase their employment income. Participants access case management and supports across each stage of the program: career and resource planning; skill development and occupational skills training; job preparation and soft skills development; job attachment services; and employment retention services. This multi-faceted program is also crafted to create system changes in the WIBs and housing authorities by aligning policies and encouraging the co-investment of resources. The approach to workforce development in this model is substantially altered to incorporate a role for housing authorities as case managers and coaches to assist participants in navigating the array of workforce services and supports. The

essential components of this model that speak to systems change consist of growing organizational capacity to more fully align resources and policy; co-investment of resources; and unified service delivery that is seamless to participants.

The design and implementation of the Housing Works program evaluation is being led by Public Policy Associates, Inc. The evaluation design was crafted in partnership with the Housing Works leadership, and the implementation of the evaluation activities will be conducted in close collaboration with the Housing Works staff and partners. The evaluation design is two-pronged, including both an implementation study and an impact study. The evaluation team will monitor the progress being made toward the overarching goals of the program, offer feedback on the fidelity of program implementation, assess indications of systems change, the results of service delivery on participants, and the cost efficiency of the program approach. The evaluation is a rigorous quasi-experimental evaluation designed to assess the impacts to program participants. The purpose of the evaluation is to determine the extent to which the implementation study and the impact study achieved their goals, but also why and how those results were achieved and how they are valued by stakeholders.

Certification of Compliance with Statutory Requirements

Home Forward hereby certifies that it has met the three statutory requirements under the MTW Demonstration Program

1) Home Forward ensures that at least 75 percent of families assisted are very low-income families.

As described on page 16 of the FY2014 MTW Report, 98% of the families served by Home Forward in FY2014 were below 50% of Area Median Income.

2) Home Forward continues to assist substantially the same total number of eligible low-income families under MTW, as would have been served absent the demonstration.

HUD has approved a baseline calculation tool that determines if MTW housing authorities are meeting this criteria. We will submit final data for this calculation after HUD approves this year's MTW Report. Preliminary data provided by HUD for FY2013 finds Home Forward compliant, serving approximately 107% of our baseline household calculation.

3) Home Forward has maintained a comparable mix of families (by family size) as would have been served absent the demonstration.

As described on page 18 of the FY2014 MTW Report, Home Forward continues to serve a comparable mix of families by family size, as was served at the beginning of the demonstration in 1999.

Appendix

Local Asset Management Plan

Home Forward Asset Management Program

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

Home Forward's Local Asset Management Program

Home Forward 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 Property Management. 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 Property Management 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.
- Home Forward 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.

Home Forward'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 Home Forward'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

Home Forward'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, Home Forward 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: Home Forward is committed to a cost effective approach to managing our public housing assets. As such, Home Forward 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: Home Forward 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 Home Forward's indirect overhead allocation.
- Human Resources: Along with the public housing program and its Section 8 voucher program, Home Forward has non-federal affordable properties, a development group, and locally funded rent assistance programs. Home Forward'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 Home Forward's indirect overhead allocation. Home Forward 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.
- 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 Home Forward's public housing properties and housing choice voucher program.
- Rent: Home Forward 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.

Home Forward's Treatment of Public Housing Operating Subsidy

Home Forward's flexibility to use MTW funding resources to support its low-income housing programs is central to our Asset Management Program. Home Forward 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.

Home Forward'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 cannot be readily or efficiently identified as specifically benefiting a cost objective will be considered indirect and allocated. The *Home Forward Allocation Process – Process Flow Diagram* shown at the end of this policy is a graphic representation of Home Forward's allocation methodology. Home Forward 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.

Home Forward 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. Home Forward'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. Home Forward Local Asset Management Program

Home Forward 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. Home Forward has implemented an indirect allocation methodology that is much more comprehensive than HUD’s asset management system which includes all of Home Forward’s cost objectives listed above.
- Home Forward 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/Home Forward Direct:
 - Portfolio and program (“regional”) management, including hiring, supervision and termination of frontline 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.
 - 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/Home Forward 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. Home Forward 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. Home Forward'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. Home Forward'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. Home Forward 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.
- Home Forward 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

Home Forward's 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.

Home Forward Allocation Process

Process Flow Diagram

